

OPPORTUNITY OR ECONOMIC PRESSURE? SITUATION ANALYSIS OF ENTERPRISES IN THE LAKE BALATON RESORT AREA

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ABSTRACT

The importance of the service sector in the Lake Balaton Resort Area is increasing, creating new alternative workplaces for local inhabitants. This affects mainly employees in the primary sector, because they can hardly have many other opportunities as long as local laws forbid the construction of industrial complexes. This study classifies the enterprises into branches and examines the concentration of retail trade and catering trade. It compares the results of two studies carried out in the area and outlines the situation of tourism-based ventures. In 2005 the Resort Area consisted of 164 settlements including 26,000 enterprises. The number of enterprises experienced a 10% increase during the summer season. In 2010 the data regarding the amount of settlements and enterprises changed; currently there are 179 settlements in the Resort Area of which 51 lie near Lake Balaton. We used queries in both studies with the co-operation of 300-300 ventures. We were interested in their geographical position, sectoral classification, and size class. We have to be familiar with the problems of the entrepreneurs and residents living in the area in order to be able to improve their quality of life. The questions concerned the following facts: the primary goals of the owners; whether the ventures are economically successful in their opinion; the components of their prosperity; if they overcome difficulties on their own or with help. The research shows that individual enterprises are often more successful than suppliers and demonstrates the effects that the previous year's investments has on their turnover.

Keywords: Lake Balaton, tourism-based ventures, enterprises, success

MATERIALS AND METHODS

The location of our empirical study might as well be an individual region from functional aspects, although it is not classified at NUTS level 2. The Lake Balaton Resort Area is made up of settlements from three counties, namely Somogy, Zala and Veszprém. In 2005 the Resort Area consisted of 164 settlements including 26.000 enterprises. The number of enterprises had a 10% increase during summer season. In 2010 the data regarding the amount of settlements and enterprises changed; currently there are 179 settlements in the Resort Area from which 51 lie near Lake Balaton. We used queries in both studies with the co-operation of 300-300 ventures. We were interested in their geographical position, sectoral classification and size class.

Authors created seven micro-regions on methodological basis, since the statistical regions do not cover the Resort Area completely. During the sample

selection process I took into consideration the number of enterprises and their distribution in the methodological regions.

Authors ranked the ventures according to their location (near Lake Balaton vs. far from it; city vs. village) to assure representativeness (Babbie, 2001).

When investigating the hypotheses, I ran a regression analysis on the collected data by using SPSS 16.0 software.

RESULTS AND DISCUSSION

When we examine the data on economy and tourism in the Lake Balaton region, we realise that the level of development and welfare is increasing as we get closer to the lake. A research on the investment characteristics in the region (Vanicsek, 2000) suggested an advanced redistribution of revenues.

The present Government rejects to create a separate Balaton region, saying that it is too small, non-viable, the resident population is not large enough, and a NUTS level 2 region requires bigger economic and social unity.

Lake Balaton region does not have its own territory by law, consequently it is not entitled to receive financial resources. This area needs neither a classic regional development programme combining economic and social objectives, nor country planning with periodic plan output, but an integrated information system of locally attached regions and counties. It also demands the establishment of rehabilitation, training, retraining and advanced training centres organised by human resource management institutes, which are based on the cooperation between enterprises, local authorities and the Government serving the Transdanubian regions.

Having analysed the scientific literature connected to the topic I created a hypothesis for my empirical study and used both qualitative and quantitative inquiries to prove it. I applied baseline statistics and linear regression to explain the connections.

Hypothesis: retail trade suppliers do not consider themselves more successful than individual enterprises.

The observation justified that the examined suppliers that operate with low number of employees do not always find a vertical relationship with a large companies successful. The results show that enterprises that are also suppliers to different companies do not consider themselves more prosperous than individual ventures. The explanation might be that in this tourism-based area most enterprises are open during the summer season only. One possible solution is that they become suppliers to other companies, consequently get into a subordinate position but manage to be open all year through. Catering enterprises are in different situation; they still serve as meeting-places for the community even in settlements far from the lake, while near-shore ventures are usually open during the summer season. Some offer cultural programs, others specialise in health and wellness services thus become independent. There are no industrial complexes or corporate enterprises in the Lake Balaton Resort Area, since the so-called “Balaton-law” forbids their construction and operation. Retail trade enterprises with less than 9 employees commonly become suppliers and they get into a subordinate position.

As you can see in *Table 1*, further researches proved that supplier activity is less significant for catering ventures (as opposed to retail enterprises) to determine whether they are more successful in their field. In case of catering ventures, both the value on t-test and the sampling error of supplier activity coefficient are high, so the connection is rejected. Considering retail enterprises the sampling error is acceptable, but we have to emphasize: the value on coefficient of determination that indicates close connection is low with regard to catering enterprises.

Table 1

Result table on linear regression, classified by branches regarding supplier activity and successfulness

	Retail enterprises	Catering enterprises
Standard deviation	0.181	0.065
Coefficient of determination	0.700	0.004
Constant	6.326	6.083
Standard error of the constant	0.512	0.852
Supplier activity coefficient	-0.345	-0.151
Standard error of supplier activity coefficient	0.139	0.220
Result of Student's t-test using constant	12.366	7.142
Result of Student's t-test regarding supplier activity	-2.491	-0.685
Sampling error using constant	0.000	0.000
Sampling error regarding supplier activity	0.014	0.495

Retail enterprises have several possibilities to supply goods to multinational companies and commercial chain stores. 80% of retail ventures are open throughout the year, while 40% of enterprises in catering trade produce their income during the summer season and remain closed in winter. We inquired 186 retail enterprises and 114 catering ventures, which is a representative number of entrepreneurs in the Lake Balaton Resort Area.

Equation of linear regression regarding retail enterprises:

$$\text{Successfulness} = 6.326 + (-0.345 \times \text{supplier activity}) \quad (1)$$

Equation of linear regression regarding catering ventures:

$$\text{Successfulness} = 6.083 + (-0.151 \times \text{supplier activity}) \quad (2)$$

My thesis proves that retail enterprises with supplier activities are less successful than independent enterprises. It is explained by the fact that most ventures are not open throughout the year but during summer season only. Supplier activity means subordinate position which cannot be utilised by catering ventures completely. Catering establishments serve as meeting-places for the community; consequently they are open all year through regardless of where they are (near the Lake or far from it).

CONCLUSIONS

Investments are hindered indirectly by the lack of appropriate institutional background, explicit coordination and cooperation between the institutions of economic development. In my opinion, it is important to determine the boundaries of Lake Balaton Resort Area and create a single administrative organisation. Lake Balaton has no “owner” for the moment, which raises difficulties for development and submission of tenders, since the lake does not belong to any region. However, all three adjacent regions claim resources to develop Lake Balaton, but this money is often spent on their own region.

Authors suggest the assistance of micro, small and medium-sized enterprises be carried out both on local and national level (e.g. tax allowances). There were attempts to “whiten” the economy (e.g. the application of temporary employment booklet), but it does not mean secure job for the employees. Large-scale business ventures are granted special tax benefits therefore they can offer cheap products and services around the clock, and retail enterprises cannot compete with them.

The improvement of region marketing for possible and actual visitors should be focussed on. Image development for Lake Balaton is carried out in the conventional way by using commercials and advertisements. What I find more important is that local entrepreneurs and inhabitants should change their attitude, which is a consensus between “sense and emotion”. They must realise – in order to be successful in tourism-related sectors - that guests will return if they meet a warm welcome, are dealt fairly and expected back with pleasure. Partly it means that entrepreneurs should not rig up prices during summer season to produce their annual income in a couple of months, and also should not sell their goods on different prices for local and foreigners. The customers must receive the quality they pay for.

Growing demands and state compensations (e.g. holiday voucher) increased the demand for guest-houses and hotels that offer comfort tourism and satisfy all needs in one place. Summer season could be lengthened by expanding the services in accommodations (e.g. sauna) even in settlements where there is no thermal spring therefore they are not visited in winter. In co-operation with a nearby restaurant they could offer half-board or full board accommodation for the guests thus complement and help one another. Developments of that purpose are profitable for “background settlements” as well, since not only they become well-attended but also it helps create workplaces and increase property prices.

On the other hand, we must be aware the fact that retail and catering ventures are allowed to improve only one part of the tourist suprastructure (accommodation; catering; supply) as private development, but it is not sufficient to attract tourists. The absence of the services mentioned above is discouraging, since they are considered to be basic expectations. In order to rise the residence time and number of tourists, we have to offer “complex adventure packages”, which requires cooperation between ventures of different type (*Péter, 2010*).

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