



Potential and Need of Tourism Cluster Organizations in Slovakia

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Received: December 3, 2022

Accepted: January 19, 2023

Published: June 12, 2023

Keywords:

Tourism;
Tourism cluster organizations;
Destination management;
Tourist regions of Slovakia



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Abstract: *One of the important issues in the context of tourism cluster organizations is their role as a tool and potential for the development of the region's economy and as a source of its advantages, but also some potentially negative effects. The main aim of this article is to evaluate the potential of existing clusters and cluster organizations and to identify the real nature, direction, and impact of the cluster organization in tourist regions and its real impact on member companies (institutions). To achieve it, we will use primary sources of information, which represent the results of surveys carried out in the environment of companies and institutions associated with selected cluster organizations, by asking cluster policy implementers and information obtained from cluster organization coordinators. Qualitative methods such as the method of sociological inquiry in the form of a questionnaire and an individual in-depth interview will be used to obtain a reliable picture. A detailed analysis, which examined the cooperation between companies, research and development institutions, and local governments, allowed us to identify the activities of the cluster organization, its technological level, innovations in the cluster organization and competitive position, as well as development perspectives. The research carried out between coordinators and member companies (institutions) pointed out the key problems of cluster activities and cooperation. Part of it is a processed issue of cluster support in regions and current activities on the part of local (regional) authorities.*

1. INTRODUCTION

Theories and concepts of industrial clusters have generally been applied to manufacturing sectors and their applicability to the service sector (especially tourism) has been minimal. In recent years, however, this issue has experienced exponential growth. Jackson and Murphy (2002) even argue that the application of the concept of industrial clusters in the tourism industry is extremely appropriate given that the tourism product cooperates with local bases, supports joint actions of interconnected businesses and institutions, and leads to the formation of agglomerations. Although Porter (1998) carried out studies mainly in the context of traditional industries, this author mentions the importance of elements belonging to tourism, stating that tourist satisfaction does not only depend on the attractiveness of the primary offer of a tourism destination but also the quality and efficiency of related business entities, such for example, hotels, restaurants, shopping centers and transport infrastructure.

An important issue in the context of tourism clusters is their role as a tool and potential for the development of the region's economy and as a source of its advantages, but also of some potentially negative effects. Pichierri (2002) states that benefits (of various scales) resulting from joint activities among members of a cluster organization are often mentioned in the literature. Thanks to these activities, the organizations that make up the membership base of the cluster,

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but also entire regions, can gradually develop, which means that we can consider this development as synergistic. A synergistic effect can be achieved not only in high-tech industries but also in more traditional industries, such as tourism (Wierzyński, 2011).

The cooperation of members of a tourism cluster organization using the support of educational and research facilities can be a source of many advantages. The author Kaźmierski (2009) divided these benefits into two groups, labeling them as hard and soft benefits (Table 1).

Table 1. Advantages of tourism cluster organizations for their members

Hard benefits	
Source	Advantages
local supply chains	effectiveness of supply chain management
specialized workforce	higher productivity
specialized services/products	faster and easier access
wide range of partners/collaborators	lower cost, higher quality
concentration of enterprises/institutions	creating links and working relationships
Soft benefits	
Source	Advantages
a culture of cooperation	joint vision, planning, implementation
trust	favorable cooperation between organizations
learning (I.)	transfer of innovation and technology
learning (II.)	knowledge and know-how
informal labor markets	efficiency, greater career opportunities

Source: Own processing (Kaźmierski, 2009)

The effects of the functioning of cluster structures are primarily related to resources, affect the change in their quality, increase their attractiveness and determine their specificity. The hard benefits result from the investments of the members of the cluster organization, the execution of more efficient business transactions and the reduction of expenses associated with production and employment. Soft benefits result from the possibility of learning and knowledge transfer, which leads to innovation, advancement and improvement of member organizations (Kaźmierski, 2009).

Wierzyński (2011) states that the functioning of tourism clusters can also be associated with potential negative effects on the region, such as:

- the danger that clusters can, under certain conditions, turn into a cartel that causes consumers to increase prices;
- the danger of the emergence of an economic monoculture in the region related to the excessive concentration of a given sector of the economy, which may contribute to structural problems in the region (including difficulties in reducing the high level of structural unemployment);
- perception of the given region only through one sector, which may discourage other potential investors from other sectors of the economy.

In the Slovak Republic, in the last two decades, the number of cluster organizations in the regions has increased significantly, although their actual performance is limited. The first cluster organizations began to be created in 2008, initiated by a political document – National Strategic Reference Framework of the Slovak Republic 2007 – 2013 (MVaRR SR, 2006). Over the following years, there have been many impulses from private and public sector entities to establish tourism cluster organizations. In the final stage, most of the entities did not fulfill their plans or ended the organization's activities after some time. The second case is represented by

cluster organizations that currently carry out their activities and participate in the intensive development of tourism in the region. There are currently 13 cluster organizations in the tourism industry operating on the territory of the Slovak Republic.

2. RESEARCH DESIGN

The main goal of the presented article is to evaluate the potential of existing clusters and cluster organizations and to identify the real nature, direction and impact of the cluster organization in tourism regions and its real impact on member companies (institutions).

In a direct link to the main goal set out above, the following key research questions have been formulated (RQ):

RQ1: *As an important tool for the effective development of the region, what impact do cluster tourism organizations have on increasing the level of competitiveness of member companies (institutions)?*

RQ2: *What are the advantages and disadvantages of cluster structures for the tourism region and the companies (institutions) located in it?*

RQ3: *What is the current role of local (regional) authorities in the partnership with the tourism cluster in the region?*

The method of sociological questioning in the form of a questionnaire and an individual in-depth interview was carried out with managers of successful cluster organizations who agreed to cooperate and participate in the research, representatives of their membership base, and implementers of cluster policy. This part of the research will touch on all the problems of the cluster organization. It examines cooperation between member companies, research and development institutions, and local government. It will make it possible to identify the activities of the cluster organization, its technological level, innovations in the cluster organization and competitive position as well as its development perspectives. An individual in-depth interview will also focus on the organizational structure of the cluster organization and management and financing methods. Part of the interview will be to obtain information diagnosing the problems of the cluster organization.

The questionnaire contained 21 questions, which have the character of closed, open, and scaled questions, and we can divide them thematically into three areas. The first area of the question concerns the specification of the profile of companies (institutions) that operate in both cluster companies. The second area examines the level of cooperation between member organizations, the activities of cluster members and their position on the issues of advantages and disadvantages arising from their membership in a tourism cluster organization. The third area concerns the regional aspect of cluster activity; including the issue of priorities and expected forms of cluster support by local (regional) authorities, as well as an evaluation of their activities carried out so far.

3. FINDINGS

The questionnaire was addressed to a total of 208 organizations forming the membership base of tourism cluster organizations in Slovakia for the period June – November 2022, when the questionnaire research was carried out. In total, representatives of 192 organizations filled out the questionnaire, which represents 92.30 % of the entire examined sample. Table 2 presents the profile of the respondents who took part in the questionnaire research.

Table 2. Profile of the respondents of the surveyed cluster organizations

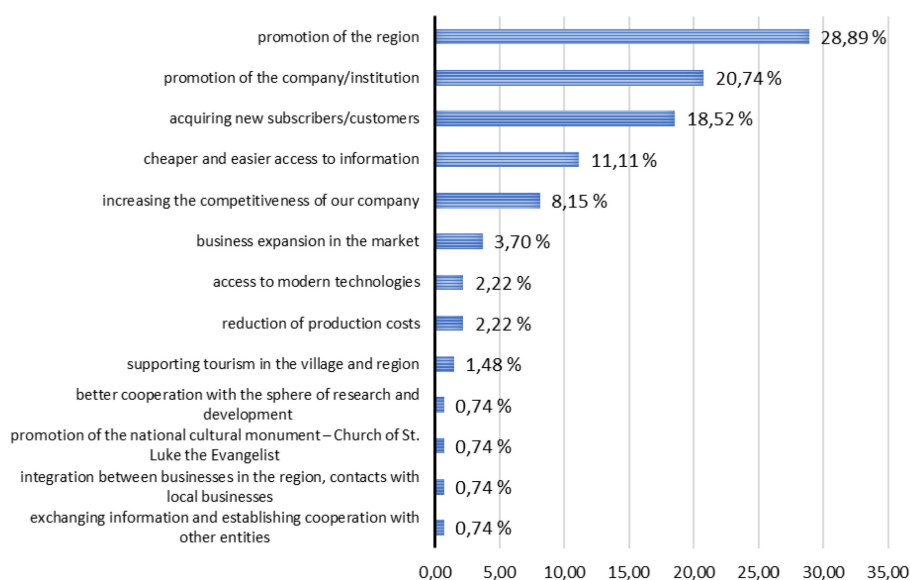
		Number (n = 192)	% of number
tourism facility / other entity	accommodation facility	56	29,17 %
	catering facility	8	4,17 %
	travel agency, tourist information center	4	2,08 %
	cultural and educational facility	4	2,08 %
	sports and recreation facility	12	6,25 %
	city	60	31,25 %
	civil association	12	6,25 %
	tourist resort	12	6,25 %
	PR agency	4	2,08 %
	non-profit organization	4	2,08 %
	publishing house	4	2,08 %
	organization for development	4	2,08 %
	Ltd. company – production and sales	8	4,17 %
company size (institution)	1 – 9 persons	100	52,08 %
	10 – 30 persons	56	29,17 %
	31 – 49 persons	16	8,33 %
	more than 50 persons	20	10,42 %

Source: Own processing, 2022

Studying Table 2, we can observe that almost one-third (31.25 %) of the membership is made up of the public sector. And only subsequently, tourism clusters are represented by accommodation facilities (29.17 %). The analysis of the size of companies (institutions) that are members of cluster organizations shows a relatively high share of micro-enterprises and small enterprises (89.58 % in total) concerning medium-sized enterprises (more than 50 persons). Such a situation may result from the fact that mainly more vulnerable tourism facilities and other entities that have a position and importance in the region and the field of tourism are invited to the clusters. This indicates the fact that tourism clusters in the regions are mainly a support tool for small and medium-sized enterprises at the expense of large enterprises, which ultimately stems from the concept of the cluster itself. The second factor affecting this fact may be a small number or complete absence of large tourism businesses in the region.

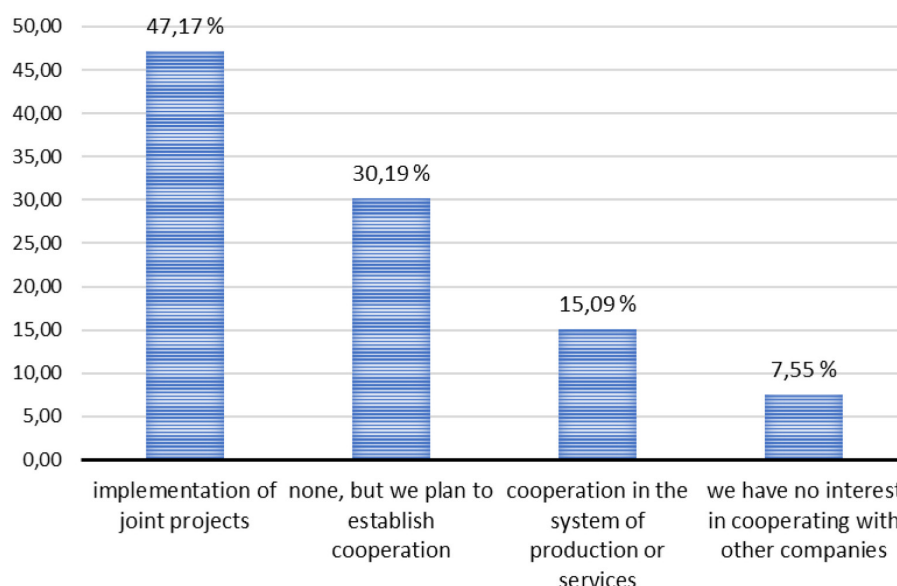
In the subsection Introduction, we presented various benefits resulting from participation in activities in a tourism cluster organization. For that reason, we asked a question to find out the motives of the requested companies (institutions) entering the tourism cluster. In Graph 1, we can see that the most frequent reason – the advantage that respondents indicated was the promotion of the region (28.89 %), promotion of the company/institution (20.74 %) and acquisition of new customers/customers (18.52 %). Surprisingly, companies do not consider access to modern technologies (2.22 %) or cooperation with the R&D sphere (0.74 %) as key advantages of clusters, on which cluster organizations initiate their concept.

The starting point of the idea of creating tourism clusters is a cooperation between member companies. We, therefore, asked the respondents in the question whether their company (institution) established cooperation with other member companies of cluster organizations, while we also asked them to specify the form of this cooperation (Graph 2).



Graph 1. What was the reason for joining the cluster of which you are a member?

Source: Own processing, 2022



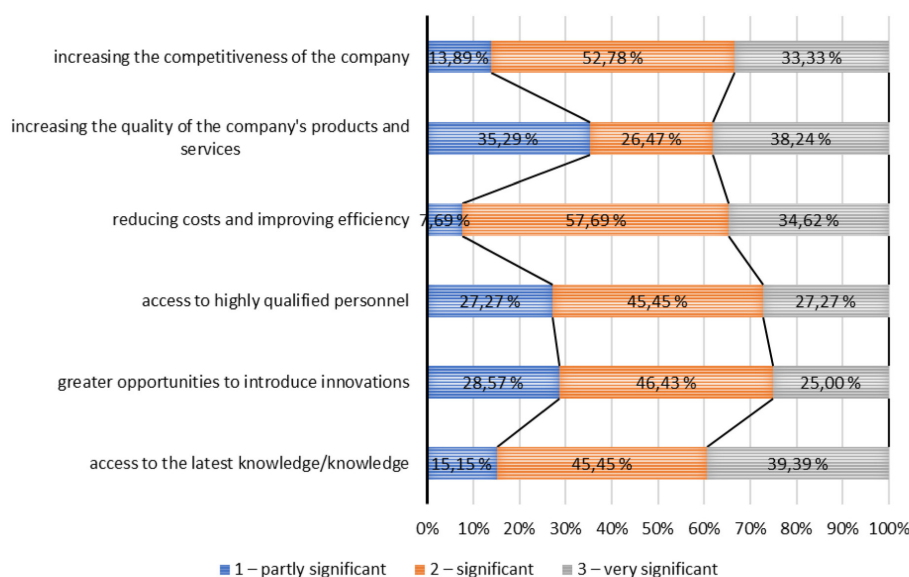
Graph 2. How did your company (institution) cooperate with other member companies of cluster organizations?

Source: Own processing, 2022

More than one-third of all companies (37.74 %) did not cooperate and do not cooperate with other companies (institutions). Of these, 30.19 % of the approached companies plan to establish cooperation with other members of cluster organizations in the future. The most popular form of cooperation is the implementation of joint projects (47.17 %). The remaining 15.09 % is represented by cooperation between companies in the production or service system. These results indicate the necessity of educational activities on the part of coordinators of cluster organizations, which will not only point out the advantages of developing various forms of cooperation but also popularize the idea of clustering.

In the question, we asked the respondents about the advantages of cooperation with other companies (institutions) of cluster organizations. This question is very important from the point of

view of the goals of our research. The distribution of answers to this question is presented in Graph 3, while the respondents could rate each of the listed advantages according to their appropriate importance on a scale from 1 – partly significant to 3 – very significant advantage. The majority of organizations see the advantages of cooperation with other enterprises, as evidenced by their current and potential interest in establishing cooperation, which results from the analysis of the previous question. From the results shown in Graph 3, it can be seen that the surveyed members of the tourism cluster organizations assigned category 2 – significant to the advantages for several options.



Graph 3. What, in your opinion, are the biggest advantages of cooperation with other companies and what importance do you attribute to them?

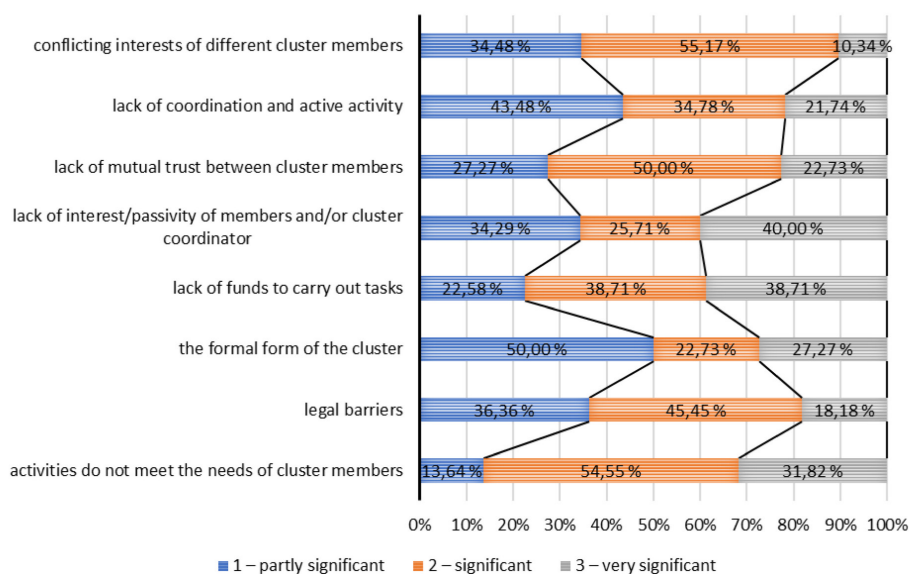
Source: Own processing, 2022

Cluster tourism organizations do not only include establishments with a direct link to the field of tourism. Their activities should also involve other entities operating in the region, such as universities, educational and research establishments, or consultative institutions. Cooperation with them, in the opinion of the respondents to the question, does not take place to a large extent. As many as 68 % of companies did not cooperate with research centers, universities, and research and development institutions. The most frequently declared form of cooperation was lectured by company employees at the university or an invitation to a lecture/workshop by a representative of the university in the company (16 %). Organizations cooperate much less often to improve production technologies or service quality (2 %).

The results of the questionnaire research show a relatively strong assessment of the real influence of the participants of cluster organizations on their activities. The requested members also positively evaluate the previous participation in the cluster, which brought them tangible financial-economic and non-economic results. When evaluating the relations between individual member organizations, the respondents were quite critical; while more than half of the respondents do not agree with the statement about the existence of economic connections in cluster organizations. What is very important, more than half of the respondents declare that their membership in the tourism cluster made it possible to establish beneficial contacts. The positive results of tangible impacts are also reflected in another statement that when joining the cluster, companies (institutions) expected better results.

The most frequent activity within cluster organizations are working meetings of cluster members (30.08 %). From in-depth interviews with the coordinators of the cluster organizations, it follows that these are planned meetings (mainly annual and year-end meetings) that take place at regular intervals – at least twice a year. Other activities with the highest share are joint product/region promotion (25.56 %) and joint business events and fairs (13.53 %). Despite the lower shares in options such as training for cluster members (8.27 %) or a joint investment program (4.51 %), we can claim that the tourism clusters in demand are not only at the stage of organization but are mature structures that significantly influence the support and development of tourism in the territorial area of operation.

Another question was aimed at identifying the main disadvantages of cooperation with other companies (institutions) of cluster organizations. These opinions of members of cluster organizations are equally important. Due to the correct interpretation and evaluation of the research problem, the respondents were again offered the opportunity to evaluate individual disadvantages on a scale from 1 – partly significant to 3 – a very significant disadvantage. The opinions of the questioned members on this issue are shown in Graph 4. In the final result, category 2 – a significant disadvantage, received the most answers and thus the largest share, in the case of several disadvantages.



Graph 4. What, in your opinion, are the most important obstacles and problems of cluster activity that you have encountered and what importance do you attach to them?

Source: Own processing, 2022

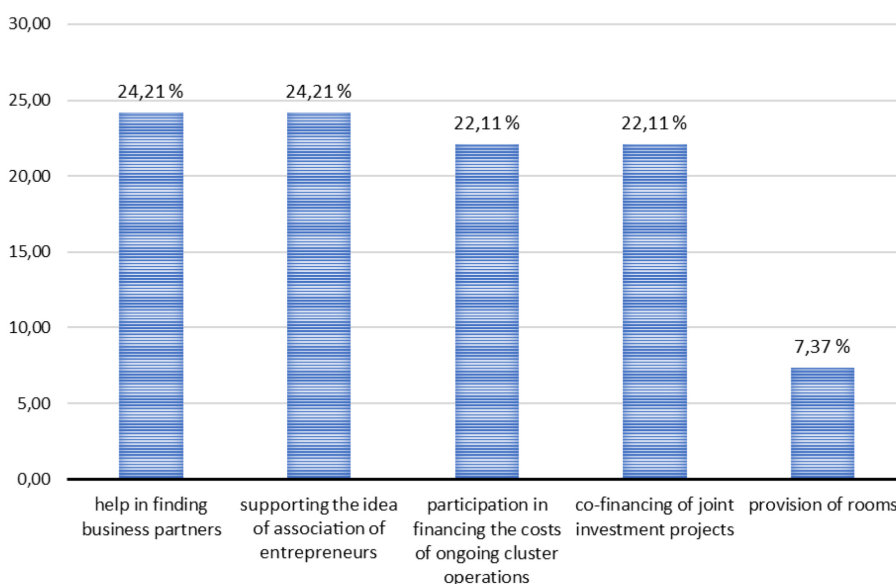
One of the advantages of the activities of cluster organizations is their access to financial resources from European structural and investment funds. For this reason, in our questionnaire research, a question regarding financial aspects in the context of subsidies from the European Union could not be missing. Less than half of the respondents (43.75 %) answered positively to the question of whether the participants of the cluster organizations have used funds from the European Union so far, which appears to be a low percentage considering the wide range of opportunities to obtain funds.

Considering the above-mentioned fact, it is interesting to analyze the distribution of answers to the question that referred to the selection of the most frequent reasons for the unused opportunity

to obtain and draw subsidies from European Union funds. Most respondents said that they did not apply for a subsidy because the procedure for obtaining subsidies from funds is too complicated (35.85 %). The second most frequent answer (18.87 %) is the opinion of members of cluster organizations that they have no chance of obtaining financial resources. The same proportion of respondents (13.21 %) do not have sufficient information about the possibilities of obtaining funds from this source or operating in a sector in which no activity subsidies were/are not provided.

As part of the questionnaire research, we were interested in the opinion of participants of cluster organizations on relations with local (regional) authorities and their ties to cluster activities. Most respondents (41.67 %) evaluate cooperation with local (regional) authorities positively. Based on the results, we can conclude that there is coordination between local (regional) authorities and cluster organizations, although not very intensive – due to the high proportion of neutral responses from the respondents – neither positively nor negatively (31.25 %).

As a logical follow-up to the previous question, we asked the inquiring participants of cluster organizations a question regarding the expected forms of support for tourism clusters from local (regional) authorities. As we can see in Graph 5, all the forms of support we offer are the dominant expectations of the requested member companies (institutions) of cluster organizations. Respondents had the option (in addition to our predefined options) to indicate other forms of support from local (regional) authorities. Within this answer, they mentioned the following forms of support – better and clear establishment of common goals in the field of tourism development in the region and coordination and control of correct procedures for achieving these goals; involvement of active citizens in the presentation of tourism in the region.



Graph 5. What should be the forms of support for groups of local (regional) authorities?

Source: Own processing, 2022

The question, which ends not only the analysis of problems in local (regional) aspects but also our questionnaire survey, concerned the evaluation of current activities in the area of tourism cluster support. The distribution of answers indicates that almost one-half of the respondents (41.67 %) consider the actions of local (regional) authorities to be insufficient. While one-third of them (33.33 %) evaluate the support as sufficient.

4. FUTURE RESEARCH DIRECTIONS

Our detailed analysis of the collected information from the questionnaire survey allowed us to formulate summary conclusions regarding the true nature, direction, and impact of cluster organizations in tourism regions.

Part of the evaluation of the empirical research presented in the article are individual in-depth interviews with the coordinators of the addressed cluster organizations. We can summarize the shortcomings of cluster organizations in the following points:

- Reluctance (inability) to cooperate is undoubtedly an important factor that currently hinders the process of developing the structures of cluster organizations. From the interviews with the coordinators, it appears that there is mutual respect and esteem among the members of the cluster organizations. They can communicate with each other, be helpful to each other and participate together in projects initiated by the tourism cluster. All this forms an ideal basis for good cooperation between the members themselves. In this case, the first step towards creating a partnership between the members of the cluster organizations is important, while this impulse should be directed by the tourism cluster coordinators. The survey also shows that in both regions the idea of cooperation between research centers, universities, research and development institutions and members of cluster organizations has not yet developed. The effects of this cooperation can be different - depending on the expectations of both parties involved. However, it is necessary to keep in mind that the sphere of research and development is a potentially strong and desirable partner in cluster organizations. It is a very positive fact that the clusters as a whole are aware of the importance of this cooperation and have developed sufficient cooperation with universities operating in their vicinity during their operation.
- Research shows that participants in cluster organizations lack knowledge about the possibilities of obtaining subsidies from European Union funds for the implementation of activities.
- The results indicated insufficient coordination and cooperation of local (regional) authorities with member companies (institutions), which represents a significant obstacle in the activity and development of tourism cluster organizations. The reason is the low interest of the local self-government bodies towards the members, the lack of initiatives on their part, or their lengthy solution or the fact that tourism is not a priority in their strategic documents. The coordinators' opinions in this area are unequivocal. Local (regional) authorities should be helpful in effectively solving various problems and be actively involved in the activities of cluster organizations. The coordinators evaluated the level of cooperation between the clusters and the local government, in contrast to their members, positively.

In addition to the summary conclusions formulated above, the necessity of carrying out information and promotional activities by tourism clusters is important. The survey indicated that not all member companies (institutions) have information about the activities of the cluster in the region - while in-depth interviews show that there are a large number of activities initiated by clusters in both regions. This ignorance of members casts a bad light on the tourism cluster and makes members uneasy about the idea of staying in this organization. The research results also confirm the very important idea that tourism clusters are a factor in increasing the competitiveness of this area concerning other regions of the country.

The key direction of research for the coming years in the issue of tourism clusters is to popularize this concept and devote to the reliable mapping of clusters in regions (those existing ones

that continue to require constant attention, as well as potential tourism clusters that may be created in the coming years).

It is equally necessary to focus on the application of the cluster policy. This complex step requires the development of a detailed study that takes into account the level of cluster development, the prospects for the development of the industries and regions in which the clusters operate, and the strategic goals and efficiency of the clusters. A properly laid foundation of the cluster policy model represents their effective management in the regions and brings the benefits associated with them.

5. CONCLUSION

The main goal of the presented article was to evaluate the potential of existing clusters and cluster organizations and to identify the real nature, direction and impact of the cluster organization in tourism regions and its real impact on member companies (institutions).

As a basis for achieving the set goal of the presented article, we have set research questions (RQ) that are the subject of verification of the results of the research we have conducted.

***RQ1:** As an important tool for the effective development of the region, what impact do cluster tourism organizations have on increasing the level of competitiveness of member companies (institutions)?*

The answer to this question is based on theoretical evidence and empirical evidence presented in the subsection Findings.

Within the framework of literary research, the important role of clusters (as a tool for effective development of the region) is described in their works by authors dealing with cluster issues, such as Porter (2008), Nordin (2003), or Pichierri (2002). Their opinions prove that the presence of the cluster in the region has positive effects, both for the entire region and for individual member companies (institutions). According to Porter (2008), the existence and development of clusters is considered an important tool for increasing the competitiveness not only of member companies (institutions) but also of the regions in which they operate. Authors Nauwelaers et al. (1995) claim that the tourism cluster contributes to the growth of the innovativeness of enterprises and facilitates the development and marketing of new products and services, thereby strengthening the attractiveness of the entire region. The analysis of the opinions presented shows that tourism clusters also have a positive effect on the local (regional) economy, job creation and have an impact on the local community. This research question was also verified from an empirical point of view, through a survey among representatives of successful tourism cluster organizations. The results of the research show that members of cluster organizations not only know the benefits resulting from their membership but also benefit from them.

***RQ2:** What are the advantages and disadvantages of cluster structures for the tourism region and the companies (institutions) located in it?*

The activity of tourism cluster organizations brings its advantages and disadvantages for all its participants. Our survey identified the most common advantages and disadvantages of clustering companies and evaluated their degree of significance for individual members of the cluster

organizations addressed. The results show that member companies and institutions attach equal importance to the advantages, but also to the disadvantages arising from membership in the tourism cluster. Graph 3 and Graph 4 show us the results where category 2 – significant advantage/disadvantage – received the most answers and thus the largest share, in the case of several advantages and disadvantages.

The most significant benefits resulting from participation in the cluster are access to the latest knowledge/knowledge, an increase in the quality of the company's products and services, a reduction in costs and an improvement in efficiency, and an increase in the company's competitiveness. The conducted research also pointed out the key disadvantages of cluster activities. Among the most significant is the lack of interest/passivity of the members and/or the cluster coordinator, lack of funds to carry out the tasks, activities not meeting the needs of the cluster members and lack of mutual trust between the cluster members. Part of this research question is also the issue of financing cluster activities from EU subsidies, which we addressed separately in the survey. In this case, the following paradox occurs - Based on the answers, we know that the members are aware of the advantage of being able to draw funds from the EU. In fact, it is one of the most common reasons why members joined a cluster organization. On the other hand, research shows that the participants of cluster organizations lack knowledge about the possibilities of obtaining subsidies from EU funds for the implementation of their activities.

RQ3: *What is the current role of local (regional) authorities in the partnership with the tourism cluster in the region?*

The important role of public administration at the local (regional) level was confirmed by extensive reflections on the issue of cluster policy in practice. By studying the evidence, we found that there is no coordinated policy in the area of clusters (in the conditions of Slovakia). The answer to the stated research question is based on empirical research carried out with participants of cluster organizations, part of which is also represented by representatives of local governments (31.25 % of the surveyed respondents), as well as direct interviews with cluster coordinators. The results show that the assessment of cooperation between tourism clusters and local (regional) authorities is positive (41.67 %). However, due to the high value of the neutral answer – neither positive nor negative (31.25 %), we can assume that there is no very intensive cooperation. This assumption is also supported by the distribution of respondents' answers, where up to 41.67 % of respondents consider the activities of local (regional) authorities in the area of cluster support to be insufficient.

According to the coordinators of the cluster organizations, the mentioned results stem primarily from discrepancies between the expectations of the participants of the cluster organizations and their lack of knowledge about the possibilities of local (regional) authorities. Negative reasons given by members of cluster organizations are, for example, the low interest of local self-government bodies towards members, lack of initiatives on their part, or their lengthy solution or the fact that tourism is not a priority in their strategic documents. The tourism cluster coordinators, who are satisfied with the cooperation of local (regional) authorities so far, have the opposite opinion.

ACKNOWLEDGMENT

This research was supported by the University of Economics in Bratislava [KEGA no. 034EU-4/2020 entitled "Content and technical innovation approaches to teaching regional tourism"].

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