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### SEIECTED ISSUES OF MaNaGEMENT OF REGIONal TOURIST PRODUCT

#### **abstract**

The attention was paid to the issue and structure of regional tourist product from the economic sciences point of view. There were put in order issues referring to the tourism economy's entities participating in the creation of regional tourist product. The main aim of the article is presentation of the range of entities participating in the creation of tourist product and remarking that initial premise of product's existence and development is wide cooperation between entities that operate in the regional tourism economy, cooperation consisting in operation of regional tourist organizations and tourism clusters.

**Keywords:** management, regional tourism economy, tourism product

#### **Introduction**

Category of tourist product is relatively well recognized in the literature. Many research and scientific publications on this subject have been created since the late 1990. Nevertheless, commonly accepted views on the issue and structure of the tourist product haven't emerged throughout the years. Due to the interdisciplinary character of the researches on tourism, representatives of tourism science consider significant issues in the particular science discipline and not

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always refer to the scientific achievements of other sciences. This article has similar approach.

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### **1. Entity structure of regional tourism economy**

The concept of tourism economy should be understood as a whole domain of activities, appliances and means aiming at fulfilling needs created by tourists. It is "complex of varied economic and social functions developed directly or indirectly in order to fulfill growing human need for tourist goods and services" (Gaworecki, 2003). That definition underlines complexity of tourism economy and its tight relation to the process of tourist consumption (Kornak and Rapacz, 2001). In a system approach, tourism economy is defined as a system of correlations emerging during the process of fulfilling tourists' needs, correlations between institutions and organization realizing the process (Nowakowska, 1988). This system includes all activities aiming at fulfilling tourist demand, from natural environment adaptation for the needs of tourist movement to creation conditions enabling tourism development (Gołembski, 2002; Leiper, 1979; Page and Connell, 2006). Tourism economy manifests itself in every sphere of economy: goods and services production, their division, exchange and consumption; it also appears in the majority of national economy branches, which more or less significant part of activities, directly or indirectly refers to the realization of tourist demand.

In a classic classification of tourism economy made by K. Krapf, W. Huziker and P. Bernecker there is differed direct and indirect tourism economy (Łazarkowie, 2002). Direct tourism economy comprises operation of only those entities, which functioning results from realization of tourists' demand and comprise:

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- a) typical elements (namely tourist companies, organizations and institutions, which offer typical tourist products (services) exclusively (or almost exclusively) for visitors and other travelers; that group includes: hotels, gastronomy, passenger transport related to the tourist conveyances, tour operators, making touristic virtues accessible (including infrastructure and services enabling using tourist virtues for tourists), activity of touristic associations and organizations;
  - b) supplementary elements (the activity led by entities belonging to various (not touristic) economy sectors and also by government and self-government administration units, non-government institutions, which in a narrow part specialize in creation of typical tourist products.

Indirect tourism economy is an activity of those units of economy, that don't create typical and characteristic tourist products during realization of needs of various groups of people. Various groups of people use products created by indirect tourism economy, also tourists. Indirect tourism economy is comprised, among the others, by (Panasiuk, 2007): banking and insurance sector, other passenger transport, other trade places, post and telecommunications, natural environment protection, communal economy, production of articles (e.g.: photographic appliances, some cosmetics and pharmaceuticals, clothes).

The following elements are included in the entity structure of tourism economy:

- units leading economic activity – tourist companies,
- regional self-government units,
- organizations and associations in tourism, including economic self-government,
- regional tourism organizations, – tourism clusters.

The main element of the tourism economy structure are tourist companies. These are basic organizational units of economy that fulfill social needs, created in order to achieve economic effects by production of goods for tourists (eg. gastronomy) and providing tourist services (e.g. accommodation, tourist agencies, entertainment) (Gołembski, 2002). Tourist company is a separated group of people performing activities in the field of fulfilling tourists' needs and individually making strategic and tactical decisions that determine success in operation. This is a unit equipped with material and financial means and subordinated to the particular internal organization. The aims of tourist company existence are related to the fulfilling of social needs by selling services that fulfill them and achieving economically effective results (Jędrzejczyk, 2002).

From the point of view of the structure of further considerations, the main criterion of division of tourist companies is the subject of operation, according to which, companies can be divided into:

- companies that provide accommodation services,
- companies that provide gastronomic services,
- companies that provide tourist transport services, conveying tourists to their destination and back and within the particular area (city, region),
- tourism agencies that can operate as organizer of tourist events, mediator and agent,
- other economic entities that serve tourist movement (e.g. tourist information, guides),
- companies that provide sport and recreational services, – companies like sanitariums and health resorts.

The main operation of tourist companies is provision of tourist services depending on the type of the company.

The state with its separated institutions is a regulator of processes in the tourism economy (Pender and Sharpley, 2008). On the level of regional tourism economy, basic institution of the state is voivodeship's self-government (Miszczuk et al., 2007). Activities taken up by the voivodeship's self-government result from the legal regulations and comprise:

1. Formation of tourism development strategy.
2. Current tourism policy including i.a.: improvement of competitiveness of tourist products, natural environment protection, culture, protection of historic monuments, space management in the field of tourism, EU's funds for tourism – application and management, regional tourist information system.
3. Other given responsibilities in the field of governmental administration referring to: regulated operation of tourist organizers and agents, hotels and tourist guides.

Activities of voivodeship's self-government are crucial in creation of regional tourist products combining services of particular providers of direct tourism economy and para-tourist services at the tourism destination. It is possible to activate economy on this level and to create new vacancies by positioning tourism in the structure of regional economy, especially by creation of tourism development strategy, cooperation and integration of tourism branch entities (Rapacz, 2006).

Tourist organizations and associations take particular position in the entity system of the regional tourism economy. It is a very varied group of entities beginning with economic self-government (e.g. regional tourist chambers), through institution that popularize tourism and sightseeing (e.g. branches of PTTK and Polish Youth Hostel Association), up to associations gathering people interested in qualified forms of tourism (Panasiuk, 2007)].

Significant element of entity system of regional tourism economy is a regional tourist organization. It is a platform of cooperation between voivodeship's self-government, entrepreneurs and tourist organizations in the voivodeship. Simultaneously it is the most advanced form of cooperation between entities interested in the development of tourism economy in the spatial system. In practice it is a direct support for voivodeship's self-government in realization of responsibilities in the field of tourism. A model effects of the activities of regional tourist organizations are as follow:

- creation and influence on the model of tourist organization in region,
- affecting tourist offer,
- supporting creation of region's tourist product and individual tourist products that are created in the region,
- creation of regional tourist brands,
- searching for possibilities for tourism development financing,
- co-creation and co-implementation of tourism development strategy,
- supporting the system of tourist cadres creation (including by means of trainings),
- creation and actualization of tourist information system,
- tourism marketing (including promotion) (Meyer and Milewski, 2009; Panasiuk, 2006).

Regardless of mentioned and described entities of regional tourism economy, another form of cooperation is a cluster. This concept should be understood as a modern system of integrated network of relations. Cluster is a kind of not fully formalized network of economic entities and supporting organizations connected with each other by informal knowledge and information exchange (*Polski...*, 2004; *Klastry...*, 2004). First of all a cluster is a kind of concept of companies operation (competing and cooperating) in the frame of institutional, organizational and cultural structure and operating in geographical nearness. From the tourism perspective, a factor that enables cluster creation is an access to the natural resources or existence of specific natural conditions in the particular area of regional economy. In case of that kind of cluster, significant elements are tourist

virtues around which tourism infrastructure is created, infrastructure that enables consumption of those virtues. On the particular area with tourist significance operate many entities strictly tourist, which basic aim of operation is provision of tourist services (hotels, gastronomy, tourism organizers and agents, entities of transport system, entities managing tourist attractions) as well as around – tourist supporting operation of typical tourist companies (insurance companies, banks, post, telecommunication, medical companies, general transport infrastructure companies, etc.).

The aim of tourism cluster operation on the regional level is first of all description of joint visions of operating and sometimes informal planning of some undertakings. Moreover, the aim of tourism cluster is identification of tourist potential of small and medium companies in region with particular consideration for the necessity of creation of economic relations and cooperation between competing and cooperating companies. The example of such activities is creation of information banks on the regional level and supervising their efficient operation. Information banks like tourist accommodation bank, tourist offers banks or promotional information bank are sometimes basic tools of regional cooperation and create internal cohesion of regional tourist product (Filipiak and Panasiuk, 2009).

Mentioned and described entities of regional tourism economy are basis for presentation of the system of institutional tourist product.

## **2. Regional tourist product**

Consideration of tourism economy issues requires attention on particular issue, resulting from its operation, like tourist product. It is varied category because of the following reasons:

- it is defined in a narrow and wide approach,
- tourist product in the wide approach (spatial) comprises many elements decisive for the structure of tourist supply,
- regional tourist product is created (initiated, financed, brought into the market, kept, supported by marketing) by many entities, both commercial and also institutions operating as non-profit,
- commercial tourist products are supported by activities of noncommercial institutions (mainly by territorial self-government units and tourist organizations),

- creation of regional tourist products requires cooperation between many entities often competitive,
- existing regional products are related to each other, for example some products are part of another tourist products.

With regard to this article it is necessary to underline a wide (spatial) approach to the tourist product and to deepen considerations referring to the integrated tourist product considering institutional aspects.

Tourist product in a wide meaning is described as “a composition of what tourists do and virtues, appliances and services they use in relation to what they do” (Medlik, 1995). V.T.C. Middleton states that “ from the potential user point of view considering any form of journey, product can be defined as a pack of tangible and intangible elements that are based on the possibilities of time spending at the place of destination. That pack is perceived by the tourist as an experience available for a particular price” (Middleton, 1996). Tourist product in a wide meaning is defined by J. Stanton who describes it as “complex of tangible and intangible features including quality, standard, class, prestige, price, logo, brand etc. which can be accepted by the client if they are in accordance with one’s needs and the client feels personal satisfaction by purchasing them” (Stanton, 1975). According to Ph. Kotler tourist product is a set of tangible, service and symbolic elements and features influencing gaining satisfaction by the consumer and economic benefits by the merchandiser (Kotler, 1994).

Regional touristic product comprises therefore:

1. Touristic goods and appliances:

a) basic:

- natural touristic virtues,
- cultural touristic virtues;

b) complementary (tourism infrastructure):

- accommodation facilities,
- gastronomy facilities,
- transport facilities,
- accompanying facilities.

2. Touristic services:

a) basic:

- accommodation,
- gastronomical,
- transport;

b) complementary:

- guide services,
- Information services,
- cultural services,
- recreational services,
- entertainment services (Panasiuk, 2011).

Regional tourist product understood in that way comprises tangible elements (goods and appliances) and intangible elements (services). Nevertheless, the possibility of supplying product to the market requires supporting by the companies that create it. Influencing target markets requires cooperation between the companies that offer the product. Public entities as well as commercial entities are responsible for the particular elements of the tourist product. Public entities domain of influence are tourist virtues and part of the infrastructure (especially transport

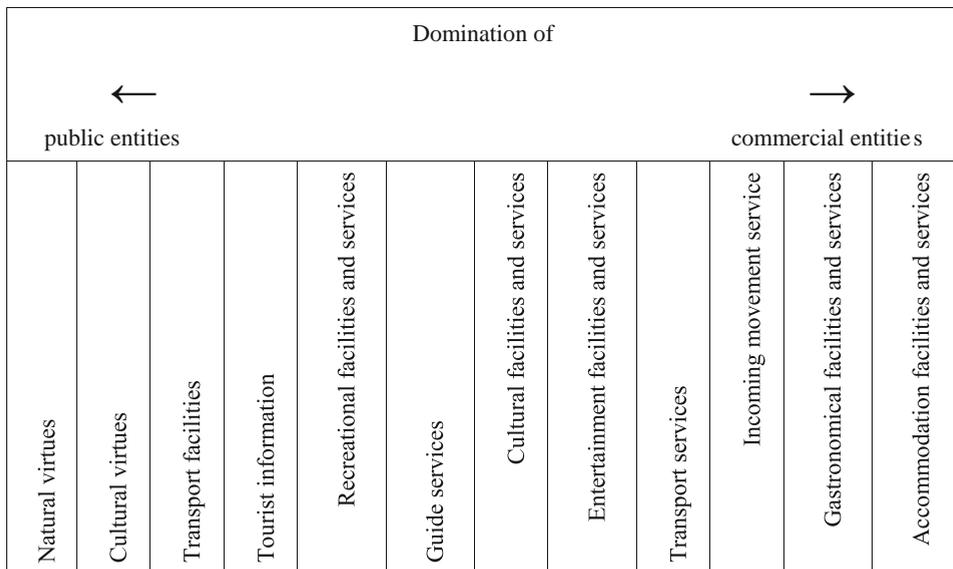


Fig. 1. Range of influence on the tourist product elements by public and commercial entities

Source: self-composed.

facilities). Commercial entities are responsible for the operation of the rest of the tourism infrastructure and for providing services. Presented classification is still mostly conventional because for example services of tourist information are made accessible by public entities (i.a. regional self-government) and tourist virtues (attractions) can be created by commercial entities. Figure 1 presents ideological

range of influence on the tourist product elements by public and commercial entities.

### 3. Integrated tourist product

Revealed tourist demand is satisfied by the region's tourist offer, namely tourist product in a spatial approach. It is necessary to conduct institutional operations in order to treat regional tourist product in an integrated way.

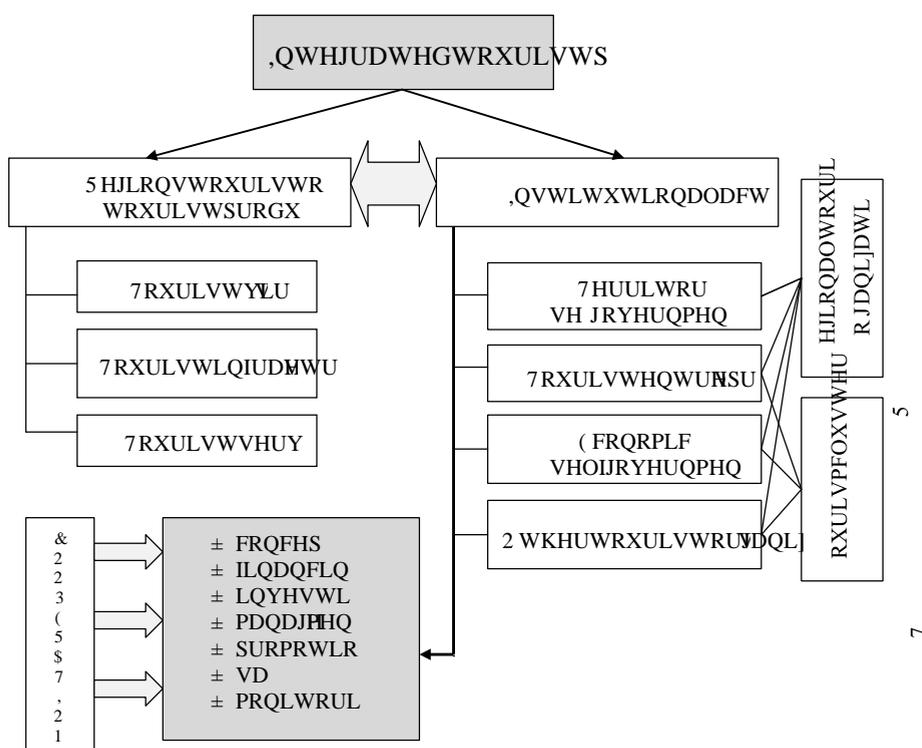


Fig. 2. Position of institutional activities in the integrated tourist product

Source: self-composed.

Integrated tourist product should be understood as a region's tourist offer created by the tourism economy entities (hoteliers, restaurateurs, carriers, merchandisers, cultural, entertainment, recreational, sport objects managers, etc.) together with the activities of territorial self-government units and also tourist

organizations, which are a form of cooperation between direct service providers and territorial self-government units (e.g. regional tourist organizations and alternatively tourism clusters). Above is presented by Figure 2.

According to the presented concept, condition for creation an integrated tourist product is not only existence of elements decisive for existence of tourist product in a spatial approach and individual activities of tourism economy entities (self-government, entrepreneurs and organizations) in the tourist region. First of all the condition is formation of conditions for cooperation by those entities and formation of definite operations supporting influence on the tourist product and its elements (virtues protection, investing in and supporting infrastructure, development of assortment of provided tourist services). Activities taken up individually by economic entities of tourism branch and territorial self-government units and tourist organizations and associations decide on creation not only integrated tourist product but first of all regional tourism economy.

## **Conclusions**

Regional tourism economy should commercially and institutionally strive for raising its product's competitiveness and innovativeness. The condition of effective cooperation is formation of cooperation system based on regional tourist organization and tourism clusters. Regional tourist organization operation is sanctioned in Poland, proceeds with various effects and it form relations between voivodeship's self-government, tourism branch and other institutions supporting activities aimed at regional tourist product. In the first decade of the 21st century more and more tourist entities decided to take up a free cooperation based on cluster structures in regions of Poland. Clusters improve the flow of information and knowledge, influence reduction of transactional costs between engaged entities, contribute to increase in effectiveness and regional productiveness, accelerate the process of creation of new companies in tourism sector and improve innovativeness of those entities. Modern regional tourism economies compete with each other using various tools, but first of all they put emphasis on highly competitive and innovative tourist product.

The condition regional tourist product creation, understood in a wide approach, is possession of suitable resources and formation of versatile cooperation.

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