

**DOCTORAL (PhD) DISSERTATION
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**COMPARATIVE ANALYSIS OF THE SUPPLY AND
DEMAND
IN HUNGARIAN HERITAGE TOURISM
THE CASE OF THE ESTERHÁZY PALACE AND THEIR
AREA**

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1. RESEARCH CONCEPT AND OBJECTIVES

The cultural heritage has outstanding importance in the societies, which, overall, form a complex and dynamic system. The cultural heritage is the subject to change from time to time, as, in their view, their function, their role changes and the socio-economic relations too.

Making categories of cultural heritage are also possible in multiple dimensions so that it can be distinguished from high and popular culture, or regarding natural, historic, ethnographic, religious, etc elements. Based on their appearance there are formal (tactile) and non-formal, historical, cultural anthropological, natural elements.

The cultural heritage relates to society and people. The valorization and mediation need the sustainability these values of society, but also the heritage is inseparable from the society because of financial and economic reasons. However, managing these values, not just financial and economic issues. The utilization of heritage values is based on different important functions: improve the level of culture, knowledge, national and local identity. The traditional approach of cultural heritage concept focuses on the value-keeping, the consumer-oriented approach is based on the application of the technology needs and take this into focus, but in the focus may appear the active participation of the people. The two-way connection with society, however, means the broad involvement of local base because this is the only way to an embedded sustainable management of cultural heritage.

For the research and saving cultural heritage, all the palaces, castles have significant importance in the society, therefore regarding priority the restoration of historical monuments is not limited to architectural tasks. The built heritage cannot cancel the history of the region and the role in the region. The recovery process, thus necessarily involves the restoration of the

old functions, strengthening the identity and their historical, tourist, cultural role in the region.

The basic aim of the dissertation is to demonstrate the changing functions of the palaces and castles in Hungary, as well as the importance of these changes in regional touristic potential. The case study of the emblematic Esterházy Palace is a good contribution to my analysis of the developing importance of cultural and historical heritage led by the Hungarian Government. The castles and their environment are protected, and the development and infrastructure improvements closely related to the role of the regional tourism.

1.1. Research hypotheses

H1.

The Fertőd Esterházy Palace has always been a strong linkage to regional economic and social life. Independently of actual direct function, the Palace always played a significant role in the region not only from tourists, but political and identity building points of view. However, even today, the tourism has considerable impact on reserves.

H1 a) Independently of actual direct function, the Palace always played a significant role in the tourism of the region– **supply competence**

H1 b) During the organic development of Esterházy Palace, although it had changed roles, but always had specific communication means – **communication competence**

H1 c) Because of strong linkages to region, the Esterházy Palace has considerable impact on reserves in tourism – **insufficiency of networking**

H2.

The Fertőd Esterházy Palace, while Europe's third largest Baroque-Rococo Castle, the international visibility and recognition is relatively low. The primary information source among tourists is the Palace homepage. The importance of homepage most significant as an information source, but not a source to improve the cultural or historical knowledge. Despite the recent development the short stay visitors are characteristic which is linked to the guest dissatisfied with the services.

H2 a) It is clear, the dominant part of visitors are domestic people.

The geographical distance and the population size strongly determine the number of visitors from the sending area – **geographical distance and awareness**

H2 b) The primary information source is the internet. People use this for basic information (ticket, price, opening hours) and information on programs – **marketing-gaps**

H2 c) Despite the important recent development, the level of services and satisfaction of visitors falls short of the expectations of the management– **satisfaction and faults of staying**

The dissertation analyzes the activity of a prominent tourist development (Esterházy Palace in Fertőd) which is strongly linked with the socio-economic context and the activities of competence-marketing. The study breaks with the traditional approach, which is separating the outstanding attractions from the context of the region.

2. RESEARCH METHODOLOGY

According to the objectives of the thesis and the explained hypothesis I used two methods, secondary, and primer marketing research methods.

Secondary research methods

- Secondary academic research: analysis of scientific literature according to my focus (marketing of heritage tourism)
- Improve my knowledge on official documentations focused to function development of castles and palaces
- Historical, architectural studies on Hungarian castles concentrating to tourism
- To study the history of Esterházy family and palace

Primer marketing research methods

Quantitative methods

- Homepage analysis (www.eszterhaza.hu) focused on the visitors' activity I used Google analytics method (2015.04.01 – 2016.03.31). The number of homepage visitor was 45.104.
- Visitor's preferences study: 852 visitors filled a short questionnaire between 2015.03.20. And 2015.12.31. Questions focused on:
 - o Sources of information on the Esterháza Palace
 - o Locality and distance between home and Palace
 - o Satisfaction with attractions and services

I created two visitor group: (1) young people (aged maximum 18 years) and (2) adult visitors (more than 18 years old). Dividing the visitors for the two groups was necessary, because most of the Youngs were pupil in different school level. Therefore, the push and pull factors, according to visit Esterháza Palace had certain influence on teachers only. The adult group had their activity and decide to visit or not.

I used a mathematical program package SPSS.16. for data processing.

Qualitative methods

After the document-analysis and the questionnaire survey I have been prepared personal in-depth interviews with local experts, mayors, local representatives and entrepreneurs in 2016.

Table 1.

Main issues of the in-depth interviews

Socioeconomic situation of micro-region and local tourism	Programs of the Esterházy Palace and the visitors
<ol style="list-style-type: none"> 1. Competitiveness of micro-region 2. Tourist attraction of the micro-region 3. Touristic supply in the micro-region 4. Necessary development and vision 	<ol style="list-style-type: none"> 1. Assessment of the tourism supply, prices of services 2. The main target groups, visitor groups 3. Evaluation of the Castle marketing 4. The Castle and the region

Source: own compilation

3. RESULTS

3.1. Specific supply and demand analysis of the Esterházy Palace historical development

The basic task of the dissertation – based on the marketing orientation – is to present the different historical periods of the Esterházy Palace. The Palace has three strong development and attraction band era: Miklós the Magnificent, Margaret Cziráky and age, as well as 21. Century.

Table 2.**The tourism-marketing in the outstanding times of Esterházy Palace**

Research issues	Characteristics of tourism marketing	
	21. Century	18-19. Century (The ages of Miklós the Magnificent and Margit Cziráky)
<i>Target groups</i>	<ul style="list-style-type: none"> • Motivation is characterized by the discretionary income • Socioeconomic aspects focused on the cultural and socialization environment 	<ul style="list-style-type: none"> • The model-giving role of the elite, the need for entertainment • „To visit relatives, friend, families • They had plenty of free time and income • The representatives of political and economic elite
<i>Suppliers and products</i>	<ul style="list-style-type: none"> • Attract visitors from local people and tourists • Recreation and leisure 	<ul style="list-style-type: none"> • During the age of Miklós the Magnificent were International attractions, and political meetings. During Margit Cziráky were park building and gardener. • Huge number of tourist services • Hunting area
<i>Price</i>	<ul style="list-style-type: none"> • A determining factor in the travel decision-making • The destination in addition to the most important decision-making criteria • Specifies the destination 	<ul style="list-style-type: none"> • The services were free • The price of the invitation is information giving, provide connections and influence
<i>Distribution channels</i>	<ul style="list-style-type: none"> • Direct and indirect forms, Online and offline ways also available 	<ul style="list-style-type: none"> • The direct distribution channel which worked between guests and host only
<i>Marketing-communication</i>	<ul style="list-style-type: none"> • Sharing the experience of former tourists • Experiences of opinion leaders (often hidden influences of touristic service provider) • Personal touristic offers for VIP guests • Build and maintain trust with the help of PR 	<ul style="list-style-type: none"> • Dominance of personal connection building, political and business meetings • The guests were the most important news agent of Esterháza Palace programs • The activity of fine arts was closely connected to PR concept

Source: own compilation

3.2. Regional connections

According to the opinion of the actors at local tourism, the relation between the Palace and the region not problem-free issue. Despite this they admit that the Palace, given its outstanding cultural heritage, could be the touristic "flagship" of the region which the settlements and entrepreneurs cannot leave aside. The area's tourist competitiveness is highly dependent on the level of coordination between tourist programs and services and the fragmentation of the tourist marketing activities in the region.

Overall, the respondents have favorable opinion on the Esterházy Palace, and its cultural attractions, although it also advocated further thoughts in the heritage attractions. The relationship between the region and the perception among them at the same time the castle is no longer so clear.

There are municipalities and service providers, which are seen to the value required as indifferent, up to a maximum mean no future potential they see in it. However, the reviews are consistent regarding the quality and environment of the Palace and the region are quite different from each other. The positive and conscious developments and management activities of the Palace did not meet the municipal activities, service and environment developments. In addition to the alignment, also needed other attractions related to the Castle and the regional development and to build a network among them.

The summary judgment on touristic situation of Esterházy Castle in Fertőd, is based on the list of positive and negative traits, as well as the positive and negative opinions made by tourist local players.

3.3. Analysis of the demand for the Esterházy Palace

An analysis of the attendance of the Esterházy Palace website

The distribution of visitors by country of origin shows a strong domestic concentration, while the Austrians are the first in the list of foreigners.

Table 3. Website visitors by countries

Country	working process (number)	Distribution (%)
<i>Hungary</i>	48 606	80,39
<i>Austria</i>	2 869	4,75
<i>Germany</i>	1 812	3,00
<i>Slovakia</i>	1 786	2,95
<i>USA</i>	749	1,24
<i>Great Britain</i>	560	0,93
<i>Romania</i>	445	0,74
<i>Czech Republic</i>	348	0,58
<i>Italy</i>	278	0,46
<i>Switzerland</i>	271	0,45

Source: own compilation

3.4. Analysis of visitors of Esterházy Palace

The number of visitors

Between 1 April 2015. And 2016. March 31. 71.952 people visited the Castle, and 62.882 people of which provided geographic data (zip code). Analyzing the visitor data, you see that the three-quarters (71.8%) of visitors was domestic guests, and only about a quarter came from abroad.

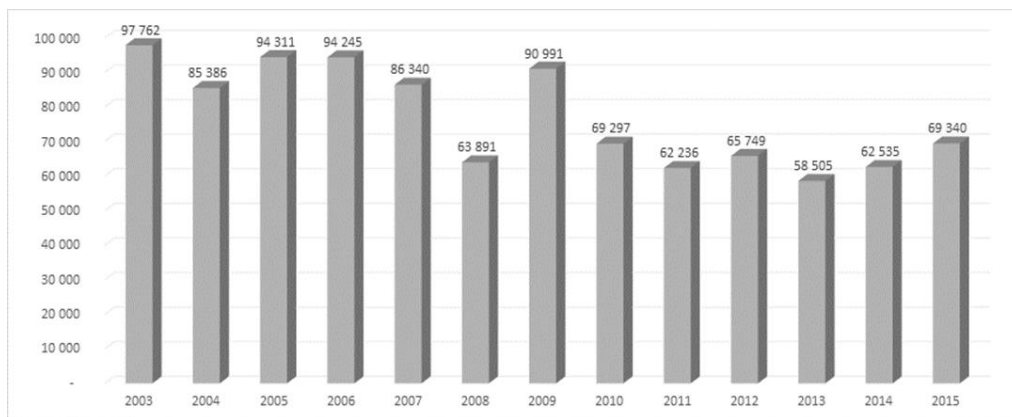


Figure 1. The number of visitors to the Fertőd Esterházy Palace in 2003-2015.

Source: own compilation

Table 4.

Visitors distribution of Esterházy Palace

Visitors		Domestic		Foreign	
		<i>person (group)</i>	%	<i>person (group)</i>	%
<i>Total</i>		45 160	71,8	17 722	28,2
<i>Individual visitors</i>		33 700	74,6	12 762	72,0
<i>Groups</i>	<i>Total</i>	11 460 (390)	25,4	4 960 (387)	28,0
	<i>registered in advance</i>	10 973 (360)	95,8	4 155 (334)	83,8
	<i>non-registered in advance</i>	487 (30)	4,2	805 (53)	16,2

Source: own compilation

Distribution of domestic visitors to Esterházy Palace

During the research period nearly 30% of the visitors came from Budapest to see Esterházy Palace. The figure 2. below shows the visitors' distribution by counties. The Budapest data are missing. I made it to be more visible the differences between counties.

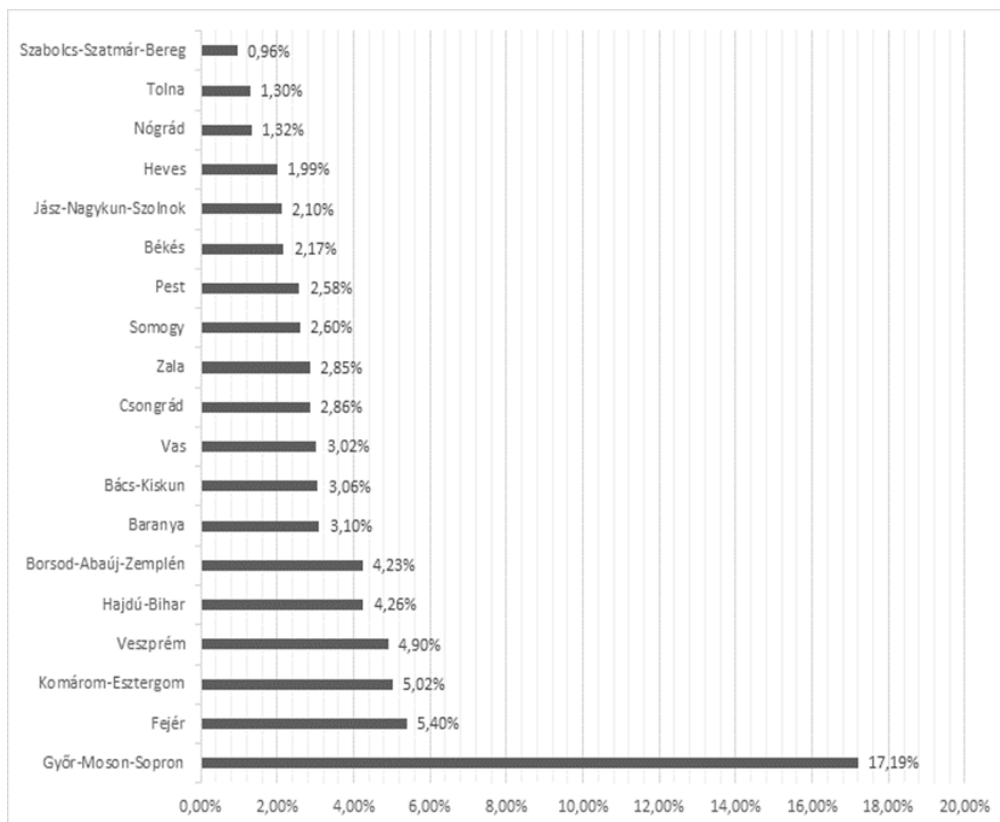


Figure 2. The proportion of individual visitors by counties without Budapest

Source: own compilation

In addition to the Győr-Moson-Sopron county data, also evident that the first four county in the visitor order are the most advanced regions of Transdanubia, which result refers at the same time to the economic situation and the importance of the transport-geographical distance.

The distribution of foreign visitors to Esterházy Palace in Fertőd

About 30% of the Esterházy Palace visitors are coming from abroad. Most of the foreign visitors (93.9%) come from Europe, from the American continent 3.2%, and 2.9% other parts of the world. The Japanese visitors represent 2.0%, i.e., from the Asian and African visitors they are the biggest group. More than half of the European foreign visitors come from three countries,

Austria, Germany and Slovakia. The distribution of this series is not only because of geographical distance (transport), but the economic development of the region, the population's cultural openness and (outgoing) tourist activity, as well as because of the traditional attachment to Hungary.

3.5. The visitors' opinion on the Palace

The young visitors' opinion on the Esterházy Palace

93% of the young people participated in a guided tour. In this likely played a major role the fact that they belonged to a group of visitors (school group), where the participation in the guided tour was virtually compulsory.

Table 5.

The satisfaction among young visitors

	Mean (1-5)	Standard deviation
<i>Expectations fits the Palace's supply</i>	3,94	1,07
<i>Impression on the Palace</i>	3,92	1,03
<i>Impression about colleagues</i>	3,91	1,03
<i>Guided tour</i>	3,88	1,07
<i>The gift shop offers</i>	3,43	1,24

Source: own compilation

The adult visitors' opinion on the Esterházy Palace

Table 6.

The sources of information on the Esterházy Palace

Information source	Frequency (%)
<i>Internet</i>	45,8
<i>Mass media</i>	43,2
<i>TDM organization</i>	20,8
<i>Friends</i>	17,3
<i>Tour inform office</i>	8,6
<i>Marketing agent</i>	7,0
<i>Facebook</i>	6,3
<i>Travel office</i>	5,6
<i>Hotel, pension</i>	5,6
<i>Advertising</i>	3,3

Source: own compilation

The order of information channels, points out that the Internet and the mass media in the case of cultural heritage values are the most powerful tools for the dissemination of information and knowledge.

Table 7.

The satisfaction among adult visitors

	Mean (1-5)	Standard deviation
<i>Expectations fits the Palace's supply</i>	3,94	0,99
<i>Impression on the Palace</i>	3,92	1,02
<i>Impression about colleagues</i>	3,83	1,02
<i>Guided tour</i>	3,81	1,02
<i>The gift shop offers</i>	3,37	1,12

Source: own compilation

Most of the adult visitors (92.8%) also recommend the Palace to visit. Most of them (67.5%), would visit the attractions that were not included in the

program (for example, Marionette-theatre, Orange-building, Rosen garden, Water-tower).

4. CONCLUSIONS AND SUGGESTIONS

H1.

H1 a) Independently of actual direct function, the Palace always played a significant role in the tourism of the region– **supply competence**

Document analysis and in-depth interviews also showed that in different periods, although the specific form would have been different, but the attraction of Palace always was extremely famous, it has taken many guests/visitors. Among the visitors have occurred often international "celebrities" that times.

H1 b) During the organic development of Esterházy Palace, although it had changed roles, but always had specific communication means – **communication competence**

Although the communication goals of the castle changed from the representation to pulling a large number of tourist, the research showed that the outstanding cultural value is not only a visual and cultural attraction, but also served as a communication tool for all years.

H1 c) Because of strong linkages to region, the Esterházy Palace has considerable impact on reserves in tourism – **insufficiency of networking.**

Based on the findings it is stated the collaboration is on the low level among the regional actors. For many years/decades the Palace "worked" far away from the society because of socialism. After the changing, thanks to the new

management, has started more serious regional-level cooperation, but we could not speak about increasing coordination, shared thinking on common products, program packages or joint communication concept, between those who are involved in the supply side, for the time being.

H2.

H2 a) It is clear, the dominant part of visitors are domestic people.

The geographical distance and the population size strongly determine the number of visitors from the sending area –
geographical distance and awareness

The analysis based on postcodes is only partly demonstrated that the visitors' activity is closely linked to the size of the geographical distance and population number of sender settlements. The identity and the duration for such transport also very important.

H2 b) The primary information source is the internet. People use this for basic information (ticket, price, opening hours) and information on programs – *marketing-gaps*

The two major visitor segment, the young and the older people arrive from fundamentally different ways, and motivation to Palace. While the latter are elected by their initiative, by the interests and the cultural destination, the young people come mostly as part of a school excursion. The teachers' motivation and the working push factor of Palace people have great influence to decision. The two groups need different communication and marketing approaches.

H2 c) Despite the important recent development, the level of services and satisfaction of visitors falls short of the expectations of the management– **satisfaction and faults of staying**

Analysis of the response of the visitors, the hypothesis has been accepted. The mean of evaluated items is under 4.00, respectively five-speed scale, while typically the standard deviation value is low. The analysis and the personal interviews also named the service areas (and often the directions) where improvements and/or changes are needed. However, the visitors' assessment partly contradicts the incentives for return which is extremely high, more than 90%, with also relatively low deviation.

Table 8.**Evaluation of the hypotheses**

General hypothesis mark	Sub - hypothesis mark	Fully accepted	Partly accepted	Non-accepted
H1	H1a	X		-
	H1b	X		-
	H1c		X	-
H2	H2a		X	-
	H2b		X	-
	H2c	X		-

Although the thesis focused on the Esterházy Palace in Fertőd, but the presented analysis did not say on its visitors and tourism actors only, it contains thoughts for wider generalization and the sustainable development and management of heritage tourism.

Based on the research, the conclusions and the suggestions of the thesis is to contain the following:

- The traditional interpretation of heritage values could have specific functions, as we have seen it according to tourism. Managing the specific functions means specific approach and concept for heritage institutions. The advanced way to develop programs and services as well as new communication ideas.
- Providing unique tourist values in addition to the basic functions as art, culture, education, economy and improving the identity, the

Palace has a significant impact on communication, which will greatly contribute to increase awareness and improve the image for the broader area.

- The cultural heritage values could appear as primary or secondary products in the region. The cooperation is necessary, because the only way to show the real importance of these values if the destination and the region include all of them. In addition to the simple transmission of visitors, it is possible to develop thematic products and packages and take them to the market.
- The heritage values have a hard time to work profitably in the 21. Century. They must be placed within the social and economic environment. Strongly needed to create an effective and sustainable management in the field of heritage tourism.
- Based on the visitor segments, needed to identify the marketing tools possible push and pull functions. Also, very important a target group-specific approach managing the heritage tourism.
- The geographical identification of sender areas, it is necessary to take account of the geographical distance, transport time, and the economic potential of the region, but the cultural openness of inhabitants and possibility to have experience in this field.

5. NEW SCIENTIFIC RESULTS

By the objectives of the dissertation the research has led to many results, of which I consider the following as general, new and novel results:

1. Followed the Esterházy Palace history, I made the period time-table of development, creating three main stages. The analysis has highlighted the fact that the periods can be interpreted as the changing historical functions and changing historical marketing issues. The owners of the Castle and marketing activities primarily served to

increase political influence but was not a negligible factor strengthening cultural influence too. In the third "golden period" (currently running) can only be interpreted as a cultural and communication institute, according to the regional and rural development and this is the major concern today.

2. I presented, the primary and secondary touristic value position are relative. The perception largely depends on the marketing approach. The value of Esterházy Palace is the primary tourist level because the Palace can attract visitors to the area independently. At the same time the Palace is secondary tourist value, if the tourists come to visit other regional attraction (bath, leisure, water-sport etc. Tourists visit the Palace as additional program.
3. Because of primary studies, I developed the types of marketing activity and the push and pull factors of supply and demand in different dimensions. The same communication tool could play active and passive role depend on a visitor's motivation. The motivated tourists mostly use internet home page "only" for information, while in other cases, the homepage has a role to increase of activity and strengthen motivation. I underlined this association by the results of website analysis in the case of two visitor segments with different motivation bases.
4. People with higher income levels, higher living standards typically more interested in culture, especially in the "higher culture". It is also finding that the greater potential for more visitors goes together with stronger population concentration. The number of inhabitants and the region's economic condition can significantly affect the number of visiting people. Believe, there are serious differences in the absolute number of inhabitants and the municipal rankings. The geographical distance and time also important factor to visiting Esterházy Palace.

6. PUBLICATIONS ON THE TOPIC OF DISSERTATION

1. **Bodrogai, L. A., Szigeti, O.** (2018): The opinion of visitors on the touristic attractions and services of the Esterhazy Castle of Fertőd. *Abstract* **12** (3-4) (Accepted by Editorial Board)
2. **Bodrogai L., Vizi I. Gy., Kulcsár L.** (2017): Az örökségturizmus résztvevői és a kulturális örökség látogatóinak információforrásai a fertődi Esterházy-kastély példáján, *Tér Gazdaság Ember* **5** (1) 79-94
3. **Kulcsár, L., Bodrogai, A. L., Vizi, I. Gy.** (2017): Tourism Development and Cultural Heritage: The stakeholders' Opinion on the Role of the Restored Esterházy Palace in Western Hungary EKON. MISAO I PRAKSA DBK. **26** (2) 813-827. UDC: 338.482.12:008(439), JEL classification: R11, Z32, Z10, L26
4. **Bodrogai A. L., Kulcsár L., Vizi I. Gy.** (2016): Kulturális örökség és turizmus management: a helyreállított fertődi Eszterházy-kastély térségi szerepéről alkotott vélemények a gazdasági szereplők körében; Tourism Development and Cultural Heritage: The Stakeholders' Opinion on the Regional Role of the Restored Eszterházy Palace in Western Hungary. *Gazdaság és Társadalom* (1) 59-75
5. **Tapolczai, T., Bodrogai L., Balogh, L.** (2013): The economic effects of health tourism in Hungary. 4th International Conference of Economic Science, 2013.05.09-10, Kaposvár, 407-414. ISBN: 978-963-9821-62-0
6. **Kígyóssy G., Farkas Zs., Bodrogai L.** (2010): Fejlesztések a Középdunántúli régióban. *Turizmus Bulletin* **14** (1-2) 65-72 (2010) ISSN 1416-9967