

APPLICATION OF INNOVATIONS IN MOUNTAIN RESORTS IN SLOVAKIA

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Abstract

The aim of the article is to analyze the characteristics of Slovak mountain destinations, examine the trends in innovations of marketing instruments in Slovak and Swiss mountain destinations and to draw up the implementation process of innovation in mountain destinations. The characteristics of current Slovak mountain destinations is based on the primary research with the use of methods of descriptive statistics. The information about the innovation trends in marketing instruments in mountain destinations is based on the research of annual reports, web pages, marketing strategies and internal materials of selected Slovak and Swiss mountain destination.

Key words: innovations, marketing instruments, mountain destinations, Slovakia, Switzerland.

Introduction

European mountain destinations, thanks to their unique natural resources, have played an important role in the tourism development since the middle of the 18th century (Keller, 2012). The transport development, new technologies, as well as the changes in customer behavior call for constant product, process, marketing or organizational innovations. The innovation process has to be carried out systematically in accordance with clearly defined aims. And what is more, it is important to respect the primary and secondary offer of the mountain destinations, global trends in the tourism market and visitors' requirements.

1. Objective, material and methods

The aim of the article is to analyze the essential characteristics of Slovak mountain destinations, examine the general trends in innovations of marketing instruments of mountain destinations in Slovakia and in Switzerland and to draw up the implementation process of innovation in mountain destinations. We consider Switzerland as the best practice example in order to analyze marketing innovations in tourism due to a high competitiveness and long term tradition. However, we are aware that it is not possible to adapt the concepts verified in Swiss conditions into Slovak framework due to a different stage of tourism area life cycle, historical background, legal, organizational and financial framework etc.

The characteristics of current Slovak mountain destinations are based on the primary research, which we focused on their altitude, vertical drop, the length of cable cars and lifts, length of ski slopes and lift capacity. The methods of descriptive statistics are used in order to evaluate the essential characteristics of these destinations. The attention is focused on minimum and maximum values, mean, standard deviation and median.

The information about the innovation trends in marketing instruments in mountain destinations are based on the research of internal materials, annual reports and web pages of selected Slovak and Swiss mountain destinations. The secondary research was enriched by interviews and observation of innovation process in Davos, one of the most developed and innovative mountain destination in the Swiss Alps.

2. Results and discussion

We can find the definition of tourism mountain destination and its characteristics mainly in the geographic typologies of tourism destinations. A mountain destination as a tourism destination is mentioned in the papers of Slovak authors (Kuklica et al. 1965; Mariot, 1983; 2001; Horák et al. 1985; Kopšo et al. 1989, 1992; Patúš, 2004; Gúčík, 2011; Gúčík, Pěč, 2011; Maráková et al. 2013) and foreign authors (Flagestad, Hope, 2001; Medlik, 2003; Weiermair, 2004; Nepal, Chipeniu, 2005; Matto, Scott 2008; Bourdeau, 2009; Keller 2012; Kuščer, 2013).

Slovak authors pay attention mainly to geographic and climatic requirements. Some of them (Kopšo, 1992; Patúš, 2004) focus mainly on the secondary offer, as a basic precondition for tourism development. The common feature of the foreign authors' definitions of mountain destinations is the identification of the activities that are carried in a destination and not geographic conditions. Mountain tourism destination is mostly explained using the descriptive method, without quantitative characteristics.

Table 1 presents the overview of the evolution of mountain tourism destinations demonstrated on the alpine resorts.

Table 1. Historical milestones of development of mountain destinations

Stages	History matters
from 1761	Creation of the dream of mountain and beginning of Alpinism
from mid 19 th century	Mountains became a tourism destination thanks to innovations made by Alpine entrepreneurs
from 1964	Investments in slopes and infrastructure
from 1970	Investments in tourism facilities
from 1980	Loss of the monopoly for winter holidays and changes of preferences of potential visitors
from 1990	Mass tourism reached maturity but new in- and outdoor activities are booming in the niche markets

Source: Keller, 2012.

In terms of climatic conditions and geographic features, by the examination of the approaches of domestic and foreign authors, we have defined a set of appropriate preconditions for mountain destinations in Slovakia:

- transport accessibility of destination (Gúčik, 2011),
- primary supply (forest and meadows) in such quantity and quality which is attractive for the visitors (Kopšo, 1992; Patúš, 2004; Gúčik, Pěč, 2011);
- adequate infrastructural facilities which allow a stay in the destination and provision of services (Patúš, 2004; Gúčik, 2011);
- possibilities to participate in the leisure activities typical of a mountain destination (Medlik, 2003; Patúš, 2004; Keller, 2012, Maráková et al. 2013);
- Active destination management organization or a core business entity (Kämpf, Weber, 2005; Flagestad, Hope, 2012; Maráková et al. 2013).

The analysis resulted in the list of all 107 Slovak mountain destinations with their characteristic features described by descriptive statistics. Furthermore we draw attention to innovation trends in marketing instruments aimed at the product of mountain destinations, its distribution and marketing communication. Finally, we specify the key success factor in order to implement innovations in mountain destinations.

2.1. Characteristics of mountain destinations in Slovakia

The characteristic features of mountain destinations are based on their primary and secondary supply. In Slovakia, there are more than one hundred mountain destinations operating mountain transport facilities in the winter season (table 2). However, the conditions for their development are different. The following table presents all current Slovak mountain destinations in order of their geographical location (from west to east).

Table 2. Slovak mountain destinations

No.	Mountain destination	No.	Mountain destination	No.	Mountain destination	No.	Mountain destination
1	Zochovachata	28	Ski Makov	55	Zuberec - Janovky	82	Dolný Smokovec
2	Pezinská baba	29	Ski Kohútka	56	Zuberec - Milotín	83	Strednica - Ždiar
3	Stará Myjava	30	Ski Ráztoka	57	Roháče - Spálená	84	Ski Bachledova
4	Bezovec	31	SKI Podjavorník	58	Žiar - Dolinky	85	Ski Taja
5	Ski Kálnica	32	Fačkovské sedlo	59	Jasná Chopok	86	Centrum - Ždiar
6	Ski Mojtín	33	Vrátna	60	Telgárt	87	Vyšné Ružbachy
7	Čičmany	34	Lučivná	61	Donovaly	88	Litmanová
8	Poruba	35	Martinky	62	Vyšná Boca	89	Ski Levoča
9	Ski Drozdovo	36	Valčianska dolina	63	Polomka - Bučnik	90	Renčišov - Búče
10	Ski Ostrý Grúň	37	Kľačno	64	Tále	91	Ski Lysá
11	Salamandra Resort	38	Rajecká Lesná	65	Mýto/Dumbierom	92	Fričkovce
12	Kráľová	39	Turecká - Križna	66	Závažná Poruba	93	Drienica
13	DačovLom	40	Jasenská dolina	67	Liptovská Teplička	94	Stebnická Huta
14	Králiky	41	Malinô Brdo	68	Šachtičky	95	Regetovka
15	Skicentrum Tajov	42	Veľké Ostré	69	Čahovo - Selce	96	Nižná Polianka
16	Krahule	43	Vadičov	70	Čertovica	97	Ski Park Chlmec
17	Ski Remata	44	Skalité	71	Skiareál Strelníky	98	Vernár
18	Ski Kordíky	45	Veľká Rača	72	Pavčina Lehota	99	Hnilčík
19	Skalka Aréna	46	Oščadnica	73	Podkonice - Pleše	100	Mlynky
20	Ski ČiernyBalog	47	Oravská Lesná	74	Liptovské Revúce	101	Kavečany
21	Hronec - Hlobišov	48	Kubínska hoľa	75	Jánska dolina	102	Plejsy
22	Košútka - Hriňová	49	Ski Hruštín	76	Snowpark Lučivná	103	Kojšovská hoľa
23	Látky - HotelRoyal	50	Oravský Podzámok	77	Spišské Bystré	104	Jahodná
24	Ski Zbojská	51	Ski Kuršetnica	78	Štrbské Pleso	105	Štós-Šikmástráň
25	Kokava-línia	52	Ski Casamia	79	Tatranská Lomnica	106	Poráč-Brodok
26	Vyšná Slaná	53	Ski NižnáUhliská	80	Starý Smokovec	107	Poráčska dolina
27	Lazy pod Makytou	54	Ski Vitánová	81	Lopušnádolina		

Source: author's own research, 2014.

It is mainly the primary supply (altitude and vertical drop) that influences the character of a mountain destination. On the other hand, the secondary supply (length of ski slopes, length of cable cars and lift capacity) is also an important innovation factor. The presented 107 Slovak mountain destinations are located mainly 695-964 m a.s.l., with average vertical drop 239 m and 4,6 km of ski slopes (Table 3).

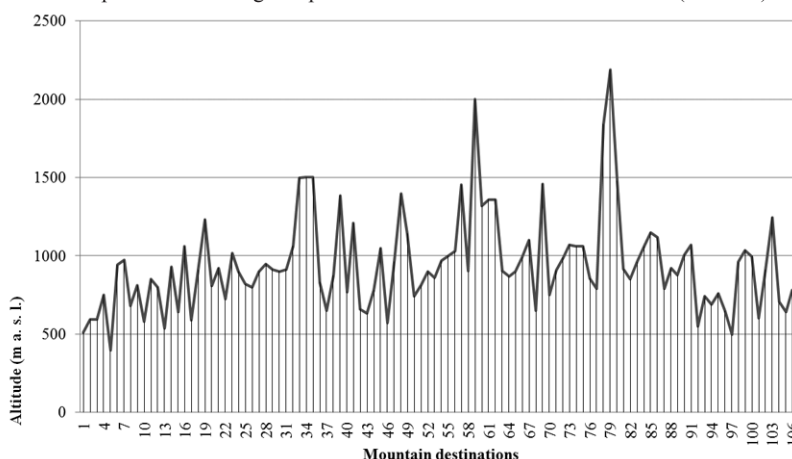
Table 3. Statistical description of Slovak mountain destinations

Characteristics	Minimum	Maximum	Average	Standard deviation	Median
Altitude (m a. s. l.)	245	2189	695-964	199-304	669-905
Vertical drop (m)	45,0	1300	239	174,74	200,0
Length of ski slopes (km)	4,0	110	4,6	2,91	2,59
Length of cable cars (km)	0,38	25	2,2	1,68	1,83
Lift capacity (persons per hour)	450,0	30294	2988,0	2325,0	2400,0

Source: own elaboration based on www.holidayinfo.sk, 2014.

Low average altitude of Slovak mountain destinations (Figure 1) should influence the character of innovations. Due to the climate changes, the innovations should not be focused on building new cable cars, improving lift capacities and enlarging the ski slopes, but they should be directed at the creation of an attractive summer product, because this feature will be playing an important role in the mountain destination offer in order to extend the season and prolong the average length of stay of visitors.

Figure 1. Comparison of the highest points of Slovak mountain destinations (m a. s. l.)



Source: own elaboration based on www.holidayinfo.sk, 2014.

2.2. Trends in marketing instruments innovations in mountain destinations

In the following text, we focus on the product, distribution and marketing communication innovations. According to marketing manager of Davos Destination Organization, it is important to innovate these marketing instruments and thus to reduce the influence of the competitors, ensure the increase of the number of visitors and to prolong the visitors' stay in the destination (Meyer, 2011). Many Swiss destinations respect the rule that the innovations and their communication cannot replace the traditional products which create the image of a destination. The reasons why they innovate are:

- to attract new and more early-season and post-season guests,
- to utilize the mountain transport facilities and hotels better,
- to increase the visitors' spending,
- to present the lifestyle and traditional atmosphere of a mountain destination,
- to create the image and pulsing brand of a destination.

The winter season product innovations in Swiss mountain destinations are aimed at the extension of the season through cooperation of accommodation facilities and operators of mountain transport facilities. For those visitors who come in the early or post season and stay in a selected hotel for at least one night, free one-day skipass is offered.

Another very interesting innovation of the winter season product is also the creation of a common product of a hotel and operators of mountain transport facilities. Local experts accompany guests while skiing in the mountains and provide them with tips and insider knowledge. Thus, already from the beginning of their stay, guests feel like being locals. Guests receive insider tips regarding the best slopes and most beautiful sun terraces, get a look behind the scenes, learn things worth knowing about the skiing facilities or board one of the slope groomers. The main purpose of this offer is to convey a special skiing and holiday experience.

The summer season product innovations in the mountain destinations are mostly aimed at trekking, nordic walking and cycling tourism. So-called geocaching is nowadays a very popular innovation in a lot of tourism destinations. It is an outdoor recreational activity in which the participants use a GPS receiver or mobile device and other navigational techniques to hide and seek containers, called “geocaches” or “caches”. For example in the destination Davos there are situated seven localities, where this activity is provided.

The creation of thematic paths is another innovation concerning trekking or nordic walking. A lot of these paths are described in the destinations’ product leaflets and catalogues. This includes for example a geological path (connected with natural museums), cultural path (with historical monuments), educational path about snow and avalanches, a path connected with a well-known person who lived in a destination etc.

In order to make planning of hiking and mountain biking easier, the interactive maps have been created. These maps are divided into subject areas and are programmed so that the user can blend all information in or out. And what is more, the information centers, hotels, restaurants in the valley or on the mountain, transportation companies, and more are indicated with a single click.

There is a possibility to extend the summer season through creating special events at the beginning (June) or at the end (October) of the season. Some mountain destinations organize special cultural events or music festivals. The visitors who stay for at least one night in a hotel or other accommodation facility, get the tickets cheaper or free of charge. It is a way to attract the people to come in the early and post season and motivate them to stay longer in a destination.

Product distribution means a process of making a product or service available for use or consumption by a consumer. Distribution means to spread the product throughout the marketplace so that a large number of people can buy it. An innovation in the distribution of the mountain destinations' products is creating the partnerships with the businesses outside the tourism sector (sometimes called cross marketing). For example, a sports team can have the brand of the destination on its sportswear. Frequently used is also the cooperation of the mountain destinations with the car production companies. Through this cooperation new distribution channels are raised and new potential target groups are addressed.

The Internet plays an important role in marketing a mountain destination, which connects the creation of a product with its distribution and communication. A lot of Internet websites are today connected with the social media. Thanks to this possibility, the management can have a direct communication with the fans of the mountain destination and immediately get a valuable feedback.

Another innovation concerning the Internet is the connection of promotion with the sale of destination's products and services (accommodation, ski passes, entrance tickets etc.). This innovation contributes to the creation of a complex product of destination for the visitors. Some mountain destinations innovate their Internet page with bigger pictures, wider and clearer content (the user doesn't have to search, he can choose) and with the hotel reviews. With this instrument they compete with the central reservation systems.

Key media management can be considered as an innovation in the marketing communication. It results in defining the key media for the mountain destination as well as ensuring the active maintenance of contacts with the media. Many Swiss mountain destinations have on their internet website a column for the journalist. All the news of the destination is published here and the journalist can download and use it, sometimes also with appropriate images.

A very popular innovation, not only for the mountain destinations, is a so-called visitor card. All the visitors who spent one or more nights in the destination can get this card (sometimes free of charge, sometimes for a fee). With this card the visitors get specific benefits in the destination (free or discounted local bus or train transport, mountain transport, tickets to museums or cultural evenings etc.). The aim of introducing the visitor card lies in getting loyalty guests, enlarging the length of their stay and motivating them to spend more on the services in the destination.

2.3. Innovations in Slovak mountain destinations

Based on the analysis of the innovations in the mountain destinations, we emphasize key success factors in the innovation process for the Slovak mountain destinations concerning their characteristic features. We emphasize the preconditions for successful innovations implementation (Hall, Williams, 2008; Havlíček, 2011), such as the presence of local attractions, looking for innovation opportunities based on the marketing research, the analysis of tourism destination's resources, the presence of trained and experienced staff and the existence of an innovations plan.

Table 4. Innovation process of marketing instruments

Phases of the innovations implementations
1. Analysis of primary and secondary offer of the mountain destination
2. Exploring the determinants of innovation
3. Analysis of destination's resources (material, financial, personnel and information)
4. Finding out the visitors' opinion and their satisfaction
5. Draft of product, communication, distribution and price innovations
6. Implementation of innovations
7. Evaluating the effect of innovations for the destination

Source: own elaboration, 2014.

The first step in the marketing instruments' innovation process is the analysis of primary and secondary supplies in the mountain destination and the defining of the traditional products and services which build an image of the destination and ensure its popularity. Every mountain destination is – thanks to its natural and cultural heritage – specific and different from other resorts. The very important thing is to find an appropriate limit for innovations, so that the mountain destination does not change everything that existed and that was successful.

Secondly, it is necessary to review the driving forces of innovations with the aim of finding the inspiration and avoiding mistakes. The management of mountain destinations can use the best practices from other successful destinations as a driving force for innovations. Important sources for innovations are also the opinions of experts in the sector, research of secondary sources that provide case studies and motives to innovate. It is also necessary to respect the changes in the market demand and to analyze the customers' behavior which is nowadays characterized by the decrease in the average length of stay, shortening the period between booking the stay and arrival, the growth of individual (soft) tourism and the use of the Internet as a tool for communication and distribution (Buranovský, 2012).

Following the evaluation of this research, an analysis of the sources of the mountain destination (material, financial, personnel and information) has to be done. In the majority of Slovak mountain destinations the biggest

barriers for innovations are mainly the financial resources. Furthermore, the management of mountain destinations suffers from a lack of experts in the field of marketing.

A successful innovation process cannot be done without a visitors' satisfaction survey. The mountain destination's visitors' opinions on the products, services, prices, marketing communication and distribution, play a significant role in the designing of innovations. The satisfaction survey can be connected with the evaluation of proposed innovations. This can help the management of mountain destination to decide about innovations implementation.

After the implementation of the innovations it is necessary to evaluate their effectiveness concerning the number of visitors in the mountain destination, its image, tourism revenues, cost rationalization, improving service quality and competitiveness, market share and other influences.

Conclusions

Nowadays, innovations represent a significant tool for increasing the competitiveness of not only businesses, but also of tourism destinations, which have to struggle with national, international and many times also with global competition. By implementing the marketing innovations, the businesses and tourism destinations can prevent the decline within their tourism area life cycle and to move to rejuvenation phase and thus to keep the regular guests and address the new ones.

The innovation of marketing instruments is necessary mainly in the mountain destinations, which have to struggle with unfavourable conditions even more than other destinations. Tourism development in mountain destinations is influenced mainly by the seasonality and these destinations have to compete more and more with the urban and sea-side resorts.

The starting point of the innovation of marketing instruments in mountain destinations lies in monitoring the trends on the tourism market and analysing the professional literature. The innovations should be based on visitors' requirements and implemented after the complex discussion among the employees and managers of a mountain destination. The analysed mountain destinations are aware of the innovation threats, where 9 out of 10 innovations are unsuccessful (Meyer, 2011), due to the fact that the effect of the innovation can be many times found out only after its implementation. However, the innovation process is necessary in order to defend the market share.

The Slovak mountain destinations should consider the issue of the implementation of innovations systematically, and by cooperation with other

stakeholders in a mountain destination they should achieve the positive image, increased competitiveness and growing number of visitors in the destination.

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