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Selected creative methods for generating ideas in digital marketing¹

Simona Balaščáková²

Abstract

This research paper explores creative methods in generating new ideas, with a main focus on comparing and evaluating two prominent approaches: brainstorming and brainwriting. The paper systematically analyses both processes in order to identify specific situations in which one method outperforms the other. Key areas where each method excels are presented based on an assessment of effectiveness, participation, and speed of idea generation. The results of the paper provide detailed guidelines and recommendations for the effective use of brainstorming and brainwriting depending on the context and nature of the creative task. In this way, it contributes to a better understanding of the optimal use of these creative methods in industrial, educational and innovation environments.

Key words

brainstorming, brainwriting, creatives, digital marketing

JEL Classification: M15, M30

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Introduction

In an era of ever-changing technological and societal paradigms, the ability to generate creative and innovative ideas has become a key factor for success in a variety of industries. Rapid technological advances and the challenges faced by today's companies require dynamic approaches to thinking and creating. This scholarly article focuses on a systematic review of different creative methods for generating ideas, with an emphasis on their impact on the process of innovation and the development of creative thinking.

Research in the field of creative methods includes a wide range of techniques that aim to stimulate creative processes and promote divergent thinking. The most traditional include brainstorming, which allows groups of people to collect and share ideas, but newer approaches also focus on individual and digital forms of creative thinking. One such approach is brainwriting, which, unlike traditional brainstorming, uses a written method of communication between team members, allowing each individual to express their ideas without the pressure of a public presentation.

1 Methodology

The aim of the paper is to characterize the individual creative tools and their use in generating new ideas in digital marketing and to propose conclusions in terms of their

¹ VEGA 1/0392/23 Changes in the approach to the development of firms' distribution management concepts influenced by the impact of the social and economic crises caused by the global pandemic and increased security risks.

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applicability based on a comparison of the two most important and beneficial methods (brainstorming and brainwriting).

The article explores the issue of creative tools for idea generation in digital marketing. Relevant data dealing with brainstorming and brainwriting issues were abstracted from professional and scientific publications by respected authors. Up-to-date domestic and foreign internet sources were used. Using the method of comparison, we compared several approaches to the issue and then identified the possibilities of applying the methods on the digital marketing platform. By using descriptions, the observed phenomena were described in detail and systematically, thus providing insight into the analysed phenomena.

Through the analysis, we divided the issue of creative tools for idea generation into partial parts for a better understanding of its different aspects. These are methods such as 5W+1H, role-playing and scenarios, thinking in reverse. We paid special attention to brainstorming and brainwriting, which are an important part of the issue under study. In this section we used the method of comparison and compared both methods. Then, through induction, we derived general conclusions from specific facts.

2 Results and discussion

2.1 Creativity

Exploring our creativity could mean a whole new way of thinking and improving what we do, and its positive impact is increasingly being recognised in all areas of life and work. It is about using and expanding our ideas, looking outside ourselves for inspiration and very often finding that the most creative ideas come when we least expect them. We also have to be willing to go beyond what psychologists call functional fixation, to explore and play with ideas that might - or might not - work. We need not strive for a creative outcome at all costs but strive for it in a different way. (Sawyer, 2024)

Creative methods of generating new ideas include, but are not limited to, the 5W+1H method, role-playing and scenarios, thinking in reverse, brainstorming and brainwriting, which are described in the next section of the paper.

2.2 Creative methods

5W+1H method

The elements included in the 5W+1H method allow you to analyse a situation and find opportunities for improvement. It answers the questions (what, who, where, when, why and how), describing them in as much detail as possible and helping to identify potential solutions that could be implemented and observed for their effectiveness.

What? - Clearly describes the situation or specific problem. Its essence is to explain the purpose of using the method.

Who? - Refers to the specific people or group of people relevant to the situation or problem.

Where? - This element contains the exact location or position of the problem recognized. It can be a specific place or procedure where the solution is to be implemented.

When? - Includes all situations involving dates. It contains the timeline, duration, deadline or any other details that help in solving the problem.

Why? - Explains the reason and objectives for the action. Shows the root cause of the situation and then prevents it from happening again.

How? - Specifies the steps that are important to identify the problem. It also includes all the resources, methods, means, and expenditures needed to make the effort effective. (Reyes, 2023)

Method of role-playing and scenarios

Role-playing is a method that is often considered a useful tool in generating ideas in research. Compared to other methods such as social listening or mind mapping, role-playing yields much more spontaneous, natural, and authentic insights. This is because role-playing allows the creation of multiple scenarios simultaneously, leading to richer and more detailed information. Scenarios from role-playing also provide designers with greater opportunities to customize and refine their projects.

Benefits of this method include diversity of ideas, rapid idea generation, and creative problem solving. (Irkinovich, 2022)

Mind map method

A mind map is another effective method for generating new ideas, which is also used in digital marketing. According to Morales, it is a method for organizing, conceptualizing and presenting ideas. When a mind map is properly created, it is easier to find solutions to the problems or situations that are causing it. (Morales, 2022)

A mind map allows thoughts and ideas to be structured visually without following a sequence of new ideas. The use of mind mapping can effectively transform a large list of ideas into a more distinct and memorable overview. (Yan, Kim, 2023)

The method of thinking in reverse

Thinking in reverse or contrarian thinking is a tool that helps in generating creative ideas by looking at a problem or situation from a new perspective. It is a technique to start thinking "out of the box." It's not only effective, but also easy and fun.

Doing the opposite of what is expected is an effective strategy in mostly competitive situations such as sports, business, politics, etc. When you do the opposite of what people expect, there is a good chance that you will catch them by surprise and be more successful in achieving your goal. (Kehoe, 2022)

2.3 Brainstorming

Brainstorming is a method used by marketers and designers to generate ideas to solve clearly defined design problems. It is part of design thinking. As part of the brainstorming

process, it is essential to implement clear guidelines that serve as a framework for effective idea generation. (Svenlin, Jusslin 2023)

Although it may be pointed out that brainstorming lacks constraints, it must be noted that each participant must follow a firm set of eight house rules.

- Initiation of the process by setting a time limit, which depends on the complexity of the problem to be analysed and ranges from 15 to 60 minutes.
- Starting with a clearly defined problem that members should approach responsibly.
- Avoiding judgements or criticism. Any negative attitude towards an idea is unacceptable. Space is opened for the free generation of ideas.
- Encouraging unusual and daring ideas, with the only restriction being the avoidance of destructive evaluations, such as labels like "too expensive".
- Focusing on the quantity of ideas with the awareness that quantity leads to quality. The process of evaluating and sorting ideas will be applied at a later stage.
- Synergy and development of ideas from all members to achieve new perspectives. Prioritising expressions of support over potential rejection.
- A visual dimension using diagrams and notes, which among other things will help to bring ideas to life and allow other team members to see them from different perspectives.
- Keeping the conversation on topic. Adhering to this structure is key to achieving concrete results and showing respect for each team member's ideas. (Interaction Design Foundation, 2016)

In digital marketing, we can use the brainstorming method in the following situations.

- **Social media campaigns** - to create original and interesting posts, contests or stories that appeal to the target audience.
- **Strategic digital marketing plan** - when implemented, it allows the creation of individual steps towards a goal or target group.
- **Innovation projects** - identifying new technologies, trends or approaches that make the business more competitive.
- **User Experience (UX)** - when improving the user experience on a website or app, contributes ideas for improving navigation, layout, and interaction. (Interaction Design Foundation, 2016)

Brainstorming effectively combines collective thinking to generate different solutions. In group discussions, introverts may be subdued, and extroverts dominated. Managing such dynamics requires attentive leadership to ensure balanced involvement of all team members. The facilitator must take care to create a healthy atmosphere that encourages open dialogue and ensures that each participant has the opportunity to express his or her ideas. In order to alleviate any imbalance in communication, it is advisable to use warm-up activities that can remove existing barriers.

Having explored the brainstorming method, we will next look at the brainwriting method. This method, compared to brainstorming, places more emphasis on the written transmission of ideas and provides a structured framework to encourage equal involvement of all team members. Moving from discussion dynamics to written interaction allows us to explore how these approaches complement each other and contribute to an effective idea generation process.

2.4 Brainwriting

Brainwriting, also referred to as team brainstorming, is an innovative method of idea generation that differs from traditional brainstorming by focusing on the written form of ideas and their systematic exchange within a team. In this technique, individuals in a group independently write down their thoughts, ideas, and concepts on paper or electronically. These records are then shared with other team members, with each person able to add to, respond to, or develop the ideas of the others. In this way, equal and parallel involvement of all team members is achieved, which greatly reduces the pressure of conformity and encourages diversity and depth of ideas. (Stieger, et al, 2022)

Team brainstorming, as a frequent practice in developing new ideas and strategies, faces significant challenges, as confirmed by research findings. The findings show that group interactions, for example through brainstorming, are not as effective as one might think and, on the contrary, may hinder adequate idea generation. In his recent study, Paulus highlights that uneven participation is a significant problem, as some individuals may dominate the discussion and waiting for the floor may lead to a loss of idea coherence or distraction from one's own ideas.

The brainwriting method is used in digital marketing in the following situations.

- **A/B testing** - when getting different perspectives, leading to better testing results.
- **Email marketing** - ideas for effective headlines, engaging content and "call to action" buttons.
- **SEO and keywords** - when optimizing content for search engines, we identify relevant keywords that will increase the reach of digital content in search engines. (Paulus, Kenworthy, 2018)

Thompson points out that in the process, the individual may unconsciously conform to the ideas of others, and thus lose his or her authenticity. He also draws attention to the tendency of "first ideas" to influence the rest of the discussion and to set norms or constraints in the approach to problem solving.

In his studies, Thompson has shown that groups engaged in brainstorming generate 20% more ideas and 42% more original ideas than those using traditional brainstorming. He also points out that "there is no published study in which a brainstorming group outperforms a brainwriting group." This is not to say that brainstorming is ineffective. (Thompson, 2021)

Table 1 The difference between brainstorming and brainwriting

Criterion	Brainstorming	Brainwriting
Basic process	Group discussion and spontaneous idea generation	Individual written formulation and exchange of ideas
Speed	Fast, dynamic process	Less fast, requires a systematic procedure
Involvement of team members	Equal, with the possibility of extrovert dominance	Uniform, eliminates the pressure of conformity, introverts have more space
Results	Diverse ideas, spontaneity	In-depth and thoughtful ideas
Initial ideas	They have a strong influence on the debate, often setting standards	There is no dominance of initial ideas
Efficiency	It can be effective, but can suffer from conformity pressures	More space for diversity of ideas
Spontaneity	High, immediate expression of ideas	Lower, more room for thoughtful formulation

Source: own elaboration based on literature

Brainstorming and brainwriting are two creative methods that help the team to generate new ideas. Brainstorming is ideal for quick and spontaneous group discussion but may marginalize some voices. In contrast, brainwriting is designed to ensure that every individual on the team contributes ideas.

This method works particularly well when working with introverted personalities, although it may take longer to implement compared to brainstorming. The choice between the two approaches depends on the specific needs of the team and the nature of the problem to be solved, and each method may be appropriate in different contexts and stages of the creative process.

Both creative methods can be used in digital marketing, where creativity and the generation of new ideas are key.

Conclusion

Both creative processes are effective tools to support idea generation and problem solving in a collective environment. The findings suggest that the choice between these methods may depend on specific contextual factors and group goals. While brainstorming encourages the rapid and spontaneous sharing of ideas, brainwriting adds an element of a systematic and individual approach. The findings of this article will be used to develop the theoretical part of a dissertation on the Effectiveness of Using Creative Marketing Communication Tools in Digital Environments, with a focus on Generation Z.

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The Economic Efficiency of Hotel Facilities in Slovak Republic During Multidimensional Crisis¹

Adrián Čakanišin²

Abstract

The impact of the multidimensional crisis has put businesses in tourism into an unprecedented situation. On the one hand, the pandemic measures that have inhibited travelling and, on the other, the rise in energy prices have meant that hotel facilities have experienced a high degree of uncertainty and risk. The aim of the article is to determine the economic efficiency of hotel facilities in the Slovak Republic based on selected profitability indicators. Under the strong influence of the pandemic situation, negative values were achieved for all analysed profitability indicators in 2021. The hotel companies achieved completely negative values of the indicators in this year, but mainly as a result of the measures mentioned. In the following year, all indicators achieved positive values, but the profitability of all compared benchmarks was at a low level. The article also contains lists of the TOP 10 best hotel facilities in the Slovak Republic, which achieved positive values in the observed period. Among the best companies that have been placed in the lists more than once are Michael's Palace Hotel s.r.o. and Letisko Mlynica s.r.o., which were ranked among the TOP 10 hotel establishments in both time periods.

Key words

Hotel Facilities, Crises Situations, Economic Efficiency, Multidimensional Crisis

JEL Classification: Z 31, Z 32

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Introduction

The hotel industry has been severely tested by the current crises. In particular, the impact of COVID-19 on this sector and on tourism in general has been very negative. Since the announcement of the COVID-19 pandemic, tourism has been one of the hardest-hit economic sectors in the world. The World Tourism Organization (UNWTO) predicted a 20-30% decline in international tourist travel in 2020. According to its estimates, this decline could lead to a drop in revenue of 350 to 400 million euros (UNWTO, 2020). In contrast, the Organization for Economic Cooperation and Development expects the performance of the tourism industry to decline by 80% (OECD, 2020).

Tourism businesses have restricted their economic growth and development during the COVID-19 pandemic (Jackson et al., 2021). The pandemic period also harmed the decline in GDP, wages, and the termination of employment in tourism businesses. (Syaifudin et al., 2022). The most affected sectors of tourism services were accommodation businesses (Roman et al., 2022). Tourism is expected to grow again due to tourists' strong motivation to travel, which will have a positive impact on the industry (Aldao et al., 2022). However, it

¹ This article is part of VEGA 1/0271/23 Sustainable renewal of spa tourism in Slovak Republic in the context of impacts of civilization crises

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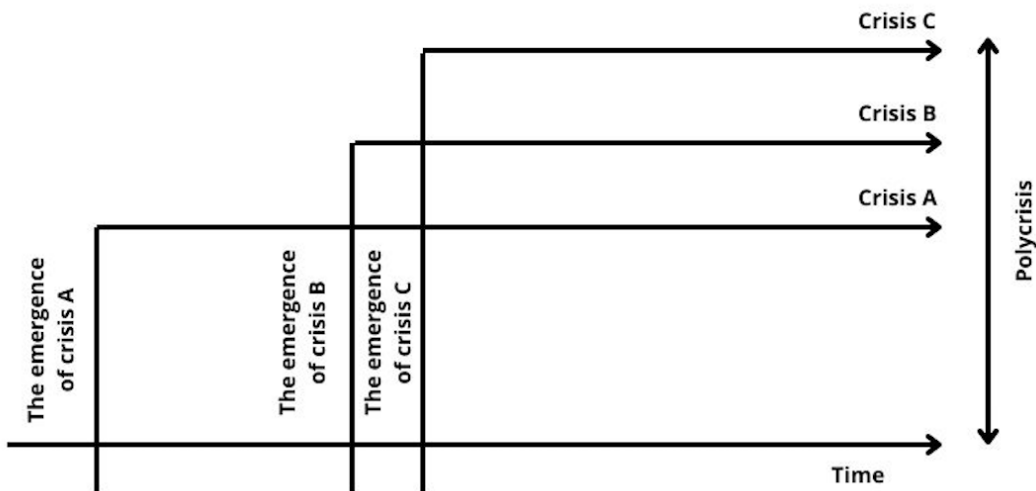
is assumed that tourists will increasingly seek and use tourist services in their country due to the fear of the COVID-19 disease (Kvítková, Petru, 2021).

The COVID-19 pandemic is considered one of the global multifaceted crises (Pitoyo, Aditya, Amri, 2020). A multifaceted crisis is a crisis phenomenon composed of several crises that occur simultaneously, including economic, social, environmental (Kasztelan, 2021), and, finally, health. According to the World Bank (2023), the complexity of crises and risks is nothing new, but there is still a lack of tools for cooperation and management before, during, and after these phases.

The identification and perception of a multifaceted crisis differs depending on the approach of the various authors. According to the authors Pitoyo, Aditya, and Amri (2020), the perception of a multifaceted crisis is related to the consequences of the original crisis. In their study, they presented the results of the impact of the COVID-19 pandemic on the information society and the economy, arguing that the identification factor is the importance of the impact. In contrast, the World Bank (2023) and Kasztelan (2021) see a multilateral crisis as a set of several crises that exist simultaneously, with the likelihood of them influencing each other. In his studies, Welsch (2020) understood a multilayered crisis as a phenomenon in which several factors and sectors are affected by a crisis. He highlighted the impact of the COVID-19 pandemic on the health, financial, and economic sectors of the state.

The perception of a multifaceted crisis can be a contentious factor for proper understanding. In this paper, a multifaceted crisis is understood as a series of crises that are immediate and simultaneously affect the environment. For a proper understanding of the multifaceted crisis perceived by the author of the paper, the following scheme is presented.

Fig. 1 Multidimensional crisis in time



Source: own processing by World Bank (2023), Ksztelan (2021)

The above diagram shows the perception of a multi-layered crisis and its development over time. A multifaceted crisis can therefore be seen as a period in which two or more

crises occur simultaneously. In the phase of simultaneous influence, these crises can influence each other, but this is not a condition. The key factor of a multifaceted crisis is the simultaneous effect of these crises on their environment, which leads to negative, often even multiple negative effects on those affected.

Efficiency is defined as the ability to achieve maximum results with minimum effort or cost. This term refers to approaches such as achieving maximum output using a particular combination of inputs or combining output using the minimum input within the range of available options. (Bayrak, Bahar, 2018; Kroteeva et al., 2016; Cracolici, 2008). Efficiency is an important prerequisite for organizational performance, which is an overall value composed of several areas of evaluation of the organization's financial and business performance. Performance measurement is used for the process of quantifying the effectiveness of business activities. Efficiency is often defined as a measure of the economic use of an organization's resources that provides a certain level of customer service (Horváthová, Mokrišová, 2017; Kiselova et al, 2015; Čabinová, Onuferová, 2019).

The economic efficiency of tourism enterprises is expressed by the net income from their economic activity or other activity using production factors. According to Onetiu and Predon (2013), the criteria for assessing economic efficiency can be:

- amount of net income,
- profitability (profitability),
- cost level,
- capital utilization,
- investment in efficiency.

Based on the above criteria for assessing economic efficiency, we will use profitability indicators to assess economic efficiency in the next parts of the paper.

1 Methodology

The aim of the paper is to determine the economic efficiency of hotel facilities in the Slovak Republic based on selected profitability indicators. Based on the main objective, the following research questions were posed to help achieve the main objective:

RQ1: Which hotel facilities achieve the highest level of economic efficiency in the Slovak Republic during the multifaceted crisis?

RQ2: What is the economic efficiency of hotel establishments in the Slovak Republic during the multi-layered crisis?

To achieve the main objective, several scientific methods were used. The abstraction method was used to process the theoretical starting points of the researched topic to select relevant scientific and professional sources. The synthesis method was used to combine the information obtained and draw general conclusions, especially in the results and conclusion sections. The concretization method was applied in the selection of the research subject, i.e. the hotel industry in the Slovak Republic and selected hotel facilities.

A financial analysis was used to determine the results of the contribution and to achieve the target set, especially for selected indicators. Selected profitability indicators were used to calculate economic efficiency, namely return on equity (ROE), return on sales (ROS) and

return on assets (ROA). The calculation of selected efficiency indicators is based on the following relationships:

Return on equity expresses the profitability of a unit of equity invested in the company. It is based on the following relationship:

(1)

$$ROE = \frac{\text{net profit}}{\text{equity}} \times 100$$

The return on sales expresses the profitability of the production of a unit of company sales. It is based on the relationship:

(2)

$$ROS = \frac{\text{net profit}}{\text{sales}} \times 100$$

The return on assets expresses the profitability of a unit of the company's assets. It is based on the relationship:

(3)

$$ROA = \frac{\text{net profit}}{\text{assets}} \times 100$$

In the first step, it was necessary to determine the object of investigation, for which the hotel industry in the Slovak Republic was selected based on the Finstat database. From this database, only hotels and similar accommodation establishments according to the NACE classification in Section I 55 were then selected. Based on this selection, a list of available hotel establishments with an annual number of closures of 663 was selected. Based on the selection and identification of hotel facilities, an economic efficiency calculation was made for the individual facilities, and the overall efficiency of hotel facilities in the Slovak Republic was subsequently determined. Under the influence not only of COVID-19 but also of other crises (multilateral crises), economic efficiency was determined in 2021 and 2022. During this period, not only the companies but also the Slovak Republic, in general, were in a crisis phase of the energy crisis and the political crisis in the form of the war in Ukraine, which occurred simultaneously during the duration of the COVID-19 pandemic.

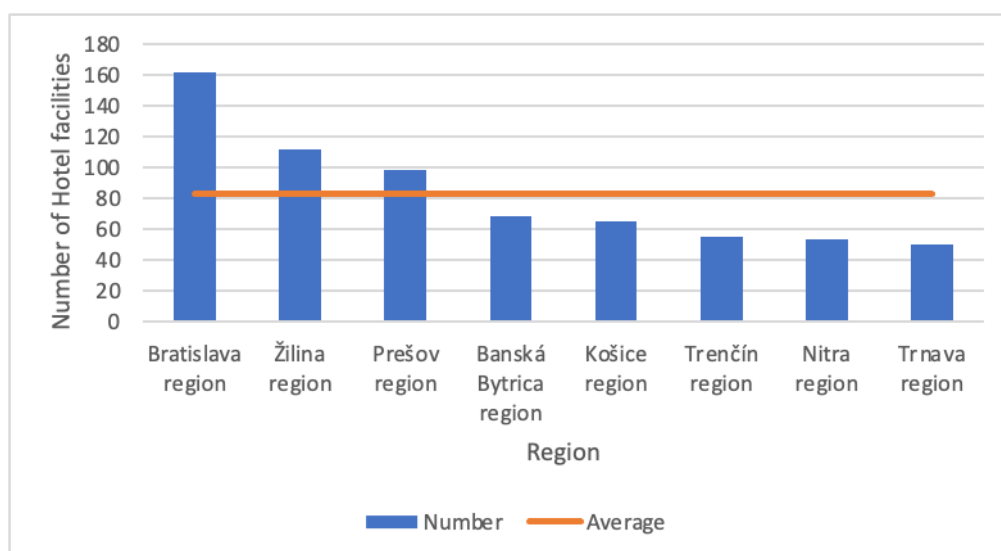
2 Results and Discussion

To determine the economic efficiency of hotel facilities in the Slovak Republic, the ROA, ROS, and ROE indicators were used, which are commonly used to represent the financial situation and health of companies.

2.1 Hotel Facilities by the NACE I 55 in Slovak Republic

To correctly determine the economic efficiency, a data set must first be determined based on which the economic efficiency is calculated. 663 accommodation establishments or companies were selected from the overall database, which is included in the Finstat database in Section I 55 (100) according to the NACE Rev. 2 classification. The following chart shows the structure of these establishments according to the individual regions of the Slovak Republic.

Graph 1 Number of hotel facilities by region in section I 55 in the Slovak Republic



Source: own processing by the Finstat, 2023

From the above chart it can be concluded that the highest number of hotel establishments in Section I 55 (100) is to be found in the Bratislava region with 162. In second place is the Žilina region with 112 hotel establishments, followed by the Prešov region with 98 establishments of this type. The average number of hotel establishments in the data set is 83, with only the Bratislava, Žilina and Prešov regions achieving an above-average number of establishments. The Trnava region brings up the rear with 50 hotel establishments.

2.2 ROE hotel facilities in Slovak republic

When calculating the return on equity, we assume the relationship mentioned in Chap. 2 and the recalculation is carried out for two consecutive periods 2021 and 2022. For the

evaluation, the companies that achieved the best values and the value of the indicator for all monitored hotel facilities in the Slovak Republic available in the Finstat database dataset are listed.

Tab 1 ROE TOP 10 hotel facilities with the highest value in 2021 and 2022, in %

2021			2022		
Reg.	Name of business	ROE	Reg.	Name of business	ROE
BB	Horský hotel Minciar, s. r. o.	2302,37	KE	DAM Hotel s.r.o.	4399,60
PV	ENCHANTÉ BUSINESS COMPANY s.r.o.	2056,75	KE	GALAXY, s.r.o.	1083,32
KE	Michael's Palace Hotel s.r.o.	1179,67	BA	EUROPOINT, s.r.o.	1038,58
BA	RUSTICA garni s.r.o.	761,93	BB	COMEX-S.N.C., s.r.o.	1037,70
BB	VILA 27 s.r.o.	489,86	ZA	Silver Spoon s.r.o.	995,09
PV	KP POPRAD s.r.o.	440,14	TT	Pátek Family, s.r.o.	843,68
BA	VB Management s.r.o.	422,79	BA	JM Capital Group s.r.o.	835,05
BA	Zutafina s.r.o.	416,07	BA	Pútnický mlyn, s.r.o.	604,41
PV	Stamat invest s.r.o.	382,11	PV	TATRASPORT ZAMPA s.r.o.	582,77
TN	Dobre a zdravo a.s.	367,19	BB	Uhlisko, s.r.o.	549,91
Average 2021		881,89	Average 2022		1197,01

Source: own processing by the Finstat, 2023

The above table shows that the companies with the best return on equity values in 2021 were Horský Hotel Minciar, s.r.o., Enchanté Business Company s.r.o. and Michael's Palace Hotel, s.r.o., which reached the level of return on equity of over 1000 percentage points. The average value of the TOP 10 companies in terms of return on equity achieved is 881.89 percentage points. The table shows that only 4 of the 10 hotels listed were above the average of these companies. In the case of the best hotel establishments, this means that 1 euro of equity invested by the company has a profitability of 2 302.37%.

In 2022, the market situation has changed, and ROE values have increased many times over. In the TOP 10 hotel facilities in 2022, not a single facility from 2021 appears, while DAM Hotel s.r.o. is in first place in terms of the amount of ROE achieved with 4399.6 percentage points. Compared to the TOP company from 2021, there is almost a 100% difference in achieving the value of this indicator. The average value of the TOP 10 hotel establishments in 2022 was 1197.01 percentage points, while only one hotel establishment was above this value.

Such a change in the achieved level of the ROE indicator compared to the previous year could be caused by the extensive easing of measures in connection with the COVID-19 pandemic in 2022 and the absence of the general impact of the energy crisis in 2022. In general, however, it can be emphasized that even with differences in the first rank in the

ROE rating, the average level of return on equity in the TOP 10 companies has only increased by 35 percentage points compared to the previous year.

Tab 2 Total ROE in hotel facilities in Slovak Republic in 2021 and 2022, in %

	2021	2022
Total Equity	354 623 765 eur	379 919 432 eur
Total net profit	-55 902 629 eur	1 598 279 eur
Total ROE	-15,76 %	0,42 %

Source: own processing by the Finstat, 2023

The total ROE in hotel facilities in the Slovak Republic is based on the sum of all data of hotel facilities in the dataset, which can be understood as ROE indicators for all monitored subjects. The level of return on equity in 2021 is -15.76%, which means that 1 euro of invested equity results in a loss of 15.76 cents. In contrast, the total return on equity achieved a positive result in 2022, with 1 euro of equity in hotel facilities yielding a profit of 0.0042 euros.

2.3 ROA hotel facilities in Slovak Republic

The return on assets expresses the level of profitability of a unit of the company's assets. It represents the return on the company's total assets in the form of the company's net profit. It is based on the relationship mentioned in chapter 2. For the evaluation, the companies that have achieved the highest ROA value are listed and then the indicator for all hotel establishments in the Slovak Republic from the Finstat database dataset is used.

Tab 3 ROA TOP 10 hotel facilities with the highest value in 2021 and 2022, in %

2021			2022		
Reg.	Name of business	ROA	Reg.	Name of business	ROA
BA	ALIEN RESORT s.r.o.	134,99	BA	BM Bývanie s.r.o.	238,44
ZA	APS MONTANA, s.r.o.	108,36	ZA	BONAD s.r.o.	221,81
PV	Apartmány Tatry, s.r.o.	107,65	KE	DAM Hotel s.r.o.	201,24
TT	REAL CENTRUM Trnava, s.r.o.	73,00	PV	M.J.M.A.N. s.r.o.	130,73
TN	HOUSE, s.r.o.	69,92	BB	COMEX-S.N.C, s.r.o.	121 65
KE	Michael's Palace Hotel s.r.o.	57,63	BA	CIRI, s.r.o.	115,74
BA	Garni Hotel DOCK s.r.o.	52,03	ZA	SILVER SPOON s.r.o.	108,48
ZA	LEHTO s.r.o.	49,35	BA	ALIEN RESORT s.r.o.	107,63
PV	METRONEK, s.r.o.	49,17	BA	URA s.r.o.	76,39
PV	KRASVILL s.r.o.	47,81	BA	BHOSTEL s.r.o.	76,22
Average 2021		75,00	Average 2022		127,67

Average: own processing by the Finstat, 2023

From the above table, it can be concluded that the companies that achieved the highest return on assets values in 2021 were ALIEN Resort, s.r.o., APS Montana, s.r.o., and Apartmány Tatry, s.r.o., which achieved the final value of profitability at the level of over 100 percentage points. In the case of the company that placed first, it is assumed that 1 euro of company assets brought 1.35 euros of net profit. Compared to the hotel facility, which ranked 10th, the total absolute difference is at the level of 0.87 euros of net profit. The average level of ROA in 2021 in the TOP 10 hotel facilities was at the level of 75%, which means that on average 1 euro of assets of these facilities generates a net profit of 0.75 euros.

In 2022, the hotel facility BM Bývanie s.r.o. was placed on the first rung with an ROA value of 238.44 percentage points. Compared to the year 2021 and the best company in the achieved level of ROA, the difference is at the level of 103.45 percentage points, which in absolute terms reaches the level of 1.03 euros. From the above, it follows that in 2022 the assets of the best enterprise in the value of ROA generated 1.03 euros more in net profit than in the best enterprise in 2021. As we can see the hotel facility ALIEN Resort s.r.o. was ranked in the TOP 10 hotel facilities with the highest achieved level of ROA in both monitored periods.

Tab 4 Total ROA in hotel facilities in Slovak Republic in 2021 and 2022, in %

	2021	2022
Total Assets	1 354 001 571 eur	1 424 926 651 eur
Total net profit	-55 902 629 eur	1 598 279 eur
Total ROA	-4,13 %	0,11 %

Average: own processing by the Finstat, 2023

The total value of ROA in hotel facilities in the Slovak Republic reached the level of -4.13 percentage points in 2021, which in absolute terms means that 1 euro of hotel assets generally resulted in a loss of 0.0413 euros. On the contrary, in 2022, the value of ROA was positive, where 1 euro of assets brought profit at the level of 0.0011 euro.

Of course, we can assume that this positive year-on-year effect occurred primarily because of the easing of pandemic measures and because of the overall impact of the energy crisis and the political crisis in the form of a war in Ukraine not appearing on hotel facilities.

2.4 ROS hotel facilities in Slovak Republic

Profitability of sales expresses the level of profitability of a unit of sales in the company. It represents the amount of profit that a unit of achieved sales brings to the company. The calculation is based on the relationship stated in ch. 2. During the evaluation, the companies that have reached the highest level of ROS are listed, and then the total ROA for hotel facilities in the Slovak Republic, available from the data set from the Finstat database, is also listed.

Tab 5 ROS TOP 10 hotel facilities with the highest value in 2021 and 2022, in %

2021			2022		
Reg.	Name of business	ROS	Reg.	Name of business	ROS
PV	Letisko Mlynica s.r.o.	300,69	ZA	BONAD s.r.o.	707,95
TN	HOUSE s.r.o.	286,43	BA	URA s.r.o.	349,32
KE	MECOM spol. s r.o.	97,56	TN	ISTRASLOV spol. s r.o.	232,19
BA	Allagando, s.r.o	78,04	PV	Letisko Mlynica s.r.o.	191,73
KE	Michael's Palace Hotel s.r.o.	60,16	NR	NUS s.r.o.	184,14
PV	Anna Kvaková s.r.o.	59,54	PV	MART-SK, s.r.o.	122,79
TT	CARCEL s.r.o.	58,10	BA	PENZION Lu/Ki s.r.o.	98,38
NR	PULSE Podhájska s.r.o.	51,48	ZA	DIERY Rezort s.r.o.	91,33
TT	Hanss, s.r.o.	51,37	BA	ZLATÉ OKNO s.r.o.	85
ZA	APS MONTANA, s.r.o.	50,84	TT	GRÚŇ, a.s.	83,26
Average 2021		109,42	Average 2022		214,61

Average: own processing by the Finstat, 2023

The highest values of return on sales (ROS) in 2021 were achieved by Letisko Mlynica s.r.o., HOUSE s.r.o. and MECOM spol. Ltd. . The highest recorded value of ROS was in 2021 at the level of 300.69 percentage points, which in absolute terms means that 1 euro of achieved sales brought the company a profit of 3.00 euros. In this case, we can assume the inclusion of the profit from the previous accounting period or the inclusion of a higher level of depreciation, as according to the Finstat database, the company Letisko Mlynica achieved sales in the amount of 38,643 euros, while the profit for the accounting period reached the level of 116,198. A similar level is also achieved by HOUSE s.r.o., whose ROS reached the level of 286.43 euros.

Tab 6 Total ROS in hotel facilities in Slovak Republic in 2021 and 2022, in %

	2021	2022
Total sales	281 243 997 eur	527 034 650 eur
Total net profit	-55 902 629 eur	1 598 279 eur
Total ROS	-19,87 %	0,30 %

Average: own processing by the Finstat, 2023

The profitability of sales of selected hotel facilities in the Slovak Republic reached a negative value of -19.87% in 2021. In absolute terms, it follows that 1 euro of achieved sales of hotel facilities generally resulted in a loss of 0.1987 euros. In the case of 2022, hotel facilities in general fared better, as the return on sales for all facilities examined reached the level of 0.30%. Again, we can assume the same effect as with ROA and ROE, when the

negative level of total profitability achieved was caused by severe pandemic restrictions. On the contrary, the positive year-on-year growth of ROS is primarily recorded by the massive easing of pandemic measures by the government of the Slovak Republic.

Conclusion

The impact of several crisis situations at the same time, also referred to as a multifaceted crisis, has a fundamental impact on the functioning and performance of every business entity. In the case of the tourism industry, which is sensitive to significant changes in the business environment and factors affecting it, such an intervention, such as the current multifaceted crisis, had a very negative impact.

Based on the presented financial analysis of hotel facilities in the Slovak Republic, it can be concluded that all monitored ROA, ROS and ROE indicators provided important information about the financial health and performance of these enterprises under the influence of the multifaceted crisis. In 2021, significant negative values could be observed in the overall evaluation of selected profitability indicators. The above was caused primarily because of pandemic measures with the possible impact of the energy crisis, as well as other internal and external factors affecting the hotel sector in this period. The values of ROA, ROS and ROE exceeded negative values in the overall scale of hotel facilities from 2021 to positive values in 2022, which indicates an improvement in the year-on-year financial situation of hotel facilities. This positive developing trend can be attributed to the massive relaxation of pandemic measures and the resumption of tourism in 2022.

Within the framework of specific profitability indicators, the TOP 10 hotel facilities in the selected period of 2021 and 2022 with the best values were identified. In the monitored years, the composition of these enterprises changed significantly, which points to the dynamics and competitive environment in the hotel sector. In the case of pointing to the best enterprises, we can point to Michael's Palace Hotel s.r.o., which in 2021 reached the TOP 10 hotel establishments in all monitored indicators. In the case of a year-on-year positive placement in the TOP 10 companies, it is possible to single out the business entity Letisko Mlynica s.r.o., which achieved placement in ROS in both years.

To fully understand the impact of the multifaceted crisis and the dynamics of the hotel sector in this period, it is possible to focus in the future on the identification of economic efficiency while taking into account other important factors such as the regional distribution of hotel facilities and the subsequent analysis of regional variations. Another possible future direction of research in the subject area is the creation of the same or modified financial analysis, but above all considering the delayed impact factor. In practice, it is assumed that the influence of factors in one period of business will have the effect of proving itself in the results in a later period $t+1$.

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Slovakia's SPA Tourism: A comprehensive Evaluation of its Potential and Challenges¹

Mária Halenárová²

Abstract

Slovak spas are rare and unique due to the composition of mineral and thermal springs and innovative services in the treatment of post-covid syndrome. The most significant development began only in 1989. The annual reports of 23 investigated spas in Slovakia in between the years 2005-2022 were used to determine the development of the potential of spa tourism. Basic scientific research methods such as analysis, synthesis, induction, deduction, description, abstraction and analogy were used in the collection and processing of information and data. Processing of forecasts of selected performance indicators was done in the statistical program Stat-Graphics19 with data from 2007-2022. The forecast was set until 2035. The result of the research points out the long-term potential of the spa industry in Slovakia and the threats that threaten the sale and visit rate of spas. This is mainly due to the lack of medical personnel and increasing competition within the European Union. Forecasts point to a stable annual overnight stay of clients in spas.

Key words

Spa tourism, potential, Slovakia, forecast

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Introduction

Slovak spas have a significant history, which, according to available information, dates to the arrival of the Romans on the territory of Slovakia. The Romans used mineral and thermal springs, with which Slovak citizens are treated to this day. Spa businesses and wellness facilities make up a significant share in the structure of tourism, especially in terms of overnight stays and tourism revenue production (Kasagrandá, Gurňák, 2018). An important landmark in the history of spas in Slovakia was the Act on the Nationalization of Natural Medicinal Resources and the Incorporation of Confiscated Assets from 1948. The most extensive confiscation of accommodation facilities was in Piešťany (Mulík., 1985). After the political coup in 1989, the state-owned spa enterprises became private again. Until 1990, the spa complex was a single state enterprise, which also included an institution called Balnea. The central management structure of the baths fell apart. Spa businesses were transformed into a state joint-stock company (Vejsablová, 2011). In the 20th century, the ownership of Slovak spa businesses changed twice, as did the method of their financing (Derco,

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Romaniuk, Cehlár, 2020). Currently, there are 28 spa companies in Slovakia, with 64.29% owned by domestic private owners, 25% by the state, 7.14% by international private owners, and one spa business owned by associations, political parties and church (Čabinová, Burgerová, Gallo, 2021). The total number of spa tourism accommodation facilities is a 2.7% share, while it accounts for almost one quarter (22%) of the total number of overnight stays by guests, one fifth (20%) of the total revenue, direct added value of tourism is €1.59 billion, direct GDP of tourism is €1.73 billion, expenses of foreign tourism is €1.64 billion, revenue from domestic tourism is €1.6 billion, 353 thousand jobs at a level of around 60% (TSA SR 2010). The mentioned facts and the connection with the quality of natural medicinal sources, the rich tradition of Slovak spa industry, the modernization of several tourism spa businesses in Slovakia, the demographic development in Europe and the growing demand for tourism products aimed at health or a healthy lifestyle mean that tourism spa products represent significant potential for Slovakia and the perspective of the positive development of tourism for the future (SACR Marketing Strategy for the period 2014-2020). Čabinová et al. (2021) state that based on the Performance & Efficiency model (P&E model), the economic situation of spa enterprises is stable (2013-2018) and did not record any significant economic fluctuations. From this, they assess that spa businesses in Slovakia have potential and are at a stable economic level. Derco and Pavlišinová (2017) declare that an unstable situation has risen in Slovakia, causing uncertainty for spa businesses in the legislation ensuring the financing of spa treatments from health insurance, limited financial costs for spa care and price regulation of health insurance companies oriented more towards the so-called profit of insurance companies. This limits new possibilities for developing products and services for spa businesses (Košíková, Litavcová, 2019).

The main purpose of the article is to examine the development of the potential of spa tourism in Slovakia and its current and future challenges.

1 Methodology

The main goal of the article is to examine the development of the potential of spa tourism in Slovakia and its current and future challenges. 23 spa businesses in Slovakia were examined, namely Spa Bardejov Inc., Horezza Inc., Spa Bojnice Inc., Spa Dudince Inc., Spa Lučivná Inc., Spa Lúčky Inc., Spa Nimnica Inc., Spa Nový Smokovec Inc., Spa Sliač Inc., Spa Štós Inc., Spa Trenčianske Teplice Inc., Spa Vyšné Ružbachy Inc., Natural Iodine Spa Číž Inc., Slovak medical spa Piešťany Inc. Spa Rajecké Teplice Inc., Spa Turčianske Teplice Inc., Spa Horný Smokovec Inc., Pieniny Resort Inc., Slothermae - Spa Diamond Dudince s.p., Specialized Spa Institute Marina š.p. The selected spa enterprises are included in the statistical classification of the Statistical Office of the Slovak Republic in section n Q – Health and Social care, Division 89 – Health care and specific subclasses 86.909 – Other health care. Data for assessing the potential and evaluating its development were drawn from the annual reports of selected spa enterprises for the last 5 years, respectively for 2017-2022. Capacity and performance indicators were compared, such as the number of spa businesses, the number of beds, the number of cured patients, the number of visitors (domestic and foreign), sales of individual spa businesses, total added value and share of GDP of the Slovak Republic. Challenges that Slovak spa businesses must face, were determined based on an examination of current competitive, political and health restrictions and regulations. Subsequently, forecasts were processed in the statistical program StatGraphics19, where a model of the SARIMA type (Seasonal Auto Regressive Integrated Moving Average) was imple-

mented. The SARIMA model is used in calculations and forecasts with seasonal data. Diagnostic graphs such as ACF (autocorrelation function) and PACF (partial autocorrelation function) were also performed. Forecasts were modeled until 2035 with data from 2007. The SARIMA model was used to model forecasts of the number of overnight stays by clients in spas and their revenues from 2013 to 2022. Descriptive statistics were also used within the forecasts for the period 2005-2022. Other methods such as systematization, deduction, synthesis and abstraction were also used.

2 Results and discussion

Slovakia is rich in mineral and thermal springs throughout the entire territory. The spa tradition dates to the times of the Roman Empire, and the current spa facilities retain historical elements. In the results section, we examine the potential of the spa industry in Slovakia, where we look for its unique properties through analysis. We also focus on challenges that affect the current state of spa facilities as well as factors and trends that will affect the Slovak spa industry for the next few years.

2.1 Potential of the Slovak spa industry

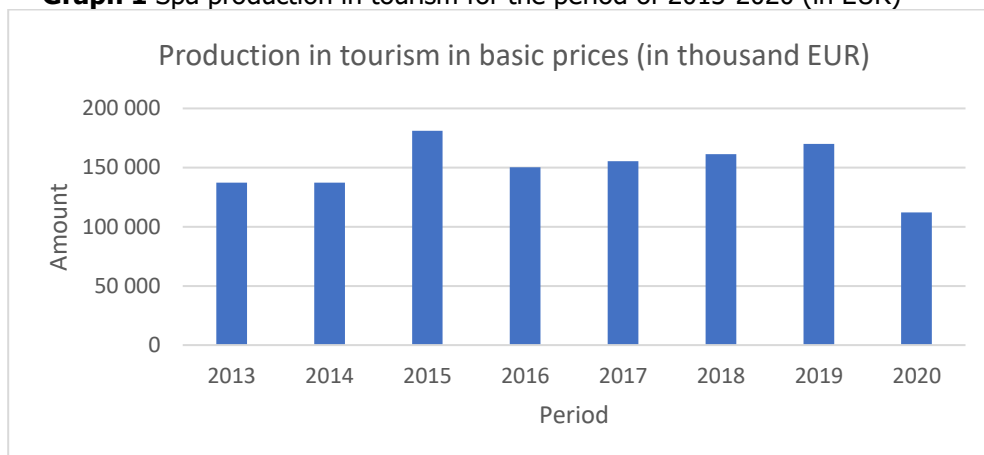
From a geographical point of view, Slovakia is advantageously located in the so-called „Heart of Europe“. The most prestigious clientele using the treatment programs of Slovak spas does not have to pay high fees for air transport and visas are not required. Many tourists are attracted to Slovakia especially by historical landmarks that are well preserved, for example in the cities of Košice, Bratislava and Vysoké Tatry. In terms of surface area, Slovakia ranks seventh as the most forested country in the European Union (39%). Austria, Latvia or Estonia have more than 39%. The Czech Republic has 34% (Eurostat, 2022). Slovakia is also unique thanks to natural conditions such as caves, waterfalls and mountains. The number of caves was over 7,000 in 2021, while Hungary has over 4,000 (ŠÚ SR, 2023).

In Slovakia, we have 28 spa enterprises, which we divide into natural healing spas (22 spas) and climatic spas (6). Spas are divided based on the use of natural resources such as natural healing mineral and thermal springs and the use of climate. Several spas have wellness centers that are used not only for medical and treatment purposes, but also for rest and relaxation. They are created for self-payers who come to the spa for prevention and not for direct treatment of diseases.

Among the unique treatment programs that Slovak spas began to offer among the first is treatment for post-covid syndrome. Piešťany Spa is significant due to its medicinal mud, which received a certificate for therapeutic use within the entire European Union. Spa Štós offers for self-paying customers stays called "healthy voice", which is aimed at people who use their vocal cords in their profession. The aim of the program is to prevent voice fatigue. Unique medical stays are the "Speleoterapia" stays, using the properties of predominantly karst caves (e.g. Štós Spa, Tatranské kúpele). Spa Nimnica also offers the services of a psychologist as part of the Impuls treatment program, aimed at people with burnout syndrome.

Production in tourism of spa tourism in 2020 amounted to €112,159,000. In 2015, production in tourism of spa tourism was the highest, and compared to 2020 it was 38% higher (graph 1).

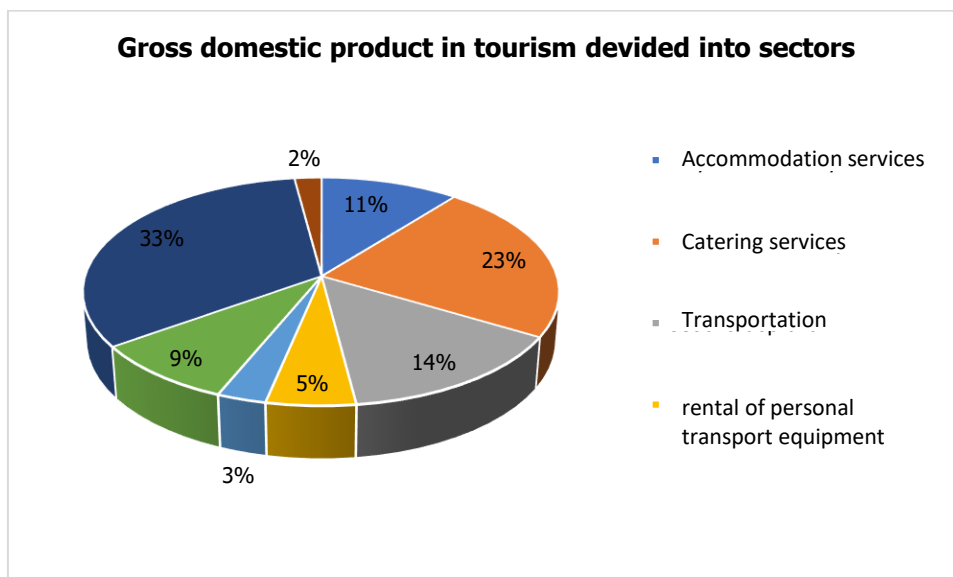
Graph 1 Spa production in tourism for the period of 2013-2020 (in EUR)



Source: own processing based on TSA 2013-2020

The gross added value of spa tourism in Slovakia was €61,777,000 in 2020. Before the Covid-19 pandemic, it was worth €95,771,000 in 2018. The highest value of the gross added value of spa tourism was in 2019, namely €103,820,000. The total value of the gross added value of spa tourism in Slovakia in the hotels and other accommodation services category was €374,842 in 2019. From the given data, it follows that the spa industry accounted for 27.80% of the GDP value of the GDP of hotels and other accommodation services in 2019. From the given data, it can be proven that spa tourism has a significant share in the creation of the GDP of the Slovak Republic.

Graph 2 Gross added value in tourism by sector for 2020 (in EUR)



Source: own processing based on TSA 2013-2020

From 2014 to 2019, the number of overnight stays in spa facilities increased by 307,364 clients. In the post-Covid-19 period, the number of overnight stays was significantly lower than in 2019, by 1,036,161 clients. It is justified due to measures during the pandemic and restrictions ordered by the government of the Slovak Republic. However, there is an upward trend here because already in 2021, the number of overnight stays increased by 0.15% compared to 2020.

In 2020, revenue for accommodation amounted to €39,209,862, while €35,034,663 was revenue from domestic clients. However, the increase in revenue for accommodation in 2021 was 13.3% higher than in 2020, which again points to the potential of the spa industry. Spa facilities also contribute to employment. In 2020, the spas employed 4,222 people. In 2019, they employed 4,334 people. The decrease in status was again caused by state's anti-pandemic regulations, especially the closure of all accommodation facilities as well as state borders. In the SK NACE Q category – Health care and social assistance, where we also include spa businesses, 176,631 people were employed in 2020 (ŠÚ SR, 2023). Employment in spas contributes to the employment in category Q, 2.5% of total employment in Slovakia. In 2020, the Slovak Spa Piešťany Inc. employed 789 people, making them the spa business with the highest number of employees.

2.2 Challenges faced by the Slovak spa industry

The spa industry in Slovakia will have to face serious challenges that will affect not only clients and potential visitors, but also their management. Now, Slovakia and the whole world are facing the consequences of a pandemic, which will have an impact in the long term. We investigated current challenges in Slovakia and their possible impact on bathing facilities in Slovakia. Among the main challenges faced is the age structure of nurses and doctors in Slovakia. The population is aging, and new specialized doctors will not have enough experience to properly diagnose spa visitors (fig. 1).

Figure 1 Comparison of age structure of doctors and nurses in Slovakia (2021)



Source: NZCI, 2021; Páleník M, 2021

The highest number of doctors in Slovakia is at the retirement age of 65+, in the number of 3,996. The number of doctors aged 25-29 is 2,708. The spa industry may therefore have a problem in the coming years in finding suitable doctors and nurses for its facilities. In the following 2024, the salary of doctors will be increased based on the decision of the Ministry of Health, which will significantly increase the cost of spas, but will help attract and retain doctors in Slovakia.

Another challenge for the spa industry will be increasing inflation in Slovakia. Currently, some spas have announced that they will increase prices for accommodation and services by approximately 15% and will reduce the temperature in pools and accommodation facilities (e.g., Spa Trenčianske Teplice Inc., Spa Lúčky, Spa Červený Kláštor Smerdžonka). The Council for Budget Responsibility of SR states that the following years will be accompanied by higher foreign demand, while the domestic economy will be dampened by consolidation, see tab1.

Table 1 Inflation forecasts until 2027

Main indicators of the RRZ forecast (real growth in %, unless otherwise stated)	Act.	Prognosis					Change compared to min. forecast			
	2022	2023	2024	2025	2026	2027	2023	2024	2025	2026
GDP	1.7	1.3	1.5	2.7	2.8	2.5	-0.6	0.0	-0.2	0.2
Household consumption	5.5	-0.4	1.8	1.9	2.4	2.1	-0.8	1.0	-0.1	-0.1
Fixed investments	5.9	6.2	2.4	3.8	3.6	2.1	-3.3	0.6	-0.8	1.4
Public administration consumption	-4.3	0.7	-1.2	0.5	0.5	1.4	0.4	0.3	0.1	-0.1
Export of goods and services	2.3	1.9	6.5	4.1	3.1	2.5	-0.3	-0.5	-0.2	0.2
Import of goods and services	4.0	1.7	5.4	2.8	2.5	2.0	-0.9	0.4	-0.4	0.1
Employment (ESA)	1.8	0.3	0.3	0.4	0.3	0.3	-0.1	0.0	0.1	0.2
Nominal salary (reporting of the Slovak Social Security Office)	7.7	11.0	8.1	5.4	4.5	4.3	-0.1	-1.2	-1.5	-0.9
Real wage (deflated CPI)	-4.5	0.2	3.3	2.7	2.7	2.4	-0.9	1.1	0.1	-0.1
Unemployment rate, p.b. (VZPS)	6.1	6.0	5.8	5.5	5.3	5.1	0.0	0.0	-0.1	-0.2
Inflation, % (CPI)	12.8	10.7	4.6	2.6	1.7	1.9	0.9	-2.2	-1.5	-0.8
Production gap, % pot. product	0.4	0.1	0.0	0.3	0.3	0.2	-0.5	-0.4	-0.1	0.1

Source: The Council for Budget Responsibility of SR, 2022

The challenges that the spa will have to face include also:

- **Environmental sustainability:** Balancing the demands of tourism with the need to protect natural resources and the environment is challenging. Excessive use of mineral springs and insufficient waste management can have a negative impact.
- **Regulations and standards:** Adherence and enforcement of industry regulations and quality standards is crucial to the credibility and reputation of the spa industry. Inconsistent enforcement can lead to sub-par visitor experiences.
- **Marketing a promotion:** Although Slovakian spa offers are valuable, they may not be as widely recognized as the offers of other European spa destinations. Effective marketing and promotional efforts are required to increase awareness and attract a diverse clientele.

- **Competition from other destinations:** Slovakia faces competition from other spa destinations in Europe and the world. Countries such as Hungary, Czech Republic and Austria also offer spa facilities and wellness tourism experiences.
- **Infrastructure and modernization:** Some Slovak spa facilities may require modernization and improvements to meet the expectations of modern travelers. Outdated infrastructure could deter potential visitors looking for modern wellness experiences.

Based on performance and capacity indicators, forecasts until 2027 were processed. The predictions of the number of overnight visitors from 2005-2022 with a prediction until 2027 were examined (graph 3). Predictions up to the year 2035 indicate that visitors staying overnight in Slovak spas will develop similarly to previous years. In 2027, it should reach 1,709,416 overnight stays, which predicts a decrease compared to 2021 by 10.6%. The indicators AR (Auto Regressive), SAR (Seasonal Auto Regressive) and SMA (Seasonal Moving Average) are used in the SARIMA model. If SAR (2) has a negative t-value and a very low p-value, this indicates that the parameter SAR (2) is highly statistically significant, which indicates a strong seasonal autoregressive effect (tab 2).

Table 2 Descriptive statistics of the indicator overnight stays of clients in spas

<i>Parameter</i>	<i>Estimate</i>	<i>Std. Error</i>	<i>t</i>	<i>P-value</i>
AR(1)	0,241108	0,330646	0,729202	0,486675
SAR(1)	0,211066	0,0818573	2,57846	0,032694
SAR(2)	-1,84823	0,138573	-13,3376	0,000001
SMA(1)	0,231605	0,0558639	4,14587	0,003227
SMA(2)	-1,83136	0,119714	-15,2978	0,000000

Source: own processing in the statistical program StatGraphics19

The autoregressive parameter (AR) at lag 1 is estimated to be 0.241108. The t-value of 0.729202 suggests that the estimate is not significantly different from zero, given the standard error. The p-value of 0.486675 is greater than the commonly used significance level of 0.05, indicating that the AR(1) parameter may not be statistically significant. The seasonal autoregressive parameter (SAR) at lag 1 is estimated to be 0.211066. The t-value of 2.57846 suggests that the estimate is statistically significant, given the standard error. The p-value of 0.032694 is less than 0.05, indicating that the SAR(1) parameter is statistically significant. The seasonal autoregressive parameter (SAR) at lag 2 is estimated to be -1.84823. The t-value of -13.3376 indicates that the estimate is highly statistically significant. The p-value of 0.000001 is much less than 0.05, further supporting the statistical significance of the SAR(2) parameter. The seasonal moving average parameter (SMA) at lag 1 is estimated to be 0.231605. The t-value of 4.14587 suggests that the estimate is statistically significant, given the standard error. The p-value of 0.003227 is less than 0.05, indicating that the SMA(1) parameter is statistically significant. The seasonal moving average parameter

(SMA) at lag 2 is estimated to be -1.83136. The t-value of -15.2978 indicates that the estimate is highly statistically significant. The p-value of 0.000000 is much less than 0.05, further supporting the statistical significance of the SMA(2) parameter.

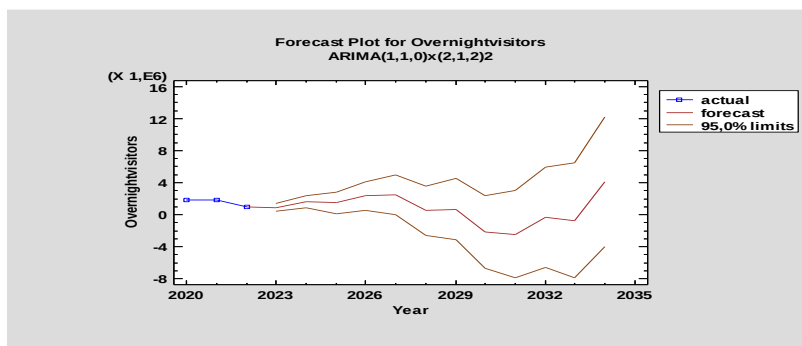
Table 3 Seasonality of spa businesses

<i>Roky</i>	<i>Data</i>	<i>Trend-Cycle</i>	<i>Seasonality</i>	<i>Irregularity</i>	<i>Seasonally Adjusted</i>
2007	2,45329E6				2,40691E6
2008,0	2,60685E6	2,51452E6	103,672	105,709	2,65806E6
2009,0	2,39109E6	2,46977E6	96,8144	94,9842	2,34589E6
2010,0	2,49004E6	2,44582E6	101,808	103,808	2,53896E6
2011,0	2,41211E6	2,42397E6	99,511	97,6298	2,36651E6
2012,0	2,3816E6	2,43071E6	97,9798	99,9047	2,42839E6
2013,0	2,54751E6	2,52346E6	100,953	99,0448	2,49935E6
2014,0	2,61721E6	2,59868E6	100,713	102,692	2,66863E6
2015,0	2,61279E6	2,64608E6	98,7416	96,8751	2,56339E6
2016,0	2,74155E6	2,70738E6	101,262	103,251	2,79541E6
2017,0	2,73365E6	2,74823E6	99,4696	97,5892	2,68197E6
2018,0	2,78406E6	2,80659E6	99,1974	101,146	2,83876E6
2019,0	2,92457E6	2,6304E6	111,183	109,082	2,86929E6
2020,0	1,88841E6	2,14812E6	87,9101	89,6372	1,92551E6
2021,0	1,89108E6	1,67232E6	113,081	110,943	1,85533E6
2022,0	1,01872E6				1,03873E6

Source: own processing in the statistical program StatGraphics19

Table 3 shows each step of the seasonal breakdown. The trend-cycle column shows the results of a centered moving average of length 2 applied to overnight visitors. The seasonality column shows the data divided by the moving average and multiplied by 100. Seasonal indexes are then calculated for each season by averaging the ratios of all observations in that season and scaling the indexes so that the average season equals 100. The data is then divided by the trend cycle and seasonal estimates, giving an irregular or residual component is obtained. This component is then multiplied by 100. The "Trend-Cycle" column reveals a general upward trend in the data over the years, starting around 2007 and continuing through 2019. This indicates a growth pattern in the original data. In 2020 and 2021, the Trend Cycle was lower, which was also caused by the Covid-19 pandemic.

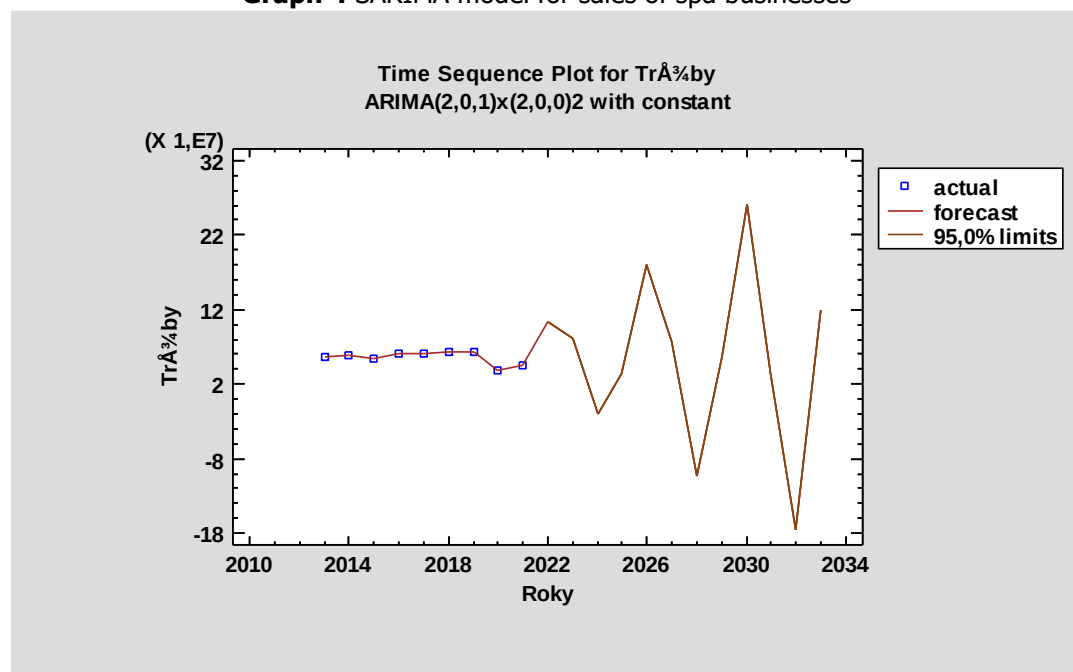
Graph 3 SARIMA model for overnight stays of clients from 2020-2035



Source: own processing based on data from the ŠÚ SR, 2022 in the StatGraphics19 program

The forecast of visitors staying overnight in the spa will be directly proportional to the attendance in previous years. An increase in attendance is forecast only in 2034, and a decrease should occur in 2030 and 2031 (Graph 3). The SARIMA model for sales shows the development of sales (graph 4) and their predictions until 2034. The lowest increase should occur in 2032, where the total sales of spa businesses should fall to a loss. This is due to insufficient data for sales and predicting an increase in inflation.

Graph 4 SARIMA model for sales of spa businesses



Source: own processing in the statistical program StatGraphics19

Predicted values of revenue development are set until 2034. During the period when actual data is available, it also shows predicted values from the fitted model and residuals

(data forecast). For periods after the end of the series, it shows 95.0% prediction limits for the forecasts. These limits show where the actual value of the data is likely to be at a selected future time with 95.0% certainty (tab 4).

Table 4 Predictions of sales of spa businesses until 2034 in

Timeline	Real sales (EUR)	Forecast (Sales)	Lower limit of reliability (Sales)	Upper limit of reliability (Sales)
2013	57138844			
2014	57857817			
2015	53808892	53808892	53808892,00	53808892,00
2016	61280137	52759926,04	50009387,28	55510464,79
2017	61953120	51283994,81	48479522,78	54088466,84
2018	62604942	49808063,58	46886265,03	52729862,13
2019	63378425	48332132,35	45212951,07	51451313,64
2020	39209862	46856201,12	43451716,30	50260685,95
2021	44422023	45380269,9	41602852,77	49157687,02
2022		43904338,67	39672001,29	48136676,05
2023		42428407,44	37667082,65	47189732,23
2024		40952476,21	35596191,99	46308760,44
2025		39476544,98	33466580,04	45486509,92
2026		38000613,76	31284349,49	44716878,02
2027		36524682,53	29054497,78	43994867,28
2028		35048751,3	26781082,92	43316419,68
2029		33572820,07	24467407,15	42678232,99
2030		32096888,84	22116178,92	42077598,76
2031		30620957,61	19729643,79	41512271,44
2032		29145026,39	17309686,01	40980366,76
2033		27669095,16	14857906,17	40480284,15
2034		26193163,93	12375680,08	40010647,77

Source: own processing

The sales of the spa businesses were in the range between the predicted sales and the lower limit of the prediction. In the years 2016-2020, however, the predictions were not correct, as the sales of spa businesses were higher than forecast and were above the lower limit of the prediction. However, the years 2019-2020 were marked by the Covid-19 pandemic, which could have caused these deviations. In the years 2032-2034, it is predicted that sales will be reduced by up to 15-50% compared to previous years.

Based on the forecasts made and the synthesis of knowledge within the development of the spa industry and potential threats to the future, interest and positive development of the spa industry is still expected. However, it is necessary to focus on threats such as inflation and the lack of medical personnel, which can cause a decrease in sales and the very demise of some spa businesses. The most positive years in terms of performance and capacity indicators were the years before the outbreak of the Covid-19 pandemic, where the rate of overnight stays, visitors and sales of spa businesses was the highest.

Conclusion

Slovak spas have a rich tradition and exceptional mineral thermal springs. Spas have growing annual visit rate and are introducing innovative products and packages. Their effort is not to focus only on insured persons, but especially on self-payers. The main goal of the article is to examine the development of the potential of spa tourism in Slovakia and its current and future challenges. Threats that can reduce attendance or sales of spas are cohesive and it is necessary to create strategic plans to reduce their impact. What is needed is an orientation towards increasing the quality of health services and ensuring enough high-quality medical personnel. Despite privatizations and the fact that most Slovak spa businesses are currently privately owned, spas are reviving and trying to renew their services and reach potential clients through social networks. Based on the literature used, the mentioned forecasts and research results, it can be proven that Slovak spas have potential, and it is necessary to pay enough attention to it in the framework of further research.

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Comparasion of destination management organisation in Slovakia and abroad

Jerguš Horský¹

Abstract

This scientific article is devoted to the comparison of the destination management organization in the Slovak Republic in comparison with selected European countries, namely Poland, Austria and Sweden, while it also aims to look at the management structure of tourism in these countries. Within the methodology of the thesis, individual comparative criteria are defined, which include several aspects of destination management of the countries in question. Using the method of descriptive analysis and a comparative table taking into account the individual criteria, the results are presented revealing details, common features and differences between the countries under study. Subsequently, suggestions for improving the organisation of destination management in Slovakia are formulated taking into account the state of the issue in the compared countries. The paper contributes to a better understanding and optimization of destination management in the context of tourism in Slovakia and leans towards the conclusion that the establishment of a central governing body can bring high added value to the development of destination management organization in the country.

Key words

Destination management, comparison, organization, tourism, abroad, Slovakia

JEL Classification: L33, M31, R10

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Úvod

The importance of tourism for economic development and cultural exchange is important today. With the increasing trend of travel demand, whether domestic or global, destination management and its organization is a supporting factor for the success and quality of destinations. A professional definition of a tourism destination involves a deeper analysis of the factors that influence its attractiveness and competitiveness in the tourism market. However, in general, it can be defined as a specific geographical space, place or area that is the destination of tourism participants (Page, 2011). Destination management organizations are considered as the key actors responsible for the promotion and development of tourism in a particular area. In this context, these entities are given a range of roles and responsibilities, as well as appropriate tools to enable the achievement of specific objectives. In addition to the traditional tasks assigned to DMOs (e.g. promotion), there is an increasing focus on other activities of a marketing nature, including the creation and commercialisation of tourism products (Borzyszkowski, 2013).

The strong development of DMO in recent times suggests A. Presenza (2005), who argues that the previous orientation of these organisations as typically marketing organisations has been transformed in recent years into an entity with a comprehensive

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approach to tourism management. Thus, DMOs can be called "destination developers" that serve the "development" and growth of tourism.

We will focus on comparisons with Poland, Sweden and Austria, with the intention of identifying their key characteristics, similarities and differences in their approach to destination management organisations. Each of these countries has its own specific characteristics within the tourism industry, be it different essentials but also commonalities in the form of geographical, cultural, historical and economic parameters. Establishing an overview of the existing structures, legislative definitions and strategies in destination management of the selected countries will allow a deeper understanding of how these organisations are able to adapt to the increasing demands on destination management.

On the basis of the findings and evaluation of the results, it will be possible to formulate proposals for improving the organisation of destination management in Slovakia, with the expected result of contributing to the debate on the advantages and requisites of destination management abroad and to provide a basis for further research in the field.

1 Methodology

The aim of the paper is to provide a comprehensive view of the organisation of destination management in the countries studied and to enable the formulation of specific recommendations for Slovakia. In the case of the selection of foreign countries, countries were chosen that express similarities with Slovakia in certain respects, but also show differences in their characteristics. Slovakia is the key object of study to be compared. We have chosen Austria as a representative of the German-speaking countries, and this country is defined by the maturity of destination management and also similar characteristics of the geographical relief as Slovakia, as well as a similar number of units into which the country is divided. (World Economic Forum, 2022). The second country is Sweden, which represents the English-speaking countries, despite the fact that the official language is Swedish. In the country, the English language is used as intensively as Swedish and is used more primarily in tourism and destination marketing, as the presentation of Sweden as a tourism destination is primarily internationally oriented and focused on English-speaking countries. The last country is Poland and the reason for the choice is that this country, as well as Slovakia, belonged to the so-called Eastern Bloc, which makes the state structure in the past different than it is the case for Sweden and Austria. On the basis of this characteristic, we want to find out what possible differences and common features have occurred in the comparison.

The methodology will identify and analyse comparative criteria that will allow us to compare the different aspects of destination management organisation in the countries under study. We include a number of headings among the individual comparative criteria. These are the identification of legislative frameworks, where the legislative definition of destination management and the leading authority at government level under whose remit the organisation of tourism and destination management falls are identified. Next, it will be the heading of financial and investment background and also strategies such as coordination of actors, marketing, model and acceptance.

In the case of data collection, the main activity will be to collect data from publicly available documents, reports, statistics and websites of institutions and entities related to the countries under study. The data will be summarised into a graphical representation in the form of a visualised comparison table. The form of visualisation will identify similarities and differences in destination management organisations between the countries under study.

Table 1 Sample comparative table of the DM organisation of selected countries

Comparison of destination management organisation of selected countries					
COUNTRY		Slovakia	Poland	Austria	Sweden
C R I T E R I A	Coordination of entities within destination management				
	Destination management organisations				
	Legislative frameworks				
	Managing Ministry				
	Financing and business support				
	Marketing strategies				
	Acceptance of destination management organisations				

Source: own processing, 2023.

The subsequent interpretation of the results will summarise the significant findings and the impact of the different approaches on tourism development. In conclusion, based on the findings and the knowledge gained, the formulation of concrete proposals for improving the organisation of destination management in Slovakia will be presented.

2 Results and discussion

In the framework of achieving the result of the solved problem we are dealing with the organization of destination management in Slovakia, Austria, Poland and Sweden. Based on the World Economic Forum's 2019 assessment of tourism development and competitiveness, the countries are ranked among the economically developed countries, with Austria ranking highest (13th place), followed by Sweden (22nd place), Poland (32nd place), and Slovakia (58th place), the lowest ranked among the countries compared (World Economic Forum, 2019). Based on the above, it is a fact that the higher a country's ranking, the more developed and mature the destination management and its organisation. In the following chapters, we will focus on each country and its assessment of the comparative criteria.

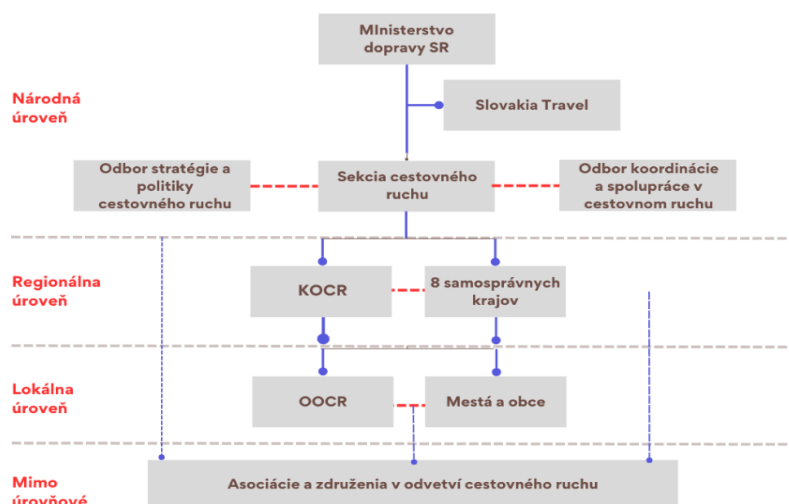
2.1 Organization of destination management in Slovakia

In destination management organisations in Slovakia, the organisational structure scheme is divided into national, regional and local levels (Kuhn and Tomášková, 2011). The organisation at the national level is covered by the Ministry of Transport, Construction and Regional Development of the CR, within which there is a tourism section and a budget organisation Slovakia Travel, whose task is to organise and promote Slovakia as a tourism destination. The priority of this agency is to provide information and motivate tourism participants. (Slovakia Travel, 2023). In the case of the Tourism Section, its main agenda is

to monitor tourism development policy and manage the register of regional and district tourism organisations. It also includes the Department of Tourism Strategy and Policy and the Department of Cooperation and Coordination in Tourism. (MOT, 2023). As of 1 January 2024, a new Ministry of Tourism and Sport is being established to directly address the tourism agenda in Slovakia. The announcement of the new ministry came with the government's programme statement for the period 2023-2027, and tourism will be its primary agenda and not just a section, as it was in the Ministry of Transport. There is a debate on the question of its necessity, with the opinion of the professional community that a ministry directly dedicated to tourism will have a greater benefit than is currently the case.

In the case of legislative frameworks, the organisation of destination management is partly regulated by Act No. 91/2010 on the Promotion of Tourism with effect from 1.12.2011, which was however amended by Act No. 347/2018 Coll. and subsequently amended on 12.12.2021 (ZMOS, 2021). In addition to the promotion of tourism, the Act in question regulates the actions of natural and legal persons operating in CR and also the financing of the development of destination management organisations. The scope of the law allows for the establishment of regional and district tourism organisations, whose task is to act as destination management organisations at two levels, namely the regional and local level. Another purpose of their operation is also to create conditions for the development of tourism and to protect the interests of the members who are covered by the organisation.

Scheme 1 Organisational structure of destination management organisation in Slovakia



Source: own processing according to the data of the Ministry of Transport of the Slovak Republic, 2023.

In the current state, the most valid legal form of destination management organisations in Slovakia is the form of a contributory organisation, whose founders are self-governing regions at the regional level and municipalities at the local level. Experts and stakeholders are discussing the idea of transforming these organisations into commercial companies, following the example of foreign countries, with tourism businesses participating in indirect financing by ordering services in accordance with their nature of business. The underlying philosophy behind the financing of these organisations is the idea that each entity benefiting from the activities of the destination management organisation should also contribute to its

financing. The funding of destination management organisations consists of membership fees, overnight tax, government contribution and the destination management organisations' own resources (Hrabovská, 2012).

In the case of the destination model in Slovakia, they are characterized by a community model, which is based on the structural network model (Pechlaner, Raich and Fischer, 2009). This model is characterized by high transaction costs, unclear interdependencies that may vary, a strong need for mutual trust and control, and a high number of network connections. In the case of Slovakia, however, the importance of tourism has long been underestimated. According to some actors in Slovak tourism, the application of destination management, which includes destination marketing, is still insufficient. However, these actors agree that the situation of this issue is changing for the better, the relevance of these destination management organisations in the development of tourism is demonstrably measurable and their contribution is unquestionable (MAS ORAVA, 2020). Nevertheless, there is still mistrust and acceptance of these organisations by the actors in the region, which casts a negative light on their performance also from the public.

2.2 Organization of destination management in Poland

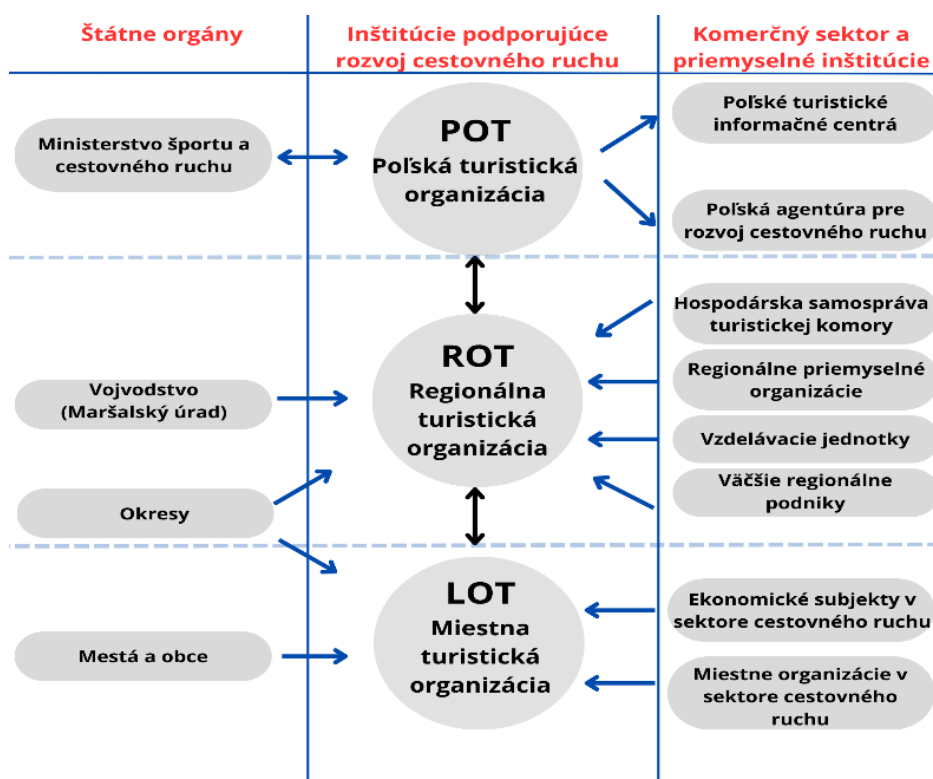
In Poland, there are two institutions at the governmental level directly responsible for tourism policy and organisation. These are:

- **Department of tourism** (falls under the agenda of the Ministry of Sport and Tourism),
- **Tourism Organization of Poland „POT“** (Borzyszkowski, 2013).

The Tourism Organisation of Poland (hereinafter referred to as POT) is a governmental body responsible for the promotion of tourism and Poland as a unified destination presented under the name "Polska". The organisation also has a network of international offices, not only in Europe but also on other continents, where it promotes and presents information about Poland as an attractive tourist destination. Another interesting feature is one of the branches of the POT named 'Polish Convention Bureau', whose purpose is to support entrepreneurs considering operating in tourism destinations on the territory of Poland. At the state level, the organisational structure of the tourism industry is rounded off by the Parliamentary Committee for Physical Education, Sport and Tourism of the Polish Sejm (Polska Organizacja Turystyczna, 2023).

Within the organisational structure, regional (hereinafter referred to as ROT) and local (hereinafter referred to as LOT) tourism promotion institutions are furthermore responsible for the organisation within destination management. ROTs and LOTs represent platforms that organise cooperation between local authorities and NGOs in the tourism sector. (source). In the case of ROTs, there are 16 ROT institutions on the territory of Poland, a number equal to the number of counties. This implies that, similarly to Slovakia, Poland has a three-tier organisational system for tourism (Migdal, 2020).

Scheme 2 Organisational structure of destination management organisation in Poland



Source: Own processing according to M. Migdal, 2020.

In the case of legislative frameworks, the organisation of destinations and their management, as well as tourism in general, is regulated by the Act of 6 December 2006 on the Principles of Development Policy Implementation, which sets out the general rules of development policy on the territory of Poland. A follow-up to this Act was the Tourism Development Programme up to 2020, which was part of the overall development policy and its coordination was the responsibility of the Ministry of Sport and Tourism. (Polska Organizacja Turystyczna, 2023).

However, local authorities and entrepreneurs in Polish destinations often operate without mutual cooperation, each in their own area, relying only on their own, often limited, resources and capabilities. Without support and cooperation between them, they waste money and time. They invest much more modestly than they need to, they earn much less than they should, they develop much more slowly than they could. Thus, it can be argued that cooperation in the organization of destination management at the local level equally shows deficiencies in the cooperation of the actors in the different destinations (Migdal, 2020).

2.3 Organization of destination management in Austria

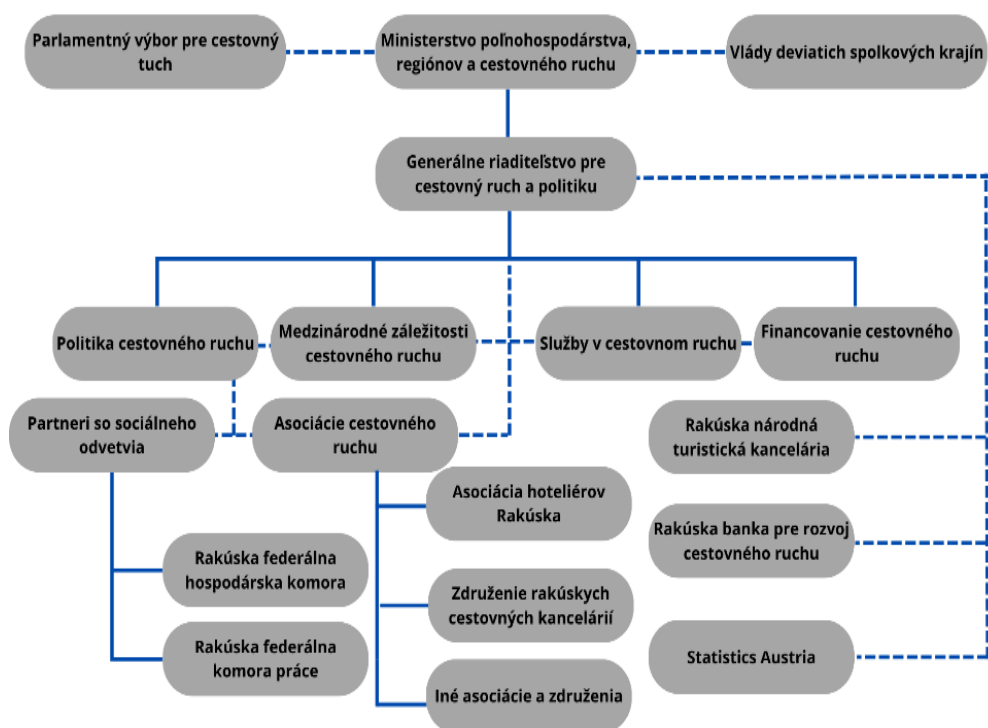
Based on the constitution enacted in Austria, the executive and legislative competences in tourism are under the agenda of the Länder, of which there are 9 in the territory of Austria

(Osterreich Werbung, 2023). The tourism sector is one of the most successful sectors of the Austrian economy.

From January 2020, the Ministry of Agriculture, Regions and Tourism is responsible for tourism policy and destination management. There is a parliamentary committee on tourism within the Austrian Parliament. Unlike in previous countries, there is only synergy between the national and regional levels, which is strengthened through the Tourism Steering Group, chaired by the aforementioned Ministry and bringing together representatives of the regional tourism administrations.

The tourist organisation in Austria, which has a national character, is the Osterreich Werbung. This tourist marketing organisation is financed by two entities, namely the Ministry of Agriculture, Regions and Tourism with 75% and the Austrian Federal Economic Chamber with 25%. Osterreich Werbung also receives funding from partners and tourism operators. (Osterreich Werbung, 2023).

Scheme 3 Organisational structure of the destination management in Austria at national level



Source: own processing according to OECD, 2023.

In terms of destination management maturity, Austria is one of the most advanced countries. It owes this to the legislation set up for the subject, the very elaborate systems of destination management and the approach of the individual Länder in terms of their tourism promotion laws, on the basis of which a detailed and elaborate financing system is built. It follows that all nine Länder have their own laws on the subject. Among other things, the individual laws regulate the level and system of taxes on overnight stays, tourist taxes and the bodies involved. The pillar and backbone of tourism promotion and destination management is the Austrian Hotel and Tourist Bank, whose specific remit and focus is to

promote and finance investment in tourism. In the case of the legal form of the individual provincial organisations that are active in destination management of individual destinations, these organisations may not only take the form of contributory organisations, but also other forms, such as the form of a limited liability company, as evidenced by the Niederösterreich-Werbung GmbH, which has the status of just such a type of legal entity (Furova, 2016).

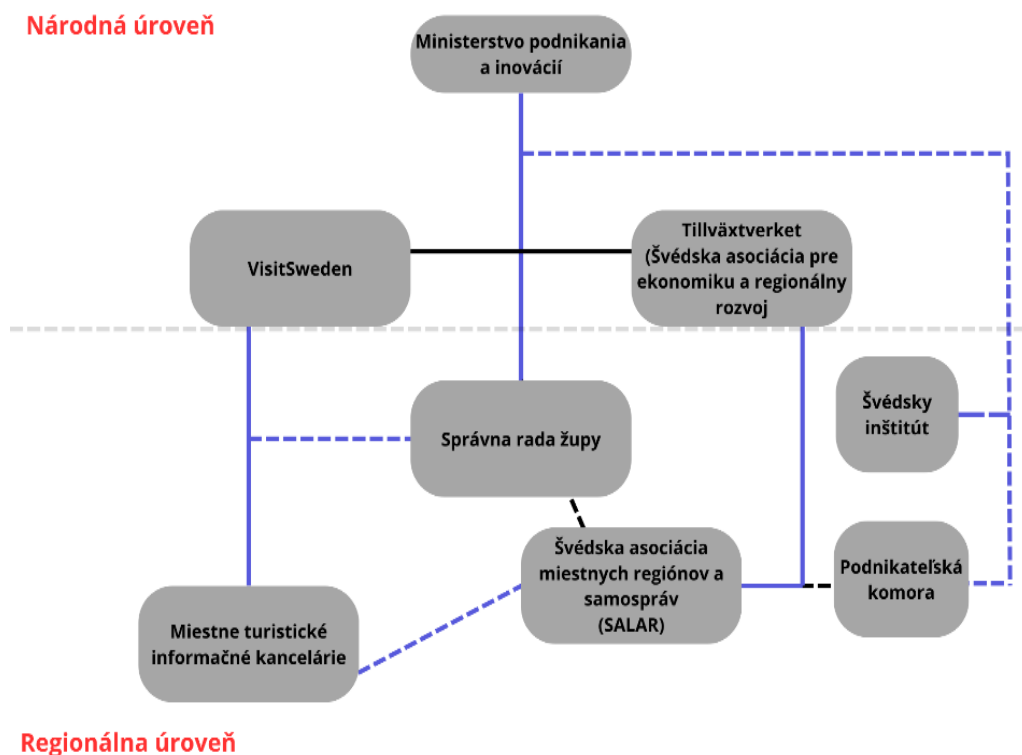
2.4 Organization of destination management in Sweden

In Sweden, the Ministry of Enterprise and Innovation is responsible for organisational matters relating to tourism. The Swedish Agency for Economic and Regional Growth, Tillväxtverket, is responsible for tourism development at national organisation level. This national body has responsibility for tourism development, reproducing information concerning the development and organisation of tourism in Sweden and, in a marginal way, implementing business promotion initiatives. During the pandemic, this agency focused on activities related to COVID-19, project financing and business development. 'VisitSweden', an association in which the state is 100 per cent owner, is responsible for promoting Sweden as an international tourist destination from a marketing perspective (VisitSweden, 2023). This presentation of the country is uniform and regulated at governmental level. 'VisitSweden' is also in close contact with regional and local tourist offices and trade associations. Both of these organisations are under the authority of the Ministry. (OECD, 2023)

Sweden is divided into 21 counties. Each county has its own so-called County Board, which has the status of the region's leadership in matters of tourism development, licensing and cooperation with local authorities involved in destination management and the implementation of the strategy ordered by the relevant ministry. Large and touristically important cities, regions and destination areas have established local tourist information offices. Their main purpose is to promote a particular destination on the domestic and foreign market and to be in close contact with local companies in the sector. Secondary activities include the provision of booking services for a destination. In the case of regions that do not have a destination management organisation, the country has set up a regional tourism network. These networks are an important tool for communication and cooperation with industry stakeholders at national level. The Swedish Association of Local Authorities and Regions (SALAR) was established to provide an umbrella for local and regional authorities. The association offers support and services to these regions through networking platforms, knowledge reports and conferences.

The Swedish legislation does not have any special law to promote tourism and there is no presence of an individual budget for the sector. Nevertheless, Tillväxtverket allocates approximately SEK 100 million from its budget to tourism. The VisitSweden Association, in turn, has a budget of SEK 105 million (2022) and SEK 20 million for domestic marketing. Other major resources for the organisation and provision of destinations within tourism come from regional and EU funds. However, there are a number of special laws present in the country that actors involved in the destination management organisation have to comply with (OECD,2023).

Scheme 4 **Organisational structure of the destination management organisation in Sweden**



Source: Own processing according to OECD, 2023.

2.5 Comparasion of destination management in selected countries

The aim of this chapter and this paper is to create a comparative table comparing the countries, their commonalities and differences on the basis of individual parameters. These are six criteria covering coordination of actors within destination management, destination management organisations, legislative frameworks, governing ministry, funding and business support, marketing strategies and acceptance of destination management organisations.

A summary of these observables is shown in the comparison table. We assume the given criteria represent a factor acting on the impact of tourism in the country. On the basis of this information on destination management organisations in each country, possible recommendations for improving processes in this area are suggested for Slovakia.

Table 2 Comparative table of destination management organisation of selected countries

Comparison of destination management organisation of selected countries					
COUNTRY		Slovakia	Poland	Austria	Sweden
C R I T E R I A	Coordination of entities within destination management	>Organizational structure with national (Slovakia.travel), regional (KOOR) and local level (OOCR)	>Organized three-tier system with central management at the state level complemented by regionálnymi organizáciami	>Synergistic model between regional and national and regional levels	>Network of cooperation between national, regional and local levels.
	Destination management organisations	>Slovakia Travel , regional (KOOR) and local organisations (OOCR)	>POT at national level, ROT, LOT at local level	>Österreich Werbung and the individual destination management organisations at the level of the federal states and localities	>Tillväxtverket, Visit Sweden, local tourist information offices and networks in the tourism sector
	Legislative frameworks	>Act No. 91/2010 on the Promotion of Tourism as amended by Act No. 347/2018 Coll. and subsequently amended on 12.12.2021	>Law on the Principles for the Implementation of the Development Policy of 6.12.2006 and the Tourism Development Programme until 2020	> Individual tourism promotion laws at the level of all 9 Länder	>The country does not have a law aimed at regulating tourism
	Managing Ministry	>Ministry of Transport, Construction and Regional Development. From 01.01.2023 Ministry of Tourism and Sport	>Ministry of Sport with CR	>Ministry of Agriculture, Regions and Tourism	>Ministry of Enterprise and Innovation
	Financing and business support	>Numbers of organisations at different levels of destination management, membership fees, overnight taxes, state subsidies for tourism promotion and EU funds	>Resources from public funds, national budget and international cooperation	> Financing by the Ministry and the Austrian Federal Economic Chamber, and the Austrian Hotel and Tourist Bank	>Financing from public sources, budgets of organisations and support programmes of regional and EU funds
	Marketing strategies	>Slovakia Travel with a programme to promote the country	>POT with a unified presentation of Poland and a network of branches with international reach	>Österreich Werbung with funding from the Ministry and the Chamber of Commerce	>VisitSweden with a unified presentation at international level
	Acceptance of destination management organisations	>Discussion on the need for a new ministry presents different views and the acceptance of destination management is insufficient according to some actors	> Limited cooperation between ROT and LOT. Who often operate without intra-destination cooperation	> Developed destination management system with a clear legal framework and acceptance in the sector	> Functioning cooperation through associations and networks

Source: Own precessing, 2023.

In terms of coordination of actors, we can conclude that in Slovakia, Poland and Sweden the organisation is based on a three-tier system, with national, regional and local levels. In the case of Austria, there are only two formal levels, yet Austria has the most

advanced destination management organisation, one of the reasons for which may be that the competence for destination management organisation is left to the individual Länder.

For destination management organisations, the results of the parameter are similar in each country studied. At the national level, the entity presenting the country from the point of view of tourism as a whole operates. Subsequently, at the lower levels, a certain standard of destination management is represented, either within the public or private sector.

In the case of legislative frameworks, Slovakia, Austria and Poland have a law regulating the promotion of tourism, whether it is a law with a centralised scope or, in the case of Austria, a decentralised one, where each federal state, or in our understanding a region, has its own law on the promotion of tourism. Sweden does not have any tourism law. At the moment, Sweden and Slovakia do not have a ministry whose primary purpose is to manage tourism. However, Slovakia is currently establishing a new ministry with a focus on the sector. Poland and Austria have ministries that do not deal with tourism as a secondary department or section, but it is their primary focus. Financing and support for entrepreneurship in the tourism sector is most developed in Austria, where a specific institution, the Austrian Hotel and Tourist Bank, has been set up to support entrepreneurship and innovation in destination management organisations. Other countries deal with financing in the classical way, mostly from budgets or public sources.

For marketing strategies, the situation is identical and in the way national entities that present the country as a single destination, whether domestically or internationally, are funded in a similar way, as explained under funding criteria. As regards the acceptance of destination management organisations, the situation is different. In Poland and Slovakia the acceptance is lower. We assume that the reason for this is the shorter period of application of destination management than in the countries of the more western part of Europe. This is probably also due to the fact of the previous governments of Slovakia and Poland.

On the basis of the above comparison of individual parameters and findings, we suggest that the country of Slovakia should draw inspiration for improving the organisation of destination management primarily from Austria. In the context of tourism, Austria has long been known as a country in which tourism is one of the basic pillars of the economy and is strongly supported by the public as well as by state institutions and local governments. An example of the type of financial support is, as already mentioned, the remit of the Austrian Hotel and Tourist Bank, whose guiding principle is to support specifically only the development of tourism. Another difference is the public perception of destination management. While in Slovakia the perception of the importance of tourism is still questionable, in Austria its importance is recognised at a national level. This factor also influences the degree of organisation and support for destination management. In this case, effective communication from the destination management organisations to the interested public could be a key factor for success in the issue.

Conclusion

The contribution of this paper was to compare the organisation of destination management in Slovakia with selected European countries. The given findings and analyses of individual countries within the given issue showed differences, but also common features, which are represented to a greater extent than disparities on the basis of this comparison. In the case of Slovakia, it should be noted that with the arrival of a new ministry, the situation for the coming years is likely to be diametrically opposed. With the creation of a single governing body, which will be the new ministry, it will be necessary to strengthen the tasks

and competences in the field of destination management not only at regional level, but also at local level.

This paper and the overall issue can be explored in more depth and the overall future research can be expanded to evaluate the contribution of destination management organisations to tourism revenue by evaluating the marginal tourism revenue of the individual countries studied compared to the budgets of destination management organisations. The outcome of this method could provide a deeper understanding of how destination management organizations affect tourism revenue in the territory of the countries that would be observed.

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A fixed effects model of the competitiveness of the New Silk Road countries

Andrea Hrubšová¹

Abstract

The aim of this contribution was to evaluate and analyse the impact of the Belt and Road initiative on the growth of the competitiveness of the countries involved in the project. To achieve this goal, an econometric analysis of fixed panel data was used. The results of our analysis show that there is a demonstrable relationship between countries involved in the Belt and Road Initiative and competitiveness. Based on our research, we can conclude that joining the Belt and Road initiative increases the competitiveness of countries.

Key words

Competitiveness, China, Belt and Road Initiatives

JEL Classification: C120, C180, F00

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Introduction

The aim of this contribution was to evaluate the impact of the Belt and Road Initiative on the growth of the competitiveness of the countries involved in the project. We investigate whether, after countries join the initiative, their national competitiveness increases, which we measure in the context of labor productivity. China is a major player in the global economy, and its political and economic influence has been increasing over the years, thanks to the Belt and Road Initiative. Although it may seem that participation in such a promoted project would have clearly positive effects, the success of cooperation is influenced by various factors. Our paper focuses on eight selected variables with which we will investigate the impact on the competitiveness of the countries involved in the Belt and Road.

1 Methodology

The aim of this paper was to evaluate the impact of the Belt and Road Initiative on the growth of the competitiveness of the countries involved in the project. In our analysis, we tried to find out whether countries' entry into the initiative affected their competitiveness. Based on the surveys carried out in the above-mentioned works, we chose the labor productivity indicator shown in the table as GDP per person employed for our analysis. Labor productivity in our analysis represented the dependent variable (y) and as independent variables (x) we used the real effective exchange rate, government spending on education, domestic government spending on health, value added in industry, rule of law, government efficiency, EU and BRI. To measure the effect of the BRI on participating countries, we created a dummy variable for each cross-sectional unit that represents the year of entry into the BRI initiative. The variables take the value 0 or 1, with 0 assigned for years when

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countries were not part of the initiative. The difference-in-differences (DiD) method is used to assess the impact of a reform or the introduction of a measure. DiD is used in research to compare the situation before and after the implementation of a measure or to compare a group affected by a measure with a control group that is not affected. DiD compares the difference in results before and after the implementation of the measure in the affected group with the difference in results before and after the implementation of the measure in the control group, eliminates the influence of other changes and controls for possible time-invariant differences between groups.

DiD impact general notation:

$$DiD = (\bar{y}_s = Treatment, t = After - \bar{y}_s = Treatment, t = Before) - (\bar{y}_s = Control, t = After - \bar{y}_s = Control, t = Before) \quad (1)$$

where $\bar{y}$ is the outcome variable, the index s represents the implementation of the measure at the state level, and t represents time. (Fredrikson and de Oliveira, 2019)

Table 1 contains the characteristics of the indicators used in our analysis.

Tab. 1 List of used indicators

A variable	Charakteristic
GDP per person employed	GDP of countries (j) in constant prices from 2017 and in purchasing power parity converted per employee in USD; labor productivity (WBG, 2023)
Real effective exchange rate index	Real effective exchange rate (2010=100) (WBG, 2023)
Government expenditure on education (% total of GDP)	Government expenditure on education (% of total GDP) (WBG, 2023)
Domestic general government health expenditure (% of GDP)	Domestic public expenditure on health as a percentage of gross domestic product (GDP) (WBG, 2023)
Industry (including construction) value added (% of GDP)	Industry (including construction) value added (% of GDP) (WBG, 2023)
Rule of law (percentile rank)	Rule of law (percentile ranking) (WBG, 2023)
Government effectiveness (percentile rank)	Government effectiveness (percentile rank) (WBG, 2023)
BRI	Countries involved in the Belt and Road initiative, a dummy variable with a value of 0-1 (Sacks in Krivosudská, Kittová and Steinhauser, 2022)
EU	EU 27 member countries, artificial variable with value 0-1

Source: Custom processing based on data from databases

During the research, we established the following hypotheses:

Hypothesis No. 1: Membership of countries in the Belt and Road initiative statistically significantly increased labor productivity - competitiveness in countries.

Hypothesis No. 2: With an increase in the real effective exchange rate index, we expect an increase in labor productivity - competitiveness in countries.

Hypothesis No. 3: With an increase in the variable of government spending on education, we expect an increase in labor productivity - competitiveness in countries.

Hypothesis No. 4: With an increase in the variable domestic expenditure of the public administration on healthcare, we expect an increase in labor productivity - competitiveness in countries.

Hypothesis No. 5: With an increase in the variable Industry (including construction) added value, we expect an increase in labor productivity - competitiveness in countries.

Hypothesis No. 6: With an increase in the rule of law index, we expect an increase in labor productivity - competitiveness in countries.

Hypothesis No. 7: With an increase in the government efficiency index, we expect an increase in labor productivity - competitiveness in countries.

To achieve the goal of the article, we used econometric analysis of panel data. Panel analysis offers many observations and allows for more complex analyzes and testing of mutual behavior compared to time series data. It helps reveal hidden and unobserved factors in econometric relationships. The term "panel" refers to a set of units that share common characteristics and are studied continuously over time. It is important that the set of units remains constant over time and that any missing units are not replaced with new ones to allow analysis of the panel data. (Novák, 2007) We performed the analysis using the fixed effects model (FEM). The FEM allows us to examine unobserved individual-specific effects that may affect the dependent variable. It assumes that these individual effects are constant over time and have a linear relationship with the dependent variable. By controlling these effects, the FEM can help increase the accuracy of the estimates. In our analysis, we use the FEM to estimate the impact of the BRI initiative on national competitiveness, while controlling for individual-specific effects that may affect competitiveness. We also use the FEM to estimate other control variables for competitiveness. (Lukáčiková, Lukáčik and Szomolányi, 2018)

We get the FEM model by connecting through all cross-sectional units:

$$y = \begin{bmatrix} y_1 \\ y_2 \\ \vdots \\ y_n \end{bmatrix} = \begin{bmatrix} i & 0 & \dots & 0 \\ 0 & i & \dots & 0 \\ \vdots & \vdots & \ddots & \vdots \\ 0 & 0 & \dots & i \end{bmatrix} \begin{bmatrix} \alpha_1 \\ \alpha_2 \\ \vdots \\ \alpha_n \end{bmatrix} + \begin{bmatrix} x \\ x_2 \\ \vdots \\ x_n \end{bmatrix} \beta + \begin{bmatrix} u_1 \\ u_2 \\ \vdots \\ u_n \end{bmatrix} = D\alpha + X\beta + u \quad (2)$$

Lukáčiková, Lukáčik and Szomolányi (2018) describe the Least Squares Dummy Variables (LSDV) model as a technique used to estimate fixed effects in panel data. The model involves sets of artificial variables (dummy variables), where each dummy variable represents a different cross-sectional unit. The dummy variables take the value 1 for the corresponding unit and the value 0 for all other units. By including these dummy variables in the regression model, LSDV allows us to estimate fixed effects for each individual unit in the panel. This technique is particularly useful when we want to control for unobserved heterogeneity.

After building the FEM model, we built an OLS model and tested for multicollinearity. We use variance inflation factor (VIF) to test for multicollinearity. VIF is a measure of collinearity in multiple regression analysis. It estimates how much the variance of the estimated regression coefficients has increased due to multicollinearity between the independent variables.

The VIF is defined as:

$$VIF_j = \frac{1}{1-R_j^2} \quad (3)$$

where R_j^2 represents the coefficient of determination obtained by regressing the independent variable on all other independent variables in the model. (Adkins, 2015)

We processed the data used in the medley in Microsoft Excel. We then moved the data into Gretl software where we logarithmized the data and processed the results in logarithmic form. We interpreted the results of the analysis based on the work of Lukáčík (2018) and Steinhäuser (2022) as well as from various studies on the same topic.

2 Results and Discussion

The analysis was created using eight variables. The comprehensive results of the fixed effects model are presented below.

Tab. 1 Fixed effects model

Model 1: Fixed-effects, using 736 observations					
Included 87 cross-sectional units					
Time-series length: minimum 3, maximum 9					
Dependent variable: l_GDP_per_person_employed_con					
Robust (HAC) standard errors					
	<i>Coefficient</i>	<i>Std. Error</i>	<i>t-ratio</i>	<i>p-value</i>	
const	8.88779	0.312696	28.42	<0.0001	***
l_Real_effective_exchange_rat	0.107458	0.0617923	1.739	0.0856	*
l_Government_expenditure_on_e	0.0108417	0.0254419	0.4261	0.6711	
l_Domestic_general_government	0.00672728	0.0223490	0.3010	0.7641	
l_Industry_including_construc	0.151966	0.0449907	3.378	0.0011	***
l_Rule_of_Law_Percentile_Rank	0.0683926	0.0255869	2.673	0.0090	***
l_Government_Effectiveness_Pe	0.0951310	0.0295467	3.220	0.0018	***
BRI	0.0173859	0.0102561	1.695	0.0937	*
dt_2	0.00747733	0.00462060	1.618	0.1093	
dt_3	0.0237109	0.00548808	4.320	<0.0001	***
dt_4	0.0383769	0.00729577	5.260	<0.0001	***
dt_5	0.0549551	0.00968363	5.675	<0.0001	***
dt_6	0.0698811	0.0104079	6.714	<0.0001	***
dt_7	0.0828298	0.0116036	7.138	<0.0001	***
dt_8	0.0898321	0.0133058	6.751	<0.0001	***
dt_9	0.0964342	0.0147020	6.559	<0.0001	***
Mean dependent var	10.58138	S.D. dependent var	1.057293		
Sum squared resid	1.472709	S.E. of regression	0.048196		
LSDV R-squared	0.998208	Within R-squared	0.455438		
Log-likelihood	1242.460	Akaike criterion	-2280.920		
Schwarz criterion	-1811.594	Hannan-Quinn	-2099.920		
rho	0.742594	Durbin-Watson	0.425992		

Source: Own processing in the Gretl program

Table 2 presents the fixed effects model. 736 observations were used in the model. To conduct the study, we obtained data for 172 countries between 2011 and 2020. We originally collected data from 217 around the world, but due to data unavailability, we changed the sample. if it is that variables except spending on and government spending on health all include statistical significance.

Tab. 2 Fixed effects model

Model 2: Fixed-effects, using 738 observations Included 87 cross-sectional units Time-series length: minimum 3, maximum 9 Dependent variable: l_GDP_per_person_employed_con Robust (HAC) standard errors					
	<i>Coefficient</i>	<i>Std. Error</i>	<i>t-ratio</i>	<i>p-value</i>	
const	9.46899	0.276268	34.27	<0.0001	***
l_Real_effective_exchange_rat	0.0901971	0.0652702	1.382	0.1706	
l_Government_expenditure_on_e	-0.0180280	0.0356549	-0.5056	0.6144	
l_Domestic_general_government	-0.00299458	0.0262200	-0.1142	0.9093	
l_Rule_of_Law_Percentile_Rank	0.0816843	0.0265394	3.078	0.0028	***
l_Government_Effectiveness_Pe	0.0907431	0.0322939	2.810	0.0061	***
BRI	0.0188601	0.0110785	1.702	0.0923	*
dt_2	0.00975062	0.00461941	2.111	0.0377	**
dt_3	0.0241635	0.00611651	3.951	0.0002	***
dt_4	0.0362369	0.00809071	4.479	<0.0001	***
dt_5	0.0476454	0.00916741	5.197	<0.0001	***
dt_6	0.0617620	0.00949250	6.506	<0.0001	***
dt_7	0.0745454	0.0107970	6.904	<0.0001	***
dt_8	0.0817950	0.0130815	6.253	<0.0001	***
dt_9	0.0871213	0.0144196	6.042	<0.0001	***
Mean dependent var	10.58195	S.D. dependent var	1.056478		
Sum squared resid	1.624547	S.E. of regression	0.050501		
LSDV R-squared	0.998025	Within R-squared	0.410675		
Log-likelihood	1210.629	Akaike criterion	-2219.258		
Schwarz criterion	-1754.260	Hannan-Quinn	-2039.950		
rho	0.734711	Durbin-Watson	0.443438		

Source: Own processing in the Gretl program

Variables in the model are marked with asterisks, which indicate the probability of their accurate estimation. A three-star symbol means that the estimate is highly reliable with a 99% probability, while a two-star symbol corresponds to a 95% probability and a one-star symbol corresponds to a 90% probability. Alternatively, the level of significance can be presented as 10%, 5% or 1% (more precisely, it is a rejection of the statistical hypothesis

of non-significance of the variable estimate). Constructing an econometric model is a challenging task because it is difficult to ensure that the model is correctly specified. Errors can arise due to model misspecification, which can affect the properties of the estimated functions. To check whether the statistical results are affected by a particular explanatory variable, we performed a robustness test, also known as a robustness check. This test was performed to ensure the robustness of the statistical findings. (Hrubšová, 2023)

Table 3 presents the result of model 1 using limited data.

Model 2 showed similar results with only a few differences compared to the unconstrained data set. In the case of model 2, there was a change in the case of the real exchange rate variable. Other variables remained as statistically significant as in the previous model.

The next step of our analysis was to verify the presence of multicollinearity. To achieve this goal, we used the technique of multicollinearity analysis, where we used the method of variance inflation factors (VIF). In Gretl, we used the "vif" command to calculate the VIF for each independent variable. The command generated Table 4 for us to assess the overall goodness of fit of the model.

Tab. 3 Fixed effects model

Variance Inflation Factors	
Minimum possible value = 1.0	
Values > 10.0 may indicate a collinearity problem	
I_Real_effective_exchange_rat	1.062
I_Government_expenditure_on_e	1.746
I_Domestic_general_government	2.978
I_Industry_including_construc	1.104
I_Rule_of_Law_Percentile_Rank	5.844
I_Government_Effectiveness_Pe	6.363
BRI	1.563
dt_1	2.177
dt_2	2.215
dt_3	2.167
dt_4	2.176
dt_5	2.078
dt_6	2.066
dt_7	1.998
dt_8	1.837

Source: Own processing in the Gretl program

VIF analysis shows that all values fall within the range of 1 to 10, indicating the absence of significant multicollinearity problems. However, we should pay attention to the collinearity levels of the rule of law variable and the government effectiveness variable, which are 5.8 and 6.4. Although these values do not exceed the maximum threshold, they are relatively high, indicating a potential collinearity problem. (Hrubšová, 2023)

Based on the results of the statistical analysis presented in Table 2 for the fixed-effects model, there are several variables that we can consider significant. Only two variables were not confirmed as statistically significant by the model. Using the model, we were unable to demonstrate the impact of government spending on education and health on competitiveness.

In the analysis, we find no evidence to support the view that government spending on education has a positive effect on competitiveness in BRI countries. Our findings contrasted with the views expressed by Sekuloska (2014), who emphasized the importance of education and training in building human capital, which is key to creating higher productivity and higher value-added industries. Ortega (2022) also emphasized the importance of education in increasing the productivity of a country in three ways. However, our analysis did not confirm this relationship between government spending on education and competitiveness in the BRI countries. We could not reject the null hypothesis that government spending on education does not have a significant effect on productivity in these countries.

The Chinese Ministry of Education issued a multi-strategic action plan to promote academic exchange and partnerships in 2016, indicating the importance of education in the BRI initiative (Lee, 2021). However, our analysis did not support the expectation that joining the BRI initiative would increase government spending on education in participating countries. One possible explanation for the weak impact of government spending on education in the BRI countries may be that the emphasis on education has increased since 2016, which was not reflected in our sample. Another reason for the insignificance of government spending on education may be that most of the BRI countries are developing countries and the initiative's investments tend to focus on building infrastructure or other areas rather than education. However, educational and research exchanges between BRI countries and China have increased, especially in countries with less developed academic systems (Hooghe, 2021).

As another statistically insignificant variable, we found expenditures on healthcare. It is difficult to make a definitive statement about the impact of BRI on health, as it depends on various factors and the effects can be both positive and negative. However, there are several potential benefits and risks associated with BRI projects in healthcare. One of the potential benefits of the BRI is the development of health infrastructure in underserved areas. The initiative can support the construction of hospitals, clinics and other health facilities, which could increase the availability of health services in remote or rural regions. In addition, BRI can facilitate the exchange of medical knowledge and expertise through educational programs that can help improve the quality of health services in participating countries. However, as already mentioned, BRI can also have a negative impact on public health, especially in terms of environmental pollution and occupational health risks. Large infrastructure projects could cause air and water pollution, which could increase the risk of respiratory and other health problems for the local population. In addition, the operation of mines, factories and other industrial facilities associated with the BRI could expose workers to hazardous working conditions and occupational health risks. Therefore, it is essential to consider these potential risks and take measures to minimize them. The implementation and management of health and safety measures must be given the same importance as infrastructure development. Regulatory and policy frameworks need to be put in place to ensure that BRI projects comply with international health and safety standards, and adequate resources must be allocated to enforce these regulations. By doing so, BRI can make a positive contribution to the health sector in participating countries while minimizing potential negative impacts. (Hrubšová, 2023)

For our analysis, we chose the productivity indicator as the dependent variable. Our research has shown a positive statistical impact of BRI on competitiveness growth with a significance level of 10%. We found that the BRI initiative had a positive impact on countries and helped solve many of their problems. Based on our findings, we can conclude that participating countries have seen an increase in their competitive advantage since joining the BRI initiative. The positive impact of the BRI Initiative on the competitiveness of

countries is largely due to political reasons. The BRI has improved logistics and supply chains between countries, reducing logistics time and increasing productivity and competitiveness. In addition, the BRI supports the improvement and development of energy and telecommunications infrastructure, creating new opportunities for businesses and individuals. As part of the initiative, the BRI aims to promote trade facilitation between countries and reduce trade policy barriers, which also contributes to increased competitiveness. However, improving competitiveness requires the efforts of governments, businesses and citizens. Policymakers need to create an environment that supports innovation and investment, and businesses need to invest in higher value-added sectors such as technology and education. Based on the analysis, it can be concluded that the BRI contributes to the promotion of competitiveness in various ways, but further efforts by all stakeholders are needed. (Hrubšová, 2023)

Another statistically significant variable is the real effective exchange rate (REER)². We can conclude that if the real exchange rate increases by 1%, the country's variable GDP measured in constant prices is expected to increase by 11%. With 90% probability, we reject the null statistical hypothesis about the insignificance of the Real effectiveness exchange rate. Our analysis confirmed that the competitiveness of countries can be affected by the real effective exchange rate (REER). The impact of REER on international trade and investment can be significant, especially for developing countries involved in initiatives such as the BRI. Several authors have confirmed the non-linear relationship between economic growth and REER, which means that a low-value currency can increase GDP, but a high-value currency can have a negative effect on GDP growth. In general, productivity, trade liberalization, government consumption, and interest rates are considered important factors that influence Asian real exchange rates and their development, although the mechanisms through which they operate may differ between developed and developing countries. Fluctuations in exchange rates can create uncertainty for investors, making investment planning, foreign trade strategies and pricing policies more difficult. This uncertainty can discourage investors from investing in risky countries, which has a negative impact on trade flows. (Yu, Niu, 2019)

Analysis of the impact of added value in industry on the competitiveness of countries involved in the BRI revealed a significant impact. With an increase in the variable industrial (including construction) added value by 1%, we expect an increase in labor productivity - competitiveness in countries by 15%. With 99% probability, we reject the null statistical hypothesis about the insignificance of Industry (including construction) value added. The author, Husenicová et al., (2019) consider industrial overproduction in China to be the driving force behind the increasing value added in industry among the BRI countries. China is using the BRI countries to relocate this excess manufacturing capacity while allowing Chinese companies to expand into new markets. In addition, in the long term, China is focused on transitioning to high-tech and high-value-added manufacturing. (Husenicová et al., 2019)

A 1% increase in the rule of law variable is expected to lead to a 0.07% increase in labor productivity, improving countries' competitiveness. With 99% probability, we reject the null statistical hypothesis about the non-significance of Rule of law. The importance of the rule of law in the Belt and Road Initiative cannot be underestimated, as it plays a key role in ensuring the reliable operation of infrastructure projects and reducing uncertainty in

² The use of the REER variable on the one hand significantly improves the specification of the model for the development of the value of the currency and the price level, but at the same time it causes a reduction in the number of observations in the models, because many economies do not have available REER values.

countries that rely on legal norms. However, there are concerns about the spread of China's development model and standards to other countries, especially countries with weak legal environments. Joining the initiative has the potential to attract foreign direct investment and private sector companies, but also involves political and legal risks that participating countries must face. (Andreson, 2020)

The Rule of law variable represents statistical significance in the context of competitiveness. We can claim that if the legal shield variable increases by 1%, we expect an increase in labor productivity by 0.07%. With 99% probability, we reject the null statistical hypothesis about the non-significance of Rule of law. Dispute resolution is one of the problematic areas of the Belt and Road Initiative, as projects involve multiple parties and jurisdictions with different cultural, political and legal systems. China promotes the settlement of disputes through mediation, which is an alternative to the classic settlement of disputes through the courts. The Belt and Road International Commercial Mediation Center trains mediators and offers its services in BRI countries, while the International Organization for the Prevention and Settlement of Commercial Disputes was established in China to encourage BRI countries to opt for mediation and arbitration. However, supporting the resolution of disputes through mediation can be an advantage for the Chinese side, and in the future it will be interesting to observe new mechanisms for resolving disputes between countries. (Hrubšová, 2023)

Indeed, the Belt and Road Initiative has faced many criticisms and concerns from various countries and organizations. One of the most significant concerns is the environmental impact of the infrastructure projects that the initiative finances. Large-scale projects can cause serious damage to the environment, such as deforestation, pollution and destruction of wildlife habitats. Critics say China is not doing enough to ensure projects are environmentally sustainable, and there is a lack of transparency in environmental assessments and mitigation plans. Another big problem is debt trap diplomacy, which China accuses of using it to advance its interests. Critics say China is using its financial power to make loans to developing countries that will have trouble repaying them, and China will then use that debt to gain political influence and control over those countries. To mitigate this risk, countries need to be careful in their borrowing decisions and ensure they have a proper repayment plan in place. In order for these aspects to meet reality, there must be a connection between the variables. Our analysis confirmed that with a 1% increase in government efficiency, productivity will increase by 0.1%. With 99% probability, we reject the null statistical hypothesis about the non-significance of Government effectiveness.

Conclusion

The aim of this paper was to evaluate the impact of the Belt and Road Initiative on the growth of the competitiveness of the countries involved in the project. We investigated whether countries' national competitiveness increases after joining the initiative. Our research sample included 172 countries around the world. Using a fixed effects model that included eight economic indicators, we found a positive correlation between the Belt and Road Initiative and productivity. This means that after countries join the Belt and Road initiative, countries' competitiveness increases. In conclusion, while the Belt and Road Initiative has brought many benefits including infrastructure development, job creation and poverty reduction, it has also faced many criticisms and challenges. Participating countries must carefully consider the potential risks and challenges of the initiative and work together to ensure that projects are sustainable, transparent and mutually beneficial. Proper

management of public finances, coordination between project actors and the provision of sustainable financing for major infrastructure investments are essential for the long-term success of the initiative.

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Category Management as Part of Assortment Policy in Retail¹

Pavol Lipták²

Abstract

In recent years, the retail industry has undergone significant changes, including the emergence of new technologies and the rise of e-commerce. These changes have made it more difficult for retailers to compete and meet the needs of their customers. Category management (CM) is a strategic approach to managing product categories that can help retailers to overcome these challenges. This paper provides an overview of CM, including its history, development, and implementation. It also discusses the benefits and challenges of CM, as well as the future of CM in the context of the changing retail landscape.

Key words

Category management, Assortment, Retail

JEL Classification: M31, L81

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Introduction

Retail as a whole has been changing at a fundamental pace and faces many new challenges. We focused on retail in our diploma thesis, where in a certain part of the work we dealt with the future of retail not only in Slovakia, but also in the world. For the purpose of this article, we adhere to the theory that in the very near future, retail will fundamentally change, and its priority will no longer be to satisfy customers' needs by selling products, but a new idea will come to the fore, where retail will play the role of a factor of value and experience for the end consumer.

In order for retail to be able to keep up with its competition and at the same time with other competing entities that can fully replace classic retail, it is necessary not only to adapt, but to look for new ways of presenting itself in the conditions of the rapidly developing modern era. A fundamental question for the needs of processing the topic is, what is the essence for retail, from which its other future steps should be based?

Category management is an effective tool for achieving specific goals in retail. This strategy has experienced rapid development and there is a high probability that some of its features may still be improved. With the development of artificial intelligence and an increasing number of consumers for whom classic marketing strategies cease to apply, it is very necessary for the retail industry itself to focus largely on consumer behaviour research at a time when new technologies are becoming part of the consumer purchase decision.

We assume that if we manage to catch new trends in time, which really only started to come to the fore in the beginning of 2023, for retail or for a specific retail entity, which we will focus on, the output of our study can be very beneficial, given the possibility of

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improving its competitiveness, and at the same time, the theoretical knowledge gained can serve as a basis for the formation of new strategies within Category management and AI.

1 Methodology

The aim of the article is to identify the application of Category management in retail in the conditions of a highly competitive environment and to propose an effective strategy for its further use. The contribution will further deal with the characteristics of the Category management process, the possibilities, and perspectives of its use in the conditions of Slovak retail, defining the specifics of its application, and evaluating the benefits and risks of the Category management process in the selected assortment. It also identifies the impact of Category management on changes in the consumer purchasing behaviour.

To achieve the aim of our article we use methods such as analysis, synthesis, comparison, or deduction. By analysing documents and existing data, we have obtained important information, while using synthesis we looked for mutual relationships between the obtained data. In the end, we have used deduction, which helped us create the conclusions of the article.

2 Results and Discussion

Category management basically brings many benefits to all parties involved. As the Category management is applied correctly, the company can optimize the assortment at the point of sale, thereby increasing the customer's shopping experience and increasing the volume of their shopping cart. However, for its accurate functioning, it is necessary to consider all factors that affect sales and the decision-making process and to set the right assortment strategy, which will lead to the fulfilment of predetermined goals in the given area. As it is a relatively dynamic area, we see the space here in exploring changes and new trends that can be directly implemented in the assortment policies of retail concepts. By examining the economic, technological, geographical, and legislative conditions, it will be possible to propose specific solutions applicable at the point of sale.

2.1 Theoretical background of Category management

The term category is defined as: "a definable, separate, controllable group of products that the consumer perceives as related or exchangeable products. Categories are purposefully selected groups of assortment items that have common characteristics and respect how the customer ultimately decides." (Dudinská – Špavelko, 2005).

"Category management is a management system that can be applied as a controlling method in customer-oriented companies. Its goal is to optimize the marketing management and sales efforts of entities depending on the traded product portfolio." (Hesková, 2006).

Marketing, purchasing, planning, merchandising and sales are business activities that make up Category management. In order for the company to increase its profit effectively, it is necessary to use the mentioned activities to achieve set goals, the basis of which is the cooperation between suppliers and sellers, while the result of this mutual cooperation should be the creation of an adequate assortment structure that should meet the needs of potential customers.

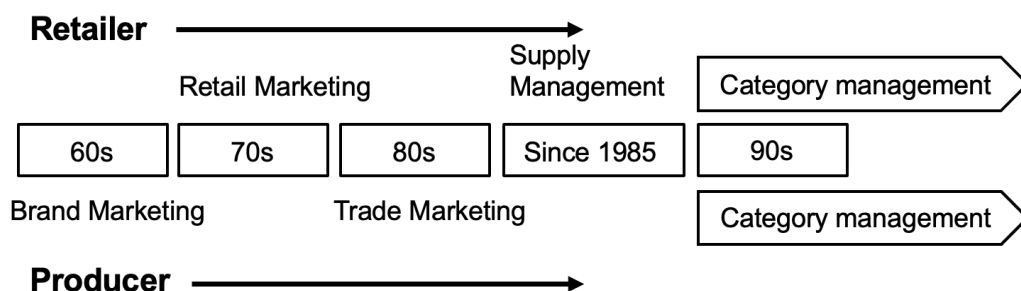
2.2 Development of Category management

For the smooth development of Category management to its current form, it was necessary, among other things, to start developing the cooperation between manufacturers and suppliers. Such cooperation of certain links of the distribution chain, in today's modern form, results in more efficient satisfaction of customer needs.

Category management has developed gradually with all other company activities. The reason why companies are looking for new methods is just to optimize costs and better satisfaction of customers' needs. The modern definition of marketing is based mainly on customer preference, the emphasis is on what the customer requires and prefers (Kotler, 2005).

The development lasted for approximately 30 years, when the classic marketing and brand management went to modern management systems, which essentially meant that the term Category management was used for the first time. Basically, it was about the development of new methods and procedures, which were based on the knowledge of the application of marketing management to business activities, which showed more and more specific requirements. Based on these new procedures, development in the field of trade and production management also occurred over time, as we can see in Figure 1 (Van der Ster, 1998).

Fig. 1 Development stages of marketing management in the field of trade and production



Source: author's own processing according to M. Hesková, 2006, p. 2

The initial stage of development was strongly marked by the strong and dominant influence of manufacturers on retail. The characteristics of brand marketing is precisely focused on passivity or the passive role of retail in selling products to the final customer. The manufacturers' strategy was characterized during this period by aggressive marketing tactics in placing their products on target markets.

Since the 70s of last century, business companies have begun to focus on retail marketing in their strategies, while there is also an orientation towards the customers' attitude. In this decade, various groupings and cooperation between different market subjects also began to form, which, due to the influence of information technology and the increase of the sales area, enabled the development of other methods and forms of sales, such as e.g. space management or merchandising. Private label strategies also began to be implemented in this period (Hesková, 2006).

In the next decade, there was a turning point in the using of vertical cooperation between retailers. Distribution centres began to be built and purchasing began to be centralized. Due to the emergence of this organizational concentration of purchase and the gradual use of other new methods, such as trade marketing and account management, the manufacturers began to take retailers as important, equal, and strategic partners. The purchased products began to be delivered to the distribution centres and from there they went to the retail units that belonged to the network structure of the given distribution unit. New types of cooperation based on benefits, information sharing and the gradual onset of supply chain management in the mid-1980s is a concept in which partners clearly define the area and subject of cooperation among themselves, where these entities do not compete each other. Basically, since the 90s, the term Category management has been used, the development of which was preceded by new management models, e.g. ECR, based on comprehensive knowledge of customer needs. The cooperation system of various production entities, trade and services increases the efficiency of customers' needs satisfaction based on shared data (Stašniaková, 2011, O'Brien, 2019).

2.3 Implementation of Category management

The implementation of Category management consists of 8 basic steps (Hesková, 2006):

- category defining,
- category role,
- category rating,
- category performance measurement,
- category strategy,
- category tactics,
- plan implementation,
- category assessment and feedback.

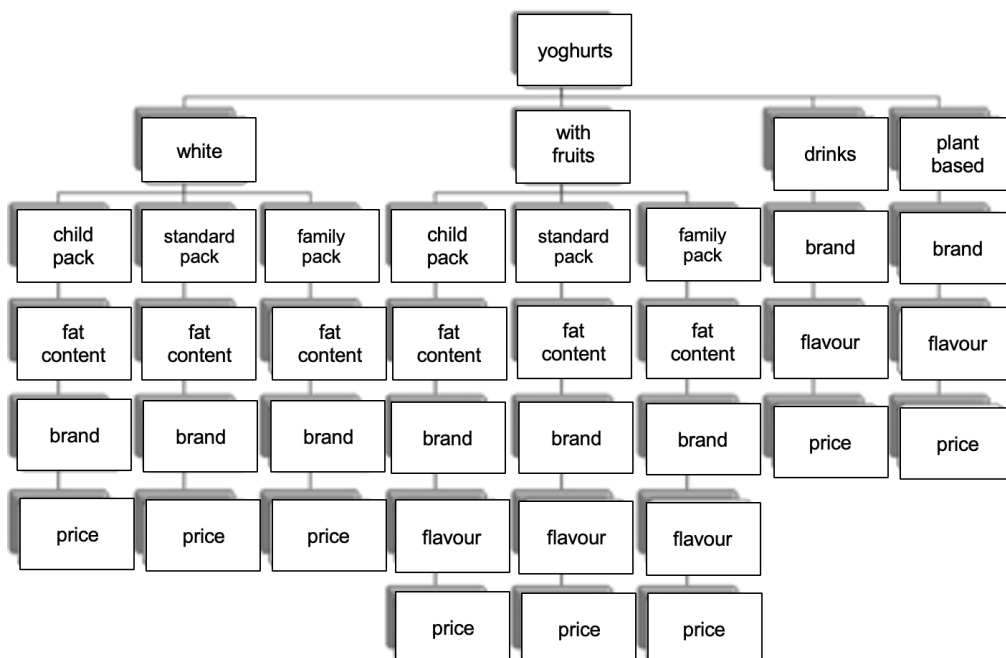
By following these basic steps, companies or organizations can effectively implement Category management practices to optimize the performance of their product categories and drive sustainable growth and profitability. Each of these steps will be explained and characterized in more detail in the following part of the article.

A Category defining

According to Stašniaková (2011), the first step in the implementation of Category management is to define the category. This role must reflect the customers' needs and wishes as faithfully as possible. From the point of view of the category, it is essential to define the products that will be found in the given category and will form its core and structure. After considering customer behaviour and needs, the categories are created which are specific to certain types of products. These products subsequently have their own unique strategies formulated, based on which the given category is managed. The correct evaluation of the attitude of customers, which is done on the basis of research, is important for the category. The result of this investigation is the division of products into

complementary and substitute categories. Based on these findings, a list of units of the business assortment, resp. product groups, is defined. The subcategories and assortment of groups form a comprehensive structure of the category, the basis of which is the Customer Decision Tree, see Fig. 2 (Hesková, 2006).

Fig. 2 Customer Decision Tree (practical example)



Source: author's own processing according to <http://www.popai.cz/novinky/co-je-to-category-management>

Figure 2 above shows an example of a decision tree for the yogurt category for a small store with conservative customers. It is necessary to realize that the same customers make decisions within the same category differently in different situations (weekly shopping vs. quick breakfast purchase), different life roles (shopping alone vs. shopping with children), and so decision trees change over time. Therefore, there are no universal customer decision trees, and it is necessary to work with them very individually.

B Category role

It is very important for the seller to define and identify correctly the meaning of each category, which basically means to assign it a certain role. Depending on the type of customers the retailer wants to attract, he can use different roles, determine their importance, financing and their position in the entire business process. There are several rules for the creation of roles, but it is advisable to define the role itself firstly, while determining the meaning of the given category, which takes into account all the needs of customers (Hesková, 2006).

C Category rating

In order to evaluate the category, we need to know the performance of the category from the customer, the merchant, the supplier, and the market. At the same time, the analysis of opportunities, price, product range, promotion, location, and the overall offer of the product range is necessary. The required aim of the category evaluation is to identify differences with respect to the current and expected status. Graphs, schemes, diagrams, and statistical data are the output, thus, the evaluation of the category (Hamister – Fortsch, 2016).

D Category performance measurement

In order to achieve the Category management plan, it is necessary to measure the marketing performance, which consists of the strategic task division of the marketer and the supplier. Measuring of the category performance is thus a collection of analyzes and observations that help to develop goals based on consumer buying habits. Among the basic criteria that speak about the size of market opportunities are (Apte et al., 2019):

- value indicator,
- financial indicator,
- market indicator.

E Category strategy

Category strategy represents the way to lead, manage and organize business with respect to strategic business units. In this step of the Category management implementation, the emphasis is placed on connecting the goals of the categories with the role of the category at the same time both on the side of the merchant and on the side of the supplier. In order to use the potential that the category has, it is necessary within the framework of the strategy to optimally allocate the resources to the individual tools that contribute to its development. The result of the category strategy is an increase in sales, differentiation from the competition, more effective distribution, sales support, and promotion (Dupre - Gruen, 2004).

F Category tactics

In order for the seller to achieve the chosen category strategies, it is necessary to perform various targeted steps, in which the areas of price, promotion, assortment and presentation of goods are evaluated. To choose the correct tactics of a specific category, certain procedures should be followed, which consist of determining the variants that will help to fulfil the selected strategies. Then the impact of the tactics on performance indicators and category goals is monitored (Hamister – Fortsch, 2016).

Notable tactics used to support corporate strategies include (Hamister – Fortsch, 2016):

- price tactics,
- assortment tactics,
- merchandising tactics,

- promotion tactics.

By employing the mentioned tactics in a coordinated and strategic manner, organizations can effectively support and execute their corporate strategies, driving sustainable growth and competitive advantage in the marketplace.

G Plan implementation

The implementation of the plan is considered as the most important point of Category management implementation. This stage consolidates various strategies and procedures into a single whole. As part of the implementation of the plan, attention is paid to the schedule of the business plan realization, which includes the material and time course of the steps contained in the plan. In order to implement this plan correctly, it is necessary to determine the criteria on which the approval of the management plan depends, and it is also necessary to determine the persons who are responsible for the individual steps during the plan implementation (Apte et al., 2019).

H Category assessment and feedback

As part of the implementation of Category management, the last stage in the management process is the control and related analysis, evaluation, measurement, and possible modification of the defined objectives. Determining the time interval for review and ongoing evaluation of the plan is an essential part of this step. If the conditions change or certain steps are not met, it is necessary to make a correction of the plan, which must be reflected in all parts of the business plan of the category (O'Brien, 2019).

2.4 Merchandising

The use of merchandising could be also marked as one of the strategies within Category management. Increasing sales and drawing attention to goods are among the main tasks of merchandising. The aim of every seller is to sell relatively the largest possible amount of goods, provided that the customer is satisfied with his purchase. In order to purchase products that the customer is not primarily interested in, the seller must take steps to motivate the customer to buy. A potential customer in a store is influenced not only by the product itself, but also by various tools of marketing communication and sales support (Kita, 2014).

The definition of merchandising is the process of finding the optimal way to display goods in a store. The use of knowledge of consumer behaviour is necessary in such a way that the customer is influenced during the purchase decision and buys the goods themselves. The arrangement of goods therefore has a fundamental place in the purchasing process (Bárta – Pátík – Poster, 2009).

However, Bartáková (2007) defines merchandising as a certain strategy, the content of which are activities aimed at promoting sales, from the whole, such as the appearance of the surroundings, building, store, to details, such as shelves or price tags.

But some authors also mention as the main meaning of merchandising (apart from comprehensive statements, such as the right goods in the right place) the right time and the right price of the displayed goods (Synek, 2006).

We can consider that the overall view of merchandising is essentially the same from all authors, where the main aim is the sale of the product, but the authors differ in the details of how to work towards the sale and what methods and ways to use for it.

However, in Category management, which focuses on the strategic management of product categories, merchandising plays a critical role in several key areas, that can be considered as follows (Hamister – Fortsch, 2016; Apte et al., 2019):

- **Enhancing visibility:** Effective merchandising techniques ensure that products within a category are prominently displayed and easily accessible to customers. This increased visibility can lead to higher sales volumes and improved customer satisfaction.
- **Optimizing assortment:** Merchandising helps retailers and suppliers optimize product assortments within each category based on consumer preferences, market trends, and sales data. By analyzing factors such as product performance, shelf space allocation, and competitive landscape, merchandisers can make informed decisions to maximize category profitability.
- **Driving sales:** By strategically arranging products and implementing promotional strategies, merchandising can stimulate sales within specific categories. For example, placing complementary items together or highlighting seasonal products can encourage cross-selling and upselling opportunities.
- **Improving customer experience:** A well-merchandised category enhances the overall shopping experience for customers. Clear signage, attractive displays, and organized layouts make it easier for shoppers to find what they need, leading to higher satisfaction levels and increased loyalty.
- **Facilitating brand communication:** Merchandising provides an opportunity for brands to communicate their identity, values, and messaging to consumers. Through strategic placement, branding elements, and promotional materials, merchandising helps reinforce brand awareness and differentiate products from competitors.

Thus, merchandising is an integral component of category management, driving sales, enhancing customer experience, and fostering brand loyalty. By employing effective merchandising strategies, retailers and suppliers can optimize category performance, respond to market dynamics, and stay ahead of competitors in an increasingly competitive retail landscape.

Conclusion

In the evolving landscape of retail, Category management emerges as a pivotal strategy for retailers to adapt to technological advancements and shifting consumer behaviour. The Category management inherently brings many benefits to all parties involved. In the article, we have underscored the transformative role of Category management in the evolving retail landscape, driven by technological advancements and changing consumer behaviours. It can be marked as a crucial tool for retail entities to navigate future trends, leveraging consumer behaviour research and artificial intelligence to refine marketing strategies and improve overall business performance.

With the correct application of Category management, the company can optimize the assortment at the point of sale, thereby increasing the customer's shopping experience and

increasing the volume of their shopping cart. However, for proper functioning, it is necessary to take into account all factors that affect sales and the decision-making process and to set the right assortment strategy, which will lead to the fulfilment of predetermined goals in the given area. As retail continues to navigate through digital transformation and heightened market competition, the successful adoption of Category management offers a framework for sustainable growth, underscoring its significance in aligning retail offerings with consumer demands and market trends.

Future directions suggest a continued evolution of Category management, incorporating artificial intelligence and deeper consumer behaviour insights to meet the dynamic demands of the retail industry.

As it is a relatively dynamic area, we see a space here in exploring changes and new trends that can be directly implemented in the assortment policies of retail concepts. By examining the economic, technological, geographical, and legislative conditions, it will be possible to propose specific solutions applicable at the point of sale.

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Balanced scorecard as a key performance indicator¹

Dominika Popovičová²

Abstract

The article discusses the methodology of using the Balanced Scorecard method for evaluating key performance indicators (KPIs) in product development. It includes a literature review on the topic and synthesizes findings to provide an overview of current understanding and practices in using balanced KPIs. The article also presents the challenges in product development, such as the need for creativity in problem-solving and the unique nature of development processes. The article further defines KPIs as financial and non-financial indicators used by organizations to estimate and reinforce success. It also discusses the concept of business performance measurement, highlighting the need for evolving evaluation indicators in a growing market. The Balanced Scorecard method, developed by Kaplan and Norton, is explained as a tool that helps businesses identify, improve, and manage various functions and outcomes. The method measures four main aspects of business: learning and growth, business processes, customers, and finance. The article concludes by stating that the implementation of this tool is not complex as necessary actions are directly tailored to achieve desired results.

Key words

KPI's, Balanced Scorecard, Measurement of performance

JEL Classification: M11, M19, O39

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Introduction

In the fast-paced and ever-changing world of product development, maintaining a balanced approach to performance measurement is critical to long-term success. This article will outline the importance of pursuing such a balanced approach, using key performance indicators (KPIs) as invaluable tools for assessing progress and guiding decision-making processes.

This article will outline the importance and effectiveness of using key performance indicators (KPIs) in businesses. KPIs are essential tools for companies to measure their progress in achieving various business goals. They contribute significantly to performance management and help identify areas for improvement. The article offers a comprehensive overview of the Balanced Scorecard method, which provides a more holistic view of company performance, focusing on four key areas: financial performance, customer knowledge, internal processes, and learning and growth. It also discusses the challenges organizations face in tracking and meeting their KPIs, especially during product development. When identifying suitable KPIs that will ensure competitiveness on the market, it is necessary to constantly increase the conditions of the indicators. In response to this challenge, the article provides useful advice on the basic requirements that performance indicators should meet.

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It emphasizes the need for relevance, measurability and alignment with strategic objectives to truly measure progress and drive improvement.

1 Methodology

The purpose of this article is to conduct a literature review on the topic of balanced key performance indicators in product development, focusing on the Balance Scorecard method. It includes a review of professional articles, books, reports and Internet resources and collections of Slovak and foreign literature with a focus on Key Performance Indicators (KPI) and the Balance Scorecard method. The literature review provides a foundation of knowledge and insights that inform the content of the article.

By synthesizing the findings from the literature review, this research aims to provide an overall overview of the current understanding and state-of-the-art practices regarding balanced KPIs and using the Balance Scorecard method

By detailed comparison of existing theoretical approaches, models and frameworks related to innovation processes and monitoring key indicators, describe the article's findings from domestic and foreign literature

2 Results and discussion

2.1 Product development challenges

There are many differences between manufacturing and product development that have been identified through various comparisons. This comparison highlights the challenges businesses face in recording and meeting their key performance indicators (KPIs). In product development, the emphasis is on the movement of information instead of the movement of materials. In production, information and material are located in opposite directions. In particular, the material and how it is used is taken into account (Morgan J.M., Liker JK, 2006). Unlike material and manufacturing, the flow of information in product development is less transparent and therefore identification and measurement are more challenging. The processes in product development are not physical, but cognitive. With those, it is necessary to focus on creative ways of finding solutions. Due to the large number of processes, not all methods can be applied in the same way, but in the creative way, especially by applying visual thinking (Schuh. G. et al., 2010). Product development processes are unique and the outcome cannot be predicted. Product development requires individual solutions instead of a high degree of repetition. It is only possible to compare different projects, but only to a certain extent, but there are activities in which repetition is more frequent, such as testing prototypes. On the contrary, in production, this repetition is realized to a high degree, and attention is also focused on physical processes, such as production, assembly or logistics (Morgan J.M., Liker JK, 2006). And precisely because of better performance evaluations and information acquisition and monitoring, it is appropriate to define key performance indicators that will help us both in production and in product development (Gubínová, VKK, 2013).

2.2 Key performance indicators

Key performance indicators are defined as financial and non-financial indicators that individual organizations use in order to estimate and consolidate the company's success, aimed at long-term longevity and achieving long-term goals. The most important is the appropriate selection of indicators that will be used for measurement. The process organization of the business needs to be created in order to implement such effective performance measurement through KPI (Parmenter, 2015). They can be categorized into different areas such as financial, operational, customer and employee performance. Financial KPIs include areas such as revenue growth, profit margins and return on investment. Operational KPIs focus on efficiency and productivity, such as production cycle time, delivery performance and inventory turnover. Customer KPIs measure customer satisfaction, loyalty, and retention rates, while employee KPIs evaluate factors such as employee engagement, turnover rates, and training effectiveness (Tsai YC., Cheng, YT., 2012). To be effective, KPIs must be specific, measurable, achievable, relevant and time-bound. This ensures that they are clearly defined, quantifiable, achievable, aligned with strategic objectives and have a defined evaluation timeframe. Regular monitoring and analysis of KPIs provides organizations with insight into their performance trends, allowing them to identify areas of success and areas that require improvement (Horváthová J. et al., 2015).

2.3 The concept of measuring corporate performance

New business opportunities require ever-evolving evaluation indicators in the ever-growing market and development in individual areas. The economy imposes new requirements on the evaluation and measurement of the performance of companies. Information is often inaccurate and more emphasis is placed on the growth of intangible assets. As in the global market, so in the European markets, two fundamental changes are taking place:

- The greater amount of capital available to the public comes directly from financial institutions and the allocation of capital is decided by market forces, among which we can include credit managers who work for commercial banks or state-run institutions.
- Decision-making processes that deal with investments in companies are taking on higher professional expertise. In financial institutions, professional managers are used to manage their capital, who care about strictly determining the performance of the business using quantitative measurements and benchmarking. (Strenitzerová M., 2009)

Increasing the efficiency of business processes means profit for the company, increased competitiveness, a better position on the market, and every manager can calculate their economic benefit. The performance of the company can be evaluated from different points of view, such as

- From the customer's point of view, a high-performing company is one that can anticipate their needs at the moment they arise and offer them a product that meets their required quality, price and delivery time.

- From the manager's point of view, a high-performing company is prosperous, ie it has a stable market share, loyal customers, low costs, balanced cash flows and its management is profitable. The measure is the speed of reaction to changes in the external environment.
- From the point of view of the owners, who expect a return on invested capital, a high-performing company is one that is capable of doing so to the greatest extent and in the shortest possible time (Hudymáčová et al., 2009).

Measuring the performance of the organization is necessary for analyzing the financial situation, competitiveness and effective management of resources. It also serves as a basis for the development of competitive strategy and innovative performance. The performance of the organization is influenced by a number of material and non-material factors, while there are various causal relationships between these factors and the ultimate goal of the organization. Key factors have an impact on the overall performance of the organization. The resulting value of an organization is the result of a value chain that includes both primary and secondary activities (Singh et al., 2016).

2.4 Rules for creating performance indicators

When designing a performance measurement system, indicators should first be selected according to specific criteria. According to Morgan and Liker (2006), these criteria are summarized in seven rules, namely:

1. Significance for business goals - Data compilations and the use of information technology today facilitate the collection of various indicators. However, not all indicators are suitable for supporting the company's goals. Therefore, it is necessary to create a key indicator according to the company's target system.
2. Data quality - It is critical to the effectiveness of the key indicator. Employees should be able to influence the indicators with their performance and thus improve the quality of their work.
3. Hierarchy compatibility - Similar to company goals, KPIs must be compatible with the hierarchy that exists in the company. Some indicators could be used at all levels of the enterprise, while other indicators must be derived from enterprise indicators.
4. Variability - As a result of the dynamic business environment, businesses are forced to react quickly to changes. The company's reaction depends on the use of an indicator that has more weight for the company.
5. Periodicity - The periodicity of the indicator depends on the intended effect. The performance indicator for the future state is derived from corporate goals and has long-term validity. The current state can be measured in shorter cycles to ensure the achievement of goals.
6. Visualization - It is important to visualize key indicators to address the necessary recipients, whether customers or suppliers.
7. Effort - Using KPIs involves effort. During generation, collection, processing, feedback and representation, various tasks must be performed, which can be automated nowadays (Zoet et al., 2016).

In order for a business to be able to evaluate its performance, an indicator has been developed that helps businesses to identify, improve and control various functions and results. This tool is a Balanced scorecard that measures four main aspects of a business: learning and growth, internal processes, customers and finances. BSCs provide a holistic view of company performance by combining information into a single report. They go beyond financial metrics and include measures to improve service quality and efficiency (Tarver et al., 2023).

The Balanced Scorecard method

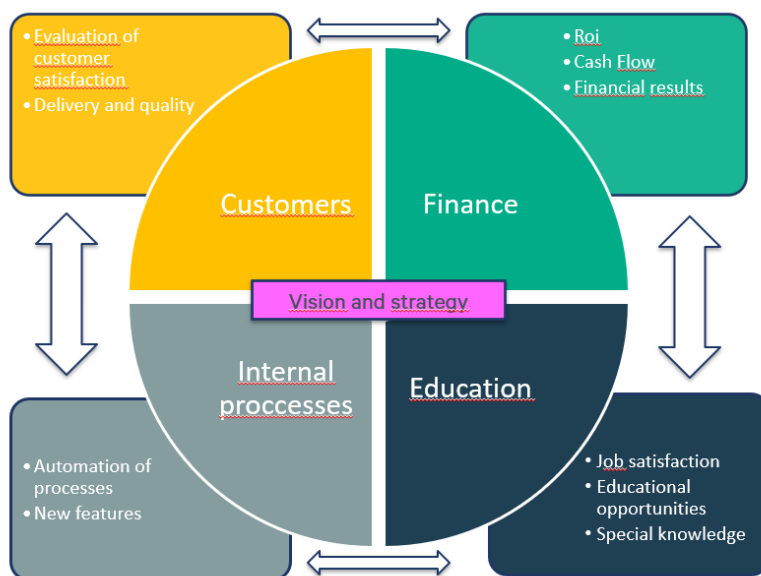
Kaplan and Norton developed the Balance Scorecard (BSC) model based on the results of a study of 12 leading American companies in the early 1990s. It is a set of measures that provide managers with an overall view of their company from four perspectives: financial, customer, internal and educational. Objectives are defined in each of these views. Each objective includes one or more measures (indicators) that have been adapted to make the BSC more operational. By presenting goals and results from multiple perspectives, it forces managers who use the BSC to see the organization as a system and helps them achieve goals in one area and transfer to another. The BSC balances measures that relate to the past (financial perspective) with indicators that show current effectiveness (customer and internal perspective) and measures that relate to future development (learning perspective) (Kaplan et al., 2007).

1. **Internal Processes:** This perspective allows managers to see how well their business is performing based on whether their products and services meet the needs of their customers. Carefully designed metrics will be needed to track this area. They are evaluated by analyzing the efficiency of product production. This includes identifying any gaps, delays, obstacles, deficiencies or waste in operational management. This perspective examines the operational processes and activities that drive organizational performance. It involves identifying and measuring key internal processes that contribute to customer satisfaction and financial success.
2. **Customers:** Customer perspectives are collected to assess customer satisfaction with product quality, price and availability. Customer feedback helps measure their level of satisfaction with the current offering. It emphasizes the importance of understanding and meeting customer expectations. It includes ways to measure customer loyalty and other indicators that reflect an organization's ability to deliver value to its customers.
3. **Education:** The learning and growth aspect involves exploring training programs and knowledge resources. It assesses how effectively employees capture and use information to gain competitive advantage in the industry. It shows the organization's ability to continuously learn, innovate and improve. It includes measuring employee satisfaction, skill development and other factors that drive organizational learning and growth.
4. **Financials:** Financial data plays a key role in understanding overall financial performance. This includes analyzing data on sales, expenses, income and other financial indicators such as budget variances, financial ratios and revenue targets. It deals with financial results, and by implementing a balanced scorecard in its business, a business can hope to achieve improved processes and customer satisfaction, more motivated staff and clear positive financial results. It helps

organizations assess their financial performance and the impact of their strategies on the bottom line (Lesáková et al., 2016).

It also helps to point out a balanced view of the company, how to compare it with its own mission and vision. The implementation of this tool is not difficult, as the necessary actions are directly adapted and set to achieve the desired results. This tool can be used for short-term, medium-term and long-term performance measurement (Professional Academy, 2023).

Picture 1 Balanced Scorecard – 4 dimensions



Zdroj: own processing

From picture no. 1, it follows that the procedure for implementing the BSC method is to establish the company's vision and strategy. To achieve this strategy, it is necessary to adapt the finances and the financial results we want to achieve. In order to achieve financial results, we need educated employees who will subsequently bring us these finances. It is also necessary to automate processes and add new functions, which the employees also contribute to. What processes we establish in the company can result in customer satisfaction, higher product quality, or more efficient delivery. With this process, we will return to the beginning again, because satisfied customers bring us profit.

The simplified procedure for the implementation of the BSC method can be interpreted as follows: assessment of the organization's readiness - formation of a team and its management - formulation of a mission linked to the corporate strategy - description of key success factors - creation of performance indicators - determination of target values and procedures for their achievement - measurement of performance indicators and their evaluation – support for changes in the organization (Kaplan et al., 1992).

Conclusion

Measuring the performance of companies is essential for their effective management and competitiveness. The concept of measurement includes different perspectives, including customer, managerial and ownership. In today's dynamic business environment, it is necessary to take into account various factors that affect performance, including both tangible and intangible aspects. The Balanced Scorecard (BSC) method, developed by Kaplan and Norton, offers a comprehensive view of business from four perspectives: financial, customer, internal and learning. This tool allows an organization to track and evaluate its performance based on these insights. Manufacturing and product development are two distinct phases of business, each with unique challenges and requirements. Product development focuses on cognitive processes and information flow, while manufacturing focuses on physical processes and material flow. These differences require different approaches to performance measurement and application of methods. Nowadays, more and more emphasis is placed on evaluating and measuring the performance of enterprises, as this information is crucial for improving efficiency, increasing competitiveness and managing resources. Using the Balance Scorecard brings many benefits. For example, it enables businesses to unify information and data into a single report, saving time, money and management resources in conducting audits and improving procedures and operations. Evaluation points also provide management with an overview of the company's services and quality and enable communication of goals and priorities. Another benefit of BSC is the reduction of inefficiencies in processes, which increases productivity and revenue and protects business brands and their reputation.

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Support for viticulture and wine industry in the framework of the common market organization for wine

Vanesa Pospíšilová¹

Abstract

The aim of this paper is to compare the financial support for the wine sector under the common market organization for wine for the period 2009-2023, with a focus on the markets of Slovakia, Hungary, Austria and the Czech Republic. In relation to the main objective, we have also set three sub-objectives. In the introduction we focused on the theoretical background of the support provided within the framework of the common market organisation for wine. We used general theoretical methods - the method of analysis and synthesis, the method of induction and deduction, comparative methods. We used the methods to process data from the 2009-2023 Wine National Support Programmes. Among the most significant results of the work was the finding that the Wine National Support Programmes allocate the most funds to the measures Restructuring and Conversion of Vineyards, Investments in Enterprises and Promotion. Slovakia is also focusing on these measures, with the most funds allocated to the measure Restructuring and conversion of vineyards. We have also found that support for the viticulture and wine sector in Slovakia lags far behind not only in European Union terms, but also in comparison with its neighbouring countries. However, among the positives on the Slovak market, we include the steadily increasing trend of increasing financial support from the National Support Programmes in all the measures. However, the viticulture and wine sector in Slovakia is significantly underfunded.

Key words

wine industry, Common Market Organization for Wine, National Support Programme

JEL Classification: L66, Z33

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Introduction

The wine sector is one of the traditional industries where growth potential for wine producers is based on funding programmes and strategies to increase international awareness and technological innovation (Marcu et al., 2020). Support for the wine and viticulture sector in the form of funds in the Slovak Republic can be implemented from the state budget of the Slovak Republic, from the EU budget or a combination of both of these budgets. Financial aid is primarily oriented towards increasing competitiveness in the sector (Krnáčová, 2021). Within the European Union, the wine and viticulture sector is regulated by a set of legal regulations, while the basic regulation is Regulation of the European Parliament and the Council of the EU No. 1308/2013 establishing a common market organization in agricultural products (European Commission, 2023a). This regulation controls the system of common market organization for wine, which also sets the conditions for the allocation of funds to EU member states with their use in national support programs (Krnáčová, 2021). Non-profit organization for the development of rural tourism (2023)

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stated that support for viticulture and winemaking from EU and national state sources can be simply divided into the following groups:

- 1. Support provided within the framework of the common market organisation for wine*
- 2. Support provided within the framework of the rural development program:*
 - a. Measure No. 1.1 - Modernization of farms
 - b. Measures No. 1.2 - Adding value to agricultural products
- 3. The agro-environmental payment*
 - a. basic support
 - b. integrated production
 - c. ecological agriculture
 - d. protection against erosion
- 4. Support for grubbing*
- 5. State aid*

In this article, we will primarily deal with the support provided within the framework of the common market organisation for wine. This support is implemented in EU member states on the basis of the National Support Programme within the framework of the common market organisation for wine, which is created for 5 years (Pomarici and Sardone, 2020). The program is made up of 11 measures, among which the member states have the right to choose the ones that suit them the most and to concentrate financial resources into them (Mancel, 2023). The reform of the common market organization for wine in 2013 ended the support measures: support for the distillation of potable alcohol, crisis distillation and use of concentrated grape must (European Commission, 2023b). Mancel (2023) specifies that the Slovak Republic focuses on the following measures, which are also characterized in more detail by the Agricultural Paying Agency (2023a):

- **Promotion on:**
 - **third country markets** - the focus of the measures is on advertising and promotion with an accent on the high level of products, especially in terms of quality and food safety, the measures are also focused on information campaigns and participation in events, fairs and exhibitions of international importance
 - **member state markets** – measures designed to provide information to consumers about the protected origin and protected geographical indication marking system
- **Restructuring and conversion of vineyards** – support in the field of grubbing and replanting by changing the variety, changing the clip or moving the vineyards
- **Harvest insurance** – measures include support for payment of insurance for losses caused by natural disasters, adverse weather events, diseases or pest infestation

- **Investments in enterprises** – support for the purchase of new wooden barrels or wooden containers for storing or maturing wine, support also covers investments in marking wine products with new labels with QR codes for faster access to information about the origin of wine

Measures aimed at the restructuring and conversion of vineyards are among the priorities in Slovakia (Krnáčová, 2021). Agricultural Paying Agency (2023b) informs that, due to the completion of the balance of the allocated budget of the Wine National Support Programme for the period 2019-2023, calls for applications in the viticulture and winemaking sector for the following measures will not be issued in 2022-2023: support for investments in wine enterprises, restructuring of vineyards, for crop insurance and for promotion in a member state and for promotion in a third country.

1 Methodology

The aim of this article is to compare the financial support of the viticulture and wine sector within the framework of the common market organisation for wine in the years 2009 - 2023 with an emphasis on the market of Slovakia, Hungary, Austria and the Czech Republic. Following the fulfillment of the main goal, we set the following partial goals:

- Based on the analysis, compare the Wine National Support Programmes 2009 - 2013, 2014 - 2018, 2019 - 2023 in EU member countries
- To identify in which measures within the framework of the Wine National Support Programmes the most funds are invested
- Define the differences in the financing of measures within the Wine National Support Programmes in Slovakia, the Czech Republic, Hungary and Austria

When processing the scientific article, we mainly used general theoretical methods: the method of analysis and synthesis, the method of induction and deduction; comparative methods. We used the method of analysis and synthesis to identify forms of support for viticulture and winemaking in the conditions of the EU and in Slovakia. In the same way, we used the methods of analysis and synthesis, together with the methods of induction and deduction, when processing data from the National Support Programmes on the wine market in the period 2009 - 2023 in general for the EU and then focused more specifically on the states: Slovakia, the Czech Republic, Hungary and Austria. We used the comparative method when comparing the financing of measures within the EU member states, based on which we established a ranking of the top 5 countries that invest the most financial resources from EU funds in viticulture and winemaking. Using a comparative method, we also identified the most financially supported measures within the Wine National Support Programmes and at the same time we were able to recognize differences in funding in Slovakia, the Czech Republic, Hungary and Austria.

2 Results and discussion

The support of viticulture and the wine sector also contributes to the support of wine tourism itself, as wineries and vineyards complete the overall tourist experience. The tourist experience can be influenced by the production and quality of the wine or the very environment of the vineyards that tourists visit as part of wine tourism during wine tasting

or as part of wine-related events and festivals. Given these facts, it is important to focus on the issue of financial support for this sector, which ultimately affects the development of wine tourism. In the contribution, we focus on the support provided within the framework of the common market organization for wine, which is covered in the European Union within the framework of National Support Programmes on the wine market.

2.1 National Support Programmes on the wine market in the EU

For the purposes of this article, we focused on the National Support Programmes on the common organized wine market, which are published by the European Commission within the framework of Agriculture and Rural Development. Wine National Support Programmes are created for 5 years, and we decided to analyze the already realized programmes for the years 2009 - 2013 and 2014 - 2018, together with the still planned programmes for the years 2019 - 2023.

Tab. 1 Total financial support for measures within the framework of Wine National Support Programmes in EU member countries in the period 2009 - 2023

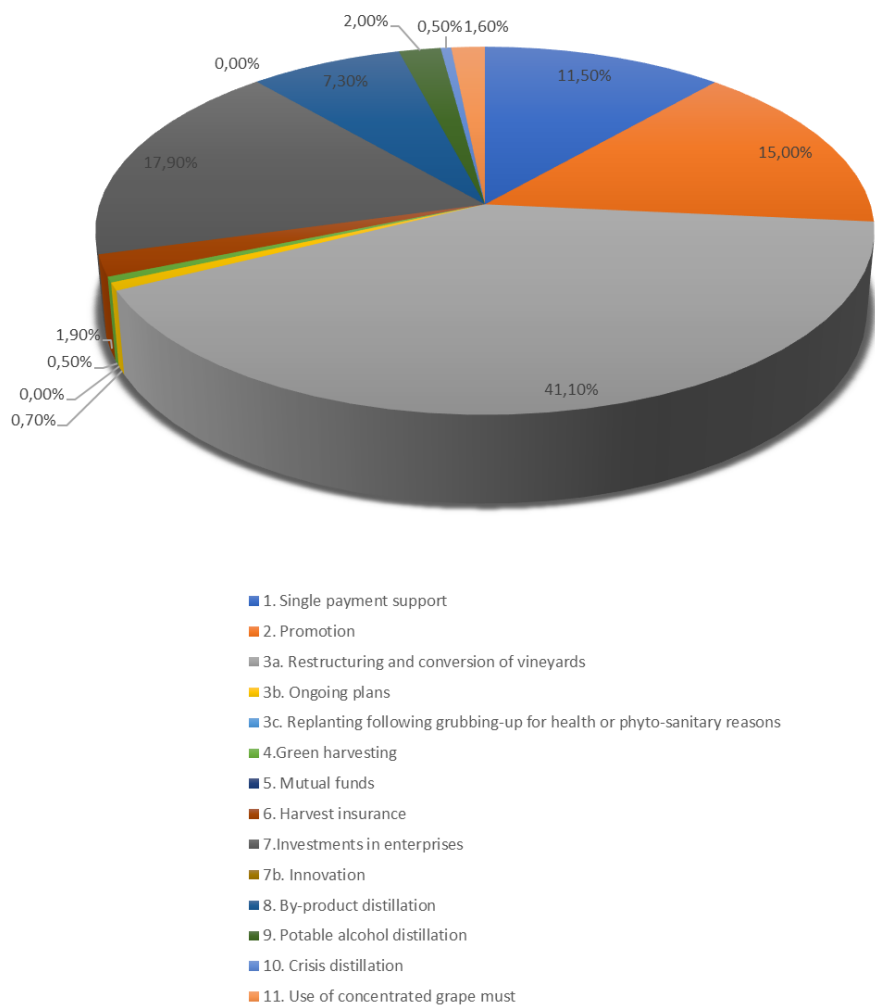
Measure	TOTAL (in thousands of €)
1. Single payment support	1 964 305
2. Promotion	2 551 944
3a. Restructuring and conversion of vineyards	6 995 787
3b. Ongoing plans	124 890
3c. Replanting following grubbing-up for health or phytosanitary reasons	2 529
4. Green harvesting	83 415
5. Mutual funds	0
6. Harvest insurance	320 325
7. Investments in enterprises	3 053 403
7b. Innovation	1 156
8. By-product distillation	1 237 940
9. Potable alcohol distillation	338 410
10. Crisis distillation	79 225
11. Use of concentrated grape must	272 775
TOTAL (in thousands of €)	17 026 105

Source: own processing according to the Wine National Support Programmes 2009 - 2023

Table 1 shows the measures that can be financially supported from the National Support Programme within the framework of the common market organization for wine. As we mentioned before, each EU member country can decide to which measures it will allocate funds. It should also be noted that since 2013, following the reform, support for measures: potable alcohol distillation, crisis distillation and the use of concentrated grape must has ended. Table 1 shows the total funds provided by the EU to 19 member states from 2009

to 2023. During the monitored 15-year period, approximately €17 billion was allocated to the common market organization for wine in the EU.

Graph 1 Use of financial support within the measures of the Wine National Support Programmes in the EU in the period 2009 - 2023



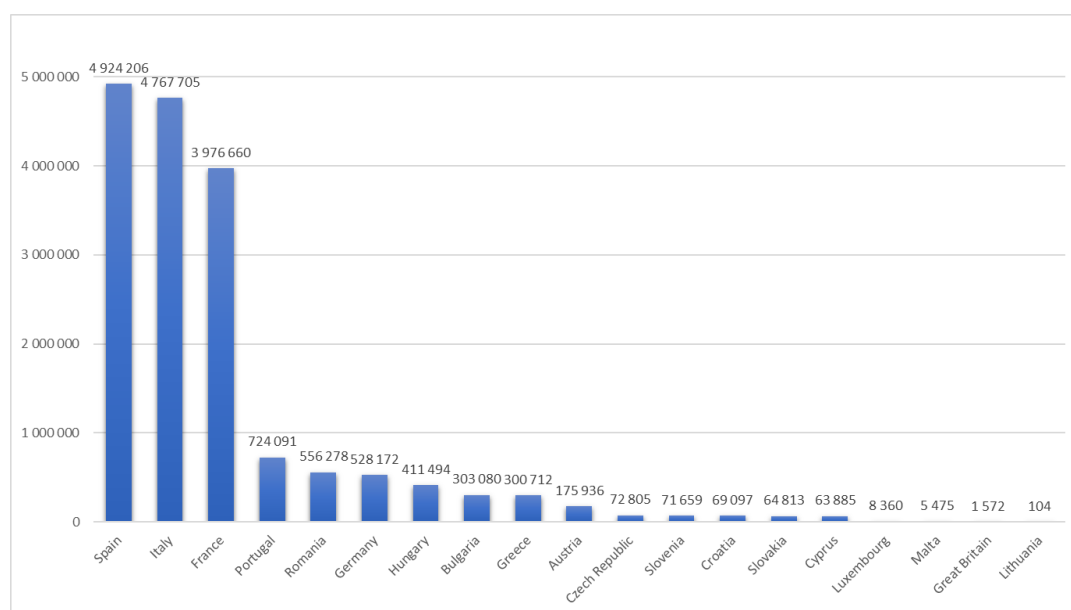
Source: own processing according to the Wine National Support Programmes 2009 - 2023

We took a closer look at financing within the measures of the Wine National Support Programme in Graph 1, where we captured the percentage of funds divided into individual measures from the total funds spent on the viticulture and wine sector in the EU. By analyzing the collected data, we found that the most financial resources in the EU member countries between 2009 and 2023 were allocated precisely for the Restructuring and conversion of vineyards, which represented 41.10% of the total financial resources provided.

The second area in which the most investments were made was Investment in enterprises, where 17.90% of the total funds were allocated. A total of 15% of the investments were reserved for measures aimed at Promotion. About 11.50% of the total investment was allocated to the Support of one-off payments, but after a closer analysis we found that only 5 out of 19 countries allocated funds to this area, which were Greece, Spain, Luxembourg, Malta and Great Britain.

Based on the captured data from Table 1 and Graph 1, we found that no funds were invested in the Mutual Funds measure in the years 2009-2023. Minimal investment was also made in the area of Innovations, Replanting for health or phytosanitary reasons and Green Harvest.

Graph 2 Financial support in individual EU member states within the Wine National Support Programmes in the period 2009 - 2023 in thousands of €



Source: own processing according to the Wine National Support Programmes 2009 - 2023

When comparing data from the National Support Programmes on the wine market in individual EU states in the period 2009 - 2013, we recognized the member countries that finance the most measures in the viticulture and winemaking sector. The top 5 countries that ranked first include Spain, Italy, France, Portugal and Romania. In the years 2009 - 2023, the 5 countries together financed viticulture and winemaking in the framework of the common wine market with an amount of €14.9 billion out of a total of €17 billion. This represents approximately 87.6% of the financial resources allocated from the EU within the National Support Programmes from all participating countries. Of this, only the countries of Spain, Italy and France financed the viticulture and winemaking sector in the amount of €13.6 billion, which is exactly 80% of the total financial support from the EU. Lithuania, Great Britain, Malta and Luxembourg were on the last ranks of the states that invest the least in the wine and viticulture sector within the framework of the common organization of the wine market, when each of the countries allocated financial support in the amount of

less than €10 million to this sector during the monitored period. During this period, Slovakia allocated funds to measures within the Wine National Support Programmes 2009 - 2023 in the amount of €64.8 million, which is only 0.38% of the total amount of support for measures in EU member states.

2.2 National Support Programmes on the wine market in Slovakia, the Czech Republic, Hungary and Austria

We also looked in more detail at the measures that can be financially supported from the National Support Programme within the framework of the common market organization for wine in Slovakia. In order to better depict the situation on the Slovak market, we compared the financial support of viticulture and the wine sector together with the neighboring countries: the Czech Republic, Hungary and Austria. Since each member country chooses the measures in which it will concentrate financial resources, it was necessary in the first step to analyze in which measures the funds from the EU were distributed within the monitored countries in the years 2009-2023.

Tab. 2 Measures financed under the Wine National Support Programmes in selected countries in the period 2009 - 2023

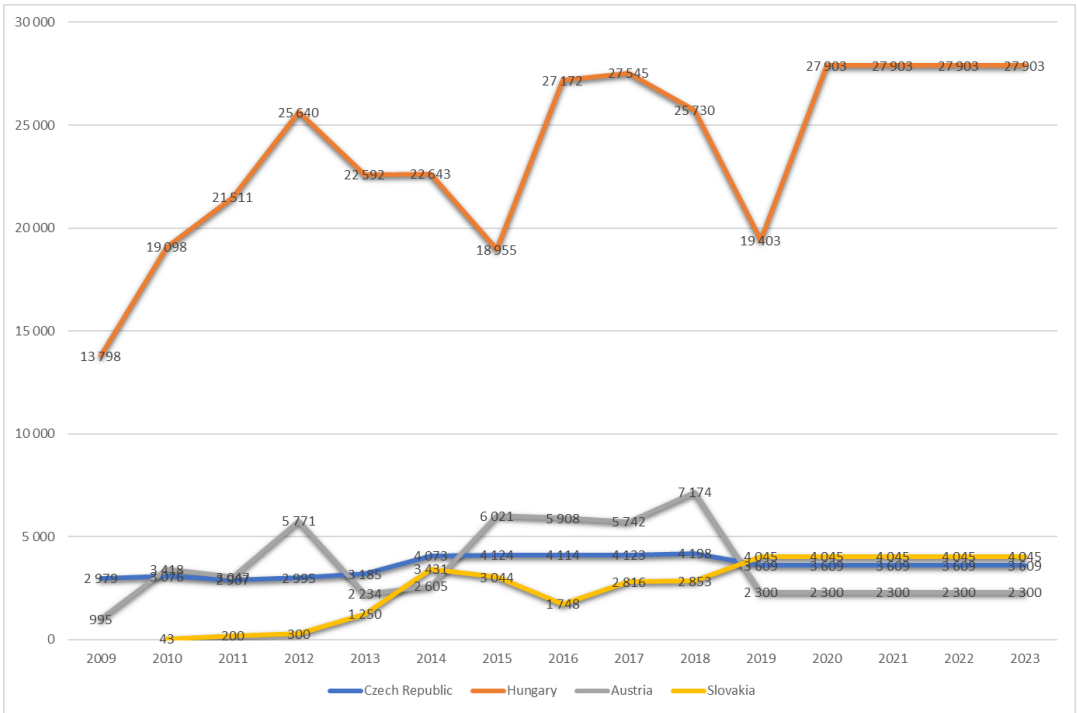
Country	Measure	Total (in thousands of €)
Slovakia	<i>-Promotion</i> -Restructuring and conversion of vineyards -Ongoing plans -Harvest insurance -Investments in enterprises -Use of concentrated grape must	64 813
Czech Republic	-Restructuring and conversion of vineyards -Investments in enterprises	72 805
Hungary	<i>-Promotion</i> -Restructuring and conversion of vineyards -Green Harvesting -Investments in enterprises -By-product distillation -Potable alcohol distillation -Use of concentrated grape must	411 494
Austria	<i>-Promotion</i> -Restructuring and conversion of vineyards -Ongoing plans -Investments in enterprises	175 936

Source: own processing according to the Wine National Support Programmes 2009 - 2023

In Table 2, we have listed specific measures to which Slovakia, the Czech Republic, Hungary and Austria have decided to allocate financial resources within the framework of the Wine National Support Programmes in the time frame of 2009 to 2023. Among the observed countries, Hungary focused on the most measures, which is 7. During the monitored period, Slovakia focused on 6 measures. The Czech Republic allocates funds to the smallest number, only two measures. We observed that all observed countries divide the funds into the following two measures: Restructuring and conversion of vineyards and Investments in enterprises. Apart from the Czech Republic, the remaining countries are focused on financing the wine sector as part of the Promotion. Hungary drew the most funds from the National Support Programmes on the wine market, which supported the wine sector with almost €411.5 million. Among the selected countries, Slovakia is at the tail end, as it financially supported the viticulture and wine sector with the amount of €64.8 million, which is only 15% of the amount of Hungarian support.

When evaluating the situation on the European market, we found that the most funds are allocated to the measures Restructuring and conversion of vineyards (41.10%) and Investments in enterprises (17.90%). Since the countries of Slovakia, the Czech Republic, Hungary and Austria also concentrate their funds in these measures, we have taken a closer look at the allocation of funds to these areas in individual years.

Graph 3 Support for the measure Restructuring and conversion of vineyards in selected countries for the period 2009 - 2013 in thousands of €

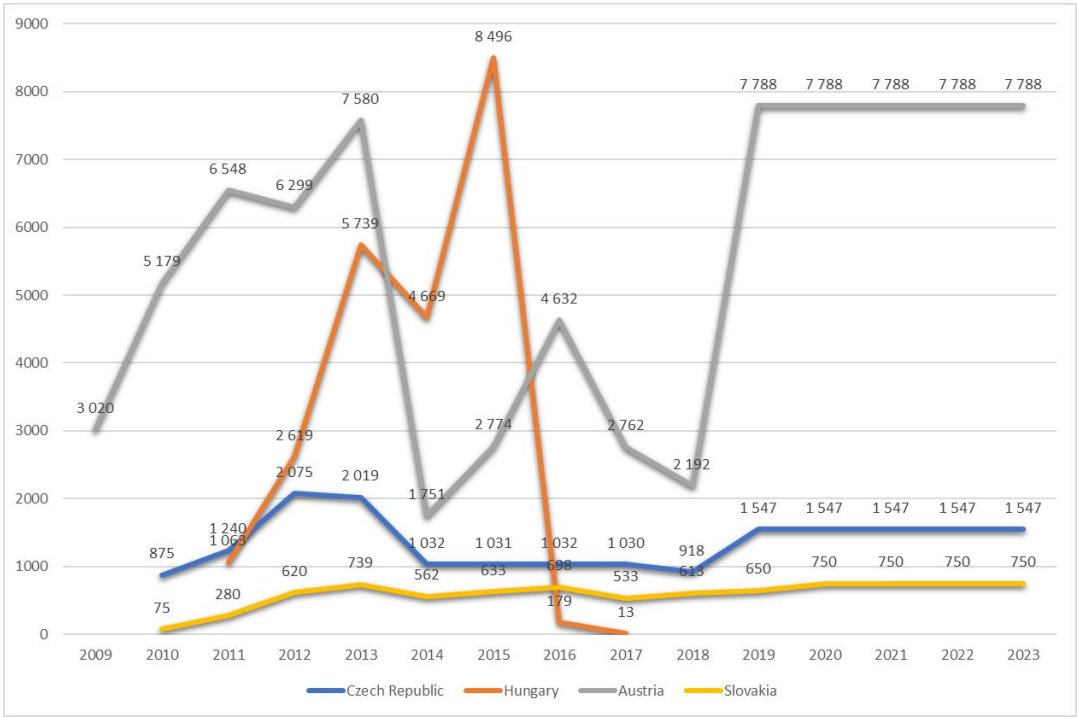


Source: own processing according to the Wine National Support Programmes 2009 - 2023

In Graph 3, we observe financial support in the Restructuring and conversion of vineyards measure section. All monitored countries have constant values of the amount of financial support from 2019 to 2023. This is due to the still planned allocation of funds within the Wine National Support Programmes 2019 - 2023. However, all countries have planned

to allocate funds in a constant amount for each year. The most dynamic use of financial resources is observed mainly in the countries of Hungary and Austria. In Hungary, the financial support for Restructuring and conversion of vineyards increased from €13.7 million to €25.6 million in the first four years, but it decreased in the following three years, when in 2015 we observed the first significant decrease to €18.9 million. The second significant decrease occurred in 2019 to €19.4 million. In 2017, the Restructuring and Conversion of Vineyards measure allocated the most funds, namely €27.5 million. In the Wine National Support Programmes 2019 - 2023, Hungary has optimistically planned annual support of €27.9 million, which is the highest among all years. In Austria, we observed two significant increases in support in 2012 to €5.7 million and in 2018 to €7.1 million. However, as part of the planning for the period 2019 - 2023, it reduced the expected annual support to €2.3 million, bringing it to the level of support from 2013 and 2014. In the Czech Republic, the support for Restructuring and conversion of vineyards during the monitored period developed largely constant, the maximum support was reached in 2018 in the amount of approximately €4.2 million. We observe a positive trend especially in the financial support of Slovakia, which has been constantly growing annually since 2010, the declines occurred only in 2015 and 2016, and since then we have again observed a growing development. The most significant finding was that even though Slovakia, among the observed countries, financially supports measures of Restructuring and conversion of vineyards the least, for the years 2019 - 2023 it planned to support this measure higher than the planned support in the Czech Republic and Austria.

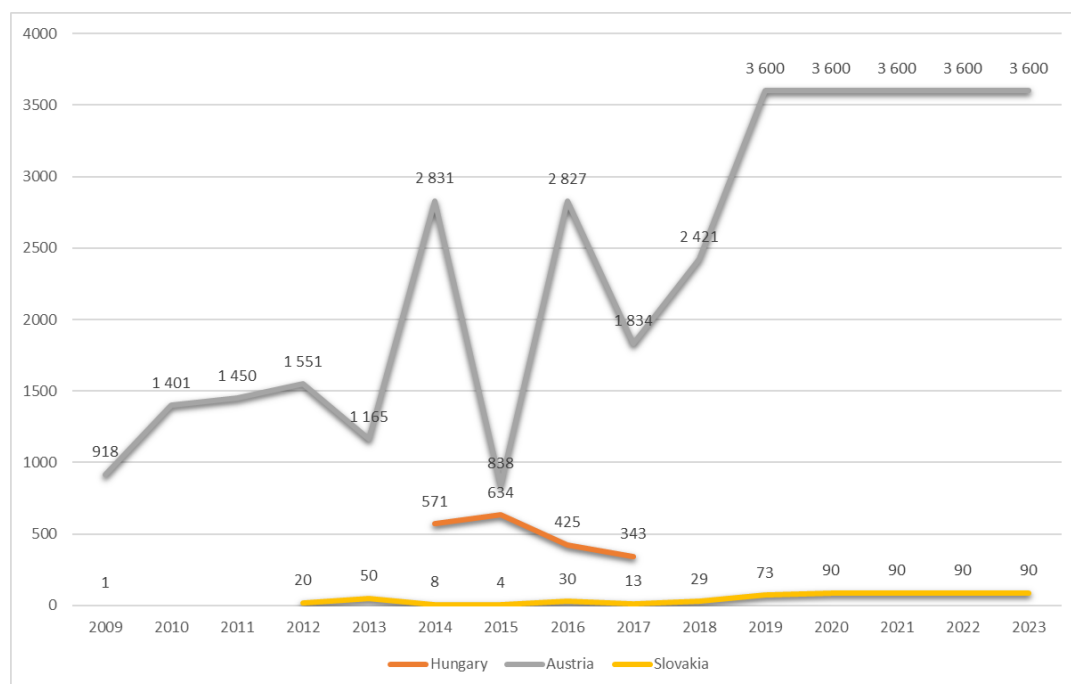
Graph 4 Support for the measure Investment in enterprises in selected countries for the period 2009 - 2023 in thousands of €



Source: own processing according to the Wine National Support Programmes 2009 - 2023

Financial support from the Wine National Support Programmes 2009 - 2023 to the measure Investments in enterprises in Slovakia, the Czech Republic, Hungary and Austria is captured in Graph 4. Austria allocates the most funds to this area, with €81.6 million allocated from 2009 to 2023. The most significant increase in Austria occurred in 2013 to €7.5 million, but in the following year 2014, the financial support decreased 4.4 times. A significant decrease also occurred in 2018, but for the planned period 2019 - 2023, Austria set the highest annual financial support among the entire monitored period at €7.7 million. Hungary allocated financial support to the Investments in enterprises measure in 2011 - 2017. During this period, it supported the measure with an amount of €22.7 million. The most significant support in the form of Investments in enterprises was provided by Hungary in 2015 in the amount of almost €8.5 million, which was the largest financial resource of all observed countries. Compared to other countries, Slovakia financially supports the Investment in enterprises measure from the Wine National Support Programmes the least, it does not even reach the level of the Czech Republic. However, we observe that Slovakia tries to allocate more funds to the measure every year, except for the years 2014 and 2017, when there were decreases. However, for the planned period 2019-2023, Slovakia allocated its highest annual amount of €750,000 among the entire period.

Graph 5 Support for the Promotion measure in selected countries for the period 2009 - 2023 in thousands of €



Source: own processing according to the Wine National Support Programmes 2009 - 2023

In Graph 5, we focused on the Promotion measure, which is financially supported by the states of Slovakia, Hungary and Austria from the Wine National Support Programmes. The Czech Republic is not oriented towards this measure. Hungary financially supported the measure in the years 2014 - 2017, during these four years it financially supported the viticulture and wine sector in the amount of €1.9 million. In comparison, Slovakia, which has

been allocating funds to the measure since 2012 and plans to support the measure until 2023 as well, has allocated €587,000 to this measure over twelve years. The best results are again achieved by Austria, which supports the monitored measure from the National Support Programs with wine from 2009 to 2023, during which the sector was financially supported with €35.2 million. The most successful years of financial support were 2014 and 2016 with €2.8 million. In the planned period 2019 - 2023, Hungary decided to significantly increase the financial support of the Promotion measure up to €3.6 million.

The support of the viticulture and winemaking sector in Slovakia lags significantly not only in the conditions of the European Union, but also among its neighboring countries. In comparison of Slovakia with the EU member states, less financial resources were allocated to the common wine market within the National Support Programmes in the years 2009 - 2023 only in Cyprus, Luxembourg, Malta, Great Britain and Lithuania. The financial support of this sector in Slovakia is also significantly smaller compared to the Czech Republic, Hungary and Austria. Among the positives on the Slovak market, we include the constantly growing trend of increasing financial support from the Wine National Support Programmes, especially in the area of Investments in enterprises and Promotion. The most interesting finding was that, within the planned Wine National Support Programme 2019 - 2023, Slovakia allocated more financial resources than the Czech Republic and Austria to support the Restructuring and Conversion of Vineyards measure. After the end of 2023, however, it will be interesting to observe how Slovakia managed to fulfill the planned financial support under the auspices of the National Support Programme with wine in period 2019 - 2023.

Conclusion

In the contribution, we dealt with the financial support of viticulture and the wine sector within the framework of the common market organization for wine in the European Union. Since there is no direct support for wine tourism, we assume that financial support of the sector can also contribute to the development of tourism. Thus, the more the wine sector is financially supported, the more likely it is that wine tourism will also develop. From that point of view, we set the goal of this contribution to compare the financial support of the viticulture and wine sector within the framework of the common market organization for wine in the years 2009-2023, with an emphasis on the market of Slovakia, Hungary, Austria and the Czech Republic.

After collecting and analyzing data from the Wine National Support Programmes 2009 – 2013, 2014 – 2018 and 2019 – 2023, we first focused on financial support for the wine market in general in EU member countries and then more specifically targeted the Slovak market compared to the neighboring countries of the Czech Republic, Hungary and Austria. In the European Union, approximately €17 billion has been allocated from the National Support Programmes for the common organized wine market in the period 2009 - 2023. Spain, Italy, France, Portugal and Romania are among the top 5 countries that ranked first in funding. These countries financed the viticulture and winemaking sector within the framework of the common wine market with an amount of €14.9 billion, which was approximately 87.6% of the total financial resources allocated from the EU. Within the financing of specific measures, most funds were concentrated in the following measures: Restructuring and conversion of vineyards (41.10%), Investment in businesses (17.90%) and Promotion (15%).

Slovakia allocated funds to measures within the Wine National Support Programmes 2009 - 2023 in the amount of €64.8 million, which is only 0.38% of the total amount of support for measures from EU member states. Together with the countries of the Czech Republic, Hungary and Austria, it allocated financial investments to measures Restructuring and conversion of vineyards and Investment in enterprises. In addition to the Czech Republic, Slovakia, together with Hungary and Austria, also focused on financing the Promotion measure. Among these monitored countries, the measure Restructuring and conversion of vineyards within the organized wine market financed the most during the monitored period, Hungary. The most significant finding was that even though Slovakia, among the observed countries, financially supports measures of Restructuring and conversion of vineyards the least, for the years 2019 - 2023 it planned to support this measure higher than the planned support in the Czech Republic and Austria. Austria is dominant in the financing of measures Investment in enterprises and Promotion. We have also found that the support of the viticulture and winemaking sector in Slovakia lags significantly not only in the conditions of the European Union, but also in comparison with its neighboring countries. Among the positives on the Slovak market, however, we include the constantly growing trend of increasing financial support from the Wine National Support Programmes in all monitored measures, which we have observed in comparison with neighboring countries. In the end, however, the viticulture and winemaking sector is significantly poorly financed under the conditions of the EU and neighboring countries, while an increase in financial support could have the potential for the development of both the winemaking sector and wine tourism.

In the future investigation of this issue, it would be possible to evaluate how only the planned Wine National Support Programmed 2019 - 2023 was fulfilled in reality, to compare the expected and realized financial support and to focus on whether the financing of the viticulture and winemaking sector within the support of the common market organization for wine was affected by the COVID-19 pandemic after 2020.

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The Rise of Place Branding: Insights from Web of Science and Scopus Databases¹

Petra Smetanová²

Abstract

Place branding is an important area of research and an effective tool for destination branding. The main objective of this study is to examine published works focused on place branding in journals registered in the Web of Science (WoS) and Scopus databases. The study's results identify several factors of the published work - the frequency of publication of studies in the field, identification of the areas of highest interest in the subject, and the responses to published work. In the early years of the 21st century, the number of publications of scientific research on place branding was modest, with a slight increase since 2007. Only since 2010, a significant increase in the number of publications has been recorded, at the same time the countries publishing the most scientific research articles are countries where tourism is a highly relevant economic sector. Place branding has been addressed by many authors, who are often published in the WoS and Scopus databases and journals focusing on tourism and/or marketing.

Key words

Place branding, literature review, Web of Science, Scopus, Branding

JEL Classification: Z32

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Introduction

Place branding is an emerging academic field. The boom in place branding studies and the growing number of consultancies in the field confirm this (Kavaratzis, Hatch, 2013). Its beginnings cannot be clearly defined, but several major events have contributed to the growth in popularity of the subject - the emergence and development of professional journals specified on place branding and related topics, such as the *Journal of Place Management and Development* and *Place Branding and Public Diplomacy*. The latter represents the first pioneering specialised professional journal focused on place branding. Its main aim is to broaden understanding of the nature, objectives, and benefits of place branding and public diplomacy and to show how place branding and public diplomacy strategies are applied in practice (Palgrave, 2023). Other important factors influencing the rise of place branding include increased awareness and consequent interest in the subject, the emergence of new place branding strategies that are empirically tested in practice, economic changes in countries, the emergence of new destinations, the very presence of tourism in each destination, or globalization and digitalization.

According to Ashworth et al. (2015), however, despite more than twenty years of diligent research by scholars from various disciplines, place branding as a field of research faces

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a major problem - place branding still lacks a clear and widely accepted theoretical framework. This fact is confirmed by Kumar and Panda (2019) who argue that the field also lacks empirically validated theories, concepts, and models. The authors also note that place branding suffers from divergent and ambiguous definitions and a lack of theoretical underpinnings.

As it is still a relatively new field of study, the clarity of definitions and different concepts is thus still not well established (Chan & Marafa, 2013). The reason for the very difference and inconstancy is mainly due to the multidisciplinary nature of place branding itself, which lies at the interface of classical marketing, urban and, economic geography, public administration, political science, journalism, economics, etc. (Vuignier, 2017).

Some authors define place branding as a separate category, while others use the term place branding to refer to the whole field of place marketing, place branding, and brand strategy (Skinner, 2008 in Vuignier, 2016) or consider place branding as part of marketing tools (Kavaratzis & Hatch, 2013). Eshius et al. (2012) argue that place branding refers to the development of brands for geographic locations such as regions, cities, or towns, usually to evoke positive associations and differentiate a place from others.

Answorth and his team of authors (2015) highlight the importance of place branding in their publication *"Rethinking Place Branding"*. He argues that there are several possible answers to this question of the importance of place branding. For example, one possible answer is that it helps places to fight in the increasingly intense competition between places and destinations. The author argues that this is the most common justification for the relevance and importance of place branding, as well as the most frequently mentioned reason for using place branding in practice. Place branding is thus a useful tool that places use when competing for limited, highly mobile financial, human, or cultural resources.

Other responses include the fact that place branding provides strategic direction for the development of places, it also provides a basis for collaboration between stakeholders, or the fact that place branding with place brands themselves can help to maximise a positive place experience (Answorth et al., 2015).

Simon Antholt, a leading expert in the field of place branding, argues that when people talk about place branding, they are not usually talking about naming or labelling a place, because places already have names and many of them already have symbols: they are talking about doing something to improve the brand image of the place itself. Place branding is seen to make places become known. It also takes the view that place branding can be understood as applying brand strategy and other marketing practices to the economic, social, political, and cultural development of cities, regions, and countries. However, according to the author, place branding has recently been defined as a process of branding a place that relies on its identity and promotes the creation of a positive place image (Antholt, 2010).

His book *"Competitive Identity: the New Brand Management for Nations, Cities, and Regions"* is a major publication in this field. Antholt is also the author of *The Good Country Index*, which aims to measure what each country in the world contributes to the common good of humanity and what it subtracts in terms of its size (TPBO, 2020).

Robert Govers is another prominent figure in the field of place branding and his work contributes significantly to the theoretical and practical understanding of the subject. His perspective on the issue is that place branding is about strategies that aim to build a city's brand by raising awareness and reinforcing positive image connections (TPBO, 2015). Govers highlights the importance of the participation of different stakeholders in the place branding process of a selected place. This includes not only government institutions, but also businesses, residents, and other local stakeholders. Govers' book "*Place Branding: Global, Virtual and Physical Identities, Constructed, Imagined, Experienced*", co-authored with Frank M. Go, provides a comprehensive framework for understanding place branding.

Papadopoulos (2004) argues that the term place branding is generally used to refer to a wide range of activities by governments of countries, regions, and cities, and interest groups aimed at marketing the places and industries they represent to build their brand. The author argues that the purpose of using place branding is usually to achieve one or more of four main objectives: to increase a place's exports, to protect domestic businesses from foreign competition (in the case of sub-national cities this may include those from other regions of the same country), to attract or retain development stakeholders, and, in general, to create favorable conditions for the place domestically and internationally from an economic, political and social perspective. Place branding also directly supports the development of a place through the creation and maintenance of a favorable and consistent image and reputation.

According to Andersson's (2014) research, place branding includes various activities such as events, policy development, slogans, advertisements, and various media coverage. Place branding is important to research for several reasons such as its relation to economic globalization & political structural changes, more and more cities and destinations are using it and implementing it in practice or greater government spending. Place branding itself involves local governments, public-private partnerships, residents of individual cities, investors, visitors and tourists, and consumers of final products. The author also specifies the problems associated with place branding - the lack of a unified conceptual framework, the unclear definition of place branding, the lack of information exchange between disciplines, even though place branding is considered interdisciplinary, the lack of research on small and medium-sized cities and the focus on large and capital cities.

1 Methodology

This article aims to examine the occurrence of works published on place branding in the databases of journals registered in the Web of Science (WoS) and Scopus databases. The subject of the investigation will be:

- frequency of publication of studies in the field, using frequency analysis since 1999,
- identification of the areas of highest interest in the subject, through the geographical location of the stated affiliation of the authors of the publications,
- review the responses to published work.

Articles were searched using the keyword *place branding* in the Web of Science and Scopus databases. Both databases are multidisciplinary, containing different types of scien-

tific documents such as articles, books, conference papers, and other documents. In addition, both databases have a proven track record of quality and are trusted sources of citation and abstract data for peer-reviewed research literature. WoS and Scopus are also the most widely used databases in different scientific fields and are often used to search academic literature (Ruiz-Real et al., 2020).

Within the WoS database, we then filtered the search results by document type to an article and by WoS category to Business Economics. After filtering the articles, a total of 2811 articles were found from all databases available in the WoS database. To achieve and present the results, we used tools that were directly available on the database site - a search result analysis and a citation report detailing citation analysis.

Within the Scopus database, articles were filtered by document type per article, where 636 documents were subsequently retrieved. To achieve and present the results, we used tools that were available directly on the database page - a results analysis and a citation report that could only be created for a maximum period of 15 years.

2 Results and discussion

This study was conducted to examine published works on place branding in journals registered in the Web of Science (WoS) and Scopus databases. To achieve this goal, a total of 2811 articles in the Web of Science database and 636 articles published in the Scopus database were considered.

2.1 Papers published in the Web of Science database

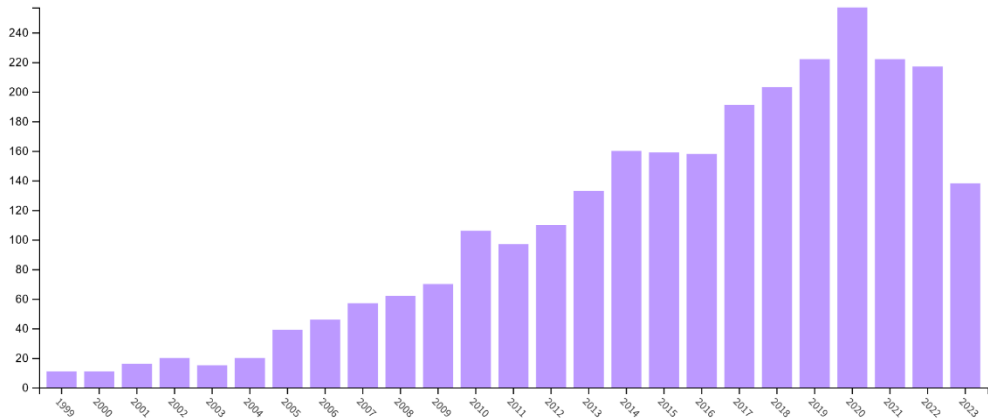
Frequency of papers published

As can be seen in Graph 1, the issue of place branding has seen significant development as an area of academic study. Entering the keyword *place branding* into the database found us a total of 2,811 articles and publications, the first of which pre-date 1990. Most of the publications were published in the last 10 years when many more researchers started to focus on the issue, but the most significant development and increase in publications overall was achieved after 2010. In 2020, the total number of publications included in the database was 257. In the last 10 years (2013-2022)³, 1930 articles have been published in the WoS database, which represents approximately 67 % of all articles found in the WoS database with a focus on place branding. At the same time, this represents an average of 193 articles added to the database per calendar year.

It is also important to distinguish in which journals the articles are published, as they represent the most credible source of information on the research and are an important factor in the dissemination of knowledge on the subject. Studies were most frequently published in the following journals: *The Journal of Business Research*, *Journal of Product & Brand Management*, *Journal of Destination Marketing & Management*, *European Journal of Marketing*, and *Journal of Brand Management* and *Tourism Management*.

³ The year 2023 had not been completed at the time of writing, hence the data from the given year were not considered when analyzing the last 10 years.

Graph 1 Number of articles included in the Web of Science database since 1999

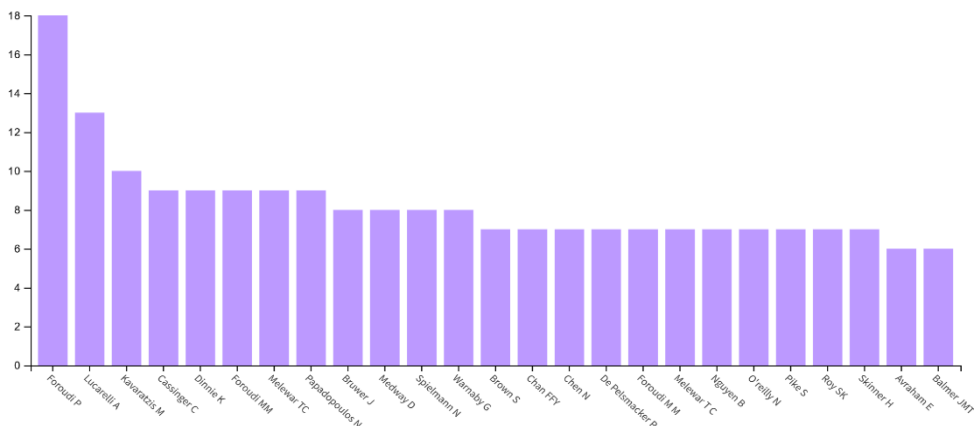


Source: Web of Science - Analysis of results (2023)

Authors addressing the issue of place branding

2811 articles were published by a total of 10 490 authors. Of the 10 490 authors, only three authors had 10 or more publications - P. Foroudi, A. Lucarelli and M. Kavartzis. 35 authors published more than 5 articles. An overview of the authors who published the most and whose articles were subsequently published in the WoS database can be seen in the following Graph 2.

Graph 2 Most published authors included in the Web of Science database



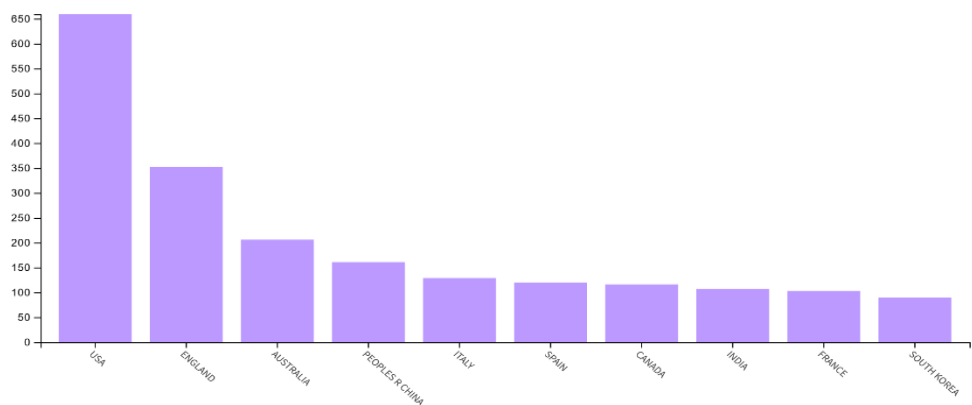
Source: Web of Science - Analysis of results (2023)

Countries in which articles are most frequently published

2811 publications were published mostly in the United Kingdom and the United States, followed by Australia. These countries represent countries that are very much involved in place branding. Sweden and the Netherlands round out the top 5 countries. The ranking of countries, which can be seen in Graph 3, shows a clear dominance of English-speaking

countries - the United States, the United Kingdom,⁴ and Australia - which account for 1152 publications, which is approximately 40 % of the publications. Some countries where tourism is a significant sector of the economy also feature prominently.

Graph 3 Countries in which articles were most frequently published

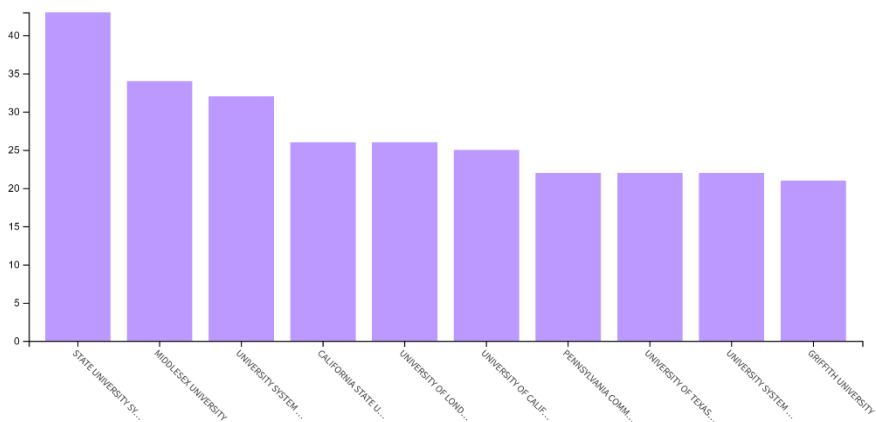


Source: Web of Science - Analysis of results (2023)

Institutions supporting place branding research

The issue of place branding is addressed by several public and private institutions that support research in this field. Graph 4 shows the most important universities by the number of articles published on the subject. Universities in the USA and Australia dominate, followed by universities in Europe. In particular, the top ten in the WoS database comprises up to seven universities from the USA, two from the UK, and one from Australia. The importance of identifying the most productive institutions in each field lies primarily in identifying which institutions are most associated with the subject.

Graph 4 The most frequently published articles on place branding in the WoS database



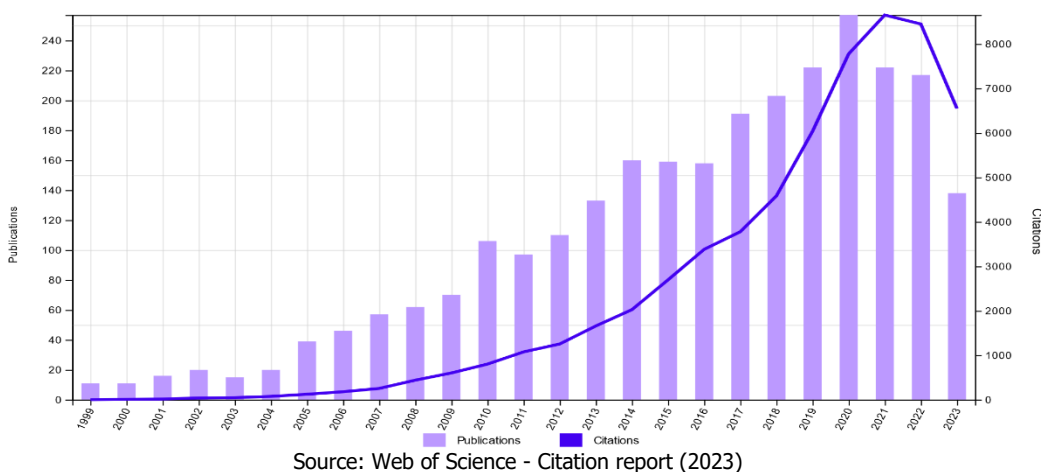
Source: Web of Science - Analysis of results (2023)

⁴ Listed in the database as England

Responses to the published articles

The 2811 publications were cited a total of 69 406 times, an average of 24.68 citations per publication. As we can see in the following graph 5, there were 257 articles published in 2020, specifically, but the most responses to published articles were in the following year with 8774 citations. Over the last 10 years, articles included in the WoS database have been cited a total of 32,429 times, an average of 16.8 citations per publication.

Graph 5 Number of articles included in the Web of Science database and their responses since 1999



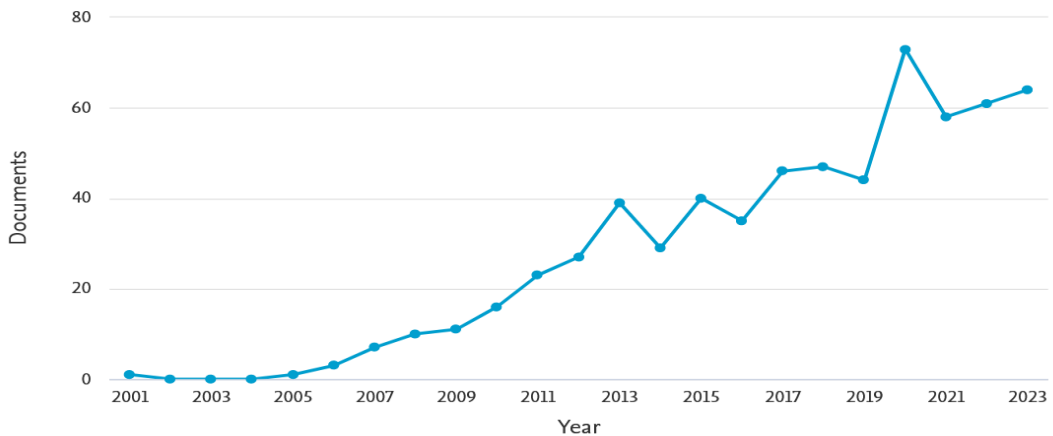
2.2 Papers published in Scopus database

Frequency of papers published

As can be seen in Graph 6, and evident from the total number of articles found in the Scopus database, the number of articles included in that database is lower compared to the WoS database. After entering the same keyword (*place branding*) in the search and then filtering, we found a total of 636 articles, with the first articles included in the database in 2001. The most significant increase in article publication was observed after 2010. In 2020, the highest number of publications included in the database was 73. Over the last 10 years, the highest total number of publications was 472, which accounts for approximately 75 % of all articles in the Scopus database with a focus on place branding.

Studies were most frequently published in the following journals: *Place Branding & Public Diplomacy*, *Journal of Place Management and Development*, *Cities*, *Urban Studies*, *Journal of Product & Brand Management* a *Journal of Destination Marketing & Management*.

Graph 6 Number of articles included in the Scopus database since 1999

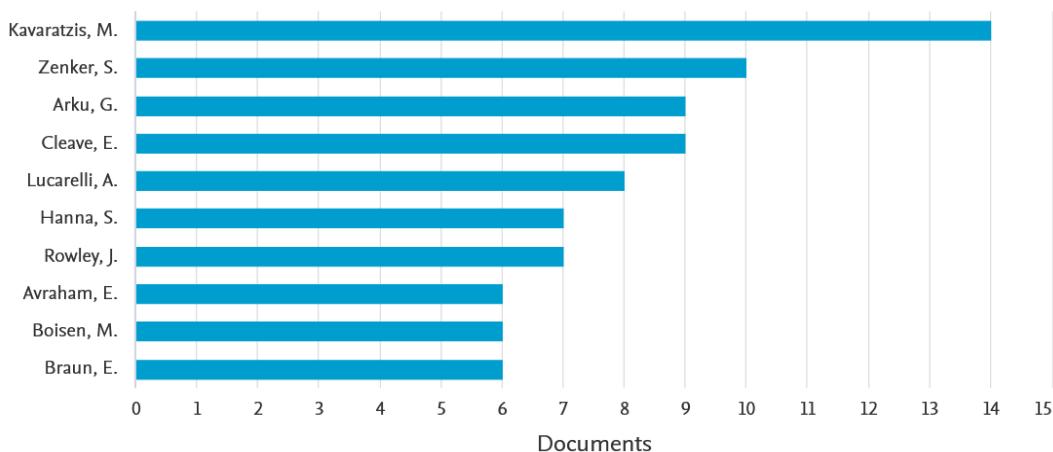


Source: Scopus - Analysis of results (2023)

Authors addressing the issue of place branding

636 articles were published by 160 authors. The following interprets the authors with the most publications, but this figure is not complete, when compared to the WoS database, the Scopus database only considers the first author of an article and not co-authors when analysing authors. Mihalis Kavaratzis has the most publications in the Scopus database - 14, with more than 10 (inclusive) publications still in the database by Sebastian Zenker, as can be seen in Graph 7.

Graph 7 Most published authors included in the Web of Science database



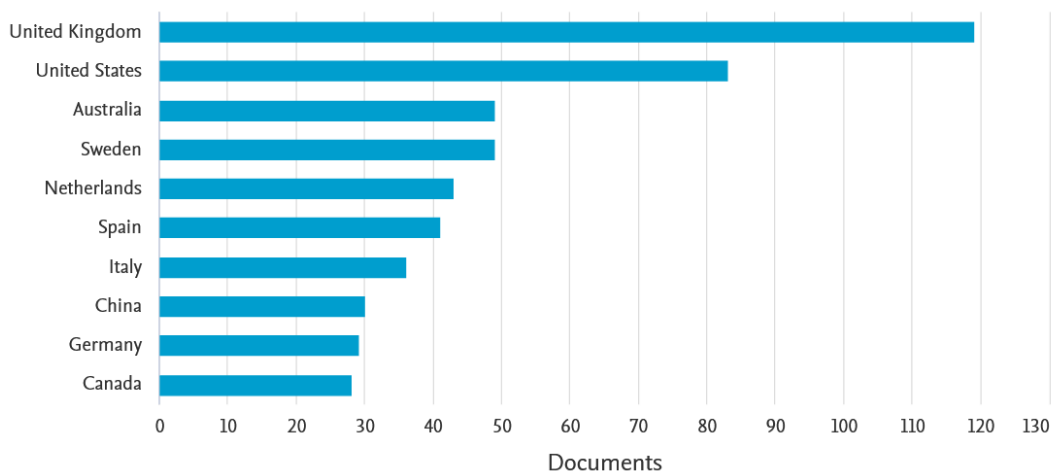
Source: Scopus - Analysis of results (2023)

Countries in which articles were most frequently published

As can be seen in Graph 8, the 636 publications were published most frequently in the United Kingdom and the United States of America, followed by Australia. The countries in question represent countries that are very much involved in place branding. Sweden and the Netherlands round out the top 5 countries. A similar trend for publications included in

the WoS database is observed for publications included in the Scopus database - the dominance of English-speaking countries is evident.

Graph 8 The most frequently published articles on place branding in the Scopus database

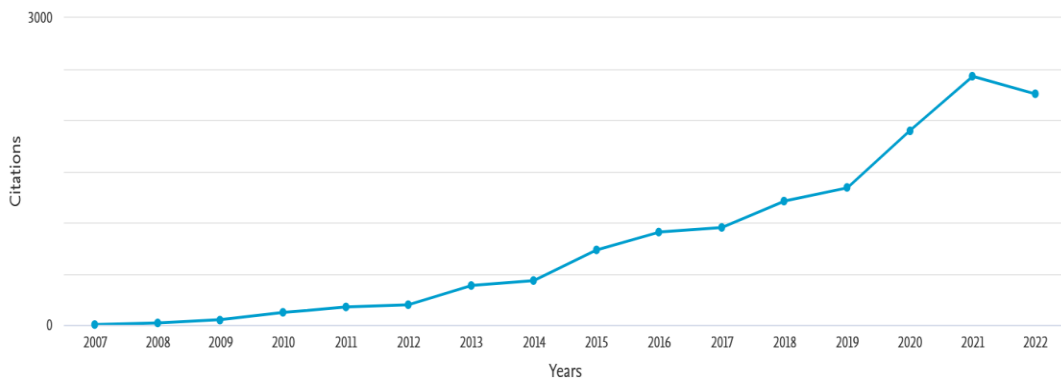


Source: Scopus - Analysis of results (2023)

Responses to the published articles

The following Graph number 9 interprets the evolution of responses to the published articles from 2007 to 2022⁵ - as can be seen in the graph, the number of citations is increasing. In 2021, publications were cited the most - 2428 times. Over the last 10 years, articles included in the Scopus database have been cited a total of 12,542 times, an average of 26.57 citations per publication included in the database each year.

Graph 9 Number of responses to articles included in the Scopus database since 2001



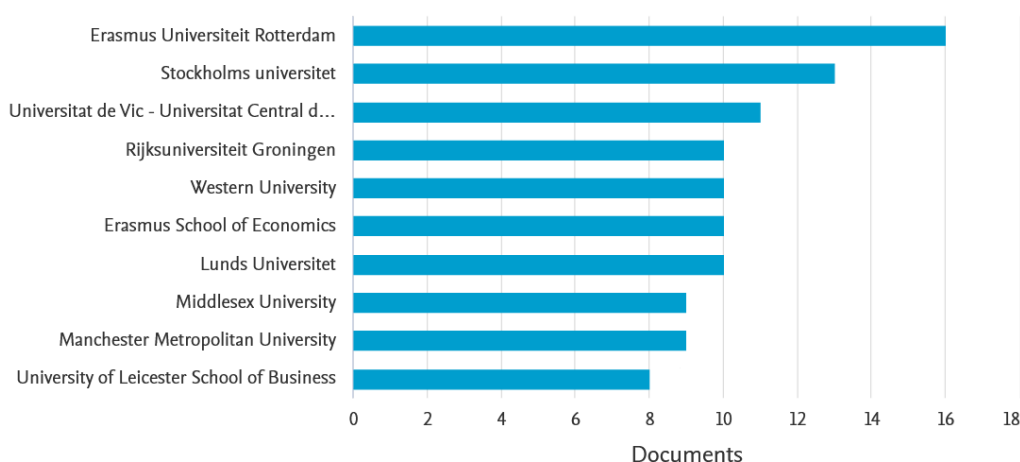
Source: Scopus – Citation report (2023)

⁵ A citation report from the Scopus database could only be created for a maximum period of 15 years.

Institutions supporting place branding research

The institutions supporting place branding research that are most frequently published in the Scopus database are interpreted by the following Graph 10. The top ten universities are four from the UK, three from the Netherlands, two from Sweden, and one from Spain. Compared to the WoS database, we observe a greater diversity in the countries in which the institutions are located.

Graph 10 The most frequently published articles on place branding by institutions in the Scopus database



Source: Scopus - Analysis of results (2023)

Conclusion

Place branding as a field of research can still be seen as an emerging field with a diverse range of disparate research areas that require clarification of terms and concepts in existing research (Kavaratzis, & Hatch, 2013).

In the early years of the 21st century, the number of scholarly research publications on place branding is low, with a slight increase since 2007. It is only since 2010 that there has been a significant jump in the number of publications, with 106 publications in the WoS database and 23 in the Scopus database. Since then, the number of articles published in both databases has increased on average every year, with 2020 being the year with the highest number of publications in both databases - 257 articles in WoS and 73 in Scopus. From the data obtained, it is possible to conclude that the development of the number of publications is an extremely important indicator that confirms the interest of the scientific community in the issue of place branding and records of continuous growth.

Articles dealing with place branding are usually published in journals specialized in tourism and/or marketing, which is not surprising given that the term "*branding*" is associated with this issue (Ruiz-Real et al., 2020). The specialist journal *The Journal of Business Research* leads the rankings in terms of the number of articles published on place branding within the WoS database, and the specialist journal *Place Branding and Public Diplomacy* leads the rankings in terms of the number of articles published in the Scopus database.

The issue of place branding is addressed by many authors, and after examining the search results, many authors are repeated in both databases - among the most frequently published authors are M. Kavaratzis, A. Lucarelli, and P. Foroudi. These authors are also often among the authors with the highest response rates. Considering the total number of publications in both databases, publications from the Web of Science database have a higher response rate.

From the results obtained in this study, it can be pointed out that there is a correlation between place branding research and countries where tourism has a significant impact, expressed in terms of the number of arrivals of foreign tourists, except France, which is most likely due to the publication of the results primarily in French, in French journals, which are not always indexed in WoS or Scopus.

The top five countries by foreign tourist arrivals in 2022 are France (79.4 million), Spain (71.66 million), the USA (50.87 million), Turkey (50.45 million) and Italy (49.81 million) (Statista, 2023). Four of the top five countries in terms of foreign tourist arrivals are also in the top ten countries in terms of the number of publications on place branding included in the WoS database and the Scopus database. In both databases, 7 of the top 10 countries are identical, only the ranking differs, but the dominance of English-speaking countries is clear. This means that in countries where tourism is a highly relevant economic sector, the volume of scholarly production on place branding is also high. Conversely, several countries where the tourism sector has a lower economic impact are also among the more productive destinations in terms of place branding research.

The presence of universities and research centers specialising in place branding has a major role to play in promoting the subject. From the results we can conclude that the most important institutions and universities supporting research in place branding are mainly from the United States, the United Kingdom, Australia, and other European countries such as Sweden and the Netherlands.

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RECENZIA / BOOK REVIEW

JUŘÍK, Pavel: *Historie bank a spořitelén v českých zemích a na Slovensku*. Praha: Nakladatelství Libri, spol. s r. o., 2023, ISBN 978-80-7277-597-2, ss. 200.

Rudolf Manik¹

Komplexný záber dejinného vývoja peňažných inštitúcií na našom území doposiaľ nebol v rámci literatúry faktu predmetom podrobnejšieho popisu. Doterajšie medzery v tejto tematike vyplnía monografia z pera Pavla Juříka, ktorá vyšla pri príležitosti 30. výročia vzniku samostatného bankovníctva Slovenská i Českej republiky. Systematicky sa publikácia člení po Slove generálneho partnera a Úvodnom slove autora na 11 kapitol doplnených v závere Zoznamom skratiek i Použitými prameňmi a literatúrou.

V **Slove generálneho partnera** generálny riaditeľ Visa pre Česko, Maďarsko a Slovensko Marcel Gajdoš uviedol, že v ČSSR boli už od roku 1968 akceptované platobné karty Visa, pričom prvú medzinárodnú platobnú kartu v Československu vydala v roku 1990 Živnostenská banka pod názvom Visa Classic. Úvodné slovo autora obsahuje informáciu, že už v XIII. storočí realizovali medzinárodné platobné príkazy rytieri Templárskeho rádu i obchodníci z Talianska.

Prvá kapitola **História peňazí a bankovníctva** uvádza, že v období od neolitu do doby bronzovej (9 000 až 3 000 p. n. l.) plnil funkciu výmenného prostriedku medzi ľuďmi namiesto peňazí dobytok a v prímorských oblastiach predovšetkým mušle. Z oblasti maloázijskej Lýdie v VII. storočí p. n. l. pochádzajú prvé mince vytvorené zo zliatiny zlata a striebra. Predchodcami dnešných bankoviek boli peniaze z kože, ktoré sa okolo roku 118 objavili v Číne. Skutočne papierové peniaze existovali v čínskom cisárstve počas vlády dynastie Tchang (VII.-X. storočie) ako certifikáty o uložení hotovosti. V roku 1024 uzreli svetlo sveta v Ríši stredy prvé bankovky (ťiao-c'), v Európe až v roku 1662 vo Švédsku. Prvé bankové domy vznikli zase v starovekej Sumerskej ríši, v stredovekej Európe boli významnými nemecké bankové domy a Banco de Medici z Florencie. Na našom území boli prvými peniazmi keltské dúhovky (biatec), nasledujúce populácie Germánov a veľkomoravských Slovanov mince nerazili. Autor oboznamuje čitateľov aj s tým, že v Taliansku XII. storočia sa objavili prvé záložne.

Kapitola **Počiatky bankovníctva v habsburskej monarchii** uvádza, že prvou obchodnou bankou podunajského mocnárstva bola od roku 1703 Banco del Giro z Viedne, kde vznikla v roku 1707 aj prvá záložňa (Versatz- und Fragamt). Štátny dlh monarchie pritom stúpól z 22 000 000 zlatých v roku 1700 na 1 060 000 000 zlatých v roku 1810. Na druhej strane príjmy štátu až tak enormne nestúpali, z 57 000 000 zlatých v roku 1756 iba na 86 204 000 zlatých v roku 1802. Aj obeh viac než 1 miliardy zlatých v bankovkách v roku 1810 viedol k štátnemu bankrotu Rakúskeho cisárstva o rok neskôr. V roku 1815 došlo ku kreácii centrálneho peňažného ústavu so sídlom v metropole štátu – Privilegovanej rakúskej národnej cedulovej banky. Namiesto používania dvojakeho druhu platidiel (striebornej konvenčnej meny a papierovej viedenskej meny) bol v roku 1857 zavedený 1 rakúsky zlatý deľený na 100 grajciarov. Po zavedení dualizmu vznikla v roku 1878 Rakúsko-uhorská banka,

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pričom v roku 1892 bola kreovaná zlatá korunová mena. Zatiaľ čo prvé sporiteľne boli zakladané v XVIII. storočí v Nemecku i Švajčiarsku, v habsburskom štáte bola založená Prvá rakúska sporiteľňa až v roku 1819. Za prvú neštátnu banku v Rakúsku možno považovať Haličský stavovský ústav z roku 1841, na území krajín Svätoštefanskej koruny zase Uhorskú všeobecnú kreditnú banku z roku 1867.

Nerozťahla kapitola **Na ceste k modernému bankovníctvu v českých krajinách** poukazuje na vznik domácich peňažných inštitúcií v Krajinách svätováclavskej koruny popri už existujúcich nemeckých bankách, záložniach a sporiteľniach. Tak vznikol v roku 1747 Záložný a dopytový úrad v Prahe či v roku 1751 Moravská kráľovská privilegovaná úverová banka v Brne. Autor popisuje i kreáciu ďalších súkromných bankových domov, ktorých rozmach nastal v 2. polovici XIX. storočia.

Z kapitoly **Ľudové peňažníctvo** vyplýva, že už v roku 1819 vznikla v českých krajinách prvá sporiteľňa v Smečne. Ku zriaďovaniu záložní došlo na základe zákona č. 253/1852 Ríš. zák. o spolkoch a zákona č. 70/1873 Ríš. zák. o spoločenstvách zárobkových a hospodárskych. Záložne sa pritom klasifikovali na občianske podľa Schulze-Delitzscha, hospodárske okresné, kontribučné a Raiffeisenove kampeličky. Za prvej republiky pritom existovalo v roku 1937 v Československu 341 sporiteľní s vkladmi vo výške 19 290 000 000,- Kč.

Kapitola **Zakladateľské obdobie bánk v českých krajinách** popisuje, že v Rakúsko-Uhorsku vzniklo v období 1867 až 1873 celkovo 143 bánk. Patrili k nim hypotekárne, eskontné, hospodárske aj úverové akciové spoločnosti. Predchodcami hypoték sa stali dlžné úpisy zabezpečené nehnuteľnosťami (Pfandbriefe), ktoré sa objavili v Prusku v roku 1769. Splátkový predaj zase zaviedla spoločnosť Singer Sewing Machine Company v USA v XIX. storočí a cestovné šeky Thomas Cook vo Veľkej Británii v roku 1874.

Záver dualizmu mapuje kapitola **Bankovníctvo pred zánikom monarchie**, počas ktorej ako prvá depozitná inštitúcia na teritóriu Slovenska vznikla Bratislavská sporiteľňa (Pressburger Sparkasse) v roku 1841 s kapitálom 40 000 zlatých. Do roku 1868 vzniklo v Hornom Uhorsku 11 bánk, pobočku tu mala aj Rakúska národná banka (Österreichische National Bank). V roku 1845 založil v Sobotišti Samuel Jurkovič svojpomocné úverové družstvo pod názvom Spolok gazdovský. Do hospodárskej krízy z roku 1873 pôsobilo na území Slovenska 73 bánk a pobočiek uhorských i viedenských bánk, ku ktorým patrili aj Slovenská banka či Zlatomoravecká agrárna banka.

Obdobím prvej až tretej ČSR sa zaoberá kapitola **Československé banky v rokoch 1918-1948**. Československo „zdedilo“ 60 % priemyslu a 1/4 obeživa dualistického súštátia, ako platidlo sa zaviedla koruna československá. Po menovej odluke od monarchie (okolkovaní peňazí) bol v marci 1919 založený nariadením vlády č. 119/1919 Zb. z. a n. Bankový úrad ministerstva financií (BÚMF) za účelom riadenia peňažného obehu. Jeho pôsobnosť získala v apríli 1926 Národná banka Československá kreovaná zákonom č. 447/1920 Zb. z. a n. o akciovej banke cedulovej. Česko-Slovensko prevzalo okrem pražskej hlavnej pobočky Rakúsko-uhorskej banky a 30 jej filiálok aj 130 ďalších pobočiek. Na Slovensku došlo fúziami k zníženiu počtu bánk z 228 v roku 1918 na 63 v roku 1930. Najväčšími slovenskými bankami v roku 1929 boli Tatra banka s kapitálom 75 000 000,- Kč a Slovenská banka s kapitálom 70 000 000,- Kč. V roku 1920 vznikla z podnetu amerických Slovákov na čele s Michalom Bosákom aj Americko-slovenská banka, ktorá koncom veľkej hospodárskej krízy v roku 1933 skončila v likvidácii. Rok 1924 zase priniesol založenie Slovenskej všeobecnej úverovej banky. Krátko pred vyhlásením autonómie Slovenska v roku 1938 sa na vkladoch vo výške 2 834 000 000,- Kč podieľali slovenské banky podielom 41 %, české banky 35 % a nemecko-maďarské banky 24 %.

Predmetom kapitoly **Bankovníctvo Protektorátu Čechy a Morava** je epocha druhej svetovej vojny, pričom už v januári 1939 došlo k premenovaniu centrálnej banky ČSR na Národnú banku Česko-Slovenskú a označenie koruny sa z Kč zmenilo na K. Po zániku druhej republiky sa cedulovou bankou vo zvyšku historických krajín stala Národná banka pre Čechy a Moravu, okrem protektorátnej koruny (K) tu však platila aj ríšska marka (RM). V nezávislom Slovensku došlo v mesiacoch apríl až jún 1939 k okolkovaniu československých bankoviek, ako platidlo sa tu zaviedla koruna slovenská (Ks). Došlo i k založeniu Slovenskej národnej banky (SNB) so základným kapitálom 100 000 000,- Ks, v ktorej Slovensko vlastnilo 60 % akcií a Deutsche Golddiskontbank 40 %. Slovenská národná banka disponovala 17 pobočkami a zanikla až v marci 1948. V júli 1939 vznikla Slovenská hypotečná a komunálna banka, významnú pozíciu tu mala aj protektorátna Böhmische Escompte Bank a nemecká Deutsche Handels- und Kreditbank. Straty československého finančného systému v období 1939 až 1945 boli vyčíslené na 378 800 000 000,- Kčs, do roku 1962 pritom Československo obdržalo od Nemecka reparácie iba v sume 14 500 000,- USD t. j. 0,09 % svojich pôvodne uplatnených pohľadávok.

Obnova bankového systému po 2. svetovej vojne mapuje obdobie po oslobodení Československa, kedy hneď v máji 1945 obnovila svoju činnosť Národná banka Československá a pôsobilo tu 14 komerčných bánk i 600 sporiteľní. Dekrétom prezidenta republiky č. 102/1945 Zb. z októbra 1945 došlo k znárodneniu bánk ako akciových spoločností, ktoré nahradili národné podniky. Do Tatra banky fúzovala Stredoslovenská banka a so Slovenskou bankou zase splynuli Ľudová banka, Sedliacka banka a Myjavská banka Na základe dekrétu prezidenta republiky č. 91/1945 Zb. o obnovení československej meny z októbra 1945 sa uskutočnila menová reforma, jediným platidlom sa stala koruna československá (Kčs). Po komunistickom prevrate na základe zákona č. 181/1948 Zb. o organizácii peňažníctva z júla 1948 vznikla Slovenská Tatrabanka spojením Tatra banky a Slovenskej banky. Zákom č. 31/1950 Zb. bola zriadená Štátna banka československá (ŠBČS), ktorá od apríla 1950 prevzala pôsobnosť Národnej banky Československej, ale aj práva i majetok Slovenskej Tatrabanky. Štátny dlh sa zvýšil oproti prvorepublikovej sume 29 900 000 000,- Kč z roku 1930 na 124 000 000 000,- Kčs v roku 1949. Obyvateľstvo značne zasiahla aj menová reforma realizovaná v júni 1953 na základe zákona č. 41/1953 Zb. o peňažnej reforme.

Predposledná kapitola **Československé bankovníctvo v rokoch 1948-1989** je popisom vývoja peňažného trhu u nás v období socializmu. Popri Štátnej banke československej existovali tiež Živnostenská banka, Investičná banka a Československá obchodná banka. Ešte v roku 1949 pôsobilo v štáte 258 okresných sporiteľní a záložní, 447 sporiteľní a záložní i 4 248 úverových družstiev, ktoré boli následne podriadené Ústrednej rade družstiev. Na základe zákona č. 72/1967 Zb. bola kreovaná Štátna sporiteľňa, ktorú po federalizácii štátu zákon č. 163/1968 Zb. rozdelil na Českú štátnu sporiteľňu a Slovenskú štátnu sporiteľňu. K zmenám v peňažníctve patrilo i zavedenie odberných poukazov podniku zahraničného obchodu Tuzex (bony) v roku 1957, sústredených inkasných platieb obyvateľstva (SIPO) v roku 1960, prémiového sporenia mladých v roku 1969, spořitřirových účtův v roku 1972 a prvých bankomatův i bankomatových kárt v roku 1989.

Závěrečná kapitola **Bankový sektor v Československu a v Českej a Slovenskej republike po roku 1990** už mapuje stav peňažníctva po nežnej revolúcii. V zmysle nového zákona č. 158/1989 Zb. o bankách a sporiteľniach sa od 1. 1. 1990 zo Štátnej banky československej vyčlenili v ČSSR Investičná banka v celej federácii, Komerčná banka v ČSR a Všeobecná úverová banka v SSR. Popri nich naďalej svoju činnosť vykonávali Česká štátna sporiteľňa, Slovenská štátna sporiteľňa, Živnostenská banka a Československá obchodná banka. Po rozdelení spoločnej republiky pôsobili v nástupníckych štátoch od 1. ja-

nuára 1993 Česká národní banka a Národní banka Slovenska. Vo februári 1993 došlo k zrušeniu spoločnej meny a ako platidlo sa začali používať koruna česká (Kč) a slovenská koruna (Sk). V deväťdesiatych rokoch vznikali nové banky, už v roku 1990 boli kreované Slovenská rozvojová banka, Slovenská poľnohospodárska banka a došlo k obnoveniu Tatra banky. Následne komerčné banky zasiahla privatizácia, niektoré z nich však skončili v nútenej správe, príp. dokonca v konkurze.

Predkladaná monografia predstavuje prehľadný dejinný vývoj peňažných inštitúcií v historických krajinách aj na Slovensku v uplynulých storočiach. Je okrem textovej časti vhodne doplnená fotografiami z priestorov bánk i poisťovní, ako aj portrétmi osôb zohrávajúcich v histórii peňažného trhu v stredoeurópskom priestore dôležitú úlohu. Pavel Juřík sa poctivo zhostil zvolenej tematiky a poskytol tak pre všetkých profesionálnych i amatérskych záujemcov o dejiny bankovníctva pútavé čítanie.