Innovation and Creativity in Niche Tourism Development in Hungary

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Research background

• 3-year research project — „Creativity and its added value in niche tourism – following and creating trends in Hungary”
• Niche tourism in Hungary
  – Destination-specific concept?
  – Transformation of traditional products
• Demand for niche tourism products
• Success factors in niche tourism development
  – From idea to product
• Lessons to learn for increasing competitiveness
Creativity and innovation in tourism

• Dynamic transformation of the market
• Global trends homogenisation → diversification
• Uniqueness + quality = competitiveness
• Some sources of innovation
  – Network co-operation
  – Involvement in trade associations
  – Co-creation – the role of customers
• Some obstacles of innovation in tourism
  – SMEs, lack of resources
  – Risk of imitation
Niche tourism

New growth:
Niches (products and segments)
Specialisation
Tailor-made services

Source: Anderson 2004
## Tourism in Hungary (2012)

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>International arrivals</td>
<td>33.717 millions</td>
</tr>
<tr>
<td>Guests at commercial accommodation</td>
<td></td>
</tr>
<tr>
<td>International</td>
<td>4.133 millions</td>
</tr>
<tr>
<td>Domestic</td>
<td>4.178 millions</td>
</tr>
<tr>
<td>Guest nights at commercial accommodation</td>
<td></td>
</tr>
<tr>
<td>International</td>
<td>11.300 millions</td>
</tr>
<tr>
<td>Domestic</td>
<td>10.309 millions</td>
</tr>
</tbody>
</table>

Source: Hungarian National Tourist Board, 2013
Hungarian tourism brand?

Source: Hungarian National Tourist Board, 2013
Top 10 European destinations (LP 2013)

- Porto & Douro Valley
- **Budapest**
  - Retro-hip
  - Ruin pubs
  - Spas
- Northern Iceland
- Cinque Terre
- Moravia
- Bern
- Marseille
- Croatia
- Northern Ireland
- Copenhagen
Research methods

• Literature research
  – Role of innovation in tourism product development
  – Concept and characteristics of niche tourism
  – Characteristics of travel behavior

• Primary research –
  – Comparative analysis of the concept of niche tourism - Delphi survey
  – Creativity in tourism development in Hungary – case studies: *Alternative guiding in Budapest*
  – Mapping successful niche tourism services – online data analysis, interviews with regional tourist boards
  – Comparative demand analysis
Traditional Budapest tour
Alternative guiding in Budapest

„Kulturista – Cultourist – Cooltourist

• „Association of Alternative Urban Explorers”
  – BudapestUNDERGUIDE (2005)
  – UniqueBudapest (2008)
  – ImagineBudapest (2008)
  – BudapestScenes (2010)

• Unique, urban, creative, high quality, flexible, individual, professional, original, complex, discovery
Alternative guiding in Budapest

- Innovation – idea
- Implementation of idea - development of services
- Extending services to the corporate market
- International and Hungarian customers
- Competition vs co-operation
- Differentiation
  - From existing sightseeing programmes
  - From standard itineraries
  - Within the alternative guiding market
Differentiation

• Themes
  – Local food & drinks, architecture (art nouveau, Bauhaus), fashion & design, bridges, kids, WW2, socialist heritage, secret gardens, crime etc.

• Target segments

• Locations
  – Varied – but in the whole city
  – Cultural function to neglected spaces

• Activities, services
  – Level of personalisation
  – MICE, team building, CSR events
Social responsibility
Social responsibility
External factors of development

- Technological environment
  - Contact, communication
  - Feedback
  - Shaping demand
- Increasing number of experienced tourists
Internal factors of success

• Human factor
  – Owners’ vision (background!)
  – Guides’ commitment to quality, personality, knowledge

• (Marketing) communication

• Creativity, ability to expand and renew services, create surprises
General conclusions

- Following rather than creating trends ➤ individual creativity ➤ successful, but small service companies
- Lack of institutional framework
- Intensive competition
- Characteristics of local demand
- Weak destination brand
- Private initiatives
  - „Hungaricum” = ....of international recognition
Thank you very much!