

FOUNDATIONS OF THE SLOVAK CAVES ADMINISTRATION MARKETING STRATEGY

Lubica Nudziková

*State Nature Conservancy of the Slovak Republic, Slovak Caves Administration, Hodžova 11,
031 01 Liptovský Mikuláš, Slovakia; nudzikova@ssj.sk*

Abstract: The Slovak Caves Administration manages 12 show caves in Slovakia. Guiding services provide the main part of its own income. In this case, one of the main marketing strategy goals is providing income from services to cover organization mission, its development. The amount of revenues and of attendance rate depends on character of services and strong impact of vicinity. The years 1999 – 2008 may be an example of relative good impact of vicinity influence, the year 2009 may be an example in opposite way.

Keywords: Slovak Caves Administration, marketing strategy, attendance rate, guiding service character, income, impact of vicinity

The Slovak Caves Administration is the only caving professional organization in Slovakia (from 1st January 2008 merged with the State Nature Conservancy of the Slovak Republic). Since 1st January 2002 its mission had been extended by law. It administrates, protects, cares for all caves in Slovakia (to date of 31. 12. 2010 the number of caves is 6,020), manages 12 show caves including services for visitors, 6 show caves offer also other services (guiding service, culture, medical goals).

The decision, determining strategies started in 1995 and in 2005 Marketing Strategy was confirmed by Ministry of Environment of the Slovak Republic together with the Organization Development Strategy.

This strategy follows the main goals:

- to provide income from guiding and additional services to cover our organization mission, its development in up-to-date organizational and economic model;
- to respect cave carrying capacity and public expectations;
- to assign the same (similar) standard level in all 12 caves, regardless of their attendance;
- to provide price strategy, schedule list, conditions and organizing the services (regularly analyse and reassess, set separate, taking into consideration visitors' structure, impacts, price of other subjects etc.) to achieve good economic outcome.

From our management point of view in the guiding services in the Slovak show caves were based on following items:

1. Guiding service character:
 - strong dependence on vicinity;
 - minimal visit repetition in terms of percentage (exception e. g. visitors from surrounding area with their guests);
 - cave is not usually primary destination, it is only supplementary or alternative program;
 - maximal distance for visitors from accommodation to cave is 100 km, usually less, according to our experience;
 - average time, which visitors spend in the Slovak caves and their areas is 2 – 3 hours;
 - different attendance rate of each cave in one time, it has own line (in spite of the fact, that some of impact have a whole – area effect), etc.
2. Impacts on the amount of proceeds and attendance rate:
 - state and public policy of Slovakia and state and public policy of countries from which the most visitors arrive (tax policy, conditions according to law, purchasing power, rate of Slovak currency in comparison with exchange rate of other countries, situation in tourism in Slovakia, state promotion, “flows” of tourists, etc.);

- regional policy, geographical location in relation to regional situation in tourism (number of destinations, theirs reputation and attractiveness);
- traffic communications, ability to access, availability;
- weather;
- mass-media policy;
- cave capacity, operational and carrying capacity, reputation and attractiveness;
- safety conditions;
- interest form travel agencies or another subjects in tourism;
- decisions and activities of our organization (promotion, up-to-date schedule and price list, quality of service, technical infrastructure, additional services) etc.

The guiding service character is considered as the fact. Some of impacts should influence it according to the power, experience, financial options, effort, etc.

Admission, when set in market prices, mostly do not radically influence attendance rate. Three show caves in Liptov region in two selected months present an example (Table 1). They are located in mutual distances, each cave has own line of attendance, price is not so important for decision to visit cave, two of them have the same price, one 3 € less, year 2009.

MARKETING AND MANAGEMENT STRATEGY – RESULT, CHOICE OF ACTIVITIES 1999 – 2008

- total number of visitors for 10 years: 6,743,202;
- average annual attendance in this period: 674,000;
- the highest annual attendance in 2002: 726,597 (the highest in period after change political and economic system in 1989).

Table 1. Attendance of three show caves in Liptov region in two selected months

Cave	Price (€)	Attendance in June 2009	Attendance in August 2009
Demänovská Cave of Liberty	7	13,234	23,197
Demänovská Ice Cave	7	8,160	25,828
Važecká Cave	4	2,794	4,582

- revenues from services increased by 128 %;
- asset increased by more than 3,000,000 €;
- selling souvenirs and refreshment proceeds increased by 93 %;
- foreign exchange annual around 100,000 €;
- enough annual profit to have finance in amount necessary to start next tourist season;
- economic situation allows to create suitable and stable conditions for development of cave care, services, technical repairs and reconstructions and applying for European Structural Funds (in this period more than 330,000 €);
- from technical activities:
 - a) building new visitors centres, technical infrastructure outside and underground;
 - b) new central security system;
 - c) new telephonic system in underground (based mobile network signal covering almost 100 %, safety, communicate underground – outside);
 - d) new system for interpretation (various modifications, finally – wireless system, the Personal digital assistant PDA communicating via Bluetooth);
 - e) technical repairs and reconstructions costs: 8,730,000 €.

CONSEQUENCE OF IMPACTS ON ATTENDANCE – YEAR 2009

Year 2009 may be an example of the consequences depending on strong dependence on vicinity and on the guiding service character:

- change of our currency to euro in time of economic crisis;
- time before government election;
- change of organizational and economic model of our organization;
- situation in Slovak tourism, interest of travel agencies;



Fig. 1. The attendance rate of 12 show caves in the management of Slovak Caves Administration in 1999 – 2008



Fig. 2. Entrance area of Belianska Cave. Photo: J. Bílek



Fig. 3. Entrance building of Harmanecká Cave. Photo: J. Hlaváč

- Slovak caves lost interest of travel agents, of foreign visitors, there were less tour organized trip;
- mass media policy (negative comments mainly to price increases, even that they could not be raised in the process of changing the currency).

For comparing with the statistics from the Ministry of Economy, Department of Tourism:

- individual tourism in Slovakia involved total foreign exchange earnings 96.50 %;
- number of accommodated foreign visitors compared with year 2008 fell by 28.80 % from Poland decreased by 49.50 %, from Czech 22.70 %, from Hungary 38.30 %, cave visitors - by 33.80 %, from Poland 59.50 %, from Czech 14.45 %, from Hungary 40.00 % (not everyone accommodated wants to visit cave, not everyone who is accommodated, visits the cave).

Another example should be Bystrianska Cave, it was the only one from all 12 caves, which had more visitors in 2009 compar-

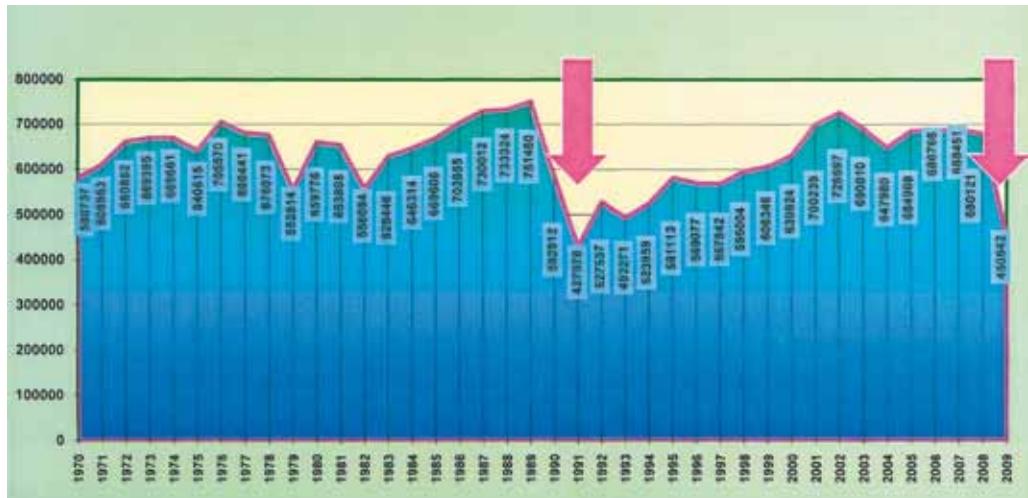


Fig. 4. Annual attendance 1970 – 2009 (1. 1. 1970 – establishment of Slovak Caves Administration)

ing with 2008 (in spite of that plus should be statistically insignificant). It is confirmed that each cave in one time has different attendance rate, that foreign people interest in this case is 5 % less (Slovak was +/- same number – table below), traffic communication was opened after reconstruction, etc., for comparing from the price policy – price 5 €).

Table 2. The foreign structure of attendance

Nationality	2008	2009	Difference
Polish	280,444	112,753	167,691
Slovak	241,121	240,730	391
Czech	74,819	47,931	26,888
Hungarian	22,938	13,749	9,189
Other	83,737	49,128	25,420
Σ	680,121	450,452	229,579

Our organization uses its own software, which in addition to obligatory agenda, allows to collect

information at the time of ticket purchase, and process statistics as a basis for decision making, software which is adapting to the requirements of legislation and our organization demand, tasks. For example monitoring the number of foreign visitors is implemented through a “hot keys” at the time of ticket purchase, in accordance with language, which they use.

CONCLUSIONS

Caves were the first tourism destination, historically, now it is important part, tourism strongly depends on vicinity, caves depend on tourism in country, in region etc. From our point of view it is important to know what “threats” and what “chances” in our specific conditions affect our outcome.

References

Statistics of Slovak Caves Administration