
Selected Factors Determining the Development of the Tourist Services Market in Poland

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Abstract:

Purpose: The aim of the study is to characterize and systematize selected determinants of the development of the tourist services market in Poland. It is used to present various concepts of factors, connections and stimulators of the tourism market.

Design/Methodology/Approach: The configuration and scope of the research process were based on available literature, statistical data, empirical calculations, and experiences of scientists dealing with the tourism market. The research results of the Central Statistical Office, the Polish Economic Institute, etc. were used.

Findings: The need for actions to improve the functioning of the tourism market has been demonstrated, including: limiting seasonality in tourist traffic, increasing the consumption of tourist services by foreign tourists, technological innovations in the field of digitization and "big data", etc.

Practical Implications: The necessity, comprehensiveness and universality of research are becoming a modern requirement for the effectiveness of analyzes of the functioning of the tourism market. The issue of the impact of selected factors in the development of the tourism market in Poland presented in the study is aimed at: increasing its competitiveness compared to other countries in Europe and the world, increasing the tax revenues of the state budget from tourism, increasing the share of tourism in GDP.

Originality/Value: The adopted course of analysis of the impact of selected factors in the development of the tourism market shows a further need to conduct comprehensive research, both theoretical and practical. In order to gain a competitive advantage in the development of the tourism market, activities for its development in the field of new technologies, e.g. digitization and "big data" calculations, should be strengthened.

Keywords: Tourism, determinants tourism, tourist service market, big data.

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1. Introduction

The etymology of the word market comes from the German word ring (Klimczak, 2015). Historically, the market is the central square of the town, characteristic primarily of the urban planning of European cities from the Middle Ages to the 19th century. In Greek cities, the market was called the Agora. The market square was most often planned on a quadrangular plan, although there were also those in the shape of a triangle or octagon (New Town Square in Łódź).

In the market, goods were exchanged between sellers and buyers. Although initially the market square could be identified with a market square, the seat of the city authorities and places of religious practice were located nearby. It also happened that the roads leading to the town converged there.

Over time, the market has evolved in terms of its role, supplementing the urban planning and simple trade exchange taking place locally with an approach that gives it a spatial criterion, thus distinguishing a national, international or world market of global importance.

In such a market, there is supply and demand, which influence each other, resulting in the formation of the market equilibrium price. There will be communication between suppliers and buyers on the market, as well as selling and buying of products - mainly goods and services (Balicki, 2002). In turn, Ph. Kotler (2004) indicates that it is a set of entities representing supply: producers, sellers and the demand of these consumers.

One of the criteria for market division is the industry. In this way, the tourism market or the tourist services market can be specified. Naumowicz (1990) defines the tourism market as all exchange relations, goods and money, between people and institutions selling tourist economic goods to tourists - representing supply, and people and institutions purchasing these goods constituting the objects of tourist needs - representing demand.

In turn, Wrzosek (2002) defines the market as all relations occurring between entities participating in exchange processes. However, Mynarski (1995) defines the market as all exchange relations between sellers offering products for sale at a specific price (i.e., submitting supply) and buyers expressing their willingness to purchase these products supported by appropriate means of payment (i.e., submitting demand).

2. Perspectives and Approaches to the Tourism Market

The market of tourist services can be considered in terms of objects and entities. From an objective perspective, according to Kamerschen, McKenzie, Nardinelli (1991), it is a process in which service recipients (purchasers of tourist services) and service providers (producers of tourist services) determine what they want to buy and sell, and on what terms.

In turn, from a subjective perspective, the tourist services market according to Panasiuk, Tokarz (2006) means a specific set of buyers of tourist services and producers of tourist services conducting market transactions involving tourist services (Adamopoulos and Thalassinou, 2020).

3. Selected Factors of the Development of the Tourism Market

Many factors can influence the tourism services market. These include: those of an economic, technological, spatial, informational, social or political nature. In our article, we will focus on analyzing the impact of economic and technological factors on the development of the tourism market in Poland.

3.1 Economic Factors for the Development of the Tourism Market

The economic factors include: demand, supply, economic situation of the population resulting from income and wealth of the society, market competition, economic crises, seasonality in tourist traffic. Demand is the purchasing ability of people at a given time and at a given price of a product. Important factors shaping tourist demand are, on the one hand, human needs and, on the other hand, the possibilities of satisfying them, expressed both through the purchasing power of consumers and the development of supply.

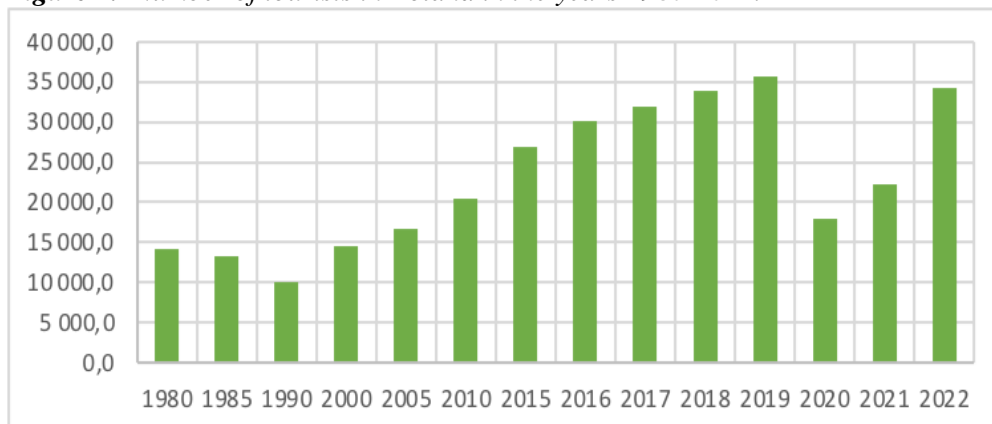
Although needs are the driving force behind the development of supply, the aim of which is to satisfy them (provided, however, that they are supported by the purchasing power of consumers), the size of demand is also a derivative of the size and structure of supply, because without its existence, demand cannot be met (Sinclair and Stabler, 1998).

Demand will be largely shaped by people's economic situation. If this situation worsens, then the demand for tourist services will be lower. Living needs will be met first, and then those related to free time, including tourism.

Tourist demand should be considered in the following dimensions: temporal, spatial and related to types of products (total demand, demand for services in particular types of activity, demand for specific forms of products (Kotler, 1999). Tourist demand will be expressed, among others, by the number of tourists participating in tourism in Poland in the years 1980-2022 (Figure 1).

The number of tourists in Poland has been gradually increasing since 1990. In 2010 it doubled and in 2016 it tripled. In 2019, it was over three and a half times higher than in 1990. The years 2020-2021 are a clear decline caused by the COVID-19 pandemic, as a result of which restrictions were introduced in social life, including those relating to restrictions on movement, tourist activities of accommodation facilities (Rowinski, 2020). In 2022, it again exceeded the level of 30 million tourists in Poland.

Figure 1. Number of tourists in Poland in the years 1980-2022.



Source: Own study based on *Tourism in 2022*, Central Statistical Office. 2023. Warsaw - Rzeszów 2023, 138.

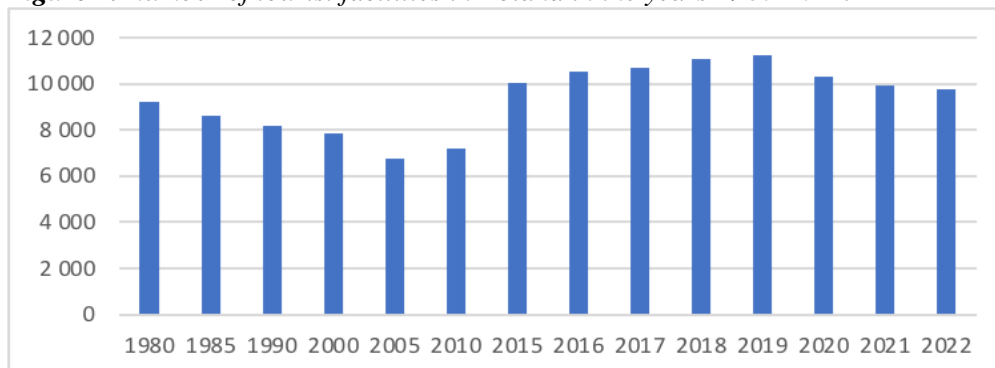
In turn, tourist supply is created by enterprises belonging to various industries, as described in the previous chapter. Each industry has different conditions when it comes to the technology of providing services and, to a greater or lesser extent, can also meet the needs of other groups of buyers, which means that the development of these enterprises is determined by various determinants, often unrelated to the tourism market.

Optimizing economic results requires the best possible use of these opportunities throughout the entire period of activity, which should lead to the use of tools, mainly prices, balancing supply and demand (Dziedzic, Skalska, 2012).

Tourist supply is relatively rigid in its spatial arrangement, which results from the limited resources of tourist attractions that determine the location of other elements of tourist supply. Hence, a common thesis is that competition in the tourism market is primarily competition between areas and only secondarily concerns the enterprises themselves (Kachniewska, 2014).

How the supply developed in terms of the number of available tourist facilities in Poland in the years 1980-2022 is shown in Figure 2. The number of tourist facilities in Poland decreased in the years 1980-2005. Since 2010, there has been a gradual increase in the number of tourist facilities in Poland.

However, since 2019, a decrease in the number of facilities providing accommodation services has been observed. Now we know that the main reason for this state of affairs was the lower demand for tourist services caused by the COVID-19 pandemic.

Figure 2. Number of tourist facilities in Poland in the years 1980-2022.

Source: Own study based on *Tourism in 2022*, Central Statistical Office 2023, Warsaw - Rzeszów 2023, 138.

The decline in the number of tourists (Figure 1) contributed to the decline in revenues from tourism activities, which contributed to such a significant deterioration of the financial situation enterprises providing accommodation services that some of them ceased to operate permanently on the market.

A significant economic determinant of the development of the tourism market will be the economic situation of the population, their income and the wealth of society. Economic conditions have a significant impact on travelers' decisions and the availability of tourism services (Song, Dwyer, and Li, 2012).

Travel is becoming available to an increasingly larger group of recipients, as the increase in society's wealth increases the availability of tourist offers and products. Increased incomes of the population contribute to the increase in demand for tourist services, as more and more people gain funds for traveling and tourist recreation.

The importance of the factor of household wealth (well-being) and quality of life. It seems that the analysis of the impact of changes in income on tourist demand cannot be separated from the analysis of the level of wealth, in the long run, the level of wealth (well-being) is, on the one hand, increased by current revenues, and on the other hand, decreased by current expenses, and is therefore a cumulative income from previous periods less accumulated expenses.

The wealth of households is one of the elements determining the level of well-being, and thus the broadly understood standard of living, and as such it may be a factor disturbing the basic economic regularities in relation to tourist demand (Dziedzic, Skalska, 2012). It can be safely said that the economic situation of the population, their income and the wealth of the society influence the tourist demand, developing it with higher incomes or inhibiting it if the economic situation of the society is worse.

An important factor developing the tourist services market is market competition. The increase in competition between tourism companies promotes innovation and more attractive offers for tourists (Page and Connell, 2020).

The tourism market is becoming more and more competitive, which requires constant adaptation and innovation (Middleton and Clarke, 2001). The market for tourist services is also influenced by economic crises. Financial crises can significantly affect the tourism market, causing economic problems for the tourism industry (Faulkner, 2001).

The economic crisis translates into fewer jobs and an increase in unemployment, which affects lower collective and individual consumption. In such situations, consumers on the tourism market limit the number of tourist trips per year. They also decide to take longer trips, including more often domestic trips. Tourists choose cheaper accommodation and limit their expenses.

Lower expenses have a negative impact on employment in tourism (Podhorodecka, 2011). The global economic crisis of 2008-2010 occurred in 2007 in the United States due to the loss of liquidity of entities operating in the banking system due to the sale of banking products based on the real estate market (Taylor, 2008).

This crisis had a significant impact on the activities of many industries, including the tourism sector in Europe. The tourism industry was affected by the bankruptcies of companies important to the tourism sector, including transport and financial companies. These institutions were indirectly related to the tourism sector (Zdon-Korzeniowska and Rachwał, 2011).

The factor limiting the development of the tourism market is seasonality in tourism. Changes in the impact of seasonality on the tourism market. As travelers become more flexible, the seasonality of travel becomes less pronounced (Weaver and Lawton, 2010). However, some places and destinations are more popular at certain times of the year, which can affect the variability of demand and supply in the market.

According to Eurostat data, the average number of overnight stays in all European countries in August is on average 3-4 times higher than in the winter months (European Commission, 2007). In Poland, nearly 1/3 of tourist traffic in Poland takes place in July and August (Czernicki, Kukołowicz, and Miniszewski, 2020).

3.2 Technological and Information Factors Influencing the Development of the Tourism Market

Technological and information factors include: technological progress and increased availability of information, digitalization, and technological innovations. In today's world, technological progress and increased availability of information have become an important factor shaping the development of the tourism market. The Internet and

mobile applications enable easier travel planning and access to reviews and recommendations, which attracts new tourists (Brynjolfsson and McAfee, 2014).

The influence of social media on the development of the tourism market is more clearly visible. Social media have become an important tool for promoting tourism and a source of inspiration for travelers (Kaplan, Haenlein, 2010). Easier access to information about destinations is observed. Thanks to globalization and access to tourist information, modern tourists can discover new and exotic places around the world.

In turn, digitization in tourism is a process related to the dissemination of digital technology in tourist services, the introduction of electronic infrastructure (including broadband fiber-optic Internet), the sale of tourist services online, the possibility for entrepreneurs to handle matters at the office online, remote work, video calls. Digital data analysis plays an increasingly important role in the activities of tourism market entities, providing coherent solutions aimed at shaping tourists' experiences.

It makes it easier for marketers to implement activities that require automation, precision and effectiveness. Building customer awareness, high conversion and retention are priorities that require significant investments, including the implementation of platforms for identifying, delivering, deploying and measuring the value of digital assets, as well as their integration on such levels as offline and online channels, context, campaigns and creation content and data acquisition, taking into account the mobility of buyers (Kachniewska, 2022).

The use of Big Data Analysis (BDA) in the development of the tourism economy means strengthening business models and competitiveness for the industry, for tourists through a wealth of experiences and sensations, improved safety, availability of information, etc. As a result of the use of BDA, the source of competitiveness of an enterprise or tourist region may become the recognition of expectations based on the analysis of past visitor behavior and improving the quality and attractiveness of the offer based on this data.

Depending on how tourists spend their time and the length of their stay, BDA also provides opportunities to strengthen visitors' loyalty by expanding the region's tourist offer, including through the use of mobile applications that expand the area of tourist experiences to the virtual sphere (Kachniewska, 2014).

It is estimated that by 2025, the digitization process may bring \$305 billion in added value to the global tourism industry, and the companies that implement innovative business models and use new technological solutions will benefit the most.

Using data allows you to personalize your offer (market segmentation) and tailor it to the needs of diverse recipients. Unfortunately, the Polish tourism industry lags behind the European average. Only 5% of Polish enterprises operating in the accommodation

and catering sector used "big data" analyzes and 7% used paid cloud computing services, with European averages of 10% and 19%, respectively (Czernicki, Kukołowicz, Miniszewski, 2020).

3.3 The Impact of the Tourism Market on the Development of the National Economy in Poland

Tourism is recognized as a branch of the national economy. The measure of its importance is its share in gross domestic product (GDP). The direct value added generated by the tourism industry in Poland amounted to 1.3% of GDP (2018), with the average for OECD countries - 4.4%.

Among the EU member states covered by the OECD study, only Luxembourg stands out with a lower direct share of tourism in the total value of the economy - 1.1% (Czernicki, Kukołowicz, and Miniszewski, 2020).

The highest added value generated by the tourism industry was recorded in Spain, with a value of nearly 12% of GDP. According to PIE, in 2018, the tourism industry generated a total of PLN 140.92 billion in added value. The multiplier effect was 5.3, which means that each zloty generated in the tourism industry contributed to generating an additional PLN 4.3 of added value in the entire economy.

The tourism industry is also an important element of the labor market in Poland and supports a total of nearly 1.36 million jobs. (Czernicki, Kukołowicz, and Miniszewski, 2020).

4. Conclusion

The further development of tourism market services in Poland is largely influenced by economic as well as technological and information factors. Without a sufficient supply of high-quality tourist services, tourist demand will not be met. In turn, stimulating demand by limiting seasonality in tourist traffic is of key importance.

Then, with lower prices for tourist services, a larger group of tourists will be able to meet their own recreational needs, which will counteract the limited participation in tourism due to the financial barrier. Of course, the demand for tourist services is related to the economic situation of the population. Hence, government decision-makers should care about the wealth of society, because such action will support the development of the tourism economy through tourism.

Technological conditions will have an important impact on the development of the tourism services market. Accelerating digitalization in Polish tourism enterprises, including the use of Big Data analyzes will facilitate the adaptation of tourism services and products to the needs of potential tourists and the availability of information for them.

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