DOMINANT TYPES OF THE MULTI-ACTIVITY TOURISM ENTERPRISES

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Purpose. The purpose of this research was to determine the dominant type of economic activity of the multi-activity European tourism enterprises. Moreover, the level of internationalisation of the multi-activity tourism firms was verified.

Methodology/Approach: The research was performed in the European Union. The subjective scope covered tourism enterprises listed on the main markets of the stock exchanges participating in the World Federation of Exchanges or the Federation of European Securities Exchanges. The data was gathered in the fourth quarter of 2014.

Findings. The research confirmed that most of the multi-activity tourism enterprises in Europe are focused on the hotel, casino and other activities. Moreover, most of them operate internationally.

Research limitations. Firstly, the tourism companies listed on alternative markets were not included into the sample. Secondly, other important markets of Asia and North America were omitted.

Originality/value. The author attempts to fill the research gap concerning the dominant types of economic activity of the multi-activity European tourism enterprises.

Keywords: tourism enterprise, type of economic activity.

Introduction

Tourism industry is one of the key contributors to the European economy [WTTC 2014]. Ten million people are employed in tourism in the EU [Ernst & Young 2013]. However, the companies, which form the sector, are strongly differentiated by the type of the economic activity [UNWTO 2010]. Therefore, the present research is aimed at determining the dominant type of the economic activity of the multi-activity European tourism enterprises.

The research was performed on the sample of 127 tourism enterprises listed on the main markets of the main European stock exchanges. It confirmed that the sector was strongly diversified. Hotels, casinos and others were the most represented types of economic activities.

The paper is organized as follows. Firstly, different types of tourism enterprises are discussed. Secondly, the method of the research and its results are delivered. The paper is finished with the conclusions.

Tourism enterprise

Tourism enterprises are strongly differentiated from one another by the type of the economic activity. There are many classifications of tourism companies. The present chapter delivers the description of the main types of tourism companies.

It is important to mention, that a single company may operate in many different fields. In the present research only the companies that manage a number of activities are taken into consideration.

The tour operators and travel agencies produce the product, and sell it to the tourists. The complexity of the product is reflected in joining different services – transportation, accommodation, food and beverage, entertainment etc. [Konieczna-Domańska 2008]. However, the single products (flights, tickets etc.) may also be offered. Moreover, travel agencies intend to advise tourists and present alternatives. Tour operators and travel agencies may form a multinational, wide, and complicated networks [Golembski 2007].

The companies offering accommodation are key for the tourism industry. The very nature of tourism relies on traveling beyond the usual environment. Furthermore, such companies provide a series of complementing services such as meals, recreation, and different guest services [Rapacz 2007]. The companies offering accommodation are indispensable in the target tourist destinations and during the travel (e.g. motels).

The companies offering food and beverage service are as important for the tourists as the ones offering accommodation. However, usually such companies cater also to local residents and non-visitors [Kozlecka, Osowska 2012]. There is no common, international classification of such establishments. Yet it seems that their several main types can be distinguished: full-service restaurants, self-service restaurants, bars, take-aways, street vendors, and cafeterias [UNWTO 2010]. The last ones were isolated in the present research, as a separate group.

The entertainment, recreation, and sport category covers sightseeing, attending sport events, visiting man-made and natural sites, practicing sports, attending cultural events etc. [UNWTO 2010]. This category includes all the companies that aim at filling the tourists’ time [Brożek, Kwielecka 2006]. In the present research, the category was split into three smaller ones – recreation, entertainment, and sport.

The companies offering gambling activities form the last group of tourism enterprises. The category covers booking and other betting operations, offtrack betting, operation of casinos etc. [UNWTO 2010]. The category is facing legal restrictions, but its role is increasing [Gu 2001]. The expansion seems not to be fully exploited, as gambling companies in Europe do not contribute significant funds to the marketing.

As it was mentioned before, the companies operating in the tourism industry are strongly differentiated. Therefore, the above set of the types of economic activities may not be complete, and other types of companies contributing to the tourism industry may occur.

Method

The purpose of the present research was to reveal the dominant type of the economic activity of the multi-activity European tourism enterprises. Yet the United Nations World Tourism Organization distinguished such activities as: accommodation for visitors, food and beverage serving activities, passenger transportation, travel agencies and other reservation activities [UNWTO 2010]. The subjective scope covered tourism companies listed on the main stock markets in European Union. The data was gathered from 32 stock exchanges
participating in the World Federation of
Exchanges and Federation of European
Securities Exchanges [FESE 2014; WFE
2014]. The sample included 127 tourism
enterprises listed on the main markets of
the stock exchanges under investigation.
The research was performed in the fourth
quarter of 2014. The data was analysed,
and synthesized in the form of figures.
The results are presented in the next
chapter.

Results
The present chapter contains the
results of the research. The data is
presented on the figure accompanied by
a descriptive component.

Among the multi-activity tourism
enterprises, their operations are mostly
based on the hotel activity. The second
most represented group is the casinos
(including online gambling). The third
most represented category covered the
“others”. This category included mainly
the on-line activities, cultural actions and
different kinds of activities supporting
the flow of tourists. The precise data is
presented on the figure 1.

In the next step of the analysis, the
multi-activity tourism enterprises were
divided into two groups – the ones
operating in one country, and the ones
operating internationally. Among the
entire list of 53 firms, 29 operated in
more than one country, and the remaining
24 operated in a single country.
Therefore, the internationalisation level
of the multi-activity tourism enterprises
was relatively high. The precise data is
presented on the figure 2.

The data indicates that most of the
multi-activity tourism enterprises take
the hotel, casino, and other activities as
the base for their functioning. Moreover,
most multi-activity tourism firms operate
internationally.

Conclusions
The research was aimed at
determining the dominant type of the
economic activity of European tourism
enterprises, and indicating their degree
of internationalization. It was performed
on the main markets of the main stock
exchanges in the European Union. 127 tourism enterprises were identified.

The results indicated that majority of
the tourism enterprises represented one
of the three categories: accommodation,
casinos, and restaurants. Moreover, it
was confirmed that almost two-thirds of
the companies operated internationally.
38% of companies functioned only in
one country.

The research purpose was achieved to
a large extent. However, the results need
to be analysed through the prism of the
limitations of the research. Firstly, only
the main markets of the chosen stock
exchanges were searched for data. Thus,
no companies listed on the alternative
markets were included in the sample.
Secondly, the research was conducted
in Europe. The other important stock
markets of Asia and North America were
omitted. Therefore, the further research
should cover the alternative markets, as
well as the continental differentiation.

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