
Spatial and Infrastructural Conditions of Functioning of the Contemporary Tourism Market – Analysis of Selected Issues

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Abstract:

Purpose: The main purpose of the article is to indicate the role of tourism development in the functioning of the contemporary tourism market. The article shows the importance of properly planned tourism development in the service of modern tourist traffic. This article focuses primarily on the characteristics of the tourist offer, including accommodation services, and the analysis of selected specific factors, i.e. spatial and infrastructural factors that are essential for the functioning of the accommodation services market, regardless of whether we are dealing with a global or local space.

Design/Methodology/Approach: The contemporary market of tourist services consists of tourist supply, which is expressed by service providers' readiness to provide services in a specific time and space, tourist demand, which is expressed by buyers' intentions to purchase tourist services, and prices for tourist services. The research hypothesis was defined as follows: The tourism industry and its infrastructural needs, which are necessary to ensure an efficient tourist service, mean that the creation and functioning of the tourist services market requires the involvement of large financial capital, both initial and development.

Findings: Without a properly developed infrastructure of the tourist space, it is impossible to talk about its attractiveness and full operational and development functionality of the market. The development of tourism is a fundamental element.

Practical implications: Properly correlated in terms of functionality and service, these factors determine e.g. the directions of development of the tourism market, including the accommodation market, and the shape of its supply side

Originality/value: The article has a practical application. The results can be used by people planning the development of tourism in specific tourist areas.

Keywords: Tourist services market, tourism enterprise, tourist supply.

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1. Introduction

When analyzing the spatial and infrastructural factors of the functioning of the tourist services market, the research should refer to the following research problems, namely:

- analysis of the geographical diversity of the size of the material accommodation and catering base, determination of the simultaneous minimum and maximum demand for accommodation and catering infrastructure of a given local or larger tourist area or a given tourist sub-market;
- analysis of the location factors of tourist facilities, with particular emphasis on aspects related to their required size and diversity in terms of the variety of types of accommodation facilities operating in a given area; analysis of the reasons for the creation and functioning of such and not other types of tourist facilities;
- analysis of spatial and temporal differences in employment and demand for human capital in the tourism sector;
- analysis of the geographical structure of tourists, including hotel guests;
- analysis of the differentiation of prices of tourist services and economic results of the tourist sector in different spatial aspects;
- analysis of the hotel facility location policies and investment behavior of hotel investors, as well as the factors influencing the location of accommodation facilities, with particular emphasis on political, social and economic conditions.²

The market of tourist services is characterized by many functional features that determine its functioning as a whole and have a significant impact on the production and service entities operating on it, both those of a strictly tourist nature (e.g., accommodation and catering facilities) and those in the tourism-related sphere (e.g., financial, postal, medical, commercial, entertainment services), i.e., complementary to the basic offer and to the basic services (e.g., accommodation). It is not a homogeneous market in terms of company structure and product structure (Adamopoulos and Thalassinos, 2020).

Due to the diversity of subjects, a special place in the service of tourist traffic is occupied by entities representing various and at the same time complementary sub-markets, i.e. the hotel, catering, agency and tourist organization, guiding and leading, tourist transport markets. A special role in the functioning of the tourism market is played by its specificity and the need for two complementary components, i.e. geographical space and service and technical infrastructure, which allow the efficient and effective use of this space and satisfy the basic needs related to tourism and the consumption of tourist and anthropogenic values.

²Kowalczyk, A., *Geografia hotelarstwa*, Wydawnictwo Uniwersytetu Łódzkiego, Łódź 2001, s. 9.

In many cases, tourist traffic is directed to a certain tourist space (geographical, tourist region) not because of its specific or unique tourist values, but mainly because of the availability a specific infrastructure of tourist services (and above all, the one that conditions effective tourist consumption and constitutes the basis for rest and recreation, namely the accommodation and catering infrastructure).

The space in which the exploitation of specific tourist assets takes place and the service infrastructure are essential elements that are part of the determinants of the tourist attractiveness of a tourist destination (a given destination) and the tourist product offered. However, not every geographic space and not every natural and anthropogenic asset is predestined to be a component of the tourist services market.

It is important what is the operational and service quality of these assets, what is their competitiveness in relation to other similar assets and spaces already exploited or which may be exploited in the future, what is the real possibility of this space to absorb part or all of the tourist traffic flow, what is the real susceptibility of the space to tourism development, i.e. what is the tourist absorption capacity, what is the quantitative and qualitative service and service capability of individual components of the available infrastructure (e.g., accommodation facilities).

2. The Spatial Essence of the Tourist Services Market

The market of tourist services operates in a specific space thanks to the expressed needs of travelers for specific and at the same time, necessary services and benefits that are inseparable both from travel itself (e.g., transport, information, guide, brokerage and organization services) and from everyday human existence (e.g., accommodation services, catering).

However, it depends on the presence of natural conditions in a given space and its saturation with anthropogenic products (tourism and tourism-related infrastructure). Both human needs related to travel and tourist values become determinants of spatial differentiation of processes taking place in the tourism market. They define the current and future subjective structure of the market, taking into account the supply and demand aspects.

Practice shows that an important factor in directing tourist traffic to a particular place is the tourist and tourism-related infrastructure operating in a given market and the diverse range of tourist services offered by various representatives of the tourism industry, including complementary and accompanying services. Tourist enterprises play a significant role in tourist services. Their offer makes it possible to directly and indirectly share tourist values with travelers and visitors, and thus also enriches them.

The aforementioned market components are mutually dependent and to a large extent complement each other, and jointly contribute to the development of the

tourism market. The tourist infrastructure operating in a given market and the range of services available to businesses, combined with the advantages and transport accessibility, are a component of the tourist attractiveness of a given destination and the tourist market³.

The contemporary tourism market is characterized by the following features:

- it is a market for goods and services (mainly services),
- there is a total demand for goods and services whose sales are complementary,
- consumption takes place at the place of supply simultaneously with the production of services,
- occurs not only in the place of temporary stay of tourists, but also in the place of permanent residence, before departure and after return from a trip⁴.

A tourist enterprise, as one of the basic components of the tourist market and the tourist service system, can be assigned the following attributes in relation to the specificity of the market:

- meeting the needs of both individual clients (e.g., organizing a trip for a particular tourist or his family, selling individual accommodation and catering services) and collective clients (e.g., organizing rehabilitation stays, incentive and integration trips for employees of a particular company or industry);
- a relatively low level of materiality of the tourist service, although the provision of many services requires a specific material infrastructure (e.g., provision of accommodation);
- a continuous process of providing services at a given time and a constant readiness to meet the specific needs of travelers, even if the service is seasonal in nature;
- necessity of direct contact of the company and its representatives with customers (unity of place and consumption, no possibility to store most elements of the tourist offer, except for some gastronomic products);
- satisfaction of various needs of tourists (according to various criteria, i.e., physiological, vital, psychological, socio-social, informational – basic and higher order according to Maslow's pyramid of needs);
- high flexibility and variety of services offered, both standard and widely available on the market, as well as those specially tailored to the needs of individual recipients⁵.

³Rapacz A. (ed.), *Przedsiębiorstwo turystyczne na rynku*, Wydawnictwo Akademii Ekonomicznej im. Oskara Langego, Wrocław 1998, pp. 9-10.

⁴A. Kornak, *Ekonomika turystyki*, PWN, Warszawa 1979, pp.190-191.

⁵M. Brojak-Trzaskowska, *Determinanty innowacyjnego rozwoju przedsiębiorstw na przykładzie wybranych rodzajów usług*, Wydawnictwo Naukowe Uniwersytetu Szczecińskiego, Szczecin 2012, p. 138.

For example, the specificity of the functioning of the tourist services market in Poland is characterized by the following features:

- dominance in the market and in tourist services for micro, small and medium-sized enterprises;
- family roots of Polish entrepreneurship in tourism;
- continuous quantitative and qualitative development of private entrepreneurship in tourism (especially in the accommodation sector);
- fluctuation of economic activity on the market – new companies appear in the place of bankrupt or withdrawn from the market (this applies in particular to the market of travel agencies);
- development and greater effectiveness of instruments of local and regional support instruments for the creation (establishment of new businesses, start-ups) and development of micro-enterprises and small tourism companies, supported by EU funds⁶.

The main elements of the tourist services market include:

- tourist supply expressing the willingness to provide services disclosed by service providers,
- tourism demand, which expresses intentions to purchase tourist services as reported by buyers,
- prices of tourist services.

Individual elements of the tourist services market, as well as its entities, do not function in isolation. Supply, demand and price create a dynamic system of interrelations that determines the functioning of the market mechanism.

3. Types of Tourist Enterprises and Entities Serving Tourists

The market of tourist services is a component of the tourism economy, which some experts treat interchangeably with the tourism industry. The contemporary tourism economy consists of a direct and an indirect part, and the criterion for assigning tourism entities and enterprises to one of the parts of the tourism economy results from the degree of necessity of the activity carried out to service tourism and the importance of the activities for the benefit of a given entity.

The direct tourism economy is the activity of those entities and enterprises whose functioning results from satisfying the needs of travelers (tourists and excursionists). Businesses included in the direct tourism economy are:

⁶J. Batorski, *Instrumenty zarządzania kryzysowego w przedsiębiorstwie turystycznym. Perspektywa organizacyjnego uczenia się*, Wydawnictwo Uniwersytetu Jagiellońskiego, Kraków 2013, p. 77.

- hotel and accommodation enterprises and other entities providing accommodation services – the service activity is primarily focused on providing accommodation services and, in a broader sense, hotel services;
- gastronomy enterprises – applies to the activities of both various establishments and catering outlets located in tourist accommodation facilities, as well as entities operating in a specific tourist space and providing food services to travelers;
- tourist transport companies – in particular, those that address their offer to tourist travelers: reaching the destination and returning, transport services in tourist destinations, transport services constituting a product and tourist attraction of a given area (e.g. narrow-gauge railways);
- travel agencies – activities of tour operators, travel agents and intermediaries;
- health resorts and treatment enterprises – activity of entities from the health resort sector (SPA establishments, natural medicine centers, preventoria, SPA hospitals, sanatoriums, SPA and wellness facilities, etc.);
- enterprises facilitating the stay in a tourist destination – tourist information points, guides and leaders, tourist equipment rental⁷.

The activity of entities belonging to economic sectors other than tourism (indirect economy), such as:

- entities producing material goods intended mainly for tourism purposes, such as the production and sale of tourist equipment, maps, guidebooks, souvenirs, but also producers of photographic equipment, travel accessories, clothing and footwear necessary for tourism and recreation, hygiene products and cosmetics;
- commercial and service entities, in particular tourist, food and everyday products shops, as well as cosmetics, hairdressing, biological regeneration, solariums, etc.;
- insurance companies offering insurance products to tourists or specializing in tourist services;
- financial service companies, e.g. banks in tourist destinations;
- activities of cultural and entertainment facilities, e.g., cinemas, theaters;
- activity of sports and recreational facilities;
- postal and telecommunications operators;
- entities of municipal economy, e.g., public transportation, water and sewage systems, heating, wastewater treatment plants;
- energy suppliers;
- petrol stations;
- construction companies;
- food and beverage producers;
- medical and pharmaceutical service facilities;
- other transport activity⁸.

⁷A. Panasiuk, *Rynek turystyczny. Studium strukturalne*, Difin, Warszawa 2014, s. 29-30.

⁸*Ibidem*, s. 30-31.

An important role in tourist services is played by the activities of state administration (e.g., crisis management, passport services) and local government administration (e.g., implementation of local tourism development strategies, development of the necessary tourist and tourism-related infrastructure), public order bodies (police, city and municipal guards, fire brigade, crisis management centers) and the judiciary. It also affects the level of tourist services in a given region⁹.

Contemporary tourism is one of the most important economic sectors in many countries and regions, because thanks to the functioning tourism market, the share of this sector in the creation of GDP, employment of employees and the creation of seasonal and year-round jobs is increasing. Both individuals working in the sector as well as tourist and tourism-related enterprises participate in the tourist service system. A special role in the functioning of the tourism market and the tourism sector as a whole is played by strictly tourism-related entities, such as hotels and accommodation facilities, catering and tourist transport companies.

The system of tourist services in a given tourist area is complemented by the operation of tourism-related businesses (cultural, recreational, sports, commercial, service, etc.), which are necessary to meet the specific needs of tourists during their travel and stay. The operation of many types of enterprises in the tourist service system means that this economic sector is neither independent nor self-sufficient.

The activities of companies and their necessary presence in the process of creating a tourist product, as well as an efficient, adequate and comprehensive service from the point of view of a tourist, cause that the tourist market is characterized by many specific features that determine its functional and structural efficiency and justify its economic rationality and achieved profitability. The specific features of the market include, in particular, the following ones: seasonality of services and work and the high infrastructure costs that must be incurred to create a tourism market, with particular emphasis on hard and soft investment needs.

Hard investment needs concern the building of material capital necessary for tourist services, i.e., the creation of accommodation, catering, entertainment, service, recreation, transport, telecommunications, postal, financial and banking bases. Both the state and individual local governments, as well as enterprises operating in the market, are responsible for creating this infrastructure.

Soft investment needs relate to building intellectual capital and enhancing the competencies of employees employed in the tourism industry. This applies, for example, to raising the appropriate qualifications of employees who are part of the functioning service system and of people who can supply this service system, e.g., through self-employment. After Poland's accession to the European Union, EU funds

⁹ *Ibidem*, s. 31.

have become a special source of capital for many tourism entrepreneurs and local governments focusing on the development of the tourism industry.

4. Tourist Services

From a subjective point of view, the market of tourist services means a specific group of buyers and producers of tourist services, who carry out specific market transactions, the subject of which is, on the one hand, the purchase and, on the other hand, the sale of tourist services, both in a package form (comprehensive) and in a partial form (e.g. only hotel, guide, catering services). The Polish legislator defines tourist services as "guide services (tourist guides), hotel services and all other services provided to tourists or visitors"¹⁰.

Tourist services are the basic tool and means of satisfying the needs of tourists. They perform three basic functions that are closely related to their nature, namely:

- the function of sharing tourist values, enabling the realization of a tourist trip;
- the function of supplying goods for basic human needs (modified by the specific situation of the tourist) and tourist goods;
- the function of direct influence on the tourist and their property, i.e. providing the tourist with conditions for recreation (including treatment) outside the place of permanent residence, providing the necessary information and maintaining the elements of their equipment in a usable condition¹¹.

The needs of tourist traffic determine the scope of tourist services, which is confirmed by the tourist demand for these services. It is very wide and varied, which results from the variety of needs of tourists. As tourism develops, some services disappear and new ones appear¹².

5. The Essence of Tourist Supply

The basic determinants of effective supply in the tourism market include:

- availability of production factors (labor, land, capital, modern technologies, organization and others),
- changes in productivity due to changes in production methods,
- changes in the profitability of producing other goods and services.

¹⁰Ustawa z dnia 29 sierpnia 1997 r. o usługach turystycznych, Dz.U. z 2004 r. Nr 223, poz. 2268.

¹¹K. Naumowicz, *Turystyka cz. II. Wybrane zagadnienia ekonomiczne*, Wydawnictwo Politechniki Szczecińskiej, Szczecin 1986, s. 38.

¹²R. Łazarek, *Ekonomia turystyki. Wybrane zagadnienia*, Wyższa Szkoła Ekonomiczna w Warszawie, Warszawa 2004, s. 43.

The action of these determinants is corrected, for example, by state policy. The main factors influencing supply are: the socio-political system and political stability in a given country, facilitation of border traffic, exchange rates, credit and tax policies aimed at stimulating tourist investment, and the intensity of infrastructure.

The changes in tourist supply are faster than the changes in the tourist demand and have a greater impact on today's tourist market. This is due to the fact that tourism develops in conditions of very high competition, which affects the size and nature of supply. In addition, the size and nature of tourism supply is largely determined by technological and organizational advances. Thanks to this, tourism supply is a factor that stimulates and transforms demand¹³.

The main characteristics of tourism supply include:

- some elements of the tourist supply are quasi-tourist in nature, i.e. their existence is not only related to tourist services, in terms of value they constitute a large share, which has a significant impact on the price flexibility of the supply;
- the tourist product includes facilities related to the general infrastructure of the state (mainly transport), which means that the structure and functioning of the supply is largely dependent on the economic situation of the state, especially in the long term;
- the components of the tourist product are complementary, which results in the fact that tourist supply is cumulative and the production of one component automatically results in the supply of another or others;
- many ancillary facilities that exist to provide basic services are capital intensive investments (e.g., accommodation, dining facilities);
- tourist supply is characterized by a high proportion of fixed costs and relatively low variable costs, so selling additional (marginal) services can be done at relatively low or no variable costs;
- tourist supply is spatially rigid, which results from the fact that its location is determined by the presence of tourist attractions; the rigidity of supply is also expressed in the fact that the tourist always has to go to the places where they occur, and only some elements of the tourist product can be purchased and used by the tourist in the place of permanent residence before the trip;
- places with tourist supply are generally of low value from the point of view of material production;
- the volume of tourist supply depends on the absorptive capacity of places with tourist values;
- the nature of demand and natural values, result in seasonal use of supply, which has negative effects in the form of:

¹³*Turystyka. Zarys wykładu, red. A. Panasiuk, Fundacja Uniwersytetu Szczecińskiego, Szczecin 2001, s. 78.*

- periodic overloading of the tourist reception area with tourist traffic, which may be the cause of an ecological threat,
 - about the need to accumulate reserves in certain types of economic activity, which increases their cost,
 - reduced economic efficiency of tourism service providers as a result of increased business risk and greater dependence on the impact of economic and non-economic factors,
 - with little possibility of using tourist facilities in the off-season,
 - the need to flexibly adjust the size and structure of employment in and out of season,
 - greater risk of lowering the quality of services provided;
- regularities concerning the formation of the main traffic streams (especially foreign ones) make the tourist supply import-intensive;
 - the existence and functioning of the tourist supply depends on the activity of practically all sectors of the economy¹⁴;
 - tourist supply is price inelastic, which results from its characteristics, i.e. a large share of fixed costs, seasonal use, capital intensity, rigidity of spatial arrangement; tourist supply in the short term is a relatively constant value;
 - in the long term, changes in tourism supply depend on the investment opportunities in a given area, on the highly unstable tourist demand, on seasonal fluctuations, as well as on the place of tourism in the hierarchy of social needs, which belong to the higher needs.

6. Conclusions

Tourist supply takes place mainly in cities and areas with special tourist values. It is the tourist demand that moves to the place of tourist supply. This is the difference between tourist supply and supply in the sphere of material production. For consumption to take place, the tourist must arrive at the tourist destination. The tourist supply is not transferable, only some material elements of the tourist product can be purchased and used by the tourist in the place of permanent residence before the trip.

Each tourist area is characterized by its specific functions, at the same time, by dysfunctions that are often the result of too intensive development. Each tourist space has some kind of limitations: infrastructural (e.g.. lack of an adequate number of service providers in relation to demand needs, lack of adequate space for service development), geographical (e.g.. there are certain geographical limits to development or its effective management), legal and environmental (e.g. in some areas, the development of the tourist function is prohibited or limited due to environmental values), transport (e.g., insufficient or dysfunctional transport

¹⁴S. Wodejko, *Ekonomiczne zagadnienia turystyki, Wyższa Szkoła Handlu i Prawa w Warszawie, Warszawa 1998, s. 28.*

accessibility – lack of parking spaces, access roads, certain elements of infrastructure, the possibility of operating certain modes of transport).

The tourism industry and its infrastructural needs, which are necessary to ensure an efficient tourist service, mean that the creation and functioning of the tourist services market requires the involvement of large financial capital, both initial and development. The lack of adequate capital very often prevents potential new entrepreneurs from starting a tourism business, and in many cases it prevents existing businesses from developing and modernizing their facilities.

The same applies to tourism infrastructure and assets, the creation and operation of which is, for example, the responsibility of local government units (transport, tourism and social infrastructure). Therefore, a characteristic feature of contemporary tourism is the strong interdisciplinary and infrastructural character of this sector (a wide variety of complementary offers and business entities) and a great development potential that requires financial support.

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