

The Marketing Strategies and Promotions of the Ice Cave and Cave of Liberty in the Demänovská Valley of Slovakia

Veronika Nerádová

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Mgr. Marcela Krumpalová

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doc. Ing. Anežka Lengálová, Ph.D.
děkanka



PhDr. Katarína Nemčoková, Ph.D.
ředitelka ústavu

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ABSTRAKT

Hlavním cílem této bakalářské práce je analyzovat současnou marketingovou strategii Demänovské jeskyně Svobody a Demänovské ledové jeskyně a poskytnout vhodná doporučení k jejímu zlepšení. Práce je rozdělena do dvou částí. Teoretická část je zaměřena na definování pojmů marketing, marketingová strategie nebo propagační mix. Rovněž popisuje současný stav cestovního ruchu a klastrů na Slovensku. Praktická část představuje Demänovské jeskyně a je zaměřena na jejich marketingové aktivity během uplynulých let. Metoda SWOT analýzy a Benchmarking slouží k vytvoření inovativních návrhů na zlepšení marketingové strategie jeskyní.

Klíčová slova: marketingová strategie, reklama, cestovní ruch, marketingové aktivity, SWOT analýza, Benchmarking

ABSTRACT

The main objective of this bachelor thesis is to analyze the current marketing strategy of Demanovska Cave of Liberty and Demanovska Ice Cave and provide suitable recommendations for its improvement. The thesis is divided into two parts. The theoretical part deals with defining issues such as marketing, marketing strategy or promotional mix. At the same time it comments on the current state of tourism industry and cluster phenomenon in Slovakia. The analytical part introduces the Caves while focusing on their marketing activities throughout the time. Method of SWOT analysis and Benchmarking are used to develop innovative suggestions for improving the marketing strategy of the Caves.

Keywords: marketing strategy, promotion, tourism industry, marketing activities, SWOT analysis, Benchmarking

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INTRODUCTION

Times have changed. People had different needs and businesses had different focus back in the 80s and 90s. With the new period of time come new trends, innovations and needs. Therefore industry observes change in accordance with the demand from the side of particular markets. A large number of businesses were not able to keep up with the change and consequently, not being able to adapt, disappeared. The competition is getting stronger with every new entrant to the market which means businesses need to stand out to attract the potential customer. Despite all this, there is still an alarming number of institutions and companies left thinking that the old way they are doing their business is good enough and hence does not require any change.

The result an average for-profit organization aims to achieve is to gain customers and therefore, naturally, to generate profit. In order to attract new customers, it is necessary for the company to make itself visible. Visibility in the eyes of new potential customers is obtained with the help of marketing activities. However, creating sustainable and effective marketing strategies requires financial support. That should be acquired from the partial profit reinvestment. Companies which have realized the necessity of marketing to help their business grow and keep going are the ones keeping up with the change within the industry. Companies which have not realized this yet are soon to be on the way to the bottom of the market leadership chart.

The two Caves in the Demanovska Valley of Slovakia are just the perfect example of the latter. The way they are working nowadays is the demonstration of how the old ways of promoting the cave tourism is getting in the way of both customer base and profit growth. The marketing strategies that are currently being implemented are not sufficient enough to help the cave tourism grow and be attractive again.

This bachelor Thesis is divided into two parts. In the theoretical part definitions of the market these Caves are being part of and ways of promotions available are provided. In the analytical part the environment, past and current marketing strategies are being discussed. The SWOT analysis and Benchmarking are the strategies used to show the current position on the market. The main aim of this Thesis is to find new effective ways that could be implemented to the marketing strategy and promotion of these Caves and consequently help them built a strong position on the market and in tourism industry in Slovakia.

I. THEORY

1 MARKETING

1.1 Old Rules of Marketing

In 1985 the American Marketing Association (AMA) defined the concept of marketing as “*the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods and services to create exchanges that satisfy individual and organizational objectives*” (AMA 2016).

As the definition states, the core focus of marketing as such more than thirty years ago was placed on creating the *exchange* between two parties (Belch and Belch 2012). In the eyes of many organizations, marketing essentially meant advertising and appealing to the big masses. The goal was to interrupt the audience and get their attention to focus on the message being presented to them. The way of dealing with advertising was commonly based on limited life campaigns. Generally, there was less focus being placed on the creating a sustainable life-long advertising within the organization (Scott 2013). Rather than listening to the customer needs and wishes, the advertising was primarily a one-way process.

However, the market environment and the discipline of marketing itself have been rapidly changing. Due to these factors, the AMA made a decision to revise the former definition of marketing first in 2004 and then in 2007. The last revision was made in July 2013 and defines marketing as “*the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large*” (AMA 2016). The focus of the current marketing has undeniably switched from the *exchange* to the *value* created in order to satisfy the surrounding environment.

1.2 New Perception of Marketing

Nowadays, marketing is no longer primarily focused on just selling and advertising. It deals with customers and their satisfaction more than any other part of business. In many companies, it has become the core activity for enlarging a customer base (Kotler and Armstrong 2014). At the same time, using effective ways of marketing helps organizations

to keep their current customers and create the value that satisfies their needs and therefore builds strong customer relationship.

Results which marketing in general brings into our lives are visible all around us. An average person sees hundreds of commercial messages a day (Scott 2013). Without any doubt, marketing is becoming an inseparable part of most for-profit as well as non-for-profit organizations. With the necessity to become visible, marketing has become critical to the success of both newly emerging and old companies.

1.3 Marketing Process

Kotler and Armstrong (2014) define marketing in a nutshell by explaining a five-step model of a marketing process. It shows how marketing process within an organization should look like. The following steps are proposed as guidance to establishing an effective marketing:

1. Firstly, it is essential to understand the customers, their needs and wants as well as the marketplace the organization is being part of.
2. Designing a customer-driven marketing strategy is necessary for creating a marketing logic the company follows in the future.
3. Subsequently, the company must develop an integrated marketing program which transforms the marketing strategy into action. This is done with the assistance of marketing tools properly combined to create a marketing mix.
4. Next step is building strong relationship with the customer in order to create a profitable connection between two parties. Beneficial for both sides of the exchange, the aim is to satisfy customers' needs and thus keeping their interest in the product.
5. The final action is capturing the value from the customers. Whereas the first four steps were focused on creating value *for* customers, this last one is about taking the value back *from* them in the form of sales, customer equity and profits.

1.4 Marketing Strategy

Creating a customer-driven strategic marketing plan has become an essential part of marketing. Marketing strategy is commonly derived from the overall corporate strategy according to which the whole organization functions. Having a well-adjusted marketing strategy helps organizations to set the direction for specific marketing programs (Belch and Belch 2012).

To create an efficient marketing strategy, the company needs to understand the market and customers it deals with. Understanding the environment which involves the competition, opportunities as well as the target markets is a necessity for setting the right objectives of the marketing strategy of a company. The core objective a company is supposed to achieve is creating customer value while trying to maintain profitable relationships. Naturally, one organization is unable to reach out to every potential customer. Therefore the organization needs to make decision to *whom* and *how* will it serve. That is the time when market *Segmentation, Targeting, Differentiation* and *Positioning* take place (Kotler and Armstrong 2014). According to the segments which market involves, the company chooses the most promising ones and subsequently focuses its actions primarily on those.

1.4.1 Marketing Mix

When developing a product or service, company needs to be aware of what the customers need and want. This value (meaning product/service) is being created in order to satisfy their needs and desires and to later exchange it for profitable relationship with the customer. However, the value itself needs to be presented and offered to the buyers and therefore it is necessary to decide about the price it will be sold for, the place where it will be available and finally, what ways of promotions will be used to make the value visible. These are the four elements or the four Ps of every marketing mix designed by an organization (Kotler and Armstrong 2014):

- *Product* is the value created by the organization which is being offered and exchanged with the customers within the target market. When dealing with this element, marketers might be taking into consideration the following things: features, design, packaging, quality, etc.

- *Price* deals with the amount of money the customer pays for the value exchanged. The price needs to be adjusted for the current economic and competitive situation on the market. Therefore the price is often flexible, changing with various kinds of discounts, allowances or credit terms offered by the seller.
- *Place* is the element considering the distribution channels where the value is made visible for the potential buyers. The importance of location, transportation or logistics is being taken into consideration when dealing with this tool.
- *Promotion* involves the actions taken in order to persuade the potential customer to make the purchase. The activities included in promotion of the value exchanged are mainly advertising, sales promotion or PR.

Establishing an effective marketing mix as well as the overall marketing strategy might help with securing a strong position on the target market. However, these four elements of market mix are mainly presented from the sellers' point of view. Therefore, Kotler and Armstrong (2014) suggest more customer-focused elements in order to switch the focus back on the customers and their value. These elements are presented as the four Cs: *Customer solution*, *Customer cost*, *Convenience* and *Communication*.

At the same time, Kotler and Armstrong (2014) argue that customers are interested in more than just the price. A two-way communication is what customers prefer and for this reason the marketers should firstly consider the four Cs and based on those create the base for the four Ps.

1.5 Marketing ROI

Seeing results is important. Not only is it motivating, but visible results are helpful for the organization to see if the actions taken have been effective. Organizations should be able to see the financial returns of the marketing investment. Therefore, one of the ways to measure the marketing performance is with the help of marketing return on investment.

Marketing ROI should be taken into consideration when setting up the budget for marketing activities. However, while the net return and investment cost of certain items can be easily measured, there are some activities which are much more difficult to measure in specific currency. Those are, for example, the brand awareness and advertising impact. Together with other performance measures, such as sales or market share, these measures

are commonly assembled into *marketing dashboard*. Such set of marketing performance measures are being assembled to monitor strategic marketing performance and help marketers to adjust the marketing strategy if needed. The formula calculating the marketing ROI measures the profits generated by the investment an organization made in the marketing activities by dividing the *net return from the investment* and *cost of marketing investment* (Kotler and Armstrong 2014).

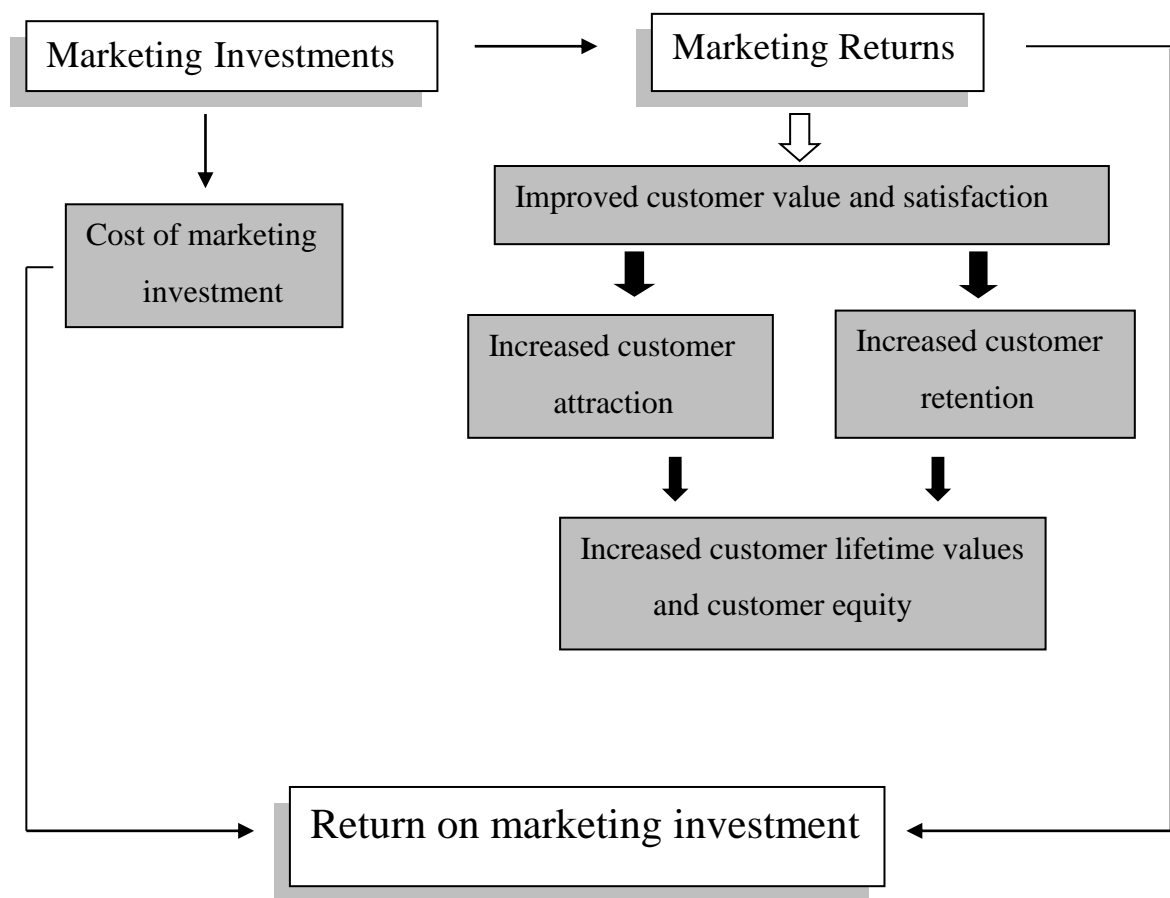


Figure 1 Return on Marketing Investment

Source: Rust, Lemon and Zeithami, "Return on Marketing: Using Consumer Equity to Focus Marketing Strategy," *Journal of Marketing*, 2014.

2 PROMOTION

Promotion is used by marketers to make the value which is being exchanged as well as the company itself visible. In the eyes of both old and new customers the company and its product or service need to be attractive and appeal to the potential buyers as something that has the ability to satisfy their needs and wants (Kotler and Armstrong 2014). Communication with the customers and the marketplace should be planned in advance as a part of organization's promotional program. This program is referred to as the *promotional mix* where the right tools are being combined with the aim to inform, persuade and subsequently sell (Belch and Belch 2012).

2.1 Promotional Mix

Promotional mix is also known as marketing communication mix. Organizations use this controlled mix of tools to promote and build relationships with the customers. Throughout the time, the number of elements forming the promotional mix has changed. Hereby, the classification by Belch and Belch (2012) presents some of the most relevant parts of the mix.

2.1.1 Advertising

Advertising is a non-personal paid tool for communication. It has been the most commonly used instrument within marketers. It is popular not only for the wide range of possibilities how to use the advertising for promotion but also for communicating the message to the masses. With advertising comes the power to influence customers and provide with the information the company wants the buyers to see. Possibility of brand and image building are one of the advantages of using advertising as the promotional tool. Moreover, advertising can be used as a tool for stimulating the demand and fighting the competition (Belch and Belch 2012). Spreading awareness within the potential customers on the market is essential for every organization with the aim to exchange certain value with the customers.

However, when it comes to advertising not everybody shares the same perception and attitude. For instance, Scott (2013) argues that traditional advertising has become so broad that it is almost impossible for the more specified sellers to reach their desired and niche buyers. In some cases, it is almost ineffective for some organizations to use advertising

because their message might not reach the desired target customer base. On the other hand, the author does not deny the effectiveness of advertising by big brands which prefer to reach broad spectrum of people.

2.1.1.1 International Advertising

Once an organisation has established a stable base on the domestic market, many other possibilities occur. These are emerging possibilities for companies with potential to grow or to expand current customer base on the international markets. With the globalization of markets many companies are starting to advertise internationally. Communication, transportation, currency or distance is no longer such a big issue and there are fewer barriers to starting an international promotion (Belch and Belch 2012).

Nevertheless, however the international advertising might be effective and beneficial for the company, Belch and Belch (2012) point out the importance of the cost of this all. Not only the price of promotion program might be high, the language, customs and different values need to be considered on the international markets.

2.1.2 Public Relations

Another tool used in the promotional mix of Belch and Belch (2012) is well-known as Public Relations. Nowadays, many organizations realize the importance of establishing a positive image in the eyes of the public. During the existence of certain companies it often happens that they have to face negative allegations from the outside. That is the time when the Public Relations department needs to step in and maintain the company's image.

Public Relations itself uses its own tools to enhance the outside appearance in order to maintain and extend the customer base. Participation on specific events, community activities or issuing various publications are the actions that make the organization visible. Another technique involved in the actions of Public Relations is *publicity*. That might be an effective way how to use the media to help the company get noticed (Belch and Belch 2012). By organizing press conferences, publishing articles or photographs it is possible to make the public interested and start talking about the organization.

Scott (2013) describes the present-day Public Relations as being much more public than in the past. Thanks to the new possibilities nowadays the Internet made it much easier for the Public Relations to reach the buyers directly. There is no longer necessity to keep in touch with an exclusive group of reporters who might possibly sell the story to the media. Fill (2005) speaks about the focus being switched from advertising to building new ways of

marketing through communication with the customers. Present-day companies seem to communicate different kind of messages using different types of media and generally, they focus more on building so-called *relationship marketing*. There is a visible difference between the way how Public Relations worked twenty years ago and how it works now. Following changes in the perception of Public Relations can be observed (Scott 2013):

The Old Rules: The only possible way to get the organization visible was through the media. Press releases were commonly used to communicate with the reporters and journalists and were only for them, not the public, to see. Only important news and changes were the reason to write a press release. Public Relations and marketing were two separately functioning disciplines with separate strategies, goals and people.

The New Public Relations: The new Public Relations is no longer just about seeing the company story being told on TV, it is more about the buyers seeing the organization and its value on the Internet. Persuading the customers is done mainly directly through online content. Social media have a great importance in building the image, sharing content and connecting with the customers. Most importantly, the line between activities of Public Relations and marketing are becoming thinner and the goals and strategies are starting to move towards one unified direction.

3 TOURISM INDUSTRY

Over the past decades, tourism industry has become a powerful part of the world economy. Tourism started to be seen as a profitable industry shortly after the Second World War. Around that time, high demand for the holiday packages in foreign countries led to increasing sales of this new type of product (Holloway 2004). Since then, it has been a quickly growing economic sector, which has become very important for socio-economic progress. Nowadays, tourism has achieved a leading position in commerce on international level which could be compared to giants like automobile industry or oil export. However, with many possibilities to grow comes room for bigger competition in the industry. Not only is the tourism industry spreading and growing, it also is getting more diversified. At the same time, this industry has a significant importance within the economy of some countries. Tourism is often a main source of income generating a noticeable GDP percentage (on average 9% of GDP worldwide). Moreover, tourism often creates opportunities for jobs (1 in 11 job positions is within the tourism industry) and therefore improves the current employment situation of a specific country. (UNWTO 2015).

It is important for both the country and the travel business owner to raise awareness and promote this industry. It could be said that there is an imaginary cycle established when a customer feels the need and wants to satisfy it through choosing an experience within the tourism industry. After their experience these customers tend to spread the word and tell other potential customers about their experience. This might possibly be really helpful for the organization providing the experience as it could be considered as promoting their business reliably and for free.

3.1 Tourism Industry in Europe

The United Nations World Tourism Organization (UNWTO) provides some interesting figures and statistics when it comes to tourism industry in Europe. Europe is becoming an attractive destination for many international tourists and demand continues to get stronger. For example, in 2014 Europe welcomed 15 million more international tourists than the previous year. Good news for the European countries is that 53% of the international tourist arrivals were with the purpose of holiday, leisure and recreation. According to a long-term forecast prepared by UNWTO in January 2015, Europe should expect a 1% growth on international tourist arrivals in the near future and a 4.4% growth by 2030.

When it comes to attractiveness of Central/Eastern Europe there is a significant change visible over the past twenty years. In 1990 there were 33.9 million of international tourist arrivals whereas in 2013 the number increased to 127.3 million. However, compared to the rest of Europe year 2014 was not as good for the Central/Eastern Europe as the international tourist arrivals dropped by 4.9% and their expenditures decreased by 0.8% (UNWTO 2015). This was due to the ongoing conflicts on the Ukrainian and Russian territory.

3.2 Tourism in Slovakia

Slovakia – little big country! This is how Slovakia used to be presented on the official channels in the eyes of the local and international public. It is a small country with a convenient position in the Central Europe. Its neighbouring states offer various possibilities and attractions for their visitors. This often leads to targeting and eventually sharing similar groups of tourists. Tourism industry in Slovakia has been growing and attracting more and more international tourists over the past few years. Often shaded by bigger and more popular European destinations, Slovakia eventually starts to be considered a “hidden gem”.

The overall tourism industry and its activities are united under and answer to the Ministry of Transport, Construction and Regional Development of the Slovak Republic. In 1995, the then Ministry of Economy established a governmental agency to market tourism on a national level. The *Slovak Tourist Board* (SACR) contributes to building a positive image of Slovakia, promotes this country as a travel destination and provides information on opportunities of travel. SACR has established branch offices on the Slovak territory as well as abroad (MDVRR SR 2015).

3.2.1 Slovak Tourist Board (SACR)

This organization and its activities are being financed from the State Budget. The goal of SACR and its departments is to make Slovakia a visible, attractive and competitive destination. Media campaigns are the core promotional activity used to attract potential tourists. Campaigns on TV, radio stations, newspapers are often used to spread the word. Outdoor or indoor banners and Internet advertising are also being part of SACR’s media mix.

Slovak tourism is mainly divided into two main parts of the year – the summer and winter season. As a rule, SACR launches the media campaigns right before the

summer/winter season starts. This is done in order to attract foreign tourists and persuade the local ones to spend their holidays in Slovakia rather than going abroad. At present, SACR is a member of seven international travel organizations which provide the network for promoting Slovakia internationally. At the same time, the organization cooperates on international level with other Central European countries which collectively contribute to strengthening the position on the international markets such as the USA and Asia (SACR 2008).

The major product of SACR is the Internet domain *www.slovakia.travel.sk*. It is co-financed by the European Union and the website is available in six language variations providing all the information a potential tourist might need when visiting Slovakia. Visitors of the website are able to find information about Slovakia itself, things to do, places to go, current events and happenings as well as the essentials as transport and accommodation (Slovakia Travel 2015). This project is considered to be the centre of all the information within the tourism industry in Slovakia.

3.3 Liptov Region

Liptov – must experience!, says the official slogan of this region. Liptov is situated in the northern part of Slovakia, surrounded by mountains and beautiful countryside. Thanks to its convenient position and countless things to offer, Liptov is the number one tourist destination in Slovakia (Visit Liptov 2016). This region is mainly known for its vivid summer and winter season. Within this region there are three bigger towns to be found, providing tourists with accommodation, transport and information. During the summer season, Liptov is mostly popular for its hiking possibilities, aquaparks and numerous caves. Throughout the wintertime, tourism mostly revolves around the biggest ski resort in Jasna, which is located in the heart of this region - the Low Tatras.

Liptov provides many opportunities for spending holidays either leisurely or actively. The region has earned its popularity amongst many foreign tourists. The international tourists most commonly arrive from the neighbouring countries (mainly Poland), Northern and Eastern Europe and the United Kingdom. The region itself has many opportunities to grow and prosper on both local and international markets. Liptov is possibly the most desirable region to set up tourism business in.

4 CLUSTERS

The phenomenon known as clustering has been present in various industries for some time now. This partnering for strategic advantage and economic competitiveness is an effective way of cooperation. Examples of some well-known clusters are the Silicon Valley as a cluster of technology industry, Hollywood as a cluster of film industry or the well-known Wall Street which is also a cluster (Sirkin 2012). Organizations tend to create networks where they share similar interest and therefore, gather together to cooperate and mutually complement each other to act as a strong competition on the market. However, unlike the usual networks being built amongst companies, clusters are commonly limited to much smaller geographical area. At the same time, clusters are generally formed by layers of leading and supporting industries which together create one unit (Nordin 2003).

Being a member of a specific cluster might be significantly beneficial for small, young or newly emerging organizations. On the other hand, being part of a cluster can be also risky from the competition point of view. The closest competition on the market is literally right around the corner. Organizations in the same cluster often share the same supply chain or can benefit from the intellectual pool of expertise or information channels (The Economist 2009).

4.1 Cluster Liptov

This association of tourism industry within the Liptov region in Slovakia was established in 2008. It declares the Liptov region as the very first travel destination in Slovakia. At the same time this is the only organization dealing with destination management in this region. The main goal of this organization is to make the Liptov region an attractive travel destination on the European market as well as doubling the number of visitors arriving into the region (Klaster Liptov 2009). Cluster Liptov acts as the chief organization securing organizational and marketing activities for its official members.

The members of this tourism Cluster are: Gino Paradise Besenova, Aquapark Tatralandia, Jasna Nizke Tatry, Ski&Bike Park Ruzomberok and a number of surrounding towns and villages. These are the leaders of tourism industry within this destination, securing the travel opportunities and attractions during the summer and winter season. They are all united under one strong brand and image that starts to be recognized not only in Slovakia but also on the international level. In 2008, Liptov became the first tourism

region presented under one trademark with its own marketing activities (Klaster Liptov 2009).



Figure 2 Official Logo of Cluster Liptov

Source: Klasterliptov.sk

4.1.1 Marketing Activities

Because Cluster Liptov is the head of marketing of Liptov region, it tries to make Liptov visible on every occasion. Representatives of the Cluster often participate or represent the region in national tourism expos and conferences. The Cluster is regularly collaborating and sponsoring big events in the region like ski races, running or hiking competitions and therefore the logo is easily visible on many spots around the region. At the same time, the Cluster is well aware of the necessity to emerge to international markets and for that reason cooperates with surrounding Polish, Czech, Ukrainian and Hungarian organizations of the tourism industry (Klaster Liptov 2009).

At present, the Cluster administrates the official website where all the information about the region, its attractions, possibilities of travel and accommodation are to be found. The domain used is *www.visitliptov.sk* which principally functions on the same basis as the national *www.slovakia.travel.sk*. A very attractive official product of the Cluster for the tourists in the region is the *Liptov Region Card*. This card provides discounts on many popular tourist attractions as well as hotel accommodation, transport or shops in the region. However, the Ice Cave and the Cave of Liberty are not members of the Cluster and do not offer the regional card discount for tourists. This results in low awareness, confusion and frustration of the tourists coming into the region.

5 SUMMARY OF THE THEORETICAL PART

There is a visible difference in the perception of marketing in the past thirty years. The major change can be observed within its overall idea and purpose. In the past marketing focused mainly on attracting big masses and creating the exchange whereas nowadays marketing creates value to satisfy customers' needs. The current market is customer-oriented and focuses on building relationship with the customers.

In the beginning, it is essential for a company to understand the marketing process and create an adequate marketing strategy in order to set the direction of the organization. Marketing strategy partly consists of marketing mix which primarily talks about four Ps but recently mentions the existence of four Cs which are the values from the customers' point of view. Seeing results of the marketing actions carried out is beneficial for the company to recognize its achievements and imperfections. Such measurement of company's performance can be calculated as the Marketing Return on Investment.

If an organization wants to be visible and recognized amongst its existing and potential customers, appropriate promotional mix needs to be applied. Most implemented type of promotion is advertising. Its powerful impact aims to affect masses and spread awareness. Another powerful tool of promotional mix with growing importance is Public Relations purpose of which is maintaining the positive image in the eyes of the public.

When talking about marketing of the caves of Demanovska Valley, they are indeed a part of tourism industry. This growing industry is important not only for the economy of the state itself but for the regional development too. Tourism industry creates job opportunities and consequently contributes to the GDP of the country. Positive news for the European tourism is the expected increase of international arrivals as well as the overall purpose of leisure that the tourists spend their expenses on.

To sum up the situation of tourism in the Liptov region, it is possible to say that the industry is growing and offers various possibilities to emerging forms of tourism. The major cooperation is visible in the form of Cluster Liptov which is the head of region's marketing activities.

II. ANALYSIS

6 INTRODUCTION

In the analytical part of this Thesis the concept of the two main subjects is being introduced. General information as well as more detailed description of both Demanovska Cave of Liberty and Demanovska Ice Cave is closely discussed. It is essential for the reader to understand the current position of these two subjects on the market not only within the region. Therefore, with the information provided in the annual reports, websites and based on personal knowledge it is possible to present the reader with data about the marketing activities of these Caves in the past as well as to describe the existing situation.

In order to see how the Caves are really doing from the internal point of view it is important to discuss the strengths and weaknesses that influence their course. Naturally, these subjects are being influenced by external factors too. Therefore, describing potential opportunities and threats is an inseparable part of the SWOT analysis. To demonstrate the imperfections in the current marketing strategy of these Caves it is helpful to use the method of Benchmarking. This method also helps to show the possibilities for improvement of the marketing activities. In this case, the Caves are compared to the Czech Caves Administration and a privately owned Stanisovska Cave in the Liptov region.

The main purpose of this Thesis is to present ideas which could help to improve the current situation and stimulate new efficient marketing activities of the Caves. For that reason, the analytical part is concluded by a chapter which focuses exclusively on the suggestions and explanations of how to implement various innovative methods into the marketing strategy of the Caves.

7 DEMANOVSKA CAVE OF LIBERTY AND DEMANOVSKA ICE CAVE

7.1 Introduction of the Caves

There are more than just two caves to be found in the heart of the Liptov region. Many of them are in the frequently visited Demanovska Valley which is a part of the Low Tatras National Park. However, only two of them, namely Demanovska Cave of Liberty and Demanovska Ice Cave, are open to the public. These Caves are situated approximately 12 kilometres from the town of Liptovsky Mikulas. Both are located on the main road crossing the Valley which, at the same time, is the only road leading all the tourists to the biggest attraction of the region - the ski resort Jasna. This means that it is impossible for the incoming tourists to miss them on the way up to the mountains. Yet many of them do not even know about their existence. The entrance to the Caves is elevated above the road and therefore it is necessary to overcome a 15 minutes ascend which requires being physically fit. Many tourists overestimate their abilities and are not prepared for such conditions.

The Caves are millions of years old but have only been officially open for the public since 1920s when the electricity was installed in both of them. Nowadays, together with another 10 other caves found within the Slovak territory they are united under the official *Slovak Caves Administration* which was until recently in charge of all the activities connected with the Caves. However, after certain organizational changes in 2008 the Administration is now an organizational entity which answers to the State Nature Conservancy of the Slovak Republic. This means that the Caves are now being managed by the state and are funded from the State Budget.

7.2 Product and its Cost

Naturally, the main product of the Caves is the underground tour offered to the visitors. The entrance fee has tendency to vary in every cave but generally, the two Caves tend to share the same pricing strategy. Slight increase of the cost of the tours is visible throughout the time. The cost influence is mainly caused by events such as changing the state currency or simply the general increase of the living costs in the country. Following figure shows the present-day price list and charges for visiting the Caves:

	Adults	Students Seniors	Children Handicapped People	Photo Video	Extra Admission
Demanovska Ice Cave	8 €	7 €	4 €	10 €	50 €
Demanovska Cave of Liberty – Traditional Tour	8 €	7 €	4 €	10 €	50 €
Demanovska Cave of Liberty – Long Tour	15 €	13 €	7,50 €	10 €	50 €

Table 1 Price List

Source: Slovak Caves Administration

Another side-product of the Slovak Caves Administration sold on the Caves' premises are souvenirs. These are being sold in large variety often partially contributing to the cave's profit. In one way this type of product might serve as a form of promotion of the Caves but on the other hand, it is not being as effective and significant as the visibility that the Caves could acquire from focusing on more aggressive kind of promotion.

7.3 Marketing Activities of the Caves

In order to spread awareness and make the potential visitors attracted to the idea that there is a chance for them to visit the Caves when passing through the Demanovska Valley it is necessary to use several marketing tools. Despite the fact that the present-day marketing activities and strategies implemented by the Caves are not meeting the ideal standards of the modern market, there have been several actions carried out in order to secure some promotion. The information about all the marketing activities implemented throughout the year can be found in the annual reports. Here is the outline of the gathered information together with the years when the ideas for promotion of the Caves were implemented or were supposed to be carried out (State Nature Conservancy 2016):

7.3.1 Annual Report of 2004

Year 2004 is the first year the annual report of which is available on the Slovak Caves Administration official website. The document provides the reader with information about the organizational goals and activities carried out by different sectors and departments. However, only a short section is dedicated to the actual marketing and promotion of the Caves. In this section there are several promotional tools mentioned. These are mainly various kinds of souvenirs, brochures or post cards which are produced with the purpose of being sold on the Caves' premises. There are two speleology related journals mentioned and these have been published every year up to now. They inform about new discoveries and research done in the underground spaces. It is important to say that the target readers of these journals are mainly the people interested in speleology rather than ordinary tourists visiting the Caves.

The report talks about the Slovak Caves Administration being present and representing all the caves on several tourism related exposition in Slovakia as well as abroad. Foreign collaboration is mostly established with the neighbouring countries such as the Czech Republic and Poland. Another issue being discussed are the educational trails which are supposed to be re-established alongside the footpaths leading to the entrance of the Caves.

Nonetheless, the subject which seems to be discussed in every following annual report is the old hotel standing right above the entrance of the Cave of Liberty. This hotel once used to be in use for accommodation purposes but has not been used in more than ten years now. In fact, now it is only a spacious uninhabited building in very bad condition which has become part of the cave's image because it appears on almost every souvenir or photograph ever taken. The annual report states that a renovation of the hotel is planned for 2005. The building is intended to be used as an educational centre of nature protection and conservation. All the official documentation needed is already prepared.

7.3.2 Annual Report of 2005

The section about promotion and marketing activities presents the same facts about the two journals, promotional brochures and souvenirs. However, with more and more international tourists coming to visit the Caves it is necessary to get the explanation done by the guide translated into other languages. Therefore, new foreign language explanations are installed into the radios placed inside the Caves. At the same time, the Caves Administration

repeatedly represents the Caves at the international expositions, now including Hungary and Greece.

The goal set by the marketing department states that the Caves Administration intends to increase the level of current promotion and marketing activities. Moreover, its plan is to create better quality services for the visitors. With feeling the need to promote the Caves, advertisements are being placed into several tourism related magazines and catalogues. Good news is that compared to the previous year, the number of incoming visitors raised. And so have the operating profits. The bad news is the subject of restoration of the old hotel above the Cave of Liberty met with disagreement of the former owners and therefore negotiations need to be carried out.

7.3.3 Annual Reports of 2006 and 2007

Besides the usual way of promotion in form of journals, souvenirs and expositions the most significant thing happening for the Ice Cave is the installation of a brand new informational sign visibly showing the cave's existence to the passers-by. The sign should help with informing the potential tourists of the possibility to visit the cave. In 2007 negotiations about the plans with the old hotel are still in progress. However, the number of incoming visitors increases and so does the profit which is now nearly four times higher than in 2005.

7.3.4 Annual Reports of 2008 and 2009

The change in the organizational structure in 2008 caused that the Slovak Caves Administration is now an entity of the State Nature Conservancy of the Slovak Republic. Therefore the annual report of the Caves is now only a part of the overall annual report of the state organization and does not provide much information about the Caves' recent marketing activities. It mostly focuses on promotion of the whole organization rather than promotion of its entities.

Year 2009 is a significant and rather unfavourable milestone in the existence of many members of tourism industry. The event that has so strongly influenced the flow of tourists into the Liptov region was without a doubt the global economy crisis. The crisis influenced holiday plans of many international as well as local tourists. The number of incoming tourists visiting the Caves in 2009 rapidly decreased. Whereas in 2008 the Cave of Liberty welcomed more than 180 thousand and the Ice Cave over 103 thousand visitors the following year it was hardly 97 thousand for the Cave of Liberty and less than 63 thousand for the Ice Cave. Moreover, around that time Slovakia also changed the state currency to

Euro and therefore the entrance fees changed. At the same time, the subject of the old hotel building was still being discussed.

7.3.5 Annual Reports of 2010 and 2011

New approach to the way of promotion of the Caves occurs in 2010 when the Administration decides to start online promotion. The Caves are being promoted on various websites in order to attract potential visitors. The situation on the tourism market after the crisis is still visible enough when it comes to the number of visitors in 2010 – Cave of Liberty 104 thousand, Ice Cave 69 thousand.

In the meantime, the old hotel is still standing untouched in very bad condition as the 2011 report states. The documentation necessary for the permit to start building the educational centre is ready. However, now the discussions are led with the former owners about buying their shares of the property.

7.3.6 Annual Reports of 2013 and 2014

An important marketing decision comes from the management when creating a new website for the Slovak Caves Administration and all its caves is approved. The website has several language mutations and is international tourists friendly. The report claims that the new website is going to be a helpful tool for communication with the public by using modern technologies.

After some time, year 2014 starts to show minor recovery from the heavy impact of the crisis on the tourism industry. The number of visitors increased to 111 thousand in the Cave of Liberty and nearly 71 thousand in the Ice Cave. Ten years after the first official discussion about restoration of the old hotel building into something new there is an agreement signed stating that the former owners will eventually sell the property. The annual report of 2014 is the last one available for now.

7.4 State Nature Conservancy of the Slovak Republic

As it was already mentioned, in 2008 there have been certain changes done in the organizational structure of specific sectors. For that reason, the Slovak Caves Administration is no longer the only decision-making entity in the process of cave administration. It now answers to the State Nature Conservancy of the Slovak Republic which has been controlling various activities for 9 years now. When it comes to marketing

activities and decisions that both have and have not been done throughout this period of time there are some that could be considered effective and some not effective enough. Here are some strengths and weaknesses of the marketing decisions influencing the two Caves.

7.4.1 Marketing Strengths

One of the biggest assets regarding communication with the tourists is undeniably the new website. It has a very good structure that makes it easy to get access to all the important information about the Caves. Each cave has its own webpage which informs the visitors about its location, directions how to get there, history and current state of the cave, opening hours, price list and contains photographs of the cave. The website was created in 2013 but it is clearly visible that the people responsible for it are still working on its appearance and are improving the communication with the visitors. There is a space dedicated to visitors' questions, complaints and suggestions. Professional approach towards the clients and communication with the customer are a strong asset in this case. Every positive or negative comment submitted has been given a professional and comprehensive reply which politely in several paragraphs answers all the commenter's observations. Moreover, for some time now the Caves have been trying to incorporate a new slogan into their image. For that reason the visitors of the website have the possibility to submit their ideas with a chance to win free entry for four persons.

Another positive aspect of the new Administration is the focus that is being placed on building new public areas and facilities around the Caves. At the same time the old footpaths leading to the entrances as well as the pavements and staircases build inside the Caves are being regularly repaired. These actions make both the outside and inside areas of the Caves look maintained and create environment where the tourists feel comfortable.

As all of the annual reports mention in the promotion and marketing section, the Slovak Nature Conservancy organization places rather great importance on publishing various promotional materials such as brochures, bulletins, journals or books. These are most commonly being sold on Caves' premises as souvenirs for the visitors. In a way the sales of such memorabilia contribute to the overall operating profit generated by the Caves.

Until 2013 all the caves were open only 6 days a week. Naturally, the most visited part of the week was the weekend and therefore Mondays were chosen as the day when all the caves were closed. However, decision was made to leave the Caves open during the

summer season for the whole week including Monday to help the number of visitors increase again. Unfortunately, during the first season there were no sufficient communication channels used to adequately inform potential visitors about the change and therefore no significant numbers of tourists were coming to visit the Caves on Mondays.

7.4.2 Marketing Weaknesses

Even though it might be beneficial in some aspects of marketing activities to be a part of larger organization uniting several subjects it is not as advantageous when it comes to the subjects standing on the market on their own. This is the case of the Slovak Caves Administration being a part of the Slovak Nature Conservancy. The problem occurring in this case is that whatever the kind of promotion there is it only seems to present the organization as a whole. There are many events, collaborations with schools or conferences organized throughout the year but each of them only serves to strengthen the overall image of the whole organization. There are hardly any actions carried out in order to focus on the image and promotion of the Caves. They only fade into the background of the more complex and bigger institution.

When considering the printed materials and souvenirs produced every year it is important to say that they are not produced to inform or attract the public. On the contrary, these products are made for the people who either already visited the cave or in case of the publications for the people with the interest in speleology or nature conservation. These products are simply made neither to attract new potential visitors nor to inform new tourists in the region about the existence of the Caves.

8 SWOT ANALYSIS

SWOT analysis is a method commonly used to evaluate the current situation of an organization. It is considered to be a simple and straightforward tool which processes marketing data to help the company find direction and develop proper and effective marketing plans (Ferrel and Hartline 2014). Seeing the individual points gathered together allows the company to understand the strengths that keep the organization's position on the market as well as the weaknesses which should be eliminated. At the same time, the analysis assembles information about possible opportunities and threats influencing the company from the external environment.

8.1 SWOT Analysis of the Caves

Strengths

- Geographical location
- Uniqueness on the market
- General awareness of people in the region/Slovakia
- New website
- Tour recordings in foreign language

Weaknesses

- Outdated marketing strategy
- Lack of promotion and advertising
- Credit card payment not accepted
- Entrance fee
- Old faded informational signs
- No public events organized
- Lack of online/social media marketing
- No concession available for holders of Liptov Region Card

Opportunities

- Tourists coming to Jasna resort during winter/summer season
- Highway D1

- New flights to Poprad
- New hotels built in the Demanovska Valley
- Cheap travel destination for international tourist
- Entering the Cluster
- The only 2 well-known caves located next to each other
- International advertising – Poland
- Renovation of the old hotel above the Cave of Liberty

Threats

- Climate change influencing the Ice Cave
- Car parks in private ownership
- Post-crisis situation
- Competition – one privately owned cave in the region

8.2 IFE & EFE Matrices

Key Internal Factors	Weight	Rating	Weighted Score
Strengths			
Geographical location	0,20	4	0,8
Uniqueness on the market	0,09	3	0,27
General awareness of people in the region/Slovakia	0,05	3	0,15
New website	0,10	4	0,4
Tour recordings in foreign language	0,04	3	0,12

Table 2 IFE Matrix Strengths

Source: Personal Evaluation

Key Internal Factors	Weight	Rating	Weighted Score
Weaknesses			
Outdated marketing strategy	0,09	2	0,18
Lack of promotion and advertising	0,19	2	0,38
Credit card payment not accepted	0,03	1	0,03
Entrance fee	0,02	1	0,02

Old faded informational signs	0,05	1	0,05
No public events organized	0,02	1	0,02
Lack of online/social media marketing	0,11	2	0,22
No concession available for holders of Liptov Region Card	0,01	1	0,01
Total	1,00	–	2,65

Table 3 IFE Matrix Weaknesses

Source: Personal Evaluation

Key External Factors	Weight	Rating	Weighted Score
Opportunities			
Tourists coming to Jasna resort during winter/summer season	0,20	2	0,40
Highway D1	0,09	1	0,09
New flights to Poprad	0,06	1	0,06
New hotels built in the Demanovska Valley	0,07	1	0,07
Cheap travel destination for international tourist	0,08	1	0,08
Entering the Cluster	0,06	1	0,06

The only 2 well-known caves located next to each other	0,07	2	0,14
International advertising – Poland	0,04	1	0,04
Renovation of the old hotel above the Cave of Liberty	0,05	2	0,10

Table 4 EFE Matrix Opportunities

Source: Personal Evaluation

Key External Factors	Weight	Rating	Weighted Score
Threats			
Climate change influencing the Ice Cave	0,06	3	0,18
Car parks in private ownership	0,08	2	0,16
Post-crisis situation	0,09	3	0,27
Competition – one privately owned cave in the region	0,05	1	0,05
Total	1	-	1,7

Table 5 EFE Matrix Threats

Source: Personal Evaluation

8.2.1 Assessment of IFE & EFE Matrices

Data provided in the SWOT analysis was applied into the Internal and External Factor Evaluation Matrices. The data was evaluated according to the importance and relevance and consequently rated based on the current response of the organization towards the situation or according to how strongly each factor influences the company (Strategic Management Insight 2014). The results of the evaluation should be able to help the organization with setting suitable strategy and to see how well the organization responds to its current internal and external environment.

The evaluation of internal factors influencing the Caves shows value of 2,65. With the average being 2,5 this means that the above average value suggests a fairly strong position of the Caves on the market. There are strengths which need to be maintained and weaknesses which should be eliminated. The most favourable strength is indeed the convenient location which enables the Caves to gain strong position on the local market. On the contrary, the least favourable factor influencing their weakness on the market is the lack of promotion and advertising.

Considering the external factors influencing the Caves' current position, the value obtained by the evaluation is 1,7. Unlike the total value of the internal factors, this value is below average. That means that the strategy set by the Caves is not effective enough to take advantage of all the opportunities the external environment offers. Weak response of the organization can be easily observed when looking at the low ratings of factors creating opportunities. Therefore, the overall evaluation of both internal and external factors demonstrates the weakness of current competitive strategy and presents with many opportunities which could influence the Caves' future position on the market.

9 BENCHMARKING

Method of Benchmarking is a widely used tool which evaluates company's current strategies and performance in comparison to its competition or other subjects within the same industry. The results of such evaluation are useful for improvement of business performance as well as for adjusting outdated strategies (Ferrel and Hartline 2014).

The uniqueness of the Caves does not allow many competitors on the market but this does not mean there are none. In this case a privately owned Stanisoška Cave (SC) was chosen for the purpose of comparing the Caves (DCL & DIC) with a similar subject in the same industry. Stanisoška Cave is situated in the same region as the Caves and does not belong to the Slovak Caves Administration.

Factor	DCL & DIC	SC	Weight
Promotion and Advertising	2	10	0,25
Public Events	1	8	0,20
Media Appearance	2	5	0,15
Location	9	6	0,03
Website	10	8	0,10
Price List	5	7	0,04
Age	7	2	0,03
Social Media Interaction	3	9	0,14
Other Activities	1	8	0,06
Total	3,16	6,77	1

Table 6 Benchmarking

Source: Personal Evaluation

9.1 Evaluation of Benchmarking

Table 6 shows the data provided about the both compared subjects with the aim to demonstrate the difference in the approach to marketing activities of each subject. The weight of individual factors is distributed according to their importance and influence of marketing as such. The more the factor is involved in development of sufficient marketing strategy the bigger value it has been assigned. Both groups of subjects were rated based on their latest position on the market.

The evaluation shows a significant difference in the total score values. Stanisovska Cave gained twice as bigger score demonstrating its strong and determined competitive marketing strategy. On the contrary, the Caves show rather weak marketing performance in comparison to its potential competition in the region. Despite its recent appearance on the market Stanisovska Cave has been able to build its image rather quickly. Promotion of this cave is well distributed throughout the whole region. The information about its location, activities or events is very easy to get to not only for the local inhabitants but mainly for the tourists. The cave is being advertised on every possible spot making it genuinely easy for people to recognize its existence. Despite the fact that it is quite a young tourist attraction in the region its marketing activities are significantly more efficient than the overall marketing of the Caves.

The image of Stanisovska Cave is not only formed by the cave itself since the owners are building awareness and customer relationship throughout organizing countless public events. There are several events a month organized either for children, families or speleologists. Interaction and building relationship with the customer is visibly one of the core values of this organization. Furthermore, this cave also owns other attractions around the region. These are the old mine and castle underground spaces exhibitions which offer unique experience as they are one of a kind in the region. All these 3 subjects are united under one brand and act as a strong tourism unit with competitive marketing strategy and promotion.

9.2 Czech Caves Administration

In spite of being focused on evaluation of just 2 of all the Slovak caves it might be interesting to compare the overall performance of the organization in charge. The Slovak Caves Administration, now being part of the State Nature Conservancy of Slovakia, is basically responsible for the marketing strategy and overall promotion of all the caves it

owns. In the Czech Republic the organization with identical purpose and intentions is the Czech Caves Administration. The way the Czech caves are being promoted in is slightly different from the Slovak caves promotion. Therefore, a simplified version of comparison introduces some ways which help the Czech caves become recognized. As the website provides a separate section dedicated to promotion it is easy to access information about all the promotional activities carried out throughout the year. The following segment is a short summary of one year (Czech Caves Administration 2012):

- Organizing press trips for journalists and travel agencies representing Poland, France, Slovenia, Germany, Italy, Great Britain, Russia and Slovakia
- Exclusive cave tours for influential public figures
- Advertisement in print with no specific target readers
- Informational brochures being distributed to informational tourist centres, hotels and receptions
- Cooperation with schools and organizing contests for students
- Organizing school or family trips
- Collective waste collection inside and around the caves followed by program prepared for the participants
- Live radio show broadcasting from inside of the caves
- TV shows and debates together with appearance in several films
- Video production for Lonely Planet
- Exhibitions of sculptures made by students followed by installation of the cave bear sculpture into the cave
- Cave tours made alive with theatre actors
- Night of Bats
- Cave tours with candles
- Regional Discount Cards
- Numerous concerts and dance performances
- Video projection

10 PROPOSALS FOR INNOVATION

Defining weaknesses and opportunities within the company is an important initial step. However, identifying the set-backs slowing down the progress is not the only process required to change company's performance. By looking at the data and evaluations of the Caves provided in this Thesis it is obvious that there are lots of opportunities for improving the overall marketing as well as for developing more sufficient strategies. For this reason, this Thesis also provides several suggestions for improving the current marketing strategies in order to attract more potential customers and re-gain the Caves' former strong position on the market.

Two Caves Package Deal

The two caves of Demanovska Valley are unique not only in their features but also because they are the only two major caves that are being part of one cave system and therefore, being so close to each other. Their mutual distance is less than 2 kilometres away following the same road. Due to the lack of proper information provided to the public many people do not realize that there are actually 2 caves located right next to each other. Tourists often arrive at the cave entrance thinking they are visiting the Demanovska Ice Cave of Liberty. After they walk the 15 minutes ascent to one of the caves they are unpleasantly surprised by the fact that they are not on the right place.

The basic entrance fee being charged is the same in both caves. For example, a family of four including two children is charged 34€ considering they purchase the permission to take photographs during the tour. The same amount would be charged if they decide to visit the other one of the Caves. However, spending 68€ in one afternoon is not acceptable for many families and therefore they only decide to visit one cave.

In order to prevent the decision of visiting only one cave to be made an idea of joined or discounted entrance fee is proposed. Possibility of 50% discount from the entrance fee of the second cave would be appreciated by many tourists. Another idea would be charging the 10€ photo permission fee only once when visiting both caves. Displaying this information together with a short description of the other cave on the other side of the entrance ticket would inform the visitors about the existence and possibility to visit another unique attraction not too far from where they are now. This increases the chance of the tourists making the choice to visit both caves instead of only one of them.

Advertisement on Roads

It is essential for the Caves to be more recognized by the tourists passing by. The convenient position secures easy access to the Caves from several directions. It is important to realize that all the tourists are accessing the main road towards the Caves from the town of Liptovsky Mikulas which lays on the longest and most frequented highway D1 connecting the West of Slovakia with the East. Alongside the highway there are numerous billboards advertising aqua parks, ski resorts and other tourist attractions. However, there is no mention about the Caves to be found on the highway. Using billboards as a tool of advertising would increase the chance of spontaneous decision made by tourists not yet aware of the Caves arriving into the region from the highway.

The second road bringing all the tourists closer to the Caves is the main road leading across the Valley straight towards the Jasna ski resort. Placing visible and eye-catching informational signs alongside the road would inform the tourists on the road about their closeness to another popular attraction. Both Caves have big informational signs placed on the car parks which are the starting point of the ascending walk to the entrance. However, the sign pointing out to the Ice Cave is over 10 years old and positioned on a sunny spot and therefore the colour is faded and barely noticeable from the road. This does not contribute to good image of the Ice Cave and therefore the sign should be changed for a new one.

Placing posters and signs around the premises of Jasna would also help to spread awareness because major percentage of tourists is being accommodated in the hotels situated all around the ski resort. Stanisovska Cave has already used the possibility to do such move and their posters advertising the cave are to be found on several spots close to the hotels.

The largest nationality group of foreign tourists are without any doubt the Poles. Therefore, if considering advertising abroad Poland is the best place to start. The Caves could take an example from Jasna which uses advertising in the closest Polish city-Cracow. The ski resort has one large billboard placed right in the city centre to attract Polish tourists before the winter season. Other forms of advertisement are placed alongside the roads which are in a short distance from the Polish-Slovak border. The Caves could use the same way of promotion to increase the number of Polish visitors coming to visit the region.

Cluster Liptov

Joining the regional tourism Cluster would only be convenient for the Caves as their current marketing activities are fairly weak. Becoming a member of the Cluster would mean being united with all the other popular tourist attractions in the region and being promoted under one brand together with them. In 2013 the Caves happened to be part of the 7 Wonders of Liptov campaign which was organized by the Cluster in order to make the tourists visit as many attractions in the region as possible. The purpose of this game was to find a treasury in the area of these 7 wonders. The treasury was hiding a stamp inside and collecting all of them would give the visitors a chance to win something. Moreover, being a part of the Cluster would enable the Regional Card to be used for discounts. In 2013 it was possible to use the Card but with the 10% discount and not accepting credit card payment there was too much of a chaos when dealing with all the change and coins so after one season the possibility to use the Liptov Region Card was cancelled.

Credit Card Payment

The before mentioned situation mentions the problem with credit cards not being accepted when paying for the tickets. Nowadays, the possibility to pay by card is widely used by both the sellers and buyers all around the World. When talking about tourism industry, it is expected that not only the local but also the international tourists are arriving at the tourism destinations and are often using card payments. It is important to take into consideration the fact that some people do not actually carry a lot of cash on them or do not even have the local currency as they are foreign. The average number of visitors per day during summer season is above one thousand. The closest ATM is half an hour away after walking back the 15 minute steep ascent back to the car park. For this reason, the possibility to pay by card should be introduced as soon as possible.

Tourist Information Centre

As the information provided in the annual reports of the Slovak Caves Administration show, every year certain importance is being placed on publishing various kinds of informational brochures and leaflets. These are being produced with the intention to inform tourist about the Caves. Tourist Information Centre is the place where tourists are being introduced to the attractions and places to visit. This is the place where the informational

brochures and promotional leaflets are being handed out. However, the Tourist Information Centre in Liptovský Mikuláš does not have any materials provided by the Caves. There are simply no materials to be given to the tourist when they are being informed about regional attractions. Therefore, the Caves or the Slovak Caves Administration itself should really be able to provide suitable promotional materials to the Centre. This action does not require any special effort, does not cost anything and helps with the promotion of the Caves in the town centre.

Social Media

Without any doubt, social media have become an important part of marketing and communication with customers. The Caves do provide a lot of useful information on their website where the communication with the visitors is on a rather high level. In 2013 a Facebook page for the Slovak Caves Administration was created. Being a part of this particular social network creates a more personal relationship with the visitors as well as enables interaction on much more personal level. The page has been active since its beginning and occasionally provides with some photographs of all the caves. However, it would be beneficial for the Caves to have their own fun page where visitors could leave their reviews and virtually interact with the Caves. The fun page could also regularly post information and photographs of the Caves which would help the potential visitors to see the current situation inside the Caves.

Speleotherapy

Demanovská Cave of Liberty once used to be known for its healing powers. Approximately 10 years ago it was popular for its speleotherapy sessions that were being held in the deep underground spaces of the cave. However, this form of treatment for respiratory problems is not available anymore. There are some caves which are still active promoters of speleotherapy and it would be interesting to start promoting this interesting form of spending time in the cave again. It would definitely draw some attention of the media and attract more people to visit the Cave of Liberty at the same time.

Name Change

Demanovská Ice Cave is being significantly influenced by the weather and climatic changes. These changes cause melting of the ice inside as well as the decoration not being

as beautiful as it once used to be in the past. The visitors usually see old photographs of the cave and decide to visit it afterwards. However, many of them are disappointed because the cave does not look the same any more. In the past this cave used to be called the Dragon Cave. Therefore, possible change of its name from Demanovska Ice Cave to the old Dragon Cave could help the cave get some attention in the media as well as make tourists curious about something new being on the market. With new name there could be new image built for the cave.

Airline Promotion

Recent growth in the number of flights incoming to the Poprad Airport has caused increased flow of international tourists into the region. The airport is located only one hour long drive from the town and acts as a gate for low-cost flights from London, Riga, Warsaw and many more. One of the well-known airlines operating the London-Poprad route is Wizz Air. The Caves could easily use the opportunity to advertise in their onboard company magazine purpose of which is to inform passengers about the destination they are flying to. This magazine is on every passenger's seat so they have the chance to go through it and read all sorts of travel related articles and advertisements during their flight. The Caves could also use advertising posters inside the airport building, mainly around the arrival hall.

Events

At last, the Caves could take example from the way of promotion the Czech Caves Administration and Stanisovska Cave use and focus on organizing various kinds of events. There are many possibilities to choose from. From organizing activities for children, students, families or organizing special theme events during state holidays. The spacious cave rooms are great for acoustics and therefore being a perfect place for concerts and performances of many kinds. Guided tours during night, guides dressed up in costumes, tours done with torches or candle light – those are just examples of activities that would help to build positive image of the Caves and allure more visitors.

CONCLUSION

Tourism industry is growing and so is the competition on the market. In order to be different and get more attention from the tourists it is beneficial for a tourism destination and the attraction itself to build a strong image. This is done by developing sufficient marketing strategy and activities that make the organization become recognized. The process of creating positive and fresh image is what the Demanovska Cave of Liberty and Demanovska Ice Cave need.

The two Caves are not acting as a separate unit controlling its own marketing activities. Instead of that they are being part of a bigger organization called Slovak Caves Administration. Moreover, this administration unit is being managed by much larger organization owned by the state. The situation on the market within tourism industry rapidly changed in 2009 when the unfavourable influence of the economic crisis led to decreased number of incoming tourists. The Caves are still being influenced by this external factor and therefore they need to change their marketing strategy into a more competitive and aggressive one in order to climb up the ladder and become attractive again.

With the aim to point out the current marketing position and situation of the Caves, SWOT analysis was performed. The evaluation shows significant weaknesses and possible opportunities that the Caves have within the market. Thanks to their major strengths such as location or uniqueness they are not considered to have weak position on the market compared to other attractions in the Liptov region. The IFE and EFE Matrices demonstrate that the Caves should be trying to strengthen their position by focusing on more intensive promotion as well as creating relationship with their visitors.

Method of Benchmarking was used to introduce the strengths of Stanisovska Cave compared to the Caves. The results show that although the Caves are on the market for much longer period of time and should have more experience in the overall promotion of their image and attracting potential customers it is the other way round. Stanisovska Cave being much younger, smaller and privately owned managed to develop better marketing strategy that helps it with building positive image and securing strong position on the market.

The main purpose of this Thesis was to point out the countless possibilities the Caves have to become leaders on the market again. Developing new customer-oriented marketing strategy as well as implementation of innovative marketing actions such as more aggressive promotion is being strongly recommended.

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