

# THE APPLICATION OF ISIC, ITIC AND EURO<26 IN TOURISM

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**Abstract** Tourism is an important industry, opening space mainly for young people. The paper deals with the applying of student's cards in area of tourism. The aim of the survey is to analyse the possibility of applying such passes in the area of transport, accommodation and travel insurance and based on the findings from the analysis of a survey to choose the area where it is weakest in providing discounts on the cards and in that area to make a proposal to improve the current situation. The result of this process is the proposal to establish cooperation between the association and camping, which will allow pass holders get a discount from the price. In the long term this could lead to increased competitiveness and availability of the tourist organization.

**Key words:** youth tourism, travel insurance, student's card, Slovakia

**JEL Classification:** Z32

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## Introduction

Tourism is an important industry in many developing and post-communist countries, where tax revenues are often in short supply, surprisingly little attention has been paid to the taxation of the tourist industry. In principle there is a strong economic case in many, but not all, countries for taxing tourism more than at present, but that the nature of the industry and administrative difficulties severely limit what can be done in practice (Bird, 1992). The development of tourism, in those countries with potential, appears to offer a valuable source of foreign exchange in order to accelerate them on that path to development. (Cater, 1987). Tourist travel tends to reduce the gains from tourism, when an increase in tourism can lead to de-industrialization (Copeland, 1991). Expansion of tourism has an effect on capital accumulation, sectoral output and resident welfare with an externality in the traded good sector. It increases also relative price of the nontraded goods, improves terms of trade and revenue (Chao et.al, 2006). Hazari et.al (2003) analyse the consequences of tourism in rural and urban areas on regional incomes, welfare and urban unemployment using a generalized The most important result they obtain is that a tourist boom in the urban region may immiserate the rural area. According D'Auria (2014) tourism development could be an engine for the economic growth of the sub-regions. Moreover tourism development is connected with overcoming the results of crisis (Fodor and Poór, 2009). Also Reddy et.al (2012) investigated potential of travel participants on key factors that influence their motivation, behavior and decision-making.

Youth tourism represents a specific market segment within tourism. It has a long tradition in Europe and its significance is increasing. Youth travel is one of the fastest growing and most dynamic markets of the global tourism sector. Around 20% of the 940

million international tourists travelling the world in 2010 were young people. Number of young people is owners of students' cards, which offer them various advantages and benefits. Similarly also employees from the schools have possibility to use number of advantages, resulting from their cards. Mainly from this view there is necessity to deal with possibility to use cards ISIC, ITIC a EURO<26 for chosen areas of tourism.

The strategic objectives in the development of youth travel take into account increasing youth travel by attracting disadvantaged young people, developing the system for youth cards, providing tourist information of interest to the youth, etc. (Moisă, 2008). Chadee and Cutler (1996) identified student motives for undertaking international travel, the planning process, and the preferred destinations and methods of financing international trips. The findings indicate that students traveling overseas represent a distinct market with specific needs and preferences. Horak and Weber (2000) attempt to elaborate the concept of youth tourism, describe its characteristics, and analyse the mobility and expenditure of this tourism market. According results they identified main features of tourism products intended for young travellers. In 2000 the International Student Travel Confederation (ISTC) began to compile a review of existing studies on the youth and student travel market and the characteristics of today's independent young traveller (Richard and Wilson, 2003). Almost no market research existed on the youth and student traveller. Varasteh et.al (2015) attempted to find out important factors influencing international students' travel behaviour. Their study revealed travel behaviour is also affected by age, marital status, nationality, and source of finance.

Cards ISIC, ITIC a EURO<26 can be used in practice for the needs of tourism participants in area of transport, accommodation, and travel insurance. Consequently according results of analysis there is possible to create general conclusions for individual areas of tourism and analysis of students and teachers cards applying in tourism. Chosen areas (transport, accommodation, travel insurance) are compared with chosen organizations from Germany. Table 1 summarize previous findings, connected the rebate of bus operators for owners of ISIC, EURO<26 and ITIC at internal and international bus transport in the frame of Europe. The biggest rebate is provided by Student Agency Express, following by EUROLINES Slovakia and Bohemian lines. Any of mentioned organizations do not provide rebate from ticket price for ITIC owners.

**Table 1** Provided discounts from travel fair at bus transport

	<b>ISIC</b>	<b>EURO&lt;26</b>	<b>ITIC</b>
<b>EUROLINES Slovakia</b>	10%	10%	-
<b>Student Agency Express</b>	15%	15%	-
<b>Bohemian lines</b>	5%	5%	-
	<b>ISIC</b>	<b>ITIC</b>	<b>EURO&lt;26</b>
<b>Eurolines Slovakia (SK)</b>	10%	-	10%
<b>MeinFernbus (DE)</b>	Voucher 3€	Voucher 3€	-

*Source: own processing*

Unlike the Slovakian company MeinFernbus do not provides to its customers that are holders of ISIC, ITIC and EURO <26 discount precisely defined as a percentage of the total fare, but allows holders of ISIC and ITIC acquisition of a

voucher, which gives them a discount 3 € of ticket, regardless of the length of the route and the fare (Benefit, 2015). Following table 2 serves as review of rebates, resulting from applying ISIC, ITIC a EURO<26 in internal and international railway transport, operated by Railway Company Slovakia, RegioJet and LEO Express.

**Table 2** Applying of cards ISIC, ITIC a EURO<26 in international railway transport

	<b>ISIC</b>	<b>EURO&lt;26</b>	<b>ITIC</b>
<b>ZSSK</b>	-	-	-
<b>RegioJet</b>	10%	10%	-
<b>LEO Express</b>	10%	10%	10%
	<b>ISIC</b>	<b>EURO&lt;26</b>	<b>ITIC</b>
<b>ZSSK</b>	50%	50%	-
<b>RegioJet</b>	50%	50%	-
<b>LEO Express</b>	10%	10%	10%

*Source: own processing*

Railway Company Slovakia does not provide any rebate for interstate railway transport according chosen cards. RegioJet offers rebate 10% from full fare for owners of ISIC and EURO<26 without regard to the class. LEO Express offers possibility to apply rebate 10% of fare for all three type of cards, but only for class Economy. Railway Company Slovakia offers to owners of ISIC and EURO<26 rebate 50% in 2nd class and from 1st March 2016 instead of 33%, similar 50% rebate in 1st class. RegioJet offers for owners of the cards 50% rebate from full fare without regard to the class. Any of the companies offer rebate for owners of ITIC. LEO Express offers at similar conditions the same rebates for internal transport, as well as for interstate transport.

Second chosen area in tourism for analysis of students cards using (ISIC, ITIC and EURO<26) is insurance. Results of the analysis are mentioned in the Table 3. From the analysis results that rebate of students or teachers cards during contracting of travel insurance offers in Slovakia only UNION and KOOPERATIVA.

**Table 3** Providing of rebates from travel insurance by Insurance companies in Slovakia

<b>INSURANCE COMPANY</b>	<b>ISIC, EURO&lt;26</b>	<b>ITIC</b>
UNION Poist'ovňa	yes	yes
ALLIANZ	no	no
KOOPERATIVA	yes	no
GROUPAMA	no	no
AXA	no	no
GENERALI	no	no
WUSTENROT	no	no
UNIQA	no	no
MetLife	no	no
European Travel Insurance Company	no	no

*Source: own processing*

Travel insurance is important part of tourism. This kind of insurance provides insurance covering of medical expenses, accident insurance, baggage insurance, insurance of responsibility for damages, insurance of immobilized vehicles, insurance of returning early, etc.

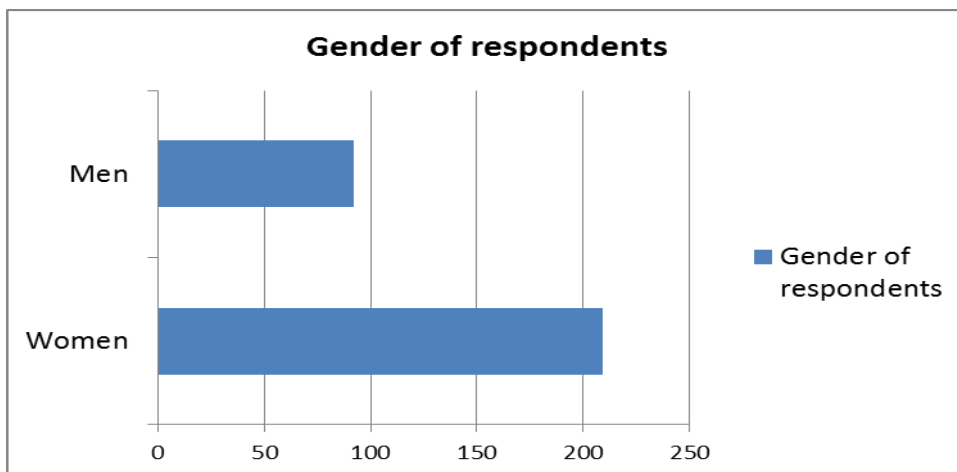
## Material and Methods

Due to the searching of possibility to use students cards in area of tourism, there was made research through questionnaire, orientated to owners of ISIC, ITIC and EURO<26. Questionnaire consisted from 13 questions, connected using of the cards at the tourism. Assumed number of respondents was 250-300. Research was done by on-line questionnaire, sent by Facebook and e-mail. The questionnaire served for analysing, to which measure students and teachers use their cards, in which areas they used them mostly and to which area they would like to use their card for the need of tourism. Collections of data run during 17 days in February and March, 2016. 301 respondents filled the questionnaire through application Google Forms. With cooperation with CKM SYTS questionnaire had been sent by email to the owners of the cards once a month. The email served as information about newest rebates and possibilities for cards application.

In the introduction of the questionnaire respondents had been informed about necessity of the research, and that single tourism does not mean traveling to the work or school. Questionnaire consisted from 13 questions, 11 questions enable choosing of the answer and 2 questions provide possibility of own response:

1. *Gender of respondents?*
2. *Age of respondents?*
3. *Which of cards do you have?*
4. *Do you know about possibilities to use (discounts and benefits) of your card during participation at tourism?*
5. *In which from the following areas of tourism are you using mostly advantages of your card?*
6. *In case you can evaluate your present travel, which from the mentioned ways of transport would you use mostly with applying of discount of your card?*
7. *Do you use discount, resulting from your card during contract travel insurance?*
8. *At what monument, place or event visit (purchase of ticket), connected with tourism did you applied your card?*
9. *Did you sometimes use your card for discount of accommodation?*
10. *In present time in Slovakia there are 3 318 accommodation facilities, from which only 23 facilities provide discount for card ISIC, ITIC or EURO<26 owners. Do you think in case there would be more such facilities; there could be greater development of domestic tourist travel?*
11. *In case providing of discount in accommodation facilities in Slovakia for card ISIC, ITIC and EURO<26 owner would be extended, would you prefer such facilities?*
12. *Would you accept internet web site or application through which you could have all discount of your card, connected with tourism altogether and that would be applicable immediately? (transport, accommodation, insurance)*
13. *What other application of your card would you like to have during participation at the tourism?*

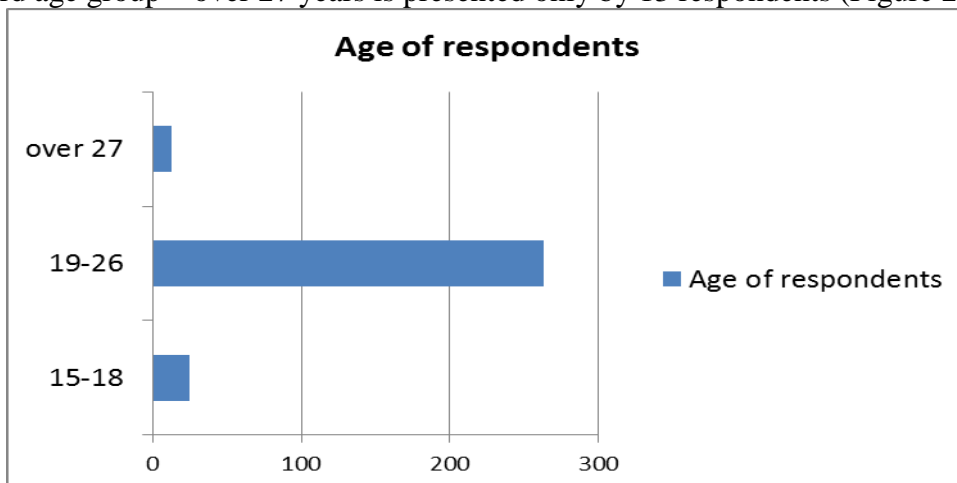
Material of the research is given by answer to first two questions speak about basic information about respondents. According Figure 1 92 respondents (one third) presented men, but there is any influence of gender to the using of the cards in tourism.



**Figure 1** Structure of respondents according gender

*Source: own processing*

Biggest age group was 19-26 years, presented by 263 respondents, which means 87,3% from total number 301, behind which is age group 15-18 years with 25 respondents and third age group – over 27 years is presented only by 13 respondents (Figure 2).



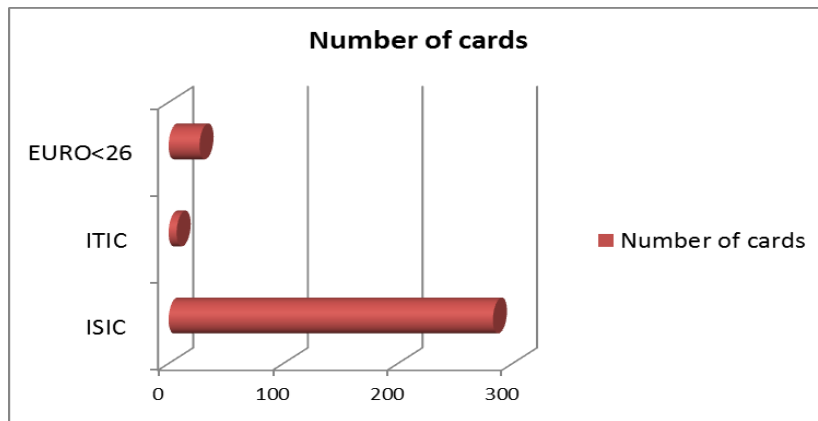
**Figure 2** Structure of respondents according age

*Source: own processing*

## Results and Debate

### Research of card using in area of tourism

Structure of individual cards in the frame of searching sample is given by Figure 3. Most abundant is student's card ISIC; where from 301 requested 283 are owners of the card. Second place belong to card EURO<26 with 27 respondents and the least group belong to teacher's card ITIC – 7 owners. Total number of mentioned cards is 317 from 301 respondents. Combination of ITIC and EURO<26 is not possible, since cards EURO<26 are determined only for young people to 26 years.

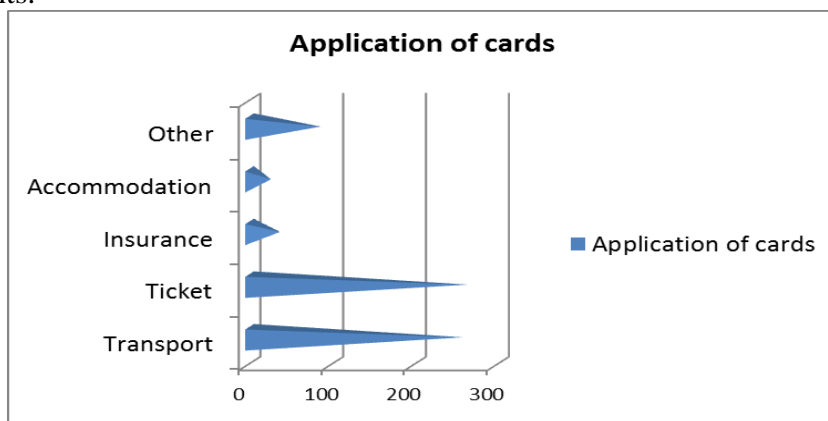


**Figure 3** Participation of respondents according cards owners

*Source: own processing*

Age structure and structure of individual cards in the frame of research is very similar. Before single research there is assumed that in age group 15-18 years there will be mainly owners of card EURO<26, in age group 19 - 26 years there will be owners of ISIC and in age group over 27 there will be owners of ITIC. The results proved the statement.

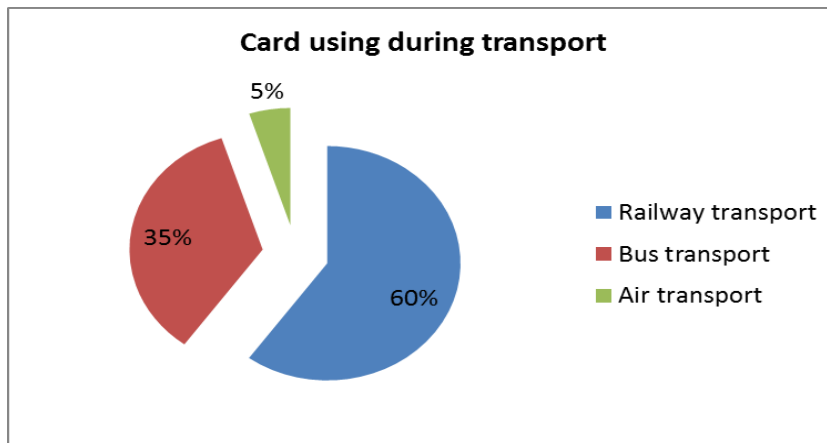
Following question in the questionnaire had been orientated to single using of cards during tourism (Figure 4). Respondents could choice from various areas, where they can use their card in the practice. Most respondents – till 87,7% use their card during applying of rebate for entrance to various places, monuments, events, cultural events, etc. Second area, in which many respondents apply rebate, is transport – 85,7%. Less number of requested – 12,2% uses card only for travel insurance contracting. Finally less using of cards is during possibility of reduction from accommodation, this area had been chosen only by 8,6% respondents.



**Figure 4** Using of cards at the tourism

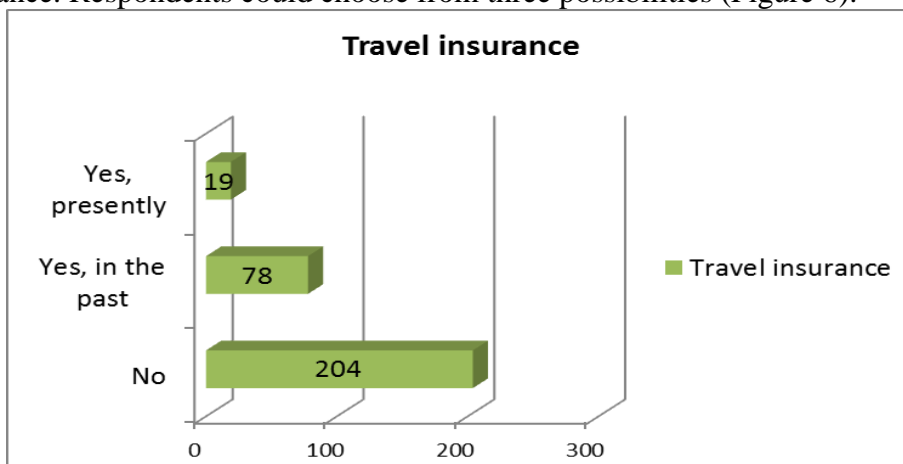
*Source: own processing*

Other questions of the questionnaire are orientated directly to the individual areas of tourism. In the frame of transport respondents used mostly during railway transport (180 respondents). Bus transport had been used by 107 respondents and finally cards are used the least in area of air transport (14 respondents) with assumption that such results are influenced by the fact that Railway Company Slovakia offer traveling for students in the frame of Slovakia for free. On the other hand the least number of respondents mentioned air transport due to the less frequency during travelling, in comparing with railway or bus transport. Similarly, resulting from present state of the problem, in air transport there are the least available rebates for owners of cards.



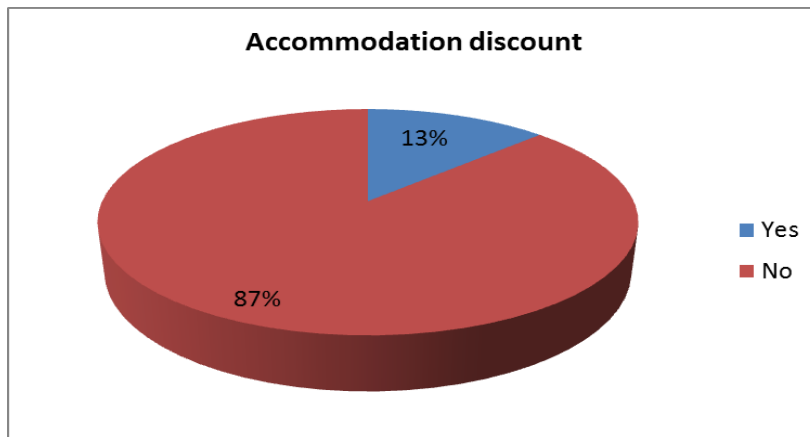
**Figure 5** Most commonly used way of transport with card application  
*Source: own processing*

At travel insurance the research is given to the fact if respondents used their cards for insurance. Respondents could choose from three possibilities (Figure 6).



**Figure 6** Applying of discount for travel insurance  
*Source: own processing*

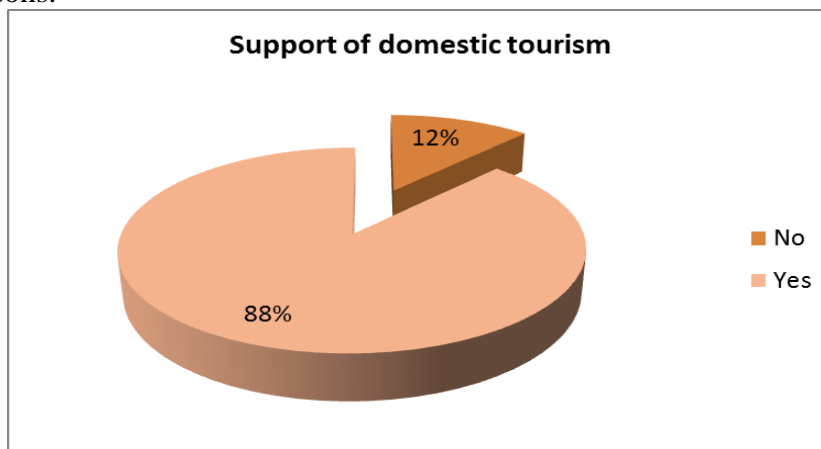
Only 6,3% of respondents mentioned they have travel insurance in this time, 25,9% mentioned they used travel insurance in the past. Remaining 67,8% did not use discount from travel insurance yet not once. Next part of the questionnaire is orientated questions to the area of accommodation in tourism. Respondents had been requested, if they any use their card for applying of reduction from accommodation prices, whether they are of the opinion that if such a discount would be provided by more accommodation facilities than in present time, this would ultimately affect the availability of these facilities and the expansion of the domestic tourism. 261 respondents answered they did not apply their card for obtaining of reduction from accommodation price, on the other hand 40 respondents answered YES (Figure 7). Those numbers result from lack of accommodation facilities, providing reduction for owners of ISIC, ITIC and EURO<26.



**Figure 7** Applying of reduction for accommodation for owners of ISIC, ITIC or EURO<26

*Source: own processing*

In Slovakia from total number 3 318 accommodation facilities only 23 provide reduction for owners of students or teachers cards, which present less than 1% from total number. At the same time respondents had been requested if there would be more accommodation facilities in Slovakia, providing rebate for cards owners, more people would prioritize accommodation in those facilities and by this way their availability would increase as well, which finally could lead to increased travelling in Slovakia and domestic tourism would be supported (Figure 9). 88% respondents reacted positively, which means 264 respondents. Negative opinion had been expressed by 12% of respondents, presenting by 37 persons.

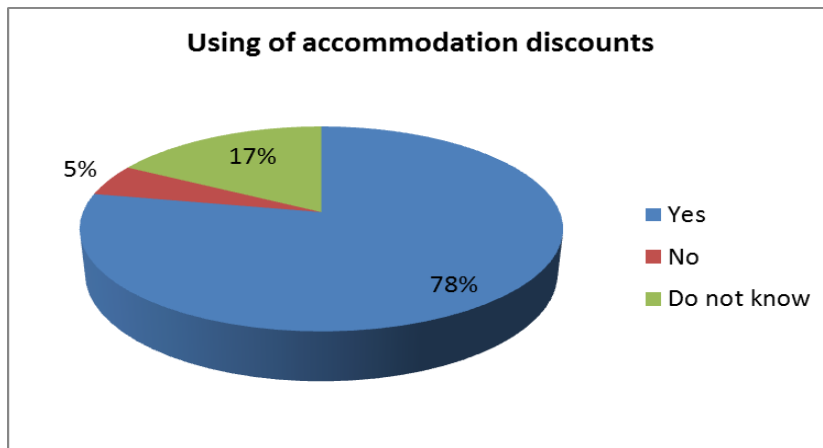


**Figure 8** Support of domestic tourism through extension of discounts providing in accommodation facilities

*Source: own processing*

Final request of respondents is, how they would decide to choose among accommodation facilities, providing rebate, if they would consider it or if they would consider also other conditions (Figure 9). Most respondents – 236 would prioritize accommodation facility with providing of rebate for cards owners. Next 51 respondents would decide according given conditions and only 14 respondents would not prioritize such accommodation facility.



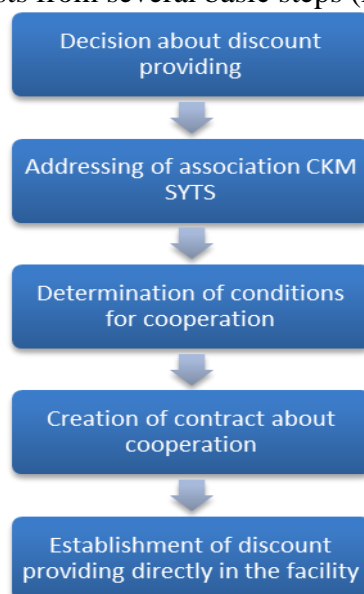


**Figure 9** Using of accommodation discounts according respondents' answers  
*Source: own processing*

Area of accommodation in tourism area has sufficient potential and mainly space for extension in providing of rebates for cards owners. According respondents' answers rebate in accommodation could have positive impact to domestic tourism development in Slovakia.

### Discussions

From the research results expressly that transport is most covered area in providing of rebates for cards owners in tourism (in Slovakia). Less covered transport is air transport, but also in this case there is possible to find convenient students and youth flight tickets through verified portals and internet. Second area of rebates providing in area of tourism is insurance, where insurance companies provide certain rebates or concrete product for cards owners, which is covered less in transport. Last and least covered area in tourism is area of accommodation. Here are existing 3318 accommodation, but only 23 facilities offer discounts for holders of ISIC, ITIC and EURO <26, which represents less than 1%. This area offers the biggest space for improvement. One of the possibilities of improvement is cooperation among youth travel agencies and accommodation facilities. Single process of rebates establishment in accommodation facility consists from several basic steps (Figure 10).



**Figure 10** Process of establishment for discount providing  
*Source: own processing*

Results of the cooperation could be contract, enabling to provide reduction from accommodation prices for ISIC, ITIC or EURO<26 card owners. First step is decision of the facility owner, if he wants to provide rebates in the facility. Second step is requesting CKM SYTS. Also agency could request accommodation facility with aim to create mutual cooperation. Such cooperation should be based on principle of corporate social responsibility, since companies, attentive to CSR are performing better economic (Antošová, Csikósová, 2016). Third step in the process are demands from both sides. Cooperation is concluded in most cases for uncertain period, but it can also be concluded for a fixed term, depending on the nature of the cooperation. Fourth step is creation of agreement and its individual items that consists information about agreement between both sides. Last step in the process is single establishment and providing of rebates in accommodation facility. Company in the process must have external integration between travel agencies, transport providers, accommodation, restaurants and insurance companies (Topolsek, et.al, 2014). After beginning of rebates providing accommodation facility is requested according mutual agreement to provide to association every month report about number of applied rebates from cards ISIC, ITIC and EURO<26. According Cehlár et.al (2011) the cooperation will need to find out proper way of financing with acceptance of risk. In area of tourism development there is necessary to consider legislation, governing tourism. Mainly tourism legislation must respect European law, which is now subject to fundamental transformation (Petras, 2015).

## **Conclusion**

Youth travellers provide an up-to-date overview of the major characteristics and trends of the market, highlighting its importance to governments and business leaders worldwide. It also draws attention to the issues that need to be addressed to ensure that more and younger people around the world can continue to benefit from the enriching experiences that travel brings, for travellers and the communities they visit. Contribution is orientated to the suggestion of improving and extending of possibilities to use cards ISIC, ITIC and EURO<26 in area of travel and accommodation services in tourism in Slovakia. Suggestion is orientated to the concrete accommodation facility with cooperation with agency CKM SYTS that added the facility to its offer and by this way it could increase its propagation. At the same time accommodation facility will provide rebates for cards holders, which could increase its availability and competitiveness. If number of accommodation facilities would follow this example in Slovakia, there could be recorded also development of domestic tourism.

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