

7th IRI Economics Conference

PROGRAM
ABSTRACTS

International Research Institute s.r.o.
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International Research Institute s.r.o.

**21-22 JAN 2020, ŠTÚROVO
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Program 21 January 2020

Registration from 9.00 continuously

Session No. 1. 10.00-11.20

Chair: Roland SCHMUCK

Éva FENYVESI, Tibor PINTÉR: The characteristics of Hungary's hidden economy before and after the change of regime
Árpád DUCZON: The born of the Hungarian automobile "industrial commons" after 1989
Gabriella BUDA: Motivation factors of Airbnb users
Petra EGRI: Fashion Performances: Artistic events or Communication tools between Fashion Industry and Market?

Session No. 2. 11.40-13.00

Chair: László BERÉNYI

László BERÉNYI, Bernadett SZOLNOKI: ISO 9001 in some post-socialist countries
Roland SCHMUCK: The short history of Quality Management particularly regarding Europe and Hungary
Gábor KUTASI: Impact Assessment of EU trade agreements on Hungary
Ferenc KATONA: The relationship between Hungarian Enterprise Strategy and marketing-controlling

Session No. 3. 13.20-14.40

Chair: Judit KÁRPÁTI-DARÓCZI

Gábor GYARMATI: CO2 and GDP correlation in some countries
Sevinj OMARLI: Content analysis of Environmental Policies of Turkey
Sevinj OMARLI: The Concept of Dynamic Pricing and How It Effects on Consumer's (Un)fairness Perception, Moderating role of Product categories
Judit KÁRPÁTI-DARÓCZI, János Tibor KARLOVITZ: Features of startup companies

22 January 2020

Workshop Nr 1: Democratization of Technology
by Tibor Janos Karlovitz
10.00-12.00

Workshop Nr 2: Start-up
by Judit Karpati-Daroczi
14.00-16.00

Abstracts

ISO 9001 in some post-socialist countries

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The recent edition of the ISO 9001 standard for quality management systems offers a new approach including the characteristics of the strategic planning process and the risk-based approach. Together with the ISO 14001 standard for environmental management, a new system structure has been launched for the next 25 years. Based on the ISO Survey data, an increase in the number of certified ISO 9001 systems is to observe in the world. However, the spatial distribution of the standards is diverse. Europe and East Asia and Pacific area are the leaders with more than 80% of the certifications due to their representation in automotive industry or electrical equipment production where ISO 9001 is usually a basic requirement of being a supply chain member.

The study focuses on Hungary, some neighbors and other post-socialist countries that may have a similar role in the economy of Europe. These countries are partners and competitors at the same time, so the comparison can give relevant information on the selection of the appropriate strategic opportunities.

The goal of the study is exploring the industrial distribution of the ISO 9001 certifications and the relation between the number of certifications and some economic indicators. The research uses the open access on-line databases of ISO Survey related to the number of certifications and Eurostat related to the economic indicators. Data analysis is supported by IBM SPSS 25. The statistical methods include correlation analysis and cluster-analysis. The results draw a picture of the spread of ISO 9001 in the selected post-socialist countries in 2018. The comparison allows conclusions for appointing development paths.

Motivation factors of Airbnb users

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Airbnb has become a major competitor in the hotel industry in recent years, and it is important to understand consumers' motivations and attitudes. In an online questionnaire survey in Hungary, tourists traveling abroad were asked using the snowball method. Of those who completed the questionnaire (250 respondents), 92 have already used Airbnb, and in this study Airbnb users' responses were analyzed. Respondents, who live in Budapest and have university degree, are overrepresented, but a representative national sample confirmed that Airbnb users are typically metropolitan people with higher educational level. As a result, we found that good value for money is important for 92% of respondents. Further important factors for the Airbnb users: more independent, multi-room apartment (69%), cooking facility (62%), the uniqueness of the private home (52%). Interestingly, while Airbnb's communication campaign and its main messages are about meeting local people, only 33% of Airbnb users said they would find it attractive. 51% of the respondents prefers not only separate flat build up only for tourists, but they are open to rent an apartment where someone otherwise lives and move out from the flat only for the duration of the rental or even to rent a room in a shared flat. Airbnb launched the Airbnb Experience service as a new service, with more than half (51%) of respondents saying they would probably or definitely use it in the future. This response, on the one hand, predicts the expected success of the service and, on the other hand, underpins the expansion of the experience economy. Future research topics may include examining the loyalty of Airbnb users and changing consumer preferences of tourists.

The born of the Hungarian automobile “industrial commons” after 1989

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Hungary have difficulties after the political and economical change of 1989. After the dissolution of the Comecon, many regional partners suffered from unemployment, a decreasing rate of foreign investments and inflation. This gave an opportunity to foreign (mostly German) companies to outsource their manufacturing processes to Eastern Europe and Hungary.

Pisano and Shih (2012) have written about the „industrial commons” for the first time. That means a critical mass of buyers, suppliers, competitors, infrastructure, educated workforce and universities, and other educational institutions in a geographical area. Industrial commons arise from a self-strengthening cycle, whereby companies want to be as close to their buyers as possible, which pulls along with their supplier network. This industrial system would create better economic chances for many territories, while others would have disadvantages. In my presentation, I would like to use the theory of the industrial commons on the characteristics of four different automobile industries in Hungary. These companies are the Suzuki, the Opel, the Audi, the Mercedes-Benz, and the BMW. The above-mentioned companies have a large effect on their economical surroundings like infrastructure (by building new motorways, using existing railway-roads or found a new airstrip), well qualified and available workforce, education system, supply chain, and local development policies as well. On top of that many of these companies have held “local competition” in order to obtain more from each city. The international automobile companies have their own policy on establishing new factories, so many countries and cities had to “offer” something to them. In a result many countries (like the Visegrad countries) became opponents in the global field of the automobile industry. Using the theory of the industrial commons we can compare these companies’ impact on local, regional and global terms as well, not to mention its effect on the Hungarian economy.

Fashion Performances: Artistic events or Communication tools between Fashion Industry and Market?

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So far as the performance is described as occupying of space, and the space is considered as a cultural product in which relations are created between the performers, viewers and fashion industry. Performance can be explained as a kind of gesture of attempt for the crossing of borders, in some cases exceeding the frameworks of the institutionalized theatre. Following this approximation, some of the fashion shows can be interpreted as a performance, if we look upon these special presentations as a kind of (artistic)events. Besides that, the couture collections are staged by the fashion performances of designers, although they have political characteristics and meanings. In other cases, fashion performances have their own narrative techniques, meanwhile the designer is telling stories through clothes, garments are not working as a simple theatre costume. My paper aims to present the intersections through evident examples of some ideas that are proposed by the performance studies and fashion studies, namely to converge the analysing viewpoints of these two disciplines. It also attempts to answer the question: could performing arts work as communication tools between fashion industry and market, if we describe catwalks by Vittorio Linfante as the most relevant display where brands stage their collections, products, ideas and style.

The characteristics of Hungary's hidden economy before and after the change of regime

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Attendance of economists and policymakers for hidden economy has been increasing recently. It cannot be indifferent for an economy how much money goes into the budget. However, it is necessary to know the nature and forms of the hidden economy for whitening it.

In this paper, we attempt to illustrate the characteristics of Hungarian hidden economy before and after the change of regime, with the help of literature on the subject, and to map the steps that have been taken to whiten it.

Systematic literature review on the definition, causes and effects of the hidden economy was made prior this publication, and literature on the domestic hidden economy was collected at the same time. Some results of the literature processing:

(1) Many forms of hidden economy existed before the change of regime in Hungary. For example: tips, kickbacks, gratuities, not allowed works, botched job, moonlighting, unauthorized rental of real-estate, use of social property for personal gain, proceeds from the violation of customs and foreign currency regulations, tax evasion by craftsmen and retailers, theft of public property, corruption.

(2) Not only the dynamics of the hidden economy has strengthened since 1990, but types of activities which can be included in it have changed significantly. These include, although this is not an exhaustive list: omitting part of the revenue from the register, the statements of non-incurred production cost as an expense, the cost of maintaining their own household accounting for an excessive proportion of production costs, arranging business and study trips abroad, acquisition commission, end of year depreciation or 'disposal' of inventories, wages paid out of pockets of unregistered employees, parallel company formation, economic activity and income of unregistered individuals.

(3) The following concrete steps have been taken to whiten the Hungarian hidden economy in recent years: Casual Employee Book, Simplified Business Tax, Electronic Road Traffic Control System, direct connection of online cash registers and vending machines to the tax office.

CO2 and GDP correlation in some countries

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The purpose of this study is to examine the relationship between CO2 emissions and economic growth. The basic data for the survey were primarily obtained from the EU statistical database. I examined the background of the changes, the change of the emission and the effect of the big cycles of the world economy on the CO2 emission. It can be stated that during the downturns of the economic cycles the CO2 emission also decreases, and the CO2 emissions of the former socialist countries take lower values than the more developed Western European countries due to the lower production emissions.

One of the greatest challenges facing humanity today is to tackle the problem of global warming. The gradual rise in the average temperature of our planet is caused by a variety of greenhouse gases. From these, however, carbon dioxide is the most important. Rising atmospheric concentrations of carbon dioxide to levels unprecedented in the history of mankind, which has recently reached 400 ppm, are fundamentally anthropogenic phenomena that are closely linked to economic activity and, therefore, to take global economic responsibility to avoid an ecological disaster need. As a consequence, more and more economic research is addressing the relationship between economic growth and carbon emissions. Most of these focus on long-term effects, although this study analyses short-term effects which can lead to relevant results. In my paper, I seek to examine short-term effects, given that many of the factors that determine the GDP of a given year may influence the level of emissions in subsequent years. It is also peculiar that this article does not examine the relationships at the global level, but mainly in relation to Hungary.

Features of startup companies

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A small segment of start-ups is startup businesses. A startup is a business created for rapid growth. It takes three to five years to achieve strong market success in an international environment.

In this study, we examine the conditions required for starting a startup business. We analyze how it is possible to add value to an idea that makes it a completely new, original, unique business. The research is based on exploratory secondary sources, which will be complemented by primary research.

First, we will show you where literature considers a start-up business as a startup. The starting point is that a start-up company is organized on a community basis, meaning that more knowledge is shared between the founders. This much greater knowledge is coupled with high-level technological competences. However, common knowledge and technology alone is not enough. What is needed is some "big idea", something "extra plus" that investors can imagine. You need to break into an unprecedented niche where at least 100,000 customers worldwide can be served without any geographical constraints. It is also important that the startup is innovative and takes a high risk. With the adoption of application-level applications, the development of others is often the basis for starting a startup. These are often content that is even available for free - and will only be purchased in the form of a more advanced system once they are in place: they have enough revenue. Post-launch "kick-offs" are one of the most difficult times for startups: since they still have relatively little in-house development, they can easily find themselves in the legal, patent and copyright maze. For start-ups, it takes a lot of courage and "naughtiness": a radical novelty narrows the market of others, and a new opportunity can hurt the interests of others.

Fixed businesses will certainly not meet the conditions described above. Likewise, microbusinesses created without the involvement of others are not considered startups. It is also difficult to add radically new ones to businesses based on statutory occupations regulated by public authorities. Neither an entrepreneur producing for the local market can be considered a startup nor an automotive supplier.

Initially, startups usually start with family funding. As mass demand for a given product and / or service comes into play, significant improvements are suddenly needed to meet and service the demands quickly and can be enormous.

They are either solved by Community funding or, if there is a venture capital fund or national funding, under certain conditions they can be called up as the financial basis for development.

As an extension of our research, we want to examine what entrepreneurial competencies are required to start a startup business.

The relationship between Hungarian Enterprise Strategy and marketing-controlling

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This paper is based on my primer research, which was implemented in three phases (during 2017 and 2018) using online questionnaires. The questionnaires were sent out using the snowball sampling method. 853 valid questionnaires were processed during the survey using SPSS 20 statistical software package. Secondary data have also been processed during the survey.

In my research, inter alia I examine the strategies and strategic goals of Hungarian enterprises. I also examine the relationship between the used marketing-controlling tools and the goals and strategy of enterprises. I would like to point out how marketing-controlling has influenced the strategy and strategic decisions of enterprises. I also deal with the development of strategic goals on a temporal plane. I point out the development the strategic goals of enterprises: what effect has the use or even the not-use of marketing-controlling tools. I also examine the relationship between business performance and the characteristics of the business and the managers, and whether there is a significant relationship between the use of marketing-controlling tools and business performance. The research is ongoing, and there were queries in 2019, so this data will soon be processed and compared with the results of the 2017 and 2018 queries.

Impact Assessment of EU trade agreements on Hungary

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Scope of the paper: International activity to rethink trade relations emerged in 2010s, and resulted in comprehensive agreement proposals about trade, investment protection, regulatory harmonization, and even the opening of public procurement market were included. These trade agreements were negotiated by the European Union, on behalf of the single European market and the Member States. However, because of the differences in the national industrial structures and economic development of the member economies, the individual growth impact became a relevant question in the member states. The research focuses on the EU agreements with Canada (CETA), Japan (EPA), Korean Republic, Colombia, Peru and Ecuador.

Structure of the paper: The study provides an overview of the content of the CGE model and the existing models in the literature. It contains the relevant empirical analyses about the impact of trade pacts analysed in the study. The results of the CGE model will be assessed on the expected growth impact of the trade pacts mentioned.

Assumption of the research: Preliminary, very limited positive growth effects were expected for Hungary in case of trade pact with Japan, Canada, Korea, and close to zero in case of South American partners.

Methodology of the paper: Computable general equilibrium models (CGE) are widely used to model the trade impacts. The research uses one version of CGE models to project the impact on sectoral output and the overall GDP.

Results of the paper: This assumption is proved by the research. The conclusion of the paper is that due to the effects of the agreement with the three developed countries, no significant sectoral expansion and additional GDP growth is expected in the Hungarian economy. In case of the emerging Latin American economies, the expected impact of sectoral output and GDP growth is zero. The CGE modeling concludes that no significant effect is expected for Hungary from the EU Convention in the six cases examined.

The short history of Quality Management particularly regarding Europe and Hungary

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Thought quality management is considered a modern discipline the history of quality management goes back to thousand years ago. People has always strived to create the best and most perfect tools, objects and services.

The Hamurabi code can be considered as a guide to what is possible to do and what are the consequences of doing something wrong. Some of the statements were about quality of services, such as the eye surgery of a nobleman. There were defined procedures even in the Ancient Egypt regarding burying the dead. Compliance to the 'standard' was confirmed by the sign of the general inspector. In the Ancient Rome there were several standards coping with building roads. In China, there was particular attention to building walls. The bricks had to be marked by the creator and had a lifetime guarantee of not breaking.

In the middle ages guilds had the role of assuring quality. Members of the guilds had to fulfil quality production requirements. Markings of gold and silver were proving their content of precious metals. The base of modern measuring, the meter and the kilogram was invented by the French.

In the modern times the first international standardization organization, the International Electrotechnical Commission (IEC), was established in 1906 and has since become one of the leading institutions in the field of electronic standardization in the world. The International Organization for Standardization (ISO in abbreviation) was established in 1947 with the aim of establishing international quality standards. Most of current standards are issued by ISO.

The history of standardization in Hungary dates back to the 19th century. It began with construction materials. The first Hungarian standard was issued in 1892, and the Hungarian Institute of Standardization was founded in 1921. Its legal successor since 1995 is the Hungarian Standards Board (MSZT), which is an ISO member organization.

Content analysis of Environmental Policies of Turkey

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Current study is about the country report of Turkey, which was made by Sustainable Governance Indicators in 2016 year and the part of "Environmental Policy" was chosen as a relevant document and applied the content analysis. In the study, qualitative content analysis has been defined as: "*a research method for the subjective interpretation of the content of text data through the systematic classification process of coding and identifying themes or patterns*" (Hsieh & Shannon, 2005:1278). Research questions are "*What are the plans of Turkish government to increase environmental sustainability?*" and "*What type of Environmental problems does need to be solved by the government of Turkey?*".

In content analysis the materials are analyzed step by step, following rules of procedure, devising the material into content analytical units. According to coded information it was created three categories which are sustainable development, adapting to environmental regulation of EU and environmental problems. It is determined that the climate changing, pollution demonstration and recession risk are the main environmental problems which are needed to be solved. Turkey Government is planning some regulations and plans. Accepting "New Waste Management Regulation" is one of them and it will target to increase the recycling of waste and to manage wastes that are least harmful to the environment and to human health.

The Concept of Dynamic Pricing and How It Effects on Consumer's (Un)fairness Perception, Moderating role of Product categories

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Nowadays Dynamic Pricing is the most important effective method in marketing that affects on company's profitability. This study investigated the effect of dynamic pricing phenomenon, attempts to explain price fairness perceived by customers exposed to these corporate practices and identifies the effect of perceived (un)fairness on willingness-to-buy (WTB).

In addition, we have examined the moderating role of product. Differences in product category knowledge lead to differences in price fairness perception. Based on the literature review a research model has been developed and tested among university students regarding airline tickets and chocolate bars price. The results indicate that dynamic pricing has a negative effect on consumers' willingness to buy the products and this relationship is mediated by fairness perception. In addition, product categories moderate how dynamic pricing influences fairness perception.