

STRATEGIC GOALS FOR ENHANCING THE COMPETITIVENESS OF BULGARIA AS A TOURIST DESTINATION

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Abstract

The aim of the report is to offer an option for strategic quantitative and qualitative goals for enhancing the competitiveness of Bulgaria as a tourist destination until 2013.

The international competitive environment of Bulgaria as a tourist destination is being examined, by summarizing the strategies and objectives of Bulgaria's main competitors – Croatia, Greece, Romania and Turkey. The current qualitative and quantitative parameters of Bulgarian tourism competitiveness are being presented.

In the context of the main competitive countries' strategies and development plans, as well as considering the conclusions for the current state of Bulgaria as a international tourist destination, a system of qualitative and quantitative strategic targets until 2013 is proposed.

Key words: tourist destination, competitiveness, strategic goals

1. Introduction

With the straining competition at the international tourist market, Bulgaria is faced with the necessity of developing a competitive national tourist industry, aimed at realization of a sustainable evaluation of its tourist resources, thus contributing to quality of life improvement in the country. However, this could not occur automatically and only as a result of interaction of market forces. Impact management is required.

The trends in the international tourist market development and the competitors' behavior should be a starting point of the purposeful development of Bulgaria as a tourist destination. The state, the local authorities of self-government, the tourist industry and its associations must work together and in accordance in order to analyze, plan, organize and control the competitive presence of Bulgaria on the international tourist market stage.

The objective of this report is to offer a variant for strategic quantitative and qualitative goals for the development of Bulgarian tourism till 2013 in the context of the strategic intentions of Bulgaria's main competitive destinations – Croatia, Greece, Romania and Turkey.

2. Theoretical treatment and factual situation

For the needs of the present research, we shall use the elaborated by us theoretical model for an objective, quantitative evaluation of the presentation of the tourist destination at the international tourist market, compared to its main competitors. The model includes 18 indices (Table 1).¹

¹ Marinov, S., 2006, *Marketing management of the competitiveness of a tourist destination*, Varna: Slavena, 93-95.

Table 1. Indices for quantitative evaluation of the competitiveness of the tourist destination

Nr.	Indices
1.	International tourist arrivals in the destination (ITA)
2.	Overnight stays of foreign tourist in hotels and similar accommodation
3.	Average stay of foreign tourists at the destination
4.	Number of beds in hotels and similar accommodation
5.	International tourism receipts (ITR)
6.	Market share of international tourist arrivals worldwide
7.	Market share of international tourism receipts worldwide
8.	Average occupancy of beds in hotels and similar accommodation by foreign tourists
9.	ITR per international tourist arrival
10.	ITR per overnight stay of foreign tourist
11.	ITR per bed in hotels or similar accommodation
12.	Number of beds in hotels or similar accommodation per sq. km.
13.	ITA per sq. km.
14.	ITR per sq. km
15.	ITA per capita of country's population
16.	ITR per capita of country's population
17.	ITR' share in the country's GNP
18.	ITR' share in the country's export of goods and services

For the needs of the comparative analysis quantitative indices for competitiveness for each of the competing destinations on the particular variables are being calculated. Among the competitive destinations considered, the index basis of 100.00 is awarded to the destination, which has the highest value of the corresponding variable. The indices of the other destinations are obtained as a quotient of their values of the variable and the corresponding index basis of that variable.

On the basis of the indices for the separate variables, a total quantitative index can be calculated, following the formula:

$$I_{QC} = (I_{aC} + I_{bC} + \dots + I_{rC}) / 18 \quad (1)$$

where:

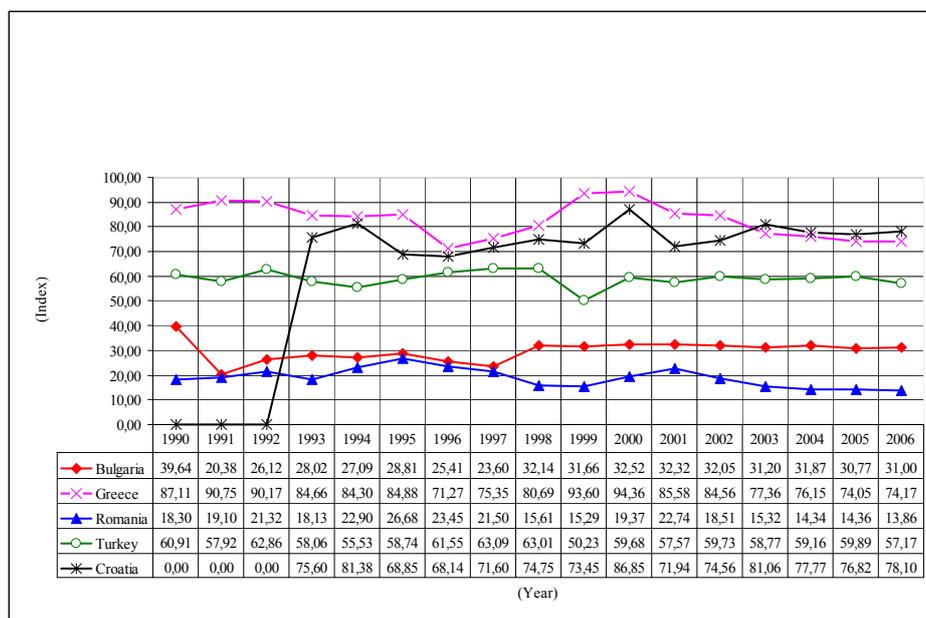
I_{QC} – total quantitative index of the country C, where $I_{QC} \in (0; 100]$;

$I_{aC}; I_{bC} \dots I_{rC}$ – quantitative indices of the country C on variables $a; b; \dots r$;

With the help of the quantitative index, it is possible to make conclusions about the competitiveness of the destination in certain years, as well as for the whole period of the research.

Figuring out the proposed total quantitative index for competitiveness with regard to Bulgaria, compared to its main competitors for the period 1990 – 2006, it turns out that during the period considered, it is characterized by fluctuations in positive and negative aspect. Its highest value is 39.64 in 1990, and in the last year of the period – 2006 it amounts to 31,00. Compared to the values of the index at the main competitors in 2006, Bulgaria falls behind the leaders – Croatia and Greece - over 2 times, and almost 2 times behind Turkey, as far as competitiveness is concerned (Figure1)

Figure 1. Quantitative index for competitiveness for Bulgaria, Greece, Romania, Turkey and Croatia for the period 1990 – 2006



Republic of Croatia

Tourism plays an important role in the social and economic development of Croatia. Because of this, it is subject to active management on the part of the state. The final version of the strategy report “Croatian Tourism Development by 2010”, prepared by the Ministry of Tourism in 2003, aims to put Croatia on the tourist map as one of the market leaders in the Mediterranean. As declared, “the aim of this strategy is to create a framework designed for development of high quality modern and innovative tourism supply, that will increase the competitiveness of Croatian tourism at markets where there is demand and have capital waiting to be invested”²

The vision of Croatian tourism defined in the strategy report, reads as follows: “Tourism significantly contributes to the economic growth of the Republic of Croatia and the prosperity of its citizens. It is based on a sustainable use of natural and cultural-historical potential, an active role in its preservation and development, and creating an environment attractive to investors”³

According to the Croatian National Tourist Board (CNTB) at present Croatia pursues three qualitative strategic aims for tourism development:⁴

- Renovation, protection and a more comprehensive evaluation of Croatian tourist potentials;
- Establishing the new identity of Croatian tourism and the position of Croatia as one of the leading tourist destinations in the Mediterranean;
- Quality tourism in harmony with sustainable development.

² Republic of Croatia, Ministry of tourism, 2003, Strategy report “Croatian Tourism Development by 2010”, final version, In: <http://www.mmtpr.hr/UserDocsImages/TOURISM-FINAL-2010.pdf>, March, 2007.

³ Republic of Croatia. Ministry of tourism, 2003, cited ref.

⁴ Bulić, Niko, Croatian tourism in 2005/2006. In: <http://www.mmtpr.hr/UserDocsImages/Croatia2006-2.pdf>, March, 2007

The quantitative long-term strategic aim of Croatian tourism is to achieve the following by 2010:

- Number of International tourist arrivals – 11 million;
- Number of Overnights of foreign tourists – 66 million;
- Consumption by foreign visitors - 11 billion US dollars

Hellenic Republic

The institutions in Greece determine the decisive role of tourism in the plans for the future modern development of the country.

In the research “Greek Tourism 2010: Strategy and Goals”, the Association of Greek Tourist Enterprises (SETE, 2002) set up quantitative goals for tourist development till 2010 (Table 2).

Table 2. Quantitative goals for tourist development of Greece till 2010.

Index	Measure	Value in 2010	Growth 2010/2000 in %
International tourist arrivals	number	19 400 000	32,00
International tourism receipts	USD	15 000 000 000	48,50

Source: SITE

According to SETE (SETE, 2002), in order to reach the set up goals, it is necessary to open 128000 new hotel beds, 45 golf courses, 15 autonomous congress centers, 24 centers for thalassotherapy and 42 tourist ports.

Concrete quantitative and qualitative goals for tourist development till 2010 have been pointed out in the Development Plan for Greek Tourism “Charter”. According to this plan the quantitative goals set for 2010 are the following:⁵

- Increase in International tourist arrivals to 20 million;
- Increase in International tourism receipts to 20 billion dollars;
- Increase in the average expenses per capita to 1020 dollars (quality tourism);
- Increase in the contribution of tourism to GDP of at least 3 percentage points;
- Increase in the workforce employed in tourism of at least 16%;
- Increase in overnight stays at hotels to 87 million;
- Increase in hotel room reservations by 10 percent in the developed regions;

The qualitative goals set for 2010 are the following:

- Better co-ordination of all the bodies involved in the “tourist chain” and improvement of trilateral cooperation (government/local authorities, businesses and employees);
 - Improved (competitiveness) image and position of the Greek tourist product at the international markets;
 - Full tourist success of the major tourist events;
 - Upgrading and diversification of the tourist supply;
 - Upgrading of all facilities and services which make up the “tourist chain.”;

⁵ Kontokolias, Haris, The “Charter” for Tourism in Greece, In: http://www.acci.gr/trade/No29/TRADE_78_81.pdf, march, 2007.

- Promotion of special tourist infrastructure facilities and organisational infrastructure;
- Enhancing “business culture” and entrepreneurship;
- Systematic strengthening of the tourist product using our cultural heritage as our comparative advantage;
- Prolongation of the tourist period mainly in the developed regions.

The Ministry of Tourism puts forth a double motto under which tourism development choices are to flourish in the programming period 2007-2013: “Quality and Specialization”⁶. It is under this umbrella that the Ministry of Tourism has suggested the following priorities:

- Strategy for regional differentiation and promotion;
- Strategy for quality of tourist lodgings;
- Enrichment of the tourist offer;
- Human factor in shaping the tourist product;

Republic of Turkey

The permanent and successful presence of Turkey at the international tourist market begins after 1982, when the Law № 2634 for enhancing tourism came into force. Within its framework, the Turkish state undertakes measures for enhancing tourism development – measures that are still being kept nowadays. Turkey avoids the mistakes of tourist destinations like Spain regarding the over commercialization of its natural tourist resources, particularly along the coast. The Turkish state implements a policy for sustainable tourism development through product and territorial diversification of tourist supply. The accent is on priority development of walking tourism, explorative tourism; bus travel; ski holidays in the mountains; spa tourism; congress tourism, sports tourism (related mainly to golf, tennis, trekking, alpinism, sailing, etc.); “fly& drive & stay” programs for groups and individual tourists.

At the press-conference held in Istanbul on 11 January 2004 under the heading „2010 Tourism Vision of Turkey and the 2nd Assault Period”, the Prime-Minister Recep Tayyip Erdoğan declared the strategic goals for the tourist development of the country till 2010.⁷ According to him, there are three supporting points of the vision for the development of Turkey as a tourist destination:

- Productivity;
- Competitiveness;
- Sustainability

The declared specific goals of Turkish tourism for the year 2010 are the following:

- The ability to compete;
- Tourist satisfaction;
- Sustainability;
- Efficient land management;
- Destination-focused and planned development;
- Environmentally-conscious projects;
- High tourism income;
- To become a brand;
- To complete the infrastructure investment;
- To complete the legal infrastructure.

⁶ Palli-Petralia, Fanny, 2006, Speech of Minister of Tourism at the National Development Conference (4th CSF) on “Designing the interventions of the Ministry of Tourism for the Programming Period 2007-2013”, In: http://www.gnto.gr/entry_news.php?entryid=75&pageID=889&langID=2&tablepageid=76, September 2006.

⁷ Erdoğan, Recep Tayyip, 2004, 2010 Tourism Vision of Turkey and 2nd Assault Period. In: <http://www.kulturturizm.gov.tr/genel/galeri/vizyon-eng/index.htm>, March, 2007.

The Turkey's Tourism Vision for 2010 is expressed in the following quantitative goals:

- Increase in the number of tourist arrivals over 30 million;
- Increase in tourism revenues up to 30 billion USD;
- Increase in certified bed number up to 1 million.

For ensuring the long-term competitive development of Turkey's tourism a new "Tourism Strategy of Turkey – 2023 and Activity Plan for Tourism Strategy of Turkey 2007 – 2013" has been approved in 2007 by the High Planning Commission.⁸ The Tourism Strategy of Turkey – 2023 is in line with the objectives of the 9th Development Scheme covering the period between 2007 and 2013. The Scheme has this statement that says "A Tourism Industry Master Plan shall be drafted down to ensure sustainable and healthy development of the tourism sector"

The Turkish Tourism toward new horizons is expressed in the "Tourism Strategy of Turkey – 2023" by the following Vision: "with the adoption of sustainable tourism approach tourism and travel industry will be brought to a leading position for leveraging rates of employment and regional development and it will be ensured that Turkey becomes a world brand in tourism and a major destination in the list of the top five countries receiving the highest number of tourist and highest revenue by 2023".⁹

Romania

The formation of the Romanian tourist supply begins in the sixties of the 20th century. At that time in Romania the tourist basis for the needs of the international vocational tourism was established, mainly all along the Black sea coast. During the past two decades the Romanian tourism has been developing with low and changeable rates far from its potential opportunities.

The Government of Romania determines the decisive role of tourism for the future development of the country. On behalf of the Romanian Government "A National Development Master Plan for Romania" has been elaborated by a team of World Tourism Organization experts in conjunction with Romanian counterparts.¹⁰ The objective of this Master Plan is to identify the weaknesses in the Romania tourism industry and provide strategic directions as to how it can be restructured, resourced and regenerated in order to compete effectively in the global marketplace.

According to the Master Plan the Vision of the tourism industry is "to establish Romania as a quality tourism destination based on its natural and cultural heritage which matches EU standards of product and service delivery by 2013 and to generate environmentally sustainable growth in tourism at a rate in excess of other European destinations."¹¹

The declared long-term qualitative goals of Romanian tourism are the following:¹²

- To establish a heightened awareness both domestically and internationally of Romania's positive appeals as a tourist destination and its tourism brand image;

⁸ T.R. Ministry of Culture and Tourism Publications – 3090, 2007, In: 2008www.kulturturizm.gov.tr, April 2008.

⁹ T.R. Ministry of Culture and Tourism Publications – 3090, 2007, In: 2008www.kulturturizm.gov.tr, April 2008.

¹⁰ UNWTO, 2007, Romania National Tourism Development Master Plan 2007-2026.

¹¹ UNWTO, 2007, Romania National Tourism Development Master Plan 2007-2026.

¹² UNWTO, 2007, Romania National Tourism Development Master Plan 2007-2026

- To ensure that tourism is developed in a sustainable manner so that the environmental, cultural and heritage appeals are both appreciated today and preserved for future generations;
- To restructure the NTA as an efficient and effective national tourism organisation, marketing the tourism products and services of Romania, ensuring quality product and service standards, providing information to visitors and supporting all sectors of the country's tourism industry in the development of tourism;
- To develop and implement annual collaborative public/private sector destination marketing plans targetting all major markets with potential for Romania
- To offer coordinated support mechanisms to regional and local tourism organisations in the development of area tourism policy, strategies and plans;
- To expand the system for the regular collection, analysis and dissemination of tourism statistics and research to assist in the creation of a Tourism Satellite Account for Romania and facilitating investment and marketing decision-making;
- To establish a network of coordinated tourist information centres in all main tourist areas in order to extend a warm welcome to visitors, providing appropriate information to assist in their orientation, enjoyment and appreciation of the destination;
- To develop a nationwide database of tourism products, facilities, events and services with both tourism industry and public access;
- To develop a refined system of product and service classification and grading to ensure the provision of quality products and services to meet visitor needs and expectations;
- To introduce mechanisms and incentives to facilitate investment in tourism by both Romanian and foreign investors;
- To develop the provision of pre-vocational and vocational training for the hospitality sector so that curricula evolve to meet changing market needs and sufficient staff are qualified to meet employment demand / fill employment vacancies;
- To facilitate the development of a national convention centre enabling the capital and country to compete for international meetings;
- To develop Romania's spa resorts to offer the range of treatments, facilities and services demanded by a rapidly changing customer base;
- To develop mountain areas and resorts to offer year round facilities and attractions for visitors;
- To identify season lengthening development opportunities for Black Sea coastal resorts and facilitate their introduction;
- To ensure the requirements of tourists are given prominence in the development of the national transport system including road and rail networks, airport and harbour infrastructure;
- To expand the national tourism signage system in conformity with EU standards and introduce themed tourism routes;
- To assist the development of ecotourism in the Danube Delta, national parks and reserves and rural areas legislation;
- To train and assist major national museums and monuments in improving their visitor facilities, especially welcome and interpretation and marketing, as an example to all such monuments.

Provided the structural, product, service and marketing improvements recommended in this plan are implemented, quantitative goals are expected to be achieved by 2026 as follows in Table 3.

Table 3. Quantitative goals for tourist development of Romania till 2026.

Index	Measure	2011	2016	2021	2026
International tourist arrivals	('000)	7707	9736	12279	15485
International visitor expenditure	(Euros million)	1726	2947	4798	7740

Source: Romania National Development Master Plan

3. Strategic goals of Bulgaria as a tourist destination

In the context of the strategic qualitative and quantitative goals pursued by the main competitors, the Bulgarian managing tourist subjects must work hard, so that the destination does not fall back by competitiveness. The country would not be able to form a sustainable competitive advantage, relying mainly on the mass, standard and cheap kinds of tourism. Raising the competitiveness of Bulgaria as a tourist destination corresponds with its positioning at the market as a palette of attractive and qualitative tourist products, giving high pleasure to the customers from concrete, clearly distinguished and studied market segments. It means not just and only a strive to increase the number of tourists in limited resorts, but balancing the visits within the regions of the country and by periods throughout the year, increasing the average stay of tourists and increase in the revenues per tourist visit in the country. Bulgaria will become more competitive at the international tourist market not by offering lowest prices on the part of its tourist industry, but by the use of appropriate prices with regard to the quality of products, which include a reasonable profit and allow investment in the tourism development of the country.

Raising the competitiveness of Bulgaria as a tourist destination means reaching economic growth through tourism, aimed at improving the quality of life in the country, preserving its natural and cultural heritage for the future generations.

The vision for the development of Bulgaria as a competitive tourist destination should embrace the idea of forming a sustainable tourist sector, which firm strategy and structure are orientated towards maximum satisfaction of customers from determined in advance, studied and chosen effective market segments, through qualitative specialized tourist products, having a big, added in the destination value. The potential for realization of such a vision is expressed in the diversity of natural and anthropogenic landmarks, which distinguishes Bulgaria. The formation of saturated with special offers tourist supply in a long term will bring about an increased share of Bulgaria in the total expenses, made by tourists during their travel. The profitability of the tourist activity in the country will increase. The dependence of the tourist destination on the mass cheap forms of coastal and mountain holiday tourism will be reduced - forms that dominate at the moment and which bring low revenue at the expense of the exhausting use of the natural tourist resources.

The core moment in the vision for the tourist development of Bulgaria should correspond to the use of the opportunities for elaboration and offer of specialized tourist products, varied by their content. A condition for the realization of this potential is the formation of abilities in tourist entrepreneurs for elaboration and commercialization of such products, as well as serious engagements of the public sector to support the tourist sector of the tourist destination. The state, the local authorities for self-management and the branch organizations should assume their role of leaders in the process, reinvesting a great part of their tourist revenue in facilities for tourist activity of the private sector – directly in the marketing of the tourist destination and indirectly in factor conditions (protected tourist resources, infrastructure, personnel) which are necessary for a profitable tourist business. The realization of the vision for the tourist development of Bulgaria requires a high level of consensus, unity of action and partnership between the private and the public sector.

The vision for the development of the tourist destination Bulgaria could be specified in logical sequence by the following priorities:

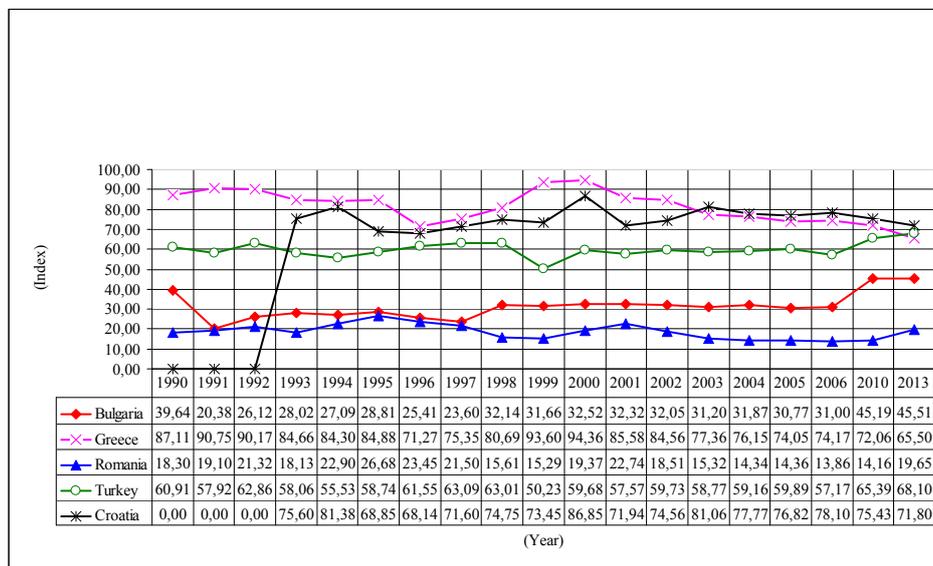
- Facing the segmented tourist market by all stakeholders;
- Leadership and investments of the public sector of Bulgaria for preservation of the tourist resources, modernization of the material and technical infrastructure and the elaboration of specialized production factors (personnel, technologies, etc.) as a basis and potential for competitive tourist development;
- Formation of a dialogue and a high level of partnership between public and private tourist sector of the tourist destination;
- Development of knowledge and skills in the subjects from the private sector for offering qualitative, specialized tourist products at competitive prices;
- Use of differentiated marketing mix for effective target segments of the international tourist market;
- Information positioning of Bulgaria as a desired brand of the tourist destination, implanted in the mind of every visitor as a permanent positive emotion for acquired great value for money.

The formulated vision for the development of Bulgaria as a competitive tourist destination should be bound with quantitatively measurable long-term goals till 2013 as follows:¹³

- International tourism receipts - 9 billion USD;
- International tourist arrivals - 9 million;
- Number of overnight stays or foreign tourists – 45 million;
- Number of beds in hotels and similar accommodation facilities - 560 thousand;
- Number на people employed in the tourist sector - 210 000

When reaching the set up quantitative goals for the development of the Bulgarian tourism, in the context of the strategic intentions realized by the competitors and all other conditions equal, in 2013 Bulgaria could get near to the competitiveness of the leaders Croatia and Greece (Figure 2).

Figure 2. Quantitative Index for competitiveness for Bulgaria, Greece, Romania, Turkey and Croatia for the period 1990 - 2013



Reaching the quantitative goals set up is connected with the realization of the following concrete purposes in qualitative aspect:¹⁴

¹³ State Agency for Tourism, 2008, National Strategy for Sustainable Tourism development in Bulgaria 2008-2013.

- Preservation of the attractiveness of the natural tourist resources of Bulgaria;
- Raising the attractiveness of the anthropogenic tourist resources of Bulgaria;
- Reconstruction and modernization of the infrastructure in service of tourism;
- Quality improvement and diversity of the tourist superstructure;
- Quality improvement of goods and services, offered by the tourist industry of Bulgaria;
- Creation of favorable business environment for the tourist industry on the part of the public sector of Bulgaria;
- Improvement of the management in the private tourist sector of the tourist destination Bulgaria;

We can point out the following **strategic approaches** as being appropriate for the realization of the vision laid down, and the aims and purposes resulting from it:

- Receding of the country from its state of “*destination- commodity*” and approaching a future state of “*destination-status*”¹⁵ Efforts are required for positioning of the tourist destination in the consciousness of its consumers as being unique and irreplaceable;
- Pursuit of *differentiation (distinction)* of the product lines of the tourist destination at target markets and target market segments through creation and support of unique qualitative features of the full of matter product elements;
- *Focusing* on certain specific segments of the tourist market and realization of related to them differentiation compared to the competitors.

The above mentioned strategies, pointed out as appropriate for Bulgaria, correspond compulsorily with the implementation of differentiated marketing approach in combination with a concentrated marketing approach in planning the marketing mix of the tourist destination.

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¹⁴ Marinov, S., 2006, *Marketing management of the competitiveness of a tourist destination*, Varna: Slavena, 148-165

¹⁵ Gilbert, D., 1990, “Strategic marketing planning for national tourism”, *The Tourist Review*, 1, 18-27