Volume II – Destination Development Plans – Plan No.1:

Tourism Development Plan for Ohrid, Struga, Prespa and Surroundings

One of ten Destination Development Plans for Macedonia

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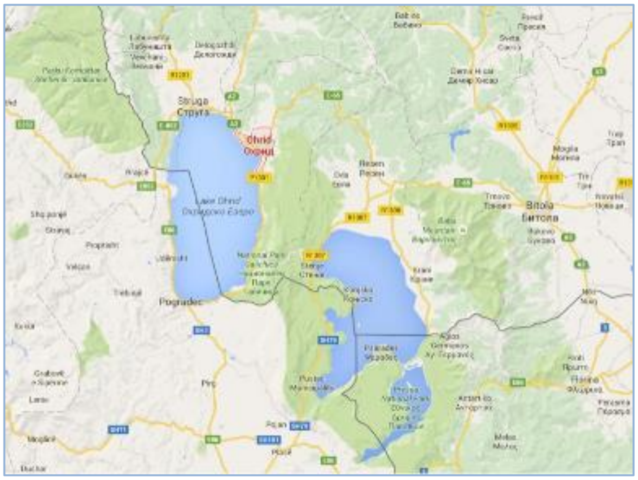


1. Introduction

This tourism destination development plan has been created in consultation with and with inputs from stakeholders from the areas of Ohrid, Struga, Vevcani, and the surroundings. The destination development plan is designed to be used to inform implementation of critical activities that will increase competitiveness and improve the visitor experience.

Definition: Destination
"A tourism destination is a physical space in which a visitor spends ***at least one overnight***. It includes ***tourism products*** such as support services and attractions, and tourism resources within ***one day´s return travel time***. It has boundaries defining its management, and images and perceptions defining its market competitiveness."

- UNWTO

1.1. **Describing the destination:** the ‘destination’ is not defined by administrative boundaries, but rather by key elements that make up a destination from a visitor perspective. This destination therefore includes the natural, cultural and man-made attractions, facilities, services and resources that make up this particular hub of tourist activity, centered around the focal attraction of Lake Ohrid[1]. This destination therefore includes tourism assets in Ohrid, and the nearby areas of Struga, Vevcani, Prespa Lake, and Galicica National Park. These surrounding areas are included under the Ohrid destination because they are all within the catchment area (one day excursion) of the tourist hub of Ohrid, and they have all have assets and attractions that are complimentary and well suited to each other, creating a strong identity.

2. The Vision, USP and Strategic Goals[2]:

2.1 Vision

The following shows a graphical representation of the frequency of terms and phrases that were used by stakeholders to express their vision of how tourism in the destination

[1] Section 2 of Volume 1 provides further detail on how destinations were identified and selected
[2] The data used in this section was collected during a destination management workshop on January 23, 2018 in Ohrid

will look by 2030[3]. This can also be interpreted as an aspirational unique selling proposition (USP).

These words are aspirational and reflect the ambition of stakeholders to develop and build on their core strengths, particularly around ideas of adventure, culture and quality as a tourism destination.

The following vison for the destination has therefore been developed:

In 2030, we will have retained our position as Macedonia's best-known and most visited destination, whilst also increasing the profitability and sustainability of the tourism industry and its economic impact. We will offer year-round adventure, wellness, culinary and cultural experiences and a series of new events and festivals, including Ohrid food and wine festival. The strength of our offer will also have been broadened through ecotourism development in UNESCO's Prespa and the National Parks sites,– also extending the distribution of tourism's benefits more widely.

Strategic Goals and Targets for 2020:

[3] The data used in this section was collected during a destination management workshop on January 12, 2018 in Veles

The following goals were identified by stakeholders during participatory workshops as most important for the destination:

1) Better conservation of ecosystems and natural resource management

2) Maintain and enhance (more and better) job opportunities

3) Preservation of local traditions and culture including handicrafts and heritage structures

4) Improved and expanded facilities and infrastructure for residents

5) Increased number of SME opportunities

Destination-specific targets that show how these goals will be met need to be formulated by destination stakeholders together with timings.

3. Destination Overview and Supply Characteristics

Destination Supply and Tourism Assets

Ohrid is one of the two dominant centers of tourism activity in fYR Macedonia. It is home to Lake Ohrid, listed as both a cultural and natural site on the UNESCO World Heritage List, and the most popular destination in the country. The region around Ohrid, Prespa and Struga has a rich asset base comprised of diverse and well-preserved natural features as well as distinctive tangible and intangible cultural heritage. The wide portfolio of attractions has been recorded and analyzed in detail in previous reports[4], which this plan will not repeat. The following main attractions in the area are highlighted to outline the dominant profile of the destination supply, especially in the context of priority market segments (tourist demand) discussed below:

- Ohrid Lake and surrounding nature
- Prespa Lake and surrounding nature
- Golem Grad
- Town of Ohrid (including. cultural and religious sites)
- Galicica National Park
- Hiking, mountaineering, biking
- Rural and traditional experiences

In addition to the most prominent attraction, Lake Ohrid, this destination includes the second largest lake in Macedonia – Prespa. Described as equally beautiful to Ohrid, Prespa Lake has significant but under-utilized tourism potential. It is home to one of the most fascinating attractions in the country – the island Golem Grad. This destination also includes Galicia National Park, which covers an area of over 270sq km of well-preserved

[4] For a list of strategic documents and reports reviewed as part of the work on the development plans, see Volume 1 of this document.

mountain landscapes between the two lakes. The park protects a rich diversity of animal and plant species, including some endemic species. It offers excellent opportunities for active outdoor experiences such as hiking, biking, nature observation, animal and nature safaris, etc. While these are of prime interest for targeted priority segments, they remain underdeveloped.

This destination also borders Albania, providing opportunities for cross-border offerings, which are also particularly attractive for the identified priority segments, especially coming from long-haul destinations. In addition to opportunities for cross-border offerings, Ohrid is well positioned also in terms of linkages with other destinations in the country. It borders Pelagonija, which is home to assets that are similarly attractive to the identified priority segments. Its location makes it possible to create linkages and extended offerings also with complimentary attractions and products in Reka region and Mavrovo, as well as the wine region around Tikvesh.

Ohrid area enjoys a rich accommodation portfolio, which represents more than half (58%) of the lodging capacity in the country. Based on official data lodging capacity is around 16,370 rooms and around 42,000 beds. This includes a few large 5-star hotels, many mid-size and mid-range facilities as well as many small family-owned bed & breakfast facilities. Homestays are also available. A detailed breakdown of the accommodation portfolio in the area of Ohrid is presented in the table below.

Compared to Lake Ohrid, accommodation around Lake Prespa is very modest with few small hotels and bed & breakfast operations, many of which are not officially listed.

*Table 1: Ohrid's Online Accommodation Portfolio**

Hotels	46
Guest houses	99
Villas	17
Holiday homes	9
Bed and breakfast	9
Country houses	2
Hostels	6
Apartments	275
Homestays	3

Note: *based on data from Booking.com

Current Supply Development Pipeline and Opportunities

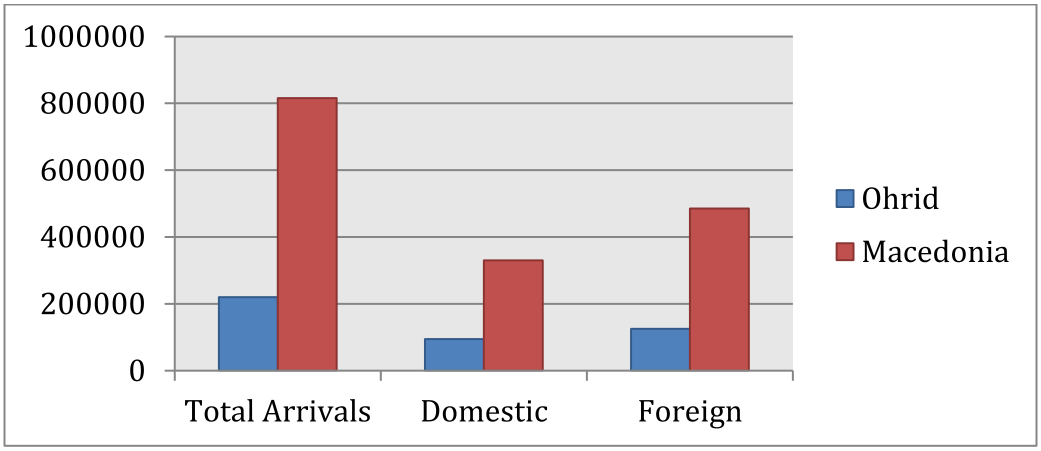
The portfolio of existing attractions and undeveloped assets, as well as existing services in the destination offer a strong supply mix that matches the demand specifics of the priority segments discussed later in this plan. In addition, there are some recent developments and destination specifics that represent particular opportunities for improving the offerings for priority segments.

- **Active tourism flows going through Ohrid** create opportunities for easy linkages to experiences in less-developed surrounding areas. There is high concentration of tourism activity in and around the town of Ohrid but the surrounding areas, including the national park, vibrant villages and Lake Prespa offer opportunities for expanding Ohrid's portfolio with activities that can easily be linked to the existing offering of the destination. These can be an especially good fit for the priority segments for the destination.
- The **existence of living villages** in the areas surrounding the town of Ohrid offer opportunities for the development of high-value rural, traditional and culinary offerings. The success of developments in Vevcani is indicative of the potential in this direction.
- The **proximity of Galicica National Park** offers many opportunities for outdoor activities that can be linked to developed attractions in and around Ohrid. This is especially relevant for the identified priority segments, which are eager to engage in outdoor nature-based activities, including hiking and biking, nature exploration, nature photography, etc.
- The existence of **outdoors infrastructure around Lake Ohrid, and marking and trails in Galicica National Park**, some of which was recently developed, are already creating opportunities for outdoor activities in the area.
- The **newly developed beach area in Prespa**, which includes attractive infrastructure and transformation of lake beachfront, increases the attractiveness of Prespa Lake as leisure destination.

4. Arrival and Demand Trends

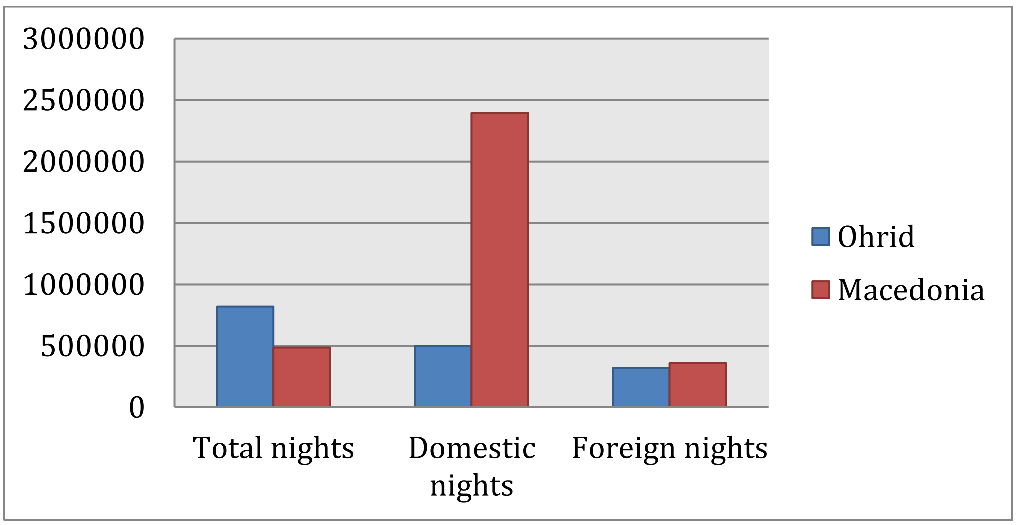
According to official data in 2015 the area around Lake Ohrid received 27% of all arrivals in the country and 34% of all overnight stays in fYR Macedonia. As official statistical data on arrivals and overnights is based on reported arrivals at official paid accommodation facilities, it could be concluded that the actual number of visitors in Ohrid is much higher. This is especially true for domestic and regional tourists who frequently rent private, non-official, accommodation or stay with friends and relatives. This automatically leaves them out of the officially collected data on arrivals. It should also be noted that official arrival data is limited to accommodations around Lake Ohrid and exclude some areas that are included in the destination as outlined at the beginning of this plan (for example Lake Prespa). Arrivals data should therefore be read as indicative and not comprehensive.

Figure 1: Arrivals in Ohrid and fYR Macedonia



Source: State Statistics Office (specific figures and details provided in Annex)

Figure 2: Overnight stays in Ohrid and fYR Macedonia



Source: State Statistics Office (specific figures and details provided in Annex)

In quantity terms the bigger share of visitors to the Ohrid area are charter tourists from the Netherlands and other European countries traveling on package holidays. The price of the packages depends on the quality of hotel and included programs but is relatively low for comparable packages in Europe and the region.

Another important market includes tour groups from Turkey, which travel throughout fYR Macedonia to visit cultural and religious sites. Short-break tourists from the region, mainly Bulgaria, are common on weekend and around holidays. Ohrid is included in the itineraries of the growing number of small group or independent active or soft adventure travelers who are curious to explore both the nature and the culture of the region.

Ohrid area is a very important destination for the domestic market. 43% of all visitors in 2015 were domestic, and that does not include the high number of domestic guests who stay at friends and relatives or at vacation homes. Especially in low and shoulder season Ohrid hotels also benefit from the local MICE market.

Table 2: Number of Overnight Stays and Tourist Arrivals in Ohrid, 2010 and 2015

	Number of Overnight Stays			**Number of Tourist Arrivals**			**Average Length of Stay**
	2010	**2015**	**% change**	**2010**	**2015**	**% change**	
Foreign	147,576	319,658	117%	59,896	125,468	109%	2.55
Albania	7083	-	-	3766	-	-	-
Kosovo	6,492	48,120	641%	3,553	31,270	780%	1.54
Serbia	8,283	23,742	187%	3,459	9,696	180%	2.45
Turkey	9,066	17,087	88%	4,596	8,445	84%	2.02
Germany	30,914	20,077	-35%	10,325	6,442	-38%	3.12
Domestic	644, 415	498,517	-23%	105,213	94,476	-10%	5.28

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Source: State Statistical Office

Current product development and marketing largely focuses on high-volume low-value tourism. This might not be the most effective strategy both from profitability perspective, and from sustainability perspective requiring long-term preservation of Macedonia's top tourism asset. The growing low-cost charter market seems to generate the biggest share of arrivals and nights spent at reported package prices starting as low as 159 -229 Euro for a week including airfare[5]. Interviews with local tourism businesses revealed that local hotels receiving tourists on the cheapest packages earn between 9 and 12 Euros for bed and breakfast. Some of the more expensive all-inclusive packages (279 to 445 Euro) include excursions and activities in surrounding areas, which bring local providers 15 Euro per guest.

5. High Potential Market Segments

The destination offers great opportunities for competitive offerings that appeal to a variety of traveler profiles. Indeed, all segments identified at the national level have some relevance for Lake Ohrid. However, two specific market segments are identified as having particular significance for tourism development in Ohrid: Organized active tourists and Independent active tourists.

Both segments are characterized with demand characteristics that align with the existing and the potential tourism supply. They segments are attracted to the nature, culture and history, as well as to the local and authentic rural experience that can be found in the area. These segments are characterized with consumption behavior that can catalyze a more balanced distribution of tourism flow by increasing visitation and spending in more rural and less developed areas surrounding Ohrid. Stimulating tourism development by targeting these two segments provides particular opportunities for increased economic performance of tourism in this destination through diversification, spreading of tourism flows and increasing average daily spending.

The sections below introduce both segments with more details. Their description is followed by a discussion of the rationale behind their prioritization and the opportunities for desired tourism development they can generate.

Organized active tourists are part of an organized tour group (size ranging from 5-25 people) traveling with a specialty operator around Macedonia. For them the region of Ohrid, Struga and Prespa is of interest as it offers a mix of cultural and nature-based experiences that are attractive to this segment. Ohrid is a must-see attraction for them (just like all segments) but they are curious to see Lake Prespa as well as explore the outdoors in the area. While there are plenty of attractions around Ohrid, the things to do outside of the tourism center are underdeveloped or below market

[5] These figures are prices quoted for a week's holiday during the summer season. They were quoted through online tour operators and obtained in July 2016.

readiness. Specialized tour operators have the expertise and capacity to identify new and underutilized assets, and weave them into tour itineraries enriching the market, which can catalyze advancement of the destination portfolio. Many of the investments that would meet the needs of these travelers will appeal to representatives of other segments as well so there will be strong spillover effect. This segment is high priority for this destination and the surrounding areas where they are already visiting for outdoor activities and cultural experiences.

Key Segment Insights and Prioritization Rationale: This segment is prioritized for Ohrid destination because of its higher spending power, its interest in local and authentic offerings, interest in buying from local providers, and interest in natural and cultural assets. Anecdotal evidence suggests that organized active travelers devote on average 4 to 7 days to exploring the country and spend between $150-300 per day. At the same time, this segment has high expectations in terms of service culture and quality of experiences. This means that tourism development with prioritized targeting of organized active tourists requires investment in infrastructure and services that match their expectation and make the more established destination of Ohrid a desired destination. Among the opportunities for improving existing supply to drive growth in this segment are better quality tourism infrastructure, more market-relevant product offerings and improved service quality.

Independent active tourists (including domestic) are drawn, like all other segments, to the region of Ohrid, Struga and Prespa. This segment, however, offers important potential for growth in the destination. They travel on their own taking care of their bookings and itinerary developments. They are adventurous and attracted to new and less-conventional experiences. They are a leading market for many rural offerings, including traditional

B&Bs, traditional restaurants, culinary experiences, combined with outdoor activities such as biking, hiking, mountaineering, etc.

Currently independent tourists are most actively present in the area of Ohrid and surroundings. They visit Prespa (including Golem grad) but with limited accommodations and underdeveloped attractions they spend less outside of Ohrid than they wish. Galicica National Park and surrounding areas offer good opportunities for desired experiences but limited infrastructure and limited offerings are impeding growth.

Key Segment Insights and Prioritization Rationale: This segment is prioritized for Ohrid destination because of its spending power and preferred direct spending with local providers. Anecdotal evidence suggests that independent active tourists spend on average between $35-65 per day. It holds significant potential for growth in terms of arrivals as well as length of stay and spending if there are more locally provided authentic cultural and culinary offerings in the areas surrounding Ohrid. With better infrastructure, more market-relevant product offerings and improved service quality, growth in this segment can generate significant economic benefits.

6. Gaps and challenges

6.1. Destination Development Challenges

The main tourism development challenge at this destination is the high concentration of tourism traffic and activity around Lake Ohrid itself, as well as the increasing focus on low-value segments. Uneven distribution of tourism flows leads to high level of pressure in areas around Lake Ohrid, which leads to negative environmental footprint and damages the quality of the experience of many guests[6]. At the same time, areas that are immediately next to Ohrid have little to no visitation and generate few benefits from tourism. Enhancing the Ohrid offering by creating linkages with surrounding areas will also lead to a more even distribution of tourism flows and less pressure on valuable tourism assets.

The second significant challenge with tourism development in Ohrid is the focus on low-value segments driven mainly by the strategic prioritization of quantitative measures (such as number of visitors) vs. qualitative measures (such as spending and impact). Growth in tourism in the recent years has been measured solely on the basis of arrival numbers but these arrivals are driven from low-spending charter tourists who come in large numbers but have limited positive socio-economic impact[7].

[6] Interview data supports this statement. A full list of interviewees can be found in the Annex to Volume I
[7] Interview data supports this statement. A full list of interviewees can be found in the Annex to Volume I

Both challenges can be addressed by changing the traveler mix attracted to Ohrid and its surroundings. By targeting travelers (segments) who are willing to spend more time and money, and venture outside of Ohrid to enjoy the less visited natural and cultural attractions, the destination can increase the positive socio-economic impact of tourism and achieve more balanced development.

It is important to note that while some challenges are more urgent than others, a real and visible strengthening of the competitiveness of the destination is only possible if the full array of gaps and challenges are addressed.

6.2. Gaps in the experience of the priority market segments

The combination of cultural and natural assets makes Ohrid a very attractive destination for Organized and Independent Active Tourists. Both groups are attracted by opportunities to visit new places of extraordinary natural beauty and interesting culture. While existing tourism assets hold strong potential for appeal to the priority segments, the experience value chain analysis revealed gaps in current supply and delivery, as well as underutilized opportunities.

The following section summarizes the established gaps and opportunities for improvements in the traveler experience that the destination currently offers across the two priority market segments. They are organised below in six sections; accommodation and hospitality, activities and experiences, attractions, capacity, brand or image and infrastructure. This is followed by indicative interventions that may help to address these gaps in order to strengthen the competitiveness of the destination.

6.2.1. Accommodation and Hospitality

<u>Gap 1: There is a gap between the quality of offered accommodation and the expectation of priority markets</u>

Detail and explanation

- The style of many existing accommodation facilities in the destination of Ohrid does not align with the expectations of the two priority markets in terms of interior design and ambiance, furniture, quality of mattresses, etc. This is equally the case for both market segments.
- Many accommodations do not offer services that are important for the priority segments (flexible food timing options, laundry services, bike parking, etc.)
- The availability of homestays is appropriate for some of the priority segments in this destination (independent) but most of them are in the informal sector, which leads to inconsistent quality and service, lack of standards and an inability to secure safety
- Accommodation of this quality is even harder to find outside of the City of Ohrid.

These problems arise because;

- Many accommodation providers are effectively competing on price rather than quality. There is evidence, however, that travelers from both priority segments would be willing to pay higher prices for a better product. International operators serving the priority segments report that they would prefer to offer accommodation of a more appropriate quality (even at higher prices), but there is none available.
- Many service providers lack knowledge of the needs and requirements of targeted tourists, and are not accustomed to directly addressing or modifying the product according the traveler expectations or feedback

Feedback from specialized adventure tour operator:

'There are few good accommodations and they are spread out so operators do not have many options. Accommodations force you to have lower price as the quality is not there to offer a higher-quality package with higher price for lodging. Sometimes it is a matter of improving convenience basics such as having a lamp or matching curtains but other times it is the lack of amenities'.

Feedback from Independent Traveler:
'Unfortunately cleanliness needs to be improved, for example an ashtray full of cigarette stubs was left on the balcony of our room…. There was only one plug available to charge camera batteries and cell phone and tablet…. The amenities were very limited'

Filling the gaps

<u>1a. Ensure the style of accommodation facilities meets the expectations of target market segments</u>

There is need to align the design and style of existing accommodations with the expectations of the priority segments. This includes improving interior design and ambiance, as well as availability of specific elements that are very important for the traveler experience: quality bed and mattress, well-functioning bathroom with a simple but well working shower (instead of or in addition to bathtubs for example), consistent and well working heating/ cooling systems, water and electricity, etc.

Indicative Activities to fill this gap:
a. Improvements and maintenance of existing small, traditional and rural properties that offer homestays or bed & breakfast accommodation. Improvements need to be towards bringing existing small properties (up to 20 rooms) to current market standards such as ensuring quality of bathrooms, improvement of bed quality and mattresses, adding or removing room accessories, improving green areas around properties (for more details see checklist in Annex), and capacity building for owners and managers on understanding and responding to markets.

b. Improvements can also support the development of additional installations that are needed to meet the needs of targeted markets. These may include: bike parking or storage areas, laundry rooms, kitchen improvement to enable additional or extended service, etc.

c. Filling this gap effectively should also secure better alignment between providers and the expectations and needs of targeted segments. This is discussed in capacity building gaps in the non-destination specific chapter (chapter 2).

<u>1b. Ensure that quality accommodation facilities that appeal to the market segments can be found and booked outside of the City of Ohrid</u>
Ohrid offers rich variety of accommodations, including some traditional bed and breakfasts and traditional villas. Potential expansion of the accommodation offering should be only in accommodation offerings outside of the highly concentrated Ohrid area. Villages and other less visited areas in the destination, including around Prespa, should be the main focus of such activities. Homestays or local B&Bs are better fit for the profile of the destination and the targeted segments. They also secure more linkages to local economy and channeling of economic benefits directly to local communities.

Indicative Activities:
a. Support for new accommodation projects should be focused only outside of the core and overdeveloped Ohrid area: in and around Lake Prespa, in villages and rural areas outside of the central Ohrid area.

b. Support for market access to existing small properties, which are in operation but are not registered or listed anywhere and have limited access to the market. This can include assistance with development of online marketing channels (website, social media presence) and distribution channels (presence on Booking.com and others). These can only be in rural areas outside of the central Ohrid area and around Lake Prespa.

c. The diversification of properties with more traditional and rural properties in the area needs to be linked to capacity building that secures alignment with the expectations and needs of targeted segments. This is discussed in more detail in the cross-destination gaps chapter, but will need to be implemented at the local level.

<u>**Gap 2**: There is limited and uneven availability of food offerings geared towards the tastes and needs of the priority segments</u>

Detail and explanation

- While there are plenty of eating locations in Ohrid, many of them lack distinctive ambiance and menus that reveal local culinary traditions and highlight the quality of local food. This is very important to the priority market segments who place high value on traditional culinary experiences as part of their trips.
- There is gap between the quality of local produce and culinary traditions of the region, and available food offerings (especially outside of Ohrid)
- The design and presentation of food is not aligned with current demand and the new trends in culinary experience design (there is focus on overwhelming design rather than simplicity)
- Local providers' culture towards large quantities of served food can be perceived negatively by international travelers as they associate it with unnecessary food waste
- There is limited preparedness to offer food options that meet the needs of people with dietary restrictions

These problems arise because;

- Many food service providers have very limited understanding of the needs and wants of priority segments, and expectations of international tour operators.
- There is inclination among food providers to attempt to recreate international cuisine rather than to highlight the Macedonian/ Balkan culinary tradition.

Filling the gap

2a. Ensure priority markets have access to more and better quality food service providers with a strong emphasis on local ingredients and tradition.
There is need to expand the number of food offering providers in the region, especially those that are based on local traditions and culture, and those that are outside of the center of tourism activity in Ohrid. Small local traditional restaurants that serve traditional meals or interpretations of traditional meals will both meet the expectations of priority segments, increase linkages to local economy and agriculture, and secure distinctiveness of the experience in this destination.

Illustration
Authentic and simple food presentation in a traditional local restaurant.

Indicative Activities:
a. Investments in development of new food service facilities should be encouraged only in rural areas and around Lake Prespa. These should be distinctive in character and focused on interpretation of local culinary tradition. During the short-term, priority should be placed on developing food service facilities (that are viable) outside of Ohrid,

and especially in places where there is potential for tourism flow but no food service in proximity.

2b. Ensure visitors experience culinary services outside of standard meal services
There is need to grow and diversify the culinary offerings available to tourists. The excellent local culinary traditions hold tremendous potential for the design of high value added experiences that may include food preparation demonstrations of local meals, cooking classes, farm experiences, spice and fresh produce gardening experiences, etc. Diversification can come also from the format in which food services are offered, for example through the incorporation of farm-to-table experience or open-air picnics instead of standard lunches at restaurants. These can be incorporated both as food service components and as attractions.

Indicative Activities:
b. Investments in development of new food-related experience, which diversify the format in which meals are presented (adding flexibility for itineraries) and which contributes to diversification of traveler experiences. Examples can include but should not be limited to: outdoor wine and cheese tastings, picnic offerings, farm-to-table experiences, etc. During the short-term investments should focus on support projects for alternative culinary experiences.

2c. Ensure that service providers are better prepared for visitors requirements and dietary needs
There is a need to improve the understanding of potential dietary restrictions and ways to address them among food service providers. They need to develop specific skills and add necessary services (such as providing information on ingredients or source of produce) to meet the expectation of priority traveler segments.

Indicative Activities:
c. Investments in development and execution of training or skill improvement programs, which use relevant and working approaches. Relevant activities may include sessions for information and experience exchange with international operators. This is addressed in more details in the national/ cross-destination section but illustrations are provided in the Annex.

6.2.2. Activities and Experiences

Gap 3: There are not enough products and attractions that are specifically geared towards the priority segments

- While there is significant potential, there has been limited development of experiences that gear specifically towards the two different priority segments, including opportunities to engage in core experiences (such as hiking/ biking for organized and independent active tourists) as well as opportunities for supporting and supplemental experiences (such as but not limited to cultural events, demonstrations of celebrations and traditions, dancing or signing lessons, etc.)
- The outdoor activities such as hiking, biking, mountaineering and others are underdeveloped and at times with quality that is lower than expected

- There is very limited availability of experiences based on local culture and history, local celebrations, culinary traditions, etc.

These problems arise because;

- Many local tourism business operators have very limited understanding of the needs and wants of priority segments, and expectations of international tour operators.
- There is limited access to market knowledge that can guide tourism businesses in their decisions to invest in new experiences and offerings.
- There is limited public investment in infrastructure that gears towards the targeted segments due to the lack of priority on outdoor forms of tourism.

Filling the gaps:

3a. Ensure visitors have access to visitor infrastructure in natural areas in the region to enable outdoor activities

The development of hiking, biking and horseback riding paths (see illustration) is important for the destination for several reasons. First, travelers interested in nature-based experiences seek to engage in active exploration of nature through activities such as hiking, biking, horseback riding, water sports, etc. The practicing of these activities requires paths and supporting infrastructure, which is currently limited to some areas around Ohrid and some in Galicica National Park. At the same time the region has excellent assets and conditions for such soft outdoor activities. These can use improvements also around Orhid and Prespa, as well as in Pelister National Park where some infrastructure and marking exist. Second, routes and trails that enable easy movement throughout the region will allow for enjoyment of different parts of the destination and will encourage visitors to stay longer and visit more places. Third, visitor infrastructure encourages non-motorized movement, which is associated with low impact on biodiversity and ecosystems. Fourth, visitor infrastructure itself can enhance the quality of the natural environment and become an additional draw for tourists.

Indicative Activities:
a. Investment in the designing and installation of infrastructure that enables hiking and biking: investments around the lakes of Ohrid and Prespa, as well as in Galicica National Park that improve and enhance the current trails, development of biking trails that enable biking trips throughout the destination. In addition there is a need to install visitor infrastructure around Lakes Ohrid and Prespa that enables pedaling, kayaking, and other water-based experiences.

3b. Ensure visitors have access to more and better quality products and experiences around nature and water

In addition to more traditional outdoor activities such as hiking and biking, assets around Ohrid and Prespa allow for the development of more water-based outdoor activities such as boating, kayaking and others. Currently there are mostly traditional boat tours that are available in the area and almost no opportunities for enjoying the wonderful lakes in the region with very popular water-based activities such as kayaking, boating, stand-up paddling (see illustration), etc. More adventure water-based activities such as wake boarding are can also very attractive both for domestic and international tourists.

Indicative Activities:
b. Invest in development (private sector-led) of traveler experiences that are based on enjoying water and surrounding nature. This may involve installation of equipment and light infrastructure but should be focused on offering water-based experiences and providing supporting services.

<u>3c. Ensure visitors have access to more and better quality products and experiences around local culture, farming and culinary traditions</u>
There are almost no visitor experiences in the area that are based on local culture, culinary tradition, farming practices or other distinctive elements of the heritage of the region and its people. The development of these is possible and realistically relatively easy as there is an abundance of assets that are in place. There is need to address the lack of skills and capacity in identifying these assets and packaging them in a market-relevant format. Collaboration with specialized tour operators can help address some of the missing capacity as well.

Indicative Activities:
c. Invest in development (private sector-led) of traveler experiences that are based on enjoying outdoors, nature, culture and local traditions. Use more effectively Macedonia's natural and cultural assets such as natural and cultural landscapes to offer experiences that allow travelers to learn about and "taste" local culture, traditional ways in which Macedonian people interact with nature, their cultural and culinary traditions.

<u>3d. Ensure visitors have access to locally-produced crafts, souvenirs and supplementary products linked to local traditions:</u>
There is limited availability of products and souvenirs that are typical for Macedonia or the specific regions. In addition to the especially designed souvenir boots installed around tourist areas, there is need to make local souvenirs, crafts and easy-to-take food items (bottles of wine or rakia, jars with aivar or fruit jams, traditional herbs and spices, etc.) available at more places visited by tourists. These can be tourist sites but also hotels and other accommodation facilities, restaurants, different attractions, resting points, etc. The purchase of locally produced crafts, souvenirs, food items can generate more economic benefits than visitor fees so this is an important opportunity to multiple the impact of tourism. The improved availability should be combined with actions stimulating the development of such products, including improving skills as to the design, packaging, branding, pricing, etc.

Indicative Activities:
d. Invest in the development of markets and local capacity to produce better and more souvenirs, which are authentic and relevant to Macedonia's traveler experience. This may involve efforts to generate ideas about potential souvenirs as well as capacity building (enabling) for their production by local communities.

<u>3e. Ensure that activities are designed in order to better meet the expectations of visitors</u>
The growing demand for experiential consumption requires the incorporation of more service and product design approaches that create experiences by engaging travelers through their senses, emotions and mind. Active culinary experiences are an excellent example of experiential design where travelers have the opportunity to smell ingredients, feel products and do by trying to prepare some local foods. Experiential design techniques can transform the quality of attractions that are currently static including museum, exhibitions, etc. Interpretation and storytelling techniques are essential and will be discussed later in this section as well.

Indicative Activities:
e. Invest in the development and delivery of programs for training and capacity building focused on principles of experience design and experiential engagement of customers.

6.2.3. Attractions

<u>Gap 4: There is inconsistent and poor maintenance of sites and attractions, which negatively impacts the visitor experience</u>


Figure 1: Stand up pedaling on a lake

Detail and explanation:

- The region has some attractions which are not well maintained and need repair
- Some of the existing attractions need upgrade and modernization in terms of interpretation and visitor services
- Some attractions and sites suffer from poor waste collection and the presence of waste damages the traveler experience

These problems arise because;

- There is limited understanding on the importance of good maintenance of attractions and the fact that they are the main reason travelers visit.
- There are limited resources for maintenance and refurbishment activities.

Filling the gaps

4a. Ensure that attractions and sites are rehabilitated to a condition that meets visitor expectations:
There is need to improve some of the cultural heritage sites in the area. In addition to improving their overall physical condition (fix broken or missing infrastructure, install safety infrastructure where needed, install interpretation signs) there is need to improve the interpretation (including by incorporating some contemporary technological solutions) and the overall visitor experience. This is important for both market segments.

A good example for a site that needs improvement in maintenance is the ancient theater in the center of Ohrid. An important aspect of the maintenance of sites, especially cultural sites is the design consideration of visitor infrastructure and services such as crafts selling points. For example, the design of the area with crafts sellers and restaurants leading to St. Naum in Ohrid is in harmony with the site and the surrounding natural area. In contrast, the single souvenir selling point at the ancient theater is not appropriate for the status and significance of the historical site (see illustrations).

Indicative Activities:
a. Most public attractions in the destination need to be improved and refreshed to match contemporary expectations for experience. Focus should be placed on the overall state of visited places (such as the amphitheater), removal of undesirable or poorly designed elements, improvement of the state or installation of new visitor infrastructure, installation of signage (as per earlier intervention).

4b. Ensure the visitor experience is improved through better waste management:

There is need to clean areas from existing waste as well as to introduce measures for more effective waste collection. This may include physical infrastructure (fixing and installation of waste bins) as well as some processes associated with effective and regular waste management. Other relevant measures may include behavioral activities, which lead to proper waste management behavior by citizens, travelers and businesses in the region.

Figure 3: Redesigned crafts area around St Naum

4c. Beyond the destination level there are a number of additional ways to address the waste management gap, some requiring support and cooperation from the national or central level.

These have been explored in more detail in Chapter 2.

For more details on these non-destination specific gaps, see chapter 2 of *Volume II – Destination Development Plans.*

6.2.4. Capacity building

Gap 5: There is a gap between the level of service offered and the expectation of priority markets

Detail and explanation

- Service providers across the region show inconsistent service culture in the delivery of visitor services
- There is a lack of sensitivity towards different traveler groups, as well as lack of ability to understand and respond to traveler expectations and needs

Filling the gap

This problem is complex and will need to be addressed at a variety of levels both at the destination, but also at the regional or national level.

5a. Ensure that accommodation and other tourism providers in the destination have a good understanding of the needs and wants of tour operators and the priority market segments.

There is a need by new entrants as well more established tourism service providers to receive guidance on the expectations of tour operators as well as individual travelers.

5b. Beyond the destination level there are a number of additional ways to address this gap, some requiring support and cooperation from the national or central level.

These have been explored in more detail in Chapter 2.

For more details on these non-destination specific gaps, see chapter 2 of *Volume II – Destination Development Plans*

Gap 6: There is a lack of adequate guiding capacity and skills to meet the expectations of both market segments

Filling the gap

This problem is complex and will need to be addressed at a variety of levels both at the destination, but also at the regional or national level.

6a. Ensure that local guides in the destination have a good understanding of the needs and wants of tour operators and the priority market segments.

6b. Beyond the destination level there are a number of additional ways to address this gap, some requiring support and cooperation from the national or central level.

These have been explored in more detail in Chapter 2.

For more details on these non-destination specific gaps, see chapter 2 of *Volume II – Destination Development Plans.*

6.2.5. Marketing, branding and access to information

<u>Gap 7: There is limited online content for promotion and/or information at the destination level. This affects the visitor experience in accessing timely information.</u>

Detail and explanation

There is limited and uncoordinated online information about the different events, attractions, activities and sites in and around the destination. Visitors have a need for basic information such as directions to specific attractions, opening hours or possible entrance fees, as well as more sophisticated online tools such as event calendars, itinerary generators, etc. This is especially relevant when attracting independent domestic, regional and international travelers.

Filling the gap

This problem is complex and will need to be addressed at a variety of levels both at the destination, but also at the regional or national level.

<u>7a. Ensure that independent travelers have easy access to local information in order to book accommodation as well as information on local restaurants and activities such as hiking and biking.</u>

<u>7b. Beyond the local destination level there are a number of additional ways to address this gap, some requiring support and cooperation from the national or central level.</u>

These have been explored in more detail in Chapter 2.

For more details on these non-destination specific gaps, see chapter 2 of *Volume II – Destination Development Plans*

6.2.6. Accessibility and infrastructure

<u>Gap 8: There is a lack of signage and roadside information necessary to guide priority market segments</u>

Detail and explanation

- The region lacks roadside information and signage in English that enables independent travelers to navigate throughout the region on their own with motor vehicles or bike.
- The region has limited and inconsistent visitor signage within towns and settlements, as well as recreational areas facilitating easy navigation by independent travelers.

Filling the gap

This problem is complex and will need to be addressed at a variety of levels both at the destination, but also at the regional or national level.

<u>8a. Ensure visitors are better guided to destination attractions and between towns and settlements</u>
At the local or destination level, once responsibility for key signage is determined, a plan should be put in place to address this problem, covering where to put signs, the type of signs, consistency of design, maintenance of signage etc. A first step may be to undertake a rapid assessment and to prepare a prioritized list of currently missing signage as well as signage that is in need of replacement

<u>8b. Beyond the destination level there are a number of additional ways to address this gap, some requiring support and cooperation from the national or central level.</u>

These have been explored in more detail in Chapter 2.

For more details on these non-destination specific gaps, see chapter 2 of *Volume II – Destination Development Plans*

6.3. Summary of gaps and proposed interventions

Table 4: Summary of gaps

Gap description	
1	Gap between the quality of offered accommodation and the expectation of priority markets
2	Limited and uneven availability of food offerings geared towards the tastes and needs of the priority segments
3	There are not enough products and attractions that are specifically geared towards the priority segments
4	There is inconsistent and poor maintenance of sites and attractions, which negatively impacts the visitor experience
5	There is a gap between the level of service offered and the expectation of priority markets
6	There is a lack of adequate guiding capacity and skills to meet the expectations of both market segments
7	There is limited online content for promotion and/ or information at the destination level. this affects the visitor experience in accessing timely information

8	There is a lack of signage and roadside information necessary to guide priority market segments

*Table 5: Summary of indicative interventions to fill gaps**

Indicative Interventions
Accommodation and Hospitality
Diversification of accommodation outside of Ohrid with focus on small and traditional accommodations
Improve quality of design and services at existing accommodations
Expand available food service providers
Enrich availability of culinary experiences outside of standard meal services
Improve food providers' culture and preparedness for traveler dietary restrictions
Activities and Experiences
Develop a system of visitor infrastructure in natural areas in the region to enable outdoor activities
Develop new products and experiences around nature and water
Develop new products and experiences around local culture, farming and culinary traditions
Develop and improve access to locally-produced crafts, souvenirs and supplementary products linked to local traditions
Improve experiential design of activities
Attractions
Refurbish and restore attractions and sites
Improve waste collection and waste management culture (national)
Capacity Building
Advance service culture and service quality (national)
Modernize and diversify available capacity building and skill development programs for guides (national)

Marketing, Branding and Access to Information
Create and maintain contemporary online presence for the region
Increase digital communications and social media skills of tourism operators (national)
Develop contemporary digital services for independent travelers and other priority segments (national)
Accessibility and Infrastructure
Improve signage and information on roads (national)
Improve signage and information in towns, settlements and recreational areas (national)
Develop roadside visitor infrastructure (national)

*This plan provides indicative interventions only, the gaps may be filled by numerous other innovative solutions by a variety of stakeholders.

7. Next Steps

This development plan is a living and working document, which will need to be updated at regular periods (1-3 years). This will need to be done through a participatory destination-level process that involves the main tourism sector stakeholders. The primary goals for this destination are for tourism to:

1) Better conservation of ecosystems and natural resource management

2) Maintain and enhance (more and better) job opportunities

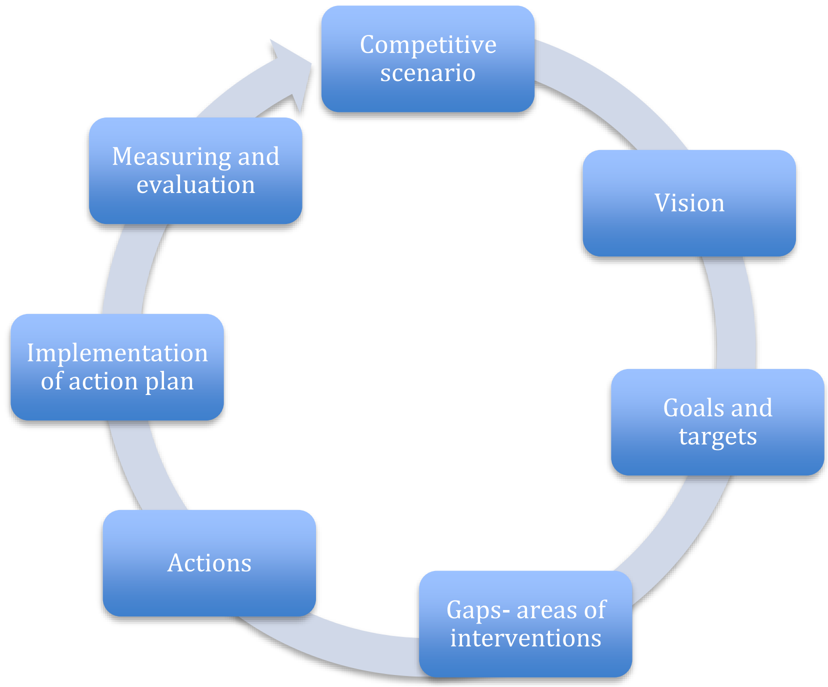
3) Preservation of local traditions and culture including handicrafts and heritage structures

4) Improved and expanded facilities and infrastructure for residents

5) Increased number of SME opportunities

These goals need to be followed by a set of clear targets, and an action plan with specific steps leading to the achievement of these targets within a specific timeframe. It gives an indication of the activities that are to be carried out, the timeframe in which they should be achieved, the stakeholders that should carry them out and the investment they will require.

Figure 4: Destination development plan cycle

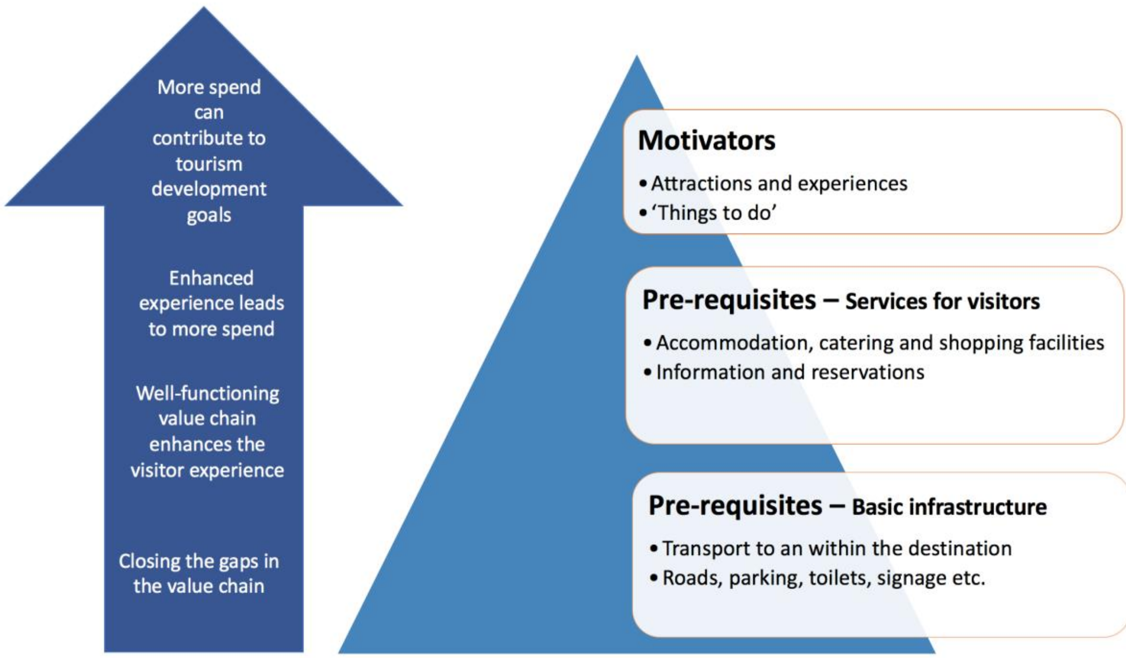


The sequencing of actions to fill the gaps depends on the goals, the level of priority and urgency and investment needed to fill the gap. Results and impact need to be monitored and measured during and after execution. The destination management partnership is responsible for the development plan and for its regular updating.

When determining the sequencing of actions to fill the gaps it is important to distinguish between the ones that are ‘pre-requisites’ that any destination must have to meet the expectations of visitors and the ‘motivators’ to attract them. Pre-requisites refer to the basic facilities and services that any destination should have if it is to compete effectively in the tourism marketplace for the respective segment. These are not the factors that will motivate people to come to the destination, but rather the fundamentals that people expect to find when they are in the destination – food and drink of certain type and quality, accommodation of certain style, availability of guides, safe transportation, etc. Different market segments have different basic requirements and provisions should be made according to the needs of the target markets that have been prioritized for the destination.

The motivators are those aspects of a destination that will trigger people’s desire to go to this particular place, rather than to any of the (many) other destinations available to them. These could be well-known attractions or events, unique authentic cultural experiences, outstanding landscapes and natural features, towns and cities with great ambience, exceptional food and drink, activity/adventure opportunities, health giving spa waters, wellness opportunities, etc.

Figure 5: The relationship between the quality of the value chain and the goals for the destination



As illustrated in the figure above, some of the gaps presented in this plan are more critical than others and will need to be addressed first, especially when they relate to prerequisites. However, a real difference in the ability of the destination to attract and impress travellers form the priority segments is only possible if all the identified gaps are filled to really enable improved visitor experience and achievement of the tourism goals of the destination.

Destination management is an ongoing process where stakeholders plan and manage the destination towards common goals. Evaluation and monitoring is therefore a key component of the development plan and can be used to demonstrate value, i.e. ensure that the activities are really contributing to the achieving of the goals. During each new cycle of the development plan, it will be important to reassess the competitive context and reevaluate the goals and targets for the destination.

8. ANNEX

This annex contains additional data and details supporting the main content of this

1) Detailed Demand and Supply Data

*Table 3: Ohrid Demand and Supply Snapshot (2015)**

Indicators	Ohrid	Macedonia Total	% Share (Ohrid/Total)
Total arrivals	219,944	816,067	27%
- Domestic	94,476	330,537	28%
- Foreign	125,468	485,530	26%
Total nights spend	818,175	2,394,205	34%
- Domestic	498,517	1,357,822	37%
- Foreign	319,658	1,036,383	31%
Number of rooms	16,370*	27,812	57%
Number of beds	41,917*	72,021	58%

Source: State Statistical Office
*Number is based on estimated accommodation capacity for the entire southwest region with the assumption that the majority of the hotels are in the area of Lake Ohrid (including Struga)

2) Checklist of leading concerns with accommodation quality
(based on feedback from international operators and traveler feedback in Booking.com and Trip advisor)

- ✓ ***Comfort of bed and quality of mattress*** is one of the most important things that determine quality of the experience in accommodations. Even if design of the room is simple, the quality of the bed is essential and should be one of the first things accommodation providers invest in.
- ✓ ***Quality of shower and bathroom*** is another fundamental factor determining the quality of the experience. Many accommodation owners have wrongfully assumed that it makes sense to invest in bathtubs rather than have a simple shower. In a very high number of places, including in Skopje and Ohrid, bathroom facilities and accessories are poor quality and function poorly, which leads to poor water flow, leakages and poor bathroom experience overall. Have simple but well-functioning bathrooms is much more desirable for the market.
- ✓ ***Water flow, electricity and heating*** services need to be stable and reliable. In some places interruptions are caused by poor utility infrastructure in settlements but in many occasions these are due to poorly designed or executed utility systems in the accommodation facility.
- ✓ ***Basic room amenities*** such as night lamps, chair and table seem to be missing from some accomodations, escpecially in rural areas. Even thought these are small details, they contribute to the basic convenience of the accomodation room experience.
- ✓ ***Food service availability and flexibility*** is also extremely important in making an accommodation attractive and convenient. Even if the accommodation facility does not have food service premises, it can partner with someone who offers food so that it can meet some basic food requests (such as providing late dinner in case of late arrivals or an additional meal between main meals).
- ✓ ***Specific amenities*** that gear to the specific needs of specialized segments. These can include
  - o washing services (even if self-serviced) for active tourists who prefer to travel with less outfits but need to wash after biking, hiking, etc.
  - o bike parking areas and storage areas for equipment and gear, which are safe and secure
- ✓ ***Safety and security*** is fundamentally important for the traveler experience. In many cases sense for safety depends on basic things such as lit up entrance and hallways, working locks at doors and property gates, etc.
- ✓ ***Ambiance and design*** are what can create the character of an accommodation facility. Using traditional accessories or design elements that create a traditional local ambiance is one of the ways to build a distinctive character of an accommodation place. Even if not directly related to local cultural traditions, many successful and well-performing accommodation facilities (especially small) use original interesting design elements to create an identity that makes them stand out among the rest.