Volume II - Destination Development Plans - Plan No. 10

Tourism Development Plan for Stip, Radovis and Surroundings

One of ten Tourism Development Plans for fYR Macedonia

February 2018

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1. Introduction

This tourism destination development plan has been created in consultation with and with inputs from stakeholders from Stip, Radovis and surroundings. The destination development plan is designed 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 Description of the destination

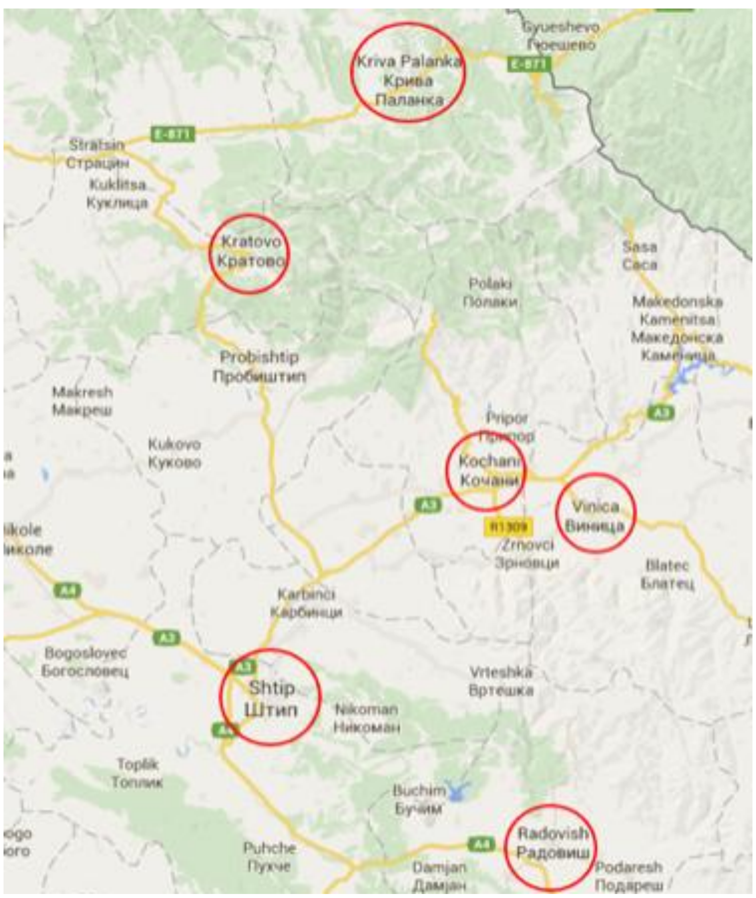

Figure 1 Map of Stip, Radovis and Surroundings

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 Stip and Radovis. This destination therefore includes tourism assets in these municipalities but also in municipalities and smaller villages within a one hour driving distance. The attractions in these nearby areas are often visited during the same trip.

2. Vision and Goals for the Destination

2.1 Vision

The following shows a graphical representation of word frequency of terms that were used by stakeholders to describe tourism in the destination in 2030[*].

These words are aspirational and reflect the ambition of stakeholders to develop and build on their core strengths, particularly around ideas of food, rural environment, authenticity, and handicrafts.

The following vison for the destination has been developed:

In 2030, Stip, Radovis and surroundings will be recognized within Macedonia and the Balkans for its expanding, prosperous tourism industry. Our destination will focus on rich cultural heritage, geo-thermal spas and outdoor recreational activities set within a clean, rural environment. We will welcome travelers from Macedonia, the Balkans and beyond.

2.2 Strategic goals for 2030

The primary goals for this destination, as identified by stakeholders, are for tourism to:

1. Increase the number of new job opportunities
2. Increased number of SME opportunities
3. Raise the awareness levels of the destination within Macedonia and in the region

The targets, together with measurable indicators to accompany these goals will be defined collectively through a destination management process.

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[*] The data used in this section was collected during a destination management workshop on January 10, 2018 in Kocani.

3. Destination Overview and Supply Characteristics

3.1 Destination supply and tourism assets

Stip, Vinica, Kocani, Kriva Palanka and Kratovo are currently the main municipalities involved in tourism in the area. The municipalities are located in the east and northeast of the country. The municipality of Stip is the largest city in the east with a population of almost 50,000 people. The smaller municipalities of Vinica, Kocani and Kratovo are located east and north of Stip. Further up north, the municipality of Kriva Palanka can also be included in the destination as visitors often either pass through the border town or combine their visit to Monastery of St. Joakim Osogovski with a visit to other attractions in the destination. The municipality of Radovis has a population of about 30,000 and is located between Stip and Strumica but has currently limited tourism facilities, as does Probistip.

The area is both near the main route connecting Bulgaria with Macedonia as well as an approximately one-hour drive from Skopje. Its location makes it possible to create linkages and extended offerings also with complimentary attractions and products with the destinations Strumica, Berovo, Dojran as well as the wine region around Tikves.

The following main attractions[†] in the area are highlighted to outline the main profile of the destination supply, especially in the context of priority segments discussed below:

- Monastery of St. Joakim Osogovski
- Monastery of St Gavril Lesnovski
- Valley of the Stone Dolls
- Town center of Kratovo
- Town center of Stip
- Kezovica Spa
- Ancient city of Bargala
- Cocev Kamen
- Vinica fortress and museum

The following are the main accommodation facilities for tourists in the area:

- **Monastery of St. Joakim Osogovski in Kriva Palanka** – The monastery already had 25 rooms and is currently building another 25 rooms to fulfill increased demand. The monastery is dealing predominantly with tour operators offering monastery tours to travelers from Germany, UK and Netherlands. The restaurant in the complex is leased to a private company.
- **Hotel Kratis in Kratovo -** The 30–room Hotel Kratis is located in the center of Kratovo and also has a sister hotel in Ohrid. They are catering to business travelers as well as international tour group, mostly large groups from Bulgaria and Poland.

[†] This list is indicative and is not intended to be exhaustive. Extensive supply documentation on attractions in fYR Macedonia has been reviewed as part of Volume I of this plan, and the intention is not to repeat it here. A list of strategies and other literature reviewed can be found in the Annex to Volume I.

- **Etnohouse Shancheva in Kratovo** – The guesthouse has just four bedrooms but receives organized active tour groups mostly from the Netherlands as well as some individual travelers. Though on a small-scale, Ethno House Shancheva has been able to generate international interest in Kratovo as a destination. The owner also owns a small museum in the center of Kratovo, which showcases a collection of geological finds from the area and where tourists can try some typical dishes from the region.
- **Euro Hotel Gradce** in Kocani – Located on the shore of Lake Gradce, the 25-room hotel has been partly renovated. The hotel caters mostly to domestic tourists as well as independent international tourists.
- **Hotel Oaza in Stip -** Located in the center of Stip, the 37-room hotel is largest hotel in Stip. The hotel caters mostly to business travelers, domestic tourists as well as regional tourists and the domestic MICE market.

Out of the 915 properties in fYR Macedonia offered through the online travel agency (OTA) Booking.com, just six are located in this destination.

3.2 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.

- The destination offers a **concentration of cultural attractions** in a fairly small geographic area, which makes it convenient for both domestic as well as international travelers to use the area as a hub.
- Over the last few years, there has been an **increased inventory of hotel room of international standard.** There are currently at least three hotels which can accommodate larger groups
- The **new highways** between Skopje and Stip will reduce the travel time from Skopje to Stip significantly. The road between Stip and Kocani is currently undergoing construction, and upon completion will also shorten the travel time between Skopje and the destinations in the area.
- The area is known for its **local food specialties** as well as rice fields
- The destination has an **authentic rural environment.** The area is home to some well-preserved and authentic villages where visitors can get a feel for the traditional way of living in the area.
- The **increased interest in domestic sightseeing** in combination with the destination's proximity to two large cities (Skopje and Kumanovo) provides opportunities for day as well as overnight domestic tourists.

4. Arrival and Demand Trends

Stip

In 2015, domestic arrivals in Stip represented 46% of all tourists in Stip and domestic arrivals have seen little change over the last five years. Average length of stay for domestic tourists was 2 nights in 2015. Bulgaria and Serbia are the main foreign source markets and arrivals doubled between 2010 and 2015. Arrivals from Italy tripled from 11 in 2010 to 399 in 2015. According to tour operators, visitors from Italy are most likely business travelers or Macedonians living in Italy. Arrivals from Germany experienced just a small increase. The high average length of stay; 3.2 nights for both Italy and Germany also indicates visitors from these countries are less likely to be traveling for leisure. Goce Delcev University in Stip attracts international students from within the region generating overnight stays by family and staff. Arrivals staying at Kezovica Spa are included in the statistics. More specific details on the source markets are discussed as part of the section on high potential market segments.

Table 1: Number of Overnight Stays and Tourist Arrivals in Stip, 2010 and 2015

	Number of Overnight Stays			**Number of Tourist Arrivals**			**Average length of stay**
	2010	**2015**	**% change**	**2010**	**2015**	**% change**	
Foreign	6,174	9,859	59.7	2,600	3,754	44.4	2.6
Serbia	487	1,965	303.5	313	677	116.3	2.9
Bulgaria	655	1,557	137.7	449	814	81.3	1.9
Germany	925	993	7.4	280	308	10.0	3.2
Italy	399	696	74.4	131	215	64.1	3.2
Romania	34	628	1,747.1	24	60	150.0	10.5
Turkey	404	468	15.8	242	203	-16.1	2.3
Greece	399	205	-48.6	209	152	-27.3	1.3
Domestic	6,289	6,613	5.2	3,195	3,243	1.5	2.0

Source: State Statistical Office

Vinica

There are currently two hotels in Vinica which cater mostly to domestic tourists. Foreign tourists in Vinica have an unusually long length of stay. The length of stay was 5.8 night for the Italian tourists in 2015; 6 nights for Lithuanian; 8 nights for Greeks and 3.3 nights for Turkish tourists. This could indicate that the hotels cater to long-term guests who stay for business or other non-leisure reasons.

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

	2015		
	Number of Overnight Stays	**Number of Tourist Arrivals**	**Average length of stay**
Foreign	975	304	3.2
Serbia	120	51	2.4
Bulgaria	134	51	2.6
Turkey	203	61	3.3
Greece	90	11	8.4
Italy	98	17	5.8
Turkey	203	61	3.3
Kosovo	16	4	4.0
Lithuania	54	9	6.0
Domestic		723	-

Source: State Statistical Office

Kocani

The number of domestic tourists in Kocani increased by 50% between 2010 and 2015 and represented 73% of all arrivals in 2015. The average length of stay for domestic tourists increased slightly from 1.5 in 2010 to 1.6 in 2015. Foreign arrivals numbers in Kocani are still relatively low but almost quadrupled between 2010 and 2015. More specific details on the source markets are discussed as part of the section on high potential market segments.

Table 3: Number of Overnight Stays and Tourist Arrivals in Kocani, 2010 and, 2015

	Number of Overnight Stays			**Number of Tourist Arrivals**			**Average length of stay**
	2010	**2015**	**% change**	**2010**	**2015**	**% change**	**2015**
Foreign	864	3,084	256.9	415	1,538	270.6	2.0
Bulgaria	n.a	416	-	n.a	262	-	1.6

Serbia	n.a	596	-	n.a.	308	-	1.9
Turkey	n.a	417	-	n.a	196	-	2.1
Germany	n.a	366	-	n.a	155	-	2.4
Italy	n.a	235	-	n.a	89	-	2.6
Netherlands	n.a	85	-	n.a	63		1.3
Domestic	3,971	6,568	65.4	2,632	4,147	57.6	1.9

Source: State Statistical Office

Probistip

The town of Probistip has one medium size hotel, which caters to domestic MICE and weddings, as well as a few smaller places of accommodation. Domestic tourism is the main source market as the municipality received just 10 foreign tourists in 2015.

Table 4: Number of Overnight Stays and Tourist Arrivals in Probistip, 2015

	2015		
	Number of Overnight Stays	**Number of Tourist Arrivals**	**Average length of stay**
Foreign	59	10	5.9
Slovenia	52	7	7.4
Bulgaria	6	2	3.0
Austria	1	1	1.0
Domestic	535	198	2.7

Source: State Statistical Office

There are no accommodation statistics available for Radovis, Kratovo and Kriva Palanka.

Interviews with stakeholders in the destination showed that the destination attracts a mix of leisure and business travelers. Hotels in Stip, Radovis and Vinica cater predominantly to business travelers while the hotels in Kratovo, Kocani and Kriva Palanka also receive significant numbers of leisure travelers.

5. High Potential Market Segments

The destination including Stip, Radovis and surroundings, as with most other destinations in the east, is still considered in an 'emerging' or development stage. For destinations who have not reached maturity yet, focusing on multiple markets allows for a strategy that creates additional demand. The five priority market segments for Strumica are: domestic short break tourists, regional short break tourists, organized large group explorers and organized as well as independent active tourists. These markets are realistic growth markets given their current presence in the region and their demand specifics. Each of these individual market segments separately are too small to create sufficient demand. However, all the priority market selected are attracted to similar tourism products. The volume created by growing multiple markets will provide increased opportunities and economies of scale for SME's and accommodation providers to successfully reinvest in existing tourism facilities as well as develop new products.

The sections below introduce the five 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.

Domestic short break tourists are travelers who live in fYR Macedonia and who visit different resorts or holiday places for weekends, for short breaks during the week or around official holidays. This group includes Macedonians but also expatriates residing in the country. They stay in a variety of different accommodation types ranging from vacation homes to higher-end hotels, and travel by car. They are motivated by change of scenery from their regular place of living, need for relaxation and spending time with friends and family. Frequently they travel with family, and very often with groups of friends.

Currently, the domestic leisure tourism market is small but has shown recent growth. In Kocani, domestic arrivals increased and represented over 70% of all overnight stays in 2015. While this number also includes business travelers, the recently renovated Euro Hotel in Gradce has been able to capture domestic leisure tourists looking to spend time in a natural environment. The Kezovica Spa near Stip now offers a few basic rooms, and though in need of renovation, might have the potential to attract a larger market. The monasteries in Kriva Palanka and Lesnovo attract significant numbers of day visitors.

Key segment insights and prioritization rationale: The recently renovated hotels in the area combined with improved and additional activities and attractions could attract a larger market for overnight stays. The reduced travel time due to new regional roads will increase the regions' competitiveness for domestic short breaks. Domestic leisure tourists are interested in staying in hotels offering services related to relaxation as well as in self-catering houses. This segment often travels as a family or in small groups. They are interested in local and authentic offerings, have interest in buying from local providers and eating at local restaurants. With more destination awareness and more market-relevant product offerings, this segment can generate significant economic benefits.

Regional short break tourists are travelers from Bulgaria and Serbia who visit fYR Macedonia for leisure purposes staying for one of more nights. Arrivals from this market are concentrated close to the border with Bulgaria and Serbia. A number of travelers from Bulgaria come in an organized way in groups up to 50 people traveling by coach bus. They book a package for one or two nights and usually stay in one single destination. These groups are very interested in culture and local foods. There is also a significant market of regional travelers who travel independently and book their hotel or rental home directly from the provider or through an OTA. The latter group seeks relaxation and enjoy good food in the company of friends and family.

Bulgaria and Serbia are the top source countries for international overnight stays in the Stip area and it is the business travelers which have generated the majority share of arrivals in the destination. Yet, over the last few years, the main hotel in Kratovo has been able to attract large leisure tour groups from Bulgaria. Several groups come to Macedonia for a one-night trip, while others also include other destinations in Macedonia. The tour groups visit attractions such as the monastery at Kriva Palanka, Stone Dolls, Lesnovski Monastery and take a guided tour of downtown of Kratovo. They also enjoy a special 'gala dinner' at their hotel with traditional Macedonia food and music.

Key segment insights and prioritization rationale: Its proximity near the Serbian and Bulgarian border provides an opportunity for further growth of both groups as well as independent travelers from Bulgaria and Serbia. Among the opportunities for improving existing supply to drive growth from this segment are improvements to existing attractions as well as adding similar product offerings.

Organized large group explorers are travelers who are part of a tour group (size ranging from 15-30 people) traveling around fYR Macedonia by coach bus. Many of the tour groups are from the Netherlands but Poland, UK and some other European countries are emerging source markets as well. Length of the tour varies between 7-12 days, shorter tours focus on the western region and longer tours also cover parts of Eastern Macedonia. The main focus of the tours is Macedonian culture and nature. The majority of these groups consist of travelers who are older than 50 years of age.

The area has experienced strong growth in the number of large organized groups. Dutch tour operators TUI and Corendon skip the area on their way from Berovo to Skopje without stopping due to a combination of time constraints, accessibility and the current quality issues of the attractions. There are other tour operators which do include destinations in the area. Monastery

Osogovski received about ten groups with Dutch, German and British tourists on organized monastery tours in 2015. The groups usually stay one or two nights. In 2015, the main hotel in Kratovo received 15-20 groups from Poland and was expected to receive the same number in 2016. The Polish groups are on a mini-Balkan tour and stay in Macedonia for eight days after they have been in Bulgaria for four days. They also overnight in Strumica, Ohrid and Skopje. The tour groups visit attractions such as the monastery at Kriva Palanka, Stone Dolls, Lesnovski monastery and often take a tour in the center of Kratovo.

Key segment insights and prioritization rationale: Kriva Palanka, Kratovo and Kocani all recently increased their inventory of international quality hotel rooms through there is still room for further improvement. The area is conveniently located near the main border crossing with Bulgaria as well as along the route of existing large tour groups. The area already has a large concentration of existing attractions but improvement to their infrastructure will increase their international appeal.

Organized active tourists are part of an organized tour group (size ranging from 5-25 people) traveling with a specialty operator around Macedonia. Some of the tours combine fYR Macedonia with neighboring countries such as Greece and Bulgaria. These tours usually involve traveling by mini bus or bus, and may combine road transportation with hiking and/ or biking. Length of the tour varies between 7-14 days, shorter tours focus on the western region and longer tours also cover parts of Eastern Macedonia. The main focus of the tours is Macedonian culture and nature through authentic experiences in off-the-beaten-track locations. Some of the tours are standard and others are tailor-made for specific interest. The majority of these groups consist of travelers who are older than 50 years of age

These smaller active tour groups are interested in the more off-the-beaten track attractions that the northeast offers such as the Valley of the Stone Dolls and the town of Kratovo. Macedonian inbound tour operators are promoting the area but the volume is still low. Dutch tour operator SNP brings groups up to 25 people for hiking and sightseeing. The groups travel by bus but spend their days hiking. These SNP groups currently not overnight nor stop in the area. They do spend two nights in Strumica and two in Berovo. Limited quality hotel accommodation, has been the main reason not to include the destination according to tour operators. Hotels in the area also receive small group of bikers from Israel who are on their way to Bulgaria. One of the Dutch tour operators included a homestay in one the villages as part of their package but this has halted after the tourism product did not have the desired visitor satisfaction.

Key segment insights and prioritization rationale: The concentration of attractions combined with an off-the-beaten-track experience offers a varied product for international travelers interested in unique and authentic experiences. Success for Strumica attracting these groups is partly dependent on the overall competitiveness of the country and the region for this market.

Independent active tourists (including domestic) are travelers from a variety of source markets (Europe, US/ Canada, region and domestic from fYR Macedonia itself) who travel to and within fYR Macedonia engaging in active outdoor exploration (hiking, biking) combined with cultural and culinary experiences. The age bracket for this group of travelers is quite wide (could be between mid-20s and 30s to mid-50s). They tend to be independent in the planning of their stay (using online channels such as booking.com) in fYR Macedonia and are usually in small groups (up to 4-5 people).

While still in small numbers, there are independent travelers who travel around the destination. Hotels have reported individual bikers and hikers staying overnight. While the majority of the travelers within this segment originate from Western Europe they are also coming from North America. They are adventurous and attracted to new and less-conventional experiences. They are a leading market for many rural offerings. One of the Dutch tour operators included a homestay in one the villages as part of their package but this has halted after the tourism product did not have the desired visitor satisfaction.

Key segment insights and prioritization rationale: The segment is prioritized for the destination because of its spending power and its interest in local and authentic offerings. This market requires better infrastructure, more market-relevant product offerings and improved service quality. There is growth potential for this market but the destination will be dependent on the rest of the country to further expand this market as active foreign tourists will initially be attracted to explore destinations in the western region and then later add destinations such as Stip and surroundings to their itinerary.

6. Challenges and Gaps

6.1. Destination development challenges

The main tourism development challenge is the low economic impact of tourism. This is caused by a combination of weak demand, low spend per visitor and short length of stay. The recent increase in hotel offerings has caused arrivals and overnight stays to increase over the recent years, though there is room for growth in volume and daily expenditures. There is also a missed opportunity arising from the many day visitors who are not staying overnight as well as the many tour groups who pass the destination on their way elsewhere. The challenge of low demand can be addressed by improving the accommodation options, increasing the attractiveness of current tourism products and by designing tourism product offerings that specifically cater to the needs of the priority markets. Besides increasing the volume of visitors, there should also be strong emphasis on increasing the spend per stay through offering more opportunities for expenditures outside accommodation and meals as well as a focus on extending the length of stay. Addressing these challenges will contribute to the destination’s goals of increasing tourism sector job and SME opportunities.

6.2 Gaps in the experience of the priority market segments

The rural lifestyle in combination with cultural and natural assets makes Stip and surrounding areas an attractive destination for the five priority market segments. While existing tourism assets could 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 five priority segments.

6.2.1. Accommodation and Hospitality

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

Detail and explanation

- Several the larger hotels in and around Stip reveal negative feedback via consumer feedback sites such as Booking.com and Tripadvsior. The most common complaints concern overdue maintenance, poor quality of food, poor customer service, noise pollution and smoking.
- While over the last years the inventory of international quality hotel rooms has increased significantly, the number of rooms in smaller and more authentic accommodation offerings is limited. This type of accommodation would be more attractive to the smaller organized active groups and independent active travelers.
- Some of the medium-sized hotels catering to the leisure market need renovation and improved customer service

These problems arise because;

  - There is an insufficient number of hotels offering rooms that meet the quality standards of the organized large group explorers, organized active tourists as well as large proportion of domestic and regional short break tourists. There is evidence, however, that the majority of travelers from these priority segments would be willing to pay higher prices for a better product
  - Service providers lack understanding 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 domestic traveler:

First and foremost, this is a nice hotel in a great location that is very very gentle on your budget!!! It is decently renovated, but the "old" feeling is still present (not in a good way), at least in the room "section" and hallways. They need more staff, and there are no bikes to rent, so you can only go hiking'

Filling the gap

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

There is need to align the quality and style of existing accommodations with the expectations of the priority segments. This includes improving availability of specific elements that are very important for the traveler experience of all the priority segments: quality bed and mattress, well-functioning bathroom with a simple but well working shower, consistent and well working heating/ cooling systems, water and electricity, etc. Several the priority target markets require quality hotels with at least 20 rooms in order to cater to tour groups. There is also a need to improve the aesthetics of some of the accommodation facilities such as interior design and ambiance reflecting the authentic rural environment of the area. This is important for the smaller active groups tours as well as the independent active tourists.

Indicative activities to fill this gap

a. Improvements and maintenance of existing accommodation offerings. 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 and adding amenities.

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

c. 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).

d. Setting up a feedback mechanism for accommodation providers to analyze and respond to customer feedback received through channels such as TripAdvisor and Boooking.com. The feedback should be analyzed on a regular basis and actions should be undertaken to address negative feedback.

<u>1b. Activity and experience providers need capacity building that secures alignment with the expectations and needs of targeted segments.</u>

This is discussed in more detail in the cross-destination gaps chapter, but there are opportunities for implementation and some innovation to address this gap at the local level.

6.2.2. Activities and Experiences

<u>Gap 2: There are not sufficient tourism offerings that are specifically geared towards the priority segments</u>

Detail and explanation

- Outdoor activities such as hiking, biking, mountaineering and others are underdeveloped
- There are very limited activities geared towards domestic and regional family travel

- There is very limited availability of experiences based on local culture and history, local celebrations, culinary traditions, etc.
- There are currently limited activities and attractions that take advantage of the unique culture around rural environment, food and agriculture. Existing offers need to be improved and new ones added. These activities need to be authentic and build upon existing resources (e.g. cooking classes or traditional handicrafts).
- There are limited opportunities for visitors to purchase locally grown or prepared foods as well as handicrafts.

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 gap

<u>2a. Ensure visitors have access to visitor infrastructure to enable outdoor activities.</u>

There are several cultural attractions in the area which are located in a natural environment. There are currently very limited opportunities for all five priority segments to combine a cultural visit with light outdoor activity such a short self-guided walk in the area. Offering stand-alone soft outdoor activities would be attractive for active travelers interested in nature-based experiences such as hiking, biking, horseback riding, etc. The practicing of these activities requires paths and supporting infrastructure, which is currently limited in the destination. These activities will encourage visitors to stay longer.

Indicative activities to fill this gap

Investment in the designing and installation of infrastructure that enables hiking and biking around existing attractions in the destination as well as enhance current trails. Providing short hiking trails around cultural sites such as Stone Dolls would make the attraction more attractive for the priority segments.

<u>2b. Ensure there are activities geared towards families with children</u>

There are currently very few activities that are attractive for families with children. Both the regional and domestic short break tourists often travel with families including young children and teenagers. Offering activities geared towards these markets would increase their length of stay and also improve the attractiveness of the area outside the summer months.

Figure 2: Examples of natural style play areas

Indicative activities to fill this gap

Play areas made of natural materials such as the example in Figure 2 allow for these attractions to blend into their natural surroundings. Families would also enjoy light activities such as horseback riding or short hikes.

<u>2c. 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 relatively easy as there is an abundance of assets that are in place. Stip is for example known for its food specialties and Kocani for its rice. 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. Existing offers need to be improved and new ones added. These activities need to be authentic and build upon existing resources (e.g. cooking classes or traditional handicrafts).

Indicative activities to fill this gap

Invest in development (private sector-led) of traveler experiences that are based on enjoying nature, culture and local traditions. Use more effectively the destination's natural and cultural assets such as natural and cultural traditions 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.

2d. Ensure visitors have an opportunity to purchase locally produced goods

Stip and surroundings is the main producer of rice in the country. There is limited availability of products and souvenirs that are typical of the area or of the country. In addition to specially designed souvenir booths installed around tourist areas, there is a need to make local souvenirs, crafts and easy-to-take-home 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, or 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.

Tourism as a tool to protect cultural heritage

The Association of Women Farmers in Vinica weave and sew traditional carpets, costumes and small handicraft souvenirs. They sell their product at fairs. Tourism has been a way to keep the craft alive and hopefully preserve for future generations.

Interviews June 2016

Indicative activities to fill this gap

Invest in private-sector led initiatives of producing and selling locally produced goods. This includes support on food safety training, producing competitive products, packaging and promotion.

2e. Activity and experience providers need 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 there are opportunities for implementation and some innovation to address this gap at the local level.

6.2.3. Attractions

Gap 3: There is inconsistent maintenance of sites and attractions, which negatively impacts the visitor experience

Detail and explanation

- **The Stone Dolls (Kameni Kukli) near the village of Kuklica** is one of the most intriguing attractions in the area. The site is well sign-posted from the main road until the site. The road is mostly paved with only the last 200 meters dirt road. The World Bank in 2004 and the EU in 2011 improved the infrastructure (information center, shop). The majority of the infrastructure is currently in disrepair or burned to the ground (see Figure 2). The stairs and outlook are still in reasonable shape. There is currently no interpretation at the site. The legends around the rock formation as well as the rocks itself make Stone Dolls a worthwhile place to visit for both domestic as well as international tourists. The relatively proximity to the main road as well as the paved access road makes it suitable for tour groups traveling by bus. The overall state of the infrastructure around the attraction as well as the lack of interpretation diminishes the visitor experience for all five priority segments.

- **Downtown Kratovo** – While the main sites in the city such as the towers and bridges are in relatively good shape, a number of other traditional buildings are in need of repair.
- **Cocev Kamen -** While there are a few signs from the main road to the megalithic observatory, they are insufficient for independent travelers to locate the site. The last 300 meters are on a non-signposted dirt road from the paved road. At the site there are no signs at all nor is there any interpretation available. The grounds around the site have not been maintained.
- **Bargala** – Signage from the main road leading to the site is sufficient and it takes a 10-minute drive from the main road connecting Stip and Kocani. There is a large new parking lot but no other infrastructure or interpretation. The relatively close proximity to the main road as well as the paved access road makes it suitable for tour groups traveling by bus. This attraction is lacking the interpretation for independent travelers such as domestic and regional short break tourists to fully capture and experience the site.
- **Kezovica Spa** – The natural hot spring facilities are traditional but could be renovated to offer an authentic spa experience. . They currently offer 13 basic rooms with air conditioning and shared bathrooms. Recent guests have mostly been mostly domestic but they have also catered to some international active tourists. There is no restaurant but the kitchen facilities are open to guests. Nearby is a natural hot spring which has recently been renovated. The accommodation and the facilities at the spa are currently lacking some basic renovations, to to meet the standards of international visitors.

These problems arise because;

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

Figure 2 Infrastructure around Stone Dolls

Filling the gap

<u>3a. Ensure that attractions and sites are rehabilitated to a condition that meets visitor expectations:</u>

There is need to improve some of the natural and cultural heritage sites in the area in order to attract existing and new visitors. 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 and the overall visitor experience. This is important for all market segments. A good example for a site that needs improvement in maintenance is Stone Dolls. The infrastructure is in bad shape creating an unsafe environment and reducing the attractiveness of the attraction (see Figure 2).

Indicative activities to fill this gap

The infrastructure, interpretation and signage to and within most attractions in the destination need be improved and updated to match contemporary expectations when visiting an attraction. There is also a need to understand the significance of the different sites to contribution of the overall attractiveness of the destination for the different market segments.

<u>3b. Attraction providers need capacity building that secures alignment with the expectations and needs of targeted segments.</u>

This is discussed in more detail in the cross-destination gaps chapter, but there are opportunities for implementation and some innovation to address this gap at the local level.

6.2.4 Capacity building

Gap 4: There is a gap between the level of service offered and the expectation of priority markets (also national)

Detail and explanation

- Service providers across the region show inconsistent service culture in the delivery of visitor services
- Lack of sensitivity towards expectations and needs of 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.

4a 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.

4b. 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 of *Volume II – Destination Development Plans.*

Gap 5: There is a limited number of tourism service providers who have foreign language skills

Detail and explanation

- Foreign language skills are lacking and need to be improved in order to cater to the international priority market segments. Lack of the ability to communicate leads to misunderstandings, limited ability to exchange knowledge regarding the destination and an overall lack of providing service.
- The larger hotels, currently already catering to international groups, have a limited number of front-of-house staff who speak English. Owner-operators and staff of smaller tourism enterprises have very limited foreign language skills.

Feedback from international tour operator

'I would like to bring tourists to the east and I tried but people there don't speak English and they don't understand service'

Filling the gap

5a. Ensure the visitor experience is not negatively affected by lack of foreign language skills

Deeper analysis may be required to determine how best to address this issue. Constraints may be in the form of funding, lack of training programs, lack of qualified teachers, poor incentives to learn, or insufficient demand.

Indicative Activities to fill this gap

Investment in the design and implementation of activities to improve the ability of tourism service providers to communicate effectively with foreign tourists.

6.2.5 Marketing, branding and access to information

Gap 6: There is limited online content for promotion and/or information at the destination level. This affects the visitor experience in accessing timely information.

Detail and explanation

- There is very limited (online) information available about the different events, attractions, activities and sights in and around Stip. Visitors have a need for information on how to get to specific attractions as well as opening hours and or possible entrance fees. 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.

6a. Ensure that independent travelers have easy access to information they need in order to book accommodation as well as information on local restaurants and activities such as hiking and biking.

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.

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

6.2.6. Accessibility and infrastructure

Gap 7: There is a lack of signage and roadside information necessary to guide priority market segments

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 (also national)
- The region has limited and inconsistent visitor signage within towns and settlements, as well as recreational areas facilitating easy navigation by independent travelers
- Signage to Stone Dolls, Cocev Kamen and Lesnovski Monastery is insufficient

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.

7a. Ensure visitors are better guided to destination attractions
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

7b. Ensure visitors are able to better navigate within towns, settlements and recreational areas:

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

7c. 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.

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

Gap 8: There is limited roadside visitor infrastructure

Detail and explanation

- The region offers limited visitor/ recreational infrastructure alongside roads, which provides opportunities for stopovers for travelers in motorized vehicles as well as bikers. This is a general recommendation for across the entire region.

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.

8a. Ensure visitors have access to roadside visitor infrastructure:
At the local or destination level, once responsibility for roadside infrastructure is determined, a plan should be put in place to address this problem, deciding where to place roadside infrastructure, the type of roadside infrastructure, consistency of design, maintenance etc. First step may be to undertake a rapid assessment and to prepare a prioritized list of currently missing roadside infrastructure, roadside infrastructure that need to be repaired or that is in need of replacement

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.

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

Table 5: Summary of opportunities for improvement

#	***Intervention***
	Accommodation and Hospitality
1	Improve quality of design and services at existing accommodations
2	Support for market access and improve quality and design of existing small properties
	Activities and Experiences
3	Develop a system of visitor infrastructure in natural areas in the region to enable outdoor activities
4	Develop new products and experiences targeted towards families
5	Develop new products and experiences around local culture, farming and culinary traditions
6	Develop and improve access to locally-produced crafts, food and supplementary products linked to local traditions
	Attractions
7	Refurbish and restore attractions and sites
8	Improve waste collection and waste management culture

Capacity Building	
9	Advance service culture and service quality*
10	Advance foreign language skills
11	Create and maintain contemporary online presence for the region
Marketing, Branding and Access to Information	
12	Increase digital communications and social media skills of tourism operators
13	Develop contemporary digital services for independent travelers and other priority segments
Accessibility and Infrastructure	
14	Improve signage and information on roads* (national)
15	Improve signage and information in towns, settlements and recreational areas* (national)
16	Develop roadside visitor infrastructure*(national)

* activities that need to be addressed on national level or coordinated with other destination

7. Next Steps

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

1. Increase the number of new job opportunities
2. Increased number of SME opportunities
3. Raise the awareness levels of the destination within Macedonia and in the region

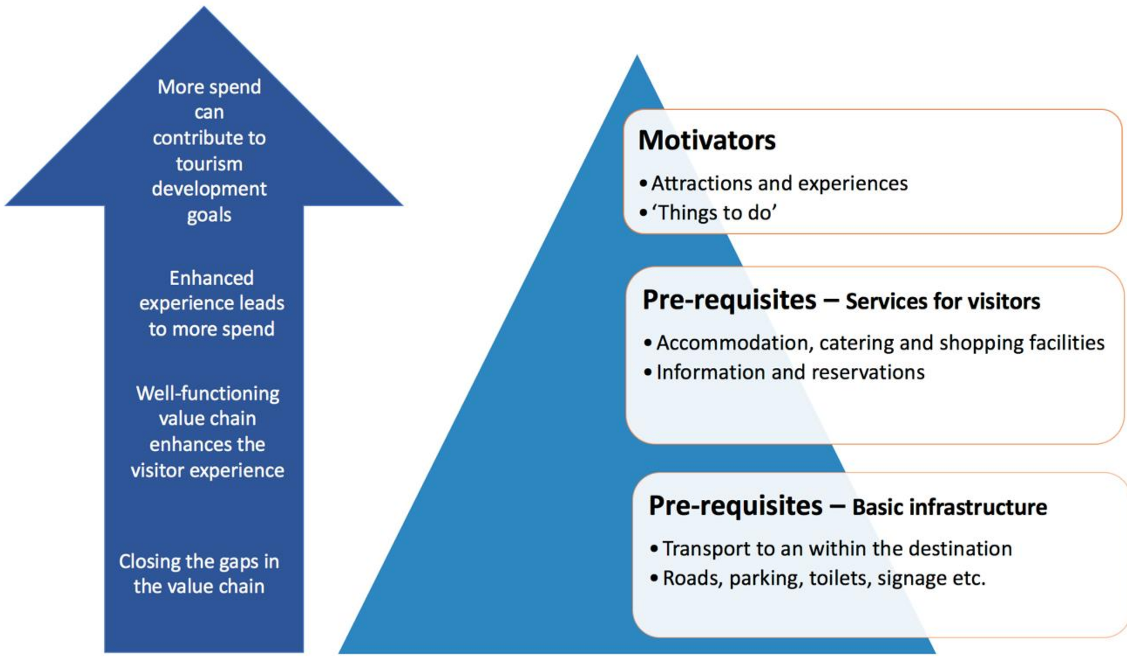
These goals will need clear targets and an action plan with strategies to achieve these targets. The action plan will provide a road map to achieve the strategic objectives during a specific time. It gives an indication of the activities that are to be carried out, the timeframe in which they should be achieved, who should carry them out and how much this will cost.

Figure 3: Tourism development plan cycle

The sequencing of actions to fill the gaps depends on the goals, the level of priority and urgency for filling the gap and the cost. During and after implementation of the actions, the results will be measured and evaluated. The destination management partnership is responsible for the development plan and should update it on a regular basis.

When determining the sequencing of action to fill the gaps it is important to distinguish between those that are 'pre-requisites' that any destination must have to satisfy 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. These are not the factors that will motivate people to come to the destination, but rather the fundamentals that people expect when they are in the destination – food and drink, accommodation, shops, public transport, etc, Different market segments have different basic requirements and provisions should be made according to the needs of the priority target markets. The motivators are those aspects of a destination that will attract people to go there, rather than to any of the (many) other destinations available to them. These could be large, well known attractions and 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, etc.

Figure 4: The relationship between quality of the value chain and goals for the destination



Some gaps are more critical than others and will need to be addressed first. However, all the identified gaps will need to be filled to improve the visitor experience and thereby achieve the goals the destination has set for tourism.

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. how well the activities contributed to achieving the goals. During each new cycle of the development plan, it will be important to reassess the competitive scenario and reevaluate the goals and targets for the destination.