



Tourism Development Plans

for Ten Destinations across FYR Macedonia

Volume 1 – Methodology, Background and Market Analysis

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CIIP Competitive Industries and Innovation Program

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Abbreviations

ALOS - Average Length of Stay

APST - Agency for Promotion and Support of Tourism

ATTA - Adventure Travel & Trade Association

CDPMEA - Cabinet of the Deputy Prime Minister for Economic Affairs

DMAI - Destination Marketing Association International

ETC - European Travel Commission

ETOA - European Tour Operator Association

EU - European Union

FAM - Familiarization Trip

GDP - Gross Domestic Product

IPA - Instrument for Pre-accession Assistance

LRCP - Local and Regional Competitiveness Project

MICE - Meetings, Incentive, Conferences and Events

NGOs – Non Governmental Organizations

SME - Small and Medium size Enterprises

UK - United Kingdom

UNESCO - United Nations Educational, Scientific and Cultural Organization

UNWTO - United Nations World Tourism Organization

USA - United States of America

VCA- Value Chain Analysis

VFR - Visiting Friends and Relatives

WBG – World Bank Group

WTM - World Travel Market

WYSE - World Youth Student and Educational

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Executive Summary

The Government of FYR Macedonia has prioritized the improvement of socio-economic development through job creation and growth. The government has specifically highlighted the tourism sector as one that can help the country achieve its development objectives, notably through its contribution to local economic development and in reducing wealth disparity across the regions. Success through tourism development would typically deliver job creation, private investment and higher visitor spend in selected destinations. In this context, several international organizations and NGOs are working in FYR Macedonia, including the World Bank Group (WBG) and the European Union (EU).

In support of the government's agenda, tourism development plans have been drafted to guide responsible market-led tourism growth across a number of high potential market segments in Macedonia over the next 5 years. The objective is to increase the economic impact from tourism. This document can be read in its entirety (volume I and volume II) by policy makers, private sector groups, international organizations, NGOs, and other entities operating at the national level to assist in planning, policies, and sector management. Additionally, it can be broken down into destination-specific chapters to be implemented by those operating at the destination level such as destination managers, municipalities, private sector enterprises, associations, local NGOs, parks and other tourism asset managers.

1. Volume I provides background, context, the methodology applied, market research and the detailed evidence base for Volume II
2. Volume II provides targeted development plans for each of ten destinations, with vision, targets, phased actions and expected impacts. It also provides a chapter outlining common issues and recommendations that span across multiple destinations.

Previous strategies for the tourism sector in the country predominantly focused on the supply side of the market. The current approach builds upon the existing knowledge and strategies, and complements them by adding the demand lens so that opportunities in the sector can be understood from both supply and demand perspectives. The plan focuses on six market segments that have been identified as having the highest potential to deliver the development dividend for the country, with some more suited to the West part of FYR Macedonia, which has a more developed tourism sector, and some to the East. Selection of the market segments was based on the segment's growth prospects (volume of demand), their ability to generate jobs and spend, to grow in lagging regions outside of the more established tourism centers, as well as their compatibility with the supporting asset base (supply side).

In order to ensure that these high potential market segments would be able to grow to their full potential, a value chain analysis (VCA) was applied for each of them. The VCA, taken from the perspective of the 'tourist consumer' or 'buyer' identifies gaps and weaknesses in the visitor experience from the moment the trip is considered, to the moment the visitor returns home. The plans then take these gaps to formulate a list of possible interventions and actions to fill them.

Filling the gaps will increase the competitiveness and enhance the entire experience of the consumer. With better and more competitive experiences in each of the market segments, the development plan works on the assumption that subsequent growth and expansion of the market segment will generate the results expected in terms of jobs,

investment, spend and length of stay.

The various gaps and actions cover a range of needs from policy, regulation, to systems, coordination, training, management, infrastructure investment, planning and product development. Some of the gaps need to be met at the national level, and some of them need to be met at the destination level. The most pressing gaps have been identified for implementation in a first phase, with others coming in a second or third.

The development plans and their underlying analytics aim to encourage and support individual actors or groups at all levels to take responsibility for helping to increase the competitiveness of the tourism destinations. Specific projects or detailed actions have not been elaborated, leaving space for creativity and innovation on the part of direct implementers. There are various forms of funding available that can be used to support such activities, notably a grant scheme under the Local and Regional Competitiveness Project (support by the EU and World Bank Group), and the Regional Development Fund. Other initiatives and programs may further support implementation of projects or actions to contribute to achieving the goals articulated in the development plans.

1. Introduction

1.1 Objectives

Tourism has been identified as a sector to increase productive and inclusive employment opportunities. The Government of the FYR Macedonia has prioritized the improvement of socio-economic development through job creation and growth. The government has specifically highlighted the tourism sector as one that can help the country achieve its objectives, notably through its contribution to local economic development and in reducing wealth disparity in the regions. Success would typically mean job creation, private investment and higher visitor spend in selected destinations.

To help achieve these broad objectives, the World Bank Group is supporting the implementation of a four-year program, the Local and Regional Competitiveness Project (LCRP). LCRP, which focuses on tourism, is a four year investment operation funded from the EU's Instrument for Pre-accession Assistance (IPA) II Program and managed by the World Bank. It aims to enhance the contribution of tourism to local economic development and improve the capacity of the government and public entities to foster tourism growth and facilitate destination management. As part of this work, the project is working at the national sector level, but also in 10 destinations across the country. To guide tourism growth and competitiveness at these destinations, it was agreed to develop destination development plans. Beyond informing the activities under LCRP, the development plans may also be used to focus resources from other initiatives – including through the national tourism strategy, other donor and public investment programs, and others – aimed to improve the competitiveness of the country's tourism sector.

This plan has therefore been created to inform a series of interventions in support of targeted growth in select market segments over the next five years. Volume I presents the methodology which was used to prepare the development plans as well as a summary of the market demand assessment and other analysis. Volume II contains the action-oriented development plans for the ten selected destinations as well as an overview of issues and opportunities that occur across destinations and may be addressed on a national or cross-destination level.

Both volumes of this plan can be read by policy makers and public entities, private sector groups, international organizations, NGOs and other entities operating at the national level to assist in sector policy and development. Additionally, the destination-specific plans can be used by those operating at the destination level such as municipalities, private sector enterprises, destination managers, local associations, local NGOs, parks and other tourism asset managers.

Data for this report has been sourced from primary and secondary sources of information. Primary data has been collected through surveys, site visits, and interviews conducted with 14 international tour operators and over 60 national stakeholders from the tourism industry, associations and government institutions (all interviewees and sources can be found in Annex 1). At each stage of the development process, findings have been presented to various stakeholder groups, including the private sector. A wide variety of documents and existing reports on Macedonia, the region and the tourism industry were also reviewed as part of the work on this report

(see Annex 2 for a full list).

1.2 Tourism Context in Macedonia

Named in 2013 as one of Lonely Planet's top ten destinations, FYR Macedonia has good tourism potential, but is starting from a relatively low base. Capital city Skopje and UNESCO-protected Ohrid remain the key tourist attractions in the country, complemented by traditional Balkan villages and diverse communities, and ski resorts such as Mavrovo and Popova Sapka. Yet, the total contribution of travel and tourism to the country's GDP, employment, and total capital investment in 2014 was relatively small (5.2 percent, 4.7 percent, and 2.2 percent, respectively) in comparison with other countries in the region (WTTC 2015). By contrast, in 2014, tourism's total contribution to GDP in Bulgaria was 13.1 percent, and in Albania it was 21 percent. Growth in FYR Macedonia is, however, steadily increasing with direct GDP contributions from tourism having increased by 30 percent since 2010.

The key public sector entities with a mandate to facilitate tourism development include: The Cabinet of the Deputy Prime Minister for Economic Affairs (CDPMEA), based in the General Secretariat of the Government, serves as the main coordination and delivery body responsible for strategy and program implementation in key economic sectors, including tourism. The Ministry of Economy, through its Department of Tourism, is the principle institution responsible for tourism policy and strategic planning. The Agency for Promotion and Support of Tourism (APST) is in charge of promoting the country as a tourist destination.

The sector faces a series of challenges in order to fully realize its potential. The key challenges include: (i) the enabling environment: business environment, tourism policy and enabling conditions (standards, licensing, ease of access to finance and knowledge, etc.), air access; (ii) the offer: positioning, visitor information, product development, site management, standards; and (iii) development/ shared value: data collection, linkages, and private sector engagement. These challenges have been well articulated in a number of diagnostics over the years, and various international organizations (including World Bank Group, USAID, UNIDO, Swisscontact, and GIZ) are also very active in the sector.

1.3. Strategic Framework of the Sector

The importance of the tourism sector is emphasized in national and regional strategies, yet there is a need for better dialogue and public sector coordination in implementation. The sector's policy framework comprises the National Tourism Strategy 2009-2015 (and its thematic sub strategies); the Law and Strategy for Regional Development 2009-2019; the Programs for Regional Development 2010-2015 for each of the eight planning regions; and the Program of the Government of FYR Macedonia for the period 2014-2018. The Government, through the Ministry of Economy, has drafted a new National Tourism Strategy for 2016 onward.

Whilst often very detailed and well documented from the supply side (assets, products, facilities), the existing strategic material that guides the sector is lacking substantial demand analysis (an understanding of why and how tourists visit the country). This means that any entity engaged in designing or planning an intervention (at any scale) to address sector challenges has only half an understanding of the market. Like many other industries, tourism is a highly competitive industry that is run by the

private sector, and a deep understanding of both the supply and the demand side are critical.

From a destination planning perspective it is also very important. The planning process for destinations works towards identifying actions to be financed and implemented in the short to medium term, so a sound market justification for the selection of these actions is needed. In early work on these destination development plans, it was clear that much up-stream data-collection and analysis on the missing demand perspective would therefore have to be done before the identification of actions could proceed. A full methodology was therefore designed and is presented in the following section.

The development plans (Volume II) have been designed to be concise and action-oriented, with the detailed analysis preserved here in Volume I. The analysis and evidence base for these actions has been derived from the existing (largely supply focused) strategic material and the supplementary demand-focused analysis that was collected by the team that prepared the development plans. The development plans are not designed to compete with or replace the national strategy, rather support the implementation and roll-out of its priorities at the destination-level. Any supplementary market data or demand analysis presented here in Volume I may be used to inform the finalization of the national strategy.

2. Methodology

The aim of this chapter is to present the methodology which was used to develop the destination development plans, together with some of the theory behind why this methodology was applied. It is broken down into various different exercises that were largely carried out in chronological order.

Figure 1: Sequence of Activities under the Methodology



2.1. Literature Review

The first step in the methodology was a literature review. It was carried out in order to understand the full scope and context of the strategic direction for the tourism sector

and how the proposed focus on destinations could best work within existing frameworks. All relevant material was gathered (existing national, sub-national, destination or product/theme strategies and plans) and analyzed. Key issues that are repeated in multiple documents were noted, and a as a long-list of destinations in Macedonia that are considered a strategic priority, together with the reasons why, were noted. The output of this first step was a long-list of existing tourism destinations or clusters of destinations across the country.

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 (2007)

2.2. Selection of Priority Destinations

From the longlist developed above, the destinations to become a focus for tourism development in Macedonia were prioritized according to five criteria. The long list included destinations, circuits, clusters, and other representations of destinations. These are referred to as "frameworks" in the list below. All of these were considered in order to reach the short-list of destinations. The prioritization criteria were:

1. Existing and potential market demand
 - a. Evidence of success of comparable theme or product in other, relevant contexts/ countries
 - b. Evidence that target markets are or will purchase it
2. Readiness for growth
 - a. Framework has support from other donors
 - b. Circuit/theme has stakeholders sensitized, positive, and on-board
 - c. It is accessible, with adequate routes to reach it
 - d. Circuit/theme has master plan or action plans
3. Ability to generate development impact
 - a. Development of the framework can tap into and help grow viable supply chains
 - b. Development of the framework will directly impact poorer regions
4. Strategic significance (documented as priorities in existing strategies)
 - a. Framework recognized in national strategies
 - b. Institutional support for framework
 - c. Framework is a good fit with brand/identity of country
5. Role in regional integration
 - a. Location of destination/circuit/theme is compatible with existing multi-region tours
 - b. Circuit/ theme is compatible with neighboring offerings

All destinations/clusters that are mentioned in the long list from the literature review were scored by the Working Group that the Government established for the preparation of the Local and Regional Competitiveness Project, and which included representatives from the Cabinet of the Deputy Prime Minister for Economic Affairs, regional centres, and Ministry of Economy's Department of Tourism. Any destination that scored over

60% was considered to be a priority. These destinations were then validated by the private sector from a market perspective. A survey was circulated amongst a sample of 10 private sector operators. Responses were analyzed and confirmed the strategic importance of the destinations to the tourism market.

2.3. Demand Analysis

In order to better understand how for the competitiveness and attractiveness of each of these ten destinations could be improved, it was critical to undertake market demand analysis that has been missing from the sector's wider strategic framework. This activity focused on mapping and analyzing demand patterns at the global level, at the regional level, and at the country level. Data was collected on the volumes of visitors, the changing patterns of their visits, length of stay, typical average spend, country of origin, reason for visiting and means of booking. This snapshot was complemented by an analysis of relevant market trends that are (or will) significantly affecting travel, and provided some interpretation for the Macedonian context.

2.4. Market Segmentation

With a greater understanding of broad demand trends and consumer appetite for FYR Macedonia, the next step in the methodology focuses on disaggregating the picture of overall demand and defining key market segments, or consumer profiles within it. This is considered to be good international practice and is a tool utilized by many in the travel industry – and also in other sectors – to better understand the customer and tailor products to their needs. It recognizes that not all consumers want the same thing, and that breaking demand down into behavioral profiles provides a great insight into the ways consumers will purchase, use, and recommend a product.

Definition: Market segment

A market segment is a group of customers who share common characteristics such as demographic and/ or psychographic characteristics, consumption preferences and behavioral patterns. Segmentation is an important step in planning for a destination because it tells us who is coming to the destination, why they are coming, and what they want to do there. Authorities, private sector and other actors are then empowered (with data) to better plan and accommodate specific tastes, preferences and patterns, rather than trying to please everybody. It is used as a way to focus resources and get the best 'return' or value for the destination.

- Kotler, Bowen and Makens (2014)

In order to identify all of the relevant market segments for FYR Macedonia, more primary demand data was collected. The previous step provided a good understanding of overall trends and macro-level data, but this is not broken down by 'type' or 'profile' of consumer. In the absence of this kind of quantitative data, a qualitative approach was used. The methodology used a series of interviews with international, regional and local private sector operators who come into contact with these consumers every day and can provide valuable insights into their behavior and preferences. This was supplemented by research and on online consumer-facing feedback resources (TripAdvisor, Booking.com etc.). The result of this exercise was a long-list of all the different tourist market segments that are relevant to FYR Macedonia, with summaries of their behavior, profiles and preferences.

Example: TripAdvisor

'TripAdvisor delves into traveler types and booking trends'

Oct 25.2016

TripAdvisor is the latest to put travelers into groups according to behavior.

As part of the company's ongoing TripBarometer, it commissioned Ipsos to identify different traveler profiles. The research firm came up with six such profiles:

- 'Value seekers' are predominantly aged 25 to 34, are often travelling with children and like beach holidays. This segment wants to make the most of holidays and carries out research via smartphone.
- 'Luxury travelers', as the name suggests spend big, are mostly aged 25 to 49 and like beach holidays and city breaks.
- 'Social travelers' fall into the 25 to 49 years old age group and often go away with others. The income for this segment is medium to high and they are said to be influenced by word of mouth and recommendations. They, too, like beach holidays.
- 'Independent travelers' like to travel alone and are looking for adventure. The segment is aged between 25 and 49, relies heavily on online research and is seeking culture.
- 'Researchers', again fall into the 25 to 49 age group, and devote a lot of time to researching where to go, where to stay and what to do in a destination. They are often high earners and prepared to part with a bit more money for something special.
- 'Habitual travelers' can be aged anywhere between 35 and 64. They return to the same place again and again and want things easy. This segment is said to be mostly male, low earners who go away by themselves.

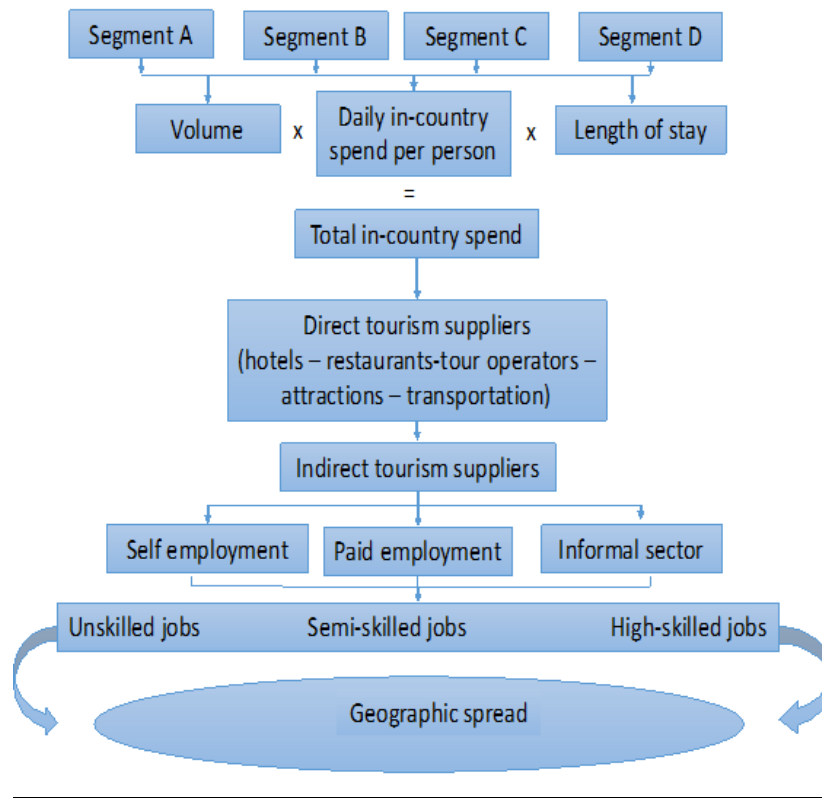
- TNOOZ.com (2016)

2.5. Priority Segment Selection

From a long list of all the market segments relevant to FYR Macedonia, the methodology then moved to analyze which of these are the most important or could bring the highest impact. Some market segments yield a lot in terms of desirable impacts (high tourism spend, longer visits, creation of higher-skilled jobs, repeat visits) and some very little. Depending on the objectives and compatible supply-base of a country or destination it is useful to identify which market segments to invest in for the greatest possible return. Destinations target certain market segments through product development, standards, targeted marketing. or access, for example.

It is therefore important to prioritize market segments that are likely to deliver the most impact from tourism. This approach is described in the model below which explains the relationship between segment prioritization, economic impact and employment.

Figure 2: The Tourism Market Segmentation Employment Impact Model



Source: Adapted from Mitchell and Ashley (2010)

Firstly, the model shows that different market segments have an impact on the total in-country spend. While certain markets might be smaller in volume, their total economic impact can be higher due to higher daily spend or longer length of stay. Secondly, the in-country spend produces direct and indirect employment as well as induced opportunities in the private as well as public sector along the supply chain. The employment generated through the tourism sector can be divided into self-employment, paid employment and the informal sector¹. Employment opportunities can also be grouped into low-, semi- and high-skilled. Different types of markets require different skill sets and stimulate different types of employment. For example, hard adventure travelers require specialists that are often self-employed while charter tourists stimulate semi-skilled, paid employment job opportunities. Market segment prioritization also affects the geographic spread across the country. Certain segments are concentrated in gateway cities or resort areas while other segments travel beyond and thereby provide employment opportunities outside of these tourism ‘hotspots’.

¹ Self-employment jobs are those jobs that are created for the initiators of new enterprises or the owners of existing enterprises where the payment is directly dependent upon the profits (or the potential for profits) derived from the goods and services produced. Paid employment jobs are jobs where employees have an employment contract which secures a paid salary. The informal sector refers to those performing legitimate but non-observed economic activities, which are not subject to national labor legislation, income taxation, social protection or entitlement to employment benefits (ILO, 2004)

2.5.1. Priority segment criteria

This methodology proposes used a set of six criteria with which to score each market segment. The criteria are based upon the *Tourism Market Segmentation Employment Impact Model* as described in Figure 2 above. The criteria include:

- **Size of the segment** (volume), which takes into account the current size of the segment as well as its potential for growth in the future. Segment size is associated with the magnitude of the impact that can be triggered by future growth.
- Ability of the segment to generate positive economic impacts, particularly regarding **spend per trip**. The total in-country spending is impacted by: the volume of the market (the number of arrivals); daily in-country spend per person and the length of stay (number of nights). To account for potential economic leakages, which are not uncommon in tourism, accounted total in-country spend includes only the spending which remains in FYR Macedonia and thus excludes international airfare and international tour operator fees and margins. For example, for travelers who arrive on a pre-paid package purchased through a tour-operator, spending is calculated on the basis of estimated payments that the international tour operator makes to the suppliers within Macedonia as well as the additional expenditures that the travelers may make on outside of the package (on food, additional activities, souvenirs, etc.).
- In effort to maximize return on future investments, priority is placed also on opportunities to encourage offerings that may appeal to **more than one segment**. Therefore, priority is placed on segments, for which investments are likely to produce offerings applicable to other segments as well.
- Another important criteria is the potential of the segment to **reduce geographic inequality** through dispersion of tourism flows outside the traditional tourism hubs. Tourism could provide opportunities for communities, which are experiencing a decline in population due to emigration of the younger generation.
- **Competitiveness of supply** is also considered as important factor as the advantage that Macedonia has compared to other destinations that fall in the choice set of the respective segment will determine its ability to attract it.
- The ability of the segments to **generate new jobs and specifically higher-yield jobs** associated with specialized skills is also prioritized. This is associated with developments that lead to expansion of current businesses or the creation of new enterprises that open new jobs. This was based upon previous international studies estimating the employment generation multipliers of particular market segments.

Tourism Employment Multipliers

A study by the University of Central Florida in Osceola, Florida showed the different job multipliers for the following segments: Hotel (1.39), Timeshare (1.37) and vacation homes (1.29). This indicates that overnight guests staying in hotels create more jobs than those in vacation homes.

- Source: Croes, Robertico R. and Rivera, Manuel A., "Economic Impact of Visitor Segments in Osceola County 2012" (2013). Dick Pope Sr. Institute Publications. Paper 4.

Another study by the University Central Florida but this time comparing convention visitors with leisure tourists in Orlando showed an employment multiplier of 1.46 for convention visitors and 1.50 for leisure tourists.

- Source: Braun, B and Rungeling, B. (1992) The relative economic impact of convention and tourist visitors on a regional economy: a case study. Int. Journal of Hospitality management, Vol 11, No1.

Each market segment was scored against the criteria. All of the scores will be totaled up, and those that reach 19 or above (out of 21) have been considered a priority for the country.

The following table was used for scoring, taking into account the current situation and the likely growth potential.

Table 1: Scoring Table for Determining Market Segments

Criteria	Current			Potential		
	1	2	3	1	2	3
Size of the market						
Spend per person per trip						
Competitiveness of supply						
Cross market segmentation ability						
Geographic dispersion ability						
Job creation ability						
Skilled workforce creation ability						

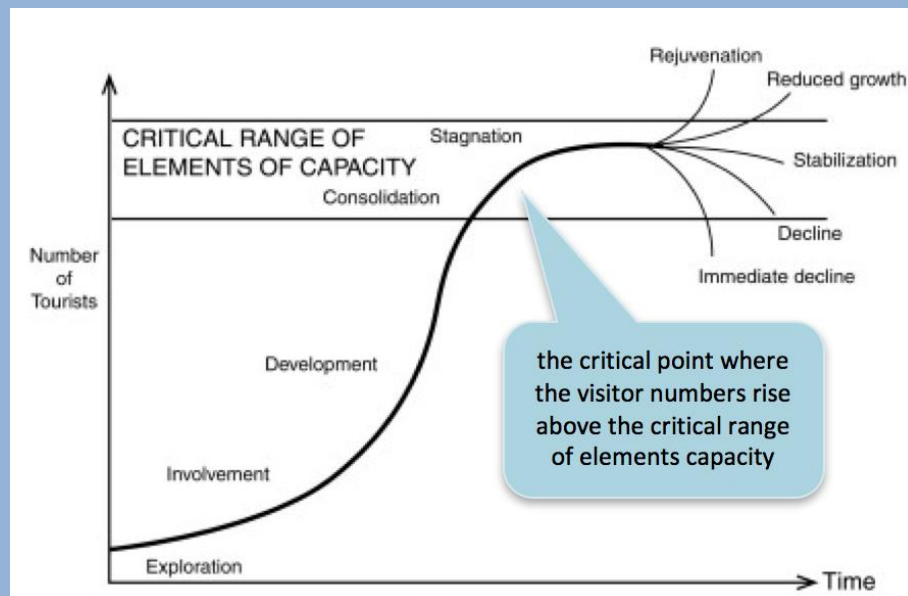
2.5.2. Maturity of the destination (supply factors)

The methodology recognizes that tourism in FYR Macedonia has not developed uniformly across the country. When applying the criteria set out above, the outcomes will be slightly different in the more mature parts of the country where tourism has been more established, than in the less mature parts where it may be more challenging for the various markets to grow or deliver the expected impacts. In the West for example, there are more visitors, more infrastructure, and greater levels of exposure, skills and understanding of the tourism sector.

This difference in maturity can be plotted on a graph known as Butler's model or the life-cycle curve. All destinations follow this pattern as they emerge, grow, and stabilize. With careful planning, a sound understanding of the market and sustainability, destinations can intervene before they reach stagnation, and continue to grow.

Technical Background: Destination Life-cycle

Figure 3: Butler's Tourism Area Life Cycle Model



- Butler (1980)

The development stage of a country, destination or area has an impact on how well a particular market segment can establish or grow. Parts of the country which are still in the exploration stage, for example, are likely to be more attractive for backpackers, budget-conscious, or searchers of authenticity where basic amenities, infrastructure and skills are less important to the visitor's overall experience. The development stage also influences the way destinations grow. Less developed destinations often look for growth in volume in order to reach a required scale in order for businesses to be viable. More mature destinations usually try to focus on value over volume in order to avoid reaching the critical range where more visitors negatively impact the overall visitor experience or stretch the destination's sustainability threshold.

In recognition therefore that the West and East of FYR Macedonia are at different stages along the development curve, the methodology in this section was applied to each once in the context of the more mature West part of Macedonia, and again in the context of the emerging East. The result of this exercise (2.5) was therefore a set of priority market segments in the West, and a set of priority market segments in the East.

2.5.3. Market segment persona profiles

Definition: Market segment persona profiles

Buyer (traveler) personas are research-based archetypal (modeled) representations of who buyers are, what they are trying to accomplish, what goals drive their behavior, how they think, how they buy, and why they make buying decisions

- Zambito (2012)

In order to gain more insight into the specific markets and their needs, a traveler persona profiling approach was used for each of the priority market segments.

Developing these persona profiles provides answers on:

- Who they are
- What their spending behavior is
- How they decide on their next destinations and how they prepare
- What their ideal trip looks like
- What their expectations about basic services in the destination are
- What type of activities they like to engage in
- What they do after they return

The result of this exercise was detailed persona profiles for each of the priority market segments.

2.6. Destination Supply Analysis

This part of the methodology focuses on building a more detailed picture of the supply offer at each of the destinations. The results of this exercise were used as follows:

1. To assist in determining which of these most desirable market segments each of the destinations should specifically target. Not every destination is well suited from a supply-side to target all of them. The supply and demand will eventually need to be matched up in order to select the market segments that are the best match for each destination. This matching exercise will take place as the next step of the methodology.
2. To help verify that supply-side gaps to be identified in the tourist experience value chain (see 2.8) are correct and justified.
3. To provide an accurate descriptive snapshot as part of the individual destination development plans (see Volume II).

In order to complete the supply-side analysis, the team employed primary and secondary research techniques. Research was undertaken through extensive review of existing documentation, interviews with international and domestic public and private sector stakeholders and site visits to all ten destinations. The main assets (those that are the most visited or well-known) were identified in the extensive strategic material available in the literature review (See 2.1), through itineraries offered by tour operators, interviews with local stakeholders, and through guide books, travel websites or booking sites. Site visits included a rapid assessment of the facilities and infrastructure as well as an estimation of visitation numbers, usage and rates if available.

2.7. Match Demand and Supply at Destinations

Having drawn a more detailed picture of the supply-side functions of each destination (taking into account the level of destination maturity, but also the type of assets, products, levels of service and skills, access and size in the previous section) **the methodology then moved to matching the destinations with the priority market segments.**

For example, a hard adventure market segment would naturally fit well with a destination that has natural assets to support hard adventure (mountains, canyons, rapids etc.). Easy accessibility or high quality accommodation services would not matter to the same extent. The process was therefore led by the destinations' potential to accommodate the needs of the market segment, according to their supply functions. The cross-segmentation ability of the priority segments within the destination is an important factor as it will increase the return on investment. For example, improvements geared towards increasing the destinations' competitiveness for domestic short break tourists are in some areas also affect the ability to attract regional short break tourists. The result of this exercise was a map of each destination clearly illustrating which of the market segments they should target.

2.8. Value Chain Analysis

The next step in the methodology was to conduct a value chain analysis (VCA). A VCA is used in order to map out the entire visitor experience of a trip to FYR Macedonia for each market segment, and understand where there are weaknesses or gaps in the experience. If there are weaknesses in a given value chain then the chain cannot be functioning as effectively as it should, and value is being lost.

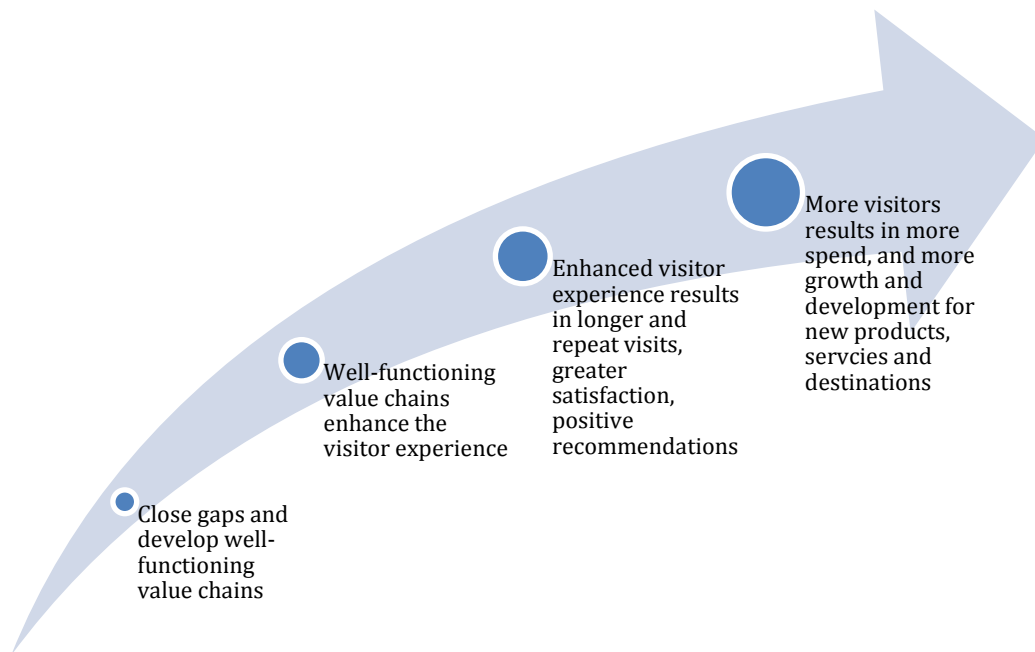
Definition: Value Chain Analysis

A value chain is a set of activities that an organization carries out to create value for its customers. To conduct a value chain analysis (VCA), the organisation begins by identifying each part of its production process and identifying where steps can be eliminated or improvements can be made. While Porter initially designed the VCA for companies, destinations can also apply this to identify gaps and improve their competitiveness or improve linkages.

- Adapted from Porter (1985)

This analysis works on the assumption that a well-functioning value chain is desirable because it means a better experience for the tourist. A better experience (in whichever market segment is being analysed) will result in higher spend, longer length of stay, repeat visits and recommendations to other potential visitors. This will ultimately increase the overall numbers coming to visit in a particular market segments, and expand demand into more destinations, products and services. This relationship has been illustrated below.

Figure 4: How the Quality of the Value Chain Impacts the Tourism Sector



To conduct a VCA, the methodology used the following approach:

1. **A value chain based on the visitor or ‘buyer’ experience.** Based on the connections between visitor experience and value that have been laid out above, the methodology employed a VCA based on experience at the market segment level. This approach is recommended as a tool to provide insights in the value chain from the buyer’s perspective and has been applied at various destinations such as by the Tourism Confederation of Tanzania in 2009 and in Jordan in 2010 by USAID. Analysis works step-by-step from researching and booking the trip, the experience in Macedonia, the return back home and recollection of the trip after return. The value chain will follow this model:

Figure 5: The Tourist Experience Value Chain Analysis



Source: Clawson, M., & Knetsch J. (1966). Economics of outdoor recreation. resources for the future. Baltimore: John Hopkins.

Each of the five stages of ‘visitor experience’ are important in the value chain. As with most types of production, a gap in the tourism value chain means that the entire chain is weakened. For example, if there are problems with the second box ‘travel to place’, then fewer people will take the trip and all of the activities in the remaining boxes have only a limited ability to create value.

2. **The VCA was run for each of the six market segments.** As outlined above, each market segment makes decisions, books, pays and travels differently. For

this reason it is critical to understand where the weaknesses are for each of these market segments individually, and not to assume that the same experience exists for all travelers to FYR Macedonia. Table 4 shows a breakdown of the five pillars of the VCA: Anticipation, Travel to place, Destination experience, Travel back and Recollection, and the specific research that was done for each of them.

Table 2: Five Pillars of the ‘Tourist Experience’ Value Chain Analysis

<i>Anticipation</i>	<i>Travel to place</i>	<i>Destination Experience</i>	<i>Travel back</i>	<i>Recollection</i>
<p>How do they think of FYR Macedonia?</p> <p>How do they find information for FYR Macedonia?</p> <p>How do they book?</p> <p>How do they research before leaving?</p> <p>How do they buy trips (package or not)?</p>	<p>Means of travel to FYR Macedonia?</p> <p>Entry point to FYR Macedonia (land/ air and location)?</p> <p>Do they need visa?</p>	<p>How long do they stay?</p> <p>Where do they stay (locations)?</p> <p>What type of accommodations do they use?</p> <p>How do they move around?</p> <p>What activities do they engage in?</p> <p>What attractions do they visit?</p> <p>Where and what do they eat?</p> <p>Are they guided/ independent/ group?</p> <p>How much do they spend?</p>	<p>Means of travel back?</p> <p>Exit point from Macedonia?</p>	<p>What feedback do they share?</p> <p>Where do they share feedback?</p> <p>Likelihood to return?</p>

Source: Adapted from UNWTO (2007) & Clawson & Ketch, 1966)

3. **Identifying the gaps for each market segment.** The process for identifying the weaknesses in the experience for each market (categorized within the five sections) is fourfold:
 - a. Firstly, research was carried out to map out the current experience of these market segments as per the table above. This was obtained through interviews with international tour operators, local tour operators, service providers at the destination level (accommodation, attractions), tourists from the market segments, and consumer-feedback platforms such as TripAdvisor or Booking. A complete list of data sources can be found in Annex 1. With more time, it would also be helpful to do a targeted consumer survey. While mapping out the current experience, any consistent negative comments, experiences or issues raised will be noted as ‘weaknesses’ or ‘gaps’ in the current value chain.

As part of this current experience mapping, site visits to each of the destinations were carried out. The middle section of the VCA deals with the experience ‘onsite’ at the destination. This step assessed how the

given market segment experiences the specific destination(s) and where the gaps or weaknesses currently are on the ground.

- b. Secondly, an 'ideal future' scenario was mapped out for each market segment. These will be created based on international knowledge and best practice of how these market segments operate globally, and the trends that are likely to affect them in the future.
- c. These ideal future traveler experiences (based upon the traveler persona profiles) were used as basis for benchmarking against the experience that destinations in the country currently offer. This process leads to the identification of specific gaps and opportunities for improvement that, if addressed, can align the Macedonian travel experience with the future ideal for each priority segment.

Finally, the two sets of gaps (based on current experience and vs. the ideal future experience) for each of the 6 value chains were added together. The output of this step is a long list of gaps or weaknesses across the entire value chain (some at destination level, some at national level). The long-list is made up of the current gaps (showing actual current experience versus expectation) and the likely future gaps (showing weaknesses that will need to be addressed in the near term if the experience is to be competitive).

2.9. Development Plans and Destination Management

The last part of the methodology is to collate the analysis, data and key findings from the analysis detailed above, define gaps and opportunities to increase the competitiveness of the destination's offering in the market segments relevant to it, and document this in a medium-term plan. This involves an informed and evidence based decision-making process at the destination level. Thus, the development plans are demand-driven and evidence-based (informed by the analysis done (as above) including detailed market demand assessments) and consistent with national strategic direction and development priorities (having been directly informed by the literature reviews, existing strategies and request from the Government of FYR Macedonia).

In line with good international practice, each of the ten plans set out the following:

- The vision for the destination
- Development goals and targets
- Overview of supply
- Arrival and demand trends
- Priority market segments
- Gaps and opportunities to improve competitiveness of the offer (for the target segments)
- Proposed and prioritized interventions/actions
- Overview of resources available

Theory of Destination Management

Destination management is a process that involves the coordinated management of all the elements that make up a destination (attractions, amenities, access, marketing and pricing) together with the building blocks that influence or affect these elements.

This process involves a coalition of many organizations and interests working towards a common goal. The goal is usually defined in the early stages of a destination management process and would typically be based around the ideas of improving the visitor experience and managing tourism growth more sustainably in order to better benefit the destination.

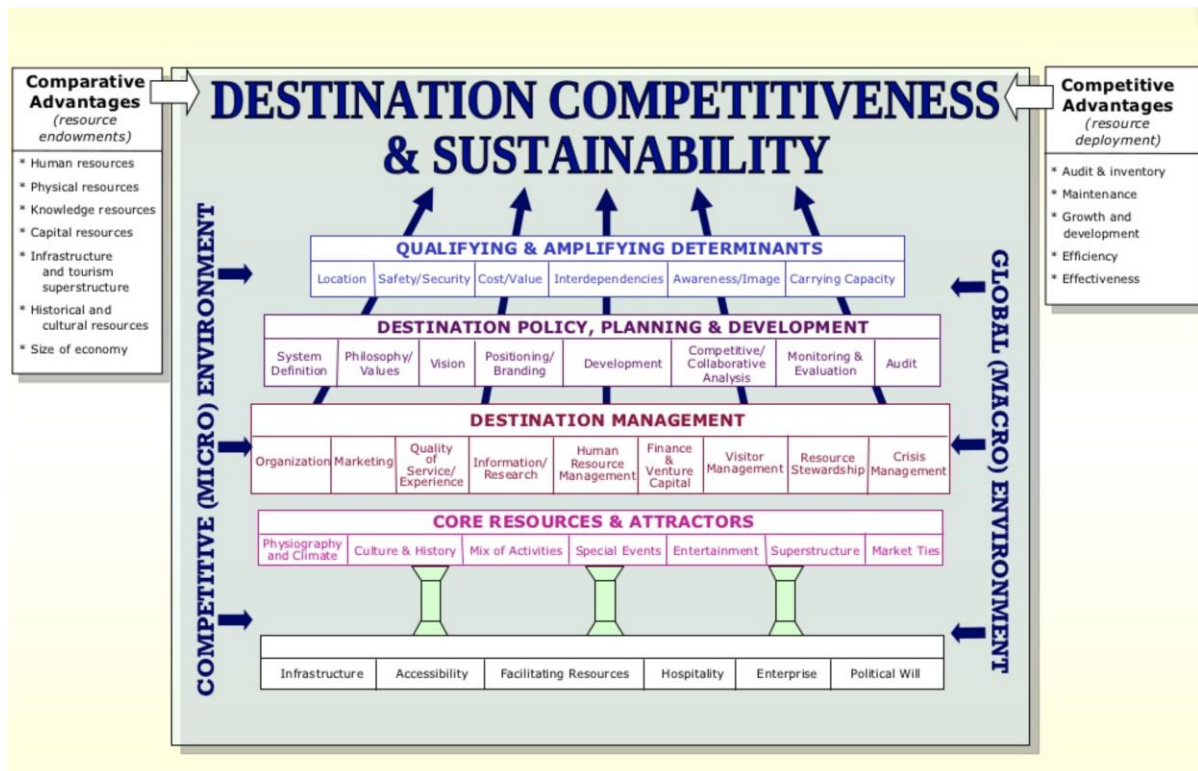
The purpose of the process is to lead and coordinate activities under a coherent strategy or plan, serving the interests of the entire value chain.

- Adapted from UNWTO (2007)

This development plan is based upon the approach that greater economic impact will occur if the destination increases the competitiveness of its offer (or experience) for the priority market segments. Tourism is a very competitive and dynamic industry and while it has the potential to produce significant social and environmental benefits, these are only sustainable if the destinations keeps delivering a competitive product that the visitor is looking for. An improved visitor experience will maximize economic and other returns at the destination level. Increased visitor value will lead to higher tourist satisfaction rates and therefore greater economic impact (through longer stays, repeat visitation, more spending and more widely travel).

Riche and Crouch (2003) define destination competitiveness as “the ability to increase tourism expenditure, to increasingly attract visitors while providing them with satisfying, memorable experiences, and to do so in a profitable way, while enhancing the well-being of destination residents and preserving the natural capital of the destinations for future generations”. Their model shows that a destination’s competitiveness is not only dependent on core resources and attractions such as culture, hotels and entertainment but also on proper destination management and supporting factors such as infrastructure and accessibility.

Figure 6: Destination Competitiveness Model of Ritche-Crouch



Source: Ritche and Crouch (2003)

In order to improve the destination's competitiveness, it is critical to understand first what the destination can offer and how the destination can deliver products that visitors really value. The development plan will therefore provide an understanding of the current and potential supply of the destinations, the profiles of the different types of visitors or 'market segments', what these visitors are missing, and what the destinations can do to improve the experience.

3. Results

3.1. Literature Review

The literature review encompassed the analysis of over 19 core strategic documents of relevance to the tourism sector. The review showed that while a number of destinations had been identified as ‘strategic’ for the sector, a demand analysis for almost all destinations was missing (See Annex 2 for a list of reports included in the review). There had not been much consideration for the demand side patterns of travel such as specific market segment purchase behavior. The latter is important in order to understand the needs from the market and increase the competitiveness of the tourism product for the particular markets.

The majority of the documents provided either an excellent level of detail on the supply side, describing the assets of some destinations or else described the potential tourism products such as cultural tourism, wine tourism, or sports tourism. The majority of strategies which followed a tourism product approach did not pinpoint precise locations across the country where specific themes could be developed and linked in a coherent manner. In general, there was a lack of middle-level strategic frameworks to guide the development of the sector on a destination level.

3.2. Selection of destinations

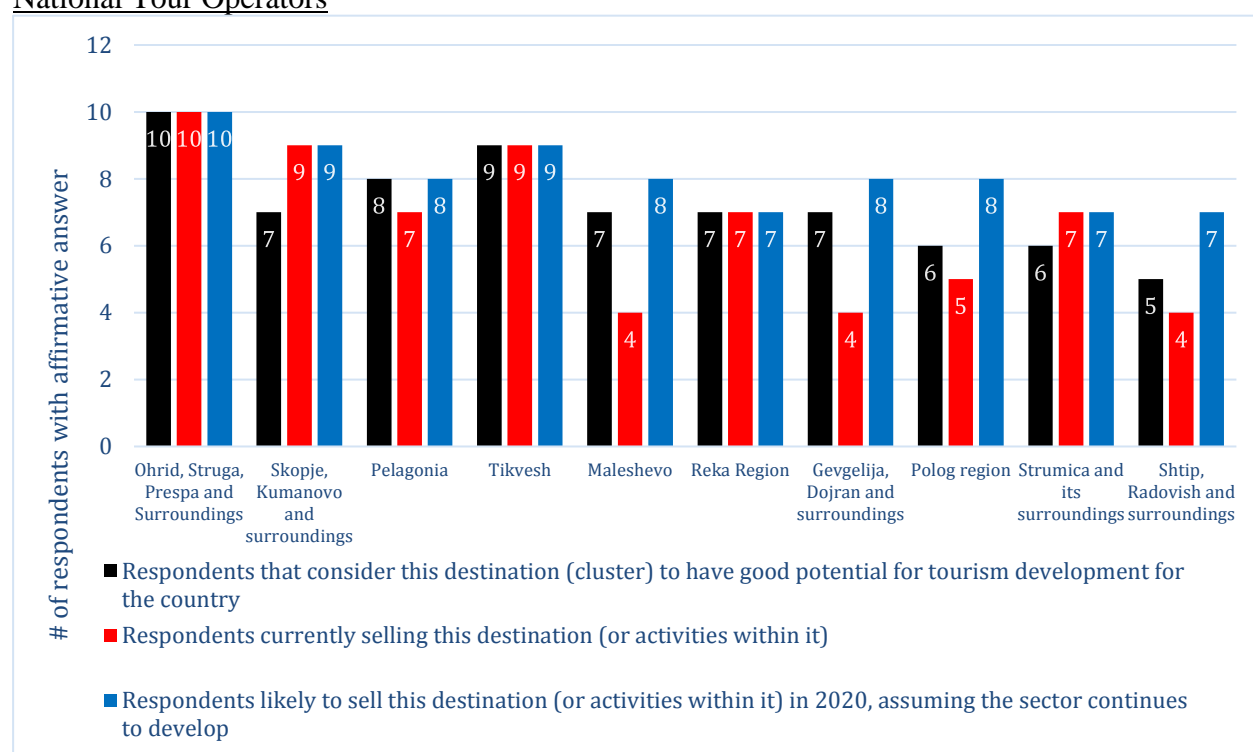
In order to focus efforts and resources, it was agreed to narrow down the number of destinations to work on in FYR Macedonia. Using the methodology presented in section 2.2, ten destinations were prioritized and are laid out below.

Priority destinations:

1. Destination 1 encompasses Ohrid, Struga, Prespa and their surroundings
2. Destination 2 encompasses Skopje, Kumanovo and their surroundings
3. Destination 3 encompasses Pelagonija
4. Destination 4 encompasses the Reka region
5. Destination 5 encompasses the Polog region
6. Destination 6 encompasses the Tikvesh region
7. Destination 7 encompasses Maleshevo
8. Destination 8 encompasses Gevgelija and Dojran
9. Destination 9 encompasses Strumica and its surroundings.
10. Destination 10 encompasses Shtip, Radovich and their surroundings

The private sector then verified that these destinations were viable from a market perspective, and that it made sense to focus on them. Respondents to the survey (as mentioned in the methodology) are included in the list of stakeholders consulted, presented in Annex 1.

Figure 7: Summary of Viability of Destinations, Positive Responses from Total of 10 National Tour Operators



It is important to note that whilst these 10 destinations are spread across the country, they are not uniform in terms of tourism development or destination maturity. Destinations in the West are largely more developed and visited than those in the East. Nearly all of the destinations in the West are sold by tour operators to the same market segment (or tourist profile) and thus, in many ways form a circuit that loops between Ohrid and Skopje. However, these same destinations also cater to other market segments who not travel in the same loop or circuit such as charter tourists or domestic tourists. Whilst it may be helpful to think of circuits and corridors in the context of some market segments, it does not apply to all in the same way. Therefore, the framework of the current plan shifts to the individual destinations.

3.3. Demand Analysis

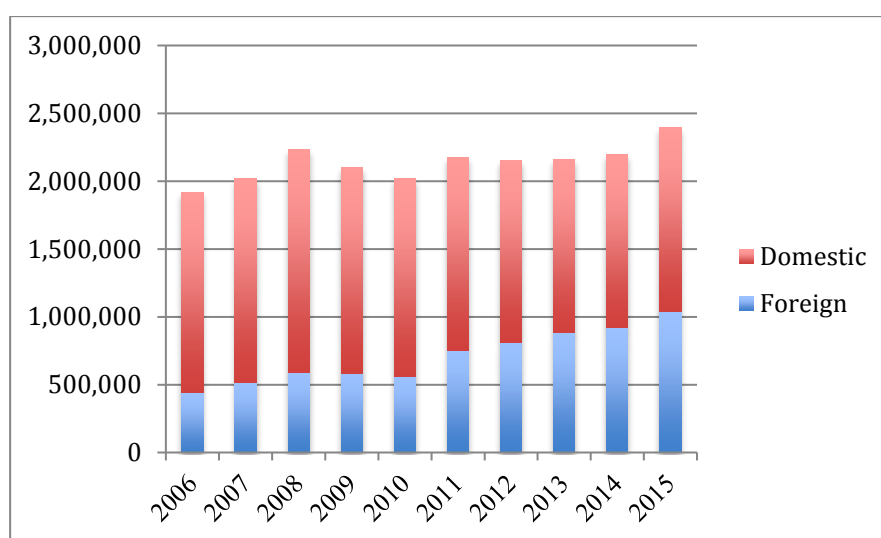
A complete market demand analysis can be found in Annex 4 that shows the global, regional, European and Macedonian visitor arrivals and demand data. Several highlights have been shared here:

3.3.1. FYR Macedonia

In 2015, foreign and domestic arrivals generated almost 2.4 million overnight stays in Macedonia. While the number of domestic overnight stays decreased by almost 8% over the last ten years, the number of foreign tourists in Macedonia increased by 134%. Domestic overnight stays remains the main source market though their market share dropped from 77% in 2006 to 67% in 2015. This could be driven by an increased interest of Macedonians to travel abroad. After three years of decline, the number of domestic overnights increased by 6.7% between 2014 and 2015.

Foreign arrivals increased by 12% between 2014 and 2015 mostly driven by increased number of arrivals from Turkey and the Netherlands. While Turkey is the main source market by number of arrivals, the Netherlands generates the highest overnight stays. The number of overnight stays by the Dutch achieved almost 11% year-on-year growth between 2011 and 2015. The number of overnight stays from Greece travelers has dropped since 2013 while the number of overnight stays by visitors from Poland has doubled over the last three years.

Table 3: Number of Overnight Stays, Domestic and Foreign, 2006-15



Source: State Statistical Office

Average length of stay from Turkey, Serbia, Greece and Bulgaria are under two nights indicating a large share of business or transit passengers.

Table 4: Main Tourism Indicators Macedonia, 2011-15

	Number of tourist arrivals	Number of overnights ('000)					CAGR	ALOS
	2015	2011	2012	2013	2014	2015	2011-15	2015
Domestic	330,537	1,418	1,340	1,276	1,273	1,358	-1.1	4.1
Foreign	485,530	755	812	881	923	1,036	8.2	2.1
Netherlands	32,217	112	145	127	128	169	10.8	5.3
Turkey	90,857	65	81	105	97	135	20.0	1.5
Serbia	43,613	73	71	74	77	85	3.9	1.9
Greece	38,829	78	73	81	74	64	-4.8	1.7
Bulgaria	29,314	35	39	41	49	53	10.9	1.8
Albania	18,493	36	35	41	42	39	2.0	2.1
Germany	17,939	22	26	30	33	36	13.1	2.1
Poland	17,054	14	18	30	38	36	26.6	2.1
Croatia	15,135	29	29	26	32	31	1.7	2

Other	182,079	291	295	326	353	387	7.4	2.1
TOTAL	816,067	2,173	2,152	2,157	2,196	2,394	2.5	2.9

Source: State Statistical Office

Note: ‘Tourist arrivals’ represents the number of tourists that register at a tourism accommodation. If a tourist stays at multiple accommodations during its stay, it will be included each time. ALOS is calculated by dividing the number of overnight stays by the number of tourist arrivals. This number shows the number of nights a tourist stays at a single tourism accommodation within the country and if the tourist stays at multiple hotels, this figure does not represent the average length of stay within Macedonia.

3.3.2. Travel trends shaping the future of travel and tourism

The trends presented below have been extracted from a comprehensive review of global tourism consumer and market trends identified by leading analyst and industry research groups. This subset includes trends which are directly relevant to Macedonia based on its destination characteristics, specific supply assets, and competitive context. The highlighted trends are identified as essential to consider when designing strategic plans for the development of Macedonia's tourism offer as they will catalyze changes in demand and competition dynamics.

3.3.2.1. *Travel 3.0: the rise of smart travel and technology-mediated experiences*

Tourism is one of the industries where the advancement of communication technology thrives. So far technology has impacted traveler planning, the decision-making, and the purchasing process. In the era of travel 3.0, however, with the high penetration of mobile and wearable devices, technology is becoming part of the traveler experience.

There are two important directions in which the technology is impacting demand:

- The advancement of mobile and wearables is tempting the traveler to book less before the trip and leave more decisions for the “during” phase of the trip, which is changing the moment of purchase² and leads to different decision making dynamics
- Data and mobile technology create potential for high-level of customization, which is happening and demanded by travelers

Trend relevance to Macedonia: The mobile-mediated shifts in traveler purchase behavior and traveler experience means that the marketing tactics of tourism experiences in Macedonia should consider mobile-friendly distribution channel partners. This involves: 1) promoting, selling and maintaining live inventory via mobile channels such as popular travel curating platforms and apps (for example Viatour); 2) designing offerings with flexibility that allows for customization and personalization through digital and mobile channels; and 3) allowing for feedback channel distribution (for example Yelp, TripAdvisor).

3.3.2.2. *The quest for small, local, authentic*

One of the prominent trends in travel is the rising demand for truly local and authentic experiences. A 2014 study by American Express reveals that 34% of travelers are

looking for cultural immersion during their summer holiday (American Express Traveller 2015). The SKIFT 2015 report on megatrends in travel identifies the growing demand for 'local discovery' as one of the forces driving changes in the hospitality sector and inspiring new attractiveness in the image of small and boutique destinations, which until now were under the shadow of large celebrity places (SKIFT 2016).

Trend relevance to Macedonia: The growing appeal of the *authentically local* travel experience represents a promising opportunity for strengthening the linkages between tourism and the local economy in Macedonia because it leads to increase in the value added of local food and local accommodation offerings. There are two directions in which this trend can be favorable: 1) improving the visibility and appeal of already existing local accommodation and food operators such as B&B's, farms, local restaurants, etc. and respectively encouraging the opening of more operations that are owned and managed by locals, including alternative accommodations that fit with the existing landscape and become attractions themselves (e.g. Tiny House Rentals: <http://tinyhouselistings.com/>); and 2) designing experiences with local flavors or enriching existing offerings (such as tours, boat trips, hotel stays) with local feel, including food, crafts, culture, etc.

3.3.2.3. Experiential consumption all around

Travel is by default a highly experiential industry but only in recent years has the experiential design of tourism products and offerings become a visible trend. Experiential consumption means placing focus on the symbolic, pleasure-related (also referred to as hedonic) and aesthetic aspects of consumption that evoke fantasies, emotions and fun (Holbrook & Hirschman 1982). In travel this is associated with increasing demand for trips and attractions that engage travelers through their senses, emotions and active involvement. The contemporary traveler is increasingly looking to feel, taste, touch, do and learn rather than be in a passive "just looking" role (Bremner 2013). This is leading to new designs of visitor experience around attractions and service facilities, including with the use of contemporary technologies, as well as redesign of services from transportation to food or accommodation.

Trend relevance for Macedonia: The growing demand for experiential travel creates a great opportunity for designing experiences around local culture, nature, food and farming traditions that engages visitors on sensory and intellectual level at the same time. Such experiential offerings can include sight-sounds-smells exploring tours of towns and nature, discovery experiences, dancing and cooking demonstration, dancing and cooking classes, tasting experiences, demonstration of and classes for growing, harvesting, processing techniques of local cultures, farm stays and visits allowing visitors to immerse in local traditional life.

3.3.2.4. Millennials and hipster holiday styles

Just like in many industries the growing importance of Millennials as a distinct consumer segment is a fact in tourism. This younger generation recently outnumbered baby boomer travelers and is naturally starting to influence trends in demand. As Millennials become professionally active and move along lifecycle stages, their spending power is increasing too. In a recent study by WYSE Travel Confederation 50% of Millennials spent more than EU 1,000 per trip (WYSE 2014). The same source reveals that among the main motivations for millennial travelers are meeting friendly locals (55%), living like a local and experiencing everyday life (46%), and increase own knowledge (43%).

Millennials are also looking to avoid mainstream touristic places and driving the rise of so called ‘hipster areas’, which are a bit off the beaten path and offer foodie favorites, artistic hangouts, and less traditional sites and attractions. Because of their interest in such places, they are also likelier to stay in peer-to-peer rentals rather than traditional accommodations. Being natural with technology, millennial travelers are avid users of mobile phones and social media, and most of their bookings are made through mobile channels (WTM & Euromonitor International 2015).

Trend relevance to Macedonia: The growing market power of the millennial segment requires adapting destination strategies to their needs and expectations. For Macedonia this means a necessary adjustment of existing product and service offerings but also represents an opportunity. If Millennials seek out places that offer local experiences and are off the beaten path, then they may serve as beachhead market for some new developments in less active tourism areas. Macedonia’s proximity to the European market and existing low-cost airline routes make it possible to start marketing trips including unusual and off-the-beaten-path experiences as quick getaways for hipster-oriented European Millennials.

3.3.2.5. Steady growth of third-age travel

While the rise of millennial travelers as a globally significant segment is unquestionable, the third-age generation continues to be a profitable and growing segment for destinations around the world. According to Eurostat 18.5% of the population across EU member states falls in the age bracket of 65 or older (2014)³. The share of the elderly has been increasing at steady rates mainly in the advanced economies such as EU-28 (especially Germany, Austria, Italy and others) but also in the North America (10%) and Asia (7%) (Resonance Consultancy 2016). With increased longevity and access to better healthcare older segments of the population are increasingly active as travelers.

Elderly travelers are not among the top spenders but their sheer volume makes them a worthwhile segment to consider for many destinations. While their spending resource is not unlimited, this group is unrestricted in terms of time, which provides opportunities for specific product offering and service design. Third age travelers travel in couples, with close friends or members of the family but the share of single travelers in this age bracket is also increasing at fast pace. The share of women among retiree travelers tends to be higher.

The choice of destination for this demographic varies greatly depending on a multitude of factors such as country of origin, travel career, education and other demographics. However, across all destination choices retiree travelers are most concerned about safety, climate and ability to communicate in a language they understand. In terms of preferred activities they are most interested in food and culinary offerings, learning something new and exploring different cultures (Resonance Consultancy 2016).

Trend relevance to Macedonia: The significant net worth of the third age traveler segment is a great opportunity for Macedonia. Given the close proximity to European source markets with high shares of healthy and active population that is 65 years or older, it represents an appealing target for the country’s cultural heritage and nature-

³ EUROSTAT: http://ec.europa.eu/eurostat/statistics-explained/index.php/Population_structure_and_ageing

based offer. Direct and low-cost flight connections from many European cities are great advantages due to the importance that this segment assigns to easy access and value for money. Despite the strengths of Macedonia as potential destination for third generation travelers, the local tourism industry needs to align with their expectations. Safety and convenience are a primary concern, which means that attractions and tourism facilities need to meet relevant standards. In this context availability of relevant medical and healthcare services is also important.

3.3.2.6. Food in the spotlight

Food has always been an important element of the travel experience but in the recent years its prominence has reached new levels. This is partly due to the more general trends associated with focus on healthy eating and living, new appreciation for natural and fresh ingredients and home-cooked food, and associated rise of celebrity chefs and food media. In travel context culinary experiences are more than expression of the new cult for food.

The demand for local and culinary experiences is in itself undergoing changes. Along with the local aspects, contemporary travelers are increasingly demanding simplicity and high quality. According to the UNWTO Global Report on Food Tourism destinations and companies need to increasingly invest in quality through protection and recognition of local products, specialized training and service design.

Trend relevance for Macedonia: The rise of food tourism on global level represents an attractive opportunity for Macedonia, which has enough assets to develop such offerings and where visitors identify good food as one of the pleasant surprises during their trips. To benefit from these trends Macedonia needs to: 1) encourage investment in food- and farm-tourism activities that can diversify the offerings for existing markets; 2) offer assessment and training of “food experiences” to ensure competitiveness of offerings; and 3) use the distinctive character of food offerings as platform for new differentiated positioning and marketing.

The increasing focus on quality in food tourism offerings means that Macedonia might consider developing offerings with higher level of sophistication and with thoughtful consideration of the details. This relates to: 1) designing food experiences in a way that shows (rather than tells) the traveler that the food is local and fresh, 2) focusing on simplicity and considering the small details of food presentation, traditional design and artisan elements, 3) investing in interpretation services and service culture that accompanies food offerings, and 4) understanding that the traveler is sophisticated and understands the difference between “organic certified” and “organic practices”, and is more demanding of “local” quality.

Table 5: Summary of Trends and Relevance to Macedonia

Trends	Relevance to Macedonia
<i>Travel 3.0: the rise of smart travel and technology-mediated experiences</i>	<ul style="list-style-type: none"> • Promote and sell via mobile channels (e.g. Viator) • Design customizable experiences
<i>Quest for small, local and authentic</i>	<ul style="list-style-type: none"> • Improve visibility of local tourism businesses and entrepreneurs • Use local food and associated traditions as source of differentiation

<i>Experiential consumption all around</i>	<ul style="list-style-type: none"> • Focus on experience design
<i>Millennials and hipster holiday style</i>	<ul style="list-style-type: none"> • Target as beachhead market for new off-the-beaten-path experiences • Adapt offerings to segment specifics
<i>Steady growth of third-age travel</i>	<ul style="list-style-type: none"> • Target as high-potential market with high net worth and expectations that align with Macedonia's assets • Adapt offerings to segment specifics and needs
<i>Food in the spotlight</i>	<ul style="list-style-type: none"> • Diversify with food and farm offerings • Design more experiences with local flavor • Focus on simplicity and authenticity

3.4. Market Segmentation

Having interpreted the overall macro demand data and supplemented it with qualitative research on visitor behavior, the research identified a total of 16 market segments – ‘the long-list’ (see Figure 8). These are the segments that are currently visiting FYR Macedonia and are relevant to those promoting individual destinations, or those promoting themes (such as lake tourism, or cultural heritage). Market segmentation can help stakeholders understand what tourists are visiting the country's destinations and attractions, and how they are using them. The market segments do not replace the current activity-based segmentation in FYR Macedonia's tourism strategies, but rather complement them from the demand perspective.

The segments show that tourists are not all the same. There are very different types of tourists who may visit the same areas but may have different reasons for visiting, different expectations in terms of offerings and extremely different impacts on the social and natural setting. In that sense, domestic tourists are not identified as a separate segment but rather integrated across different behavioral segments such as travelers who engage in active outdoors activities or travelers who travel in the region for food and leisure. Just like international tourists, domestic tourists do not all travel in the same way, or want the same things from a destination. ‘Domestic tourism’ is therefore not an accurate market segment because it does not tell the destination the profile of that visitor, how they like to travel, or how to plan for their experience.

Figure 8: Top 16 Market Segments for Tourism in Macedonia



1. Charter tourists

These are travelers who arrive from Western European countries on low-cost packages on charter flights landing mainly in Ohrid. They usually spend 7 days, stay mostly in Ohrid and take one-day excursions in the nearby areas or other parts of the country. The main driver for their choice of Macedonia and Ohrid is the lowest possible price for vacation package. The Netherlands is the main market for this type of travel but in 2016 charter flights from Belgium and Israel will also commence.

Due to the limited geographical dispersion of this segment, it has limited potential for impact beyond the areas which these travelers currently visit. Their conservative spending behavior and the fact that a large share of their spending is concentrated in the mediating tour operator and the local provider of accommodation services, are limitations on the economic impact that may be yielded by growing this segment further. At the same time, this segment is already active in the country and may represent a good beachhead market for the testing of new products in the areas that are relatively close to Ohrid.

2. European short break tourists

These are travelers who arrive from different Western European countries for short city breaks. They usually arrive on low cost airlines, mainly in Skopje and spend a weekend or a long weekend exploring Skopje and nearby regions. The main driver for this group is the combination between curiosity in visiting the ‘off-the-beaten-path’ Macedonia, low cost (low prices for food and lodging on the ground) and easy cheap access due to low cost airline. They might engage in some hiking or biking around Skopje but would mostly visit popular sites on their own based on guide books or peer recommendations.

This is a segment, which is somewhat limited in terms of geographic dispersion due to the short time they spend in the country. While one-day trips to Ohrid are within the demanded experiences, this is so only because of Ohrid’s reputation as a top destination in the region with UNESCO World Heritage status. The higher spending levels of this

segment represent an attractive opportunity for Skopje and the immediate surrounding areas in terms of new offerings and potentially new jobs. The main limitation is the narrow geographic scope within which this segment can have impact. In addition, the competitiveness of Macedonia here is based on value for money and can turn out to be unsustainable if new destinations become available to these markets.

3. Classic Balkan tourists

These are travelers who are part of groups traveling on bus around the Balkans. They typically visit three or four countries in the region and stay between two and three days in Macedonia. These travelers usually spend a night in Ohrid and in Skopje, and visit the most important cultural and religious sites in the country. They are more likely to adhere to classic tour models with standard guiding and limited physical or outdoor activity. They come from Europe but also from some Asian countries.

This segment generates high number of visits at the leading Macedonian tourism attractions. It shows a relatively medium level of dispersion around the country but focused around already well-developed and mostly traditional cultural heritage attractions. New products and attractions would typically not be attractive for this segment until they generate recognition by the market so it cannot be expected to drive new developments and new job creation. Classic Balkan tour tourists can be good spenders but are not among the segments with high local impact as their expenditures are channeled mostly through packages purchased through tour operators and tend to be conservative in terms of food and accommodation.

4. Domestic short break tourists

These are travelers who live in 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. Macedonians have traditionally been more focused on passive relaxation and food and drink without seeking to engage in active outdoor activities. However, in the recent years there has been increased interest to incorporate a more active type of recreation such as hiking or biking during their stay. Expatriates living in Macedonia tend to be more adventurous and like to explore new places each time they travel. They also have more of a need to learn about local culture and nature. They are characterized with higher spending power.

This segment is a leading generator of arrivals across regions in Macedonia. This segment has some potential for geographic dispersion, especially with development of new offerings and accommodation facilities that align with its expectations. It is characterized with spending that is channeled directly to local providers so it can be expected to produce new jobs as it grows. The main competitive advantage of Macedonia here is location and proximity, which will remain unchanged in the future.

5. Regional short break tourists

These are travelers from Bulgaria and Serbia who visit Macedonia for leisure purposes staying for one or more nights. Arrivals are concentrated close to the border with Bulgaria and Serbia but regional travelers also overnights in Ohrid, Bitola and Skopje. A number of travelers from Bulgaria come in an organized way in groups up to 50

people. They book a package for one or two nights and usually stay in one single destination. Hotels in Kratovo, Berovo and Ohrid are actively offering packages to this market. There is also a significant market for regional travelers who travel independently and book their hotel or rental home directly from the provider. The majority of regional travelers have similar behavior patterns as domestic short term leisure travelers: they seek relaxation and enjoy good food in the company of friends and family. They travel on weekends, around holidays or for short breaks.

This segment provides a significant number of arrivals and has good geographic spread especially. Spending is relatively high and benefits the destinations directly. The similarities in culture and language as well as the proximity have made regional tourists a relatively easy market for destinations to explore and target

6. Organized large group explorers

These are travelers who are part of a tour group (size ranging from 15-30 people) traveling around Macedonia by coach bus. Some tour operators also offer the same tour as a self-drive with rental car and pre-arranged accommodation. 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.

Macedonia tour explorers are characterized with good geographical dispersion as they travel throughout the entire country. They could be easily interested in additional and new offerings if they are easy to link to other places they are visiting, and if they are linked to distinctive characteristics of Macedonia as a destination. This segment can generate good economic impact through its local spending and could support diversification of offerings that leads to the creation of new jobs.

7. Organized active tourists

These are travelers who are part of an organized tour group (frequently smaller size ranging from 5-14 people but could reach up to 30) traveling with a specialty operator around Macedonia. Some of the tours combine 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. Many of the tour groups are from the UK, the Netherlands but Israel, other European countries and North America are emerging source markets as well.

Organized active outdoor tourists are eager to explore different places throughout the country and can be characterized with high potential for geographic dispersion. They are particularly interested in less visited and rural areas, which can lead to enhanced impacts in areas, which are currently outside of Macedonia's tourism map. Development of more offerings for this segment can be expected to yield direct economic benefits and new business opportunities associated with new jobs, as they tend to leave higher share of their spending locally.

8. Independent active tourists (including domestic)

These are travelers from a variety of source markets (Europe, US/ Canada, region and domestic from Macedonia itself) who travel to and within 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 Macedonia and are usually in small groups (up to 4-5 people). These visitors typically spend several days to a week in the country and visit a variety of places outside of the main tourism centers. If international, they might be combining Macedonia with one or more other country in the region.

Independent active outdoor tourists are also associated with high potential for geographic dispersion and positive economic impacts outside of leading tourism areas. While younger independent travelers may be more conservative in their spending compared to small group organized adventure travelers, they tend to book and spend directly with local providers, which magnifies their local economic and social impact. For this segment Macedonia has strong competitive advantage based on the combination of culture and nature.

9. Hard adventure travelers (including domestic)

These are travelers who are passionate about hard adventure activities such as paragliding, rock climbing, freestyle skiing, etc. They come to very specific places in Macedonia, which have built a reputation for offering prime conditions for their favorite sport. These tourists are willing to travel to Macedonia even from distant countries and stay longer periods of time (one week, two weeks and more). They might seek to combine their core activities with food and some culture, especially on days when weather conditions prevent them from engaging with their adventure activity. They are not very pretentious in terms of accommodation and food but expect to have reliable even if basic conditions. Local specialty clubs usually serve as contact point and support their activities in Macedonia.

Hard adventure travelers are characterized with high spending and especially long length of stay, which generate new business opportunities and potentially new jobs. They are drawn to specific places that offer prime conditions for their adventure activities, which limits their potential for geographic dispersion. Given that certain regions in Macedonia seem to have globally competitive assets for certain hard adventure offerings, this segment can be extremely important for specific regions.

10. Transit tourists

These are travelers (mainly Serbian but also Romanian and other nationalities) who pass through Macedonia in the summer on their way to Greece for summer vacation. Many of them look to break the long trip to the Greek coast with stopovers in Macedonia. They can spend between a few hours for lunch to 2-3 days in locations in Macedonia that are alongside the corridor and give them reason to spend time.

Due to the nature of their motivation to visit Macedonia transit tourists have limited potential for growth and impact. They are highly unlikely to deviate from their original route on the way to or back from the Greek coast so they do not offer potential for geographic dispersion. Attractive offerings can increase their spending and to little extent also the time they spend in the country.

11. Domestic MICE (Meetings, Incentive, Conferences and Events)

These are Macedonians who travel for the purpose of training, meetings, seminars or conferences that are being organized at a location off-site of their usual work place. These trips are sometimes combined with activities promoting team building or relaxation. The length of domestic MICE programs can vary between one and several days. The majority of this type of travel takes place in shoulder and low-season period (October, November, January, February and March), which is source of welcome income for hotels that do not receive leisure tourists in these months.

Domestic MICE tourists are highly dependent on the availability of meeting facilities. This segment is very important for specific regions where there are hotels with meeting facilities and where it secures occupancy during the low tourism seasons. It does not have major potential for geographic dispersion and relatively limited opportunity for new products and services that can produce more jobs.

12. Gaming tourists

These are tourists, mainly from Greece, who are attracted to specific areas in Macedonia with large number of casinos. Their main motivation is gambling and they have limited interest in anything outside of access to casinos and potentially basic supporting services such as lodging and food. They are attracted to Macedonian game establishments because they offer significantly cheaper services than competitors in Northern Greece.

Casino tourists are concentrated mainly around Gevgelija and hold no potential for geographic dispersion. They do not hold potential for expanding business opportunities outside of casino services and are unlikely to produce any additional jobs outside of the gaming establishments and the hotel they are staying at.

13. One-day shopping visitors

One-day shoppers usually come from Kosovo or from other Macedonian towns to Skopje's main shopping center in the city (City Mall). They visit the city for a day with the sole purpose of shopping in the mall or some shops. Outside of their main activity they may rely on some food services but no additional tourism attractions.

This segment has very limited potential for geographic dispersion and for growth that can produce jobs.

14. Medical services tourists

The relatively low cost of some medical and dental services in Macedonia has fueled the rise of a segment of travelers who come to see local doctors, dentists or other medical specialists. Medical services tourists are predominantly visiting Macedonian diaspora but may come also from Serbia, Kosovo and Greece. Much of this activity is informal and not organized in a particular manner. The main source of promotion is therefore word of mouth and brochures in hotels. Medical services tourists may be interested in some leisure activities during their stay but this is not a must.

This is a very small segment driven by low cost of desired services offered by particular medical service providers. It is concentrated mainly in Skopje, Ohrid and Gevgelija, and holds no potential for geographic dispersion. It is unlikely to grow in a way that produces jobs in the tourism sector.

15. Visiting friends and relatives (VFR)

The number of people visiting friends and relatives in Macedonia represents a relative large segment of the market. While official numbers are not available, the Diaspora is estimated at about 500,000 people. Besides the neighboring countries, Australia, Canada, Switzerland, Sweden, Germany, the USA and Italy are the top countries for the Macedonian Diaspora. The recent introduction of low-cost airlines as well as a rise in emigration has caused an increase in the VFR market.

This segment has a higher average length of stay, good geographic dispersion but a very high percentage does not stay in paid accommodation and this limits the economic impact.

16. Business travelers

Business travel includes international as well as domestic travelers whose primary purpose of travel is business related. Business travel is concentrated in the larger cities such as Skopje, Bitola and Kumanovo.

Growth in business travel is driven by different reasons than leisure travel. A rise in business travel is mainly stimulated by increased domestic economic activity and international connectivity.

3.5. Priority Segment Selection

The research confirmed that different market segments should be considered a priority for more tourism-mature parts of the country (Western Macedonia), and others for more emerging areas (Eastern Macedonia). After applying the criteria to each of the 16 market segments that are relevant for Macedonia, six segments have been prioritized according to the criteria laid out in the methodology. Three were found to be most relevant for the more mature Western destinations, and five for the East with some overlap as illustrated in the figure below.

Figure 9: Priority Segments

West Macedonia	East Macedonia
Organized Active Tourists	
Independent Active Tourists (incl. domestic)	
Hard Adventure Tourists	Domestic Short Break Tourists
	Regional Short Break Tourists
	Organized Large Group Explorers

The market study and the priority segments were presented to the public and private sector stakeholders in June 2016 during two different meetings – one in Gradsko for the East and one in Ohrid for the Western part of Macedonia (the list of participants are included in the list of stakeholders consulted, presented in Annex 1).

3.5.1. Priority segments for the West

The more developed destinations in the West focus on three market segments with high spending power. Focus on these segments makes market sense because they are already a growing market for both more advanced tourism destinations and are among the most active visitors in less visited tourism areas. They are also among the best spenders in the country leaving a lot of their expenditures in the local economy. The three high potential growth markets are:

Organized active tourists

Travelers who are part of an organized tour group (size ranging from 5-2 people) traveling with a specialty operator around Macedonia offer high potential for growth in destinations in the west. They are among the first to engage in new off-the-beaten path experiences in the country. Tour operators working with them have the expertise and capacity to identify new and underutilized assets, and weave them into tour itineraries enriching the market. It is important to note that the experiences that are attractive for these segments are based on local culture, traditions and distinctive offerings, which contribute to the stronger differentiation of Macedonia among competitors and its appeal among other segments. 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 all destinations in the West

Independent active tourists (including domestic)

These travelers are naturally drawn to all destinations in the Western part of Macedonia and offer further potential for growth. 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. They hold significant potential for growth in terms of arrivals as well as length of stay and spending that is direct with local providers. This segment is high priority for all destinations in the west.

Hard adventure tourists (including domestic)

This segment is high priority for Krusevo, Prilep and the surrounding areas where there is sufficient market proof for the international competitiveness of the assets for paragliding. Growth in this segment as well as diversification of the hard adventure offering with other activities such as rock climbing, bouldering and others has very strong potential to create new business opportunities and new high-skilled jobs. Developing additional offerings that are not directly linked to the core hard adventure activity is also important as cultural, heritage and soft adventure activities also represent interest for this segment and can lead to increased spending.

Table 6: Scoring Results – West

	Selection Criteria							
Market Segment	Segment size	Spend per trip per person	Competitiveness of supply	Cross-segment capacity	Geographic dispersion	Job creation	Skilled workforce need	Total Score
Charter tourists	√√√	√√	√√	√√	√	√√	√	9
European short break tourists	√	√√	√	√√	√	√	√	7
Classic Balkan tourists	√√	√√	√√	√√	√√	√√	√√	14
Domestic short break tourists	√√√	√√√	√√√	√√√	√√	√√	√√	18
Regional short break tourists	√√√	√√√	√√	√√√	√√	√√	√√	17
Organized large group explorers	√√√	√√	√√	√√√	√√	√√√	√√	18
Organized active tourists	√√√	√√√	√√√	√√√	√√√	√√√	√√√	21
Independent active tourists	√√√	√√√	√√√	√√√	√√√	√√√	√√√	21
Hard adventure tourists	√√	√√√	√√√	√√	√√√	√√√	√√√	19
Transit tourists	√	√	√	√	√	√√	√	8
Domestic MICE	√√	√√	√	√	√	√√	√	10
Gaming tourists	√	√	√	√	√	√	√	7
One-day shopping visitors	√	√	√	√	√	√	√	7
Medical service tourists	√	√	√	√	√	√	√	7
VFR	√√	√	√√	√	√√	√	√	10
Business travelers	√√	√√	√	√	√	√√	√√	12

3.5.2. Priority segments for the East

The East of the country currently receives a relative small number of tourists and is still considered in a development stage (according to the life-cycle curve described in the methodology). When looking at the demand in the East, focusing on multiple markets makes sense for a number of reasons:

- Each of the individual priority market segments are too small to create sufficient demand on their own
- High season for some of these markets complement each other (e.g. domestic leisure tourists also travel during the winter season and organized large group explorers travel from May through October). Multiple markets will off-set some seasonality issues

- The different markets are attracted to similar tourism products (e.g. nature, food, agri-tourism) and the volume created by multiple markets will provide increased opportunities and economies of scale for SME's and accommodation providers to successfully develop new products

The five high potential growth markets for the East are:

Domestic Short break tourists

Macedonians, especially those living in the cities, have increased interest in a healthy lifestyle and have concerns regarding the air quality in cities especially Skopje. There is also a noticeable increased interest in domestic sightseeing. This trend has caused people to take more trips into the countryside to be in nature and explore sights such as lakes and waterfalls. There is also an increased interest in farm-fresh and locally grown food. Destinations along in the East are not as explored by domestic tourists as destinations in the West which provides as an opportunity to increase arrivals. This type of domestic traveler requires a medium or luxury level of accommodation standard. They stay in hotels but also rent comfortable houses where they have the opportunity to cook and travel with friends and family. There is currently no significant demand for winter sport activities in the East due to lack of snow.

Regional short-break tourists

The eastern region borders to Serbia in the north and Bulgaria in the east. While the East does receive tourists from Serbia, the Bulgarian market is currently more prominent. Tourist from Bulgaria travel independently but also on packaged group tours. The Bulgarian tour groups tend to overnight in 'more-off-the beaten path' destinations such as Kratovo and Strumica.

Organized large group explorers

While shorter tours (7 days) usually focus on the western part of the country, tours longer than a week also include the East. The majority of these tour groups are Dutch but there is growing market of Polish and Israeli tour groups. They currently mostly visit the Tikvesh region, Strumica and Berovo.

Organized active tourists

The eastern region also attracts organized active tour groups. These groups are sometimes tailor-made and include 8-25 people. The majority of these organized tours come also include the western region in the tour. The east is promoted as a authentic and rural experience. The smaller tour groups are an important niche market as they provide more flexibility, for the demand as well as the supply side. These tours are usually more expensive than the larger tours and attract a slightly younger market. The tours are booked through smaller niche international tour operators or directly through the ground operators in Macedonia. There is an increased interest by Israeli tour operators as the tourism product in the eastern regions fits the needs of the more adventurous Israeli tour groups. The active organized groups have shown small but steady growth over the last few years.

Independent active tourists

While still in small numbers, there are independent travelers who travel around the eastern part of the country. Hotels reported small group of bikers and hikers but also people who have a particular interest such geologists and historians. While the majority of the travelers within this segment originate from Western Europe they are also coming from North America. There is growth potential for this market but the East will be

dependent on the West to further expand this market first as active foreign tourists will mostly initially be attracted to explore destinations in the western region and then add the eastern region.

Table 7: Scoring Results – East

	Selection Criteria							
Market Segment	Segment size	Spend per trip per person	Competitiveness of supply	Cross-segment capacity	Geographic dispersion	Job creation	Skilled workforce need	Total Score
Charter tourists	√	√	√	√	√	√	√	7
European short break tourists	√	√	√	√	√	√	√	7
Classic Balkan tourists	√√	√√	√√	√√	√	√√	√	12
Domestic short break tourists	√√√	√√√	√√√	√√√	√√√	√√√	√√	20
Regional short break tourists	√√√	√√√	√√√	√√√	√√√	√√√	√√	20
Organized large group explorers	√√	√√√	√√√	√√√	√√√	√√√	√√	19
Organized active tourists	√√	√√√	√√√	√√√	√√√	√√√	√√√	20
Independent active tourists	√√√	√√√	√√√	√√√	√√√	√√√	√√√	21
Hard adventure tourists	√	√	√	√	√	√	√	7
Transit tourists	√	√	√	√	√	√	√	7
Domestic MICE	√√	√√	√	√	√√	√√	√	11
Gaming tourists	√	√	√	√	√	√	√	7
One-day shopping visitors	√	√	√	√	√	√	√	7
Medical service tourists	√	√	√	√	√	√	√	7
VFR	√√	√	√√	√	√√	√	√	10
Business travelers	√√	√√	√	√	√	√√	√√	12

3.5.3. Market segment persona profiles

Full market segment profiles have also been developed for each of the six priority segments that should help guide tourism stakeholders further in understanding their target markets, and their characteristics, habits, preferences and needs.

The hard adventure segment was split into two sub personas- one for paragliders and the other for freeriders. These are the main hard adventure sub-segments for Macedonia and their respective travel behavior required different personas.

An example is provided below; the full profiles can be found in Annex 4.


Figure 10: Example of a Visitor Profile for One Market Segment

Organized large group explorers: Peter and Silvia

Who are they?
 Peter and Silvia are a well-travelled couple in their late 60s from the Netherlands. They are empty nesters, retired and with a good income. They have traveled a lot in their lives both within Europe as well as outside. When they were younger and their kids vacationed with them, they only travelled independently. Now they take multiple trips a year, enjoying life. Sometimes they book a city trip within Europe, other times they drive to Germany and spend two weeks in a rented vacation home and other times they decide to book an organized group tour. They have already been on organized group tours in Egypt, Italy and Turkey.

What is their spending behavior?
 For Peter and Silvia it is all about value for money. They have a good income but like to go on several trips per year. Before they book a trip they carefully compare the different options and see which trip gives them more value for their money. If a tour includes higher-rated hotels and offers more activities, they are willing to pay a higher price if they feel it's worth it. They also understand if they book a budget tour, they will also only stay in basic hotels and will have to pay for extra's. If the tour does not include all meals, they will sometimes eat in nice restaurants but never splurge.

How do they decide on their next destination and how do they prepare?
 Every fall they receive the travel brochures from their favorite tour operators. These brochures list all the destinations, tours, dates and prices for the next year. The information is also available online via the tour operator's website. They look at the offerings for the coming season and see if there is any tour they are interested in. They might have a 'bucket list' of places they would like to go to. If there is a country that appeals to them, they will go online to find additional information. They will check out the standard of the hotels by going to sites such as Booking or TripAdvisor. They might also ask their travel agent for advice. They will compare similar tours offered by different tour operators. Safety and security is very important to them and they won't travel to a destination if they feel it is not safe. They will just pick another destination and save the country for another year. They don't have children at home so they are flexible in their booking and prefer to travel off-season as it's cheaper, more quiet and more pleasant temperatures. They might ask friends or family if they any advice on what to expect in the destination.



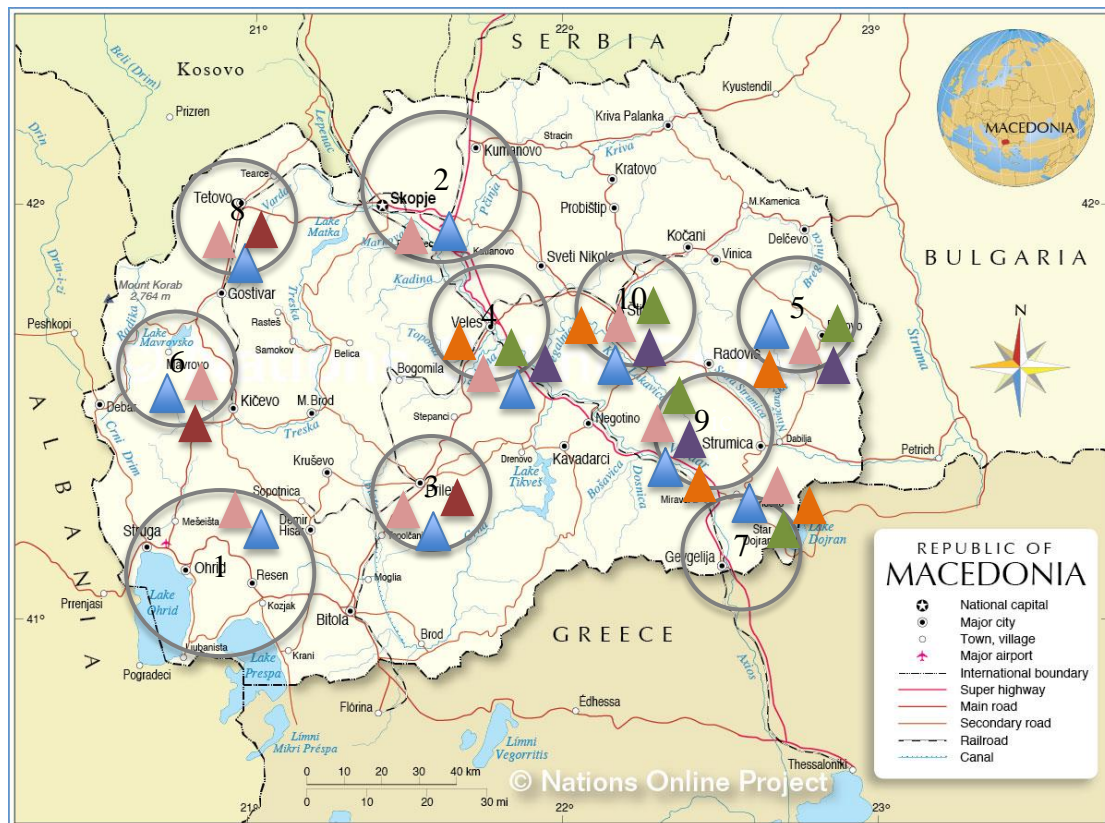
3.6. Destination Supply Analysis

Supply analysis was carried out as per the methodology (2.6.) in all ten destinations. It was found that only a few destinations (e.g. Pelagonija) had earlier prepared tourism strategies and when available these were used as a starting point for further analysis of the particular destination. The supply side analysis is provided in Volume II destination per destination. A list of interviewees at the destination level including companies, organizations and institutions can be found in Annex 1. During the process stakeholders also indicated the current constraints to tourism development in the destination as well as potential opportunities.

3.7. Matching Priority Segments to Destination

With the knowledge of the supply in each of the destinations as well as the needs and wants of the pre-selected priority markets, the supply and demand were matched for each of the ten destinations, according to the methodology detailed in 2.7. The results showing the priority market segments for each destination have been mapped below.

Figure 11: Map of Macedonia with Priority Segments



Note: The delineation of each destination on the map is approximate.

<ul style="list-style-type: none"> Organized active tourists Independent active tourists Hard adventure tourists Domestic short break tourists Regional short break tourists Organized large group explorers 	<p>Destination 1 encompasses Ohrid, Struga, Prespa and their surroundings</p> <p>Destination 2 encompasses Skopje, Kumanovo and their surroundings</p> <p>Destination 3 encompasses Pelagonija</p> <p>Destination 4 encompasses the Tikvesh region</p> <p>Destination 5 encompasses Maleshevo</p> <p>Destination 6 encompasses the Reka region</p> <p>Destination 7 encompasses Gevgelija and Dojran</p> <p>Destination 8 encompasses the Polog region</p> <p>Destination 9 encompasses the Strumica and its surroundings</p> <p>Destination 10 encompasses Shtip, Radovish and their surroundings</p>
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3.8. Value Chain Analysis

The VCAs revealed that many of the same weaknesses and gaps are shared across the different market segments, but some market segments have challenges that are unique. The full set of six VCAs can be found in Annex 4.

A few of the key findings are summarized here:

1. **Ownership or responsibility for each part of the value chain changes.** Whilst the destination may have a role in ‘Anticipation’ ‘Travel to place’ ‘Travel back’ and ‘recollection’ their main role is in fact in onsite ‘Destination experience’. This is the most significant part of the value chain in many ways.
 - a. Destinations are individually responsible for managing tourists’ experience once they arrive in the destination. Destination management, defined by the UNWTO as “An ongoing process in which tourism, industry, government and community leaders plan for the future and manage a destination” plays a key role in addressing gaps at this level. The different stakeholders will have to work towards the common goal in strengthening the destination’s competitiveness. Gaps at the destination level may be related to infrastructure, signage or interpretation, product development, skills and training, marketing, destination management, regulatory environment, policy, access, economic linkages or other.
 - b. Equally, destinations are not entirely responsible for the development of each market segment and rely on many other factors that happen at the national level, or even outside the country. For these other areas of the value chain, other actors including national level organizations may need to take more responsibility. Gaps in these areas refer to activities like marketing, visa access, or airlift.
2. **Many of the same gaps or weaknesses were identified across the same market segments, and at the same destinations.** Whilst there are many unique gaps or challenges to the specific experiences of each market segment, many are shared and can be seen as a collective issue that is likely to affect most (if not all) destinations in the country. For example the visible signs of trash along major routeways has been identified universally as part of a ‘negative experience’. All of these shared issues have been extracted and listed as a separate chapter under Volume II.

3.9. Development Plans and Destination Management

Based on the output of all the previous steps, separate development plans for each of the ten destinations have been developed and can be found in Volume II. Each of the plans include the following components:

- The vision for the destination
- Development goals and targets
- Overview of supply
- Arrival and demand trends
- Priority market segments
- Gaps and opportunities to improve competitiveness of the offer (for the target segments)
- Proposed and prioritized interventions/actions
- Overview of resources available

The vision and goals for the destination have been defined by respective stakeholders of the destination as a key part of a destination management process. The overview of the supply is more detailed in the smaller destinations, e.g. includes brief description of the main hotels. For the larger destinations such as Ohrid and Skopje this section is more descriptive in nature. The arrivals trends section provides an overview of the available

tourism statistics for the municipalities included in the destination. Each of the plans also includes a section on the current and future opportunities regarding the selected priority market segments for the destination. The gaps and opportunities identified at the destination level are linked to the gaps addressing the priority segments. They are formulated in a way that allows for a granular approach in addressing gaps/opportunities through manageable projects that can be executed by different stakeholders depending on their capacity and role within the sector. In less mature destinations, the gaps and opportunities identified seek to advance development through growth in arrivals while in more mature destinations focus is placed on improving effectiveness, creating economic linkages and improving the economic performance of the sector.

The value chain analysis produced observations about gaps or missing elements of the tourist experience as well as opportunities for better performance in the delivered experience. This logic has been applied in the recommended timing of interventions presented in the plans. The first layer of interventions classified as short-term, is needed to close gaps in the value chain. Improvements that are classified as mid-term to long-term address opportunities for better performance along the value chain.

The development plans also provides an overview of gaps and opportunities' that require a national level approach. These gaps and opportunities are either considered relevant for all destinations or cannot be addressed by individual destinations.

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Annex 1: List of Interviewees and Stakeholders Consulted

Public Sector and International Organizations

Agency for Promotion and Support of Tourism	Skopje
Archaeological Museum	Vinica
Cabinet of Deputy Prime Minister for Economic Affairs	Skopje
Center for Development of Eastern Planning Region	Stip
Center for Development of Pelagonija Planning Region	Bitola
Center for Development of South Eastern Planning Region	Strumica
Center for Development of South Western Region	Ohrid
Delegation of the European Union	Skopje
GIZ	Skopje
International Finance Corporation (IFC)	Skopje
LRCP PIU	Skopje
Ministry of Culture	Skopje
Ministry of Local Self Government	Skopje
Municipality of Berovo	Berovo
Municipality of Debar	Debar
Municipality of Dojran	Dojran
Municipality of Gazi Baba	Gazi Baba
Municipality of Ohrid	Ohrid
Municipality of Pehcevo	Pehcevo
Municipality of Prilep	Prilep
Municipality of Zrnovci	Zrnovci
Municipality of Zrnovci	Zrnovci
Pelister National Park	Bitola
Project Office - Small Business Expansion Project, CARANA	Skopje
Regional Cooperation Council	Podgorica
Regional Economic Growth (REG) Project	Washington DC/ Sofia
State Statistical Office	Skopje
Swisscontact	Skopje
UNDP	Skopje
UNIDO	Skopje
USAID	Skopje

Private Sector

Organization	Location
Association of Women Farmers Vinica	Vinica
Aurora Resort	Berovo
Aurora Tours	Skopje
Balojani Tourist Services	Bitola
Bela Voda	Berovo
BikeHike Adventures	Canada
Biketours.com	U.S.
Black Mountain Montenegro	Montenegro
C-Cape Travel	Italy
CENET	Krusevo
Cluster Eden	Skopje
Cocev Kamen, Porta Kokino	Kokino
CulturalExplorers	U.S.
Dalas Union	Skopje
Donkey Safari	Kuratnica
Economic Chamber for Tourism of Macedonia	Skopje
Economic Chamber of Macedonia	Skopje
EDEN Tourism Cluster	Ohrid
Enjoy Balkans	Skopje
Eskimo Freeride (Shar Mountain)	Skopje/ Shar mountain
Ethno House Shancheva	Kratovo
Eurohotel Gradce	Kocani
ExperiencePlus!	U.S./ Italy
Explore	UK
Exploring Macedonia	Skopje
Eye 4 Cycling	Netherlands
FIBULA	Skopje
Galicnik Horseback Riding Club	Mavrovo
General Tourist	Skopje
Go Balkans	Skopje
Green Visions Ecotours	Bosnia & Herzegovina
Hotel Gradce	Kocani
Hotel Kratis	Kratovo
Hotel Manastir	Berovo
Hotel Millenium	Bitola
Hotel Montana Palace	Krusevo
Hotel Podorgski	Kolesino
Hotel Romantique	Star Dojran
Hotel Sirius	Strumica
Inex Gorica	Ohrid
Karatanova Tours	Netherlands
Kezovica Spa	Shtip
Kompas	Skopje
Kosovrasti Spa	Kosovrasti
M6 Educational Center	Skopje
M6 Investments	Skopje

Macedonia Experience	Skopje
Macedoniat Travel	Skopje
MacSun Travel	Skopje
Monastery of St. Gavril Lesnovski	Lesново
Monastery of Sv Leonthius i	Vodoca
Monastery Osogovski	Krivi Palanka
Mountaineering Club	Bitola
Mustseedonia	Skopje
Ohrid Holidays	Ohrid
Oxford Economics	Oxford
Paragliding club	Krusevo
Popova Kula Winery	Demir Kapija
Ramada Hotel	Gevegelija
Restaurant Canyon Matka	Matka
Restaurant Fuk-Tak	Star Dojran
Restaurant Javor	Mrzemci
Robinson Adventures	Serbia
Rock Art Center	Kratovo
Rockland climbing	Demir Kapija
Sheepfold	Berovo
Shumski Feneri Hotel and Freeride operation	Bitola
Silhouette Spa	Gevgelija
SNP	Netherlands
Stobi archeological site	Gradsko
Stobi Winery	Gradsko
Tikves Winery	Kavadarci
Toria	Skopje
Treskavec Monastery	Prilep
TUI	Netherlands
PS Sojmenova	S. Istibanja
Tutto Hotel	Janche
Uniline	Croatia
Vardar Express	Skopje
Via Dinarica Alliance	Sarajevo
Vila Brajchino	Braichino
Vila Dihovo	Dihovo
Vila Ignatia	Vevcani
Vis Poj	Skopje
Visit Macedonia	Skopje
Wines of Macedonia	Skopje

Annex 2: List of Strategic Reports

National Strategy for Tourism Development of the Republic of Macedonia 2009-2013 (2011), Planeth

From World Heritage to World Destination: Policy Options to Increase the Competitiveness of the Tourism Sector in FYR Macedonia (2012) World Bank

Draft National Tourism Strategy Republic of Macedonia (2016), Kohl & Partner

Industrial Policy of Macedonia 2009-2020

National Strategy for Rural Tourism 2012-2017 (2012), Target Communications

National Strategy for health tourism 2012-2018

National Strategy for sports tourism 2015-2018

Sub-strategy for MICE tourism 2015

Sub-strategy for events and traditions 2014

Strategy for Prespa Lake Basin 2012-2016 (2012), UNDP

Tourism section from the Government Program 2014-2018

National Strategy for culture 2013-2017

Programs for development of the eight planning regions 2015-2019

Findings Report: Shaun Mann (2009), IFC Tourism Specialist

Market Sector Report on Tourism and Hospitality by Increasing Market Employability (IME) Project, SwissContact

Feasibility Study and Master Plan for Tourism Development Zones in Republic of Macedonia (2014), Horwath HTL

Market Sector Report on Tourism & Hospitality – Ohrid Tourism Destination (2014), IME

Market Sector Report on Tourism & Hospitality – Krushevo Tourism Destination (2014), IME

Market Sector Report on Tourism & Hospitality – Mavrovo Tourism Destination (2014), IME

Annex 3: Tourism Trends

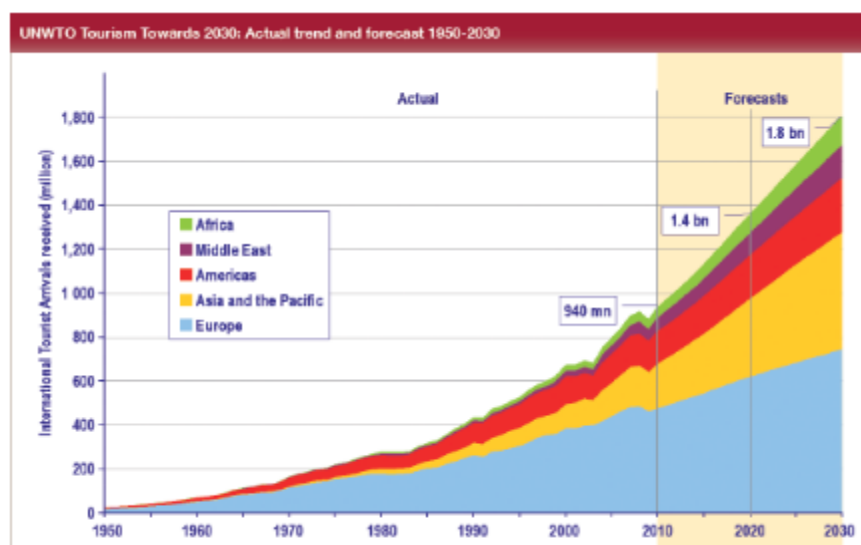
Global Tourism Arrivals

Tourism plays a large and growing role in the world economy. The World Tourism Organization (UNWTO) estimates that direct, indirect and induced impacts of tourism generated 10 percent of global GDP, one in eleven jobs and 30 percent of global services exports. International tourism achieved a new record in 2015 with 1.184 billion arrivals, an increase of 4.4 percent compared to 2014. This is the sixth year of consecutive growth since the financial crisis in 2009. International tourism receipts reached US\$1,245 billion worldwide in 2014, up from US\$1,197 in 2013. Europe remained in 2015 the world's most visited region. France, the United States, Spain and China are the top most visited countries in the world. Travel for holidays, recreation and other forms of leisure accounted for just over half of all international tourist arrivals in 2014. International tourist arrivals worldwide are expected to increase by 3.3 percent a year between 2010 and 2030 to reach 1.8 billion by 2030.

Travel for holidays, recreation and other forms of leisure accounted for just over half of all international tourist arrivals (53% or 598 million) in 2014. Some 14% of international tourists reported travelling for business and professional purposes, and another 27% travelled for other reasons such as visiting friends and relatives (VFR), religious reasons and pilgrimages, health treatment, etc.

International tourist arrivals in Europe grew 4.9% in 2015, to reach a total of 609 million, just over half of the world's total. Europe was the fastest growing region in absolute terms, with 28 million more tourists than in 2014. This is the result of economic recovery in most of the European countries, strong Euro as well as growth in some of the main non-European source markets.

Figure 12: Global International Tourist Arrivals



Source: UNWTO

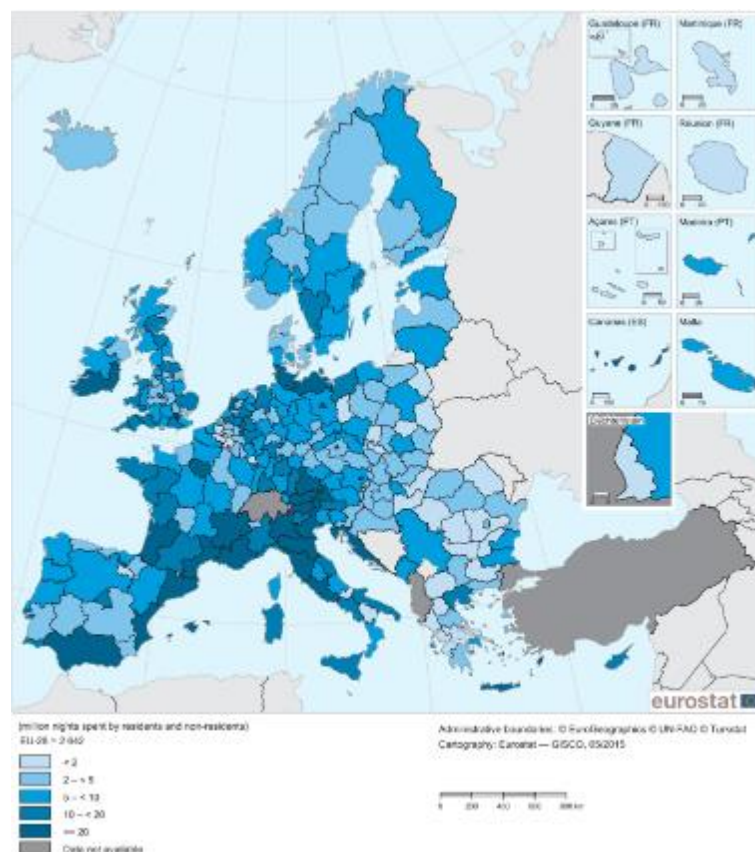
Europe is still the largest source region followed by the Asia Pacific. China has been the top tourism source market since 2012 and increased their tourism expenditure

abroad by 27 percent in 2014 reaching a total of US\$165 billion. The other top five largest tourism spenders are the United States, Germany, the UK and Russia. In 2014, about four out of five worldwide arrivals originated from the same region according to the UNWTO Tourism Highlights 2015 report.

European Travel Trends

Europe is not only the largest receiving region but also still the world's largest source region, generating just over half of the world's international arrivals. Most of the Europeans travel within the continent. While the global annual average growth rate between 2005 and 2014 was 3.8%, for Europe this was just 2.7%. Europe was hereby the slowest growing outbound market. According to the European Travel Commission (ETC), Europeans went on a total of 1.2 billion trips spending a total of 416 billion Euros in 2013. The total participation factor⁴ for EU countries was 60 percent. About 75% of these trips were in country and of the 25% of all trips that were made to foreign country, 75% was in another EU Member State and 25% was outside the EU. First results of 2015 show a 3.5% increase in the number of nights spent at tourist accommodation establishments in the EU compared to 2014. The map below shows the nights spent in paid tourism accommodation by residents and non-residents. It shows that the areas around the Mediterranean receive the highest numbers of overnight tourists.

Figure 13 : European Tourism Receiving Countries, Nights Spent in Tourism Accommodation, 2013



Source: Eurostat

⁴ Percentage of the total population taking a trip during the year

According to the ETC, the Europeans like to travel to new destinations. While discovering new destinations they are especially interested in round trips to learn as much as possible about the destinations' culture and nature.

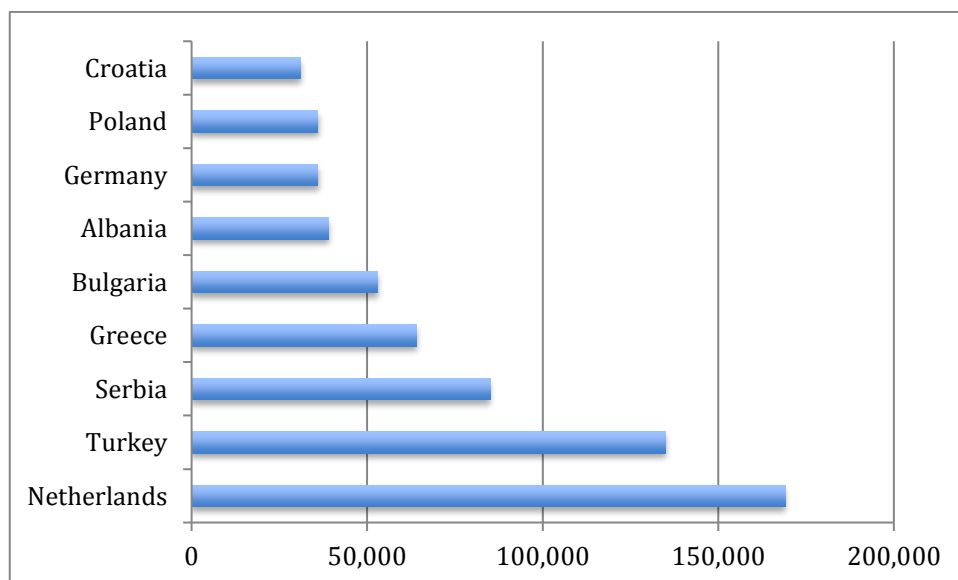
Table 8: Top ten EU member states for outbound holidays, 2014

		Nights abroad ('000)	Share (%)
	EU-28	2,566.30	100
	Top 10	2,208.80	86.1
1	Germany	730.1	28.5
2	UK	563.9	22
3	France	235.1	9.2
4	Netherlands	166.7	6.5
5	Poland	103.7	4.0
6	Spain	94.0	3.7
7	Italy	90.2	3.5
8	Belgium	86.5	3.4
9	Austria	69.8	2.7
10	Sweden	68.7	2.7

Source: Eurostat

Figure 2 shows the countries generating the highest number of overnight stays in Macedonia. Regional markets will be discussed in more details in the following section.

Figure 14: Main Source Markets, by Overnight Stays, 2015



Source: State Statistical Office

Regional Travel Trends

This section outlines demand trends in the Balkan region. A regional perspective is necessary to understand the market dynamics in Macedonia because many

international travelers visiting the peninsula frequently look to combined more than one country itineraries. In addition, regional cross-border travel is also very active and is important source of arrivals for a number of countries, including Macedonia.

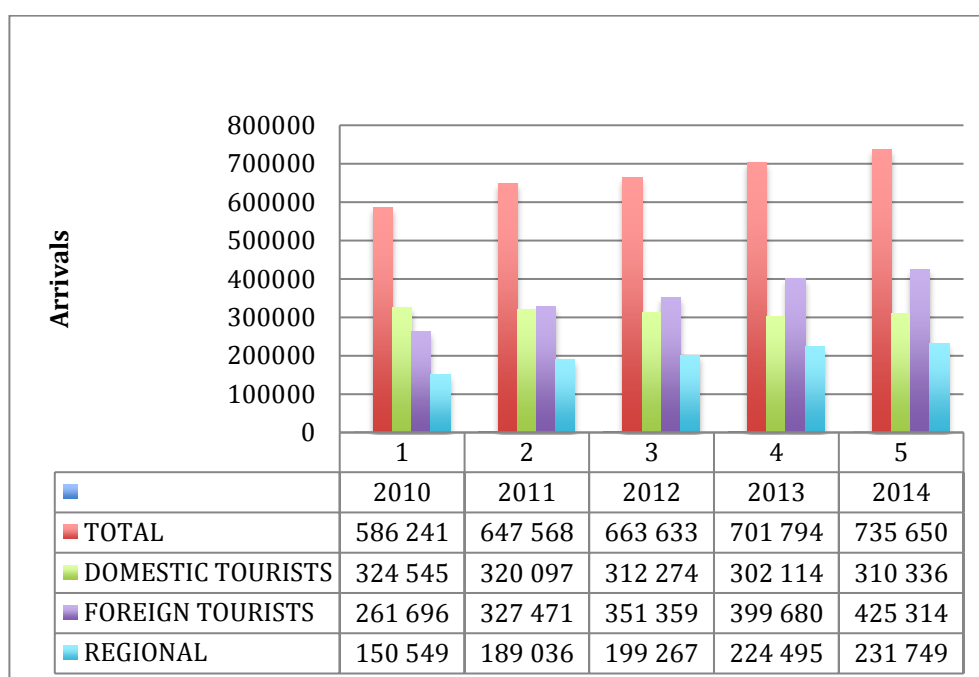
An overview of tourism plans and strategies of other countries in the region provides information about opportunities for growing cross-country linkages, benchmarking and competitive pressures Macedonia should consider.

Regional Demand trends

The Balkans region is a region of active cross-border travel. This includes combining more than one country when visiting the region for European and long-haul travelers, as well as regional travel.

For Macedonia arrivals from neighboring countries represent an important share of overall arrivals. Based on national statistical data in 2014 arrivals from the region (Albania, Bosnia & Herzegovina, Bulgaria, Croatia, Greece, Montenegro, Slovenia, and Turkey) represented 32% of all arrivals and 55% of international arrivals (see table below).

Figure 15: Regional Arrivals in Context



Source: Generated on the basis of data from the State Statistical Office of the Republic of Macedonia (SSORM)

A major driver of regional travel is Greece, which is a popular leisure destination for residents of Bulgaria (1.5 Million in 2014, 7% of all arrivals), Macedonia (N/A), Romania (540,000 in 2014, 2.5% of all arrivals) and Serbia (986,000 in 2014, 4.5% of all arrivals)⁵ who visit the Greek coast for both short breaks and longer summer holidays. Active regional traffic to Greece starts around Easter and other holidays in May, and ends in mid October. Macedonia benefits significantly from regional traffic

⁵ Based on country-specific data for Greece from UNWTO (2014)

to Greece as the route of all Serbian and many Romanian tourists passes through the country and they often spend a night on the way to and the way back.

Bulgaria is also an attractive regional destination. The Black Sea coast draws summer tourists from Romania, Serbia and Macedonia. During winter periods resorts in Bansko, Borovets and Pamporovo draw tourists from Romania, Serbia, Macedonia and Greece. The leading regional market for Bulgaria is Romania (1.4 million in 2014, 15% of all arrivals) followed by Greece (1.1 million in 2014, 12%), Serbia (454,000 in 2014, 5% of all arrivals) and Macedonia (441,000 in 2014, 5%)⁶.

The leading regional markets for Macedonia are Turkey, Greece, Serbia and Bulgaria (see table below). More details on the areas within Macedonia visited by regional tourists are discussed in the market segment analysis section later in this report. Due to the significant differences in the methodology used to generate statistical data on international arrivals between Macedonia and other countries in the region, it is not possible to perform a cross-country comparison of the importance of regional markets.

Table 9: Arrivals in Macedonia from Countries in the Region

	2010	2011	2012	2013	2014
TOTAL	586 241	647 568	663 633	701 794	735 650
REGIONAL (includes countries below)	150 549	189 036	199 267	224 495	231 749
Albania	17 110	13 614	13 412	16 982	17 561
Bosnia and Herzegovina	5 619	4 959	4 740	4 540	5 771
Bulgaria	15 513	18 541	19 815	20 914	26 480
Croatia	12 791	13 885	13 939	12 722	15 392
Greece	26 843	45 509	43 976	46 184	42 677
Montenegro	4 180	3 522	3 197	3 498	4 802
Serbia	35 840	35 692	36 530	38 127	41 013
Slovenia	12 606	14 063	13 252	13 404	14 486
Turkey	20 047	39 251	50 406	68 124	63 567







Source: State Statistical Office of the Republic of Macedonia (SSORM)

Regional Supply Trends

Many of the countries in the region rely on assets that are similar across the Balkans. Therefore, development in countries neighboring Macedonia can represent both opportunity for collaboration and partnerships, as well as source of strong competition and market pressure. To understand these dynamics better the next table provides an overview of the market focus of countries in the region surrounding Macedonia.

⁶ Based on country-specific data for Bulgaria from UNWTO (2014)

Table 10: Summary of the Market Focus of Tourism Strategies in the Region

Country	Promotion Tagline	Market Focus
Albania 	Go your own way	Diversification of sun and sea Focus on the undiscovered nature of Albania as destination
Bosnia & Herzegovina 	<i>Enjoy life</i>	Focus on East-meets-West combined with rugged and pristine nature Linkages with neighboring countries
Bulgaria 	N/A	Aimed diversification of beach and winter portfolio Strong focus on culture and history Grow specialized tourism offerings (culinary, outdoors, cultural, etc.)
Croatia 	<i>Full of life</i>	Shift towards year-round tourism Stronger focus on experiential and active exploration rather than “classic” tourism attractions Incorporation of active and culinary
Montenegro 	<i>Wild beauty</i>	Focus on preserved nature and natural beauty Effort to diversify beach with nature and outdoors Effort to place focus on quality
Serbia 	N/A	Strong focus on rural and farm combined with nature Focus on culinary and natural food
Slovenia 	I feel Slovenia	Very strong focus on active and adventure exploration of nature Focus on sustainability

Regional Insights

The overview of market dynamics in the Balkans region reveals significant opportunities for tourism development in Macedonia. The similarity of assets and themes across the region offers opportunities for cross-border linkages and development of regional themes that can increase the ability of all countries to draw together tourists from different segments. This is especially important for long-haul markets (North and South America, Australia and Asia) as well as specialty markets (archeology, bird watching, extreme adventure sports, etc.). The market logic behind collaborative offerings between Macedonia and neighboring countries was confirmed

by interviewed international operators as well as during the recently conducted AdventureNEXT conference that took place in Ohrid. While Macedonia shares a lot of cultural, historical and natural assets with others in the region, it holds advantages that can secure its differentiation alongside the collaboration. An important advantage for Macedonia in the region is the rich mix of cultural and natural assets that combined represent a strong draw for many market segments, including high-spending travelers interested in combining outdoors and cultural experiences. A second key advantage of the country is its top attraction – lake Ohrid, the UNESCO status of which motivates many travelers throughout the region to include Macedonia in their itineraries. The country's central location on the Balkan Peninsula is also a strong advantage as it increases the convenience of including Macedonian destinations in regional and cross-border offerings.

Regional context realities offer significant opportunities for Macedonia in particular. First, the fact that due to its location it enjoys a lot of traffic from regional tourists allows it to benefit from offerings that attracts transit tourists to stay a day or two on their way to or back from Greece. The strong demand for regional (Balkan) tours is another indication of the attractiveness of cross-border offerings in the area of culture, history and religion. Countries on the Balkans share common history and to a large extent culture so designing and promoting such experiences on regional level can create a lot of benefits for the entire region, and Macedonia as a centrally position country in particular. A third important opportunity is the access to regional best practices. Slovenia, Croatia and to some extent Bulgaria and Romania can be source to excellent best practices in the area of rural tourism, nature-based and outdoor experiences, culinary and traditional lifestyle offerings, especially from interior and mountain regions. Sourcing ideas and established models from neighboring countries is much more effective and easy to implement due to similarity in culture and setting.

Annex 4: Value Chain Analyses

This annex presents the value chain analyses of the priority market segments:

- Organized Active Tourists
- Independent Active Tourists (including domestic)
- Hard Adventure Tourists (freeriders and paragliders)
- Domestic Short Break Tourists
- Regional Short Break Tourists
- Organized Large Group Explorers



Organized Active Tourists

Ideal Traveler Profile:
John and Mary
&
Visitor Experience
Value Chain Analysis
(VCA)

CIIP Competitive Industries and Innovation Program

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Organized Active Tourists

Ideal Traveler Profile:
John and Mary
&
Visitor Experience
Value Chain Analysis
(VCA)

Organized active tourists: John and Mary

Who are they?

John and Mary are a well-travelled couple in their late 50s from the UK. They are empty nesters, still professionally active and with good income. In the last ten years John and Mary developed a passion for active travel that allows them to visit new places and explore them by hiking and sometimes biking. Having travelled to many places, they look to explore countries or regions that are off the beaten path but safe and rich in history and culture. They like learning about new and different lifestyles and experiencing new cultures. They are fascinated by historically rich places with history that goes centuries back. They identify themselves as foodies and have special interest in food and wine, and always make an effort to learn about different cuisines when they travel.

What is their ideal active holiday?

John and Mary are adventurous in terms of exploring new places and experiences but they like their trips to be well-organized and safe, so they prefer to travel with a specialized tour operator who secures all the logistics and services on the ground, and who has destination knowledge that goes beyond the guidebooks. Their ideal holidays usually last between 10-15 days and take them to different places around the world where they can combine moderate outdoor activities with cultural heritage activities. Their ideal destinations are places where few of their friends have visited.

How do they decide on their next destination and how do they prepare?

John and Mary usually travel with one of the three tour operators they know and have travelled with in the last ten or so years because they know they are reliable and always know the right places to visit. In most of the cases John and Mary think of a place to visit because they see it promoted on Facebook or the website of one of their tour operator companies, and it looks like a place they want to experience. In several cases, however, they have chosen a destination because some of their friends visited it and shared ecstatic feedback about it so they called up their operators to ask for trips there. They also follow outdoor and specialty travel magazines and a couple of times learned about destinations through articles they read there.

Once they decide on a place, they start exploring and researching it. One of their favorite ways of spending the evenings after work before an upcoming trip is to sit in their living room and read interesting stories about places in travel media or from websites related to the destination and imagine their upcoming trip. They buy or download guidebooks (Mary always prefers a hard copy while John loads everything onto his iPad) and study the sites and places they want to see and visit.

John and Mary buy a full package trip through their tour operator. They go through the itinerary that is offered by the company and often ask for some additional items to be included based on their research. They pay directly to the tour operator who then takes care of payments on the ground. John and Mary like the idea of not having to worry about money and paying, although they always carry cash for souvenirs and such.



Organized active tourists: John and Mary

What are their expectations about basic services in the destination?

John and Mary have high expectations of safety and reliability. They usually read a lot about the destination they are preparing to visit and inform themselves well about the socio-economic situation, culture and history, and frequently about political dynamics. They expect to build on their knowledge through their interaction with the guides and people they meet during their trip. John and Mary expect that the tour vehicles will be visibly well-maintained and clean. Having bottles of mineral water on board is always an appreciated touch. The local guides should speak English and should be ready to respond to questions, as well as be fast and efficient in dealing with issues that arise during the trip (i.e. lost luggage, bad weather). John and Mary always expect local guides to have a time schedule and adhere to it as closely as possible. John and Mary like to stay at simple hotels, preferably local B&Bs or traditional houses. They expect accommodations and restaurants to be very clean even if very simple. Hot water and heating are must-haves. The mattress and the bed must be comfortable and convenient. Food should be as local and as traditional as possible. They usually ask their operator about the types of meals that will be included and whether the ingredients are locally sourced. They frequently ask to meet the people who prepare the food, regardless of whether it is a professional chef or the mother of the B&B owner.

What kind of activities do they like to engage in?

John and Mary look to combine moderate outdoor activities with cultural experiences that reveal to them what is interesting and different about the place they are visiting. They usually arrive by plane in the city that is the starting point of the tour. They stay at a small 4- or 5-star hotel which has character and high rankings (above 8.7 in Booking and above 4 in TripAdvisor), ideally in the downtown area. They typically grab a map from their hotel or use their guidebook to explore the downtown areas on their own even if some of the attractions are included in their official itinerary. They rely on signs around the city and attractions to find their way around. They might visit museums, monuments and other traditional cultural heritage sites which are highlighted in TripAdvisor or guidebooks as interesting. They will use the same sources to find a restaurant for dinner the first evening and will verify with their guide whether it is a good choice.

On the next day John and Mary would start their trip as per the initially coordinated itinerary. The itinerary is designed around a route that hits several regions of the destination and ends in the starting city. Some of the days include mostly outdoor activities that involve hiking or walking to experience exciting landscapes, reach viewing points, see natural attractions or animals, visit some well-preserved villages, archeological, religious or cultural sites.



Organized active tourists: John and Mary

What kind of activities do they like to engage in? (cont.)

During the walks or hikes or trips from one location to another John and Mary look to meet and learn about local people, especially in villages and small towns. They enjoy seeing and visiting living farms if they are in rural areas to see animals, vegetable gardens and see how local people are still using some traditional agricultural practices to produce natural and delicious foods. They love tasting food in places where they can see how the food is made and how it reaches their table. They still remember a dairy farm experience from a trip to Italy four years ago, when they learned from the farmer how they take care of the sheep and goats, and ended their visit with simple yet memorable cheese tasting lunch served as picnic outside in the middle of the farm with some home made bread and local wine. They enjoyed this experience so much that they bought small jars with goat cheese as souvenirs for all their friends and relatives back home. They took pictures with the farmer and his family, and proudly shared them on their Facebook pages the same evening. They framed one of the pictures and added it to their collection of travel photos in their living room.

In addition to food, John and Mary enjoy learning about history and traditions in the places they visit. They usually learn a lot from reading before the visit but they ask their guide about local culture and traditions almost all the time. They enjoy opportunities to witness and be part of local traditions or local cultural events. Last year during their trip in Hungary, they attended the traditional fish soup festival in Baja, and two years ago they were part of a traditional knitting festival in Northern Iceland. Even outside of special events, they like seeing workshops and meeting craftspeople who keep local traditional crafts alive. They always buy some of their products for memory or as souvenirs to take home.

John and Mary enjoy the active outdoor experiences when they travel as well. They are fit and healthy but they like to engage in outdoor activities that do not have extreme components or are too demanding that they have no energy to enjoy the surroundings. They like walking and hiking in wilderness areas but prefer to be on trails that are equipped with amenities such as resting points, viewing points, safety bars in steep areas, signage and marking. They always go over routes with the guide the previous day and ask about interesting places and things they will see along the way. They are fully equipped and have high-quality gear for outdoor activities but know that if something breaks or they forget something, the guide will help them buy or find a replacement. They also know that the support van secured by their operator is always around for transporting their luggage and provisions, and ready to respond in case of emergency (they realise that being outdoors might mean twisting an ankle).

What do they do after they return?

John and Mary love travelling but they enjoy returning home after trips. They spend the days after their return uploading and sharing photos with their children and close friends, bragging about the cool experiences they were part of. They invite friends over to taste some of the wine or food they have brought back and to share moments from their travels. They enjoy the fact that many of their friends get inspired and later visit the same places where they have been the first to go to.





Organized Active Tourists

Ideal Traveler Profile:
John and Mary
&
Visitor Experience
Value Chain Analysis
(VCA)

Organized active tourists: ANTICIPATION



Ideal

How do they think of Macedonia?

- Read an article in specialized travel media, such as the travel section of The Guardian or New York Times, The Great Outdoors magazine, Lonely Planet, travel blogs, and others; in many cases they see it posted in Facebook or when they go the website for a leisure read;
- Hear friends/ relatives talk about their recent travels in Macedonia;
- Ask their tour operator for a new and interesting destination to consider for their upcoming holiday.
- Hear something about Macedonia in the general media that catches their attention and makes them think that it might be an interesting country to visit.

How do they find information for Macedonia?

- Check online travel portal for Macedonia as well as Facebook and Youtube
- Research articles in travel media and travel blogs on Macedonia
- Ask travel operator for information and materials to explore

Current

How do they think of Macedonia?

- There are very few materials published in travel media on Macedonia (and the Balkans) and they are not regular enough to ensure visibility over time. Some publications on Macedonia have been published in the last year in Washington Post and in other travel media around AdventureNEXT.
- Information on Macedonia shared by people is limited, as not many travelers with this profile have visited yet.
- Some specialized tour operators are already active in the country and more are considering adding Macedonia to their portfolio after AdventureNEXT.
- Current media coverage on Macedonia is not positive and is more likely to provoke associations with risk and danger than interest in visiting.

How do they find information for Macedonia?

- Macedonia currently has two portals, neither of which come up among the first results of most logical searches; Macedonia Timeless is by far the better travel website but it does not appear in general search results; Macedonia does not have an official Facebook page and there is a Youtube channel called Macedonia Timeless which has nothing to do with tourism
- Article searches produce hits on travel articles on Macedonia around AdventureNEXT

Organized active tourists: ANTICIPATION



Ideal

How do they book?

- They book the entire package through their operator, but they research the places they will visit and stay at on Tripadvisor and Booking.
- They sometimes ask friends who have been or read blog posts and articles, and ask the tour operator to adjust itinerary and service providers. This is done only on limited basis unless the entire trips is tailor made.

How do they research before leaving?

- They buy/ download guidebooks (Lonely Planet, Bradt, etc.)
- Research articles in travel media and travel blogs on Macedonia
- General online research for places they are visiting

How do they buy trips (package or not)?

- All of their activities are included in the travel package purchased with the operator.

Current

How do they book?

- Booking through specialized operator is possible as more are beginning to add Macedonia to their portfolio.
- Majority of hotels and service providers are not very active with their Booking and Tripadvisor profiles and rarely respond to customer comments.
- Few articles are available with online search but more are expected after AdventureNEXT.

How do they research before leaving?

- Bradt has standalone guides for Macedonia and Skopje; Lonely Planet has chapters on Macedonia in its guides on Europe and Eastern Europe; there is no Rough Guide on Macedonia
- Few cities and locations have their own travel websites but useful travel information on places in Macedonia is available on the national portals and on the websites of some local adventure operators who come high up on searches

How do they buy trips (package or not)?

- Tour operators active in the country include all activities in the packages they sell.

Organized active tourists: ANTICIPATION



Summary of Gaps and Opportunities

How do they think of Macedonia?

- Inconsistent regularity and amount of articles on Macedonia in travel media (lack of boost of existing coverage through social media)
- Initial relation building with international specialized operators has started but there is need to continue managing the relations and expanding the network of operators that offer Macedonia)
- Lack of proactive effort to offset negative media coverage on refugee and political crisis:

“What should we tell guests when they ask us about safety in Macedonia? The only thing that they hear is from the media, and it is scary. Our guests are well-travelled and do not get scared easily but still media reports raise concern when there is nothing else that reaches them” – International Adventure Tour Operator

How do they find information for Macedonia?

- National portal is not SEOptimised and Macedonia Timeless portal is not accessible at all through search (it is possible that when Macedonia Timeless website becomes officially available it will be optimized)
- Limited activity on national and local destination level in key social media (Facebook, Youtube)

How do they book?

- Limited sophistication in managing presence in Booking, Tripadvisor and social media for hotels, attractions and other operators

Organized active tourists: TRAVEL TO



Ideal

Means of travel to Macedonia?

- They travel by plane from home to Macedonia, ideally direct

Entry point in Macedonia?

- Skopje by air

Do they need visa?

- No need for visa for citizens of EU, US, Canada

Current

Means of travel to Macedonia?

- They travel by plane from home to Macedonia. There are direct connections between Skopje and main European markets. Lack of direct flights significantly decreases interest in visiting Macedonia.

Entry point in Macedonia?

- Skopje by air

Do they need visa?

- No need for visa for citizens of EU, US, Canada

Organized active tourists: TRAVEL TO



Summary of Gaps and Opportunities

Means of travel to Macedonia?

- Limited direct flights with European cities

"I offer Macedonia only in combination with Greece or Bulgaria because of the lack of direct flights. My clients like that we are covering two countries and prefer to fly direct." – International Adventure Tour Operator

Organized active tourists: DESTINATION EXPERIENCE



Ideal

How long do they stay?

- They usually would like to spend between 10 and 15 days depending on the richness of available things to do. The crossing of borders and covering of more than one country is always interesting but given that they are from Europe and can easily come back to the region, they are fine with spending the entire time just in Macedonia and maybe doing a quick day trip to Albania or Kosovo.

Where do they stay (locations)?

- They spend their time travelling throughout the entire country and covering Skopje and Kumanovo, Kriva Palanka (St Joakim Osogovski monastery), Delchevo and Maleshevo mountains, Vodocha and Veljusa along the Yuruk tribes, Berovo, Dojran, Negotino and Kavadarci, Prilep and Krusevo, Bitola and Pelister National Park, Prespa lake, Ohrid lake and the surroundings, Mt Bistra, Galichnik and Mavrovo, Tetovo and Popova shapka.

What type of accommodations do they use?

- Any kind of accommodation, from a small family-owned two-star B&B to a nice four-star boutique hotel. Regardless of size and number of stars, accommodation places are perfectly clean, have reliable water/electricity/ heat, have distinctive character, offer beds that are comfortable, with a good mattress, offer good service and address arising needs with readiness, and of course offer good local food (at property or in the area).

Current

How long do they stay?

- They stay only 7 days in Macedonia and combine the trip with Bulgaria to fill 15 days. According to their operator, Macedonia has potential for a lot more than is included in the itinerary but the facilities, infrastructure and service are not at an acceptable level.

Where do they stay (locations)?

- They cover Skopje and surrounding area (Matka, Kokino), pass through Tetovo for quick stopover at the main attractions, pass through Mavrovo and Mt Bistra for a day and a half, spend two to three days in Ohrid, pass through Pelister National Park and Bitola for a day, pass through wine region for a day, and return to Skopje (or possibly proceed to Bulgaria/ Greece). In many of the locations there are more interesting things to see but they are not developed into market ready offerings or there is lack of necessary supporting services of good quality.

What type of accommodations do they use?

- They use various types of accommodation during their trip. The quality and the rating vary widely, although the operator tries to select only reliable properties. Availability of reliable properties is a key factor in the itinerary design. Many of the properties have some charm and are clean, but the beds are not very comfortable and sometimes there are problems with water temperature or room heating. They frequently lack relevant services (parking for bikes, laundry service, vegetarian menu options, etc.). English language skills are very poor, which makes having a group guide very important. Service quality is inconsistent, although it is obvious that the reason for that is lack of service training and understanding of customer needs rather than unwillingness to learn.

Organized active tourists: DESTINATION EXPERIENCE



Ideal

How do they move around?

- There is a small van that provides transport and support service during the trip. Some of the distance is covered by bike and on foot, with the van following the group and transporting their luggage. The vehicle is relatively new, obviously well-maintained with a good level of comfort, especially when it comes to cleanliness, space and heating/ air conditioning. It always has water in the cooler.

What activities do they engage in? (How they book them, i.e. Viator?)

- While outdoor activities are important for them, the core experience during the trips is learning about Macedonia and immersing themselves in its nature, culture and traditions. They visit at least one cooking demonstration to learn about Macedonian traditional foods and take one cooking class to learn how to prepare traditional aivar. They take a half-day wine making and tasting tour in the Tikvesh area. They walk around farmers markets and the old areas of the towns they visit. They stop in villages and farms to learn about the traditional lifestyle. In many areas they hike/ bike to places of interest along well-marked and well-mapped routes. All activities are booked through the local operator as part of their package and never separately.

Current

How do they move around?

- A small van is available throughout the trip and serves as the main form of transportation throughout the trip. The mini van is a bit old and although it seems relatively well maintained, it could be cleaner and more comfortable. The air conditioning does not work well on very hot days and when the terrain is mountainous and challenging. The driver drives a bit faster than the group desires and it is necessary to remind him to slow down and avoid taking risks. Some portions of the trip are covered by bike and on foot, but more are possible if roads have roadside infrastructure for biking and if more mountain routes have better marked trails with visitor infrastructure to support comfortable longer biking/ hiking experiences.

What activities do they engage in? (How they book them, i.e. Viator?)

- While the operator includes some cooking demonstrations, traditional farm and rural experiences, experiences that reveal the living traditions of Macedonia are scarce. During their pre-trip research, they come across interesting reports about a craftsman in a small mountain village, a women's cooperative collecting wild fruits and preparing traditional jams, or a farm with traditional dairy-making practices, but in many cases these are not developed as market-ready tourism experiences and are not available. In many areas there are wonderful conditions for hiking or biking, but the lack of supporting infrastructure and marking makes such outdoor activities challenging and on many occasions impossible. All activities are booked through the operator and not independently.

Organized active tourists: DESTINATION EXPERIENCE



Ideal

What attractions do they visit?

- The most important attractions such as the Kale in Skopje, Matka canyon, Kokino, Stobi, Heraklea, St Naum, etc. are must-see; in addition, they enjoy off-the-beaten path local places that are distinctive for Macedonia and that hold interesting stories. Visiting living and preserved villages with interesting traditions (i.e. Galicnik), spending time on farms and in rural areas, engaging in traditional farming or living traditions (i.e. forest berry collection, rakia making), meeting interesting or indigenous communities (i.e. Yuruk tribes), spending a night at a monastery or traditional rural home, going to a traditional festival (aivar or rakia festival), etc. are all things that end up being more important for the creation of memories and for building their satisfaction with trips.

Where and what do they eat (package or not)?

- Eating local food is very important for them and is part of the core experience of immersing themselves in the destination. Local ingredients and freshly made meals are must-have. Eating can be at traditional local restaurants with excellent reputation, but there must be at least a couple of traditional meals prepared at a farm or a rural home. Interpretation around food is very important and they frequently ask to meet the person who prepares their traditional meals and see how some of the typical local products are grown or prepared at farms or in rural areas. Learning about ingredients is also very important to meet dietary limitations. Food is part of the overall package so they do not have to worry about paying during the trip. Being able to buy culinary souvenirs though is very important and they are prepared to spend on that.

Are they guided/ unguided and independent/ group?

- They travel as part of a small group with a specialized operator. There is a well-trained and service-oriented guide with them all the time as well as a driver.

How much do they spend?

- Total price of the Macedonian trip (without airfare) is 800 Euro and includes some of the additional activities they requested, such as culinary class and night bear watching. They also spent an additional 200 Euro on souvenirs and traditional local items that they took home for friends and for memory from their trip.

Current

What attractions do they visit?

- Most of their time seems to be spent in the most developed tourists areas, such as Skopje and Ohrid. While they understandably offer more reliable accommodation options and are must-see for any visitor in Macedonia, the true highlights of the trip end up being spending a night at the traditional rural home of Vila Dihovo learning about rural life and culinary traditions, and eating authentic local food; going for bear watching night trip in Pelister National Park; taking a boat trip to visit the mysterious Snake island in Prespa; spending a night at the rural Tutto hotel in Jance village that is built using old traditional techniques; and hiking through Mavrovo National Park to visit Galicnik village. They wished to spend more time in rural areas and experiencing local rural, farming, and culinary traditions that their guide shared but there were not that many options to do that outside of the cooking experience in Vila Dihovo. They were fascinated by the stories about the traditional Galicnik wedding but since their trip did not coincide with the festival itself, they could not experience it. They also passed through very beautiful natural areas which looked like wonderful places to hike or bike through, but the lack of trails and marking made that difficult and their operator naturally avoided including these as options.

Where and what do they eat (package or not)?

- Although the flavor and good quality of the food in Macedonia is a positive surprise for them, there are definite opportunities for improvement. Breakfasts at hotels were one of the disappointments, as focus was placed on having a classical continental breakfast rather than serving a small set of traditional breakfast items. The quality of some of the fresh vegetables and fruits was surprisingly low, especially given the abundance of fresh local produce in markets.

Are they guided/ unguided and independent/ group?

- They travel as part of a small group with a specialized operator. There is a good guide with them although there are some questions on history he was not able to answer claiming that this is not his specialization and that the other guide of the company knows that better. He made some of the reservations and plans on the go rather than in advance, which at times left the group feel that things are not taken care of in advance and there are risks that some of the items may drop.

How much do they spend?

- Total price of the Macedonian trip (without airfare) is 500 Euro, which is an attractively low price for a trip of this length and is at the lower for this kind of trip. They wanted to spend a bit more and include some additional items but the options were limited and they ended up not doing that. They also had very limited opportunity to spend on local culinary or other souvenirs: they bought some local wine and local honey but not much else.

Organized active tourists: DESTINATION EXPERIENCE



Summary of Gaps and Opportunities

How long do they stay?

- Despite the relatively good length of stay there is definite opportunity for extending it

Where do they stay (locations)?

- Relatively limited cover of the country due to limited availability of acceptable accommodations and available things to do at a level that can be offered to this market
- Opportunity for opening of new areas if there is available offerings at quality that is acceptable for that market

What type of accommodations do they use?

- There is insufficient accommodations that meet the needs of this market, and that takes them outside of areas where tourism activities are concentrated (Skopje, Ohrid)
- Existing accommodations need improvement in directions that align with the demand for this market: accommodations can be simple but should be clean and should have a comfortable bed, warm water, heat/ AC that are working well; design should be clean and if possible with traditional elements; there is need to have relevant services such as laundry services even at small B&Bs to meet the needs of people who hike and especially those that bike; food service are not flexible in terms of time (some departures are early).
- Service culture at accommodation facilities needs improvement; local operators have limited understanding of this market and limited ability to meet its needs
- Local hotel owners and staff do not have the basic English skills to meet the needs of this market

“Service providers are very nice but they are not prepared for the needs of clients and are not trained to be sensitive to the cultural specifics of different groups. Our French tourists are okay with simple accommodation but food needs to be outstanding. Italians like more comfort in the accommodation and care less about the food. The British like to have access to a bar. The Dutch like staying in the countryside. – International Adventure Tour Operator

“Maybe what needs to be done is to provide accommodations with a checklist that they need to meet before they invest in other things. They do not need big screen TV sets in the room but good quality mattress and a well-working shower. – International Adventure Tour Operator

How do they move around?

- Transportation services do not meet safety and service culture standards.
- Vehicles are not always new and well maintained; they have problems with heating and AC.
- The driving style is very problematic as many drivers do not adhere to safety standards and violate traffic regulation.
- There is lack of roadside visitor infrastructure (for bikers or for resting during longer drives)

What activities do they engage in? (How they book them, i.e. Viator?)

- Very limited experiences and attractions that are based on local traditions and culture; numerous existing assets that can be transformed in very attractive experiences and offerings for this market but are currently not.
- Limited capacity to identify and develop relevant experiences and product offerings, including among local specialized tour operators

Organized active tourists: DESTINATION EXPERIENCE



Summary of Gaps and Opportunities, *cont.*

What attractions do they visit?

- Large amount of assets that are potential attractions but are not developed as such: natural and cultural
- Lack of/ limited/ poorly maintained visitor infrastructure and marking along existing and potential hiking/ biking routes, including such that connect attractions that are currently underused and enable movement by foot or bike to new locations
- Poor waste management around attractions, tourist areas, in some natural areas and in towns

“With some investment in marking and visitor infrastructure it is possible to establish a route of about 40 km from Dihovo to Prespa lake, which can be a very attractive hiking experience with an overnight in a mountain village. What is needed is marking the trail and supporting the enabling of homestays in some of the houses in the village. – local mountaineering club

Where and what do they eat (package or not)?

- Limited food offerings that are based on traditional local food even though it is consistently highlighted by tourists and tour operators as one of the best aspects of the Macedonia travel experience. In many cases focus is placed on low cost rather than high quality.
- Very limited availability of higher value culinary experiences, which are demanded by well-paying travelers.
- Limited capacity and skills to respond to the culinary expectations of contemporary travelers, including focus on quantity and perception for food waste, as well as limited preparedness for guests with dietary restrictions.

Are they guided/ unguided and independent/ group?

- Lack of well trained and service oriented guides that meet international standards and speak languages. In many cases the problem is not in the knowledge but attitude, service culture and sensitiveness to the expectations of international travelers.

How much do they spend?

- Limited attractions and add-ons (such as arts, crafts and souvenirs for example) limit the spending of tourists.
- Poor pricing skills lead to poor price strategies and limited profitability.

Organized active tourists: TRAVEL BACK



Ideal

Means of travel back?

- Flying, preferably direct from Skopje to home town.

Exit point from Macedonia (land/ air and location)?

- Airport in Skopje or Ohrid.

Current

Means of travel back?

- In some cases they return to Skopje to fly out or they travel to neighboring Greece or Bulgaria to catch a direct flight.

Exit point from Macedonia (land/ air and location)?

- Usually Skopje airport, which requires a return to the capital or by road if combining another country (usually Greece or Bulgaria).

Organized active tourists: TRAVEL BACK



Summary of Gaps and Opportunities

Means of travel back?

- Limited direct flights with European cities

Organized active tourists: RECOLLECTION



Ideal

What feedback do they share?

- They are excited about their trip and share positive feedback along with practical tips about places to visit and things to experience while in Macedonia. This is accompanied by a lot of visuals.

Where do they share feedback (online, social media, word of mouth)?

- They share positive feedback across social media – on their facebook walls to reach their friends but also in platforms such as Tripadvisor.
- They provide positive feedback through the website/ social media profiles of their tour operators.

Likelihood to return (curiosity to come back)?

- They would love to return to bring friends/ family and engage in experiences, which they did not have time to cover on this trip.

Current

What feedback do they share?

- Their feedback is not consistently positive. They highlight some of the positive experiences such as surprisingly delicious food, beautiful nature and unbelievably rich cultural heritage but also discuss the failures in service such as lack of punctuality, problems with guide, risky driving style, lack of safety and visitor infrastructure, limited souvenirs and others.
- Few visuals shared as there are few providers that maintain social media profiles; national channels do not engage travelers and they have little motivation to share some of their excellent photographs and videos.

Where do they share feedback (online, social media, word of mouth)?

- They share positive feedback across social media – on their facebook walls to reach their friends but also in platforms such as Tripadvisor.
- They provide positive feedback through the website/ social media profiles of their tour operators.

Likelihood to return (curiosity to come back)?

- They are unlikely to desire to return as they have the impression that their itinerary covered everything that is worth their time in the country.

Organized active tourists: RECOLLECTION



Summary of Gaps and Opportunities

What feedback do they share?

- There is limited effort to engage travelers to share feedback and their visual content from trips in social media and digital channels. There is lack of digital communication skills especially among individual tourism operators.

Where do they share feedback (online, social media, word of mouth)?

- National level communications are static and one-directional.
- Individual operators are very inactive in social media and digital channels, including in Tripadvisor, Booking.com, etc.

Likelihood to return (curiosity to come back)?

- There is no effort in national level marketing or the communications of individual operators to engage travelers who have already been and prompt them to plan a return trip.

Independent Active Tourists

Ideal Traveler Profile:
Thomas and Laura
&
Visitor Experience
Value Chain Analysis
(VCA)

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Independent Active Tourists

**Ideal Traveler Profile:
Thomas and Laura
&
Visitor Experience
Value Chain Analysis
(VCA)**



Independent active tourists: Thomas and Laura

Who are they?

Thomas and Laura are a young couple in their late 20s/early 30s from Belgium. Thomas is a web designer and Laura is a marketing manager for a digital retail company. They love travelling and use every free minute to be outdoors and explore new places. When they visit new cities or new countries, they rarely spend time inside museums and traditional attractions. They like exploring on foot, taking the back alleys in towns and cities, wandering through local markets and discovering charming non-touristy spots. When they travel they want to do it like “the locals” and stay at private homes (using Airbnb) and eating at the favorite places of locals. They often make loose plans, leaving themselves the freedom to change their itinerary and hit a place or activity that they learn about while they travel.

What is their ideal active holiday?

Thomas and Laura are adventurous in terms of exploring new places and experiences. They enjoy traveling independently and having complete control over their itinerary. They follow some travel media online (AdventureTravel magazine, National Geographic Traveller, Wanderlust magazine) and some favorite travel blogs. They take a lot of long weekend trips (between two and four days) but also occasionally take a week or ten days to travel to countries far from home or which offer more than can be fit into a weekend. On many occasions they travel in a small group of 4-6 friends.

How do they decide on their next destination and how do they prepare?

Thomas and Laura are addicted to travel, so they constantly explore content about new places and experiences either in travel media or from their actively travelling friends. Usually, Thomas and Laura think of a place to visit because someone from their network of friends posts about it or because they read about it in their favorite online travel magazines or in the travel blogs they follow. When they become interested in a place, they usually check how easy and expensive it is to visit. Easy and inexpensive access is a major factor for them when considering a destination, especially when they intend to visit for just a few days.

Once they decide on a place they start researching it. They usually do that by searching articles on the destination in social media, as well as in some forums on independent travel. They mark some of the spots they want to hit in the country and figure out where they can hike. Thomas and Laura purchase everything for their trip separately. They start by blocking the days on the calendar depending on the flights. They usually book their hotel or apartment (Airbnb) in the city of arrival and in some of the specific B&Bs they definitely want to stay at based on peer feedback and media. They research a lot in advance but leave themselves the flexibility to adapt plans on the go.



Independent active tourists: Thomas and Laura

What are their expectations about basic services in the destination?

Thomas and Laura are adventurous but they have very little tolerance for unfair or poor treatment by service providers. This is why in many occasions they prefer to stay at an Airbnb place where they control the service or at B&Bs, which offer a local, traditional experience and which have good rating in terms of service. They usually read blogs and contact people in forums to get some peer advice and tips. They like to have the freedom to move from one location to another, so they rely on public transportation if it is good and reliable, or they hire a taxi to drop them off from one place to another.

Thomas and Laura move around on their own and use a guidebook to figure out background information on attractions and places they are visiting. In some places, however, they have purchased one-day activities that involve using a local guide. This is usually when they are visiting areas, which have exceptional history or culture, and they would like to make sure they learn about from a guide that was identified in forums as top notch, or when peer travelers recommend an activity sold by a local operator that is a must-have (for example cooking class, visiting craft shops and meeting craftspeople, wine tours, etc.). Thomas and Laura like to use homestays, local B&Bs or traditional houses. They expect accommodations and restaurants to be very clean even if very simple. Hot water and heating are essential. The room must be comfortable and convenient. Food should be as local, traditional and fresh as possible.



What kind of activities do they like to engage in?

Thomas and Laura are outdoors junkies so they take the opportunity to hike everywhere they can. They usually arrive by plane in the city that is the starting point of the trip. They usually stay at an Airbnb apartment that is convenient, with high ratings and in the downtown area. They already know what places they want to hit in the city of arrival from forums and guide books. They rely on signs around the city and attractions to find their way around, and use their smartphone maps. They might visit museums, monuments and other traditional cultural heritage sites, which are highlighted in TripAdvisor or guidebooks as interesting and deserving attention, but they will be selective. They are likely to hit old parts of town or to go to local markets, as well as to walk through town in rush hour when they can experience the local dynamic. Thomas and Laura usually find restaurants to eat at in town through forums and TripAdvisor. After hitting interesting places in town, Thomas and Laura are likely to explore the outdoors around town or to move to another town with opportunities for hiking and exploring natural areas.

Independent active tourists: Thomas and Laura

What kind of activities do they like to engage in? (cont.)

During the walks or hikes or trips from one location to another, Thomas and Laura look to meet as many local people as possible, especially in villages and small towns. They enjoy visiting living villages, seeing local farms and traditional farming. They love tasting fresh food in such places and learning how people live and how they make their food.

Local food and wine tastings are always experiences they enjoy and look for. If such are offered as a one-day package that they can purchase with a well-recommended local operator, they will buy it. If such activities are available independently, they would find their way to them themselves.

Local culture and traditions are important for Thomas and Laura, so if they can be in the country when there are interesting festivals, traditional celebrations or other local events, they will do that. They have gone to traditional culinary and wine events, traditional music and dance festivals, events celebrating interesting historic events and crafts demonstrations.

The most favorite activities of Thomas and Laura, of course, involve enjoying nature and being outdoors. Depending on other things that are available to do, they would spend half or more of their time in a place hiking and exploring by foot. In some cases, if there are nice biking trails that allow them to explore a bigger area on two wheels, they will take on the opportunity. Given that both of them and the friends they usually travel with are experienced, they rarely hire a guide when they go hiking (or biking) unless there are specific circumstances such as taking a multi-day trip through the mountains or some potential risks in being alone (for example, poor marking or trail system). Ideally, they would hike on their own with their friends, navigating using their digital devices. They use their phones to post on Facebook, Instagram and Twitter all the time and “tease” their friends about the great experiences they are having while their friends are in the office or at home.

What do they do after they return?

Thomas and Laura take a lot of photos and videos during their trips, and enjoy sorting them out and posting upon return. They share their images and videos with people they met during their travels, including B&B owners, guides and other service providers they were impressed with. They post feedback on places they visited and services they used on TripAdvisor, Airbnb, Booking.com, Viator as well as on their own social media profiles. They usually create an album with some notes on their trip that they share on Facebook, Tumblr and a casual blog they maintain as a diary for their trips. They enjoy sharing their experiences for the benefit of their many travel-loving friends as well as travel fans that land on their content.



Independent Active Tourists

Ideal Traveler Profile:
Thomas and Laura
&
Visitor Experience
Value Chain Analysis
(VCA)



Independent active tourists: ANTICIPATION



Ideal

How do they think of Macedonia?

- Read an article in specialized outdoors media such as National Geographic Traveller, Wanderlust magazine, Outdoors magazine, Lonely Planet, some travel blogs such as Everything-Everywhere, Travelling Jackie and others; in many cases they see it posted in Facebook or when they go to a website for a leisure read
- See friends post in social media about their recent travels in Macedonia

How do they find information for Macedonia?

- Check online travel portal for Macedonia as well as Facebook, Instagram, Tumblr and Youtube, as well as the travel blogs and forums they follow.
- Ask friends or colleagues in their network about hints and tips

Current

How do they think of Macedonia?

- There are very few materials published in travel media on Macedonia and they are not regular to ensure visibility over time. Some publications on Macedonia have been published in adventure travel media around AdventureNEXT.
- Information on Macedonia shared by people is limited as few travelers with this profile have visited. There is limited authentic traveler content that is channeled through the national-level social media channels.
- Current media coverage on Macedonia is not positive and is more likely to provoke associations with risk and danger than interest in visiting. Not much is being done to offset that.

How do they find information for Macedonia?

- Macedonia currently has two portals, neither of which come up among the first results of most logical searches. Macedonia Timeless is by far the better travel website but it does not appear in general search results. Macedonia does not have an official Facebook page and there is a Youtube channel called Macedonia Timeless, which has nothing to do with tourism. There is limited organic customer content on national social media channels.
- Article searches produce hits on travel articles on Macedonia around AdventureNEXT.

Independent active tourists: ANTICIPATION



Ideal

How do they book?

- They book on their own everything separately through Booking.com, Airbnb and Viator. They check out ratings and traveler feedback in TripAdvisor, Airbnb, Booking, Viator and forums.
- They also refer to guidebooks such as Lonely Planet, Bradt, etc.

How do they research before leaving?

- They buy/ download guidebook (Lonely Planet, Bradt, etc.)
- Research articles in travel media and travel blogs on Macedonia
- General online research for places they are visiting

How do they buy trips (package or not)?

- They book everything independently based on peer reviews in online platforms or recommendations from travel bloggers and sometimes personal friends.

Current

How do they book?

- Many service providers in and around Skopje and Ohrid are present on Booking.com, Tripadvisor and Viator but few outside of the two centers. Many providers have recently joined online platforms and do not have any ratings and feedback (especially in Viator). A number of service providers and experiences are not searchable or bookable online.
- The majority of hotels and service providers are not very active with their Booking and Tripadvisor profiles and rarely respond to customer comments.
- Few articles are available upon online search but more are expected after AdventureNEXT.

How do they research before leaving?

- Bradt has standalone guides for Macedonia and Skopje, Lonely Planet has chapters on Macedonia in its guides on Europe and Eastern Europe; there is no Rough Guide on Macedonia
- Few cities and locations have their own travel websites, but useful travel information on places in Macedonia is available on the national portals and on the websites of some local adventure operators who come high up on searches

How do they buy trips (package or not)?

- They buy online but do not have access to everything they hear is available. they have very limited information about and options to book places and activities outside of Skopje and Ohrid.

Independent active tourists: ANTICIPATION



Summary of Gaps and Opportunities

How do they think of Macedonia?

- Inconsistent regularity and amount of articles on Macedonia in travel media (lack of boost of existing coverage through social media)
- Lack of proactive effort to offset negative media coverage on refugee and political crisis

How do they find information for Macedonia?

- National portal is not search engine optimised and Macedonia Timeless portal is not accessible at all through search (it is possible that when Macedonia Timeless website becomes officially available it will be optimized)
- Limited activity on national and local destination level in key social media (Facebook, Instagram, Youtube, Twitter)

How do they book?

- Limited sophistication in managing presence in Booking, Tripadvisor and social media for hotels, attractions and other operators

How do they buy trips (package or not)?

- Many providers are not searchable or bookable online at all

“I have been in some of the regions many times and I am still finding out about places where you can stay and churches you can visit that I did not know about. Around Prespa there are some interesting churches, there are nice traditional B&Bs where you can stay but you have to call them in advance to let them know you are coming. They are not online so unless you know them and call by phone in advance, you would have no way of knowing they exist.” – local economic development specialist.

Independent active tourists: TRAVEL TO



Ideal

Means of travel to Macedonia?

- They travel by plane from home to Macedonia, ideally direct

Entry point in Macedonia?

- Skopje by air

Do they need visa?

- No need for visa for citizens of EU, US, Canada

Current

Means of travel to Macedonia?

- They travel by plane from home to Macedonia. There are direct connections between Skopje and main European markets. Lack of direct flights significantly decreases interest in visiting Macedonia.

Entry point in Macedonia?

- Skopje by air

Do they need visa?

- No need for visa for citizens of EU, US, Canada

Independent active tourists: TRAVEL TO



Summary of Gaps and Opportunities

Means of travel to Macedonia?

- Limited direct flights with European cities

Independent active tourists: DESTINATION EXPERIENCE



Ideal

How long do they stay?

- They usually would like to vacation for between 4 and 10 days depending on the richness of available experiences. Crossing borders and covering more than one country is interesting if they are able to stay long enough. They are fine with spending the entire time just in Macedonia and maybe doing a quick daytrip to Albania or Kosovo if staying for five or more days.

Where do they stay (locations)?

- They spend their time in Skopje and Kumanovo, Prilep and Krusevo, Bitola and Pelister National Park, Prespa Lake, Ohrid Lake and its surrounding areas, Mt Bistra, Galichnik and Mavrovo, Tetovo and Popova shapka.

What type of accommodations do they use?

- Any kind of accommodation between a private Airbnb apartment (in Skopje), small family-owned B&B to a nice four-star boutique property. Regardless of size and number of stars, accommodation is perfectly clean, has reliable water/ electricity/ heat, has its own character, offers comfortable beds, offers good service and addresses arising needs with readiness, and of course offers good local food (at property or in the area).

Current

How long do they stay?

- They stay only 7 days in Macedonia and combine the trip with Bulgaria to fill 15 days. According to their operator, Macedonia has potential for a lot more than is included in the itinerary but the facilities, the infrastructure and service are not at an acceptable level.

Where do they stay (locations)?

- They cover Skopje and surrounding area (Matka, Kokino), spend a day in Tikvesh wine region and go to Bitola and Pelister National Park for a day or two, they go to Ohrid for two days, and return to Skopje (or proceed to Bulgaria/ Greece). They cover key spots that they find information about. They consider going to Mavrovo National Park but leave it out due to lack of time.

What type of accommodations do they use?

- They use various accommodations during their trip, varying from private Airbnb apartment, small two-star to four-star facilities. The quality and rating vary widely, so they choose places that seem to have strong ratings by other travelers. Availability of a good place to stay is a key factor in their itinerary design. Many of the properties have some charm and are clean but the beds are not very comfortable and sometimes there are problems with water temperature or room heating. They frequently lack services (parking for bikes, laundry service, vegetarian menu options, etc.).
- English language skills are very poor. Service quality is inconsistent although it is obvious that the reason for that is lack of service training and understanding of customer needs rather than lack of willingness to learn.

Independent active tourists: DESTINATION EXPERIENCE



Ideal

How do they move around?

- They move around with private transfers, which they book through local providers or local taxi drivers available via Uber, Viator or relevant travel forums.
- In some cases when they decide to hike from one location to another, they may ask the accommodation provider to arrange transportation for their luggage so they do not have to carry it with them on the hike.

What activities do they engage in? (How they book them, i.e. Viator?)

- Being outdoors is the most important driver of itinerary planning but it is very exciting for them to combine hiking with enjoying beautiful landscapes, visiting churches and other interesting sites, as well as experiencing rural areas. They enjoy wine tours, so they take a wine making and tasting tour in the Tikvesh area, which involves walking through the vineyards and a picnic. They booked the tour through Viator.
- While hiking they like to stop in mountainous villages and farms to learn about the traditional lifestyle.
- Other activities they enjoy include farmer markets tours, living traditions experiences, culinary and farming demonstrations, local crafts demonstrations, etc. They usually book these on Viator.

Current

How do they move around?

- They move around with private transfers that they book through Viator or contacts they have obtained from friends or peers in forums. They were unpleasantly surprised with the driving style and had to ask some of the drivers to slow down and pay attention to traffic rules.

What activities do they engage in? (How they book them, i.e. Viator?)

- They plan their outdoor experiences based on traveler forums. Based on recommendations from others, they connect with local mountaineering clubs to ask for recommendation as the limited information that is available online is only in Macedonian
- They book all their activities independently through online channels: Airbnb, Booking, Viator, etc. Peer feedback and rating are leading factors for their decision but the fact that many providers have just recently started using the platforms leads to very few peer ratings (especially in Viator).
- They have heard about some cool crafts, culinary and cultural traditions but are unable to find information in English and in Viator. They ask some locals that they meet during their trips.

Independent active tourists: DESTINATION EXPERIENCE



Ideal

What attractions do they visit?

- The most important attractions such as the Kale in Skopje, Matka canyon, Kokino, Stobi, Heraklea, St Naum, etc. are must-see. In addition, they enjoy the local places off the beaten path that are distinctive for Macedonia and that hold interesting stories. Visiting living and preserved villages with interesting traditions (Galicnik), spending time on farms and in rural areas, engaging in traditional farming or living traditions (forest berry collection, rakia making), spending a night at a monastery or traditional rural home, going to a traditional festival (aivar or rakia festival), etc. are all things that end up being more important for the creation of memories and building their satisfaction with trips.

Where and what do they eat (package or not)?

- Eating local food is something that they enjoy tremendously and is part of the core experience of immersing themselves in the destination. Local ingredients and freshly made meals are extremely important. They eat at well-reputed traditional local restaurants as well as local farms or rural homes. Interpretation around food is very important and they frequently ask about ingredients and local products that are used. Information about ingredients is also necessary in order to meet dietary limitations that some of the friends that they travel with have.
- They choose where to eat based on research on TripAdvisor or on recommendations from friends, peers in forums or locals they meet during their travels. If they like any of the local food or wine, they will buy some to take home for the traditional Macedonian dinner with friends they plan to host for their friends.

Are they guided/ unguided and independent/ group?

- They travel independently and hire guides only for specific activities if there is extra value in that.

How much do they spend?

- The total amount they spend (without airfare) is 550 Euro per person for a five-day trip (lodging, private transportation, one-day excursions and souvenirs).

Current

What attractions do they visit?

- Most of their time seems to be spent in the most developed tourists areas such as Skopje and Ohrid as most of the available offerings through the channels they use are concentrated there. They find out about other interesting things to do as they travel but they are unable to stay longer to cover them. The most enjoyable part of their trips ends up being spending a night at the traditional rural home of Vila Dihovo learning about rural life and culinary traditions, and eating authentic local food, as well as hiking to through Pelister National Park to reach the stunning Prespa Lake. They wished to spend more time in rural areas and experiencing local rural, farming and culinary traditions that they learned about from locals during their trip but there were not that many options to do that outside of the culinary demonstration in Vila Dihovo.
- They enjoyed hiking but poor marking and lack of maps or guides for independent travelers made it almost impossible to do that on their own without taking a local mountaineering guide.
- The garbage in some of the areas they visited, including natural areas such as the area around Matka was shocking to them and to some extent ruined the experience of being out in nature.

Where and what do they eat (package or not)?

- Although the flavor and good quality of the food in Macedonia is a positive surprise for them, there are definite opportunities for improvement. The breakfast at one of the hotels they stayed at was a disappointment, as focus was placed on having a classical continental breakfast rather than serving a small set of traditional breakfast items. Some of the traditional restaurants they ate at offered some good meals but also some disappointing ones. There was little information on food traditions and some of the servers were not capable of explaining the dishes in English.

Are they guided/ unguided and independent/ group?

- They travel independently and hire guides only for specific activities if there is extra value in that. They prefer to hike without a guide but the lack of any guides or services that support independent travel combined with poor and missing marking, made this necessary. The guide ended up giving them some interesting information and stories so it ended up being a good thing.

How much do they spend?

- Total price of the Macedonian trip (without airfare) is 400 Euro, which is an attractively low price for a trip of this length and is at the lower end for this kind of trip. They wanted to spend a bit more and include some additional items but the options were limited and they ended up not doing that. They also had very limited opportunity to spend on local culinary or other souvenirs: they bought some local wine and local aivar but not much else.

Independent active tourists: DESTINATION EXPERIENCE



Summary of Gaps and Opportunities

How long do they stay?

- They spent five days (Wednesday to Sunday) and thought that would be sufficient, but they learned about other things they would have loved to see but were unaware of before the trip

Where do they stay (locations)?

- Relatively limited coverage of the country due to limited availability of accommodations and things to do online outside of Skopje and Ohrid
- Opportunity for opening of new areas and new service providers if these have some visible presence online in channels used by this market

What type of accommodations do they use?

- There is a lack of accommodation that meets the needs of this market, and that takes them outside of areas where tourism activities are concentrated (Skopje, Ohrid)
- Existing accommodations need improvement in directions that align with the demand for this market: accommodations can be simple but should be clean and comfortable, warm water, heat/ AC that are working well; design should be clean and if possible with traditional elements; there is need to have relevant services such as laundry services even at small B&Bs to meet the needs of people who hike and especially those that bike; food service are not flexible in terms of time (some departures are early).
- Service culture at accommodation facilities needs improvement; local service operators have limited understanding of this market and limited ability to meet its needs
- At many of the local hotels, owners and staff lack basic English skills

How do they move around?

- Transportation services do not meet safety and service culture standards.
- Vehicles offering transportation services are not always new and well maintained; they have problems with heating and AC.
- The driving culture is very problematic, as many drivers do not adhere to safety standards and violate traffic regulations.

What activities do they engage in? (How they book them, i.e. Viator?)

- Very limited experiences and attractions based on local traditions and culture; numerous existing assets that can be transformed into attractive experiences and offerings for this market.
- Limited capacity to identify and develop relevant experiences and product offerings, including among local specialized tour operators
- Lack of any services (digital or offline) that can support the needs of independent travellers; poor marking, lack of maps, lack of signage and infrastructure along trails create the perception of higher risk.

Independent active tourists: DESTINATION EXPERIENCE



Summary of Gaps and Opportunities, *cont.*

What attractions do they visit?

- Large number of natural and cultural potential attractions
- Lack of/ limited/ poorly maintained visitor infrastructure and marking around attractions and along existing and potential hiking/ biking routes, including those that connect attractions and enable movement by foot or bike to new locations
- Poor waste management around attractions, tourist areas, in some natural areas and in towns

"...each time I visit Macedonia I get so frustrated with all the trash. ...the government really needs to solve this problem that is prevalent everywhere. It really saddens me because there are beautiful spots throughout the country[,] like Matka" – tourist feedback in TripAdvisor

"I expected a nice and well-maintained theater, but little maintenance seems to be done and there is no information at all (in any language)" – independent tourist feedback on Ancient Theater in Ohrid

Where and what do they eat (package or not)?

- Limited food offerings that are based on traditional local food, even though it is consistently highlighted by tourists as one of the best aspects of the Macedonian travel experience. In many cases focus is on low cost rather than high quality.
- Very limited availability of higher value culinary experiences, which are highly demanded by well-paying independent travelers.
- Limited capacity and skills to respond to the culinary expectations of contemporary travelers, including focus on quantity and perception for food waste, as well as limited preparedness for guests with dietary restrictions.

Are they guided/ unguided and independent/ group?

- Lack of interpretation infrastructure and signage makes self-navigated exploration of attractions incomplete and dissatisfying

How much do they spend?

- Limited attractions and add-ons (such as arts, crafts and souvenirs) limit tourist spending
- Lack of information on places and providers outside of the main tourist centers limits opportunity for longer length of stay and more spending
- Poor pricing skills lead to poor price strategies and limited profitability.

Independent active tourists: TRAVEL BACK



Ideal

Means of travel back?

- Flying, preferably direct from Skopje to home town.

Exit point from Macedonia (land/ air and location)?

- Airport in Skopje or Ohrid.

Current

Means of travel back?

- Return to Skopje to fly out home; in case of longer trips linking to another country is possible (Bulgaria, Serbia, Greece)

Exit point from Macedonia (land/ air and location)?

- Usually Skopje airport, which requires a return to the capital or by road if combining another country (usually Serbia, Bulgaria or Greece).

Independent active tourists: TRAVEL BACK



Summary of Gaps and Opportunities

Means of travel back?

- Limited direct flights with European cities

Independent active tourists: RECOLLECTION



Ideal

What feedback do they share?

- They are excited about their trip and share positive feedback along with practical tips about places to visit and things to experience while in Macedonia. This is accompanied by a lot of visuals.
- They post their photo and visual albums with some tips in their travel blog.

Where do they share feedback (online, social media, word of mouth)?

- They share positive feedback across social media – on their facebook walls to reach their friends but also in platforms such as Tripadvisor.
- They provide positive feedback through the website/ social media profiles of their tour operators.

Likelihood to return (curiosity to come back)?

- They would love to return to bring friends/ family and engage in experiences which they did not have time to cover on this trip.

Current

What feedback do they share?

- Feedback is inconsistently positive. They highlight some of the positive experiences, such as surprisingly delicious food, beautiful nature and rich cultural heritage, but also discuss the failures in service such as lack of marking and signage, lack of visitor and safety infrastructure, problems with English skills at hotels/ restaurant, risky driving style, waste in natural areas and around attractions, limited souvenirs and others.
- Their excellent visuals and stories are not reachable by many potential visitors of Macedonia.

Where do they share feedback (online, social media, word of mouth)?

- They share positive feedback across social media – on their Facebook and blog to reach their friends but also in platforms such as Tripadvisor.
- They provide feedback through the platforms they have used for booking of service providers and experiences: Booking.com, Airbnb, Viator, etc.

Likelihood to return (curiosity to come back)?

- They discover that there are more things to see in Macedonia and could potentially consider returning, but, given their interest in visiting different places and some of the disappointments, it is not likely that they will do so soon.

Independent active tourists: RECOLLECTION



Summary of Gaps and Opportunities

What feedback do they share?

- There is limited effort to engage travelers to share feedback and their visual content from trips in social media and digital channels. There is lack of digital communication skills, especially among individual tourism operators.

Where do they share feedback (online, social media, word of mouth)?

- National level communications are static and one-directional.
- Individual operators are very inactive in social media and digital channels, including on TripAdvisor, Booking.com, etc.

Likelihood to return (curiosity to come back)?

- There is no effort in national level marketing or the communications of individual operators to engage travelers who have already been and prompt them to plan a return trip.

Hard Adventure Tourists (Freeride)

Ideal Traveler Profile:
Andreas
&
Visitor Experience
Value Chain Analysis
(VCA)

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Hard adventure Tourists (freeride)

Ideal Traveler Profile:
Andreas
&
Visitor Experience
Value Chain Analysis
(VCA)

Hard adventure tourists (Freeride): Andreas

Who are they?

Andreas is a 27 year old from Sweden. He works as a sales manager at a large online retailer. His passion is hard adventure experiences, especially winter sports. An experienced skier since a small child, in the last years Andreas discovered a different form of skiing – freeride (or CAT skiing). During the winter he goes skiing almost every weekend and tries to take at least two or three multiple-day trips to go freeride skiing.

He usually travels with at least a couple of friends-fellow adrenaline junkies into winter sports. When he travels for a freeride experience, Andreas cares mostly about the aspects of the trip that are core to his hobby: safety in terms of operations and support service. He also cares about cleanliness at the accommodation and good food.

What is their ideal active holiday?

The perfect freeride holiday for Andreas is 7 days and is either in Canada or the Balkans, as these are the only two regions in the world with optimal conditions for freeride skiing. Given the long flight and additional cost of getting to Canada, the Balkans region (Macedonia, Kosovo and Bulgaria) is the better option by far. Skiing in the wild (rather than at a resort) is ideal. A perfect holiday would also mean being lucky with the weather conditions and not missing a day of being out in the snow.



How do they decide on their next destination and how do they prepare?

Andreas decides where to go only through his personal network of freerider friends and the freeride skiing forums. Andreas prefers to go with an operator local to the destination, as it is safer and more reliable to have someone knowledgeable about the conditions in the place accompanying you, rather than going freeride skiing on your own.

What are their expectations about basic services in the destination?

Andreas' main focus is on freeride conditions and services that relate to his favorite sport. A cheap direct flight is ideal but he is ready to connect as well.

Accommodation needs to be convenient and close to the skiing area. It is nice if it is more than basic, but he does not especially care about more than a clean room with a bed and a good shower. Ideally, food service is available at the hotel/ B&B as after active days Andreas and his friends are not eager to go out looking for restaurants. Given the extended length of stay, a variety of food options is a great plus.

Hard adventure tourists (Freeride): Andreas

What kind of activities do they like to engage in?

Andreas's main focus is on skiing, which occupies most of his time at a destination. Weather conditions are a major factor in his ability to ski, so on rare days when they are not right, it is nice to have alternative activities to engage in, ideally out in the snow. Andreas and his friends would consider jumping in the car and going to another area to do something very different such as visiting some attractions or exploring a nearby town.

What do they do after they return?

Andreas uses a GoPro to capture his skiing experiences. He shares some of the content on his Facebook wall and in the forums he follows. He occasionally takes a beautiful photo on his phone that he posts on Instagram.





Hard adventure Tourists (freeride)

Ideal Traveler Profile:
Andreas
&
Visitor Experience
Value Chain Analysis
(VCA)

Hard adventure tourists (Freeride): ANTICIPATION



Ideal

How do they think of Macedonia?

- Read about a destination in freeride forums or specialized freeride media (magazines, YouTube channels)
- Find out from friends in freeride circles (either in conversation or on social media)

How do they find information for Macedonia?

- Read forum posts and articles in specialized media
- Ask friends or colleagues in their network for hints and tips

Current

How do they think of Macedonia?

- The content on Macedonia as a freeride destination is scant, mostly informal and not consistent enough to secure ongoing exposure in this segment
- Current media coverage on Macedonia is not positive and is more likely to provoke associations with risk and danger than an interest in visiting the country. Not much is being done to offset that.

How do they find information for Macedonia?

- Searches produce hits mostly in forums and peer-to-peer exchange; a few posts on Macedonia come up in some online freeride sources
- Article searches produce some limited hits on paragliding in Macedonia

Hard adventure tourists (Freeride): ANTICIPATION



Ideal

How do they book?

- They contact a local freeride operator and buy a package for the desired number of days at a package price per day.
- They have several options to choose from throughout the country: Shar Mountain, Kojuf, Korab and Bitola/ Pelister NP

How do they research before leaving?

- Mainly through specialized forums, media and personal networks

How do they buy trips (package or not)?

- They buy a package for three, seven or more days depending on the time they have, the available offers online, and selected accommodation style, food preferences and supporting services needed

Current

How do they book?

- They contact local freeride operator at Shar Planina (Popova shapka) and buy a package for the desired length of stay at a package price of 250 Euro per day
- They contact a local freeride operator in Bitola/ Pelister NP and buy a package for the desired length of stay at a package price of 150 Euro per day

How do they research before leaving?

- Mainly through specialized forums, media and personal networks, as little formal information is available through municipal level or national level portals

How do they buy trips (package or not)?

- They buy a package for three, seven or more days depending on the time they have; offers are not available online, so skiers must contact provider by email

Hard adventure tourists (Freeride): ANTICIPATION



Summary of Gaps and Opportunities

How do they think of Macedonia?

- Very limited media coverage on freeride skiing in Macedonia in specialized hard adventure travel media
- Lack of proactive effort to offset negative media coverage on refugee and political crisis:

How do they book?

- Lack of transparent information about offers and packages online in the format and style that can compete with other providers
- Limited ability to pick and choose different packages

How do they buy trips (package or not)?

- No online booking options

Hard adventure tourists (Freeride): TRAVEL TO



Ideal

Means of travel to Macedonia?

- From home, they travel by plane, or, if it is a reasonable drive, by car
- Reach skiing area or camping area by car

Entry point in Macedonia?

- Skopje by air or by road (depending on origin and route)

Do they need visa?

- No need for visa for citizens of EU, US, Canada

Current

Means of travel to Macedonia?

- From home, they travel by plane, or, if it is a reasonable drive, by car
- Two of the areas where freeride is available are reachable by car (Popova shapka and Bitola/ Pelister NP); an alternative possible location in Kojuf is inaccessible

Entry point in Macedonia?

- Skopje by air or by road (depending on origin and route)

Do they need visa?

- No need for visa for citizens of EU, US, Canada

Hard adventure tourists (Freeride): TRAVEL TO



Summary of Gaps and Opportunities

Means of travel to Macedonia?

- Limited direct flights from European cities
- Road accessibility in Kojuf mountain area

Hard adventure tourists (Freeride): DESTINATION EXPERIENCE



Ideal

How long do they stay?

- They usually like to spend 7 days, depending on vacation time and ability to be away from home/ work.

Where do they stay (locations)?

- They stay in accommodations in the skiing area, which they can select from a variety of options

What type of accommodations do they use?

- 2-3 star accommodation, B&B or homestay
- Availability of food service at the facility is a must; other options around are a plus

Current

How long do they stay?

- They spend between 3-7 days depending on vacation time and ability to be away from home/ work.

Where do they stay (locations)?

- In Popova shapka area they stay in the area, at Bora hotel
- In Bitola area, they stay at Shumski feneri

What type of accommodations do they use?

- Currently at the main location in Popova shapka they stay at a simple hotel (Bora hotel) in the resort area
- In the Bitola region they stay at a 3-star hotel

Hard adventure tourists (Freeride): DESTINATION EXPERIENCE



Ideal

How do they move around?

- If arriving by plane, they are picked up from the airport by the freeride operator
- If coming by road, they drive to the area on their own
- CAT transport that is included in their package takes them to the skiing areas every day

What activities do they engage in? (How do they book them, i.e. Viator?)

- They buy a package (per day) that includes everything they need: accommodation, food, CAT transport to skiing areas, experienced guide and instructor
- There are different food options that meet the needs of travelers with dietary restrictions
- There are options to buy add-ons such as gear rental

Current

How do they move around?

- If arriving by plane, they are picked up from the airport by the freeride operator
- If coming by road, they drive to the area on their own; but road access to Kojuf mountain is problematic
- CAT transport that is included in their package takes them to the skiing areas every day

What activities do they engage in? (How do they book them, i.e. Viator?)

- They buy a package (per day) that includes everything they need: accommodation, food, CAT transport to skiing areas, experienced guide and instructor
- In the main location there is no food diversity and limited ability to address dietary restrictions
- There are options to buy add-ons such as renting gear

Hard adventure tourists (Freeride): DESTINATION EXPERIENCE



Ideal

What attractions do they visit?

- They go freeriding in different location on the mountain depending on weather and snow conditions
- They receive excellent transport services (CAT vehicles) and other support services

Where and what do they eat (package or not)?

- Different food options are included in the price package
- They have the option to choose where to eat based on convenience and opportunity to try something new. They eat mainly at the accommodation facility but have the option to try different places during their trip, except for breakfast, which is included in their package.

Are they guided/ unguided and independent/ group?

- They join a group of other skiers at the destination and move around in small groups, always accompanied by an instructor

How much do they spend?

- The total amount they spend (without airfare) is 1,050-2,000 Euro per person for a seven-day trip. This sum includes lodging, food, private transportation, local support services and miscellaneous expenses.

Current

What attractions do they visit?

- They go freeriding in different locations on the mountain depending on weather and snow conditions
- There are frequent problems with CAT equipment and other services at current operations, which damages the experience

Where and what do they eat (package or not)?

- The food options included in the package are limited and of poor quality

Are they guided/ unguided and independent/ group?

- They join a group of other skiers at the destination and move around together, always accompanied by an instructor
- In the main location (Popova shapka) there is a perception that the groups are too large and price-quality ratio is not good

How much do they spend?

- The total amount they spend (without airfare) is between 750 and 1,750 Euro per person for a three- to seven-day trip, which includes lodging, food, private transportation, local support services and miscellaneous expenses.

Hard adventure tourists (Freeride): DESTINATION EXPERIENCE



Summary of Gaps and Opportunities

What activities do they engage in? (How they book them, i.e. Viator?)

- Very limited options to engage in freestyle skiing despite prime conditions in region and almost non-existent competition
- Limited flexibility in available options and packages

“There is a huge opportunity in freeride skiing, as the ideal freeride conditions are found in mountainous areas between 2,000-2,500 meters above sea level and require a specific terrain that supports CAT skiing. Such conditions are available only in Canada and the Balkans, specifically Macedonia, Kosovo, Bulgaria and Montenegro. On the European terrain, heli-skiing is the only possible freeride option, but it is awfully expensive and is much more dependent on the weather, while CAT skiing is much more accessible and you have more flexibility with weather conditions. Given the cost of getting to Canada for European freeriders, the Balkans are the only alternative, so the demand is much higher than currently available capacity.” – freeride skiing specialist and instructor

How much do they spend?

- Limited flexibility in packages and limited ability to meet demand due to small number of operators
- Focus on quantity rather than quality damages experience and readiness to spend

Hard adventure tourists (Freeride): TRAVEL BACK



Ideal

Means of travel back?

- Flying, preferably direct from Skopje to hometown

Exit point from Macedonia (land/ air and location)?

- Airport in Skopje or by road if driving

Current

Means of travel back?

- Return to Skopje to fly out home

Exit point from Macedonia (land/ air and location)?

- Airport in Skopje or by road if driving

Hard adventure tourists (Freeride): TRAVEL BACK



Summary of Gaps and Opportunities

Means of travel back?

- Limited direct flights to European cities

Hard adventure tourists (Freeride): RECOLLECTION



Ideal

What feedback do they share?

- They are excited about their trip and share positive feedback along with a lot of footage and visuals.
- They post their photos and footage on Facebook, Instagram and in forums.

Where do they share feedback (online, social media, word of mouth)?

- They share positive feedback across social media – on their facebook walls to reach their friends but also in forums and platforms such as Tripadvisor.
- They provide positive feedback through the website/ social media profiles of their local operators.

Likelihood to return (curiosity to come back)?

- Very likely to return given prime conditions

Current

What feedback do they share?

- They are excited about their trip and share positive feedback along with a lot of footage and visuals.
- They post their photos and footage on Facebook, Instagram and in forums.

Where do they share feedback (online, social media, word of mouth)?

- They share positive feedback across social media – on their Facebook and Instagram to reach their friends but also in forums and platforms such as Tripadvisor.
- They provide positive feedback through the website/ social media profiles of their local operators.

Likelihood to return (curiosity to come back)?

- Very likely to return given prime conditions although gaps in quality of service cause disappointment and prompt them to explore alternatives in Bulgaria and Kosovo

Hard adventure tourists (Freeride): RECOLLECTION



Summary of Gaps and Opportunities

What feedback do they share?

- There is limited effort to engage travelers to share feedback and their visual content from trips in social media and digital channels. There is lack of digital communication skills, especially among individual tour operators.

Where do they share feedback (online, social media, word of mouth)?

- National level communications are static and one-directional, which misses opportunity to benefit from user-generated content.
- Individual operators are not present or are very inactive in social media and digital channels, including Tripadvisor, Booking.com, etc.

Likelihood to return (curiosity to come back)?

- There is no effort in national level marketing or the communications of individual operators to engage travelers who have already been and prompt them to plan a return trip.



Hard Adventure Tourists (Paragliding)

Ideal Traveler Profile:
Marek
&
Visitor Experience
Value Chain Analysis
(VCA)

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Hard Adventure Tourists (Paragliding)

Ideal Traveler Profile:
Marek
&
Visitor Experience
Value Chain Analysis
(VCA)

Hard Adventure Tourists (Paragliding): Marek

Who are they?

Marek is a 29-year old IT specialist from Poland. His passion is paragliding. His initial curiosity in this extreme sport was sparked seven years ago by one of his best friends from university, Pawel, who competes in international paragliding forums. Marek devotes all of his free time to paragliding. On weekends and on his days off he goes to locations close to Warsaw, but, whenever he can, he takes time off to fly in locations abroad that offer good flying conditions. He also tries to go to paragliding competitions, especially if they are in Central or Eastern Europe. He usually travels with his live-in girlfriend and as part of a bigger group of friends who are passionate about paragliding. When he travels, Marek looks to stay at hotels or B&Bs close to starting stations.

What is their ideal active holiday?

Marek's ideal paragliding trip is 7-10 days long and includes being close to starting points. Ideally, he will have perfect flying weather on all days but if that is not the case, he likes being able to do something else outdoors with his girlfriend and his friends. A good paragliding destination offers a variety of starting points, good supporting services and convenient accommodation.

How do they decide on their next destination and how do they prepare?

Marek decides to visit destinations only on the basis of feedback and recommendations coming through paragliding forums and his personal network within these circles. Usually a place that hosts a competition is a promising destination to visit for leisure flying too. Another important reason to explore a destination is if it is home to strong competitors in paragliding competitions. Contacts with local paragliders or local paragliders clubs is always an important factor in the decision process. Marek books accommodation through Booking or Airbnb if that is available. Frequently he receives a recommendation from peer paragliders about good places to stay at.

What are their expectations about basic services in the destination?

Marek's main focus is on flying conditions and services that relate to his hobby. A cheap direct flight is ideal but he frequently drives to destinations in the region.

Accommodation needs to be convenient and close to starting points. It is nice if it is more than basic and offers some comforts (especially appreciated by his girlfriend), but he does not especially care about more than a bed and a good shower. Ideally, food service is available at the hotel/ B&B, as, after dynamic days, he and his friends are less eager to walk to restaurants. Given the longer length of stay, a variety of food options is a plus.



Hard Adventure Tourists (Paragliding): Marek

What kind of activities do they like to engage in?

Marek's main focus is on paragliding, which occupies most of his time at a destination. As weather conditions are a major factor in his ability to fly, on days when they are not right, he and his friends like to try other activities. In many cases they would do something outdoors: hike, bike, kayak or simply explore nearby attractions. Jumping in the car and going to another town or another area is also something that Marek and his friends would consider, especially if they have already spent several days in one location.

What do they do after they return?

Marek uses a GoPro to capture his flights as well as some other footage from the places he visits to fly. He shares some of the content on his Facebook wall and in the forums he follows. His girlfriend is very active on Instagram and Facebook, and shares a lot of images not only of paragliding scenes, but of the natural surroundings or interesting sites they have visited during their trip.





Hard Adventure Tourists (Paragliding)

Ideal Traveler Profile:
Marek
&
Visitor Experience
Value Chain Analysis
(VCA)

Hard adventure tourists (Paragliding): ANTICIPATION



Ideal

How do they think of Macedonia?

- Read about a destination in paragliders forums or paragliders media (magazine, YouTube channels)
- Find out from friends from paragliders circles (either in conversation or social media)
- Attend a paragliders competition (or hear that one is being hosted)

How do they find information for Macedonia?

- Read forum posts and articles in specialized media
- Ask friends or colleagues in their network about hints and tips

Current

How do they think of Macedonia?

- There is some content on Macedonia as a paragliders destination but it is not consistent enough to secure ongoing exposure in this segment
- Media coverage and visibility increase around forums and competitions
- Current media coverage on Macedonia is not positive and is more likely to provoke associations with risk and danger than interest in visiting. Not much is being done to offset that.

How do they find information for Macedonia?

- Article searches produce some limited hits on paragliding in Macedonia

Hard adventure tourists (Paragliding): ANTICIPATION



Ideal

How do they book?

- They book their accommodation and, potentially, transportation through Booking.com, Airbnb and Viator. They check ratings and traveler feedback in TripAdvisor, Airbnb, Booking, Viator and forums.
- They frequently consult local paragliders through forums or through personal connections.

How do they research before leaving?

- Some general online research but mainly through specialized forums, media and personal networks

How do they buy trips (package or not)?

- They book everything independently based on peer reviews in online platforms or recommendations from travel bloggers and sometimes personal friends.

Current

How do they book?

- Many of the smaller accommodation providers are not bookable online. Because of the specificity of the network, that is usually overcome with word of mouth

How do they research before leaving?

- Mainly through specialized forums, media and personal networks, as little formal information is available through municipal level or national level portals, and what is available is frequently in Macedonian only

How do they buy trips (package or not)?

- They buy online independently

Hard adventure tourists (Paragliding): ANTICIPATION



Summary of Gaps and Opportunities

How do they think of Macedonia?

- Inconsistent regularity and amount of articles on paragliding in Macedonia in specialized hard adventure travel media (lack of boost of existing coverage through social media)
- Lack of proactive effort to offset negative media coverage on refugee and political crisis:

How do they book?

- Limited sophistication in managing presence in Booking, Tripadvisor and social media for hotels, attractions and other operators

How do they buy trips (package or not)?

- Many providers are not searchable or bookable online at all

Hard adventure tourists (Paragliding): TRAVEL TO



Ideal

Means of travel to Macedonia?

- They travel by plane from home to Macedonia
- If a reasonable drive, by car

Entry point in Macedonia?

- Skopje by air or by road (depending on origin and route)

Do they need visa?

- No need for visa for citizens of EU, US, Canada

Current

Means of travel to Macedonia?

- They travel by plane from home to Macedonia
- If a reasonable drive, by car

Entry point in Macedonia?

- Skopje by air or by road (depending on origin and route)

Do they need visa?

- No need for visa for citizens of EU, US, Canada

Hard adventure tourists (Paragliding): TRAVEL TO



Summary of Gaps and Opportunities

Means of travel to Macedonia?

- Limited direct flights from European cities

Hard adventure tourists (Paragliding): DESTINATION EXPERIENCE



Ideal

How long do they stay?

- They usually like spending 7 to 10 days depending on vacation time and ability to be away from home/ work. They stay up to 14 days when they travel for a competition.

Where do they stay (locations)?

- They stay in the area of Krusevo/ Prilep or in the area of Ohrid as there are convenient starting locations with necessary infrastructure

What type of accommodations do they use?

- 3-star hotel, local B&B or homestay
- Proximity to flying starting points is essential
- Availability of food service at the facility is a great plus

Current

How long do they stay?

- They usually like spending 7 to 10 days depending on vacation time and ability to be away from home/ work. They stay up to 14 days when they travel for a competition.

Where do they stay (locations)?

- They stay in the area of Krusevo/ Prilep or in the area of Ohrid – areas with convenient starting locations and the necessary infrastructure
- Ohrid was the leading destination until new leadership at Galicica National Park imposed some additional fees, which led to accelerated growth in Krusevo

What type of accommodations do they use?

- Main formal accommodations in Krusevo are Montana Hotel and Hotel Temple (B&B), but a lot of paragliders stay at private houses that offer homestays
- In Ohrid they stay in private villas or small B&Bs
- English language skills are very poor,. Service quality is inconsistent, although it is obvious that the reason for that is lack of service training and understanding of customer needs rather than lack of willingness to learn.

Hard adventure tourists (Paragliding): DESTINATION EXPERIENCE



Ideal

How do they move around?

- If arriving by plane, they take a private transfer to Krusevo/ Prilep or Ohrid
- If coming by road, they drive to Krusevo/ Prilep or Ohrid
- They use local transportation services to reach starting points and return after landing (provided through local club or transportation company)

What activities do they engage in? (How they book them, i.e. Viator?)

- All activities associated with paragliding are clarified and booked (if necessary) through local specialized portal for paragliding in Macedonia or through local paragliding clubs
- They enjoy variety in food offerings
- They have the opportunity to do other things outside of paragliding on days when weather conditions are bad or after finishing for the day. They love hiking, biking and other outdoors activities but also some interesting local experiences – a culinary or crafts demonstration, local festival, etc. A signature event is meeting Father Kalin at Treskavets monastery.
- They enjoy culinary and wine experiences, so they consider taking a wine tour for one of the days

Current

How do they move around?

- If arriving by plane, they take a private transfer to Krusevo/ Prilep or Ohrid
- If coming by road, they drive to Krusevo/ Prilep or Ohrid
- They use local transportation service, arranged through the local club, to reach starting points and return after landing

What activities do they engage in? (How they book them, i.e. Viator?)

- All support related to paragliding happens through local clubs; there does not seem to be much structured and targeted content on promoting paragliding in Macedonia
- They are eager to try different foods but the offerings in Krusevo are very limited – there are few restaurants and they offer very similar food
- There is no trail system, no marking and no visitor infrastructure in the area of Krusevo and Prilep that enable paragliders to engage in other outdoor activities; offerings are better in Ohrid
- Activities outside of paragliding are very limited, which leaves tourists bored and unhappy when weather conditions are poor

Hard adventure tourists (Paragliding): DESTINATION EXPERIENCE



Ideal

What attractions do they visit?

- Paragliding areas (Krusevo, Ohrid)
- Outdoors areas (Galicica NP, Ohrid area, Krusevo & Prilep)

Where and what do they eat (package or not)?

- They choose where to eat based on convenience and opportunity to try something new. They eat at different places during their trips except for breakfast, which is included in their hotel.

Are they guided/ unguided and independent/ group?

- They travel independently

How much do they spend?

- The total amount they spend (without airfare) is 900 Euro per person for a seven-day trip (including lodging, food, private transportation, local support services and souvenirs)

Current

What attractions do they visit?

- Paragliding areas (Krusevo, Ohrid)
- Outdoors areas (Galicica NP, Ohrid area, Krusevo & Prilep)

Where and what do they eat (package or not)?

- Although the flavor and good quality of the food in Macedonia is a positive surprise for them, there are definite opportunities for improvement. Variety is one significant problem in Krusevo area, though less so in Ohrid

Are they guided/ unguided and independent/ group?

- They travel independently

How much do they spend?

- Total price of the Macedonian trip (without airfare) is 600 Euro, which is an attractively low price for a trip of this length, at the lower for this kind of trip. They were ready to spend a bit more on food and restaurants

Hard adventure tourists (Paragliding): DESTINATION EXPERIENCE



Summary of Gaps and Opportunities

What activities do they engage in? (How they book them, i.e. Viator?)

- Very limited experiences and attractions that are available for paragliders outside of their main activity, including lack of interesting experiences but also trail marking and infrastructure for outdoor activities
- Limited capacity to identify and develop relevant experiences and product offerings, including among local specialized tour operators
- Lack of services (digital or offline) that can support the needs of Paragliding travellers

“Paragliders are pleasure-oriented. They like to spend on food and things to do. They are curious too.” – local paragliding club

How much do they spend?

- Limited attractions outside of paragliding limit the spending of tourists
- Poor pricing skills lead to poor price strategies and limited profitability.

Hard adventure tourists (Paragliding): TRAVEL BACK



Ideal

Means of travel back?

- Flying, preferably direct from Skopje to home town.

Exit point from Macedonia (land/ air and location)?

- Airport in Skopje or Ohrid.

Current

Means of travel back?

- Return to Skopje to fly out home;

Exit point from Macedonia (land/ air and location)?

- Usually Skopje airport, which requires a return to the capital
- By road

Hard adventure tourists (Paragliding): TRAVEL BACK



Summary of Gaps and Opportunities

Means of travel back?

- Limited direct flights to European cities

Hard adventure tourists (Paragliding): RECOLLECTION



Ideal

What feedback do they share?

- They are excited about their trip and share positive feedback along with a lot of footage and visuals.
- They post their photos and footage to Facebook and specialized forums.

Where do they share feedback (online, social media, word of mouth)?

- They share positive feedback across social media – on their facebook walls to reach their friends, but also on platforms such as Tripadvisor.
- They provide positive feedback through the website/ social media profiles of their tour operators.

Likelihood to return (curiosity to come back)?

- Very likely to return given prime conditions

Current

What feedback do they share?

- They are excited about their trip and share positive feedback along with a lot of footage and visuals.
- They post their photos and footage in Facebook and in specialized forums.

Where do they share feedback (online, social media, word of mouth)?

- They share positive feedback across social media – on their facebook and blog to reach their friends but also in platforms such as Tripadvisor.
- They provide feedback through the platforms they have used for booking of service providers and experiences: booking.com, Airbnb, Viator, etc.

Likelihood to return (curiosity to come back)?

- Very likely to return given prime conditions, although being bored in Krusevo is definitely not enjoyable

Hard adventure tourists (Paragliding): RECOLLECTION



Summary of Gaps and Opportunities

What feedback do they share?

- There is limited effort to engage travelers to share feedback and their visual content from trips in social media and digital channels. There is lack of digital communication skills especially among individual tourism operators.

Where do they share feedback (online, social media, word of mouth)?

- National level communications are static and one-directional, which misses on the opportunity to benefit from user-generated content.
- Individual operators are not present or inactive on social media and digital channels, including in Tripadvisor, Booking.com, etc.

Likelihood to return (curiosity to come back)?

- There is no effort in national level marketing or the communications of individual operators to engage travelers who have already been and prompt them to plan a return trip.

Domestic Short Break Tourists

Ideal Traveler Profile: Nikola, Marija, Darko and Maja
&
Visitor Experience Value Chain Analysis
(VCA)



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Domestic Short Break Tourists

Ideal Traveler Profile: Nikola, Marija, Maja and Darko
&
Visitor Experience Value Chain Analysis
(VCA)



Domestic Short Break Tourists : Nikola, Marija, Maja and Darko Jovanovski

Who are they?

Nikola, Marija, Maja and Darko are a well-travelled family from Macedonia. Marija and Nikola are a couple in their late 40s, and Darko and Maja are their children. Darko and Maja are both elementary school students. Nikola and Marija are employed and earn an above average income. They like to go on family vacations and short holidays. The Jovanovski family usually travels abroad during the summer, but, throughout the year, they like to visit tourist sites in Macedonia. Usually they travel around the country with their own vehicle and organize their own trips. Sometimes they visit the mountains in Macedonia, and other times the lakes. During the weekends they often leave the city behind to go on a day trip to villages and localities in the vicinity, where they have a nice meal in a restaurant and walk around a bit. They also travel to escape the air pollution of the city they live in and to enjoy the fresh countryside air.



What is their spending behavior?

Even though price is not always the decisive factor, it is an important one. They stay at affordable hotels or private apartments and homes. Since they go on trips within Macedonia on a regular basis, they do not want to spend money on luxuries, or on luxury accommodation. They like having the option to prepare their own meals, but also enjoy good food at local restaurants. Although they want to buy local food, preferably organic, they are not ready to spend too much money on it. They know the price of almost all the services and products they will need before they decide to travel. The Jovanovski family and their friends have traveled less within Macedonia over the last few years. No only has their disposable income decreased, but they also feel they can sometimes get a better deal if they travel to Bulgaria.

How do they decide on their next destination and how do they prepare?

The Jovanovski family likes to visit places where they have never been before. They chose their next destination based on recommendations from their social network of friends who have been there or who have heard about it. They also get their ideas from promotions on TV or in the daily newspapers and weekly magazines. They collect additional information through internet searches or by asking their friends. They look at all the different opportunities for activities and attractions that are near the selected destination and also try to find restaurants where they can get local food. They decide on accommodation by comparing options and usually choose the accommodation that meets their needs within a reasonable price. They usually book a bed and breakfast or half board.

Domestic Short Break Tourists : Nikola, Marija, Maja and Darko Jovanovski

What is their ideal short break holiday?

They want to discover and explore new places in Macedonia during the weekends and holidays. They want to stay in places that allow them to explore nature. Their ideal short break is between 2 - 5 days and takes them to different places in Macedonia. They would like to enjoy nature, undertake a few activities, learn about their country (tradition, history), meet local people and enjoy good food. During the winter they prefer short breaks in the mountains, where there are opportunities for winter activities. During the summer and autumn, their ideal destinations for short breaks are tourist sites along the lakes.



What are their expectations about basic services at the destination?

Nikola and Marija have high expectations in terms of cleanliness of the accommodation. They expect to have decent amenities (clean, good toilets, heating), adequate service, and to have local food. The family likes to stay in simple hotels or in simple private accommodation where they are able to cook. All beds have to be comfortable and have a good mattress. Restaurants must have traditionally prepared local food, or at least to offer two or three local, traditional dishes. They expect the staff in the hotels and other services, such as restaurants, to be polite and efficient. Although usually they are very informed before going to the destination, they expect the staff at the hotels and restaurants to be able to provide them with recommendations for local sites or tourist activities. Sometimes they attend local festivals and other cultural events (fair of traditional goods and food, bazaars, etc.) organized at the place of their visit. They want to buy local specialties that are prepared in a traditional way and they expect to find enough information on where they can buy these specialties. They expect the destination to have good facilities for kids (nice outdoor place and kids' playground).

Domestic Short Break Tourists : Nikola, Marija, Maja and Darko Jovanovski

What kind of activities and attractions do they like to engage in?

The Jovanovski would like to combine easy outdoor activities (walking, cycling, etc.) with different cultural experiences such as visiting the traditional festivals, fairs, ethno houses and museums. Usually they look up information on the destination on the Internet, by exploring web sites on natural and cultural sites in Macedonia (such as www.makedonskibiser.com.mk), or exploring the sites of the municipalities which they want to visit. They also use information from the locals or from friends who have visited before to find a good restaurant. After an active day, they want to have a nice dinner in a traditional restaurant (it doesn't need to be a luxury one).



During their stay, they want to learn about local customs and traditional dishes. They would like to taste home-made food, especially home-made jams and cakes. Usually they buy a few of these products for the home. They want to hear stories about interesting local historical events, as well as local legends and beliefs. They enjoy opportunities to be part of local traditions and cultural events. They enjoy active outdoor activities, especially when visiting mountains or remote villages, but they do not take part in extreme sports. They like walking and hiking on marked trails. They would like to rent bikes on site. During the summer months, when they visit lakes, they want to find neat and clean beaches with bars or cafes. In the winter months they want to visit a bar and spend some time in a pleasant atmosphere with beautiful music and hot drinks.

What do they do after they return?

Once they are back home, they want to taste the traditional home-made foods they purchased. If they are satisfied with the destination they post pictures of their stay on social networks. They sometimes invite friends over to taste the food they have brought back and to share memories of their travels.

Domestic Short Break Tourists

Ideal Traveler Profile: Nikola, Marija, Darko and Maja
&
Visitor Experience Value Chain Analysis
(VCA)



Domestic short break tourists: ANTICIPATION



Ideal

How do they think of Macedonia?

- They live in Macedonia so they have access to a wide variety of sources
- Hear friends/ relatives talk about their recent trips within Macedonia
- Hear something about a destination in the general media that catches their attention and makes them think that it might be an interesting destination to visit.

How do they find information on Macedonia?

- Check online travel portals for Macedonia as well as Facebook and Youtube
- Check online travel portal for specific information, e.g. on cultural events or hiking trails
- Visit hotel websites, which provide information not only on the availability and type of rooms and rates, but also suggestions on what to do in the area
- Research articles in travel media and travel blogs on destinations within Macedonia

Current

How do they think of Macedonia?

- There are very few materials published in print media on specific destinations in Macedonia
- There have been a number of television programs highlighting cultural and natural sites in Macedonia
- Hear friends/ relatives talk about their recent trips within Macedonia

How do they find information on Macedonia?

- Macedonia Timeless offers information in Macedonian and English. It is geared towards the international market. The site does link to a user generated site providing limited information on hikes in Macedonia. Their Facebook page is updated a few times per week with photos providing links to more specific information on the website. Their Youtube channel provides informative videos in Macedonian on different destinations and experiences around the country. Domestic tourists mostly find information through word of mouth and through sites as Facebook and Grouper.

Domestic short break tourists: ANTICIPATION



Ideal

How do they book?

- They book their stay directly with the hotel via phone or email, or use a consolidator such as Booking or Airbnb

How do they research before leaving?

- They ask their friends and family
- They visit a website dedicated to domestic tourism
- General online research for places they are visiting

How do they buy trips (package or not)?

- The domestic traveler would have different options, package or not, catered to his or her specific needs

Current

How do they book?

- They call the hotel directly or reserve a room through Booking
- A few new websites, such as www.macedoniabooking.com and <http://macedonian-hotels.mk/>, cater specifically to the domestic market. www.groeper.mk offers special promotions on accommodation and activities
- Majority of hotels and service providers are not very active with their Booking and Tripadvisor profiles and rarely respond to customer comments.

How do they research before leaving?

- They ask their friends or relatives
- Few cities and locations have their own travel websites

How do they buy trips (package or not)?

- They usually do not buy a package but would consider it if it catered specifically to the domestic market

Domestic short break tourists: ANTICIPATION



Summary of Gaps and Opportunities

How do they think of Macedonia?

- Inconsistent regularity and amount of articles on Macedonia in local media (lack of boost of existing coverage through social media)
- Lack of active promotion of domestic tourism through different channels, including product placement and campaigns

How do they find information for Macedonia?

- It is difficult to find comprehensive information in one place. There is no brochure or web site available which provides information on all tourist needs (accommodation, food, various activities, activities for children, families, educational activities, etc). There is also no information available on basic services such as doctor, dentist, pharmacy, public transport etc. for each destination.
- Hotel websites provide limited information about activities and tourist services offered in the destination by other entities. Also, at the hotel or other type of accommodation itself, it is difficult to find information about services that are not part of their offering (horse riding, paragliding, one-day excursion etc.) or for restaurants other than those at the hotel.
- No information on local public transport (between villages, to some tourist or picnic sites, etc.) at the destination.

“Sometimes I only find out later that there was an interesting event taking place in a particular destination. I would have traveled there but I didn’t know about it” – Domestic traveler

How do they book?

- Limited sophistication in managing presence in Booking, Tripadvisor and social media for hotels, attractions and other operators

Domestic short break tourists: TRAVEL TO



Ideal

Means of travel to Macedonia?

- With own car, reliable public transport (bus or train) or bike

Entry point in Macedonia?

- They are already in Macedonia

Do they need visa?

- No

Current

Means of travel to Macedonia?

- They travel primarily with their own car. There are public buses connecting the major cities.

Entry point in Macedonia?

- They are already in the country

Do they need visa?

- No

Domestic short break tourists: TRAVEL TO



Summary of Gaps and Opportunities

Means of travel to Macedonia?

- Some of the national and regional roads in the country are currently undergoing improvements, which should be completed over the next few years. This will cut the driving time to a number of destinations within Macedonia.
- There are other regional and local roads which require rehabilitation and upgrading

Entry point in Macedonia?

- Not applicable

Do they need visa?

- Not applicable

Domestic short break tourists: DESTINATION EXPERIENCE



Ideal

How long do they stay?

- They stay anywhere from 1 -10 nights

Where do they stay (locations)?

- They stay in destinations across the country. As domestic travelers they are more likely to be familiar with lesser-known destinations

What type of accommodations do they use?

- They have a choice of accommodation ranging from campsites and private homes to luxury resorts

Current

How long do they stay?

- Length of stay varies by destination; longest in Dojran (4.5 nights). Almost 50% of all overnight stays take place during July and August.

Where do they stay (locations)?

- Ohrid (37%); Dojran (16%) and Struga (14%) receive the highest number of domestic overnight stays. Overnight stays in Ohrid and Struga declined since 2010 while domestic overnight stays in Dojran increased. Other popular destination in the western region such as Krushevo, Bitola and Mavrovo also registered a decline in overnight stays since 2010.

What type of accommodations do they use?

- Rental houses and apartments are the most popular type of accommodation for domestic tourists, generating 54% of all overnight stays. This type of accommodation is especially popular around Lake Ohrid and Lake Dojran
- About 20% of all domestic overnight stays are in hotels
- Just over 14% of all overnight stays are in spa accommodation. This type of accommodation is primarily visited by elderly Macedonians for health related purposes.
- Other types of accommodation are children and youth facilities (4%); workers vacations facilities (3%); and camps (1%)

Domestic short break tourists: DESTINATION EXPERIENCE



Ideal

How do they move around?

- They drive their own car, rent a car or use public transportation or bike

What activities do they engage in?

- Preparing a meal with friends and family at their place of accommodation or at a picnic site
- Eating in restaurants
- Visiting natural and cultural sites.
- Light physical activities such as hiking or biking
- Relaxing at modern spa facilities

What attractions do they visit?

- Families that travel with children engage in child-friendly fun and educational activities
- Natural sites such as waterfalls or natural parks
- Cultural sites such as monasteries and town centers

Where and what do they eat (package or not)?

- They would have the flexibility to book accommodation which would provide them with the opportunity to prepare their own meals, book a hotel room only or buy a package which includes either breakfast only, half board or full board.

Current

How do they move around?

- Domestic tourists drive private cars.

What activities do they engage in?

- Visiting natural, cultural, religious attractions (churches, mosques, monasteries, museums, exhibitions, ethno rooms etc.)
- Preparing their own food or having a meal in restaurants
- Boat rides
- Attending religious and cultural events (traditional dances, concerts and music festivals, religious celebrations)

What attractions do they visit?

- While passive relaxation is still the main motivator, hotels and tour operators indicate a recent increase in interest in sites of cultural or natural interest, e.g. waterfalls
- The main lakes in Macedonia, Lake Ohrid and Lake Dojran

Where and what do they eat (package or not)?

- Enjoying good food with friends and family is a priority
- The option to barbeque or cook is a main driver for domestic tourists to stay in a house
- If they do not prepare their own meals, they would like to eat a meal at a nice restaurant. They like to eat local dishes and enjoy the meal at their leisure.

Domestic short break tourists: DESTINATION EXPERIENCE



Ideal

Are they guided/ unguided and independent/ group?

- Domestic travelers have a choice in travel with or without a guide, as a group or individually

How much do they spend?

- They would have the opportunity to spend if they wanted to. Many Macedonians see traveling as an opportunity to buy authentic, local products (food or non-food) that they can gift to their friends and family at home

Current

Are they guided/ unguided and independent/ group?

- They do not use a guide as they are familiar with the country and do not engage in activities that require guiding
- To have to be able to locate attractions and sites

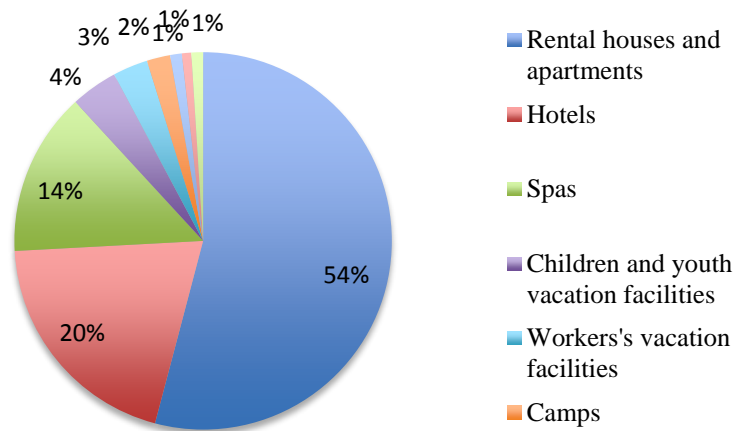
How much do they spend?

- On average, domestic tourists tend to spend less per day than the average of other market segments. They often stay in self-catering accommodation and provide their own meals. They buy local products such as wine and handicrafts, but their assortment and availability is limited.

Domestic short break tourists: DESTINATION EXPERIENCE



Type of Accommodation



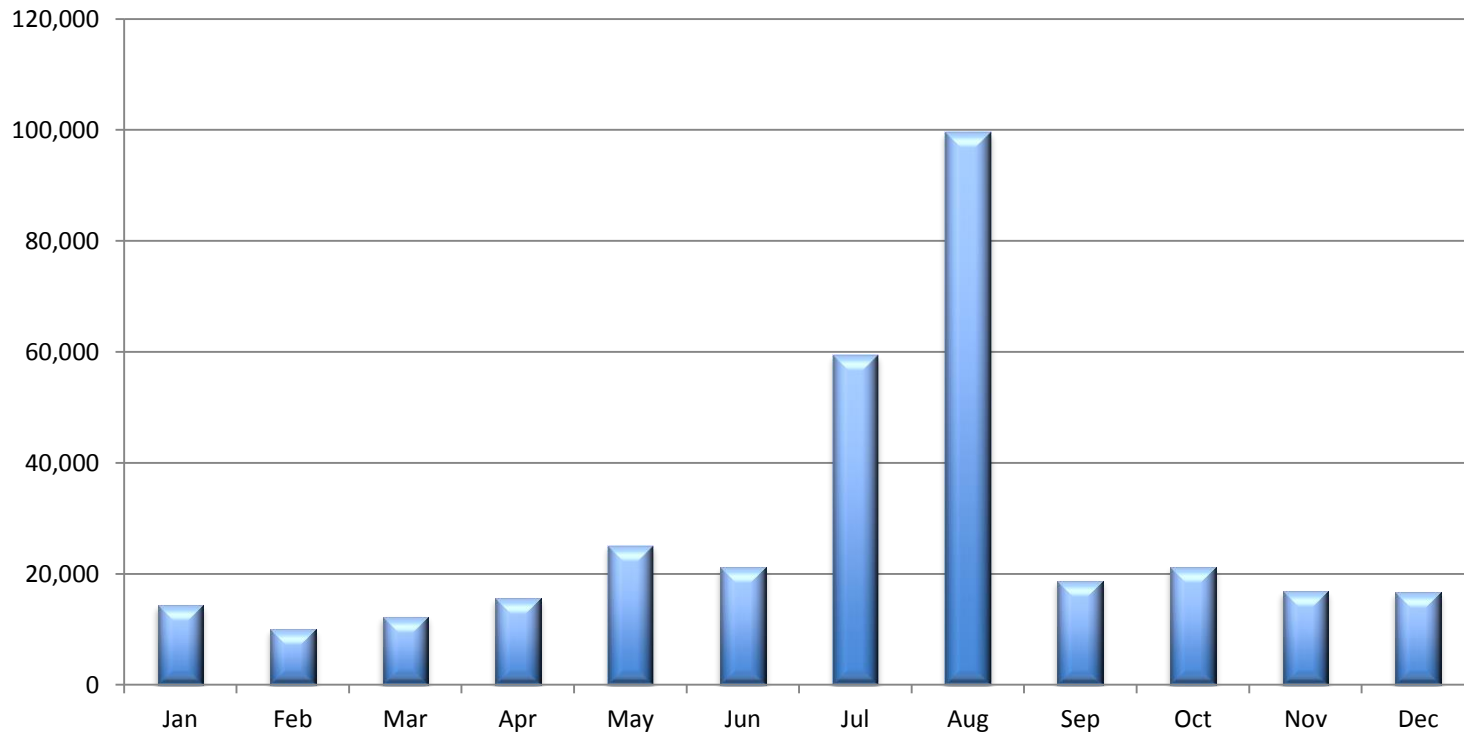
Overnight Stays Domestic Tourists

	2010	2015
Ohrid	644,415	498,517
Dojran	114,017	222,688
Struga	252,510	187,146
Skopje	94,547	103,590
Gevgelija	49,423	60,624
Debar	43,731	50,000
Krushevo	81,184	48,040
Strumica	56,161	41,173
Bitola	31,381	21,178
Mavrovo and Rostusha	25,658	19,952
Other	68,158	104,914
Total	1,461,185	1,357,822

Domestic short break tourists: DESTINATION EXPERIENCE



Number of Overnight Stays Domestic Visitors



Source: National Statistics Office

Domestic short break tourists: DESTINATION EXPERIENCE



Summary of Gaps and Opportunities

How long do they stay?

- Average length of stay was 4.1 nights in 2014 and 2015. There is an opportunity to increase the length of stay by offering additional activities or increase the quality of the current activities and attractions
- Domestic travel is highly concentrated around the summer months. Festivals and special promotions can stimulate domestic tourism during low season

Where do they stay (locations)?

- Overnight stays by domestic tourists are heavily concentrated around Lake Ohrid and Lake Dojran. Destinations around these lakes are at maximum carrying capacity during the summer months. A wider geographic spread of domestic travel would reduce the stress on these destinations as well spread the economic benefits of tourism over a wider area.

What type of accommodations do they use?

- The majority of domestic travelers prefer to stay in rental homes and apartments. While there are a number of sites through which private homes can be booked, there is room for improvement.
- Service standards at some hotels are low and a decisive factor for domestic travelers to recommend it to their friends or to return themselves

“I had booked two rooms at a nice hotel but when I came the rooms smelled of smoke. When I requested another room, I needed to pay more as they only had larger rooms which were smoke free. I thought that was just bad service” –Domestic traveler

How do they move around?

- While domestic travelers tend to travel to and from the destination using their own car, they could use alternative transportation (bikes) to travel within the destination.
- Reliable public transportation is not available at all destinations
- Signage to natural and cultural attractions is in some places limited to signs near the main road, and further on you have to ask.
- Some of the roads are in bad shape, which increases the travel time to some destinations and attractions
- Road safety and speeding are an issue.

What activities do they engage in?

- There has been a recent trend towards a more active lifestyle in Macedonia. This provides opportunities to offer fitness-oriented activities, such as hiking, biking, etc.

Domestic short break tourists: DESTINATION EXPERIENCE



Summary of Gaps and Opportunities

What attractions do they visit?

- Some of the current attractions, especially the infrastructure around natural areas, are in disrepair. Improving infrastructure such as signage, rest places and paths would make these sites more safe and attractive to visitors
- Providing information (brochures, boards) at the destination to inform tourists of the different sights and activities
- There is an opportunity for attractions that cater towards families with children and teenagers, which would be attractive to both children and parents
- Poor customer service is an issue at some of the attractions, causing low customer loyalty

“The municipalities should institute entrance fees for some of the attractions. This way they could employ someone as a care-taker and use the rest for upkeep” - Domestic tour operator

“Some of the cultural sites outside of Skopje are in desperate need of repair” – Domestic traveler

Where and what do they eat (package or not)?

- Currently, few package tours are focused on the domestic market. Partnerships between accommodation providers, restaurant and attractions promoting packages specifically for the domestic market are limited, but could stimulate domestic travel
- Around some of the attractions there is limited availability of drinks and food

“We had visited an attraction but then we had to drive a long time before we found a restaurant where we could eat something “ - Domestic traveler

Are they guided/ unguided and independent/ group?

- Currently there are limited offers for guided tours for domestic tourists.

How much do they spend

- Spending can be increased by providing opportunities to domestic tourists to spend more outside their accommodation by offering well-organized attractions, activities and local products. Domestic tourists would like to buy local products, but they are difficult to find and there is limited choice.

Domestic short break tourists: DESTINATION EXPERIENCE



Ideal

Means of travel back?

- They have options traveling back (own car, rental car, public transportation)

Exit point from Macedonia (land/air and location)?

- Not applicable

Current

Means of travel back?

- Vast majority of domestic short break tourists travel by private car

Exit point from Macedonia (land/air and location)?

- Not applicable

Domestic short break tourists: **DESTINATION EXPERIENCE**



Summary of Gaps and Opportunities

Means of travel back?

- Some of the national and regional roads in the country are currently undergoing improvements, which should be completed over the next few years. This will cut the driving time to a number of destinations within Macedonia.
- There are other regional and local roads which require rehabilitation and upgrading
- Speeding and road safety are an issue.

Exit point from Macedonia (land/air and location?)

- Not applicable

Domestic short break tourists: DESTINATION EXPERIENCE



Ideal

What feedback do they share?

- They share their feedback of the experience, including accomodation, restaurant and activities

Where do they share feedback (online, social media, word of mouth)?

- They share their photos and experiences online via Facebook, Instagram and Snapchat, tagging places.
- They share their feedback via booking sites such as Booking and review sites such as Tripadvisor.

Likelihood to return (curiosity to come back)?

- They enjoy the destination they stayed at and would like to return, but the positive experience also encourages them to travel to lesser-know places.

Current

What feedback do they share?

- They share their feedback on the quality of the hotel and the food

Where do they share feedback (online, social media, word of mouth)?

- The primary channel is word of mouth to family, friends and colleagues
- Facebook is still the most popular social network in Macedonia, where people like to share pictures of their trips. Other types of social media such as Instagram and Snapchat are less popular.
- They review hotels via Booking as well as Tripadvisor. For some of the Macedonian hotels listed on the sites, many of the reviews are by Macedonians.

Likelihood to return (curiosity to come back)?

- Domestic travellers have some of the highest rates of return compared to other type of travellers.
- It is not unusual for domestic travellers to return to the same destination multiple times per year.

Domestic short break tourists: DESTINATION EXPERIENCE



Summary of Gaps and Opportunities

What feedback do they share?

- There are limited ways to share feedback, other than on accommodation.

Where do they share feedback (online, social media, word of mouth)?

- There is room for the improvement and expansion of the ways that accommodation and other service providers to engage with domestic guests after they have left
- Online forums could spark interest in domestic travel, especially to less familiar places

Likelihood to return (curiosity to come back)?

- A wider range of quality activities will increase the likelihood of domestic tourists returning
- A good experience (quality accommodation, good food and attractions) combined with good customer service will build a loyal customer base.



Regional Short Break Tourists

Ideal Traveler Profile:
Ivan and Gabriela

&
Visitor Experience
Value Chain Analysis
(VCA)

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Regional short break tourists

**Ideal Traveler Profile: Ivan
and Gabriela**

**&
Visitor Experience
Value Chain Analysis
(VCA)**

Regional short break tourists: Ivan and Gabriela

Who are they?

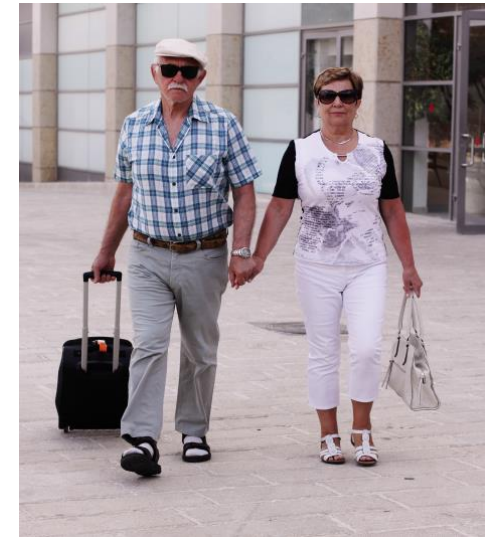
Ivan and Gabriela are a well-travelled couple in their early sixties from Bulgaria. They have two grown children who do not travel with them anymore. Both are employed and have a relatively good income. Usually they enjoy spending weekends and national holidays by visiting interesting tourist sites and localities. They like to visit countries in the region and have been in Macedonia already. They have visited Macedonia on an organized tour and visited Skopje and Ohrid. They also travel to Macedonia independently and enjoy visiting several locations in Eastern and South Eastern Macedonia, including Strumica, Berovo and Dojran. Usually they stay for one or two days, but often they also go on one-day visits just to enjoy good food and visit sites that are interesting to them.

What is their spending behavior?

Ivan and Gabriela are especially careful about the costs they make during their trips, because they want to travel several times a year. Before they decide to visit Macedonia, they usually compare different options for accommodation. They usually stay in a hotel but also like to rent a home or apartment when they stay a bit longer. When they visit Macedonia with an organized tour, they carefully consider what is included in the price of the tour and how much the extras would be. Food is important to them so they are willing to spend more on it.

How do they decide on their next destination and how do they prepare?

When they plan to travel to Macedonia during the national holidays and when they want to stay two or three days, they review the packages for Macedonia offered by the local tourist agencies. Usually they visit the travel agency's offices to pick up brochures/catalogues. At home they compare different packages. They sometimes use the internet to look at tourist sites and destinations that are included in the packages. They chose a tour to a place they have not been before and which is financially suitable for them. When they organize an independent trip, they do some on-line research of the sites they would like to visit. However, most of the decisions are based on the recommendations of friends. The opinion of the people who have already been to the hotel they have in mind is very important to them. Quite often they check the review of the hotels and other types of accommodation on Booking. Due to work commitments, they are rigid in terms of period of travel.



Regional short break tourists: Ivan and Gabriela

What is their ideal short break holiday?

Ivan and Gabriela like to travel to places in Macedonia they have not been before and they enjoy the company of their friends as well as the convenience of an organized trip. They like their trips to be well-organized and safe so they prefer to travel with a tour operator who selects the most important sights to see and drives them safely from one place to the other and makes sure the hotels are decent standard. Their ideal short break holiday usually last between one to three days and provides them the opportunity to visit the main natural and cultural sights of the destination they want to visit, and to good local food, wine and other beverages. They like to enjoy some traditional folk music.

What are their expectations about basic services in the destination?

When Ivan and Gabriela travel to Macedonia via an organized tour, they have high expectations in terms of safety and reliability. They like their coach bus to be clean, comfortable and with air-condition, the driver to be polite and to drive safely. They expect the person who guides the tour to have extensive knowledge of the places they will visit. From the hotels and other type of accommodations they expect cleanliness, good mattress and linens. The rooms can be basic, but they expect it to comfortably accommodate two persons.

They expect hotel employees to be courteous and to understand the Bulgarian language. They expect the tour operator to have organized at least one joint dinner at a restaurant with traditional Macedonian folk music, where they will spend a nice evening enjoying good music, food and wine and have the opportunity to try traditional Macedonian dancing. From their meals they expect some variety and also to taste local specialties that are typical for the destination they are visiting.



Regional short break tourists: Ivan and Gabriela

What kind of activities do they like to engage in?

When Ivan and Gabriela are traveling to Macedonia independently, they like to visit the churches and monasteries that are located near the border. Often they visit Monastery of Joachim Osogovski near Kriva Palanka and monasteries which are near Strumica. They enjoy short walks in nature but they won't engage in more strenuous activities. They also like to attend cultural events such as festivals, concerts etc. When traveling they like to buy local food and wine but sometimes they also buy souvenirs and clothing. Very often they visit the local market in the destination which they visit. They like the food in Macedonia and enjoy eating in small local restaurants.

What do they do after they return?

After they return they tell their friends about their experience. If traveling with an organized tour, they want to stay in touch with the people with whom they became friends during their visit to Macedonia.





Regional short break tourists

**Ideal Traveler Profile:
Ivan and Gabriela
&
Visitor Experience
Value Chain Analysis
(VCA)**

Regional short break tourists: ANTICIPATION



Ideal

How do they think of Macedonia?

- Read an article in the newspaper or website
- Hear friends/ relatives talk about their recent travels in Macedonia
- Walk past their travel agent and see an offer for a trip

How do they find information for Macedonia?

- Call or chat online with the tour operator to get an answer to specific questions
- Research articles in travel media and travel blogs on Macedonia

Current

How do they think of Macedonia?

- Hear their friends or family talk about their recent trip to Macedonia
- They see an advertisement for an offer to travel to Macedonia
- They read something about destinations in Macedonia in a newspaper or magazine

How do they find information for Macedonia?

- They ask their friends or family
- Read articles in the newspaper

Regional short break tourists: ANTICIPATION



Ideal

How do they book?

- Travelers on organized tours book directly at the tour operator or via a travel agency
- Individual travelers book via a Bulgarian travel agency, Booking or directly at hotel

How do they research before leaving?

- Research articles in travel media and travel blogs on Macedonia
- General online research for places they are visiting
- They ask their friends or family

How do they buy trips (package or not)?

- The bus and hotel stays are included. Within the package, the travelers have options for additional spending at restaurants and activities
- Individual travelers book hotel or rental house/apartment only and have different options to book: travel agency, booking site specialized in rental homes and hotels in Macedonia, Booking or other consolidator or directly at hotel

Current

How do they book?

- The organized tour packages are booked directly through the outbound tour operator or via a travel agency. The actual booking is done via phone or website
- Individual travelers book their hotel or rental home/apartment via travel agency, Booking or other reservation site. They also book directly at the hotel.

How do they research before leaving?

- They ask friends or family

How do they buy trips (package or not)?

- The organized tours include travel by coach bus, overnight in hotel, breakfast and tours. Lunches, dinners and entrance fees are in most cases additional.
- Individual travelers book via Booking or other booking consolidator, travel agent and directly at hotel via phone or email.

Regional short break tourists: ANTICIPATION



Summary of Gaps and Opportunities

How do they think of Macedonia?

- Inconsistent regularity and amount of articles on Macedonia in travel media and other outlets

How do they find information for Macedonia?

- The Macedonia Timeless portal is not one of the top hits when searching for tourism and Macedonia. There is limited information on the site for specific activities or attractions

How do they book?

- Not all of the accommodation providers have professional websites or the option to book directly from the website.

Regional short break tourists: TRAVEL TO



Ideal

Means of travel to Macedonia?

- By coach or by private car

Entry point in Macedonia?

- Land border crossings: Kriva Palanka, Delchevo, Novo Selo and Berovo (Klepalo)

Do they need visa?

- No

Current

Means of travel to Macedonia?

- By coach bus or private car

Entry point in Macedonia?

- Land border crossings: Kriva Palanka, Delchevo or Novo Selo

Do they need visa?

- No, they can enter the country with ID card

Regional short break tourists: TRAVEL TO



Summary of Gaps and Opportunities

Means of travel to Macedonia?

- The main roads between Macedonia and Bulgaria are in subpar condition. Improved road infrastructure would cut down the travel time.
- Speeding and road safety are an issue in Macedonia
- There is no appropriate marking (signs) of certain tourist sites. Local roads which lead to some tourist sites and localities are in poor condition. Appropriate marking of the tourist sites and reconstruction/improvement of access roads to the tourist sites will reduce travel time and will improve access to the sites.

Entry point in Macedonia?

- Additional entry points at the border would increase the ease of travel between both countries

Do they need visa?

- Not applicable

Regional short break tourists: DESTINATION EXPERIENCE



Ideal

How long do they stay?

- They stay 1-5 days

Where do they stay (locations)?

- Besides visiting the key locations such as Ohrid and Skopje, they visit other less visited locations in the central corridor and the eastern part of the country.

What type of accommodations do they use?

- They use a range of accommodations. Organized regional travelers use hotels which can accommodate large groups. Individual travelers stay in a hotels or rent a private home.

Current

How long do they stay?

- The average length of stay for Bulgarian tourists was 1.8 nights in 2015, down from 1.9 nights in 2010. Berovo/Dojran/ Ohrid 1.5 nights; Skopje 1.6; Strumica 1.7 nights

Where do they stay (locations)?

- Ohrid is the top destination for Bulgarians both in terms of arrivals as well as overnight stays. Overnight stays almost doubled between 2010 and 2015
- Skopje is the second most visited destination, though it experienced a significant drop in arrivals since 2010
- Destination on the eastern region (Strumica, Dojran, Shtip and Berovo) all have experienced growth in overnight stays
- Overnight stays in Gevgelija increased more than five-fold, most likely caused by increase in Bulgarian gambling tourists.

What type of accommodations do they use?

- The organized groups stay in the larger hotels and tour operators require hotels to have at least 20 rooms. Tour operators will not split guests over two or more hotels. The groups stay in 3-star hotels but also in 4-star hotels. Independent travelers stay in hotels or rent a private home. Depending on their budget, they stay in the more affordable offerings but also at the more luxury resorts.

Regional short break tourists: DESTINATION EXPERIENCE



Ideal

How do they move around?

- They use modern and clean coach buses with professional drivers. Individuals drive their own cars.

What activities do they engage in?

- The organized groups engage in light activities such as short hikes.
- Individual travelers would also engage in more strenuous activities such as mountain biking or longer hikes.

What attractions do they visit?

- They visit a wide range of attractions highlighting the nature and culture of Macedonia. The attractions are authentic and well-taken care of and can be toured with a specialized guide if needed. Near the attractions is a place to buy refreshments and use the toilet. They visit attractions across the country

Current

How do they move around?

- Groups use coach buses. Individual travelers use their own car.

What activities do they engage in attractions do they visit?

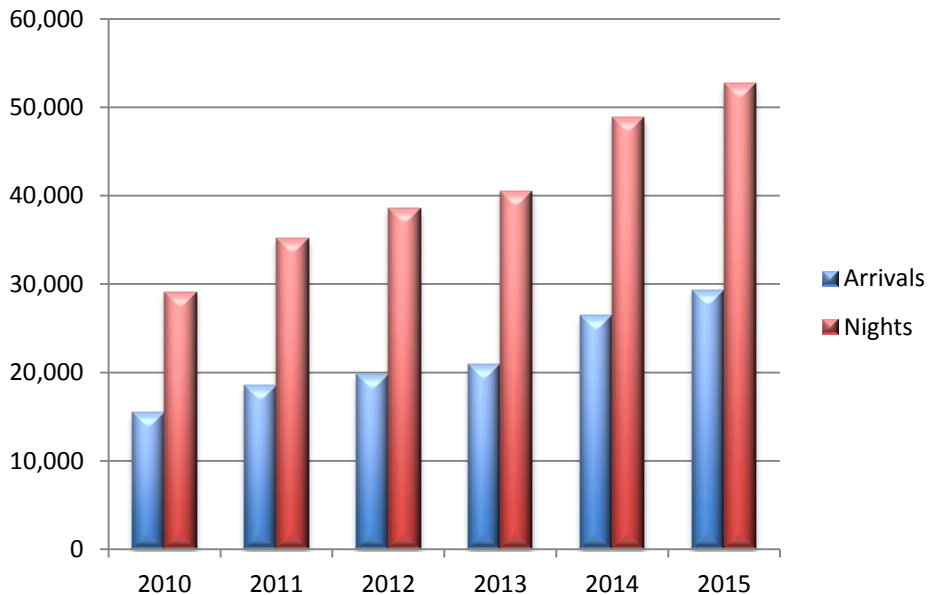
The group tours are offered by Bohemia Tours, Global Tour, Selan Tours and others. A sample of tours offered in the Eastern part of Macedonia:

- **Oxygen weekend in Berovo** - They visit Pehcevo (“*the smallest town in Macedonia*”), have dinner and overnight at Hotel Manastir and next day option to hike and have lunch at sheep farm Klepalo. “*Berovo is the place with the highest amount oxygen in the air in all of the Balkan*” (80 Euros).
- **Spa weekend in Strumica** – Use of spa services, lunch and festive dinner at Hotel Sirius, visit downtown Strumica and stop in Dojran on return trip (70 Euros)
- **Weekend in Kratovo** – Tour of Krivi Palanka, guided tour in Kratovo, dinner with live music and dance and overnight at Hotel Kratis, visit Lesnovo monastery, lunch at hotel (60 euros)

Regional short break tourists: DESTINATION EXPERIENCE



Bulgarian tourist arrivals and nights spent



Bulgarian tourists night spend for top destinations

	2010	2015	% change
Ohrid	9,066	17,087	88.5
Skopje	16,316	11,103	-32.0
Strumitsa	1,650	3,715	125.2
Dojran	1,344	2,593	92.9
Struga	1,839	2,228	21.2
Gevgelija	474	2,183	360.5
Bitola	763	1,981	159.6
Shtip	655	1,557	137.7
Berovo	100	1,397	1,297.0

Source: National Statistics Office

Regional short break tourists: DESTINATION EXPERIENCE



Ideal

Where and what do they eat (package or not)?

- The packages for organized tours include breakfast. Some lunches and dinners are left optional for the traveler to have a choice in restaurant, thereby spreading the economic benefits to a larger group
- Individual travelers eat in restaurants; when they prepare their own meals, they purchase groceries and produce from local suppliers.

Current

What activities do they engage in attractions do they visit? (cont.)

- Eastern Macedonia – Osogovo monastery – Stone dolls – guided tour of Kratovo- dinner with live music-overnight in Hotel Kratis – Lesnovo monastery- guided tour of Shtip – Bargala – overnight Hotel Manastir in Berovo- walking tour of Berovo- waterfalls in Pehcevo (75 Euros included bus, hotel and breakfast; lunches, dinners and entrance fees are extra)
- Individual travelers are more focused on relaxation and less on sightseeing. They like to eat in restaurants and spend quality time with friends or family.

Where and what do they eat (package or not)?

- The majority of the packages include breakfast. Lunches are often 'free choice' and need to be paid for by the individual traveler. Some dinners while arranged for, need to be paid for separately.
- Individual travelers eat out in restaurants if they are staying in a hotel or combination of restaurants and home-cooked if they are renting a house or apartment.

Regional short break tourists: DESTINATION EXPERIENCE



Ideal

Are they guided/ unguided and independent/ group?

- The groups travel with their own guide and use specialized guides in the destination.
- The individual groups use guides when they undertake an activity which requires a guide.

How much do they spend?

- Group travelers have the opportunity to spend money outside their pre-paid package. This can be for additional activities, souvenirs or meals or snacks.
- Individual travelers are moderate spenders on accommodation but find food very important.

Current

Are they guided/ unguided and independent/ group?

- The organized tours use specialized guides at cultural attractions.
- The independent tourists usually do not use guides

How much do they spend?

- The packages of the organized tours leave room for additional spending as not all meals are included. However, spending is concentrated around the hotels as well as attractions.
- The spending behavior of the regional tourists depends on the type of accommodation and their budget. Travelers staying at hotels will spend more than those staying at self-catering accommodation. However, the latter can support the local food suppliers.

Regional short break tourists: DESTINATION EXPERIENCE



Summary of Gaps and Opportunities

How long do they stay?

- Average length of stay is currently just 1.8 nights per destination. This can be increased by offering additional activities and improve existing attractions or add attractions.

Where do they stay (locations)?

- While this market segment already has significant geographical spread, the eastern and central part of the country could benefit more from this neighboring country. Increased promotion, information and improvement of accommodation and attraction offer can support this.

What type of accommodations do they use?

- In some parts of the country there is a gap in quality accommodation for large groups (needing more than 20 rooms). The quality of some of the hotels is of minimum standard, causing negative reviews on online travel sites such as Tripadvisor. The condition of the bathrooms is one of the main mentioned issues. Noise pollution is another often expressed view.

“The hotel is not the five-star hotel it claims on their website” – Bulgarian traveler

“Second visit, second chance but still no hot water in the morning. This is unacceptable even for a 2-star hotel. On top, no or little understanding from the management” – Bulgarian traveler

How do they move around?

- The condition of the some of the secondary and local roads makes it time consuming to travel between some of the existing attractions.

What activities do they engage in and what attractions do they visit?

- Some of the current attractions, especially the infrastructure around natural and cultural sites is in disrepair. Improving infrastructure such as signage, rest places and trails would make these sites more safe and attractive to visit
- There is a lack of facilities such as toilets and stands to buy drinks or snacks
- Bulgarian tourists have an above average in authentic cultural attractions and organized group tours also include less-visited attractions. Improving conditions at some of the currently undeveloped cultural attraction will increase their options.

Regional short break tourists: **DESTINATION EXPERIENCE**



Summary of Gaps and Opportunities

Where and what do they eat (package or not)?

- Bulgarian visitors are very interested in eating typical Macedonian dishes. Near the border (mainly Strumica) are a number of restaurants which attract large numbers of Bulgarian visitors. Promoting the activities and attractions near the restaurants can increase their length of stay. Hotels that wish to attract this market will need to offer high quality and authentic food offerings.

Are they guided/ unguided and independent/ group?

- The guided group tours from Bulgaria have recently been able to capture a wider market. While in the past, tours were mostly attracting older travelers, there is now growth in organized tour groups targeting a slightly younger age group. Providers will need to anticipate the needs of these younger travelers.

How much do they spend?

- Macedonia is a relatively affordable destination for Bulgarians. Though the price for the basic tour bus packages is low, there are opportunities to increase spending outside the package on additional activities, food, drinks, locally prepared foods and handicrafts.

Regional short break tourists: **DESTINATION EXPERIENCE**



Ideal

Means of travel back?

- Drive back by own car or by bus

Exit point from Macedonia (land/air and location)?

- Land border crossings: Kriva Palanka, Delchevo, Novo Selo and Berovo (Klepalo)

Current

Means of travel back?

- Drive back by own car or by bus

Exit point from Macedonia (land/air and location)?

- Land border crossings: Kriva Palanka, Delchevo and Novo Selo

Regional short break tourists: TRAVEL BACK



Summary of Gaps and Opportunities

Means of travel back?

- The main roads between Macedonia and Bulgaria are in subpar condition. Improved road infrastructure would cut down the travel time.
- Speeding and road safety are an issue in Macedonia

Exit point from Macedonia (land/air and location?)

- Additional exit points at the border would increase the ease of travel between both countries

Regional short break tourists: DESTINATION EXPERIENCE



Ideal

What feedback do they share?

- They share their feedback on the experience including accomodation, restaurants and activities

Where do they share feedback (online, social media, word of mouth)?

- They share their photos and experiences online via Facebook, Instragram, tagging places.
- They share their feedback via booking sites such as Booking as well as review sites such as Tripadvisor.

Likelihood to return (curiosisity to come back)?

- The visit enticed them to come back to the same destination or to a different destination in Macedonia

Current

What feedback do they share?

- They share feedback on the quality of the hotels

Where do they share feedback (online, social media, word of mouth)?

- Direct feedback through word of mouth to family, friends and colleagues is the main channel for sharing experiences.
- Facebook is the most popular type of social media for Bulgarian travelers to share pictures of their trip. Other types of social media such as Instagram are less popular

Likelihood to return (curiosisity to come back)?

- Leisure tourists from the region are likely to retun as they usually visit just one or a few destinations at the time. The short distance allows them to retun frequently to explore other parts of Macedonia.

Regional short break tourists: DESTINATION EXPERIENCE



Summary of Gaps and Opportunities

What feedback do they share?

- There is currently limited response by travel providers on negative or positive feedback by travelers

Where do they share feedback (online, social media, word of mouth)?

- There is an opportunity to utilize innovate types of social media to share travelers experience to a wider audience

Likelihood to return (curiosisity to come back)?

- A postive experience will increase the likelihood of a return visit.

Organized Large Group Explorers



Ideal Traveler Profile:
Peter and Silvia
&
Visitor Experience
Value Chain Analysis
(VCA)

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Organized Large Group Explorers



Ideal Traveler Profile:
Peter and Silvia
&
Visitor Experience
Value Chain Analysis
(VCA)

Organized large group explorers: Peter and Silvia

Who are they?

Peter and Silvia are a well-travelled couple in their late 60s from the Netherlands. They are empty nesters, retired and with a good income. They have traveled a lot in their lives both within Europe as well as outside. When they were younger and their kids vacationed with them, they only travelled independently. Now they take multiple trips a year, enjoying life. Sometimes they book a city trip within Europe, other times they drive to Germany and spend two weeks in a rented vacation home and other times they decide to book an organized group tour. They have already been on organized group tours in Egypt, Italy and Turkey.

What is their spending behavior?

For Peter and Silvia it is all about value for money. They have a good income but like to go on several trips per year. Before they book a trip they carefully compare the different options and see which trip gives them more value for their money. If a tour includes higher-rated hotels and offers more activities, they are willing to pay a higher price if they feel it's worth it. They also understand if they book a budget tour, they will also only stay in basic hotels and will have to pay for extras. If the tour does not include all meals, they will sometimes eat in nice restaurants but never splurge.

How do they decide on their next destination and how do they prepare?

Every fall they receive the travel brochures from their favorite tour operators. These brochures list all the destinations, tours, dates and prices for the next year. The information is also available online via the tour operator's website. They look at the offerings for the coming season and see if there is any tour they are interested in. They might have a 'bucket list' of places they would like to go to. If there is a country that appeals to them, they will go online to find additional information. They will check out the standard of the hotels by going to sites such as Booking or Tripadvisor. They might also ask their travel agent for advice. They will compare similar tours offered by different tour operators. Safety and security is very important to them and they won't travel to a destination if they feel it is not safe. They will just pick another destination and save the country for another year. They don't have children at home so they are flexible in their booking and prefer to travel off-season as it's cheaper, more quiet and more pleasant temperatures. They might ask friends or family for any advice on what to expect in the destination.



Organized large group explorers: Peter and Silvia

What is their ideal organized tour?

Peter and Silvia like to travel to places they have not been before and they enjoy the company of the other travelers as well as the convenience of an organized trip. They are adventurous in terms of exploring new places but they like their trips to be well-organized and safe so they prefer to travel with a local tour operator who selects the most important sights to see and drives them safely from one place to the other and makes sure the hotels are of a decent standard. Their ideal holiday usually last between 7-14 days and gives them the opportunity to get to know the country they are traveling in. They like to travel with a guide so they feel that they can really learn about the country while at the same time relying on practical support when they need to.

What are their expectations about basic services in the destination?

Peter and Silvia have high expectations in terms of safety and reliability. They watch their driver and would like him to get enough sleep, to not drink alcohol and to not speed or take unnecessary risks while driving. They like their bus to be clean from the inside as well as the outside. They would love to feel connected to the driver and to have 'small talk' with him and for him to acknowledge them. From their guide they expect him or her to have good language skills, be knowledgeable, friendly and outgoing. They also expect their guide to tell them what to do and what not to do (e.g. advice on tipping or what foods to try). They would like for the driver and the guide to sit at the same table when they eat and by the end of the trip to be considered as their friends.

From the hotels they expect cleanliness, good mattress and linens and a clean and functional bathroom. The rooms can be basic but they get really annoyed if small repairs have not been taken care of. They also expect the front of house staff to speak a foreign language (e.g. English or German) and to be friendly. From their meals they expect some variety, the option to try local specialties but also to have a backup if they don't like the local food. They like their routines and to have their meals served at the same time every day. When they travel around and stop at sights, it is important for them to be able to buy some refreshments and use a (clean) toilet.



Organized large group explorers: Peter and Silvia

What kind of activities do they like to engage in?

Peter and Silvia travel to learn about new places and cultures. They like to learn a little bit about everything and visit the main sights. For example they like to learn about monasteries but only need to see one or two. At the ones they visit, they like to learn the most important facts and as well as some anecdotes. They enjoy opportunities to witness and be part of local traditions or local cultural events. They are interested in traditional agricultural practices and they love tasting food in such places where they can see how the food is made and how it reaches their table. They love destinations 'where time has stood still and people still hang on to the traditional way of living'. They also would love to get an opportunity to meet locals. While they like to do some light hiking, they won't engage in more strenuous activities. As they are bit older, they prefer not to have to stand too long. They love to take photos of all the places they visit and always like to buy some souvenirs to take home.



What do they do after they return?

Peter and Silvia love travelling but they enjoy returning home after a trip. They spend the days after their return uploading and sharing photos with their children and close friends. They will also provide feedback to the tour operator about their experience. If they enjoyed the tour, they will recommend it to their friends and family. They might keep in touch with some of the people they met on the trip and even plan to be on the same tour to the next country on their list.

Organized Large Group Explorers



Ideal Traveler Profile:
Peter and Silvia
&
Visitor Experience
Value Chain Analysis
(VCA)

Organized large group explorers: ANTICIPATION



Ideal

How do they think of Macedonia?

- Look at the tour operator's website to see what the different offerings are for the coming year
- Go to a travel show and learn about Macedonia
- Hear something about Macedonia in the general media that catches their attention and makes them think that it might be an interesting country to visit.
- Read an article in the newspaper or website
- Hear friends/ relatives talk about their recent travels in Macedonia

How do they find information for Macedonia?

- Read the day-to-day itineraries as posted on the tour operator's website
- Call or chat online with the tour operator to get an answer on specific questions
- Research articles in travel media and travel blogs on Macedonia

Current

How do they think of Macedonia?

- Travelers learn about Macedonia and the tours through the tour operators website or through the annual printed brochures the tour operators distribute. TUI Netherlands combines Macedonia and Montenegro in one annual 120-page brochure.
- Tour operators TUI Netherlands and Corendon both also advertise Macedonia as a tourist destination on billboards and in newspapers.
- Organized tours travelers are known to be brand loyal and base their choice of destination on the tour operator offerings for that year.

How do they find information for Macedonia?

- They study the day-by-day itinerary provided by the tour operator and supplement that with information from websites such as Booking or Tripadvisor
- Call or chat online with the tour operator to get an answer on specific questions
- There are very few articles in the media on traveling in Macedonia.

Organized large group explorers: ANTICIPATION



Ideal

How do they book?

- They book the packaged tour directly from the tour operator or travel agent but they research the places they will visit and stay through Tripadvisor and Booking.
- They sometimes ask friends who have been or read blog posts and articles

How do they research before leaving?

- They buy a guidebook in their native language
- Research articles in travel media and travel blogs on Macedonia
- General online research for places they are visiting

How do they buy trips (package or not)?

- All of their activities are included in the travel package purchased with the operator.

Current

How do they book?

- The package is booked directly through the tour operator or via a travel agency. The actual booking is done via phone or website

How do they research before leaving?

- They read one of the guidebooks on Macedonia. There is currently one guidebook for Macedonia written specifically for the Dutch market (ANWB). Bradt offers an English language guide for Macedonia. Lonely Planet has chapters on Macedonia in its guides on Europe and Eastern Europe.

How do they buy trips (package or not)?

- Tour operators include the room, breakfast and all activities in the packages they sell. Some of the tours also include the lunches or dinners.

Organized large group explorers: ANTICIPATION



Summary of Gaps and Opportunities

How do they think of Macedonia?

- Inconsistent regularity and amount of articles on Macedonia in travel media

“There is insufficient destination marketing especially since Macedonia is a new and unknown destination. We can’t sell Macedonia by ourselves” - International tour operator

“Promoting Macedonia as a ‘cheap’ destination will discourage higher-paying tourists from booking” - International tour operator

- Lack of proactive effort to offset negative media coverage on refugee and political crisis.

“Out of the four trips we offer this season, we had to cancel the first one as there were not enough bookings. People feel Macedonia is currently not a safe or pleasant place to travel” - Dutch tour operator

How do they find information for Macedonia?

- The Macedonia Timeless portal is not one the top hits when searching for tourism and Macedonia
- Limited activity on national and local destination level in key social media (Facebook, Youtube)

How do they book?

- Only only the Dutch and Polish tour operators are offering large group tours in Macedonia. Tour operators in the UK and Germany are offering similar trips to other countries in the region but do not offer tours to Macedonia.

Organized large group explorers: TRAVEL TO



Ideal

Means of travel to Macedonia?

- They travel by plane from home directly to Macedonia

Entry point in Macedonia?

- Ohrid or Skopje by air

Do they need visa?

- No need for visa for citizens of EU, US, Canada

Current

Means of travel to Macedonia?

- Travelers booking through TUI NL or Corendon use the respective charter flights from Amsterdam to Ohrid. Travelers from Israel will, starting June 2016, travel by charter from Tel Aviv to Ohrid. Groups from Poland use charters but not directly to Macedonia.

Entry point in Macedonia?

- Ohrid and Skopje by air. The Polish tour operator Rainbow Tours has a charter flight from Poland to Thessaloniki in Greece. From there the group travels by bus entering Macedonia via Gevgelija

Do they need visa?

- No need for visa for citizens of EU, US, Canada

Organized large group explorers: TRAVEL TO



Summary of Gaps and Opportunities

Means of travel to Macedonia?

- Limited direct flights with European cities.
- Only tour operators which have their own charter airlines are currently offering organized large group tours to Macedonia

“We do not use Wizzair as a low-budget airline cannot give us the flexibility in booking that we require” - International tour operator

Organized large group explorers: **DESTINATION EXPERIENCE**



Ideal

How long do they stay?

- They stay from 5-12 days

Where do they stay (locations)?

- Besides visiting the key locations such as Ohrid and Skopje, they would visit other less visited locations in the central corridor and the eastern part of the country.

What type of accommodations do they use?

- They would use accommodation that has sufficient number of rooms and offers a good price/quality ratio without compromising the minimum standards.

Current

How long do they stay?

- The length of the tour varies between 5-10 days. Most of the shorter tours only cover the western part of Macedonia while the longer tours also include the eastern part.

Where do they stay (locations)?

The Dutch tour operators Corendon and TUI start and end their tours in Ohrid, Polish operator Rainbow Tours enters Macedonia from the border near Gevgelija. They follow the following itineraries:

- Corendon: Ohrid (2 nights) - Kavardarci (1 night) - Strumica (1 night) - Skopje (1 night) - Ohrid (2 nights)
- TUI: Ohrid (2 nights) - Demir Kapija (2 nights) - Berovo (1 night) - Skopje (1 night) - Ohrid (1 night)
- Rainbow Tours: Thessaloniki (1 night) - Ohrid (2 nights) - Skopje (1 night) - Kratovo (1 night) - Krusevo (1 night) - Thessaloniki (1 night)

What type of accommodations do they use?

- The tour groups stay in the larger hotels and tour operators require hotels to have at least 20 rooms. Tour operators will not split guests over two or more hotels. The itineraries of the tours are based upon the availability of suitable hotels. TUI uses hotels that are rated 4 star or higher while Corendon and Rainbow Tours use 3 star properties.

Organized large group explorers: DESTINATION EXPERIENCE



Ideal

How do they move around?

- They use modern and clean coach buses with professional drivers.

What activities do they engage in? (How they book them, i.e. Viator?)

- The tour operators have a choice of different activities to include in their packages suitable for their specific market segment.

What attractions do they visit?

- They visit a wide range of attractions highlighting the nature and culture of Macedonia. The attractions are authentic and well-taken care of and can be toured with a specialized guide if needed. Near the attractions is a place to buy refreshments and use the toilet.

Current

How do they move around?

- They use coach buses, they will not split up the groups and use smaller buses. Not all the sites are accessible for large coach buses.

What activities do they engage in and which attractions do they visit?

- The group tours offered by TUI and Corendon offer similar activities. See below for the itineraries for the Dutch tour operators as well as the Polish operator Rainbow Tours:

TUI: tour in Ohrid -boat tour to St. Naum – Heraklea – Stobi - winetour Stobi - winetasting Popova Kula - monasteries Vodoca and Velusa - village dinner in Gabrovo - Skopje (bazaar, Mother Theresa House, Old train station, Museum of Modern Art) - St Jovan Bigorski monastery.

Corendon: tour in Ohrid - boat tour to St. Naum – Heraklea - tour center of Bitola - monument Philip the Great – Stobi archeological site - Stobi winery - Vodoco monastery - tour center of Strumica - Skopje (old train station, Museum Mother Theresa, bazaar) - St. Pantelemon monastery - walk in Matka Valley and St. Mary church - St. Jovan Bigorski monastery.

Organized large group explorers: **DESTINATION EXPERIENCE**



Example itineraries



TUI (Netherlands)



Rainbow Tours (Poland)

Organized large group explorers: **DESTINATION EXPERIENCE**



Ideal

Where and what do they eat (package or not)?

- Some of the meals are included in the package but a number of lunches and dinners are not.
- There are opportunities for the individual travelers or the entire group to eat near the attractions or their hotel. Restaurants offer typical Macedonian dishes and the staff is friendly and speaks English.
- The restaurants understand the needs of the international tour operator.
- There are opportunities for the groups to eat a typical Macedonian meal in an authentic setting
- It is possible to buy some of the traditional foods they tried and to take home.

Current

What attractions do they visit? (cont.)

- Rainbow Tours: tour in Thessaloniki – tour of Ohrid-boat trip to St. Naum – village of Galicnik (eating of local cheese, museum – horseback riding in Mavrovo (optional) – Tour of Skopje- Mount Vodno, Fortress Kale- Stone Dolls in Kukljica – tour of Kratovo – Lesnovo monastery -Stobi – tour of Krusevo – wine tasting in Demir Kapija.

Where and what do they eat (package or not)?

- None of the tours is completely inclusive and each offers a certain freedom in choice. The lower-end tours are more likely to include lunch and dinner during the entire tour. Many of the dinners are at the hotels where they are spending the night. The higher end tours leave more freedom and some of the included meals are in restaurants, which are not part of the hotel. Even though some of the meals are not included, it is custom for these type of tours for the guide to make a reservation for the group to still eat together.

Organized large group explorers: **DESTINATION EXPERIENCE**



Ideal

Where and what do they eat (package or not)?

- Some of the meals are included in the package but a number of lunches and dinners are not.
- There are opportunities for the individual travelers or the entire group to eat near the attractions or their hotel. Restaurants offer typical Macedonian dishes and the staff is friendly and speaks English.
- The restaurants understand the needs of the international tour operator.
- There are opportunities for the groups to eat a typical Macedonian meal in an authentic setting

Are they guided/ unguided and independent/ group?

- The groups travel with a local guide and use specialized guides for specific attractions

Current

See below for the specific arrangements per tour operator:

TUI: All of the breakfasts are included in trip price. Dinner is only included for two of the seven nights. One of these dinners is in Gabrovo (near Strumica) where the group enjoys dinner at a local family's home.

Corendon: Breakfast and all of the dinners included in package. Excursions and lunches have to be bought as separate package which most people do buy. They eat in the hotels as well as lunch restaurants that can handle groups up to 40 people.

Rainbow Tours: Package includes breakfast and dinners.

Are they guided/ unguided and independent/ group?

- All the tours are guided by a local guide. Most of the tours have guides communicating in English. They also use specialized guides at cultural attractions.

Organized large group explorers: **DESTINATION EXPERIENCE**



Ideal

How much do they spend?

- Travelers have the opportunity to spend money outside their pre-paid package. This can be for additional activities, souvenirs or meals or snacks.

Current

How much do they spend?

- Corendon: The costs for the package is 400 Euros for eight-day trip. This includes flight, room, and all breakfasts and dinners. Excursions and lunch for extra 150 Euros.
- TUI: The cost for the package is 542 Euros for eight-day trip. Includes room, breakfast and two dinners but excludes the flight. Flights are with TUIFly but are being charged separately
- Rainbow Tours: The cost for the package is 545 Euros for eight-day trip. Includes room, breakfast and dinners and includes the flight. The tours does not include costs for excursions and guides (estimated 117 Euros extra).

Organized large group explorers: **DESTINATION EXPERIENCE**



Summary of Gaps and Opportunities

How long do they stay?

- The Dutch tour groups stay eight days and the Polish tour groups six days. There is the opportunity to develop longer itineraries if the tours add destinations to their tour or if the Polish tour would fly directly to Macedonia.

Where do they stay (locations)?

- While this market segment already has significant geographical spread, the eastern and central part of the country are underrepresented compared to the western region. Tour operators indicated that a lack of suitable hotels is the main reason not to expand beyond the current itineraries.

What type of accommodations do they use?

- In some parts of the country there is a gap in quality accommodation for large groups (needing more than 20 rooms). The quality of some of the hotels is of minimum standard causing negative reviews on online travel sites such as Tripadvisor. The condition of the bathrooms is some of most often mentioned issues. Noise pollution is another often expressed view.
- The service culture at some of the hotels is below travelers' and tour operator's expectations
- Hotel managers and staff do not have the basic English skills to meet the needs of the travelers

“At some of the hotels we stayed, we could not get to sleep until late at night as there was a wedding going on” – International tourist

How do they move around?

- The tourists are generally pleased with the drivers. The Polish travelers feel there are too many people traveling in cramped buses.
- The road infrastructure in some areas is poor and this makes some areas too time-consuming to visit
- Speeding and road safety are an issue in Macedonia

Organized large group explorers: **DESTINATION EXPERIENCE**



Summary of Gaps and Opportunities

What activities do they engage and what attractions do they visit?

- Some of the current attractions, especially the infrastructure around natural and cultural sites is in disrepair. Improving infrastructure such as signage, rest places and paths would make these sites more safe and attractive to visit
- International tour operators mentioned that attractions such as craft markets or village visits become stale if there have been too many tour groups. Tour operators like to switch it off every now and then.
- There is a lack of facilities such as toilets and stands to buy drinks or snacks
- There is a lot of waste around some of the attractions

“Many of the people on the tour are older and are nervous about having access to toilets. I sometimes have to negotiate with café owners on how many cups of coffee I need to pay for in order for the group to use their toilet. The people don’t even want coffee, they just want to use the toilet” – Macedonian inbound tour operator

Where and what do they eat (package or not)?

- Travelers on the lower-end tours are dissatisfied with the meals at the hotels and restaurant included in their package. Their main complaint is that it is cold, not enough variety and not typical Macedonian.

Organized large group explorers: **DESTINATION EXPERIENCE**



Summary of Gaps and Opportunities

Are they guided/ unguided and independent/ group?

- The feedback by travelers on their tour guide varies per tour operator ranging from moderately happy to very satisfied. The quality of the guides at the cultural heritage attractions is inconsistent.

“The guides are not very good storytellers. They only tell you the basic information and not their personal insights” –
International tourist

“It is very difficult to find good guides (those that can speak foreign languages, have expert knowledge and have people skills)”
– Macedonian inbound tour operator

How much do they spend?

- The travelers on the lower-end group tours spend very little outside their packaged tour as all three meals are included. All drinks (non-alcoholic and alcoholic) are excluded from the package.
- The higher-end tour do not include lunch and on some days also not the dinners. Travelers will have to pay for these separately and can decide where to eat. This provides opportunities for restaurants near attractions and hotels
- There is very limited offerings in handicrafts, local food and other souvenirs that are attractive for the Western European market.

Organized large group explorers: **DESTINATION EXPERIENCE**



Ideal

Means of travel back?

- Direct flight back to home country

Exit point from Macedonia (land/air and location?)

- Not applicable

Current

Means of travel back?

- Charter airlines

Exit point from Macedonia (land/air and location?)

- TUI and Corendon leave from Ohrid
- Rainbow tours travel back to Thessaloniki

Organized large group explorers: TRAVEL BACK



Summary of Gaps and Opportunities

Means of travel back?

- Not applicable

Exit point from Macedonia (land/air and location?)

- Not applicable

Organized large group explorers: **DESTINATION EXPERIENCE**



Ideal

What feedback do they share?

- They share their feedback of the experience including accomodation, restaurant and activities

Current

What feedback do they share?

- Travelers who have booked through Corendon and Rainbow Tours have the opportunity to provide feedback on the specific trip through the tour operators website. It is unclear if the tour operator filters the feedback before posting. The following shows the feedback through the tour operator portals:
Corendon - The tour received an average score of 7.2 based upon 30 reviews. The tour scores low on rooms (6.2) and food (7.0) and high on price/quality (7.7). The main complaints are: low quality hotels with neglected rooms especially the showers, noise pollution from weddings/parties, rooms not clean, food was boring and plain and staff slow, not friendly or helpful. People do mention that the quality in relationship to the low price they are paying is acceptable.
Rainbow Tours - The tour received an average score of 5.6 out of 6. Some of the complaints are the large size of the groups (43 people), noise pollution from hotels, uncomfortable bus.

Organized large group explorers: **DESTINATION EXPERIENCE**



Ideal

Where do they share feedback (online, social media, word of mouth)?

- They share their photos and experiences online via Facebook, Instagram, tagging places.
- They share their feedback via booking sites such as Zoover, Booking as well as review sites such as Tripadvisor.

Likelihood to return (curiosity to come back)?

- There are tours offered which are different enough for the traveler to return

Current

Where do they share feedback (online, social media, word of mouth)?

- Tour operator website (see above)
- Direct feedback through word of mouth to family, friends and colleagues is the main channel for sharing experiences.
- Facebook is the most popular type of social media for older travelers to share pictures of their trip. Other types of social media such as Instagram are less popular

Likelihood to return (curiosity to come back)?

- According to tour operators, travelers on an organized group tour are very unlikely to return to go on a similar trip. This also means that for some of the niche tour operators there is less demand after the tour has been offered for a few years.

Organized large group explorers: **DESTINATION EXPERIENCE**



Summary of Gaps and Opportunities

What feedback do they share?

- There is currently limited response by travel providers on negative or positive feedback by travelers

Where do they share feedback (online, social media, word of mouth)?

- There is an opportunity to utilize innovate types of social media to share travelers experience to a wider audience

Likelihood to return (curiosity to come back)?

- Tours in less traveled areas of the country might entice travelers to book another tour to Macedonia