

**Volume II – Destination Development Plans – Plan No.6:**

**Tourism Development Plan for Reka region, Mavrovo and Surroundings**

*One of ten Destination Development Plans for Macedonia*



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# 1. Introduction

This tourism destination development plan has been created in consultation with and with inputs from stakeholders from the areas of Reka, Mavrovo and the surroundings. It is designed to guide implementation of critical activities that will increase competitiveness and improve the visitor experience.

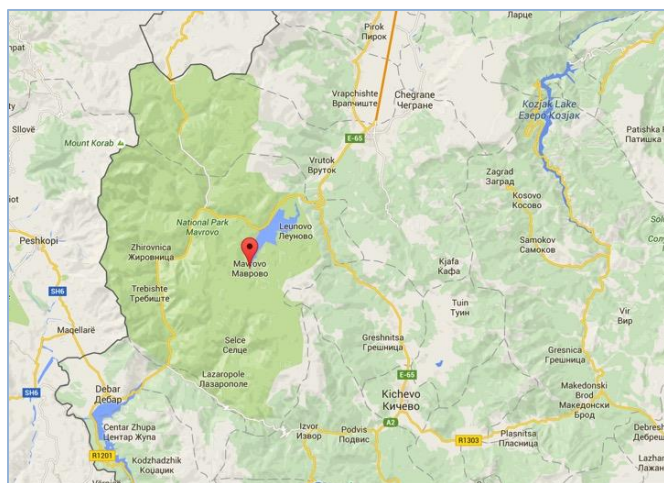
## Definition: Destination

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

- UNWTO

## 1.1 Describing the destination

The 'destination' is not defined by administrative boundaries, but rather by key elements that make up a destination from a visitor perspective. This destination therefore includes the natural, cultural and man-made attractions, facilities, services and resources that make up this particular hub of tourist activity, centered around the focal attractions of Mount Bistra, Korab planina and Mavrovo<sup>1</sup>. This destination includes attractions and tourism assets in the following tourist areas: Reka region, Mount Bistra and surroundings, Korab planina and surrounding areas, and Mavrovo with surroundings. These attractions are linked together in one destination as they are within the catchment area (one day excursion) of Mavrovo, and they offer experiences which are complementary and well-suited to the market segments prioritized for this area.



<sup>1</sup> Section 2 of Volume 1 provides further detail on how destinations were identified and selected

## 2. Vision, USP and Strategic Goals<sup>2</sup>:

## 2.1 Vision

The following shows a graphical representation of the frequency of terms and phrases that were used by stakeholders to express their vision of how tourism in the destination will look by 2030<sup>3</sup>. This can also be interpreted as an aspirational unique selling proposition (USP).



These words are aspirational and reflect the ambition of stakeholders to develop and build a strong cooperative destination with infrastructure, adventure, winter sports and hospitality.

**The following vision for the destination has therefore been developed:**

**Vision:** *In 2030, Reka will be famous among nature- and culture-loving travelers from Macedonia, the Balkans and beyond for its year round diverse and engaging outdoors and heritage experiences showcasing the richness of local flora and fauna combined with distinctive*

<sup>2</sup> The data used in this section was collected during a destination management workshop on January 17, 2018 in Mavrovo

<sup>3</sup> The data used in this section was collected during a destination management workshop on January 12, 2018 in Veles

*culinary offerings based on old farming traditions and the exceptional number of naturally healing herbs growing in the area.*

### **Strategic Goals**

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

- 1) Improved and expanded facilities and infrastructure for residents
- 2) Increased number of SME opportunities
- 3) Better conservation of ecosystems and natural resource management
- 4) Preservation of local traditions and culture including handicrafts and heritage structures
- 5) Increased awareness of the importance of environment protection

Destination-specific targets need to be formulated in order to ensure the goals are achieved. This should be done by destination stakeholders together with timings and an action plan.

## **3. Destination Overview and Supply Characteristics**

### **Destination Supply and Tourism Assets**

Mavrovo is one of the most prominent ski areas in Macedonia. The ski resort and skiing infrastructure, however, is outdated and with lower snowfalls in recent years and strong competition in the region, its attractiveness as winter sport destination has decreased.

While the potential for traditional winter activities in the area has been declining, the area of Mavrovo is enjoying growing popularity as an outdoors destination during warmer seasons. A successful horseback riding operation has been drawing both domestic and international tourists to the area. Opportunities for hiking, biking and other nature-based activities are drawing an increasing number of domestic and international active tourists to Mavrovo and Mavrovo National Park, which is the largest national park in the country.

Just within 20 km of Mavrovo is the Mount Bistra region, which includes a cluster of attractive high-mountain villages: Lazaropole, Jance and most importantly the famous Galicnik, which is home to the traditional Galicnik wedding. Jance is home to one of the best examples of rural tourism operations in the country.

This region also includes Korab mountain, which is at the border with Albania. This is the area where the mega trail Via Dinarica enters Macedonia. The region of Korab is also identified as having very favorable conditions for freeride skiing although no such operations exist yet.

It is important to note that in a number of interviews local industry stakeholders stated that this is one of the few destinations in the country that has assets to sustain year-round tourism, especially in the outdoor segments.

Reka region and Mavrovo National Park offer a rich portfolio of assets based on diverse and well-preserved nature combined with tangible and intangible cultural heritage. The wide portfolio of attractions in this region has been recorded and analyzed in details in previous

reports, which this plan will not repeat<sup>4</sup>. The following groups of attractions in the area are highlighted simply to outline the profile of the destination supply, especially in the context of priority segments discussed later in this document:

- Mavrovo National Park and outdoor activities
- Monasteries: Sv Jovan Bigorski, Rajcica, Leshocki Monasteries
- Villages in Mount Bistra region: Jance, Lazaropole, Galicnik
- Korab mountain (Via Dinarica)

The region has a relatively modest accommodation portfolio with few large facilities concentrated around Mavrovo and many smaller bed & breakfasts and guesthouses. Private homestays and home rentals are also available, including through Airbnb.

**Table 1: Online Accommodation Portfolio in Reka and Mavrovo\***

Hotels	11
Guest houses	2
Guest houses	1
Bed and breakfast	1
Hostels	2
Apartments	2
Resorts	2

Note: \*based on data from Booking.com

The proximity to Ohrid and Skopje provides good opportunity for cross-destination linkages. Given similarities in supply there are natural linkages between Reka region and Mavrovo destination and Shar Mountain and Tetovo. This is a border region so there are opportunities for cross-border offerings, which appeal to representatives of the targeted segments, especially those visiting from long-haul destinations. The Via Dinarica trail is an outstanding opportunity for positioning the region as a destination of at least regional significance.

### **Current Supply Development Pipeline and Opportunities**

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

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

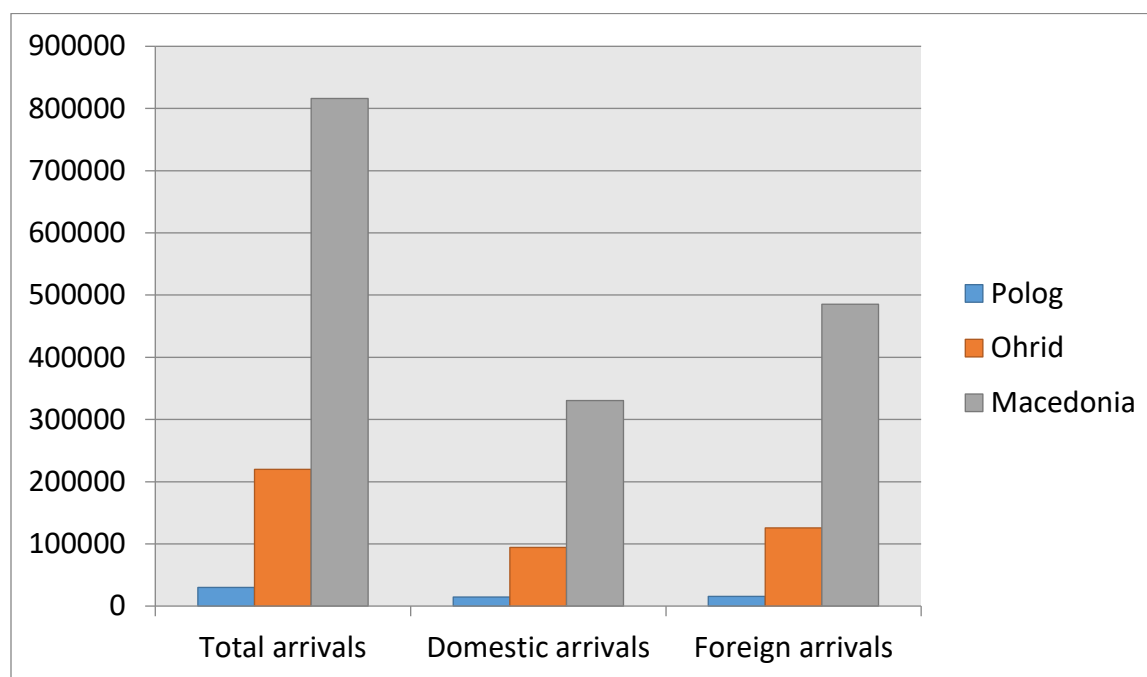
characteristics that represent particular opportunities for improving the offerings for priority segments in the destination:

- The **recently conducted AdventureNEXT** event organized by the US-based Adventure Travel Trade Association (ATTA), which took place in Ohrid in May 2016, increased the visibility of fYR Macedonia as an adventure destination featuring operators and stakeholders from the entire country and the Balkans. The continuing international travel media coverage and raised awareness of fYR Macedonia creates momentum for strengthening its positioning among the outdoor and adventure-oriented market segments, as well as among independent travelers.
- **The proximity to Skopje and link to main route between Skopje and Ohrid** secure easy access and potential for linking local attractions to itineraries of tourists visiting the two tourism centers in the country. Its location makes it a convenient stop-over destinations even for tourists who are not specifically arriving here.
- The **existence of living villages** in areas throughout the region offers opportunities for the development of high-value rural, traditional and culinary offerings. This is home to the famous Galicnik village, which offers one of the most attractive experiences in fYR Macedonia. The success of rural developments in some local villages such as Jannche and Galicnik is indicative of the potential in this direction.
- **Korab mountain's nature** is an excellent and absolutely underutilized asset. Its nature and landscapes offer many opportunities for outdoor activities, which are currently undeveloped.

#### **4. Arrival and Demand Trends**

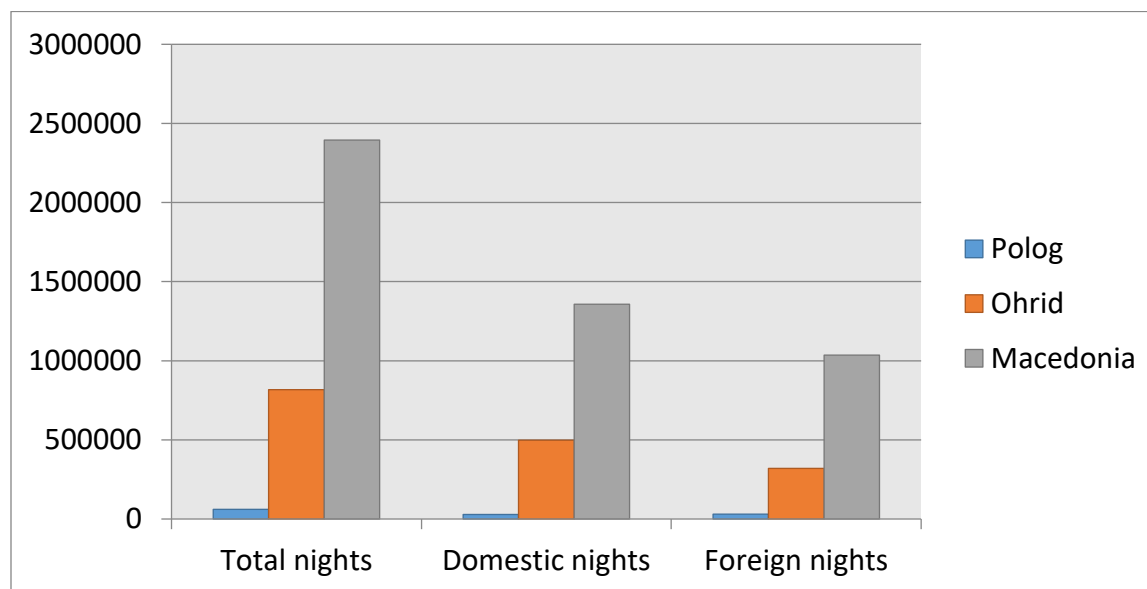
Polog region is one of the less active tourism areas in terms of volume. According to official arrivals data in 2015 it attracted less than 4% of all arrivals and 3% of all nights spent. For comparison, the volume of tourism flow is about half of that of Pelagonija.

**Figure 1: Arrivals in Polog, Ohrid and Macedonia 2015**



Source: State Statistical Office

**Figure 2: Overnight Stays in Polog, Ohrid and Macedonia 2015**



Source: State Statistical Office



The region has promising attractions and assets but they are not well integrated into existing tourism offerings and are more disconnected thus drawing different types of tourists for individual sites and for a shorter period of time.

The traditional villages in Mount Bistra attract regional short break tourists, as well as organized and independent active outdoor tourists. Galicnik village and especially Galicnik weddings are one of the top things to see and experience in Macedonia. Many of the visitors in Mount Bistra region engage in hiking in the area and explore the preserved local rural lifestyle.

Mavrovo draws a similar mix between international, regional and domestic tourists on short breaks who might combine leisure and food with some outdoor activities such as hiking, biking and horseback riding. The area attracts independent and organized active tourists, and based on anecdotal evidence has been gaining increasing popularity as a place for outdoor experiences.

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

	Number of Overnight Stays			Number of Tourist Arrivals			Average Length of Stay
	2010	2015	% change	2010	2015	% change	
<i>Foreign</i>	18,601	16,955	-9%	10,020	9,055	-10%	1.87
Albania	6,834	4,576	-33%	3,455	2,367	-31%	1.93
Kosovo	2,575	4,545	77%	1,496	2,230	49%	2.04
Turkey	n/a	1,612	-	n/a	723	-	2.23
Netherlands	n/a	681	-	n/a	428	-	1.59
<i>Domestic</i>	25,658	19,952	-22%	12,832	9,861	-23%	2.02

Source: State Statistical Office

## 5. High Potential Market Segments

The area of Reka region and Mavrovo offer great opportunities for competitive offerings that can appeal to a variety of traveler profiles. Mavrovo is becoming a popular destination for domestic and international tourists interested in active outdoor experiences. The villages in Mount Bistra also draw guests interested in a traditional rural lifestyle.

The three high potential markets for Reka region, Mavrovo and the surroundings are:

**Organized active tourists** are part of an organized tour group (size ranging from 5-25 people) traveling with a specialty operator around Macedonia. For them Reka region and Mavrovo are of interest due to the good mix of cultural and nature-based experiences. While many of the attractions in the destination are underdeveloped or below market readiness, there is enough that can draw them to this region. Specialized tour operators working with this segment have the expertise and capacity to identify new and underutilized assets,



and weave them into tour itineraries enriching the market, which can catalyze advancement of the destination portfolio. Many of the investments that would meet the needs of these travelers will appeal to representatives of other segments as well so there will be strong spillover effect. This segment is high priority for the entire region.

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



**Independent active tourists (including domestic)** are naturally drawn to Reka region and Mavrovo. They travel on their own taking care of their bookings and itinerary developments. They are adventurous and attracted to new and less-conventional experiences, as well as areas with diverse outdoor experiences. They are a leading market for many rural offerings, including traditional B&Bs, traditional restaurants, culinary experiences, combined with outdoor activities such as biking, hiking, mountaineering, etc.

They hold significant potential for growth in terms of arrivals as well as length of stay and direct spending with local providers. Currently independent tourists are more actively present in and around Mavrovo National Park.

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



**Hard adventure tourists (including domestic)** that constitute a priority for this region include freeride skiers and travelers passionate about winter sports such as Nordic skiing and snowshoeing. While these activities are currently not developed, winter sports specialists suggest that the conditions and assets in Korab Mountain are excellent for development of such experiences. Given that the mountainous areas that offer prime conditions for this high-value fast-growing winter sport are available only in this part of Europe - developing such operations has strong potential to create new business opportunities and new high-skilled jobs. The effective functioning of the freeride skiing operation in Popova shapka is proof for the economic potential of such developments.

*Key Segment Insights and Prioritization Rationale:* This segment is prioritized for Reka and Mavrovo because it is already actively present in certain areas in the destination. Despite the fact that adventure tourist segments are relatively niche, they are characterized with significant spending power, direct spending with local providers and an extraordinary length of stay. According to anecdotal evidence from other destinations in the country that attract travelers from this segment, they stay in the destination between 5 and 7 days on average, and spend between \$150-250 per day. Therefore, investment in developing existing assets into offerings for this segment can lead to significant growth, higher length of stay and average spend. Expansion of the freeride skiing offer in Macedonia will also position it as one of the leaders in this segment.

Feedback from Freeride ski specialist

*'In Europe there are no cat ski operations for freeride; in many places they do not have the terrain to support it and they use helicopters but that is very expensive and weather is very big factor that can change at any moment. There is some snow cat ski operation in Kirgizstan but they are operating only on one peak, which is very limited. The service is also very basic.*

*The USA and Canada have operations, Canada is the leader but they are very expensive destinations for Europeans. With Wizz flights and with the conditions Macedonia has, it is in excellent positions for high-quality offering and for offerings that make it possible for Europeans (the main market) to come event for the weekend.'*

## 6. Gaps and challenges

### 6.1. Destination Development Challenges

Currently the main challenges for tourism in the area of Reka region and Mavrovo are the underutilization of its significant tourism potential and the need to develop products and an identity beyond its reputation as a former skiing center. Certain parts of this region attracts a lot of attention and visits (Galicnik, Janche, and Mavrovo) but there are few linkages that contribute to the existence of a coherent and rich portfolio of attractions that can keep tourists from the priority segments for a few days.

Mavrovo is home to some successful outdoor offerings but there are gaps in quality of the experience and limited availability of reliable support services.

Due to low visitation and poor maintenance, some sites and attractions are often not in good condition. There is a significant waste management problem, especially in the Mount Bistra region.

These challenges can be addressed by drawing visitors who are willing to spend more time and money on exploring the region's less visited natural and cultural attractions. Increased visitation throughout the destination can increase the positive socio-economic impact of tourism and lead to more balanced development.

## **6.2. Gaps in the experience of the priority market segments**

The diversity of natural assets combined with cultural and historical attractions makes this destination attractive for Organized and Independent Active Tourists as well as for Hard Adventure tourists. Relatively easy access from and to the main tourist hub Ohrid and to Skopje is an added benefit too. All three priority segments enjoy opportunities to visit new places with extraordinary natural beauty, interesting culture and rich history. While existing tourism assets hold strong potential for appeal to the priority segments, the experience value chain analysis revealed gaps in current supply and delivery, as well as underutilized opportunities.

The following section summarizes the gaps and opportunities for improvements in the traveler experience across the three priority market segments. They are organized below in six sections; accommodation and hospitality, activities and experiences, attractions, capacity, brand or image and infrastructure. This is followed by a description of activities that can lead to strengthened competitiveness of the destination.

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

### **6.2.1 Accommodation and Hospitality**

Gap 1: There is a gap in the available accommodation that gears towards the priority markets

#### **Detail and explanation**

- The hospitality services (accommodation and food) in the region are very limited
- The style of existing accommodations does not align with the expectations of priority markets (interior and ambiance, furniture, quality of mattresses, etc.)
- Many accommodations do not offer services that are important for the priority segments (flexible food timing options, laundry services, bike parking, etc.)
- The availability of homestays is appropriate for some of the priority segments (hard adventure and independent) but most of them are in the informal sector, which leads to inconsistent quality and service, lack of standards, inability to secure safety

These problems arise because;

- There is limited entrepreneurial and investment capacity for developing new accommodation facilities
- Many accommodation providers are effectively competing on price rather than quality. There is evidence, however, that travelers from priority segments would be willing to pay higher prices for a better product
- Service providers lack understanding of the needs and requirements of targeted tourists, and are not accustomed to directly addressing or modifying the product according the traveler expectations or feedback

## **Filling the gaps**

### 1a. Ensure availability of more relevant accommodation facilities that meet the expectations of the target market

There is need to expand the accommodation offerings in the region, especially those that are grounded in local traditions and culture, and gear towards active segments. Homestays or local B&Bs are better fit for the profile of the destination and the targeted segments. They also secure more linkages to local economy and channeling of economic benefits directly to local communities. It is important to note that accommodation facilities can be expanded also through development of camping areas, mountain huts and nature-based low-impact structures as alternatives. Such accommodation solutions are often very sustainable and become attractions that drive additional demand in themselves (see illustration).

#### *Indicative Activities:*

a. Support for new accommodation projects should be focused on small-scale facilities (bungalow/ forest house style or facilities with up to 20 rooms) with traditional or distinctive style and feel.



**Figure 1: Example for light accommodation that is both sustainable and attractive for natural areas**

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

c. The diversification (and upgrade) of properties with more traditional and rural properties in the area needs to be linked to capacity building that secures alignment with the expectations and needs of targeted segments. This is discussed in capacity building gaps in the national and non-destination specific chapter.

### **Illustration: Janche Village**

Example for rural accommodation with traditional Macedonian design and authentic feel in Reka region (Janche village).



#### 1b. Ensure the style of accommodation facilities meets the expectations of target market segments

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

Feedback from specialized international tour operator

*'The most important things in the room are the quality of the bed (mattress) and the quality of the shower. Owners sometimes throw money at accessories and equipment but fail at these two simple things. When the bed and the shower are not of good quality, nothing else matters. If they are good, then everything else can be very simple and clean'.*

#### *Indicative Activities:*

- a. Improvements and maintenance of existing small, traditional and rural properties that offer homestays or bed & breakfast accommodation. Improvements need to be towards bringing existing small properties (up to 20 rooms) to current market standards such as ensuring quality of bathrooms, improvement of bed quality and mattresses, adding or removing room accessories, improving green areas around properties (for more details see checklist in Annex).
- b. Improvements can also support the development of additional installations that are needed to meet the needs of targeted markets. These may include: bike parking or storage areas, laundry rooms, kitchen improvement to enable additional or extended service, etc.

#### Gap 2: There is limited and uneven availability of food offerings geared towards the tastes and needs of the priority segments

##### **Detail and explanation**

- There are few food outlets, and many of them lack distinctive ambiance and menus that reveal local culinary traditions and highlight the quality of local food. This is very

important to the Independent and Organized active tourists who prioritize culinary experiences as part of their trips.

- There is a gap between the quality of local produce and interesting culinary traditions of the region and available food offerings
- The design and presentation of food is not aligned with expectations and new trends in culinary experience design (there is focus on overwhelming design rather than simplicity)
- Local providers' culture towards large quantities of served food can be perceived negatively by international travelers as they associate it with unnecessary food waste
- There is limited preparedness to offer food options that meet the needs of people with dietary restrictions

These problems arise because;

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

### **Filling the gap**

#### 2a. Ensure priority markets have access to more and better quality food service providers with a strong emphasis on local ingredients and tradition

There is need to expand the food offering providers in the destination, especially those that are grounded in local traditions and culture. Focus should be placed on offerings that are local and simple rather than those that try to mimic international cuisines (see illustration). Small local traditional restaurants that serve traditional meals or interpretations of traditional meals will both meet the expectations of priority segments, increase linkages to local economy and agriculture, and secure distinctiveness of the Macedonian experience.

##### *Indicative Activities:*

a. Investments in development of new food service facilities could be encouraged throughout the area. These could be distinctive in character and focused on interpretation of local culinary tradition. In the short-term, emphasis could be placed on developing up a few food service facilities throughout the area, and especially in places where there is potential for tourism flow but no food service in proximity.

#### 2b. Enrich availability of culinary experiences outside of standard meal services

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

##### *Indicative Activities:*

b. Investments in development of new food-related experience, which diversify the format in which meals are presented (adding flexibility for itineraries) and which contributes to



diversification of traveler experiences. Examples can include but should not be limited to: outdoor wine and cheese tastings, picnic offerings, farm-to-table experiences, etc. During phase the short-term, investments could support a few projects for developing alternative and unique culinary experiences.

#### **Case Study: Farm-to-table**

**This experience is part of a rural food tour in Tuscany and is included in high-end specialized adventure operator itineraries.**

**Highlights of the tour: Organic garden tour; pasta/dessert cooking class; walk to a 13th century abbey; wine demystification tasting/class**

This is a one-day experience starts with a tour through the vegetable garden. The host will describe the cycle of the various crops through the year and methods for providing the kitchen with fresh, flavorful products. Then to the kitchen, where under the guidance of the host the group will prepare Tuscan pasta and desserts utilizing ingredients from the estate.

After a leisurely lunch enjoying their own culinary creations, the group will visit San Galgano abbey for an afternoon walk in the area. Built as a Cistercian monastery in the 1200s, San Galgano's decline began in the 15th century and now it stands, roofless and monumental, one of the most evocative sites in all of Italy. The monumental complex of Saint Galgano rises approximately 30km (approx. 19 mi) to the west of Siena, between the villages of Monticiano and Chiusdino, in a rugged, but beautiful natural landscape.

This afternoon's wine demystification class and tasting is a wine tour with a difference – at Spannocchia. What exactly is wine? What does terroir mean? What is a super Tuscan? From demijohns to D.O.C. labeling, together the group will demystify the wine culture of Italy, with a little help from the very visual and fragrant 'aroma board'. Wine tasting will include wines from at least five of Italy's wine regions..



Source: <http://www.wholejournevs.com/trips/tuscan-farm-to-table-italy>

#### **2c. Ensure that service providers are better prepared for visitors requirements and dietary needs**

There is need to improve the understanding of food service providers towards potential dietary restrictions and ways to address them. They need to develop specific skills and add necessary services (such as providing information on ingredients or source of produce) to meet the expectation of priority traveler segments.

##### *Indicative Activities:*

c. Investments in development and execution of training or skill improvement programs, which use relevant and working approaches. Relevant interventions may include sessions for



information and experience exchange with international operators. This is addressed in more details in the national/ cross-destination section but illustrations are provided in the Annex.

## **6.2.2 Activities and Experiences**

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

- The current opportunities for experiences that gear towards the different priority segments are limited, including opportunities to engage in core experiences (such as hiking/ biking for organized and independent active tourists) as well as opportunities for supporting and supplemental experiences
- There is a lack of developed hard adventure offerings that utilize high quality assets
- The outdoor activities such as hiking, biking, mountaineering and others are underdeveloped and at times with quality that is lower than expected
- There is limited availability of experiences based in local culture and history, local celebrations, culinary traditions, etc.

These problems arise because;

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

### **Filling the gap**

3a. Ensure hard adventure visitors have access to competitive freeride skiing products:

According to specialists, Korab mountain offers excellent conditions for the development of freeride skiing. Investments can expand the limited freeride skiing offerings and generate very attractive economic development in the region. The lack of traditional skiing resort and resort infrastructure is considered to be an advantage in freeride skiing so the lack of previous developments in Korab does not create serious barriers. The main elements that are needed to set up a freeride skiing operation in a new location are access to accommodation facilities and food services, CAT vehicles and well-trained professional team (human capacity).

#### *Indicative Activities:*

a. Investment in the creation of an operation, including through purchase of equipment, development of soft infrastructure and services supporting freeride skiing. This must include investments towards high quality of service and consistency of service, gear for freeride skiing, as well as marking and other relevant infrastructure. Marketing and market access interventions are needed as well.

### 3b. Ensure availability of new outdoor products and experiences for year-round offerings

Assets in the region provide opportunities for diverse outdoor offerings such as nature walks, hiking, biking, mountaineering, animal watching, as well as water activities such as kayaking, standup pedaling and others. Winter activities can include snowshoeing and Nordic skiing.

#### *Indicative Activities:*

b. Investment in the development of new experiences including outdoor experiences such as hiking, biking, horseback riding, animal watching, etc. This includes investment in needed visitor infrastructure as well as development of relevant programs and services.

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

The development of hiking, biking and horseback riding paths is important for the destination for several reasons to allow visitors to engage in active exploration of nature through outdoor activities. Development requires marked trails, paths and supporting infrastructure which is currently limited to some part of Mavrovo National Park. Routes and trails also enable easy and slower (non-motorized) movement throughout the region, which allows for enjoyment of different parts of the destination and encourages visitors to experience more places and stay longer. Infrastructure itself can enhance the ways in which travelers enjoy nature thus leading to a more satisfying experience.

#### *Indicative Activities:*

c. Investment in the designing and installation of infrastructure that enables hiking, biking and horseback riding: investments in natural areas in Mavrovo National Park and surroundings, as well as Bistra mount region. Interventions can include improvement and maintenance of existing visitor infrastructure as well as development and installation of new.

### 3d. Ensure visitors have access to more and better quality offerings around local culture, farming and culinary traditions

There are just few visitor experiences in the area that are based on local culture, culinary tradition, farming practices or other distinctive elements of the heritage of the region and its people. There is need to support the identification these assets and develop or package them in a market-relevant format. Collaboration with specialized tour operators can help address some of the missing capacity as well.

#### *Indicative Activities:*

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

### Illustration

Ajvar is one of the symbols of Macedonian farming and culinary tradition. A local operator offers a specialized itinerary for travelers during the ajvar making season. There is an endless list of possible similar offerings around cheese making, making of rakia and wine, making of jams and other natural foods.



### 3e. Ensure visitors have access to locally-produced crafts, souvenirs and supplementary products linked to local traditions:

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

#### *Indicative Activities:*

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

### **Case Study: Hawaii and the links between tourism and agriculture**

Although in many cases tourism development is seen as a threat to agriculture, the experience of Hawaii proves that linking the two sectors can magnify the economic success of both. An analysis of the practice of linking agriculture and tourism in Hawaii published in 1995 (Cox et al. 1995) reveals that there were two major benefits from stronger linkages between rural and agricultural life, and tourism. The first is that agriculture became an even stronger source of supply for local hotels and restaurants as tourists expected fresh and local food. The second is that agriculture contributed to the diversification of the attraction portfolio of the destination. The study revealed that agriculture-related experiences and sites attracted 6.3 million visitors and generated \$31.9 million in revenue. The most important findings was that the majority of the reported profit was not generated from tours and visits but from the sale of products and services produced at the visited site.

*Source: Cox, L., Fox, M., & Bowen, R. L. (1995). Does Tourism Destroy Agriculture? Annals of Tourism Research, 22 (1), 210-213.*

### 3f. Ensure that activities are designed in order to better meet the expectations of visitors

The growing demand for experiential consumption requires the incorporation of more service and product design approaches that create experiences by engaging travelers through their senses, emotions and mind. Active culinary experiences are an excellent example of experiential design where travelers have the opportunity to smell ingredients, touch and ‘do’ by participating in preparation. Experiential design techniques can transform the quality of attractions that are currently static including museum, exhibitions, etc. Interpretation and storytelling techniques are essential and will be discussed later in this section as well.

#### *Indicative Activities:*

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

#### **Definition: experiential consumerism**

Experiential consumption is *consumption that involves the engagement of consumer senses, emotions and imagination* (Hirschman and Holbrook, 1982) *in a way that creates meaning for them* (Pine & Gilmore, 1999). Contemporary thinking about experiential consumption and experiential design of commercial offerings was introduced by Pine and Gilmore (1999) who officially welcomed us to the Experience Economy with their famous book published in 1999 introducing the notion that consumers desire experiences while businesses respond by designing and promoting services and goods, which “engage individual customers in a way that creates a memorable event”.

In literature experiences are defined as form of consumption “involving a steady flow of fantasies, feelings, and fun” (Holbrook & Hirschman, 1982). In more recent conceptualizations experiential consumption is also presented as manifestation of post-modernity where the line between consumption and production is blurred and the consumer takes an active part in the production process (Hopkinson & Pujari, 1999).

#### Sources:

Hirschman, E. C., & Holbrook, M. B. (1982). Hedonic consumption: Emerging concepts, methods and propositions. *Journal of Marketing*, 46(3), 92-101

Hopkinson, G. C., & Pujari, D. (1999). A factor analytic study of the sources of meaning in hedonic consumption. *European Journal of Marketing*, 33(3), 273-290.

Pine, J. P., & Gilmore, J. H. (1999). *The experience economy: Work is theater & every business is a stage: Goods & services are no longer enough*. Boston: Harvard Business School Press.

## **6.2.3 Attractions**

### Gap 4: There is inconsistent maintenance of sites and attractions, which negatively impacts the visitor experience

#### Detail and explanation:

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

These problems arise because;

- There is limited understanding of the importance of good maintenance of attractions
- There are limited resources for maintenance and refurbishment activities

### **Filling the gaps**

#### 4a. Ensure that attractions and sites are rehabilitated to a condition that meets visitor expectations

There is need to improve some of the cultural heritage sites in the area in order to attract existing and new visitors. In addition to improving their overall physical condition there is need to improve the interpretation (including by incorporating some contemporary technological solutions where that is possible) and the overall visitor experience. The discussed earlier need to improve and develop visitor infrastructure is associated with this gap/ intervention as well.

##### *Indicative Activities:*

a. Attractions in the destination need to be improved and refreshed to match contemporary expectations for experience. Focus should be placed on the overall state of visited places (such as villages in Bistra mount region, sites and attractions in and around Mavrovo and the national park), removal of undesirable or poorly designed elements, improvement or installation of new visitor infrastructure, installation of signage and interpretation elements.

#### 4b. Ensure that sites are clean and well managed in line with the expectation of visitors

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

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

These have been explored in more detail in Chapter 2.

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

## **6.2.4 Capacity building**

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

#### **Detail and explanation**

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

#### **Filling the gap**

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

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

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

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

These have been explored in more detail in Chapter 2.

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

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

### **Filling the gap**

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

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

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

These have been explored in more detail in Chapter 2.

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

## **6.2.5 Marketing, branding and access to information**

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

### **Detail and explanation**

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

### **Filling the gap**

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

7a. At the destination level, ensure that independent travelers have easy access to information in order to book accommodation as well as information on local restaurants and activities such as hiking and biking.

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

These have been explored in more detail in Chapter 2.

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

## **6.2.6 Accessibility and infrastructure**

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

### **Detail and explanation**

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

### **Filling the gap**

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

8a. Ensure visitors are better guided to destination attractions, and between settlements and towns

At the local or destination level, once responsibility for key signage is determined, a plan should be put in place to address this problem, covering where to put signs, the type of signs, consistency of design, maintenance of signage etc. A first step may be to undertake a rapid assessment and to prepare a prioritized list of currently missing signage as well as signage that is in need of replacement

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

These have been explored in more detail in Chapter 2.

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

### 6.3. Summary of gaps and proposed interventions

**Table 3: Summary of gaps**

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

**Table 4: Summary of indicative interventions to fill gaps\***

<i><b>Intervention</b></i>
<i>Accommodation and Hospitality</i>
Expand available accommodation portfolio with focus on small rural and authentic accommodations (up to 20 rooms)
Improve quality of design and services at existing accommodations
Expand available food service providers
Enrich availability of culinary experiences outside of standard meal services
Improve food providers' culture and preparedness for traveler dietary restrictions
<i>Activities and Experiences</i>
Develop and improve quality of service in freeride skiing
Develop new outdoor products and experiences for year-round offerings
Develop a system of visitor infrastructure in natural areas in the region to enable



outdoor activities
Develop new products and experiences around local culture, farming and culinary traditions
Develop and improve access to locally-produced crafts, souvenirs and supplementary products linked to local traditions
Improve experiential design of activities
<i>Attractions</i>
Refurbish and restore attractions and sites
Improve waste collection and waste management culture (national)
<i>Capacity Building</i>
Advance service culture and service quality (national)
Modernize and diversify available capacity building and skill development programs for guides (national)
<i>Marketing, Branding and Access to Information</i>
Create and maintain contemporary online presence for the region
Increase digital communications and social media skills of tourism operators (national)
Develop contemporary digital services for independent travelers and other priority segments (national)
<i>Accessibility and Infrastructure</i>
Improve signage and information on roads (national)
Improve signage and information in towns, settlements and recreational areas (national)
Develop roadside visitor infrastructure (national)

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

## Next Steps

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

- 1) Improved and expanded facilities and infrastructure for residents
- 2) Increased number of SME opportunities
- 3) Better conservation of ecosystems and natural resource management
- 4) Preservation of local traditions and culture including handicrafts and heritage structures
- 5) Increased awareness of the importance of environment protection

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

**Figure 3: Destination development plan cycle**



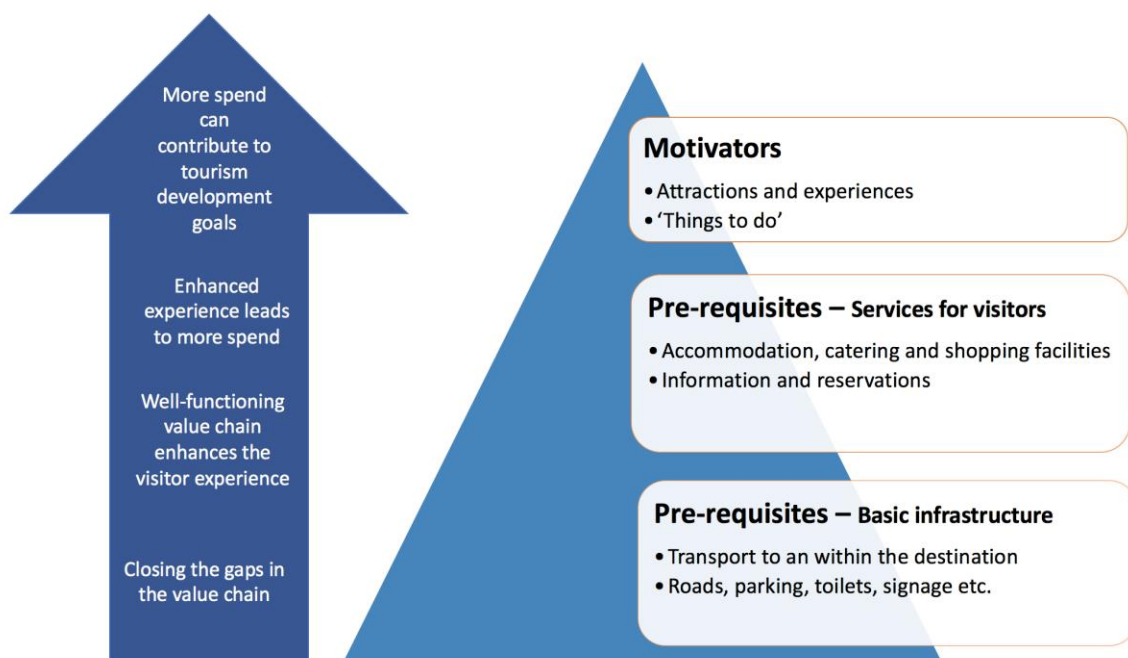
The sequencing of actions to fill the gaps depends on the goals, the level of priority and urgency and investment needed to fill the gap. Results and impact need to be monitored and measured during and after execution. The destination management partnership is responsible for the development plan and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

When determining the sequencing of actions to fill the gaps it is important to distinguish between the ones that are ‘pre-requisites’ that any destination must have to meet the expectations of visitors and the ‘motivators’ to attract them. Pre-requisites refer to the basic facilities and

services that any destination should have if it is to compete effectively in the tourism marketplace for the respective segment. These are not the factors that will motivate people to come to the destination, but rather the fundamentals that people expect to find when they are in the destination – food and drink of certain type and quality, accommodation of certain style, availability of guides, safe transportation, etc. Different market segments have different basic requirements and provisions should be made according to the needs of the target markets that have been prioritized for the destination.

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

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



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

Destination management is an ongoing process where stakeholders plan and manage the destination towards common goals. Evaluation and monitoring is therefore a key component of

the development plan and can be used to demonstrate value, i.e. ensure that the activities are really contributing to the achieving of the goals. During each new cycle of the development plan, it will be important to reassess the competitive context and reevaluate the goals and targets for the destination.

## ANNEX

### 1) Detailed demand and supply data

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

<b>Indicators</b>	<b>Ohrid</b>	<b>Macedonia Total</b>
Total arrivals	30,200	816,067
- Domestic	14,565	330,537
- Foreign	15,635	485,530
Total nights spend	60,574	2,394,205
- Domestic	29,041	1,357,822
- Foreign	31,533	1,036,383
Number of rooms	1,128	27,812
Number of beds	3,443	72,021

## 2) Checklist of leading concerns with accommodation quality

(based on feedback from international operators and traveler feedback in Booking.com and Trip advisor)

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