Horwath HTL

Hotel, Tourism and Leisure

Market Research and Value Chain Assessment

Final Report

Albanian Development Fund
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LIST OF ABBREVIATIONS

°C	Degree Celsius
AADF	Albanian American Development Foundation
ADF	Albanian Development Fund
ADR	Average daily rate
ADRION	The Interreg V-B Adriatic-Ionian programme
ALS	Average length of stay
Apr	April
ATM	Automated teller machine
ATP	Association of Tennis Professionals
Aug	August
B&B	Bed and breakfast
CHERPLAN	Environmental Planning Model for Cultural Heritage Sites in South-Eastern Europe
Dec	December
DMC	Destination Management Company
DMO	Destination Management Organization
e.g.	Example given
EBRD	European Bank for Reconstruction and Development
etc.	Et cetera
EU	European Union
EUR	European Union monetary unit
F&B	Food and beverage
FAM trips	Free (low cost) trip for travel agents or consultants
Feb	February
GDP	Gross domestic product
GDP per capita	Gross domestic product per person
GiZ	German Society for International Cooperation
i.e.	Id est
INSTAT	Institute of Statistics – statistical agency of Albania
IMF	International Monetary Fund
Jan	January
Jun	June
Jul	July
Km	Kilometre
Km^2	Square kilometre
m^2	Square metre
m	Metre
MICE	Meetings, Incentives, Conferences and Exhibitions
mm	Millimetre
MTB	Mountain bike
Mar	March
NGO	Non-governmental organization
Nov	November
NP	National Park
Oct	October
PIUTD	Project for Integrated Urban and Tourism Development
QR code	Quick response code
SEM	Search engine marketing

SEO	Search engine optimization
Sep	September
St.	Saint
SWOT	Strengths, Weaknesses, Opportunities and Threats
UK	United Kingdom
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNWTO	United Nations World Tourism Organization
USA	United States of America
USP	Unique selling proposition
WB	World Bank
WTTC	World Travel & Tourism Council

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EXECUTIVE SUMMARY

As defined by the PIUTD project, the focus of tourism development is put on four designated municipalities being: Berat, Permet, Gjirokastra and Saranda. South Albania, defined that way, offers a unique blend of Ionian coastline and hinterland, appealing nature, three UNESCO heritage sites, rich culture and history as well as authentic rural experiences and gastronomy. As an emerging tourist destination, South Albania has still many bottlenecks to improve in order to professionally develop tourism.

South Albania is dominantly a rural area, historically oriented towards primary economic sector, which is still very strong. Nonetheless, some bigger cities and more developed areas started changing their economic orientation towards services. South Albania has a relatively young population, but there is an above average unemployment rate recorded and strong migration process, with people emigrating from rural areas to cities and emigrating abroad, mostly to Greece. Socio-economic situation puts additional challenge of finding available workforce with suitable professional qualification.

Conducting accurate market analysis on regional or destination level is limited due to the fact that reliable data on basic tourism-related statistics just partially exists on national level, while on regional and destination level, there is a complete lack of any official tourism-related statistics. Thereby, in order to establish current status quo of tourism, consultancy team conducted primary and secondary research as well estimated some data based on a set of assumptions.

At the moment, accommodation sector in South Albania is characterized by a limited choice of accommodation types and dominated by small, midscale accommodation properties, majority of them being family-run hotels and private accommodation establishments. In four designated municipalities there is an approximate number of 16,366 beds in all registered and non-registered accommodation types (84% in Saranda, 7% in Berat, 7% in Gjirokastra and 2% in Permet municipality). While hotel beds account for an average of 75-90% of total accommodation supply in hinterland, in Saranda the accommodation supply in terms of beds is equally distributed between hotels and private accommodation (apartments, rooms for rent, guests houses, etc.).

To analyse tourism demand, consultancy team estimated arrivals and overnights based on data regarding occupancy rates and average length of stay gathered through interviews. Thereby, a total of 681,044 arrivals and 1,803,524 overnights (81% Saranda, 9% Berat, 8% Gjirokastra and 2% Permet) were estimated for year 2017, with a low average length of stay in hinterland of 1.5 nights and 3.2 nights on the coast. There is a notable seasonality pattern in all destinations. Hinterland achieves most of the tourism volume from April to end of October with peak during July and August, and coast in summer period from June to September.

In South Albania foreign guests account for around 70% of total arrivals. Main source markets are Northern and Western Europe as well as USA, with additionally strong Eastern European market in Saranda.

Unlike Saranda, that records high share of families and younger couples, rest of municipalities record higher share of second and third age guests that travel mostly as couples or group of friends.

Dominantly, guests come to South Albania as part of organized touring groups visiting Albania (South and North) or Balkans. They are mostly motivated by history, culture and heritage. But, there are also organized small active and adventure groups engaging in hiking, cycling and horseback riding. In Saranda there is a higher share of individual guests coming for family summer holidays.

Tourism value chain in South of Albania is below average with high potential for further development. Being an emerging destination, South Albania has low exposure towards foreign markets. Thereby, tourists face serious impediments while planning their trip, mostly in terms of image and awareness, available information about destinations, service information, reliable recommendations and inspirational content related to destinations. This is seriously influencing tourism volume and average length of stay.

Another issue of South Albanian tourism offer is accessibility of destinations and points of interest. Albania has poor air connectivity with a broader region, and with only one airport in Tirana, all destinations are accessible only by road that is generally in poor condition, or ferries, if a costal destination. But, even though Saranda is just half an hour from Corfu airport, it can't leverage on this proximity due to low number of ferry and speedboats which frequencies are below market needs.

Tourism development is strongly limited due to complete lack of management system which would give a frame for product development and marketing and would establish a line of communication and cooperation from national to local level. Current local entities managing tourism are administrative tourism bodies with virtually no budget for product development and marketing. Moreover, staff employed there is unskilled, under productive, insufficient in number of specialists that lack basic standard operating procedures (from budgeting to implementation).

In addition to that, there is a weak stakeholder structure in South Albania, with no strong private players that would have knowledge or money to lead a change in process. Public sector, on the other hand, lacks credibility of potential to develop destinations, implement initiatives and spend money adequately, thereby a productive cooperation among public sector and private stakeholders is on a very low level. Private sector has started developing its own tourism offer regardless the lack of public sector leadership, while public sector is still more focused on administrative work, letting tourism happen.

Poor tourism infrastructure is strongest limiting factor for attractive experiences creation and attraction of more individua guests. Even though the resource base is highly competitive, South Albania lacks basic elements on sites and interpretation, which positions the whole offer below international standards. Currently, South Albania is strongly focused on one tourism product, mass market sun and beach, neglecting the professional development of culture and nature-based activities. But, because of the resource appeal, foreign outbound agencies and tour operators' interest for South Albania is increasing.

Gastronomy offer is based on traditional products and as such is a valuable resource that has positive effect on overall tourism offer. However, most of the F&B facilities need to increase their overall service quality and appearance. Moreover, general awareness of local cuisine and products needs to be improved, as well as presentation of dishes and distribution system of local products.

Increasingly, tourism in South Albania is becoming of interest for different donor and financial institutions (GiZ, Risi Albania, World Bank, EBRD, AADF, etc.) that focus on product development, marketing, DMO and branding, but with no coordination. Private stakeholders show to be fed up with different initiatives not showing results or change.

In terms of marketing and branding, there are several branding initiatives for South Albania, but none of them being implemented, while on the municipal level, only Berat has a logo which still has not been fully implemented. Brand awareness of the whole South Albania as well as its destinations is very low or hardly existing. Available printed materials in South Albania are mostly created and managed through different private and NGO initiatives, lacking quality content, suggested itineraries, professional photos and visual appeal. Online presence and visibility of South Albania is still at its beginnings with tourism websites and social media channels in a development stage, with a strong need to be improved and professionally managed.

As a sum-up of conducted research, strong resource base, existing private and public initiatives to develop tourism and existing tourism businesses, with prospect to grow, are key identified strengths for South Albania. On the other hand, poor air accessibility of the broader region, poor internal accessibility of destinations and points of interest, along with weak stakeholder structure and no management system in place are main weaknesses of the region.

Still, a big opportunity for South Albania is the trend of growing demand for undiscovered and emerging destinations, national orientation towards tourism development, empowering Ministry of Tourism and Environment and potential of restructuring National Tourism Organisation and creating a DMO system.

Moreover, huge opportunities are many existing foreign and national initiatives already investing in tourism and improving tourism experiences. But, there are some threats to consider, first one being negative image of Albania that is influencing tourism positioning, competition in the region, further unsystematic development of tourism and negligence of law implementation and control.

In order to exploit on strengths and opportunities, strategic framework was developed for each of the municipality with defined vision, mission and positioning statement. Moreover, primary and secondary products are defined based on identified product development footholds. For each of the municipality growth targets are set based on market development footholds and rationale behind them.

The long-term vision for Berat is defined as following: Berat is a must-visit, year-round Albanian destination where all guests can engage in culture- and nature-based activities in authentic Albanian way.

The mission for Berat is to develop high quality and sustainable nature-based activities in surrounding environment and revive a living culture concept of Albanian arts and crafts through increased attractiveness and activity within historical core of the town, improved liveability of the town, implemented modern interpretation of traditional gastronomy and professionally organized events and entertainment programmes throughout the year.

Market positioning for Berat is defined as: Berat is a unique showcase of 2400 years of multi-layered history and architecture, presented through Ottoman ambience, Albanian traditional art, culture and crafts along with tasteful experience of authentic gastronomy nested within impressive nature, with the tagline: *Get inspired.*

For the next 5-year period, following strategic goals were set:

- Increase number of arrivals from 101,184 in 2017 to 180,000

Over the last 5 years, number of visitors to Castle increased by 11,000 on average annually. With better promotion, stronger image, improvement of tourism offer and better accessibility, it is assumed that this number will grow at a faster rate, thereby reaching 180,000 in 5-year period, which is a growth of 78,816 guests, or 15,736 on average annually.

- Increase the number of beds from 1,143 to reach 3,000 beds;

Current occupancy rate of all accommodation establishments is estimated at 38.8%. With the increase in demand, new accommodation establishments will open to reach 41% occupancy rate on average annually. This rate is comparable to developed year-round destinations. In order to achieve that rate, Berat will need to offer 3,000 beds in all accommodation establishments.

- Increase average length of stay from 1.6 nights to 2.5 nights;

Current average length of stay is low, only 1.6 nights. By creating new motives for visiting and improving existing offer, average length of stay will increase for at least one more day.

- Increase the share of foreign guests from 70% to 80%;

Currently in Berat foreigners account for around 70% of arrivals, i.e. 70,828 guests. As the focus of Berat needs to be put on foreign guests, the goal is to double them in absolute number, i.e. reaching around 140,000 guests, which will account of around 80% of total arrivals.

- Achieve a share of individual foreign guests of at least 30% of total arrivals;

Berat should make significant step forward in the direction of product development and diversification and attracting more individual foreign guests, rather than touring groups. Thereby, the goal is that individual foreign guests account of at least 30% of total foreign arrivals.

- Increase average daily expenditure to reach at least 60 EUR.

According to PIUTD baseline survey conducted by the World Bank, daily expenditure of guests in Berat was 47 EUR. With diversification of tourism offer, new attractions and activities, urban upgrade and more commercial facilities, the expenditure will grow and the goals is the expenditure to increase in order to reach 60 EUR per day.

Berat will primarily focus on developing culture and touring, active and adventure. Secondary products include gastronomy, events and entertainment, MICE and short breaks.

The long-term vision for Permet is defined as following: Permet is an authentic Albanian countryside destination combining experience of unspoiled nature, natural healing thermal springs along with traditional music, food and products.

The mission is to deliver a sense of wellbeing in traditional and rural surrounding through activation of thermal product, creation of a hub for exploring surrounding natural sites and nature based outdoor activities and improved rural tourism competitiveness.

Market positioning for Permet is elaborated in the following way: Experience traditional Albanian warm hospitality and best traditional gastronomy in a small and authentic countryside destination off the beaten path, with the tagline: *Relax and recharge*.

For the next 5-year period, Permet will need to achieve following strategic goals:

- Double the number of arrivals from 17,884 to 35,768;

Permet can double number of arrivals by activating globally competitive tourism resources, primarily thermal springs through thermal hotel/resort, and professionally develop other primary products. Being in the start-up phase, Permet has the possibility for faster growth.

- Increase number of beds by 1,000 beds to 1,362 in different establishments (thermal resort, hotels, campsites, guest houses);

Current occupancy rate of all accommodation establishments is estimated at 21%. With opening of thermal resort, new average annual occupancy rate will need to reach at least 39%. This rate is based on occupancy rates of thermal destinations in developing phase. In order to achieve that rate, Permet will need to offer 1,362 beds in all accommodation establishments, stressing out the importance of building thermal resort that will be a break through and push to the whole destination.

- Increase average length of stay to 4 nights

With the development of thermal product, through sport, wellness or health, Permet has a foundation to attract guests and offer such a service for which people will stay at least one week. Combining average length of stay for all tourism products in Permet, the goals is for guests to stay on average annually 4 nights.

- Open at least one souvenir / gourmet shop and regularly offer at least 2 culinary related experiences;

Currently there are no souvenir or gourmet shops, neither culinary related experiences (cooking classes, engaging in production or preparation of food, etc.) the goal is to open at least one souvenir or gourmet shop that will serve as a distribution channel for local products, and create at least 2 culinary related experiences in cooperation with ProPermet and local producers.

- Increase average daily expenditure to reach at least 55 EUR.

According to PIUTD baseline survey conducted by the World Bank, daily expenditure of guests in Permet was 35 EUR. With diversification of tourism offer, new attractions and activities, higher quality accommodation establishments, professional activation of thermal springs, the expenditure will grow and the goals is the expenditure to increase in order to reach 55 EUR per day.

Being at the start-up phase, Permet will need to focus on developing only primary tourism products, being health and wellness, active and adventure, rural tourism.

For Gjirokastra, following vision was developed: Gjirokastra is the most visited historical city of Albania.

The mission is to showcase different layers of Albanian history through revitalization of the Castle, urban and traffic reconfiguration (intermodal node, pedestrianization, central access square with parking, public spaces, sustainable access to the Castle), modernization and interpretation of cultural heritage, creation of a hub for exploring surrounding natural sites and nature based outdoor activities.

The positioning is defined in as following: Gjirokastra is a boutique Albanian destination showcasing rich and noble history, picturesque scenery, local people unique skills, traditions, isopolyphony and gastronomy, with the tagline: *A privilege to explore*.

For the next 5-year period, Gjirokastra will need to achieve following strategic goals:

- Increase number of arrivals from 97,294 in 2017 to 180,000;

Over the last 5 years, number of visitors to Castle increased by 15,000 on average annually. With better promotion, stronger image, improvement of tourism offer and better accessibility, it is assumed that this number will grow at a faster rate, thereby reaching 180,000 in 5-year period, which is a growth of 82,700 guests, or 16,500 on average annually.

- Increase the number of beds from 1,143 to reach 2,500 beds;

Current occupancy rate of all accommodation establishments is estimated at 36%. With the increase in demand, new accommodation establishments will open to reach at least 38% occupancy rate on average annually. This rate is comparable to developed cultural destinations that still see a seasonality pattern. In order to achieve that rate, Gjirokastra will need to offer 2,500 beds in all accommodation establishments.

- Increase average length of stay from 1.5 nights to 2 nights;

Current average length of stay is low, only 1.5 nights. By creating new motives for visiting and improving existing offer, average length of stay will increase to at least 2 nights.

- Increase the share of foreign guests from 75% to 85%;

Currently in Gjirokastra foreigners account for around 75% of arrivals, i.e. 72,900 guests. As Gjirokastra needs to focus on attracting even more foreign guests, the goal is to more than double them in absolute number, i.e. reaching around 150,000 guests, which will account of around 85% of total arrivals.

- Achieve a share of individual foreign guests of at least 50% of total arrivals;

With the improvement of product portfolio and better connection with the coast, Gjirokastra will attract more individual foreign guests, rather than touring groups. Thereby, the goal is that individual foreign guests account of at least 50% of total foreign arrivals.

- Increase average daily expenditure to reach at least 60 EUR.

According to PIUTD baseline survey conducted by the World Bank, daily expenditure of guests in Gjirokastra was 48 EUR. With diversification of tourism offer, new attractions and activities, urban upgrade and better connectivity with the coast, the expenditure will grow to reach 60 EUR per day.

Gjirokastra will need to firstly put focus on developing culture and touring, as well as active and adventure. Second priority products are gastronomy, events and entertainment, golf and rural tourism.

Vision for Saranda is: Saranda is premium Albanian coastal Riviera destination.

The mission to be achieved is to deliver premium riviera experience through expanding/building nautical product, revitalisation and expansion of the promenade, creative interpretation and storytelling of cultural sites and improved accessibility.

The positioning statement is defined as following: Saranda is the most desired Albanian holiday destination leveraging on crystal clear sea, rich culture and heritage, offering diversified, price competitive experiences, with the tagline: *A place to be*.

In the next 5-year period, following growth targets are set:

- Increase number of arrivals from 464,682 in 2017 to 700,000;

Saranda will increase the number of arrivals by 50% and achieve 700,000 arrivals, which will be a 10% average yearly growth, according to Mediterranean destinations in their developing phase.

- Double the number of beds reach 27,500 beds and diversify accommodation offer;

Current occupancy rate of all accommodation establishments is estimated at 29%. With the increase in demand, new accommodation establishments will open to reach at least 35% occupancy rate on average annually. This rate is comparable to family Mediterranean sun and beach destinations. In order to achieve that rate, Saranda will need to dou32ble the number of beds.

- Increase average length of stay from 3.2 nights to 5 nights;

Current average length of stay is below average Mediterranean destinations. By professionally developing tourism products, creating new motives for visiting and improving image, the average length of stay should come to Mediterranean average of 5 days.

- Increase the share of foreign guests from 75% to 85%;

Currently in Saranda foreigners account for around 75% of arrivals, i.e. 350,000 guests. The goal is to increase the share of foreigners, i.e. reaching around 590,000 guests, which will account of around 85% of total arrivals.

- Increase average daily expenditure to reach at least 130 EUR

According to PIUTD baseline survey conducted by the World Bank, daily expenditure of guests in Saranda was 118 EUR. With diversification of tourism offer, new attractions and activities, new marina, quality improvement and attraction of higher income guests, the expenditure will grow to reach 130 EUR per day

Saranda, as most developed among South Albanian destinations, will develop sun and beach, nautical and cruising, culture and touring as primary tourism products, along with secondary being gastronomy, events and entertainment, MICE, active and adventure and golf.

A joint vision for South Albania is developed as following: South Albania is a must visit, year-round destination, a synonym for unique blend of coastal and hinterland ambience. Here, where rich heritage meets scenic nature, guests can engage in diversified activities and create everlasting memories based on traditional gastronomy, events and rural experiences.

The mission of South Albania is to build positive image and create awareness through: Creation of tourism brand and professional management, development of tourism products in synergy with private and public sector and professional marketing of South Albanian tourism on target international markets.

Market positioning is defined as following: South Albania is a hidden gem of Balkans, a destination that combines coastal and hinterland landscape, offers diversified experiences in urban and rural surrounding and inspires guests to explore rich culture, history and UNESCO heritage, taste traditional cuisine, engage in outdoor activities and feel warm hospitality of Albanian people, with a tagline: *The experience of authentic Albania starts here*.

Primary products that will need to be developed are: culture and touring, active and adventure, rural tourism, sun and beach, nautical and cruising, health and wellness.

CHAPTER 1

Tasks and Procedures

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1. TASKS AND PROCEDURES

1.1. TASKS

- Project tasks are defined by Scope of Work in a following way:
  - Give an objective overview of current market status of Berat, Permet, Gjirokastra and Saranda;
  - Objectively assess current tourism status, including tourism supply (accommodation and attractions) and demand (arrivals, overnights, customer segments, source markets, average length of stay, etc.) of Berat, Permet, Gjirokastra and Saranda;
  - Assess current status of tourism value chain by each component for designated municipalities with identification of key strengths and improvement leverages;
  - Identify key tourism stakeholders in each municipality, their possibilities, interests, needs and limitations;
  - Give a realistic overview of existing brands and marketing activities in Berat, Permet, Gjirokastra and Saranda;
  - Identify current tourism products that are commercialized within each of the designated municipality;
  - Define a strategic framework for development of each municipality and identify realistic 5-years growth goals.

1.2. PROCEDURES

- In order to successfully complete the Project, the Consultant has undertaken following procedures during the course of the Project:

  1. **Secondary data analysis based on available sources:**

  - Collection process and analysis of available tourism statistics on national and municipal level from Albanian sources (Ministry of Tourism and Environment, Albanian Tourism Organisation, Ministry of Culture, National Agency of Protected Areas, Municipalities, INSTAT etc.);
  - Collection process and analysis of available tourism statistics on national level from international sources (UNWTO, WTTC, Eurostat etc.);
  - Analysis of Horwath HTL tourism database;
  - Analysis of other secondary reports and researches (Bank of Albania, WB, IMF etc.);
  - Analysis of printed materials from each municipality;
  - Analysis of existing tourism brands via available brand strategies or brand books;
  - Analysis of tourism websites and social media accounts for each municipality.

  2. **Primary data collection and analysis:**

  - Interviews with various public (ADF, Municipalities, cultural institutions, tourism organisations, ministries, national agencies etc.) and private (hotels, restaurants, tour operating companies, etc.) sector representatives;
  - Analysis of data collected and creation of findings from all conducted interviews;

- Personal visits to key points of interest and attractions;
- Mystery guest visits to key attractions, restaurants, tourism info centres and accommodation establishments;
- Survey and personal interviews with foreign outbound tour operators.

3. **Multiple site visits to Designated Municipalities by Key Experts and team members**
4. **Steering Committee Meeting**
5. **Municipal Level Workshops**
6. **Multiple internal team project workshops conducted in Zagreb, Belgrade and Tirana**
7. **Multiple internal conference workshops**
8. **Collaborative approach and cooperation/consultations with ADF**

CHAPTER 2

Internal and tourism market analysis

Hotel, Tourism and Leisure

2. INTERNAL AND TOURISM MARKET ANALYSIS

In order to assess current state of four designated municipalities, internal and tourism market analysis was conducted via primary and secondary research. Generally speaking, accurate and reliable data on basic tourism-related statistics just partially exists on national level. However, it must be strongly improved in order to meet international level of industry transparency and comparability standards. On the other hand, when coming to regional and destination level, there is a complete lack of any official tourism-related statistics. The database records provided by the Ministry of Tourism and the municipalities are inconsistent on recording tourism related data set. Thereby, in order to gather all available data, part of it was gathered from the Ministry of Culture, Tourism and Environment, municipalities and National statistics. Additionally, official municipal documents were consulted, a secondary research on TripAdvisor, Booking.com, and Google Maps was done. Moreover, Consultant has conducted primary research via interviews with key municipal stakeholders to gather some additional data. Still, many of the data, especially connected with tourism statistics, needed to be approximated and estimated based on different assumptions for each of the destinations, as shown in the analysis.

2.1. BERAT

General overview of the destination

Berat is a municipality located in south-central Albania and its centre is the Berat city. The territory of Berat Municipality is developed on the two sides of Osumi River and is generally composed of mountainous and hilly terrain. The city is surrounded by two mountains, on the western side Shpiragu Mountain with a height of 1,218 m and on the eastern side Tomorri Mountain 2,417 m high.

The Municipality was formed at the 2015 local government reform by merging previous Municipality of Berat and the communes of Roshnik, Otllak, Sinje and Velabisht.

Berat is accessible only by road, which is not in good condition. The main access road to Berat town, linking also local settlements, is from the highway Tirana-Fier. Distance from Tirana Airport to Berat is 118 km and from Vlora to Berat is 96 km. The road access to Tomorri Mountain National Park is in bad condition. A 64 km long access road from Berat to Corovode, the centre of Skrapar Municipality, provides access to Osumi Canyons. From Berat there is also a road access to the towns of Kelcyra and Permet, but the road is in bad condition.

Berat Municipality has an intense intercity transport with the following urban centres: Tirana (15 times per day), Kucova (10 times per day), Vlora (6 times per day) and Fier (5 times per day). The bus terminal of Berat has a capacity of 50 buses and is located at the entrance of the city. The taxi service is offered by private taxi drivers.

The climate of Berat is typical Mediterranean characterized with a mild and wet winter and a hot and dry summer. The average annual temperature is 15.9 °C with January being the coldest month with the lowest average temperature of 7.2 °C. The average annual rainfall quantity is 928 mm, with October and November being the wettest months. The favourable climate with around 300 sunny days and 2,500 sunny hours a year allows tourism to be enjoyed almost throughout the whole year.

The 2400 years old ancient town of Berat, with its medieval castle from 13th century, is renowned as 'the town of a thousand and one windows' and white houses. In July 2008, the Historical Centre of Berat was inscribed on the UNESCO World Heritage List as a historic complex that conveys well preserved traditions of Ottoman medieval architecture style, arts, crafts and faith, inherited through centuries. The Historical Centre is composed of three distinct areas: (i) the castle quarter; (ii) Mangalem quarter at the foothill of the castle; and (iii) Gorica quarter, on the south bank of the River Osumi. Osumi Canyons and Tomorri Mountain National Park are two additional distinctiveness of Berat Municipality offering possibilities for adventure and nature-based tourism activities.

According to the economic data (National statistics), the GDP in current prices for 2015 in the Berat Region was 389 million EUR. GDP per capita was estimated at 2,841 EUR, and was lower compared to the national GDP per capita that was 3,547 EUR.

In 2017, according to INSTAT there were 3,633 registered businesses in the Municipality of Berat, out of which 56.9% were businesses relying on services (trade, transport and storage, accommodation and food service, information and communication, other services). 33.9% of registered businesses were engaged into agriculture, forestry and fishing businesses and 9.2% in industry and construction.

In 2015, key economic sectors in Berat Region were agriculture, forestry and fishing, contributing with 51.1% to the regions' GDP, followed by public administration and defence, compulsory social security, education, human health and social work activities (11.3%), wholesale and retail trade, repair of motor vehicles and motorcycles, transportation and storage, accommodation and food service activities (11.2%) and mining and querying, manufactured products, electricity, gas, water and waste management (11.2%). Arboriculture has an important place in the overall agriculture production for Municipality of Berat, where peaches, apricots and cherries are one of the most common products. Olive groves and wine making is becoming the main landmark, having both positive impacts on economy and tourist image.

According to Territory Development Plan for Berat Municipality, the total population, as referred by new administrative composition and INSTAT, is 60,342 (2015) in a total area of 379.98 km^2, while the Berat Region recorded 142,679 inhabitants.

The average age of population for the year 2015 was 38 years. The age group 15-64 years old represents 69% of the Municipality population, while the age group 0-14 years' old represents19%.

There are only 42% of people older than 15 years that completed primary education, which is lower compared to the national average (52.1%). Moreover, 12.5% completed secondary, university and postgraduate education, which is higher compared to the national average (11.8%).

The employed people structure in the Municipality of Berat is as follows: 41.6% employed people in the service sector, 39.4% in agriculture and 18.9% in industry. The town of Berat has the highest number of the employees in services with 66.9% (national average 53.5%) and industry with 29% (national average is 20.4%). The highest number of people employed in agriculture is in Roshnik administrational unit with 89.5%.

Berat Municipality has a high unemployment rate of 32.9% for the age group 15-64 years old (national average is 29.3%) and the highest unemployment rate of 60.2% for the age group 15-24 years old (national average is 53%). Berat County is facing a high rate of migration. For the year 2014 there were 30% of new comers compared to 70% of people moving out.

Tourism supply

Considering the existing accommodation capacities in registered establishments and the additional ones identified through online platforms, it results with an approximate number of 1,143 beds present on the market in Berat Municipality. Most of them are small hotels, accounting for 75.4% of total supply, and guesthouses adopted in the renovated old Ottoman style houses in the Castle, Mangalem and Gorica quarters. The accommodation businesses are mostly small and medium enterprises run as family businesses.

Table 1 Registered and identified capacity of accommodation establishments in Berat

Type of establishment	Number of establishments	Approximated number of beds	Accommodation structure in %
Hotels	35	862	75.4%
Hostels	4	60	5.2%
Motels	2	30	2.6%
Guesthouses	30	151	13.3%
B&B	4	20	1.7%
Apartments	4	16	1.5%
Homestay	1	4	0.3%
Total	**80**	**1,143**	**100%**

Source: Berat Municipality, authors search - Booking.com, Trip Advisor and Google Maps (15.06.2018)

In Berat, there are only 4 hotels with 281 beds (in 145 rooms) that record higher bed capacities per hotel from 53 beds up to 90 beds. The rest of 19 hotels have 341 beds in 161 rooms, with an average of 18 beds per hotel which is insufficient to accommodate one touring bus.

According to Berat Tourism Strategy 2011-2021, in 2010 Berat had 13 hotels with 154 rooms and 318 beds, along with 4 guest houses. Compared to 2010, in 2018 the total number of accommodation establishments is almost 5 times higher, while the number of hotels increased by 171%.

According to the data for Berat in the publication of CHERPLAN project on "Planning, Managing and Monitoring Cultural Heritage Sites in South East Europe" the ADR in the hotels was 25 EUR in 2012. Referring to the interviews carried out with the accommodation establishments during the field mission the ADR increased by 60% and accounted for 40 EUR.

Berat key attractions

Berat attractions can be summarized as following:

Cultural attractions	
UNESCO World Heritage List	Berat's Historical Centre: - Mangalem, Medieval Quarter (old religious monuments of Bektashi sect) - Gorica (ruins of Gorica castle, Gorica bridge) and - Castle (as well Acropolis and Water cistern within its walls) The Codices of Berat
Museums and galleries	"Onufri" – Iconographic Museum, Ethnographic Museum, Art Gallery "Edward Lear"
Sacral heritage attractions	
Churches and monasteries	Cathedral of Sleeping St. Mary (18th century) in the castle, Church of Saint Mary Vlaherna (13th century), Church of Saint Nicola (16th century), Church of Saints Constantine and Helen (17th century), Church of the Holy Trinity (13th- 14th century), Church of Saint

	Demetrius (16th - 17th century), Church of Saint Theodore (16th century), Church of St. Michael (13th century), Church of Saint Elijah, Monastery of St. Spiridon (18th century), St. Thomas's Church (18th century)
Mosques	Red Mosque (15th century), King's Mosque (15th century), Bachelor's Mosque (1827), Leaden Mosque (16th century), Tekke of Helveti (15th century), Tekke of Kulmak at the top of Tomorri Mountain.
Natural attractions	
Mountains	Tomorri Mountain National Park Shpiragu Mountain
Rivers and canyons	Osumi river and canyon, Gradek canyon, waterfall of Sotira
Gastronomy	
Infrastructure	42 restaurants (23 registered, 19 additional from TripAdvisor), wine tasting rooms
Cuisine	Traditional and Mediterranean
Local ingredients	Vegetables, fruits, dairy products, meat, olives and olive oil, wine
Events	
Cultural	The Carnivals in Berat, Art Colony in Berat, Weekends in Berat, The Friendship Days, The Multicultural Festival, The Song Marathon, Summer and Oranges, Folk Air Festival, BID DAY, The White Night
Gastronomy	Feast of the Grape
Other	Berat-Enduro Summer Fest

Tourism demand

Statistics regarding demand does not exist, thereby all the data needs to be estimated. Arrivals and overnights were estimated based on data regarding occupancy rate and average length of stay gathered through interviews. Thereby, a total number of 101,184 arrivals in Berat were estimated for the year 2017 with a total of 164,192 overnights. On annual basis, people stay in Berat 1.6 nights on average. The average occupancy of the accommodation establishments in Berat is reflecting the seasonality pattern. Occupancy rates are around 70-80% at the peak months, around 50-60% at the shoulder months and very low, 5-10% at the winter months as a number of businesses operates seasonally and close in the winter.

The only trusted statistics regarding the number of visitors are those recorded from the electronic ticketing in the Castle and two national museums. The table below shows number of visitors to the Castle and two other national museums from 2013-2017.

Table 2 Visitors to the national cultural attractions in Berat

Key attractions	2013	2014	2015	2016	2017
Ethnographic Museum	2,359	4,133	4,391	4,556	6,450
Onufri Iconographic Museum	5,515	10,961	20,241	24,262	34,606
Castle	22,697	34,159	45,747	59,327	74,019
Total visits	**30,571**	**49,253**	**70,379**	**88,145**	**115,075**

Source: Institute of Culture Monuments

Number of visits to the national cultural attractions is increasing 39% on average annually, with the highest increase in 2014 compared to 2013. Moreover, visits to Onufri Iconographic Museum are increasing more rapidly compared to others.

According to the Ministry of Culture, in the period from January to April 2018, the total number of visitors to the Castle was 27,468 with an increase of 77% compared to the same period of 2017.

Table 3 Visitors to the national cultural attractions in Berat, year 2017

Key attractions	Domestic	Foreigners	Visitors with no tickets	Total Visitors
Ethnographic Museum	1,213	4,256	981	6,450
Onufri Iconographic Museum	7,786	25,247	1,573	34,606
Castle	26,590	42,350	5,079	74,019
Total visits	**35,589**	**71,853**	**7,633**	**115,075**

Source: Institute of Culture Monuments

In 2017, there were 38% domestic visitors to the Castle and 57% foreigners while the rest (5%) were visitors without tickets. Moreover, foreigners account for a larger share of visitation in Ethnographic and Iconographic museum with a share of 66% and 73% respectively.

Table 4 Visitors to the Berat Castle from 2013 to 2017 (only visitors with tickets)

Visitors	2013	2014	2015	2016	2017
Domestic	8,716	12,415	16,568	21,170	26,590
Foreign	13,981	21,744	28,753	37,384	42,350
Total Visitors	**22,697**	**34,159**	**45,321**	**58,554**	**68,940**

Source: Institute of Culture Monuments

In the period observed, total number of visitors to the Berat Castle grew annually by 32% on average.

National Agency for Protected Areas has counted some 1,600 visitors frequented Osumi canyons for rafting. While, according to the information provided by Albanian Rafting Federation1 some 17,000 tourists participated in rafting and river cannoning in 2017.

The seasonality in Berat is not as sharp as in coastal destination. Still, there is a notable seasonality pattern, beginning from April to end of October with peak during summer period July – August and shoulder season in spring and autumn with more organized groups (70-80%) and individuals all year round.

According to the interviews with tourism businesses during the field mission in Berat, two groups of guests were identified:

- Overnight tourists:

[1] EBRD 2018, Albania Tourism Development Scoping Study, Horwath HTL

- Individuals with overnight in Berat town visiting historic area of Berat town. They mostly stay 1 night;
- Package tours of foreign tourists with one overnight in Berat coming with the purpose of visiting historic area of Berat town;
- Business tourists with overnight in Berat town;
- Individuals and package tours spending from 1 to 3 nights in Berat town with the purpose of active and adventure activities in nature (visiting Osumi Canyons, Tomorri National Park);
- Pilgrim tourists who participate in pilgrimages at Kulmaku Tekke (Tomorri Mountain).

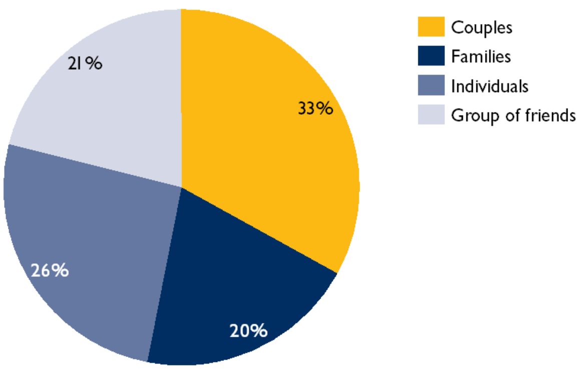
- Same day visitors:
  - Individuals and Package same day tours visiting historic area of Berat town.

According to the interviews done with tourism businesses during the field mission in Berat, the main source markets are Western Europe (Italy, Germany, Austria, France and Britain), followed by Scandinavian markets and Eastern Europe (Poland, Czech Republic). International markets account for around 70%. The rest are Albanians (Albanian citizens, Albanian expatriates and Albanian citizens of Kosovo). Guests come both in organized package bus tours and individually in small groups of friends. Average age of foreign tourists visiting historic area is above 45 years.

According to PIUTD baseline survey conducted by the World Bank, daily expenditure of guests in Berat was 47 EUR.

According to the recent Tourism Analysis for Berat[2], tourists visiting Berat mainly belong to the group of 25-64 years old.

Graph 1 Guests segments traveling to Berat (in %)



Source: Draft Brand Strategy for Berat (Albania Rafting Group)

33% of guests travel as a couple, 20% with their families, 26% travel alone and 21% with friends.

A market survey conducted from April to May 2010 (for the needs of Berat Tourism Strategy 2011-2021) with tour operators, hoteliers and visitors, revealed that the guest structure of Berat in 2010 were Europeans (55%), Albanian expatriates (29%), other foreign tourists (including Asia, America) and domestic market (8%). Majority of guests were older than 45 years. It is visible that guest structure has slightly changed in favour of foreigners compared to year 2010.

According to the publication of CHERPLAN project on "Planning, Managing and Monitoring Cultural Heritage Sites in South East Europe", average length of stay in 2012 was 2.1 nights.

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2 Draft Brand Strategy for Berat (Albania Rafting Group)

There are differences in guest behaviour and motives for travel:

- Western Europeans mostly visit historic area and are older than 40 years of age. They come mostly in organized groups from April to the end of October (70%).
- Rafting in Osumi canyons is limited from February to November. Albanians come for rafting from February to April, mostly on weekends, while foreigners come from May to August. Foreigners participating in nature-based activities are mostly coming from Italy, Poland, Czech Republic, Switzerland, Netherlands, Norway, Sweden and Israel. Tourists visiting the canyons are on average 18-50 years old and travel as couples.
- Another segment, practicing rafting in Osumi canyons are Albanian companies and international donor agencies coming to Berat for Team building activities.
- Hiking is another nature-based activity performed in Tomorri National Park and this activity is organized from April to end of October.
- Pilgrimage of Albanians in Kulmaku Tekke of Bektashi sect at the top of Tomorri Mountain is organized each year, 20-25 August.
- In the summer season, families with kids from Norway, Sweden and Italy come during the week days for rafting or horseback riding with average length of stay of 4 nights.

According to the interviews done with restaurants during the field mission in Berat, the average check payed by tourists in the restaurant was 5-9 EUR for individuals with starter and main dish and 8-10 EUR for groups with 3 course menus with bottle of water. Referring to CHERPLAN project on "Planning, Managing and Monitoring Cultural Heritage Sites in South East Europe", the expenditure in 2012 was 20 EUR/day.

2.2. PERMET

General overview of the destination

Permet Municipality is located in south-eastern part of Albania and its centre is the Permet city. It belongs to the Gjirokastra County. The Municipality was formed at the 2015 local government reform by the merger of the previous Municipality of Permet and the former communes of Çarçovë, Frashër, Petran and Piskovë Center, which now are administrative units. The area of the Municipality is 601.95 km^2 and 49 villages are part of it.

Permet city centre has gone recently through an urban renovation of a new reconstructed city centre and pedestrian area offering a suitable space for social life and tourist activities.

Permet has road access along the Vjosa River from both sides, linking it with the road SH4 Levan-Gjirokastra and on the other side with the road SH75 Leskovik-Erseke-Korca. Distance from Permet to Gjirokastra is 60 km, while distance to the Greek board is 35.5km. Two local road segments link the village of Frashër with the main road to Permet city: 1) dirt road that passes through the territory of Fir of Hotove-Dangelli National Park (poor and not well maintained) and 2) road from Permet city passing near Benja thermal pools. The road distance between Permet city and the rangers' hut of Fir of Hotove-Dangelli National Park is 27 km. Benja thermal pools have a good road access from Permet city with a distance of 13 km. The rest of the roads access to the majority of the Municipality's villages is very bad or with no road connections.

The intercity transport is based on the activity of licensed transport companies. The taxi service is offered by private taxi drivers.

The territory of Permet Municipality is dominated by a hilly-mountainous terrain with evident and drastic changes in climate condition with increase of altitude. The winter is cold and the summer is fresh. The precipitation is abundant during the year, mostly during autumn and winter. There are 206 rainy days, while quantity of the precipitation is 1,853 mm per year. The average temperature in January is 6^{0}C, while the average temperature in August is 28^{0}C. Permet records a total of 3,094 sunny hours yearly.

Permet Municipality, due to its location in the extreme south-east of the country, belongs to the very authentic and still less developed region of Albania. Within the urban structure of Permet town there is the "Historic Centre" preserved with its narrow-cobbled paths and examples of vernacular stone architecture. Also, some of the villages still preserve the character of the vernacular stone architecture.

The city has a rich cultural heritage and preserves many of its traditions and customs. Permet is known for the traditional lyric songs accompanied by "saze" band instruments, hospitable people and distinguished cuisine, especially production of *gliko*, wine and *raki*.

The Fir of Hotova-Dangelli National Park is another distinctiveness of Permet Municipality offering possibilities for adventure and nature-based tourism activities. The Thermal Waters in Benja flow naturally and rise to the surface in the form of six natural bathtubs with curative effects.

In 2017, according to INSTAT there were 767 registered businesses in the Municipality of Permet, out of which 45% were businesses relying on services (trade, transport and storage, accommodation and food service, information and communication, other services). 45.1% of registered businesses were engaged into agriculture, forestry and fishing businesses, 9.9% in industry and construction.

Although the service sector represents the highest employment rate, agriculture represents the main economic sector and is characterised by small scale development. Fruit trees in the mountainous area and vineyards in the valley are characteristic for Permets' agriculture. Also, livestock farming, together with agriculture, is one of the main economic sectors for the rural population of the Municipality. Agro-industry is mainly based on processing of *gliko*, jam, wine and *raki*. Although this sector employs a small percentage of the population, it is considered as a great opportunity for the economic development of the Municipality. The municipal territory is rich in medicinal plants too.

According to the Draft Territory Development Plan for Permet Municipality, the total population, as referred by new administrative composition (Census 2011), is 9,868 inhabitants (2016) in a total area of 601.65 km^2. Administrative Unit of Permet accounts for more than 55% of the population of the Municipality, while the administrative units of Çarçove and Frashër have the lowest number of inhabitants, not exceeding 900 inhabitants per administrative unit.

The average population density of the Municipality of Permet is very low with about 16 inhabitants per km^2, a value six times lower than the average national density of 97 inhabitants per km^2, while the city of Permet has the highest population density with 2,888 inhabitants per km^2.

According to the Draft Territory Development Plan for Permet Municipality, the age group 15-64 years old accounts for 65% of the Permet population, while the age group 0-14 years old represents 12% and the age group older than 65 year of age represents 23%. Permet administrative unit records the highest value with 38% of the unemployed working age population. Unemployment mainly affects young people, as 60% of the 15-24 age group of Permet Municipality is registered as unemployed, exceeding the national average of 53%. The administrative units of rural character, such as Çarçovë, Frashër, Piskove Centre and Petran, have an unemployment rate of not more than 20%.

Permet Municipality is facing a high rate of migration. A considerate number of people migrate from rural to urban areas and Greece. As referred to the Draft Territory Development Plan for Permet Municipality, according to Census data 2001 and 2011 it is shown that 28.6% of the current resident population of Permet Municipality has migrated within a 10-year period. While comparing the data from Census 1989 with those of 2011, this figure is around 35.4%.

Tourism supply

According to the data provided by the Ministry of Tourism and identified additional accommodation establishments via online travel platforms, there are 14 hotels and 7 guesthouses in Permet Municipality with a total of 362 beds capacity, out of which 90% is in hotels.

Table 5 Registered and identified capacity of accommodation establishments in Permet

Type of establishment	Number of establishments	Number of beds	Accommodation structure in %
Hotels	14	326	90%
Guesthouses	7	36	10%
Total	**21**	**362**	**100%**

Source: Ministry of Tourism and Environment, authors search - Booking.com, TripAdvisor and Google Maps (15.06.2018)

The accommodation businesses are mostly small and medium enterprises run as family businesses.

Referring to the interviews carried out with the accommodation establishments during the field mission, the ADR was 25 - 35 EUR for double rooms and 45-55 EUR for suites.

Permet key attractions

Permet attractions can be summarized as following:

Cultural attractions	
Monuments	Permet's Historical Centre (old quarter), Castle of Belonge, Bridge of Kadiu, Bridge of Ram (Dashit)
Museums	Museum House of the Frashër Brothers Hall of the Congress of Permet
Vernacular architecture	Villages: Borockë, Benja, Buhal, Kosinë, Leusë, Lipë, Lliar, Ogdunan, Kosovë
Sacral heritage attractions	
Churches	St. Mary Church of Leuse, St. Mary Church of Kosina, St. Mary Church of Benje, Church of St. Premtes, Church of Dëllia in Buhal
Tekkes	Tekke of Alipostivan, Tekke of Frashër, Tekke of Permet
Natural attractions	
Mountains	Fir of Hotove-Dangelli National Park Dhëmbel (peak 2,080 m) - Nemërçkë (2,585 m, Peak of Papingu) Mountains ridge, Dhëmbel Mountain
Rivers and canyons	Vjosa River, Lumnica River and Kamencka's canyon, Lengarica stream and canyon, Çarçovë stream, Sopoti waterfall, Black water source of Këlcyra
Water sources	Benje Thermal Water sources
Monuments	City Stone

Gastronomy	
Infrastructure	8 restaurants, wine tasting rooms, cheese tasting room, *gliko* tasting room
Cuisine	Traditional and Mediterranean, *Gliko*, wine, *raki*
Local ingredients	Vegetables, honey, fruits, dairy products, meat Authentic grape varieties: Debin, Sinambel and Pulezi
Events	
Cultural	Multicultural Festival
Gastronomy	Wine Festival
Honor of Permet	
Personalities	Frashëri Brothers (Albanian Renaissance), soprano Tefta Tashko Koço (1910 – 1947), master of "saze" Laver Bariu (1929 – 2014)

Tourism demand

In order to estimate number of visitors and overnights, occupancy rates and average length of stay, found out during interviews, were used. Thereby, a total number of 17,884 arrivals in Permet were estimated for the year 2017 with a total of 28,424 overnights. Average length of stay in Permet is 1.6 nights on whole year basis. The average occupancy of the accommodation establishments in Permet is reflecting the seasonality pattern. Occupancy rates are around 50% during the peak months, around 40% during the months of June and September and very low during the spring and winter months. A number of businesses operate seasonally and mainly close in the winter.

The seasonality in Permet is considered as sharp and there is a notable seasonality pattern, beginning from June to the end of September with peak in July and August. There are more organized groups (60-70%) from April to end of October, with peak during June to August, and more individuals in the period June to August.

According to the interviews with tourism businesses during the field mission in Permet, two groups of guests were identified:

- Overnight tourists:
    - Individuals, mostly Albanians, with overnight in Permet town with the purpose of visiting Benja thermal baths, relaxation and gastronomy. They mostly stay 1-2 nights and some up to one week.
    - Package tours of foreign tourists with one overnight in Permet coming with the purpose of visiting culture and sacral heritage, Benja thermal baths, town tour (old quarter) and possibly visiting a vinery, cheese factory and *gliko* factory;
    - Individuals and package tours spending 2-4 nights in Permet town with the purpose of active and adventure activities in nature (hiking, cycling, rafting, trekking);

    - Pilgrim tourists who participate in pilgrimages at Alipostivan Tekke (14th of May) and also those visiting the churches.
    - Business tourists with overnight in Permet town;
- Same day visitors:
    - Individuals and Package same day tours of foreign tourists coming with the purpose of visiting culture and sacral heritage, Benja thermal baths, town tour (old quarter) and possibly visiting a vinery, cheese factory and *gliko* factory;
    - Individual, mostly Albanian same day visitors coming to enjoy gastronomy and visit Benja thermal baths.

According to the interviews done with tourism businesses during the field mission in Permet, the main source markets are Western Europe (Germany, Austria, France, Netherlands, Italy, etc.) and Eastern Europe (Poland and Czech Republic). The rest are Albanian citizens and expats.

There are differences in guest behaviour and motives for travel:

- Tourists who stay in Permet are mostly adventure tourists, visiting the National Park, do rafting in Lengarica canyon and also visit thermal baths.
- Foreign individuals' motives are mainly connected with cultural and sacral heritage with active nature-based activities.
- During July and August domestic Albanians stay longer, even for a week because they visit Benja thermal baths.
- Tourists traveling in tours organized by travel agencies for active adventure are younger, while individuals are mixed.
- Tourists traveling in tours organized by travel agencies for the purpose of visiting culture and sacral heritage are 60% third age travellers while the rest is a mix of generations.

According to PIUTD baseline survey conducted by the World Bank, daily expenditure of guests in Permet was 35 EUR.

According to the interviews done with restaurants during the field mission in Permet, the average check paid by individual tourists in restaurants is 7-12 EUR and for groups is 15 EUR for 3 course menus.

2.3. GJIROKASTRA

General overview of the destination

Gjirokastra Municipality is located in southern part of Albania and its centre is Gjirokastra city. The territory of Gjirokastra Municipality is composed mostly from a mountainous and hilly terrain, as well as rivers valley plains. The Municipality was formed at the 2015 local government reform by merging previous Municipality of Gjirokastra and the communes of Cepo, Lazarat, Picar, Lunxhëri, Odrie and Antigonea. The area of the Municipality is 469.25 km^2 and 38 villages are part of it.

Gjirokastra is accessible only by national road in a very good condition. The main access road to Gjirokastra town, linking it also with neighbouring municipalities of Tepelene, Libohove and Dropull as well as the local settlements, is made from the highway SH4. This national highway links the Municipality from north with the road SH8 coming from Tirana, from the south with the road towards Saranda and more in south with border cross point of Kakavia with Greece. Another access road construction, through Kardhiqi valley and Kalasa valley, has begun and is planned to link Gjirokastra and Saranda by shortening the travelling distance and time.

The distance from Tirana Airport to Gjirokastra is 218 km, from Saranda to Gjirokastra 55 km, from Vlora to Gjirokastra 126 km and from Permet to Gjirokastra 59.4 km, while the distance from Gjirokastra to Ioannina Airport (Greece) is 83.3 km.

The local settlements (villages) are linked with paved roads but generally the local roads are in a very bad condition, most of them are very narrow dirt roads. The main cultural heritage sites in the nearby area (Antigonea Archaeological Park and the Church of Saint Mary "Labova e Kryqit) are accessible by asphalted roads.

Gjirokastra Municipality has an intercity transport with the urban centres of Tirana, Saranda, Vlora, Korce and Permet. According to General Local Development Plan for Gjirokastra[3] the bus service links Gjirokastra town with the following local destinations to: Lazarat, Sofratike, Zagori, Libohove, Polican and Kakavije.

The climate of Gjirokastra Municipality is characterized as Mediterranean. The average annual temperature for Gjirokastra is 14.4°C. There is a high humidity in territory of Gjirokastra Municipality along the Drinos River valley; the annual rainfall quantity is between 1,600 and 2,000 mm. The mountains are covered by snow in the winter. The average annual temperatures in mountainous areas reach 8-10°C, with January recording the lowest average temperature of 1-2°C and July with the highest temperature of 20°C.

The old city of Gjirokastra is developed at the slopes of the hills surrounding the Castle. The old city of Gjirokastra, adopted as a "Museum City" by the Albanian government in 1961, was declared a UNESCO's World Heritage Site in 2005, described as "a rare example of a well-preserved Ottoman town". The old town, known as the historic centre (the neighbourhoods of Old bazaar, Palorto, Varosh, Meçite, Dunavat, Manalat, Cfakë, Pllakë), features a series of outstanding two-story stone houses which were built in the 17th century, a Bazaar, an 18th century mosque, and two churches of the same period. The National Folklore Festival is held every five years at the castle garden. Except the historic area, the territory of Gjirokastra Municipality and other neighbouring areas have the potential for active nature-based tourism activities, too.

According to INSTAT, the GDP in current prices for 2015 in the Gjirokastra Region was 247.4 million EUR. GDP per capita was estimated at 3,596 EUR, and it was higher compared to the national GDP per capita that was 3,547 EUR.

In 2017, according to INSTAT there were 2,122 registered businesses in the Municipality of Gjirokastra, out of which 62.5% were businesses relying on services (trade, transport and storage, accommodation and food service, information and communication, other services). 30% of registered businesses were engaged into agriculture, forestry and fishing businesses and 7.5% in industry and construction. According to General Local Development Plan for Gjirokastra referring to INSTAT data, the weight of these sectors in 2011 was respectively 66.7%, 24.6% and 8.7%, showing a 5.4% increase of the agriculture sector in 2017 compared to 2011.

Rural areas of the Municipality play a major role in socio-economic development with livestock and agriculture being the main economic activities. The main agriculture products are fruits and vegetables and recently there is an increase of vineyards in the areas of Picari and Lunxheria. The rural area is known for its cattle breeding and qualitative livestock products. Livestock farming in Gjirokastra Municipality is based in small family farms. Tourism services have increased significantly, especially in the city of Gjirokastra, following the year 2005 when Gjirokastra was inscribed as a UNESCO site.

[3] Approved by the Decision of National Territory Council No 1, date 08.02.2017

According to Census 2011, the Gjirokastra Municipality had a total population of 25,301 inhabitants at a territory of 469.25 km^2 and had a density of 53.91 inhabitants per km^2. According to the latest census, between 2001 and 2011, Gjirokastra lost 14% of their urban population because of emigration.

Tourism supply

According to the data provided by the Ministry and additional establishments identified via online travel platforms, there are 40 hotels, 4 hostel, 36 guesthouses, 3 B&Bs and 2 campsites in Gjirokastra.

Table 6 Registered and identified capacity of accommodation establishments in Gjirokastra

Type of establishment	Number of establishments	Number of beds
Hotels	40	935
Hostels	4	60
Guesthouses	36	100
B&B	3	16
Camping sites	2	-
Total	**85**	**1,111**

Source: Ministry of Tourism and Environment, authors search - Booking.com, TripAdvisor and Google Maps (15/6/2018)

According to the list of the accommodation establishments provided by the Ministry of Tourism, in Gjirokastra there is only 1 hotel with 80 beds in the centre of the old town and 2 others with 60 beds each in lower part of the city and they account for 21.4% of the total hotel capacities in Gjirokastra.

Some 55 small hotels and guesthouses are located in the historic area. Most of them are adopted in the renovated old Ottoman style houses. The accommodation businesses are mostly small and medium enterprises run as family businesses.

Referring to the interviews carried out with the accommodation establishments during the field mission, the accounted ADR for upscale hotels is 45-60 EUR, for mid-range hotels is 30-45 EUR and for hostels is 11-13 EUR.

Gjirokastra key attractions

Gjirokastra attractions can be summarized as following:

Cultural attractions	
UNESCO World Heritage List	Gjirokastra's Historical Centre: - Bazaar - Castle Isopolyphonic music
Monuments	The Big Bridges of Dunavat, Hammam and the Seven Springs, Antigonea Archaeological Park, Paleokastra castle, Kardhiq castle, Castle of Libohova, Kollorca bridge, Roman amphitheatre ruins of Adrianopoli, Ruins of ancient theatre in Sofratikë,
Vernacular architecture prototypes	Zekate house, Skenduli house, Babameto house, Babaramo house, Ismail Kadare house, Inn of Zagoria, Inn of Dulaj, Hammam of 7 Fountains
Museums and galleries	Gjirokastra museum and Army museum in the Castle, Ethnographic Museum, Cold War Tunnel Museum,

	Art Gallery “Gjin Zenebishi”
Sacral heritage attractions	
Churches and monasteries	Mitropolia church, Church of St. Mehilli, Church of Saint Mary (Labovë e Kryqit), Church of St. Mary Sleeping in Sopik
Mosques	The Bazaar Mosque, Bektashi Tekke of Melan, Tekke of Zalli
Natural attractions	
Mountains	Mountain “i Gjere”, Shendelli-Lunxheri-Burreto Mountains ridge
Rivers and canyons	Drino River, Kardhiq River, waterfall and canyons of “Gurra e Progonatit”, water source of Glina
Monuments	National Natural Park of Sotira, Natural park of Viroi, 600-years old Plan tree of Libohova
Gastronomy	
Infrastructure	15 restaurants in hotels and 30 restaurants from TripAdvisor
Cuisine	Traditional, Mediterranean and Greek
Local ingredients	Vegetables, fruits, dairy products, meat, honey, herbs
Events	
Cultural	National Folk Festival (every five years), Folk International Festival “Argjiro-Fest”, Festival “Divani Lunxhiot”, Day of Isopoliphony, European Heritage Days (Craft Fair)
Gastronomy	Dough festival
Other	Wood and stone carvings
Honor of Gjirokastra	
Personalities	Musine Kokalari (1917-1983), linguistic Eqerem Çabej (1908-1980), writer Ismail Kadare

Tourism demand

A total number of 97,294 arrivals in Gjirokastra were estimated for the year 2017 with a total of 146,730 overnights. Average length of stay in Gjirokastra is 1.5 nights on whole year basis. Arrivals and overnights were estimated based on data regarding occupancy rate and average length of stay gathered through interviews. The average occupancy of the accommodation establishments in Gjirokastra is reflecting the seasonality pattern. Occupancy rates are around 60-70% during the peak months (July-September), around 50-55% during the shoulder season (May, June and October) and very low during the spring and winter months.

The seasonality in Gjirokastra is not as sharp as in the coastal destinations. From March to end of October there are more organized groups (70-80%) while individuals come year-round. Package tours with the purpose of active and adventure activities are mainly organized from March to May and cultural tours from May to October with peak during summer period July – August.

Table 7 Visitors to the national cultural attractions in Gjirokastra

Key attractions	2013	2014	2015	2016	2017
Gjirokastra Castle	9,023	32,317	34,499	62,503	76,666
Antigonea Archaeological Park	7,339	528	424	805	1,023
Total visits	**16,362**	**32,845**	**34,923**	**63,308**	**77,689**

Source: Institute of Culture Monuments

In 2017, 76,666 people visited the Castle, and 1,023 visited Antigonea Archaeological Park. Number of visits to the Castle is increasing each year, with the highest increase in 2014 compared to 2013.

Table 8 Visitors to the national cultural attractions in Gjirokastra, year 2017

Key attractions	Domestic	Foreigners	Visitors with no tickets	Total Visitors
Gjirokastra Castle	23,767	50,059	2,840	76,666
Antigonea Archaeological Park	102	318	603	1,023
Total visits	**23,869**	**50,377**	**3,443**	**77,689**

Source: Institute of Culture Monuments

In 2017, there were 31% domestic visitors to the Castle and 65.3% foreigners while the rest were visitors without tickets.

Table 9 Visitors to the Gjirokastra Castle from 2013 to 2017 (only visitors with tickets)

Visitors	2013	2014	2015	2016	2017
Domestic	2,635	11,086	6,865	14,437	23,767
Foreign	5,763	19,966	26,302	46,008	50,059
Total Visitors	**8,398**	**31,052**	**33,167**	**60,445**	**73,826**

Source: Institute of Culture Monuments

In the period observed, domestic visitors to the Castle grew 73% on average annually and foreign visitors 72% on average annually.

According to the interview with the director of Gjirokastra Museums during the field mission, some 11,000 people visited the Ethnographic Museum in 2017, while the house of Ismail Kadare was visited by 3,000 visitors and around 5-6,000 students/pupils.

According to the interviews with the Albanian tour operators offering Gjirokastra (South Albania) in their tours and with tourism businesses during the field mission in Gjirokastra, two groups of guests were identified:

- Overnight tourists:
  - Individuals visiting Gjirokastra as part of their tour in Albania or in transit from Greece. They mostly stay 1 night in Gjirokastra in high season and up to 3 nights in low season as they also engage in nature-based activities;
  - Package tours, spending 1-2 overnights in Gjirokastra as part of the overall tour in South Albania with the purpose of active and adventure activities (hiking to Zagoria and Pogoni areas, hiking to Kurveleshi and Zagoria areas, horseback riding from Gjirokastra to Ionian coast);

- Foreign tourists on cultural tours with 1-2 nights in Gjirokastra coming with the purpose of visiting historic centre of Gjirokastra town;
- Business tourists with overnight in Gjirokastra town;

- Same day visitors:
  - Individuals and package same day tours visiting historic centre of Gjirokastra town; they mainly come from Saranda.

Referring to the interviews done with tourism businesses during the field mission in Gjirokastra and Tirana based tour operators offering Gjirokastra (South Albania) in their tours, the main source markets are Germany, France, Italy, UK, Austria and Switzerland, followed by Spain, Netherlands, Poland, USA and Australia. International market counts for around 70-80%. The rest are Albanians (Albanian citizens, Albanian expatriates and Albanian citizens of Kosovo). Guests come both in organized package bus tours and individually in small groups of friends. Most of tourists visiting Gjirokastra are second and third age followed by other younger travellers. Tourists participating in package tours with the purpose of active and adventure activities are mainly of age 40 and 50 and they travel in couples and group of friends, but also as individuals gathered in a group.

An UNDP Survey[4] in 2007 at Gjirokastra (UNESCO World Heritage City) revealed the following data on the visitors' profile: Visitors coming from the UK were the most represented, followed by those from France, Germany, Italy and USA. There were more male than female visitors. The visitors were mostly young adult couples from EU countries, middle-class and very well educated, who stayed one or two days as part of the tour including other Albanian sites or less frequently Greek sites. They come mostly independently and for pleasure, by public bus or car, but organized trips are also present. According to a research paper in 2015[5], some 30,000 tourists visited Gjirokastra in 2013. The majority of tourists were from Western Europe visiting Gjirokastra were Germans with 17%, followed by those from Greece with 14%, Italy 13%, France 9%, and Britain 8%. Tourists from Eastern Europe (Bulgaria, Poland, Russia, Romania, etc.) represented 33%. The majority of them, 93% visited Gjirokastra for leisure and 5% for business.

According to PIUTD baseline survey conducted by the World Bank, daily expenditure of guests in Gjirokastra was 48 EUR.

According to the interviews done with restaurants during the field mission in Gjirokastra, the average check paid by tourists in the restaurant was 6-8 EUR for individuals with starter and main dish and 8-10 EUR for groups with 3 course menus.

2.4. SARANDA

General overview of the destination

Saranda Municipality is located on an open sea gulf of the Ionian Sea in Southern Albania and its coastline is one of the most important tourist attractions of the Albanian Riviera. The territory of Saranda Municipality

[4] UNDP Summer 2007, Report on Seasonal Visitor Surveys Administered at Cultural and Natural Tourism Sites in Albania, (Museum City of Berat, UNESCO World Heritage Site of Butrint National Park, UNESCO World Heritage City of Gjirokastra, and Theth National Park)

[5] Kotollaku M., Margariti M., 2015. Cultural Tourism in Gjirokastra. European Scientific Journal May 2015 edition vol.11, No.14

is 58.96 km^2. The Municipality was formed at the 2015 local government reform by merging previous Municipality of Saranda and the commune of Ksamil.

Saranda is accessible by road from three directions: the road coming from Gjirokastra (55 km distance) that is not in good condition, the coastal road coming from Vlora (124 km distance), which is very panoramic and in good condition, and the road from Konispol with access to the Qafe Bote border entry point with Greece (42 km distance), which is a new two-line road in a very good condition. The road linking Saranda town with Butrint Archaeological Site passing through Ksamil village is a new rehabilitated two-line road with very good standards of safety and signage. Saranda town has a developed road network but as a result of the fast, urban development of the city many roads are in a bad condition. The access road through Kardhiqi valley (Gjirokastra Municipality) and Kalasa valley (Delvina Municipality) is planned to link Gjirokastra and Saranda by shortening the travelling distance, time and approving road standards.

Saranda is also accessible by sea through ferry lines with Corfu port (Greece). Two ferry lines offer regularly the service of transport of passengers and cars with additional one in summer season. A new passenger terminal was built recently in Saranda port offering space for ferry boats. Also, Saranda port is accessible by cruise ships too, but the terminal doesn't offer space for the bigger ships to anchor.

Saranda has an intercity transport to the following urban centres: Tirana (8 times per day through the road passing by Gjirokaster and 4 times per day, available every other day, through the coastal road), from Saranda to Berat and Elbasan 1 time per day, from Saranda to Gjirokaster twice a day, from Saranda to Permet 4 times per week, from Saranda to Korca 3 times per week. There is also a connection with neighbouring Delvina every 15 minutes, as well two round bus lines Saranda - Qafe Bote – Saranda and Saranda - Butrint – Saranda. The taxi service is offered by private taxi drivers.

Climate of Saranda Municipality is a typical Mediterranean with wet mild winters and hot and dry summers. The average annual temperature is 17.1°C: the coldest month is January with an average of 9.7°C, while the hottest month is August with an average temperature of 25.1°C. The average annual rainfall quantity is 1,500 mm, with October, November and December being the wettest months. The area reaches 270-300 sunny days per year. Temperature of sea water is 17-22 °C, from the beginning of May till mid-October.

Saranda's origin is linked with the Monastery of 40 saints ("Santi Quaranta") built in 6th century at the top of the hill above the city; it was an important port of Epirus which was known under the name of Onchesmos port. Saranda is an attractive destination for both the natural beauty and its archaeological attractions, where the most important are the remains of the ancient city of Butrint, a UNESCO World Heritage site, in south of Saranda. Except the potential for beach holidays, the Municipality has the potential for nature-based tourism activities.

According to the economic data published by INSTAT, the GDP in current prices for 2015 in the Vlora Region was 580.4 million EUR. GDP per capita was estimated at 3,084 EUR, and was lower compared to the national GDP per capita 3,547 EUR.

In 2017, according to INSTAT there were 2,356 registered businesses in the Municipality of Saranda, out of which 84.4% were businesses relying on services (trade, transport and storage, accommodation and food service, information and communication, other services), where only accommodation and food service activities represented 26%. 6.6% of registered businesses were engaged into agriculture, forestry and fishing businesses, and 9% in industry and construction. The main agriculture production is based on olive trees and citrus and recently vineries are growing.

According to economic data from Saranda Municipality, the generated annual income for the year 2016 was 220 million EUR, 7.3% more than in 2015, while the generated income per inhabitant was 4,040 EUR. Working age population for 2016 was 37,150 and the unemployment rate was 10.5%. According to Territory

Development Plan for Saranda Municipality[6], in 2014 the highest employment rate in Saranda administrative unit was 54.9%, while in Ksamil administrative unit the employment rate was 49.3%. In both administrative units, the highest employment rate was in the service sector, respectively 68.5% for Saranda and 62.9% for Ksamil. The second economic sector for the employment is the industry, while the agriculture had the lowest employment rate. The construction sector has been very intensive especially during the decade 2005-2015. In 2014 around 30% of employees in rural Saranda worked in agriculture sector, while the rest were equally employed in tourism and services, trade, and construction. The economic activity of the administrative unit of Ksamil is focused mainly on tourism as well as on construction, fishing and in fruit-growing. Fishing is mainly based on mussels' farming in Butrint Lake.

Saranda is facing a high rate of migration, mostly influenced by the vicinity of Greece. According to the Territory Development Plan for Saranda Municipality around 20-25% of the families have emigrated abroad as well as in other areas of the country. Also, another phenomenon is evident in terms of migration from other areas of Albania especially to Ksamil administrative unit as well people returning from emigration to their homes.

Tourism supply

The accommodation capacities in Saranda Municipality consist of two destinations: Saranda town and Ksamil peninsula. According to the data provided by the Ministry and identified accommodation facilities via online research, the accommodation capacities in Saranda Municipality is as shown below.

Table 10 Registered and identified accommodation establishments in Saranda Municipality

Type of establishment	Number of establishments	Number of beds	Accommodation structure in %
Hotels	182	6,792	49.3%
Apartments and Residencies	110	4,075	29.6%
Rented Rooms	150	2,719	19.8%
Guesthouses	5	164	1.2%
Total	**447**	**13,750**	**100**

Source: Ministry of Tourism and Environment, authors search - Booking.com, TripAdvisor and Google Maps (July 2018)

Hotels are the dominant accommodation type in Saranda Municipality, accounting for 49.3% of total bed capacities. But, this share is much higher in Saranda town, while in Ksamil the rooms for rent are the dominant type with 63.5% of total bed capacities. Small to mid-size hotels, with an average of 17 rooms per establishment, account for 74.4% of total bed hotel capacity. There are only 5 hotels and tourist complexes with 100 to 400 beds. In Ksamil area, 92.6% of hotels have on average 15 rooms per establishment. The majority of small and medium hotels are run as family businesses.

Referring to the interviews carried out with the accommodation establishments during the field mission, the ADR achieved was on average 80-90 EUR for upscale establishments and 50-60 EUR for mid-scale establishments. In peak months the prices increased up to 30-50% in comparison to the average.

Saranda Municipality key attractions

Saranda attractions can be summarized as follows:

Cultural attractions	
UNESCO World Heritage List	Butrint Archaeological Park

[6] Approved by the Decision of National Territory Council No 3, date 16.10.2017

Monuments	Onhezmi Castle remains in Saranda, Synagogue and Paleochristian Basilica remains in Saranda, Castle of Lekuresi in Saranda, Mosaic at the Archaeological Museum in Saranda, Roman Cisterna remains in Saranda, Castle of Ali Pasha in Vrina, Castle of Ali Pasha in Vivar, Archaeological site of Foeniche (Finiq), Ruins of Castle in Delvina
Museums and galleries	Archaeological Museum in Butrint, Archaeological Museum in Saranda, Museum of Taste in Saranda
Sacral heritage attractions	
Churches and monasteries	Monastery and Church remains of 40 Saints in Saranda, Monastery of St. George in Dema (Ksamil), Church of St Nicolas Monastery in Mesopotam, Saint Mary Monastery in Kakome bay, Church of St. Mary Monastery Kameno in Kakodhiq (Delvina)
Mosques	Mosque of St. George Alex in Rusan (Delvina)
Natural attractions	
National Park	Butrint National Park
Bays	Ksamili bay, Kakome bay (close to Saranda in north side)
Rivers and Lakes	Butrint Lake, Bufi Lake, Vivar canal, Bistrica River, Pavllo River
Nature Monuments	Blue Eye spring
Landscapes	Cape Qefali – Vivar canal – Butrint Lake, Ksamili islands
Gastronomy	
Infrastructure	90 restaurants in Saranda and 35 restaurants in Ksamil found on TripAdvisor
Cuisine	Italian, Mediterranean, Traditional, International and Greek
Local ingredients	Fish, vegetables, citrus, olives, dairy products, herbs
Events	
Cultural	The International Theatre Festival of Butrint
Gastronomy	Mussels fair in Ksamil

Tourism demand

A total number of 398,860 arrivals in Saranda were estimated for the year 2017 with a total of 1,103,620 overnights. Average length of stay in Saranda is 2.8 nights on whole year basis. Arrivals and overnights were estimated based on data regarding occupancy rate and average length of stay gathered through interviews. While in Ksamil, a total number of 65,822 arrivals were estimated for the year 2017 with a total of 360,558 overnights. On average for 6 months of the season, people stay in Ksamil 5.5 nights.

Main motives of arrival, identified through interviews are sun and beach and culture. There is an evident seasonality pattern in Saranda with peak during summer period July – August and shoulder season in spring and autumn. The average occupancy of the accommodation establishments in Saranda is reflecting the seasonality pattern. Occupancy rates are around 75-80% during the peak months (July-August), around 40-60% during the shoulder season (May, June and September, October) and very low during the spring and winter months.

As the Ksamil area is linked only with the beach holiday, the seasonality is very sharp with peak during the period July-August and reflecting its characteristic as a coastal seasonal destination with tourism businesses operating from May to October. Occupancy rates are around 75-80% during the peak months (July-August), around 20-30% during the shoulder season (June and September) and low on May and October.

The only reliable statistics regarding the number of visitors are those recorded by the electronic ticketing in the Butrint Archaeological Park. Other cultural heritage attractions having records of the tickets are Finiq Archaeological Park, Monastery of Mesopotam and Monastery of 40 Saints. The table below shows number of visitors to the cultural heritage attractions from in the period from 2013 to 2017.

Table 11 Visitors to the national cultural attractions in Saranda

Key attractions	2013	2014	2015	2016	2017
Monastery of 40 Saints	-	-	1,060	686	409
Monastery of Mesopotam	-	1,150	2,885	1,761	2,725
Butrint National Park	92,599	104,463	138,854	158,812	167,759
Finiq Archaeological Park	602	896	-	429	821
Total visits	**93,201**	**105,509**	**142799**	**161,688**	**171,714**

Source: Institute of Culture Monuments

Butrint Archaeological Park has the highest number of visitors not only in Saranda, but also in Albania. The number of visitors has increased over years but at in a slowing rate from 2014 onwards.

Table 12 Visitors to the national cultural attractions in Saranda, year 2017

Key attractions	Domestic	Foreigners	Visitors with no tickets	Total Visitors
Monastery of 40 Saints	55	115	239	409
Monastery of Mesopotam	250	1,860	615	2,725
Butrint National Park	66,043	83,164	18,552	167,759
Finiq Archaeological Park	61	197	563	821
Total visits	**66,409**	**85,336**	**19,969**	**171,714**

Source: Institute of Culture Monuments

In 2017, from the total number of 167,759 visitors to the Butrint Archaeological Park 49.6% were foreigners, 39.4% were domestic visitors while the rest of 11% were visitors without tickets. Moreover, foreigners account for a larger share of visitors in all key attractions.

Table 13 Visitors to Butrint National Park from 2013 to 2017 (only visitors with tickets)

Visitors	2013	2014	2015	2016	2017
Domestic	43,316	50,555	64,941	69,845	66,043
Foreign	44,515	51,124	69,034	75,544	83,164
Total Visitors	**87,831**	**101,679**	**133,975**	**145,389**	**149,207**

Source: Institute of Culture Monuments

The number of foreigners grew 17% on average annually from 2013 to 2017, while domestic visitors grew on a slower rate of 11% on average annually.

According to the interviews with the Albanian tour operators offering Saranda (South Albania) in their tours and with tourism businesses during the field mission in Saranda, two groups of guests were identified:

- Overnight tourists:
    - Individuals and foreign tourists package tours, part of sightseeing tours and cultural heritage circuits, with overnight in Saranda coming with the purpose of visiting Butrint Archaeological Park and other attractions in Saranda, including Blue Eye natural monument. The tourists are mainly of third age group;
    - Individuals and package tours of local and foreign tourists with overnight in Saranda town and Ksamil peninsula with the purpose of beach holiday. They are mainly families and younger group of friends mostly staying 1-2 weeks;
    - Cruise ship tourists docking in Saranda with one or two overnights in the ship who, except from Butrint and Blue Eye, are also visiting Gjirokastra in the second day and then return to their cruise ship;
    - Business tourists with overnight in Saranda town.
- Same day visitors:
    - Package same day tours of foreign tourists from Corfu with the purpose of visiting Butrint Archaeological Park and other attractions in Saranda;
    - Cruise ship tourists docking in Saranda with the purpose of visiting Butrint Archaeological Park and other attractions in Saranda and Blue Eye site;
    - Individual same day visitors (staying in nearby coastal destinations of Albanian Riviera) visiting Butrint Archaeological Park and Blue Eye site.

For some years now, a number of cruise ships are coming to Saranda. 27 cruise ships from 4 cruise lines (HAL, MSC Cruises, P&O Cruises and Silversea) are planned to stop to Saranda this year, from May 3rd to October 18th[7]. The attractiveness of World Heritage Site of Butrint is the main reason of visit there, followed by Gjirokastra and Blue Eye.

According to the interviews done with tourism businesses during the field mission in Saranda, the main source markets according the purpose of visit are as following:

- Culture heritage segment: the main source markets are Western Europe (Germany, Austria, Spain, Britain, France, Italy, Israel, etc), followed by Scandinavian markets and Eastern Europe (Poland). They are mainly of age 50+, couples and individuals in group of friends. They come in April, May, June, September, October, mostly in organized groups (70-80%). International market accounts for around 75%. The rest are of Albanians (Albanian citizens, Albanian expatriates, and Albanian citizens of Kosovo). They stay 1-2 nights. They come more in organized groups during the low season and individuals more in high season and all year around.
- Beach holiday: the main foreign source markets for beach holiday are the Scandinavian markets (from May to September) followed by Italy (in August), Poland, Czech Republic, Ukraine, Germany, etc. There are more individuals than organised groups, with some 40-50% booking through online platforms. They are mainly families with older kids, couples (40-60 no kids), individuals and third age tourists (coming in May and September). These markets are followed, in high percentage, by

7 http://crew-center.com/sarande-cruise-ships-port-schedule-2018, (accessed on July 2018)

Albanian nationality of Kosovo, Macedonia. The individuals stay for from 3-5 days and those organised in packages for one – two weeks.

The Summer 2007 UNDP Survey[8] found the following data on the profile of the visitors at Butrint National Park (UNESCO World Heritage Site): Visitors coming from the UK were a quarter of the sample, followed by Italians, Germans, French, USA and Kosovo. They were mostly adult couples from EU countries, middle-class and very well educated, who stayed one day. A considerable number of them were coming in an organized tour from Corfu and staying only one day in Albania and the others spending few days in Saranda or in other Albanian destinations.

According to PIUTD baseline survey conducted by the World Bank, daily expenditure of guests in Saranda was 118 EUR.

According to the interviews done with restaurants during the field mission in Saranda, the average check paid by tourists in the restaurant was 10-12 EUR for individuals with starter and main dish.

2.5. ANALYSIS OF PRIMARY RESEARCH AMONG FOREIGN OUTBOUND TOUR OPERATORS

Horwath HTL conducted primary research among foreign outbound tour operators and agencies serving the South of Albania. Primary research was conducted as a combination of questionnaire and personal interviews in the period from 28th June to 12th July 2018. The survey was sent to 15 different tour operators from the following markets: UK, Italy, France, Poland, Russia, Germany, China, Austria and Nordic market. However, from a total pool of 15 companies we have collected only 1 written response (Polish tour operator) while personal interviews were held with 5 different tour operators covering UK, French, Italian, German and Austrian market.

Key findings are as follows:

- South Albania is a relatively new destination in tour operators' itineraries and tour packages.
- Tour operators started only recently to sell South Albania, thereby number of people traveling is modest and there is no historical data to come to a relevant conclusion.
- Tour operators are mostly serving their domestic market while in some cases USA and Australian market were emphasized as increasingly important with a current share between 5-10% of the total packages sold to South Albania.
- Main tourism products and motives for traveling to South Albania are culture (with emphasis on UNESCO heritage), nature and scenery, outdoor activities including very popular walking holidays, study tours and sun & beach (Saranda).
- Tours are often sold as part of longer, 10-15 days tour trip on the Balkans which makes touring the most important tourism product in South Albania.
- When only tours in Albania are being sold, tour operators include both north and south destinations to their offers.

[8] UNDP Summer 2007, Report on Seasonal Visitor Surveys Administered at Cultural and Natural Tourism Sites in Albania, (Museum City of Berat, UNESCO World Heritage Site of Butrint National Park, UNESCO World Heritage City of Gjirokastra, and Theth National Park)

- More than 50% of all people traveling to South Albania are couples between 50-60 years old, while other market segments include group of friends, families without children and single people.
- Most of agencies reported that their business in South Albania is focused on summer months, starting from May to mid-October.
- All interviewed tour operators are cooperating with inbound DMCs situated in Albania, both foreign and local, relying more on foreign experienced agents.
- One of the biggest bottlenecks in tour operating business in South Albania is considered to be the lack of professionalism in terms of local DMCs and guides who are not trained and prepared for satisfying global market needs, lack successful business models and are still on low competence levels.
- In addition, few agencies faced high administrative barriers and bureaucracy problems when starting their business in South Albania, difficulties in finding cooperative and reliable business partners as well as lack of tourism business standardization (e.g. no accommodation categorization, no official quality standards, no official websites etc.).
- Generally, staff in the tourism industry lacks good tourism education, professional trainings, hands-on expertise and skills, including foreign language knowledge.
- Although still with a relatively small base, tour operators are constantly increasing the number of travellers going to Albania (between 5-10% annually) which implies there is further place for improvement in terms of volume.
- According to most of the tour operators, Albania is still an undiscovered, unspoiled Balkan area with great development potential, yet to be discovered by travellers, with value for money being one of the biggest USPs.
- Greatest growth potential is seen in following tourism products: sun & beach, outdoor, gastronomy and culture.
- Most of agencies claimed that their customers don't have much knowledge about South Albania and mostly remain surprised by what they see.
- Albania is improving its image in travellers' minds, moving from the perception of the "wild" country towards a more hospitable and appealing tourism destination.
- Most of the findings are matching on all selected markets and there are no discrepancies among different source markets.

2.6. STRATEGIC TAKEAWAYS FOR SOUTH ALBANIA

- The development of tourism in South Albania started only recently, mostly after the fall of the communist regime and is still at the very beginning of the life cycle.
- Only recently tourism gained a stronger interest of political decision makers at the national and local level considering it as one of the priority economic sectors of South Albania and putting it at on development agenda.
- Moreover, the potential of Albania was recognized by international donor and financial institutions that are heavily investing in South Albania, primarily in urban upgrading, improving general infrastructure, and increasingly, in developing tourism.

- Strongest impediment for tourism development is a complete lack of management structures, thereby no coordination among national and regional level offices in charge of tourism management.
- Because of its start-up phase, on regional and destination level, there is complete lack of any official tourism-related statistics, which is one of strong infrastructural impediments for stronger tourism development and planning processes.
- Currently, there is a big gap in number of registered accommodation capacities and real market status, implying that there is a considerate number of non-registered accommodation establishments operating in the grey market.
- Moreover, on the national level there is no official categorization system in place; some of the registered accommodation establishments are categorized by Authentic Albania Quality Mark, which is a voluntary system.
- On the local level, none of the municipalities in South Albania collects bed tax, thereby losing the opportunity for making revenue from tourism.
- South Albania is dominantly a rural area which was historically oriented towards primary economic sector, which is still very strong. Still, some bigger cities and more developed areas started changing their economic orientation towards services.
- South Albania has a relatively young population, but there is an above average unemployment rate recorded and strong migration process, with people emigrating from rural areas to cities and emigrating abroad, most of them to Greece. Socio-economic situation puts additional challenge of finding available workforce with suitable professional qualification.
- Currently, tourism is developed on the coast with sun and beach being the strongest product. The continental part is still under development with strong natural resources enabling outdoor activities and development of rural tourism.
- With the inscription of three sites under the UNESCO World Heritage List, South Albania evoked additional international interest. Along with UNESCO sites, the market started to discover other cultural sites and resources.
- Still, the whole area is inhibited by poor air accessibility with the broader region, poor road conditions and ferry and speedboat frequencies below market need.
- At the moment, accommodation sector in South Albania is characterized by a limited choice of accommodation types and dominated by small, midscale accommodation properties. Majority of accommodation establishments are small, family-run hotels and private accommodation establishments. In the historical parts of the cities, accommodation properties are renovated historical houses.
- Only Saranda town has a larger number of higher capacity hotels that can accommodate organized bus tours. Other destinations in South Albania have on average between 15-20 beds per establishments.
- South Albania is part of organized Balkan or Albanian tours. Guests coming to such tours are seniors coming from dominantly Western and Northern Europe and USA and mostly motivated by history and culture.
- Apart from such tours, there are individuals coming to the coast for a summer holiday and tours coming for active holiday in nature. Guests coming for summer holidays on the coast are mostly families, younger people and older couples, while active based tours bring mainly middle ages Western Europeans to South Albania.

- Foreign markets account for around 70% of total guests while others are Albanians or expats.
- Annual average length of stay of tourists in the South of Albania is relatively low, ranging from 1- 2 nights, with higher average length of stay on the coast of almost a week.
- Seasonality pattern is very much different in such a broad geographical area. In some of the central parts, mostly around Berat, tourism can be enjoyed almost year-round, while other destinations, because of the weather, bad road conditions and product portfolio, are more seasonal.
- There is a visible increase in foreign outbound and tour operators' interest for South Albania, happening mostly because of the rich cultural and natural heritage, supported by the inner stakeholder change and orientation towards service sector, who are improving the whole tourism offer and professionalizing the industry.

CHAPTER 3

Value chain analysis

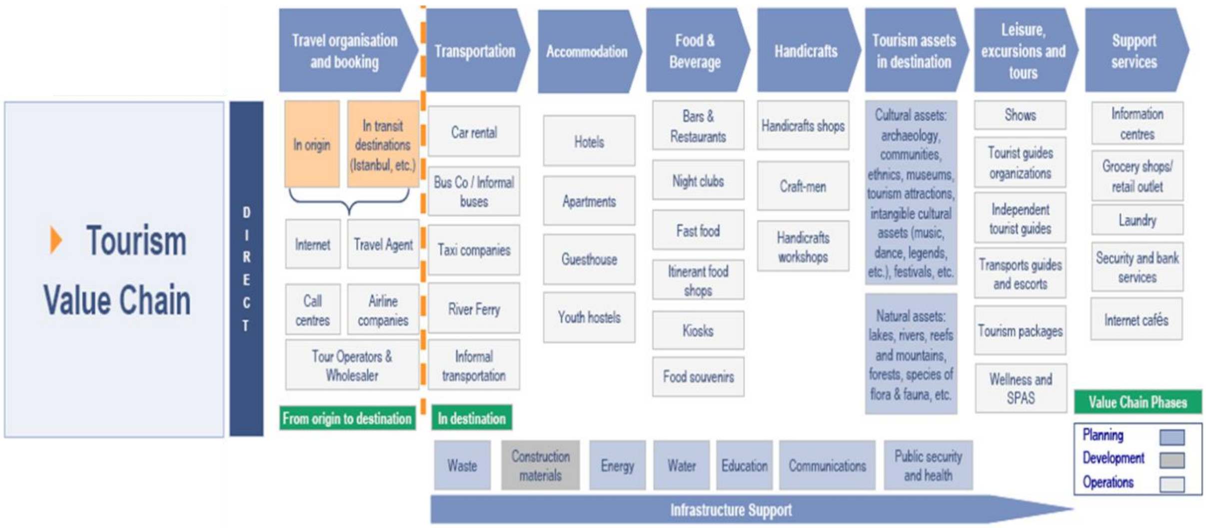
Hotel, Tourism and Leisure

3. VALUE CHAIN ANALYSIS

Tourism value chain is a set of interrelationships, products and services that are consumed or purchased by tourists while preparing for trip and staying within the specific destination. Tourism value chain framework, used by Horwath HTL and developed by UNWTO, in its full scope comprises of following observed components:

1. organization and purchase travel,
2. transport, accommodation,
3. food and beverages,
4. handicrafts,
5. tourism resources and attractions in the area,
6. excursions and tours, and
7. support services.

Each of these categories is further broken down into direct components. Following figure is showing full scope of tourism value chain components that was used in assessing current state of tourism value chain in each of the four Municipalities:



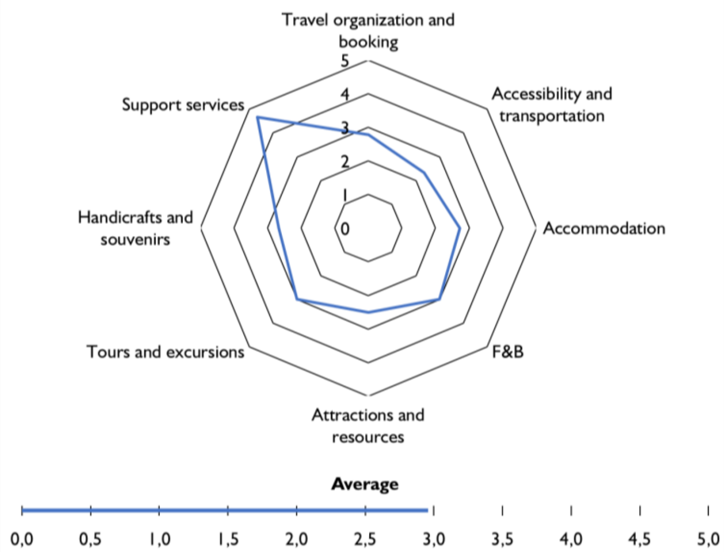
Source: Horwath HTL, based on UNWTO Tourism Value Chain Framework, 2018

Each of the components was assessed through desk research and primary research, mainly personal interviews with stakeholders in South of Albania, personal visits and mystery guest visits.

Following is detailed assessment of each of the value chain component per each Municipality covered by the Project.

3.1. BERAT

Value chain overview



Tourism value chain in Berat is in its initial development stage with some components of the value chain already well developed and others that need further attention. The average grade for comprehensive value chain in Berat is 3.0, while strongholds and improvement leverages are identified as following:

Component	Strongholds	Improvement leverages	Av. grade
Travel organization and booking	• Visibility of Berat on key online travel platforms • Berat is offered in most of the tours organized by foreign outbound and domestic inbound DMCs • Touring options for active and adventure enthusiasts and culture-based tours • Good online presence of hotels and restaurants	• Inspiring and informative destination web page • Web page presenting the offer according to tourism products (must visit for touring, culture, events, gastronomy, active and adventure) and different segments (active enthusiasts, families, couples, etc.) • Multiple language web site • Professional management of social media accounts • Professional and inspiring presentation of attractions and experiences within the destination (according to market segments and products) • Presentation of local and traditional gastronomy • Presentation of local	2.8

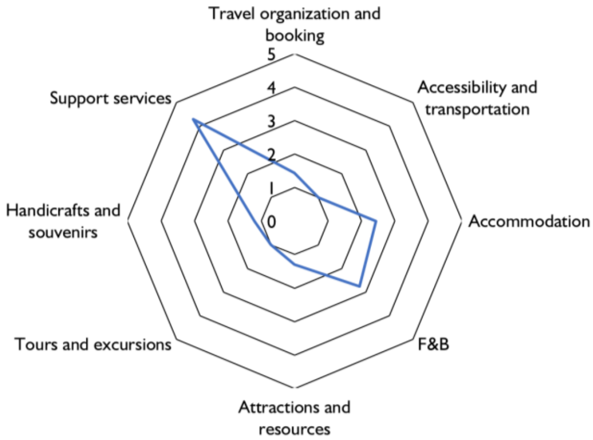
		handicrafts and souvenirs • Online visibility of tours and excursion and booking options	
Accessibility and transportation	• Intercity bus connectivity (lots of relatively frequent bus lines)	• Further improvement of road quality and access • More parking areas • Public transportation – especially sustainable transportation solution to connect castle area with the lower city (inclined lift, cable car or similar), serving not only visitors but also inhabitants • Professional taxi service • Foreign language knowledge of bus and taxi drivers	2.3
Accommodation	• Attractive and authentic accommodation within renovated traditional houses • External and internal cleanliness and hygiene • Value for money • Hospitable and welcoming staff • Family rooms	• Introduction of international classification system • Foreign language knowledge • Improvement of service quality to reach international service standards • Development of standardized guidelines for creating accessible accommodation offer for handicapped people and older guests (lifts, accesses, no steps in rooms, easy access in shower cabin, etc.) • Additional accommodation facilities (congress rooms, spa, wellness, etc.) for MICE guests and couples • Improvement of signage • Central valet parking and luggage delivery service	2.7
Food and beverages	• Fresh local food and ingredients • Traditional cuisine offered in all restaurants • Hospitable and welcoming staff	• Improvement of service quality to reach international standards • Foreign language knowledge • More cuisine variety based on high quality local products • Increasing value added of local agricultural products	3.0

		• Modern presentation of dishes / reinterpretation of traditional dishes	
Attractions and resources	• UNESCO heritage • Untouched nature • Tomorri National Park • Globally valuable resources (stories, historical heritage, legends, religious coexistence, Onufri, etc.)	• Improvement of current cultural attractions through access improvement, interpretation etc. • Utilization and tourism valorisation of currently underutilized resources (improved access, interpretation in multiple foreign languages, etc.) • Walking and cycling paths in Tomorri and Spiragu Mountains • Introduction of safety and security measures in the Castle • Conservation of cultural assets • Trained staff, knowledge of foreign languages and guided tours in multiple foreign languages • Construction of interpretation centre following international standards (technology, innovation, interpretation, interactive elements, etc.) • Signposting and information system for attractions • Collection and valorisation of intangible cultural heritage	2.5
Tours and excursions	• DMCs in destination • Variety of tours offered on-site (family oriented, active and adventure, etc.) • Distribution channels and on-site booking options	• Improvement of touring and outdoor infrastructure – Trekking, cycling, hiking, etc. (construction, mapping, signage, maintenance, promotion) • Construction of resting areas, viewpoints, observation areas, etc. • Development of other adventure offer in addition	3.0

		to rafting • Creation of South Albanian circuit (by theme – culture, sacral, nature, rural, etc.) • Access improvement to natural areas • Professional staff, knowledge of foreign languages and guided tours in multiple foreign languages • Specialized guides for active and adventure activities	
Handicrafts and souvenirs	• Existence of traditional handicrafts and souvenirs • Availability and access of souvenir shops in the Castle and city centre • Adjusted working time	• Creation of awareness regarding traditional handicrafts and souvenirs (promotion and visibility) • Improve distribution system of handicrafts and souvenirs (increase availability) • Support for preserving and reviving of traditional skills (such as building traditions, stone and wood carving, traditional handicrafts, embroidery, etc.) • Modern presentation of traditional souvenirs • Improvement of selling skills and foreign language knowledge • Create experiential programs/interactive activities for different segments (older people, families with kids, young couples)	2.7
Support services	• Centrally located tourism info centre • Good availability of banks and ATMs • Good availability of petrol stations • Satisfying level of emergency services	• Improvement of tourism information centre – promotional material, staff professionalization • Support to establishing rental and repair services for summer and winter activities (mountain biking, fishing, canoeing, snow shoes)	4.7

3.2. PERMET

Value chain overview



Tourism value chain of Permet is generally undeveloped and in its very beginning of development. The average grade for comprehensive value chain in Permet is 1.9, while strongholds and improvement leverages are identified as following:

Component	Strongholds	Improvement leverages	Av. grade
Travel organization and booking	• Presence of Permet in outdoor touring offer of mostly inbound DMCs • One DMC in destination	• Inspiring and informative destination web page • Offer presentation presented through main products and interests • Presentation of Permet on key tourism planning websites (Lonely planet, TripAdvisor, etc.) • Professional management of social media accounts (English language, consistency, tourism related content, etc.) • Professional and inspiring presentation of attractions and experiences within the destination (connected with market segments) • Presentation of local handicrafts and souvenirs • Online visibility of tours and excursion and booking	1.4

		options	
Accessibility and transportation	• Good connection with Gjirokastra • Proximity to Ioannina airport (Greece)	• Improvement of road condition towards points of interest • Improvement of accessibility from Greek boarder entry • Improvement of local roads towards the villages of Leuse, Benje, Frasher • Signage improvement (in city and towards point of interest) • Introduction of regular intercity bus lines and public transport to main points of interest • Construction of visible bus stopes with reliable timetable (in at least English language) • Signage of taxi stops • Foreign language knowledge of taxi and bus drivers	1.0
Accommodation	• Value for money • Hospitable staff • Family rooms	• Introduction of international classification system • Higher quality hotels • Foreign language knowledge and trained staff • Improvement of service quality to reach international standards • Additional accommodation facilities (congress rooms, spa, wellness, etc.) and improvement of accommodation variety (campsites for families, adults only wellness hotels, etc.) • Development of standardized guidelines for creating accessible accommodation offer for handicapped people and older guests (lifts, accesses, no steps in rooms, easy access in shower cabin, etc.)	2.4
Food and beverages	• Authentic local products of	• Improvement of service	2.8

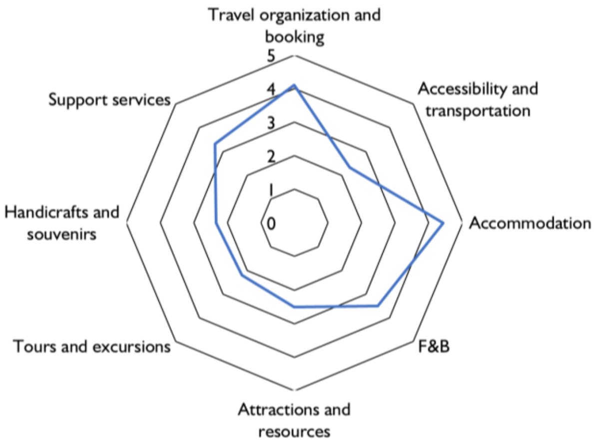
	high quality • Traditional cuisine • Awareness and uniqueness of gliko offer • Hospitable staff • Value for money • Local food production and tasting rooms • *Pro Permet consortium* that performs activities with aim of raising gastronomy quality, visibility, distribution of local products, promotion etc.	quality to reach international standards • Foreign language knowledge and trained staff • More cuisine variety based on high quality local products • Increasing value added of local agricultural products • Modern presentation of dishes / reinterpretation of traditional dishes • Adjustment of working hours of tasting rooms • Creating experiences connected to gastronomy (for kids, for adults, for families, etc.) • Gastronomy shops for local delicatessen and products	
Attractions and resources	• Untouched nature • National Park Bredhi I Hotove-Dangelli • Globally valuable resources (thermal springs, saze, intangible cultural heritage, sacral heritage, etc.)	• Improvement of accessibility towards natural and cultural resources (Frasheri village, Benje, churches, NP Bredhi i Hotoves-Dangeli, etc.) • Utilization and tourism valorisation of currently underutilized resources (improved access, renovation, interpretation in multiple foreign languages, etc.) • Introduction of visitor management system in Benje • Improvement of signage and information system towards key attractions and natural assets • Renovation of Permet old quartier • Construction of new attractions through interpretation centres • Solve waste management problem • Introduction of safety and security measures in Benje	1.3

		• Collection and valorisation of intangible cultural heritage	
Tours and excursions	• One DMC in destination • Part of national active and adventure DMC offer	• Introduction of more variety tours (for families, cultural, for older people, etc.) • Expand distribution channel online and on-site (in hotels, in tourism info point, etc.) • Development of outdoor infrastructure for individual tours and excursions (cycling, biking, trekking trails, mapping, signage, resting zones, viewpoints, etc.) • Connect offer on a regional level circuit (by theme) • Connect outdoor infrastructure with Gjirokastra • Increase the number of DMCs in municipality • Increase number of specialized guides for active and adventure activities	1.0
Handicrafts and souvenirs	• Gastronomy product that can serve as souvenir (*gliko*, raki, wine) • Embroidery	• Opening of souvenir shops in the city centre • Opening of gourmet shop with local products • Improvement of promotion and creation of awareness regarding traditional handicrafts and souvenirs • Support for preserving and reviving of traditional skills (such as building traditions, stone and wood carving, traditional handicrafts, embroidery, gliko, raki/wine, etc) • Organization of interactive experiential activities for different segments (interactive experiences)	1.2
Support services	• Centrally located tourism info centre • Good availability of banks and	• Improvement of tourism information centre – promotional material, staff	4.3

	ATMs • Good availability of petrol stations • Satisfying level of emergency services	professionalization • Support to establishing rental and repair services for summer and winter activities (mountain biking, fishing, canoeing)	

3.3. GJIROKASTRA

Value chain overview



Gjirokastra value chain analysis, with an average grade of 3.1, has shown that destination tourist offer is still not developed enough to meet international tourism standards and needs.

Component	Strongholds	Improvement leverages	Av. grade
Travel organization and booking	• Visibility of Gjirokastra on key online travel platforms • Gjirokastra is offered in most of the tours organized by foreign outbound and domestic inbound DMCs • Gjirokastra is offered in daily tours from Saranda • Good online presence of hotels and restaurants	• Improvement of SEO and SEM for the website • Professional and inspiring presentation of attractions and experiences within the destination connected with market segments (outdoor enthusiasts, families, couples, culture lovers, etc.) • Presentation of local handicrafts and souvenirs • Presentation of traditional gastronomy • Online visibility of tours and excursion and booking options	4.1

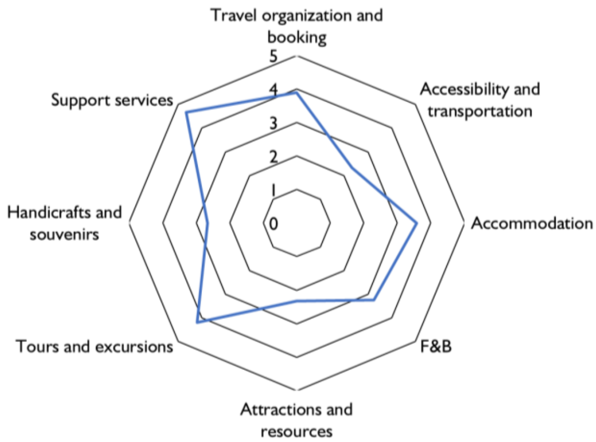
Accessibility and transportation	• Good connection with Tirana and Greece • Proximity to Ioannina airport (Greece) • Dedicated parking areas	• Improvement of road condition (towards local villages and Saranda) • Improvement of local / city transportation – especially sustainable transportation solution to connect castle area • Construction of visible bus stopes with reliable timetable (in at least English) • Signage of taxi stops • Foreign language knowledge of taxi and bus drivers • Pedestrian zones in historical quarter	2.3
Accommodation	• Good quality accommodation facilities • Value for money • Variety of accommodation options • Hospitable staff and good foreign language knowledge • Upscale hotel properties • Family rooms	• Introduction of international classification system • Additional accommodation facilities (congress rooms, spa, wellness, etc.) and improvement of accommodation variety (campsites for families, adults only wellness hotels, etc.) • Development of standardized guidelines for creating accessible accommodation offer for handicapped people and older guests (lifts, accesses, no steps in rooms, easy access in shower cabin, etc.) • Central parking and valet service	4.4
Food and beverages	• Authentic local products of high quality • Traditional cuisine • Hospitable staff • Value for money	• Improvement of service quality to reach international standards • Foreign language knowledge • More cuisine variety based on high quality local products • Increasing value added of local agricultural products • Modern presentation of dishes / reinterpretation of traditional dishes	3.5

		• External and internal upgrade of F&B facilities	
Attractions and resources	• UNESCO heritage • Cultural and historical heritage • Globally valuable resources (historical heritage, intangible cultural heritage, iso-polyphony, etc.)	• Improvement of accessibility towards natural and cultural resources • Introduction of car free zones in the historic area • Improvement of signage towards key attractions • Further renovation of the old houses • Construction of interpretation centres following best example rules • Introduction of safety and security measures in Castle • Improvement of interpretation of existing attractions and introduction of guided tours (in multiple languages and with different product focus – history, art, culture, UNESCO, etc.) • Improve Castle statics • Collection and valorisation of intangible cultural heritage • Trained staff in attractions and improvement of storytelling	2.5
Tours and excursions	• Daily excursions • NGO starting to organize experiential tours on-site	• Introduction of more variety tours (for families, culture lovers, outdoor enthusiasts, etc.) • Construction of resting areas, view point, etc. • Expand the number of DMCs in destination • Expand distribution channel online and on-site • Development of outdoor infrastructure for individual tours and excursions (trails, mapping, signage, resting zones, viewpoints, etc.) • Connect offer on a regional level circuit • Connect outdoor	2.2

		infrastructure with Permet • Specialized and trained guides for active and adventure activities	
Handicrafts and souvenirs	• Old Bazaar with large number of souvenir shops, 2 traditional workshops (stone and wood carving) and one gastro shop	• Improvement of promotion and creation of awareness regarding traditional handicrafts and souvenirs • Expand number of souvenir shops in town • Adjusted working hours • Introduction of experiential activities and interactive programs (for kids, families, older people) • Support for preserving and reviving of traditional skills (such as building traditions, stone and wood carving, traditional handicrafts, embroidery, etc.)	2.3
Support services	• Centrally located tourism info centre • Good availability of petrol stations • Satisfying level of emergency services	• Improvement of tourism information centre – promotional material, staff training • More bank branch offices and ATMs in historic centre • Support to establishing rental and repair services for summer activities (mountain biking) • Money exchange offices	3.3

3.4. SARANDA

Value chain overview



Value chain analysis for Saranda shows that some elements of tourism offer are on higher stage of development which makes an average grade of eight observed elements 3.4.

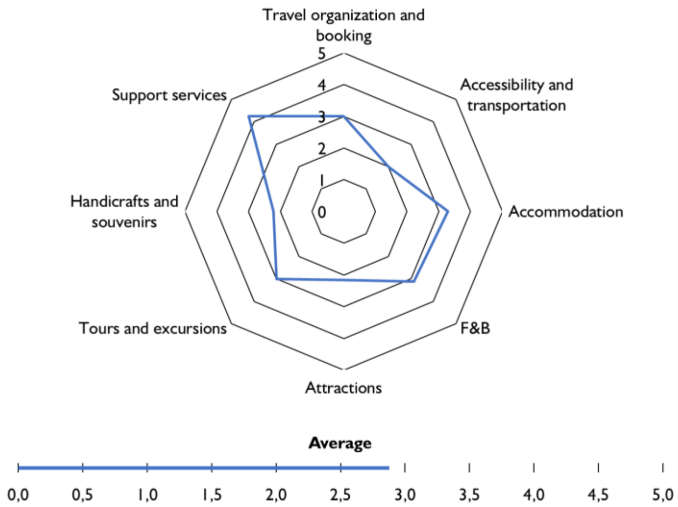
Component	Strongholds	Improvement leverages	Av. grade
Travel organization and booking	• Visibility of Saranda on key online travel platforms • Saranda if offered through most of the foreign outbound tour operators selling South Albania • Good online presence of hotels and restaurants	• Quality destination web portal that will present current offer through products and market segments (Saranda for culture lovers, for active enthusiasts, for families, etc.) • Professional social media management (regular consistent posting in English, tourism related content) • Professional and inspiring presentation of attractions and experiences within the destination • Presentation of local handicrafts and souvenirs • Presentation of traditional gastronomy	3.9
Accessibility and transportation	• Proximity to Corfu and Ioannina airport (Greece) • Favourable geographical	• Improvement of ferry and speed boat frequency between Saranda and Corfu • Upgrade of roads towards	2.3

	position • Port in the city • Good connection with Greece towards Qafe Bote boarder entry point	Vlora and Gjirokastra • Improvement of public transportation (shuttle buses, boats etc.) towards points of interest • Construction of a bus terminal for intercity connections • Construction of visible bus stopes with reliable timetable (in at least English) • Signage of taxi stops • Foreign language knowledge of taxi and bus drivers • Port extension • New marina for yachts • More parking spaces • Expansion of promenade towards south with clear walking paths separated from traffic) • Cycle paths in the city	
Accommodation	• Good quality accommodation facilities • Hospitable staff and good foreign language knowledge • Upscale hotel properties • Offer of additional services (spa & wellness, indoor/outdoor pools, beach bars etc.) • Family rooms	• Introduction of international classification system • Further improvement of accommodation quality and variety (campsites, adult only hotels, spa and wellness hotels, family hotels, beach resorts, etc.) • Employee capacity building (to reach international service standards) • Development of standardized guidelines for creating accessible accommodation offer for handicapped people and older guests (lifts, accesses, no steps in rooms, easy access in shower cabin, etc.) • Control of urban development and construction	3.6
Food and beverages	• Good knowledge of foreign languages • Number of restaurants	• Improvement of service quality to reach international standards • More cuisine variety based	3.3

		on high quality local products • Increasing value added of local agricultural products • Better quality to reach value for money	
Attractions and resources	• UNESCO heritage • Globally valuable resources (sea, beach, sacral, intangible cultural heritage, stories and legends, etc.) • Natural heritage • Variety of existing attractions	• Improvement of accessibility towards key resources and attractions • Further renovation of key cultural resources (monasteries, churches archaeological sites, etc.) • Construction of interpretation centres according to international best practices (interpretation, innovation, interactive and technology based) • Improvement of interpretation of existing attractions and introduction of guided tours (in multiple languages and for different market and interest segments) • Staff capacity building (interpretation, storytelling, foreign language knowledge, etc.) • Specialized guides for active and adventure • More sea-based activities (for kids, for youngsters, etc.) • Collection and valorisation of intangible cultural heritage	2.3
Tours and excursions	• Daily excursions • Variety of offer and experiences • Number of DMC's • Accessible DMC offices	• Further improvement of touring infrastructure • Staff training in agencies – selling skills, knowledge of the offer and surroundings, etc. • Development of outdoor infrastructure for individual tours and excursions (trails,	4.2

		mapping, signage, resting zones, viewpoints, etc.) • Connect offer on a regional level circuit • More tour varieties (boat trips, snorkelling, diving, sailing, etc.)	
Handicrafts and souvenirs	• Shops in the city centre • Mainstream souvenirs availability • Adequate working hours	• Introduction and presentation of traditional souvenirs • Introduction of experiential activities and interactive programs (for different target segments)	2.7
Support services	• 3 tourism info centres • Good availability of petrol stations • Availability of bank offices, ATMs	• Improvement of tourism information centre – promotional material, staff training • More 24/7 pharmacies • More hospitals in different parts of the city • Support to establishing rental and repair services for summer activities (mountain biking, underwater sports)	4.7

3.5. CONCLUSION WITH REFERENCE TO SOUTH ALBANIA



- Tourism value chain in South of Albania is below average with high potential for further development. Findings from the value chain analysis further confirm the start-up position of South Albania in tourism life cycle.

- Some elements of the value chain are more developed than others, but only support service are above average, as they have developed mostly for locals.
- South Albania, being an emerging destination, has low exposure towards foreign markets overall. Tourists face serious impediments while planning their trip, mostly in terms of available information about destinations, image and awareness, service information, reliable recommendations and inspirational contented regarding destinations. This seriously influences tourism volume and average length of stay.
- Private and public-sector subjects have dominantly low visibility, low reach on foreign source markets, weak online presence in terms of web pages and social media. The whole commercialisation model needs further improvements in terms of professionalism and reliability.
- With no efficient destination management organisations, destinations have no clear vision how to develop tourism and promote the destination efficiently.
- Lack of educated workforce with practical knowledge on hospitality and destination management is a great challenge, especially in less urbanised and emerging parts of South Albania.
- Another issue of South Albanian tourism offer is accessibility of destinations and points of interest. Destinations that are not located on the coast, are accessible only by road that is generally in poor condition, while Saranda, even though is only half an hour from Corfu airport, can't leverage on this proximity due to below market ferry frequencies.
- Additionally, signage, parking, public transportation and other elements which determine transport quality within the destinations are mostly undeveloped.
- Although hospitable and friendly, accommodation and F&B staff usually misses international standards of service and foreign language knowledge.
- Accommodation structure is characterized by small, family run accommodation establishments, mostly hotels that lack international categorization system.
- Most of the destinations have only limited number of hotels that can accommodate a touring group, while touring is the most important tourism product in South of Albania currently.
- Gastronomy offer is based on traditional products and as such is a valuable resource that has positive effect on overall tourism offer. However, most of the F&B facilities need to increase their overall service quality and appearance.
- Moreover, general awareness of local cuisine and products needs to be improved, as well as presentation of dishes and distribution system of local products.
- Poor tourism infrastructure is strongest limiting factor for attractive experiences creation in number of destinations. Even though the resource base is highly competitive, lack of basic elements on sites and interpretation makes them below international standards.
- A stronger product portfolio is yet to be developed. South Albania is strongly focused on one tourism product being mass market sun and beach. Even though culture- and nature-based activities are becoming strong motives for group touring, South Albania, with poor tourism and tourism-enabling infrastructure, is still not ready for individual guests.
- Even though demand for DMC services is increasing (both from individual side and international tour operators), the supply quality and quantity is at the moment a limiting factor for stronger commercialisation.

CHAPTER 4

Stakeholders' mapping

Hotel, Tourism and Leisure

4. STAKEHOLDERS' MAPPING

According to the work plan, in period from 28th May to 8th June, consultancy team spent two weeks on their field mission during which they met a total of 98 key national and local tourism stakeholders both of public and private sector. Consultancy team interviewed different ministries, national and regional agencies for protected areas and culture, NGOs and donor institutions, municipalities (cabinet of the mayor, tourism department, tourism info centres, territory planning department, etc.), directors of attractions, hoteliers, restaurateurs, agencies and tour operators. Moreover, during the week 23rd July to 27th July, Consultancy team conducted municipal level workshops with same stakeholders and conducted additional interviews with tourism office representatives.

Mapping is done in four phases:

1. Identifying: listing relevant groups, companies, organizations and individuals

For this phase, consultancy team engaged with ADF and Steering Committee members (Ministry of Tourism and Environment and Ministry of Infrastructure and Energy) to confirm the suggested list of stakeholders.

2. Analysing: understanding stakeholder perspectives and interests

This phase has been done following unified interview structure in order to get all the relevant data. Moreover, additional interactive workshop was conducted with municipal level group of stakeholders.

3. Mapping: visualizing relationships to objectives and other stakeholders

The third phase is done using a simplified map that visually distributes stakeholders based on their power to develop tourism and interest to do that.

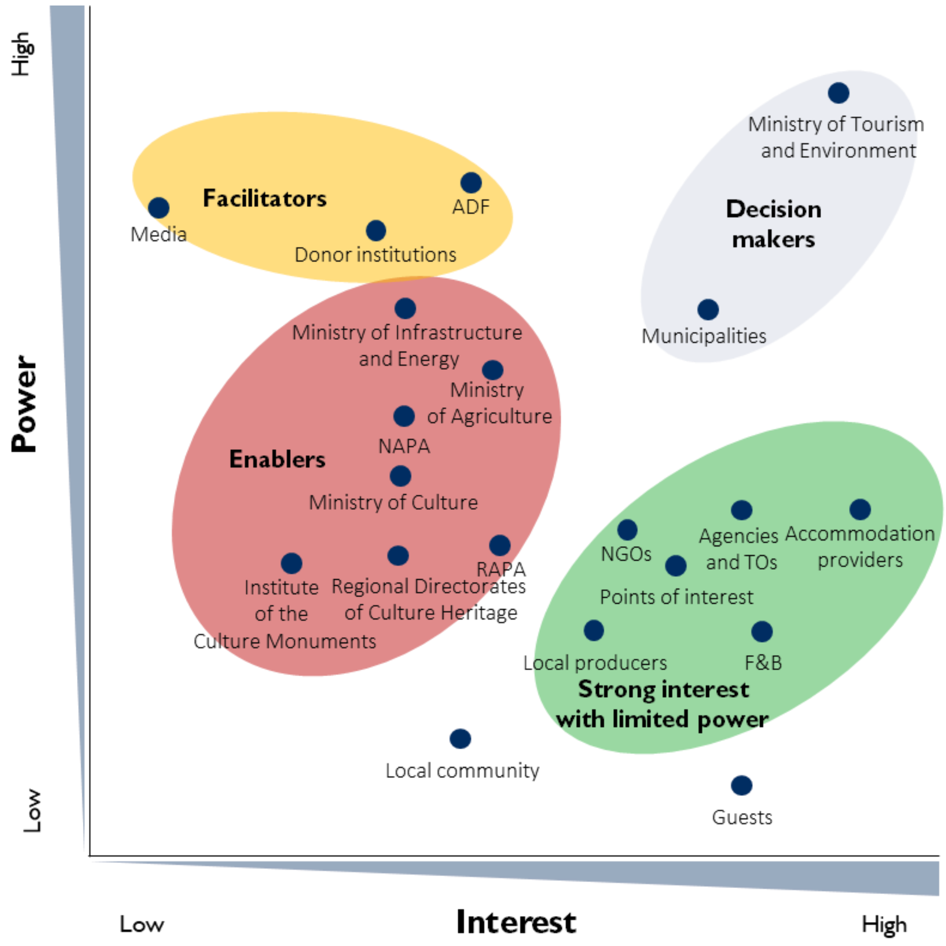
4. Prioritizing: ranking stakeholder relevance and identifying issues

Based on stakeholders' influence to the regional tourism development, consultants have prioritized and divided stakeholders in 4 main categories according to their priority to include them in tourism development.

4.1. KEY IDENTIFIED STAKEHOLDERS

Based on conducted interviews, consultants have mapped key stakeholders according to their interest to develop tourism and power to implement changes. Mapped stakeholders are shown in the matrix below.

Graph 2 Matrix of stakeholders according to their interest in tourism and power to develop and change it



Source: Horwath HTL, 2018

In order to identify stakeholders and partners in South Albania that could in the future drive destination development activities or will influence tourism, following prioritization is done:

First priority stakeholders that influence tourism development directly and at the larger scale are:

- Ministry of Tourism and Environment and National Tourism Agency on national level;
- ADF, World Bank, EBRD, Risi Albania, GiZ of donor institutions and NGOs on national level, which started increasingly investing, creating and implementing projects in tourism;
- Mayor and Municipality Council, Territory Planning Department, Tourism Department and Tourism Information centre on local level among public sector, which pass regulations and define strategic
- CESVI, Gjirokastra Foundation, ProPermet Consortium, Tourism Improvement District on local level,
- Different representatives of tourism offer on the market including accommodation providers, tour agencies and tour operators, guides, restaurants, attractions on local level among private sector.

Second priority stakeholders that influence tourism development indirectly or at a smaller scale are:

- Ministry of Agriculture and Rural Development, Ministry of Culture, Ministry of Infrastructure and Energy, Ministry of Finance, National Agency for Protected Areas, National Centre for Folklore Activities, Institute of Folk Culture, National Agency for Territory Planning, National Agency for Professional Education and Qualification, Institute of National Cultural Monuments on national level,
- Albanian-American Development Foundation, NaturaAL, UNDP of donor institutions and NGOs on national level,
- Regional Directorates of Cultural Heritage, Culture Department, Infrastructure Department, Sport Department, Public Services, Universities, RAPA and similar on local level among public sector,
- Cultural Heritage Without Boarder on local level,
- Local producers connected to gastronomy, souvenirs, handicrafts, entertainment providers, support services and local community on local level.

In order to develop tourism and implement product development initiatives on local level, it will be crucial to collaborate with both public and private stakeholders. Following are identified stakeholders on municipal level and national level which are potential partners for product development initiatives implementation and operative cooperation:

Berat

Private stakeholders:

- Agencies: Albarafting, VATO, DMC Discover Albania, DMC Outdoor Albania engaged to implement all activities connected to outdoor and guided tours in the city;
- Accommodation providers and restaurants: Hotel Castle park, White City hotel, Villa Alexander, Hotel Mangalemi, Restaurant and hotel Tomorri to help in organizing leisure and business events (executive and smaller meetings, teambuilding, incentives) and experiences connected to outdoor and gastronomy;
- Local producers: wineries: Cobo, Ura Vajgurore, Fushe Peshtan, Roshnik vllage, olive oil factories: in Donofrose, Drobonik, Bilce, Velmisht and Ullinjas vilages, agriculture produce processing (olive oil, olive processing, vegetables and fruit processing, jams, gliko, etc) at Sidney, dried figs factory in Uznova administrative unit connected to implementation of visitor centres, harvesting experience and production experiences.

Public stakeholders:

- ADF – for preparation and implementation of tourism projects (connected to software and hardware, e.g. signage, visitor centres, interpretation technology, etc.)
- Municipality of Berat (Tourism office, Town Planning office and other departments) and new DMO office within it as a primary entity for product development and marketing that will need to align strategies and collaborate with other municipality offices and stakeholders;
- RAPA Berat that will cooperate on adding activities in Tomorri and implementing signage;
- Regional Directorate of National Culture – Berat and Museums (Ethnographic and Onufri) that will need to be engaged in renovation of cultural heritage, building new cultural attractions, interpretation of current assets and heritage, valorisation of Berat Castle.

Permet

Private stakeholders:

- Agencies: Tours Permet, DMC Discover Albania, DMC Outdoor Albania engaged to implement all activities connected to outdoor and guided tours in the city;
- Accommodation providers and restaurants: Restaurant Antigonea, Restaurant Familjari, Restaurant Enea to help in organizing experiences connected to gastronomy;
- Local producers and farms: Beemaster and Honey manufactory (Robert Male), wine and raki producers: winery Atos, Winery Buliaoti, Winery Iljare; Gliko producers: manufactory Almeg, Bonjo, Premti, Krenac Nunce; dairy: Cheese factory Bunker and Ndoni to help implement visitor centres, harvesting experience and production experiences.

Public stakeholders:

- ADF for preparation and implementation of tourism projects (e.g. signage, visitor centres, gastro shops etc.);
- RAPA Gjirokastra that will cooperate on adding activities and value in Benje and NP;
- CESVI and Consortium Pro Permet, that can help in developing gastro shops, tasting rooms, gastronomy experiences, etc.;
- Municipality of Permet (Tourism office, Town Planning office and other departments) and new DMO office within it as a primary entity for product development and marketing that will need to align strategies and collaborate with other municipality offices and stakeholders.

Gjirokastra

Private stakeholders:

- Agencies and NGO: Gjirokastra Foundation, RISI Albania, CHWB, AADF that can help with capacity building, artisan tours, city tours and interpretation;
- Local producers: agritourism in Valare village, farm in Karjan village, wood and stone carving craftsmen, embroiders (GjiroArt centre) that can help in implementation of shopping zone with products, quality shops in the city centre and experiential tours;
- Other: Zekati and Shkenduli historic houses that can improve their offer in terms of interpretation and hardware improvement.

Public stakeholders:

- ADF for preparation and implementation of tourism projects (e.g. signage, visitor centres, VR technology in museums, etc.);
- Municipality of Gjirokastra (Tourism office, Urban Planning office, Public services agency and other departments), Tourism information office and new DMO office within it as a primary entity for product development and marketing that will need to align strategies and collaborate with other municipality offices and stakeholders;
- Museums (Gjirokastra castle museum, National Museum of Armaments, Ethnographic museum, Kadare house) Regional Directory of National Culture - Gjirokastra, Ministry of Culture that will need to be engaged in renovation of cultural heritage, building new cultural attractions, interpretation of current assets and heritage, valorisation of Gjirokastra Castle.

Saranda

Private stakeholders:

- Agencies: Sipa Tours, Finikas, Shkendija travel, Ksamil, IonAlb Travel and Tours, Blueline Travel, Apollo Travel Group, Spiranca Diving Center, Saranda Diving, Albania Rafting Group, Saranda Shore Excursions, Albaniadive, Our Own Expeditions, Saranda Jeep, Delvine Sports Tourism, Saranda Destination that will need to be engaged to create and implement guided tours, outdoor activities and sea activities;
- Accommodation providers and restaurants: Hotel Butrint, Hotel Apollon, Seaside hotel, Hotel Demi, Bougainville Bay hotel, Restaurant Kalaja, Restaurant Limani, Restaurant Mare Nostrum, Taverna Beqo, Taverna Rrapo, Restaurant Haxhi, Bar & Restaurant Centrali, Restaurant Rustico, Anchor Bar & Restaurant, The Mussels House Restaurant, Bar Restorande Foinike to help in organizing leisure and business events (executive and smaller meetings, teambuilding, incentives) and experiences connected to gastronomy (cooking classes, tastings, gastro events, etc.);
- Local producers: Winery Isak in Metoq village, Kote farm of mandarins in Xarra (Konispolli municipality) to help implement rural experiences and production experiences.

Public stakeholders:

- ADF for preparation and implementation of tourism projects (e.g. signage, visitor centres, VR technology in museums, etc.);
- Municipality of Saranda (Tourism office, City Department of territory planning and other departments) and new DMO office within it as a primary entity for product development and marketing that will need to align strategies and collaborate with other municipality offices and stakeholders;
- Regional Directory of Culture, museums (Arts gallery, Saranda Archaeological museum, City museum) and entities responsible for management of attractions (Sinagoga and Bazilika site, Butrinti archaelogical park, Lekursi castle, Porto Palermo) that will need to be engaged in renovation of cultural heritage, building new cultural attractions, interpretation and valorisation of current assets and heritage.

4.2. KEY IDENTIFIED CHALLENGES

Negative image

There is still a relatively negative image of Albania, thereby also South Albania, especially on Western markets, influencing tourism positioning and awareness.

Under valorised resources

Even though South Albania has rich natural and cultural resources, they are currently underutilized and lack market readiness. Cultural resources are either deteriorating or lack interpretation and some of them (monasteries, sacral monuments, etc.) are hard to reach. Natural resources lack general infrastructure thereby being hardly reachable, with almost no professional outdoor infrastructure (viewpoints, resting areas, trails, signage, sport centres, etc.).

Poor accessibility

Albania has only one airport that has poor connectivity towards broader region. South Albania needs to rely on Greek airports of Ioannina and Corfu, but with still quite a lot of roads mostly below average needed quality, makes it difficult traveling around South Albania. On the other hand, Saranda has ferry and speedboat connection with Corfu which frequencies are below market need. A special problem is accessibility of rural areas and villages which strongly limits their development and tourism valorisation.

Lack of credibility of public sector

Public sector lacks credibility of potential to develop destinations, implement initiatives and spend money adequately. Moreover, regulations and rules on local level are not implemented or monitored.

No tourism management system

Although, National Tourism Organisation exists, there is no strong national tourism marketing, while on local and regional level there is also lack of credible structures that would live up to expectations.

Weak network of private sector stakeholders

In South Albania there are no strong private players with knowledge or money to make a meaningful change. Private stakeholders are small, lacking knowledge regarding professional and globally competitive product development, service offer or marketing.

Lack of international standards and classification system

Hotels in South Albania are mostly mid-range with no international classification system in place. Currently, the rating is given on a voluntary basis which causes problems in market perception and mismanagement of customer expectations. Moreover, because of that there are no standard operating procedures in place.

Small-sized accommodation establishments

Most of the accommodation establishments in South Albania have an average of 15-20 rooms per establishment which is not enough for accommodating touring groups. Also, they lack additional facilities and services that are comparable to international hotel offer and are mostly aimed for domestic market.

High share of informal economy in segment of accommodation

High share of informal economy indicates problems with tourism management, but also represents missed opportunities for each municipality to generate value from tourism (no tax, no registered employees, etc.). This is a strong indicator of an unsecure market conditions with no rules or regulation in place.

Uncoordinated stakeholders and donor initiatives

There is no coordination between private and public sector in terms of priority initiatives. Private sector has started developing its own tourism offer regardless the lack of public sector leadership, while public sector is still more focused on administrative work, letting tourism happen and not managing it. Increasingly, tourism in South Albania has become of interest for different donor and financial institutions (GiZ, Risi Albania, World Bank, EBRD, AADF, etc.) that focus on product improvement, marketing, DMO and branding with no coordination. Private stakeholders show to be fed up with different initiatives not showing results or change.

Lack of reliability

As majority of business are small, family-run business, with still low exposure to international guests, foreign outbound tour operators have difficulty to establish a long-term professional relationship with them (reliability in booking hotel rooms, organizing meals in restaurants, providing transfers, finding professional guides, etc.).

Non-existing budgets for tourism development

Local tourism departments have insufficient financial source for product development and marketing. This is due to their lack of financial sustainability as they depend on Municipality or donors' budget, with no clear plan how to make revenue and no bed tax in place.

Incompetent staff dealing with tourism on the local level

Current tourism management entities on local level, being mostly administrative offices, have unskilled and under productive staff, insufficient number of specialists that lack basic standard operating procedures (from budgeting to implementation).

No capacity building programs for tourism sector

South Albania lacks capacity building programs and educations connected to improving the quality of accommodation, food service, guided tours, creating tourism experiences, etc.

4.3. KEY IDENTIFIED POSSIBILITIES AND INTERESTS

Professionalization of tourism development and management

Understanding the positive impact tourism has on economy, employment and social wealth, stakeholders realize the need of professional approach to tourism through a stronger public sector involvement on national and local level.

Need for joint market approach

Understanding the limits of each municipality/destination, there is a common understanding and interest for a more consolidated approach on tourism development, marketing and branding not only in 4 designated municipalities, but also neighbouring destinations.

Attracting more foreign guests

Even though a high share of current guests are Albanians and expats, there is a common interest to focus on attracting more foreign mid-class guests.

Private sector is expecting stronger commitment of public sector in order to realize further investment potential

Private stakeholders want public sector to be a partner and provide them a sustainable tourism development frame in order to realize full investment potential.

Consistent implementation of regulation

Private sector needs a more secure and transparent market playground with clear regulation and consistent implementation and control of such. They want fair conditions for everyone.

Focus on rural areas and surroundings

Nonetheless cities are important attractive factors in South Albania, there is also a need for more focused and stronger development of rural villages and surrounding areas. For this the accessibility, communal infrastructure and visual attractiveness should be improved, rural tourism developed and offer professionalized.

National initiative for developing agritourism

The Governmental focus is to develop agritourism, so there is already a national scheme in place that aims at developing rural tourism through production incubators and agritourism.

Preservation, interpretation and tourism valorisation of natural and cultural heritage

As cultural and natural heritage are key backbones of South Albanian tourism offer, there is interest to further preserve them through focused investments that will stop deterioration, will valorise them and create competitive points of interest through modern interpretation and creation of experiences.

Interest in urban upgrade and improvement of liveability

Stakeholders agree that general liveability of cities should be improved through: urban regulation, creation of pedestrian zone and cycling paths, improved access to main attractions (castles in Berat and Gjirokastra), improved public spaces and lightning, leisure and recreational zones on river banks, new promenades.

Focus of donors and NGOs towards tourism

Different donors put strong focus on tourism, they have money and projects aiming to professionalize and develop tourism. On the other hand, different NGOs in destinations aim to invest in education in tourism.

ADF, as one of the national level stakeholders, increasingly involves in tourism through creating and implementing projects in tourism.

DMCs need further support in developing tourism products and experiences

DMCs have some insight into foreign market needs and specifics, but they need support to improve their offer and further diversify their product portfolio.

Better coordination among different initiatives (public and donor)

There is a strong possibility for better cooperation and coordination among different public and donor initiatives to achieve tangible results, ensure better changes for implementation and achieve synergy.

CHAPTER 5

Identification of current brand concept and positioning

Horwath HTL

Hotel, Tourism and Leisure

5. IDENTIFICATION OF CURRENT BRAND CONCEPT AND POSITIONING

In order to assess current brand concept and positioning as well as existing marketing activities of each municipality and South Albania, analysis was conducted through primary and secondary research. The analysis included brand identification and evaluation of consistent usage. Consultants evaluated printed materials (brochures, maps, leaflets etc.) collected during the site visit in each municipality which were then analysed according to the following criteria: availability on site, types of printed materials, content, visual identity, design and maps. When observing the online presence of the selected destinations, the used starting point was the National Albanian tourism website, *albania.al*, which links destinations to municipal websites (except Gjirokastra), thereby, Consultancy team did not analyse those websites but rather other tourism related websites found via personal online research. Moreover, secondary research of dedicated tourism websites of each destination was conducted through a set of criteria on the online analytics page SimilarWebranking.com, assessment of overall visual design, tourism related content, ease of navigation, foreign language availability etc. Since there are no official tourism websites nor social media accounts in observed destinations, online presence was analysed based on Horwath HTL expert opinion, using the most adequate tourism website of each destination, number of likes, followers and subscribers, tourism related content, quality photos, frequent posting etc.

5.1. BERAT

BRAND

Berat is the only municipality with a developed tourism brand "*Eternal experience*" and logo containing most important city elements (City walls and traditional houses, olive tree and river Osumi). However, the brand is still not fully implemented and there is no professional branding strategy behind the logo.

PRINTED MATERIALS

During the visit to Berat, following brochures and leaflets were collected from tourist information office, Municipality, attractions and private stakeholders (tourist agencies, DMCs, accommodation establishments etc.):

- Berat brochure by Explore Albania
- Berat world heritage city brochure by Albanian map guides
- Berat map & guide by Blue editions
- Grand White City hotel brochure
- Ethnographic museum Berat and Iconographic Museum Onufri Berat brochure
- Tourist information leaflet

Availability on site

Printed materials were available on different locations in Berat. Tourist information leaflet was collected from a private DMC, city brochures including maps were available at the municipal tourist information office, while accommodation brochure was directly taken in the hotel. During consultants' site visit, only

Ethnographic museum Berat and Iconographic Museum Onufri Berat had a joint brochure available in each of the museum.

Content

Generally, Berat has a limited number of brochures printed in different languages (mostly English, but also Albanian and Italian in case of Ethnographic museum Berat and Iconographic Museum Onufri Berat) and no image brochure. Although same text and content is used in few different brochures, the content is neither professionally developed, innovative nor inspiring and not adapted to different interests or segments. Only one brochure has additional information regarding tours around Berat County (Osumi Canyons tour, Bogova Waterfall tour, Sotira Waterfall tour etc.), shopping options, short local cuisine presentation as well as the regional map.

Visual identity and design

The available brochures and leaflets lack modern design and consistency, have outdated, non-professional photos and don't use the existing Berat brand "*Eternal experiences*".

Maps

All three city brochures include maps with marked points of interest, concentrated mostly on city centre, but need further design improvement and content upgrade. Separate city map was not available during the site visit.

ONLINE PRESENCE

Website

For this analysis, dedicated tourism website *beratexperience.com* was taken into consideration with following key findings:

- Tourism website *beratexperience.com* is ranked 39.978.976 on the online analytics page SimilarWebranking.com.
- As the website is ranked very low, there is no data regarding total visits to the website in last three months or average visit duration.
- Main source for desktop traffic is *Search* (100%).
- Website is consistently using the destination brand "*Eternal experiences*" and is available only in English.
- Although well-structured for potential tourism planning, available information for itineraries, activities and events date back to 2016 which makes it irrelevant for present trip planning and organization.
- Website doesn't have a photo library but disposes with few video materials dating back in 2015.
- Website is connected to travel platforms TripAdvisor and Booking through functional icons, but there are no social media channels or mobile applications links available.

Social media

- There are no official social media accounts representing Berat.
- Multiple social media profiles were identified, managed mostly by local NGOs or DMCs (3 Visit Berat accounts on Facebook, Visit Berat and berat_albania_info Instagram accounts, Visit Berat and #VisitBerat Twitter accounts).
- There is no user generated content on social media, while the content posted has no call to action.

- Tone of voice and way of communication are not aligned, accounts miss professional photo and video materials.
- Existing Facebook, Instagram and Twitter accounts are not connected to the tourism website or among each other.
- In addition, all accounts have low number of followers/likes (<200 Facebook likes on analysed Visit Berat page, 0 Instagram followers on Visit Berat account, but over 200 on Berat Albania Info account, <10 Twitter followers on #VisitBerat) which additionally confirms low recognisability and awareness of Berat.
- However, content on analysed Facebook channel is frequently posted, it is tourism related but mostly shared from other websites and with communication mixed between English and Albanian language.
- Since Instagram account "Visit Berat" has no followers, analysed profile is berat_albania_info. It is found that profile has quality photos which are frequently shared from other users.
- There is no Berat YouTube account.

Below is the Berat social media channels overview.

Picture 1 Social media overview

			
Visit Berat	**berat_albania_info**	**#VisitBerat**	/
146 likes	**209 followers**	**410 subscribers**	/

Source: Facebook, Instagram, Twitter, YouTube, Horwath HTL 2018

Mobile applications

There are 2 tourism mobile applications available on Google Play store related to Berat. Both applications have the same name "*Visit Berat*" but are managed by different institutions, a local DMC and the Municipality. The application managed by a local DMC has useful content and various features (accommodation, restaurants, map with points of interest, etc.) but is available only in Albanian. Other application, operated by the Municipality, is available in English but doesn't have updated information about events. Both applications have small number of downloads (around 100). Although both highly rated (5.0), by examining the number of users who evaluated the applications, it is clear that none of the application was rated by more than 4 people which makes this rating unreliable.

5.2. PERMET

BRAND

There is no official tourism destination brand for Permet.

PRINTED MATRIALS

During the visit to Permet, following brochures and leaflets were collected from NGO's, and private stakeholders (accommodation establishment, DMCs etc.):

- Consortium Pro Permet brochure
- Funky guest house brochure
- Cheese factory Meshini leaflet
- Dyqan Artizanati brochure
- National Park Bredhi e Hotovës – Dangëlli brochure
- The Management plan for Bredhi e Hotovës – Dangëlli National Park

Availability on site

In the tourist information centre there were no available brochures, city maps or any other printed materials. Accommodation brochure was directly taken in the guest house, cheese factory leaflet at the factory while the rest of brochures and leaflets was collected during the interview with NGO Pro Permet.

Content

Out of all collected brochures, only the Management plan for Bredhi e Hotoves – Dangelli National Park is a modern, informative brochure with quality text, photos and a QR code for the Management plan download. However, this brochure is not tourist-oriented since it doesn't contain useful visitor information like ticketing, opening hours etc. thereby it can be concluded that this is more of a general brochure. Other brochures are of poor quality, with little information mostly connected to local production and tourist services.

Visual identity and design

The available brochures and leaflets are poorly designed, have outdated, non-professional photos and are not visually appealing. Since there is no official Permet brand, brochures and leaflets use different logos, graphic elements and colours.

Maps

There were no city maps available in Permet at the time of the visit, neither in brochures nor separately.

ONLINE PRESENCE

Website

For this project, the *visitpermet.org* website was analysed with the following key findings:

- Dedicated tourism website *visitpermet.org* is ranked 20.133.863 on the online analytics page SimilarWebranking.com.
- Total visits to the website in last three months are below 5.000, while average visit duration is 01:46 minutes with main source for desktop traffic being *Search* (81%).
- The website "Visit Permet" is an initiative of local consortium ProPermet.

- Website is mixed in languages between Albanian (most of the content) and English which makes it confusing, difficult to navigate and consequently not useful for planning and organizing the trip. There are almost no available photos of the destination on the website.
- In addition, most links on the webpage do not function or open blank pages while Facebook account cannot be directly reached via the available icon.

Social media

- There are 3 Facebook accounts related to Permet (*Tourism in Permet - Albania, Pro Permet* and *VisitPermet*) and 2 Instagram accounts (*Visit Permet* and *Permet tourism*) with unclear understanding which the official profile is.
- Mentioned social media accounts are not connected to the website or among themselves.
- Only *Tourism in Permet- Albania* Facebook profile has dedicated tourism content in Albanian and English, while the other two mostly rely on general information about the destination.
- On the other hand, available Instagram profiles provide quality photos and interesting destination details with *Permet tourism* being the leading Instagram profile at the moment.
- There is no Permet YouTube and Twitter account.

Picture 2 Social media overview

			
Tourism in Permet - Albania	**permet_tourism**	/	/
294 likes	**6.074 followers**	/	/

Source: Facebook, Instagram, Twitter, YouTube, Horwath HTL 2018

5.3. GJIROKASTRA

BRAND

There is no official tourism or destination brand for Gjirokastra.

PRINTED MATERIALS

During the visit to Gjirokastra, following brochures and leaflets were collected in tourist information office, attractions, NGO's and private stakeholders (tourist agencies, DMCs etc.):

- Gjirokastra image brochure
- Gjirokastra Food & culture tours
- Gjirokastra Experiential tours
- Gjirokastra Castle guidebook for visitors
- Gjirokastra Cultural journey
- Gjirokastra *"The City of Stone"* brochure

Availability on site

Local NGOs print different types of material (guides, brochures, maps etc.) which are then distributed to guests through the tourist information centre. However, at the moment of the visit only few of these materials were available on site. The collected printed materials were distributed by NGOs themselves.

Content

Gjirokastra has quality printed materials available in English covering different elements of tourist offer (attractions, tours, maps, useful information etc.), quality text adapted for tourist usage, interesting interpretation of tourist products and attractions through itineraries adapted to different interests and wide number of photos and illustrations. The city image brochure is highly informative, well designed and includes guided walk of the Old Town and Old Quarters, excursions in the Gjirokastra region and as such can serve as a tourist guide for Gjirokastra.

Visual identity and design

Although the quality of information and content provided in printed materials is generally very good, there is still place for improvement in terms of design and overall visual upgrade in order to meet global standards. Since Gjirokastra doesn't have an official brand, printed materials have different logos, signs and are not aligned in terms of colours and graphics.

Maps

City map is available within destination brochure. The map has identified points of interest, hotels and hostels, restaurants and castle. However, there was no isolated destination map available at the time of the visit.

ONLINE PRESENCE

Website

Gjirokastra has two dedicated tourism websites under the same name "gjirokastra.org". For this project, the Gjirokastra Foundation website was analysed with the following key findings:

- Dedicated tourism website is ranked 6.616.547 on the online analytics page SimilarWebranking.com.
- Total visits to the website in last three months were 8.468 with 01:01 minutes of visit duration, and a bounce rate of 66%.
- Website is managed by the Gjirokastra Foundation and is available in English (Albanian version is not functioning) and is probably the parallel, newer version of the other, poorly designed and outdated website with the same name.
- Mentioned website has very good tourism related content with extensive and useful information (history, culture, tradition, things to do etc.) although mostly in textual form, with some good photos but needs further improvement in terms of design.
- However, this website cannot be found easily on search engines so it is obvious that SEO and SEM management should be further improved and invested in.

Social media

- Gjirokastra has modern social media accounts (Facebook, Instagram, and Twitter) operating under the same name "Visit Gjirokastra" and presenting the tourism offer through professional photos, informative content related to tourism topics and regular posting in English.
- Social media accounts have a reasonable number of followers/likes for a destination in an early stage of tourism development (>1,000 Facebook likes, >500 Instagram followers and >500 Twitter followers). However, this could be further improved through professional management of social media accounts by a marketing agency.
- There is no Gjirokastra YouTube account.

Picture 3 Social media overview

Visit Gjirokastra	**visitgjirokastra**	**visitgjirokastra**	/
1.640 likes	**557 followers**	**910 subscribers**	/

Source: Facebook, Instagram, Twitter, YouTube, Horwath HTL 2018

5.4. SARANDA

BRAND

There is no official tourism or destination brand for Saranda.

PRINTED MATRIALS

During the visit to Saranda, following brochures and leaflets were collected from tourist information centre, attractions, private stakeholders (DMCs etc.) and in the Municipality:

- Saranda Visitors' map
- Saranda map & guide
- Leaflet - map of monuments in Saranda & Delvina
- National Park of Butrint
- Welcome to Saranda map
- City of Saranda map

Availability on site

Brochures and leaflets are available in three destination tourist information centres on three different locations, out of which only 2 were visited during the site visit. Tourist information office located near the Municipality buildings had almost no brochures while in the coastal one, brochures and maps were available, but need to be bought. There was no image brochure available at the time of the visit nor any other accommodation, tour or special interest brochures.

Content

Saranda has very limited number of quality brochures. Two visitor maps and guides were available in English, out of which one guide has also information in Russian and Albanian. Mentioned brochures have basic information only, city maps with points of interest, a lot of advertisements and poor overall tourism interpretation of Saranda with no added value for travellers.

Visual identity and design

Brochures and maps of Saranda are lacking modern design, high quality photos and consistency in tourism offer presentation. Since there is no destination brand, different graphic elements are used in each brochure.

Map

There are two different city maps, the Municipality one which is outdated, poorly designed and visually not attractive, and the City of Saranda map supported by the National Tourism Agency and Ministry of economic development, tourism, trade and entrepreneurship which is more visually appealing, with a supporting legend but as well with basic information. City maps are also available as part of two destination brochures.

ONLINE PRESENCE

Website

Saranda has two tourism websites which present destination tourism offer: Visit Saranda and *Sarandaweb.com*. For this project, the *Sarandaweb.com*. website was analysed with the following key findings:

- Tourism website *Sarandaweb.com* is ranked 1.838.734 on the online analytics page SimilarWebranking.com.
- Total visits to the website in last three months were 33.731 with 01:59 minutes of visit duration, and a bounce rate of 52%.
- Website is available in English and covers different sections and topics (accommodation, things to do, food & dinning, transportation etc.), but has relatively outdated tourist information (mostly from 2016 or older, for example bus timetables) and as such doesn't serve as accurate and inspiring source of travel planning.

Social media

- It is not clear which are the official social media accounts of Saranda since there are more accounts on Facebook, Instagram and Twitter using different names and hashtags.
- Social media accounts under the name "*Visit Saranda*" have a reasonable number of likes/followers (<300 Facebook likes, >10,000 Instagram followers and <500 Twitter followers) for a touristically developing destination but are not interconnected and there is no link to the website Visit Saranda.
- Social media accounts (Facebook and Twitter) also exist under the name Saranda Web with 1.733 likes on Facebook page and last post in January 2016 and only 7 followers on Twitter.
- There is no Saranda YouTube account.

Picture 4 Social media overview

			You Tube
Visit Saranda	**visit_saranda**	**#VisitSaranda**	/
292 likes	**10.582 followers**	**493 followers**	/

Source: Facebook, Instagram, Twitter, YouTube, Horwath HTL 2018

5.5. SOUTH ALBANIA

BRAND

There are two identified regional tourism brands for South Albania: Visit South Albania and South Coastal Region also known as Mysterious South. However, neither of the brand is yet fully implemented or considered official and both brands are inconsistently used.

ONLINE PRESENCE

Website

South Albania has two tourism websites which present destination tourism offer: Visit South Albania and *south.al* (The Mysterious South). For this project, the Visit South Albania website was analysed with the following key findings:

- There are no available metrics for the tourism website Visit South Albania on the online analytics page SimilarWebranking.com.
- Website is still in in construction (beta version), with unfinished content and with blank links.
- Website is visually modern, well-structured in different sections (top places, events, tour guide, promotions, map). However, website still doesn't contain enough information for trip planning and organization. In addition, there is no photo library available.
- Website has direct links to Facebook and Instagram profiles but there are no travel platforms (TripAdvisor or Booking) functional icons available.

Social media

- South Albania has more accounts on Facebook and Instagram using different names and hashtags so it is not clear which are the official ones.
- Social media accounts under the name "*Visit South Albania*" have a reasonable number of likes/followers (>4,000 Facebook likes, >1,000 Instagram followers), tourism related content and can be reached directly from the tourism website operating under the same name.
- Facebook and Instagram accounts under the name South Coastal Region have 989 likes on Facebook and 135 followers on Instagram and are as well connected to the corresponding tourism website.
- There is no South Albania YouTube nor Twitter account.

Picture 5 Social media overview

			YouTube
Visit South Albania	**visitsouthalbania**	/	/
4.387 likes	**1.423 followers**	/	/

Source: Facebook, Instagram, Twitter, YouTube, Horwath HTL 2018

5.6. KEY TAKEAWAYS FOR SOUTH ALBANIA

- There is no official regional tourism brand for South Albania. However, two different regional brands were identified: *Visit South Albania* and *Mysterious South* both not being implemented.
- Brand awareness of the whole South Albania as well as its destinations, is very low or hardly existing, with no official tourism brand (except in case of Berat) and no correlation with the national tourism brand *Go your own way*.
- Available printed materials in South Albania are mostly created and managed through different private and NGO initiatives, lacking quality content, suggested itineraries, professional photos and visual appeal. Printed materials are still far from meeting international marketing standards with Permet being the only municipality with no city brochure/image brochure.
- However, this is not the case of Gjirokastra which has different quality printed materials (brochure, image brochure, leaflets etc.) which are informative, relatively appealing and inspiring and thus adequate for tourist usage.
- Online presence and visibility of South Albania is still at its beginnings with tourism websites and social media channels in a development stage, with a strong need to be improved and professionally managed.
- There are several destination tourism websites for each municipality created through different private and NGO initiatives. However, it is not clear which is the official tourism website. In addition, websites lack tourism orientation, visual attractiveness and inspiration in terms of product presentation, accommodation options, destination attractions and experiences, itineraries etc.
- Moreover, existing tourism websites are relatively poorly positioned and for many there is no information on online analytics pages due to their low significance or recent creation.
- In selected municipalities there are no official neither professionally managed social media accounts, but rather various, mutually not related private DMC initiatives which are not holistically presenting destinations' tourism offer.
- However, again, this is not the case of Gjirokastra which has modern, tourism related social media accounts (Facebook, Instagram, and Twitter) operating under the same name "V*isit Gjirokastra*" with acceptable number of likes/followers and interesting content.
- Tourism mobile applications are slowly starting to develop; however, they are still not being used as a tourist experience tool in the destination.
- All the above mentioned indicates that observed destinations lack professional destination management systems and are not adequately regulating its visitors flows while low international visibility and recognisability is directly connected to low tourism volumes which are nowadays achieved in selected destinations.

CHAPTER 6

Competitive analysis

Hotel, Tourism and Leisure

6. COMPETITIVE ANALYSIS

In order to create up-to-date and innovative strategies that will give a cutting edge to South Albania and 4 selected municipalities, competitive European regions were analysed according to following criteria: geographical position, resources, market segments, tourism product structure, tourism management, marketing and infrastructure. Selected best practice regions are Istria, Tuscany and Styria. Main reasons for selecting these destinations are:

- Istria
  - Year-round destination that developed tourism mainly on sun and beach basis, but started developing pre and postseason offer in continental parts through outdoor, touring, rural, culture and enogastronomy;
  - Destination with one UNESCO World Heritage Site and strong cultural offer that is part of touring itineraries;
  - Good variety of accommodation establishments ranging from midscale to luxury hotels, campsites and glamping to private accommodation and hostels, enables year-round tourism and attracts different market segments;
  - Sun and beach product started as mainstream but developed to an added value tourism product through high quality accommodation establishments, urban upgrading, high quality marinas, themed beaches and supportive infrastructure (e.g. waterparks);
  - Strong image is built through enogastronomy, especially through typical products such as: Malvazija and Teran wine, truffles, asparagus, clams, olive oil, smoked ham etc. Enoastronomy offer has further developed through typical taverns, agritourism, wine cellars, tasting rooms and Michelin star restaurants;
  - Strong DMO system and collaboration among destinations on cluster level thorough marketing, branding and product development.
- Tuscany
  - One of globally most recognized, must visit destinations accessible mainly by car, which is part of group or individual touring packages;
  - Along with developed touring infrastructure and Tuscany's presence in international touring itineraries, Tuscany has developed a wide range of self-driving and experiential tours;
  - Tuscany created its tourism position and strong image connected with some of the most recognizable elements: Florence, Pisa, wine, food, picturesque hills, renaissance;
  - Tuscany is a best practice example of tourism destination that has strong beach product, but even more developed continental offer through culture, enogastronomy, rural and thermal products;
  - Good example of highly competitive tourism resources that are further put in tourism usage through innovative presentation and interpretation. Almost every town in Tuscany is an open museum. With 7 UNESCO World Heritage Sites, Tuscany is one of leading cultural destinations;

  - Tuscany offers diversified accommodation establishments ranging from city hotels, mid-range to luxury establishments, spa and wellness resorts, agritourism and beach hotels that enable year-round tourism and attract different market segments;
  - Tuscany has valorised many of its natural hot springs through tourism. From several outdoor hot springs to wide range of spa centres, Tuscany has developed a strong and competitive thermal product.
- Styria
  - This Austrian year-round tourism destination is one of the best known and well positioned destination that built its image on nature as “Austrian green heart”;
  - Tourism offer is based on natural resources, culture and gastronomy that are further exploited and valorised through tourism infrastructure and different experiences;
  - Styria has a well-developed outdoor product for which has a professionally developed infrastructure from hiking and cycling trails to golf courses and ski resorts;
  - With many nature and natural parks, tourism development in Styria and activities within parks are well managed, taking into consideration sustainability and carrying capacity;
  - Local producers are essential part of tourism experience. With many delicatessen stores, wide range of restaurants, developed enogastronomy infrastructure (wine cellars, tasting rooms, etc.), local dishes and products are visible, part of region’s image and accessible;
  - Most of the accommodation offer is developed from small family run businesses that still run as high-quality guest houses and B&Bs, but also part of them being transformed into small family hotels;
  - Styria is well-positioned as a family destination for wealth Western Europeans with special products developed: specialized family hotels, family activities, activities for youngsters.

For each region best example initiatives were analysed and key takeaways identified.

6.1. ISTRIA

Destination overview

General information

Location: Istria is the largest Adriatic and Croatian peninsula bordered by two countries, Italy and Slovenia. Region's administrational centre is city Pazin, while the most populated and largest city on the coast is Pula.

Size and population: Total area of Istria covers the surface of 3,476 km^2 and is populated by 208,109 inhabitants. In 2015, Istria produced 6.1% of total Croatian GDP, while GDP per capita was 13,225 EUR (25% above national level).

Climate: Along the coast the climate is Mediterranean with gradual transition to Continental climate in the hinterland.

Basic geographic features: Istrian coast, along with islands has a length of 539 km. It is characterized by a lot of specific branched bays, archipelago Brijuni and smaller islets groups in front of the coast from Poreč to Rovinj. Elevation level gradually rises up towards the central part of the peninsula, to reach its highest point in the north-east, on the mountain massif of Ćićarija and Učka with highest peak of 1,396 m. Most significant Istrian rivers are Mirna (53 km long), Dragonja (30 km long) and Raša (23 km long).

Position of Istria in Croatia, Rovinj peninsula, old town Motovun

Tourism profile

Positioning: Istria, as tourist destination, offers experience of friendly and relaxing surrounding with ease of access, active vacation and entertainment. It emphasizes regional experience with included culture, gastronomy, events and festivals along with diversified approach to coastal vacation. Istria is dynamic destination with a range of urban and rural structures and blend of coastal and hinterland landscape which inspire tourist exploration.

Differentiation elements: Highly developed coast connected with its hinterland, highly developed local gastronomy, authentic way of life, various outdoor activities, compact destination – all experiences are 30 min driving distance from one to another.

Key elements: accommodation types variety: mid, up and upper upscale, luxury hotels, camping and glamping, private accommodation; valorised tourism resources: beaches, natural, cultural and historical heritage, authentic gastronomy based on wine, olive oil, prosciutto etc.; tourism infrastructure: waterparks, high-quality restaurants, taverns, agritourism, wine cellars, tasting rooms, adventure parks, interpretation centres, etc.

Key tourism products:

1. Sun and beach – seasonal tourism product suitable for families, older and younger couples, based on favourable climate, specialized accommodation facilities, with various events and festivals as additional offer.

2. Outdoor – mostly pre and postseason tourism product based on infrastructure developed for cycling, mountain biking, hiking, trekking, sea activities etc.

3. Enogastronomy – locally produced high quality wine, olive oil, meat and other products presented in authentic F&B facilities ranging from Michelin star restaurants to traditional taverns and agritourism.

4. Touring and culture – highly developed touring infrastructure (roads, accessibility, signage, interpretation) enables individual and group touring based on natural, cultural, sacral and historical heritage.

5. Short break – Mainly developed because of the favourable geographical position close to main source markets, short break is year-round product motivated by outdoor, enogastronomy, events, culture and wellness.

Main attractions and resources:

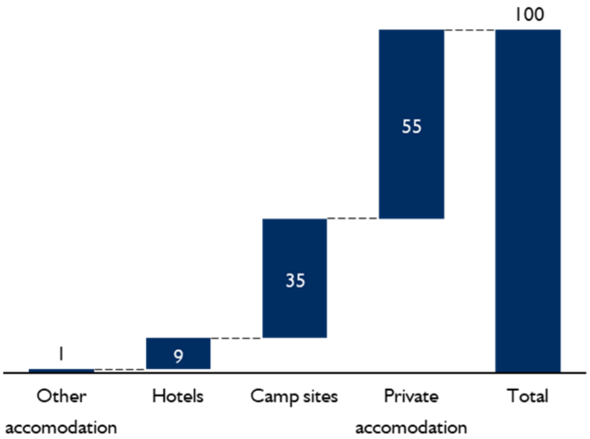
- UNESCO World Heritage List site: Episcopal Complex of the Euphrasia Basilica in the Historic Centre of Poreč.
- Cultural and historical attractions:
  - Roman Empire legacy: Amphitheatre, Small Roman Theatre, Triumphal Arch of the Sergi, Augustus Temple and the Forum in Pula, Country villa on Brijuni etc., early Christian churches and frescoes, castles: Dvigrad, Roč, Pazin etc.; old towns: Hum, Roč, Motovun (on UNESCO tentative list).
- Natural attractions:
  - National park Brijuni, Cave Baredine, Pazin Cave, Feštinsko kraljevstvo Cave, Cape Kamenjak, Lim Channel, Nature park Učka etc.
- Gastronomy:
  - Local products: olives and olive oil, truffles, wine, cheese, fish, muscles etc.
  - F&B facilities and infrastructure: tasting rooms, wine cellars, production facilities with visitor centres (oil refineries, vineries, cheese factories, breweries etc.) restaurants with high quality service and diversified offer etc.
  - Themed events
- Around 250 registered beaches of different typology, landscape, themes and connected infrastructure
- More than 500 kilometres of bike trails and 850 kilometres of hike trails that are officially mapped and marked in hinterland and coastal area
- Modern interpretation visitor centres with different themes:
  - *Batana* interpretation centre in Rovinj, San Servolo resort & beer spa, Istrian olive oil house in Pula etc.



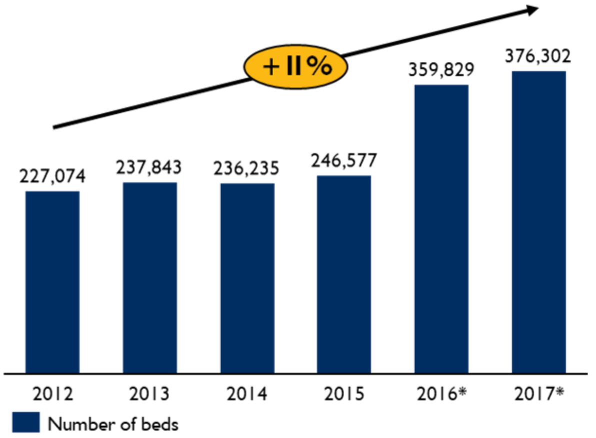
Istrian wine malvazija, Amphitheatre in Pula, National park Brijuni

Tourism supply

Graph 3 Share of bed capacity by type of accommodation in Istria in 2017



Graph 4 Number of beds in Istria from 2012 to 2017



* Data is based on adjusted statistical methodology since 2016
Source: Croatian Bureau of Statistics, eVisitor, Istria tourist board, Horwath HTL 2018

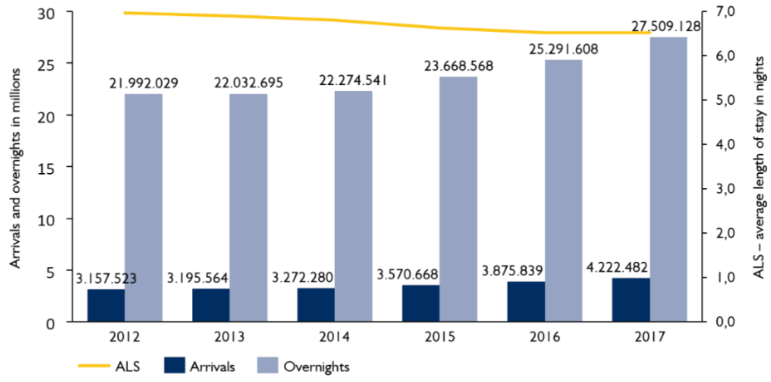
Even though private accommodation accounts for largest share of accommodation supply, there is a visible diversification in accommodation offer. From private apartments to luxury villas in hinterland, midscale to luxury hotels, family campsites to glamping. Moreover, commercial establishments are specialized for market segments and products such as: family, bike, boutique, adults only, golf resorts etc. There is also a part of internationally branded hotel properties (Kempinski, Park Plaza, Sol Melia etc.), but also properties that are part of hotel marketing affiliations such as Design hotels, Relais & Chateaux, Kinderhotels etc. Istria's touristic orientation is also visible in high density of 108 beds per km^2. Average annual occupancy rate of all accommodation establishment in 2017 was 20%, which is relatively low due to high share of private accommodation establishments that work seasonally.



Private luxury villa in Vižinada, Camp Lanterna Poreč, Hotel Lone Rovinj

Tourism demand

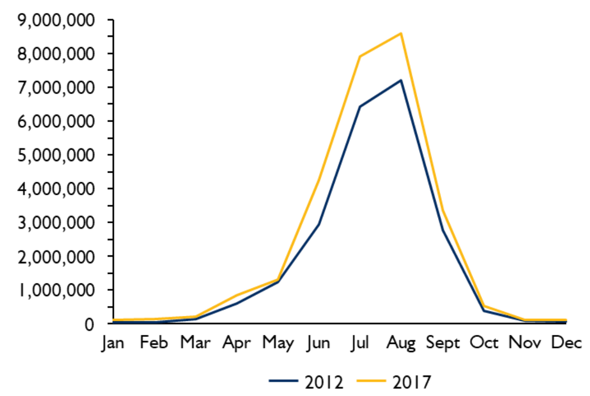
Graph 5 Number of arrivals, overnights and ALS in Istria from 2012 to 2017



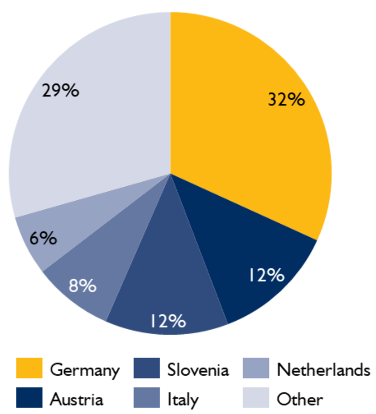
Source: Istria tourist board, eVisitor, Horwath HTL 2018

Istria is nationally leading tourist region accounting for 27% of total overnights in Croatia. Out of all Croatian regions, Istria marked fastest growth and development in past 20-30 years.

Graph 6 Seasonality in Istria in 2012 and 2017



Graph 7 Top 5 markets by nationality in Istria in 2017



Source: Istria tourist board, Horwath HTL 2018

Seasonality is one of the main characteristics of Istrian tourism, with 60% of overnights realized in July and August. However, certain growth in pre and postseason is noted in a 5-year period from 2012, mostly driven by tourism product diversification. In 2017, number of overnights per inhabitant was 132.

Because of it favourable geographical position, Istria is mostly a drive-in destination for traditional source markets from Western Europe and neighbouring countries. Still, the source market is quite diversified, with insignificant share of domestic market.

Economic impact of tourism sector

In 2016, tourism sector employed 11,245 or 23% of total number of employed people in Istria while on national level share of employed in tourism sector is 7%. Tourism sector produced 18% of total region's revenue in 2016.

Average daily tourist expenditure in 2017 was 79 EUR with included expenses for accommodation, F&B, shopping and other.

For the purpose of conducting competitive analysis, following initiatives in Istria are analysed:

1. Share Istria
2. Region's co-branding and co-marketing
3. Beach and waterfront architecture
4. Gourmet product development

5. Istra Outdoor
6. Events and festivals
7. Theme parks
8. Cluster cooperation
9. Public sector support to rural tourism development

1. Share Istria

Share Istria is the name of online influencer campaign for social media created by Istria region DMO.

Source: istra.hr, shareistria.com, Horwath HTL 2018

Basic features

- Campaign was launched in 2015 by inviting online influencers to travel around Istria in teams sharing their experiences with hashtag #ShareIstria and competing for a cash prize of 10,000 EUR.
- Istria tourist board made strategic partnership with Turkish airlines and BMW in order to attract influencers by easing access and making campaign even more attractive.
- Influencers that are competing for the main prize have been chosen according to a number of their followers on social media channels (not less than 50,000) in order to achieve strongest visibility as possible.
- Chosen influencers win 7-day holiday in Istria and are provided with one-week itinerary with included accommodation, transfers and other expenses.
- First year of the campaign resulted with 4,250 posts, reached 5.4 million people and had 48 million impressions.
- In 2018, campaign will be shortened but concentrated on celebrity influencers with significantly larger number of followers from 400,000 to more than 5 million.

Key takeaways

- Usage of modern communication channels to promote tourism, enables reaching higher number of target customer segments internationally with low acquisition cost per user.
- It is possible to adapt offer presentation to different segments according to their interests and further endorsing by different influencers – food bloggers, outdoor bloggers etc.
- There is a possibility to present various elements of tourism offer within one itinerary.
- This is a business model that gathers both public and private stakeholders with main goal of promotion but also service quality upgrade.
- Using the “user generated content” is perceived as more objective by followers.

2. Region’s co-branding and co-marketing

Istrian tourist board engages in strategic partnerships with globally renowned and premium brands from various business sectors such as: BMW, Turkish Airlines, Cube, Bosch and Football club Bayern München.

Source: Google, Horwath HTL 2018

Basic features

- Activities within strategic partnership with BMW and Cube:
  - Dealers' meetings, photo shootings for catalogues, launch and presentation of new e-cars and bikes, sport events, participation in project Share Istria and Share Magic Istria and FAM trips.
  - BMW Coast Drive is also a part of the partnership where BMW provides cars to upper upscale and luxury hotels whose guests can use in order to explore destination and its surrounding paying only for gas expenses.
- Strategic partnership with Turkish airlines on Share Istria project is realized by providing for 22 long-distance flights, tickets free of charge worth more than 100.000 EUR for travelling influencers.
- Strategic partnership with Cube and Bosch resulted with several branded bike events but also infrastructure upgrade in terms of installation of e-bike stations.
- Partnership with Bayern München, football club coming from the main Istrian demand market – Bavaria, is significant for positioning Istria as a destination for various sports activities in shoulder season and using strong brand of the most famous German football club and one of the most famous sport brands in general.

Key takeaways

- Sponsorships and partnerships with internationally renowned brands, provide a possibility for destinations to increase their visibility, reaching the target market segments and creating stronger market positioning (e.g. sustainable, bike-friendly, lifestyle etc.).
- Establishing connections with successful, globally renowned brands serves as destination endorsement and image improvement among target markets.
- As visible from various activities, there is also possibility to upgrade various parts of tourism product in terms of infrastructure, event quality, along with positive impact on private stakeholders' businesses.

3. Beach and waterfront architecture

With sun and beach being key Istrian tourism product, beach and waterfront architecture has strong significance on product quality, destination image and customer satisfaction.

Mulini beach Rovinj, Camping resort Lanterna beach Poreč, Girandella promenade and beach in Rabac
Source: Google, Horwath HTL 2018

Basic features

- Istria regional administration adopted Regional marine planning and management program within which are around 250 registered public and beaches under concession.
- Beaches are themed and classified as resort style, family, party, eco, dog, nudist, adrenalin etc. with specified market segment for each of the kind which enables their infrastructural development according to typology.
- Although some of the beaches are part of hotel and camping resorts, most of them are free of charge and offer various amenities from F&B facilities, sanitary facilities, kids' playgrounds, water activities (pedal boats, parasailing etc.), sport centres and other.
- There are 52 beaches in Istria region within Blue Flag project which guarantees their quality.
- Along with beach construction, holders of the projects develop promenades in order to ensure free passage for the guests of the destination.

Key takeaways

- Beaches, as main resource for coastal destinations, are a base for quality sun and beach experience and as such, beaches have to be professionally managed and to have clear management plan.
- Well maintained and themed beaches add value to sun and beach product. Destinations have possibility to choose their target market segment and theme beaches accordingly, which significantly affects overall ambience and guest experience.
- With professional management plan, destinations introduce rules for prevention of over construction, illegal privatization etc.
- With development of beachfronts and promenades, guests are separated from the traffic which upgrades guests' experience but also raises safety standards.

4. Gourmet product development

Istrian enogastronomy product is one of the most renowned on national and regional level. Although authentic products exist for a longer time and are part of regional identity, their modern interpretation and various innovations were a key to successful awareness building.


House of Istrian olive oil in Pula, Enogastronomy event, Wine Hotel and Restaurant Meneghetti
Source: Google, Horwath HTL 2018

Basic features

- Istrian gastronomy is based on traditional agricultural products and influence of Italian cuisine. Development of enogastronomy started when production professionalized and key stakeholders started to follow global enogastronomy trends in order to present rich Istrian enogastronomy heritage and traditions.

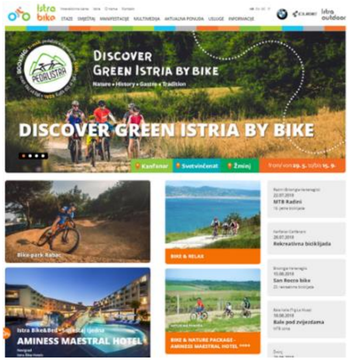
- Currently, enogastronomy products are presented in specialized visitor centres such as olive oil museum or wine and cheese tasting rooms which are connected with gastro routes.
- Most of the producers open their doors and present the production process in which visitors are able to participate but also taste authentic products.
- House of Istrian olive oil in Pula is a private initiative built in order to present one of the most valuable Istrian gastronomy products.
  - House contains three parts: tasting room, shop and museum and it was open in 2017.
  - Investment was worth around 270,000 EUR.
  - There are available guided tours, tastings and audio guides on 12 foreign languages.
  - Prices range from 3 EUR to 18 EUR for kids and adults and depends on a chosen package and guiding options (with or without tasting, number of olive oils tasted etc.).
- There is a number of enogastronomy events in Istria organized throughout the year.
  - One of the most significant are Wine exhibit in Gračišće (15,000 visitors), Vinistra (8-10,000 visitors), Wine Nights (5,000 visitors).
  - Enogastronomy events are focused on pre and postseason period, but there is also a number of events organized in high season themed with specific local enogastronomy ingredients.
- Specialized accommodation facilities are being built by renowned producers in order to provide unique enogastronomy experience throughout the stay.
  - There are wine hotels, beer resorts but also small family run businesses which offer house made products to their customers.
- F&B facilities offer high-end service level, with one Michelin star restaurant (Monte Rovinj – 1 star) and 12 restaurants with Michelin recommendation. 6 restaurants in Istria are also part of Jeunes Restaurateurs gourmet guide.
- In addition to organization and support of enogastronomy events, public sector invests in promotion of regional and local enogastronomy and organizes cooking classes, Michelin starred chefs' shows, educations etc.

Key takeaways

- High quality resource base is only a starting point for enogastronomy product development. For professional development, stakeholders have to approach product development holistically, from image building, creation of awareness of local/traditional ingredients and dishes to building high quality supporting infrastructure.
- Competitive development is possible only through adaption of traditional gastronomy to international market standards in terms of restaurants' visual attractiveness, food presentation, service quality etc.
- In development of enogastronomy, public sector has a role of marketing (mostly online promotion), education and events organization etc.
- Professional and stable development of this product cannot happen with absence of strong market stakeholders.
- Enogastronomy is a year-round product with possible value increase through investments in supporting infrastructure such as interpretation centres, gastro routes, wineries, tasting rooms etc. and related experiences – cooking classes, harvests and participation in production and preparation process.

5. Istra Outdoor

Istra Outdoor is a department established within Istrian tourism development agency committed to development of different forms of active and adventure tourism.



Istra Outdoor trails catalogue, Istra Outdoor web page
Source: Google, Horwath HTL 2018

Basic features

- Istra Outdoor is a public sector initiative established with main goal to create synergy effect between different tourism stakeholders in Istria in order to reposition and restructure Istria into a high-quality year-round tourism region.
- This public initiative gives a first push to private stakeholders (mainly small DMCs) to cooperate and create product cluster which then conduct various joint activities such as marketing, distribution, visibility improvement etc.).
- Although Istra Outdoor is a department of Istrian tourism development agency, it is also financed by regional and local DMOs and supported by private hotel companies.
- Business model predicts cooperation in organizing, financing and promotion of outdoor tourism product development initiatives between private stakeholders and public sector.
- Public sector is mostly responsible for infrastructure building and maintenance, mapping, signage etc. while private sector organizes most of the events and offers various outdoor tours.
- Department has developed regional outdoor brand which is consistently used in all of the publications and on web site and in that way improves visibility of outdoor tourism product.
- Two of the main developed outdoor activities are bike and trails, but recently climbing and kayaking are being developed.
- On Istra Outdoor website, private stakeholders present their offer (various outdoor events, holiday packages etc.).
- Istra Outdoor organizes educations for specialized outdoor activity guides.

Key takeaways

- Outdoor tourism offer can be professionally developed through joint approach of private and public stakeholders, where public sector is the initiator of centralized product club.
- Product club is informal entity whose members conduct joint efforts according to an agreed plan in order to develop tourism product through monitored implementation of various initiatives.
- Role of the public sector in product development is mostly foreseen in building of infrastructure, financing and promoting, but also in connecting various in-destination stakeholders.
- Private sector role is to create different experiences, provide high-quality service and to sell packages/tours.

6. Events and festivals

Events and festivals organized in Istria are mostly based on various destination resources such as gastronomy, outdoor activities, art, sports and other.

Sea Star Festival Umag, Motovun Film Festival, Croatia Open Umag
Source: Google, Horwath HTL 2018

Basic features

- Organization of events and festivals can be a major driver in promotion of the destination but also become main motive for visitation.
- There are more than 800 events organized in Istria throughout the year with various themes ranging from local events based on gastronomy and tradition to a big scale events recognized on international level such as:
  - Sea Star Festival - music festival organized in May,
  - Motovun film festival - most prominent Croatian film festival organized in July,
  - Vinistra - enogastronomy themed event organized in May,
  - Croatian summer salsa festival - organized in June and
  - ATP Croatia Open Umag - international tennis tournament organized in July.
- Although a large number of events is organized in high season, responsible authorities tend to organize more events in pre and postseason in order to extend season duration and promote various tourism products.
- Key success features of these events are their attraction and innovative offer but also high-quality production and organization.
- Financing of the events in organization from both private and public-sector is possible on national and regional level through public tenders.
- Some historical sites, e.g. Pula amphitheatre, are used as a stage for world famous artists' performance such as Tom Jones, Joe Cocker, Jose Carreras, Leonard Cohen, David Gilmour, Elton John and many other.

Key takeaways

- Events can have various themes and can be organized for different market segments, all according to destination positioning.
- Events can represent additional activity for guests in destination but can also be a motive for arrival.
- Events offer possibility for additional valorisation of destination resources in terms of traditions, intangible culture, gastronomy etc.
- Internationally branded and recognized events positively affect destination image.
- Events can be public sector initiatives, but most of the professionally produced and organized, internationally recognized and branded events are result of public private partnerships or private initiatives.
- Cultural sites' attractiveness and remarkable scenery are being exploited in sustainable way in order to provide unique experiences for visitors.

7. Theme parks

There are three large-scale theme parks in Istria, Dinopark, Aquapark Istralandia and Aquacolors, all located near coastal destinations. Additionally, there are some other smaller adventure parks which offer zip-line, have climbing objects and offer other recreational activities for kids and adults.



Dinopark Funtana, Aquapark Istralandia Nova Vas, Aquacolors Poreč
Source: Google, Horwath HTL 2018

Basic features

- Theme parks serve as additional activity for guests of the nearby coastal destinations and wider domestic and foreign market in hinterland.
- Theme parks are dominantly visited by families' and couples demand segment while zip line and adventure parks are mostly visited by group of friends and couples.
- Parks' themes are family oriented with wide range of content suitable for kids and high safety measures.
- Dinopark Funtana was first theme park in Croatia built in 2009 on 80,000 m^2
    - Theme of the park is based on dinosaur remains found in Istria
    - Dinosaurs in theme park are real size high-tech dinosaurs.
    - Theme park has a show arena with 800 visitors' capacity for daily shows, circus and exhibitions. There is also a cinema for kids, museum, indoor and outdoor playground, inflatable castle, kids train etc.
    - Prices are ranging from 10 EUR for kids and 12 EUR for adults in shoulder season to 20-25 EUR in high season.
- Aquapark Istralandia was founded in 2014 and it was first Croatian water park
    - Estimated investment was around 10 million EUR.
    - The first year's projected number of visitors was 100,000 but it's been surpassed with 130,000 and growing over 200,000 visitors annually with ticket price ranging from 20 to 25 EUR.
    - In 2017, it was chosen as 2nd best water park in Europe in 2017 by TripAdvisor.
    - Park covers the area of 80,000 m^2 and has 2,500 m^2 wave pool (largest in Mediterranean), 1.2 kilometres of water slides, around 2 kilometres of slide tubes and many other soft adrenaline activities suitable for kids' entertainment but also complementary F&B facilities, relaxing pool for parents etc.
- Aquacolors park was opened in 2015 and is still one of the biggest theme parks in region with 100,000 m^2
    - It is a private investment worth around 25 million EUR.
    - Park's attractions are divided in four categories – fun, adrenalin, relax and for kids.
    - Total capacity of the park is around 5,000 daily visitors.
    - Park is open from June to September and has from 80 to 100 employees.
    - Full day ticket prices in high season are ranging from 21 to 28 EUR.

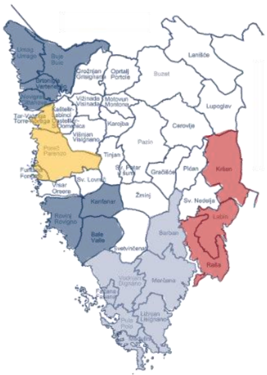
Key takeaways

- Theme parks are an additional offer for guests in destination but with higher quality and attractiveness they can become a motive for arrival.
- Theme parks can have various themes and offer different activities, all according to destination's positioning.

- In order to build successful theme park there is a need for quality resource base – legends and stories, but also infrastructure and business sustainability – source markets, accessibility etc.
- Theme parks' offer is also a tool for seasonality extension to shoulder season with various activities offered in closed/roofed areas and activity for days with bad weather in summer season.
- In order to secure private sector investment, public sector needs to plan building areas, and insure infrastructure (water, sewage etc.).
- Increasing number of visitors serves as confirmation of product attractiveness and guaranteed feasibility with fulfilled prerequisites of suitable location, good accessibility, content quality and attractiveness, security measures etc.

8. Cluster cooperation

Istria's tourism clusters operate with main goal of connecting smaller destinations into one compact experiential unit in order to synergize their product development initiatives, investments in infrastructure, along with joint branding and promotion.



Istrian tourism clusters, Cluster branding example
Source: Google, Horwath HTL 2018

Basic features

- Clusters are made on experiential basis.
- Clusters gather main area stakeholders, from both private and public sector and although they aren't on the same administrative level as regional tourist board, partly they operate as independent entity with before mentioned goals.
- As clusters are made of several administration units, they also integrate local DMOs but their activities synergise with common goals and as such, clusters are considered as beginning of sub-regional level DMOs.
- Following are key features of one of the most successful clusters - Northwest Istria cluster, named "Colours of Istria":
  - Cluster is managed by Cluster board where each stakeholder from the cluster area, being private or public, has one representative.
  - Cluster stakeholders share a brand, web page, social media channels, mobile application in order to raise awareness and visibility of destination.
  - Cluster has defined key tourism products for its area – sport (tennis, cycling, football) enogastronomy and wellness.
  - For some of the product development initiatives, cluster even consults its guests via online channels.
  - Stakeholders cooperate on event organization (sport, recreation and gourmet), but they also organize study visits for bloggers, journalists and influencers.

Key takeaways

- Faster and more professional development can be achieved on regional level than each destination fighting to position on the market.
- Synergy effects can be achieved through cooperation of private and public sector and joining budgets for various marketing activities with common goal.
- Clustering can be done not only based on administrative units, rather on geographical vicinity, common tourism products and provided experience for guests.
- Regional or sub-regional DMO structure need to have know-how and budget to recognize and react to various changes on tourism market in real time and develop professional tourism products.

9. Public sector support to rural tourism development

Istrian regional administration recognized that tourism offer in continental part is not developed and rural resources not exploited. Change in orientation to develop rural tourism started in mid-90's with many initiatives from regional government to help stakeholders develop rural tourism offer and valorise underutilized resources.

Luxury villa in Istria hinterland, Authentic Istrian tavern, Rural experiences for kids
Source: Google, Horwath HTL 2018

Basic features

- Offer diversification started by mapping, signing and maintaining bike trails in hinterland areas. Even though connected to outdoor tourism product, it has shown the potential to improve the accessibility of rural destinations and development of rural tourism experiences.
- As Istria was a region with developed agricultural production, rural tourism development started from upgrading enogastronomy focusing on wine producers primarily, followed by olive oil and meat producers. For this purpose, and entity was established, which main task was to prepare a market analysis of existing rural offer and identify key bottlenecks that needed to be improved.
- As a reaction to identified bottlenecks, Istrian regional administration undertook following activities:
  - creation of educational booklet showcasing key success factors of rural F&B facilities and potential benefits for offer providers;
  - organization of workshops and study visits (FAM trips) to best practice destinations in Italy and Austria for winemakers to familiarize them with what Istria should become (in terms of offer, quality upgrade and implementation of modern production methods);
  - lobbying towards banks to issue specialized credit lines with interest rates ranging from 5.5% to 6%;
  - public institutions connected with agricultural production and tourism development approved credit lines for producers;
  - investment in infrastructure in rural areas which is a long-term activity ongoing even today.
- When offer started to develop, Istrian regional tourist board started promoting rural tourism through printed materials, web site, specialized tourism trade fairs, B2B promotion towards specialized foreign outbound agencies, etc.

- Moreover, in order to raise the quality of rural tourism accommodation facilities, in the same period (end of 90's and beginning of 00's), same entity started to cooperate with regional architectural offices by financing the creation of conceptual solution for neglected houses in need of reconstruction.
- Architectural offices created a list of authenticity features specific for Istria and offered the owners lower price for construction permit creation. In such a way, public entity made initial push for owners to reconstruct their facilities and created all preconditions for authentic reconstruction of rural accommodation objects.

Key takeaways

- To develop any form of tourism, initial push needs to come from public sector entities. Whole destination needs to define long-term vision and strategically plan development together with all key stakeholders.
- Small and family-run business need additional support in terms of education and capacity building.
- Generally, initialization of any tourism activity needs high initial investments and long investment return period. Thereby, investments in tourism need to be supported by favourable credit lines and public sector subsidies.
- Any tourism offer needs to be adequately promoted and public sector entities (usually DMOs) need to build awareness of destination offer.
- Tourism offer and connected production or experiences, need to be developed according to international best practice examples.
- Each region developing tourism has to exploit its resources in terms of heritage and specifics in highly sustainable way, in order to preserve it and present its specifics.

6.2. TUSCANY

Destination overview

General information

Location: Tuscany is one of the biggest Italian regions located on Italian western coast. Region's capital city is Florence. Coastline is located on Tyrrhenian and Ligurian seas.

Size and population: Total area of Tuscany covers the surface of 22,992 km^2 and has population of 3,742,437 inhabitants. Tuscany produced 6.7% of national GDP in 2015 while GDP per capita on regional level was 30,200 EUR (11% above national level).

Climate: Mild climate with warmer summers in coast and valleys in comparison to hills or mountains. During the winter, temperatures are ranging from 2-12°C while in the summer they can raise up to +40°C, especially in the coastal areas.

Basic geographic features: Tuscany landscape varies from northern mountainous part to wide beaches in the south. 67% of territory is hilly, 25% is mountainous while 8% are coastal plains. The characteristic landscape setting is a combination of hills and valleys leading on to sharply peaked mountains. Tuscany's lowlands are interior valleys or coastal plains.



Position of Tuscany in Italy, continental Tuscany landscape, capital city Florence

Tourism profile

Positioning: Tuscany, the journey through beauty and history starts here

Differentiation elements: Tuscany is globally recognized as a destination with numerous cultural attractions and the cradle of renaissance. Apart from culture, Tuscany's landscape and agriculture, favourable position in central Italy and highly developed accommodation with wide offer provide a possibility to develop other types of tourist offer.

Key elements: cultural and historical heritage, enology and gastronomy, highly developed accommodation offer (various hotels, agritourism objects, spa & wellness etc.), biking and hiking trails, beaches etc.

Key tourism products:

1. Touring and culture – Tuscany has a rich, well-preserved cultural heritage with globally recognized points of interest and as such is a main travel motive for different kind of market segments, both for individual touring and touring groups.

2. Enogastronomy – it is based on globally known wine brands (chianti, trebbiano, malvasia and others) and authentic gastronomy, driven by its presentation in highly developed F&B and accommodation facilities and activities such as wine tastings, cooking classes etc.

3. Wellness & spa – This product is developed through tourist valorisation of many public hot springs in Tuscany known for its therapeutic effect and a number of accommodation properties with high level service quality and various types of saunas, pools, thermal baths etc.

4. Outdoor – favourable landscape in Tuscany serves as a base for outdoor activities, especially for cyclists and hikers. There is a number of marked and mapped bike trails which connect countryside with larger cities, villages and coastal areas.

5. Sun and beach – with its long coastline and islands, Tuscany also offers a number of beaches and specialized accommodation.

6. Rural – tourism offer in hinterland is mostly based on local agriculture offer and authentic lifestyle with globally renowned enogastronomy specialities, agritourism accommodation facilities etc.

Main attractions and resources:

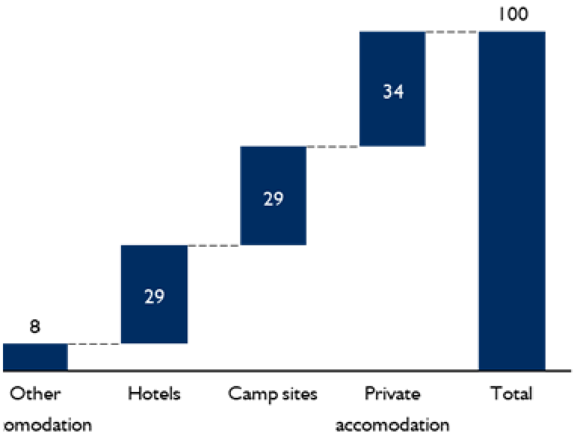
- UNESCO World Heritage List sites:
  - 6 cities: Florence – the Cradle of Renaissance, Pisa – the Square of miracles with leaning tower, San Gimignano, Siena, Pienza, Valdorcia;
  - The Medici Villas and Gardens;
- Nature attractions:
  - National Park of the Tuscan Archipelago,
  - The Maremma Park,
  - The Parks of the Val di Cornia,
  - The Apuan Alps Park;
  - The Arno river etc.
- Culture and heritage:
  - historical sites, churches, museums, art galleries, visitor centres etc.
- Gastronomy:
  - wine, olive oil, truffles and other mushrooms, meat, cheese etc.
  - F&B facilities: tasting rooms, production facilities with visitor centres (vineries, oil refineries, cheese factories etc.) 36 Michelin starred restaurants and other restaurants with high quality service and diversified offer etc.
  - 14 wine roads, gourmet routes and tours
- Outdoor:
  - there is no official data on total length of marked bike and hike trails, but on some international online platforms there is data on more than 17,000 trails
  - outdoor product is supported by maps, resting areas and specialized accommodation
- With over than 400 kilometres of coastline, Tuscany offers a number of beaches with 19 of them certified within Blue Flag project for quality assurance and supporting infrastructure



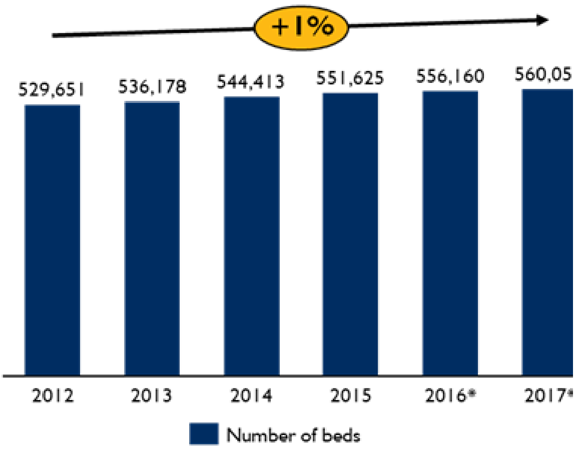
Leaning Tower of Pisa, Chianti vine cellar, National park of Tuscan archipelago

Tourism supply

Graph 8 Share of bed capacity by type of accommodation in Tuscany in 2017



Graph 9 Number of beds in Tuscany from 2012 to 2017



Source: regione.toscana.it, Horwath HTL 2018

Density of total number of beds in Tuscany is 24 beds per km^2. Average annual bed occupancy rate of all accommodation establishments was 23% due to 58% of total accommodation establishments being campsites and private accommodation that work seasonally.

In larger cities in Tuscany, such as Florence, Siena and Pisa, the most common accommodation types are hotels located in centre vicinity, with various kind of offer ranging from spa & wellness, art, boutique, historic castles with accommodation offer etc.

Although much of the accommodation supply is dominated by small family-owned and operated businesses, there are also high-end branded properties such as Timbers Hotels and Resort, Rosewood Hotels and Resorts and Belmond Hotels and Resorts. Various other hotels are affiliated with marketing consortiums Small Luxury Hotels, Relais & Chateaux and Leading Hotels of the World.

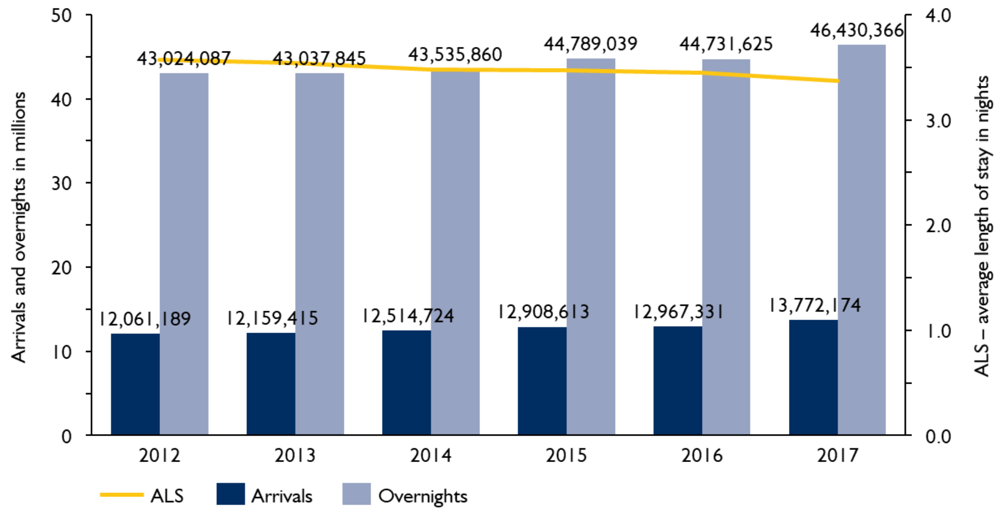
Private accommodation properties offer countryside experience and a high-level service. Tuscany's agritourism properties build their attractiveness on scenery and locally produced specialities (wine, olive oil, chestnuts, meat, vegetables etc.).



Agritourism Podere Casanova, Asmana Wellness World Florence, Hotel San Miniato Pisa

Tourism demand

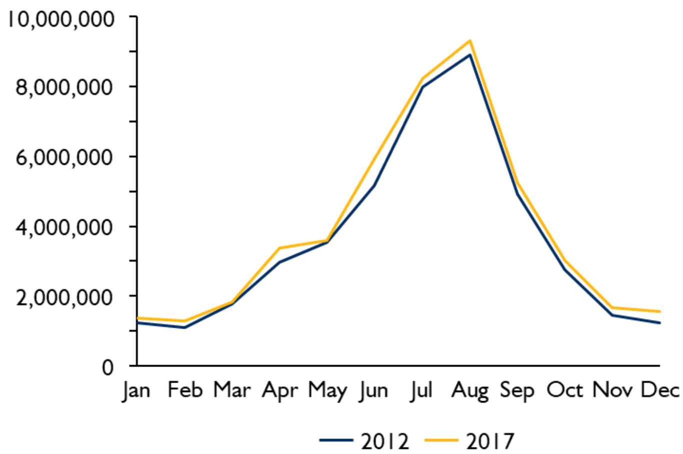
Graph 10 Number of arrivals, overnights and ALS in Tuscany from 2012 to 2017



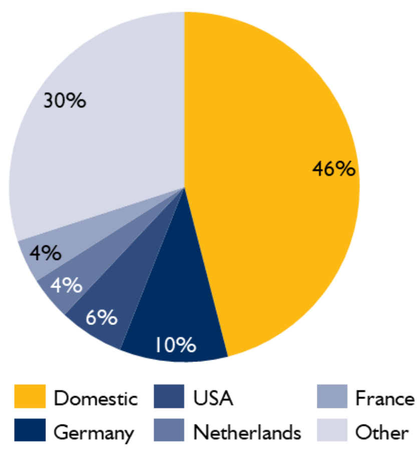
Source: regione.toscana.it, Horwath HTL 2018

Tuscany is one of the most significant tourist regions in Italy with a share of 12% of total overnights and one of the most developed tourist regions in Europe. Number of arrivals and overnights is growing steadily with slight decrease of ALS caused by faster growing in number arrivals. In 2017, number of overnights per inhabitant was 12.

Graph 11 Seasonality in Tuscany in 2012 and



Graph 12 Top 5 markets by nationality in Tuscany in 2017



Source: regione.toscana.it, Horwath HTL 2018

Tuscany has high seasonality with highest number of tourist overnights reached during summer time. Compared to 2012, most significant difference can be spotted in growth of overnights in April and June.

Being globally renowned destination, Tuscany attracts visitors from all over the world and has extremely diversified source market with high significance of domestic market.

Economic impact of tourism sector
Total expenditure of foreign tourists in Italy in 2017 was 39 billion EUR out of which tourists in Tuscany spent 4.4 billion or 11.3%. Taken in consideration achieved number of 46,4 million foreign overnights in 2017, estimated expenditure of foreign tourists per overnight is 176 EUR.

For the purpose of conducting competitive analysis, following initiatives in Tuscany are analysed:

1. Gourmet experience products and routes
2. Riverbank architecture and content
3. Thermal baths and spa facilities
4. Interpretation and visitor centres
5. Individual touring enablers
6. Alternative mobility

1. Gourmet experience products and routes

Tuscany offers one of the globally most renowned enogastronomy product based on local gastronomy products presented on various gourmet routes and in high-class F&B facilities.



Wine tasting in Tenuta Casanova, Cooking school, Tuscany wine routes
Source: Google, Horwath HTL 2018

Basic features

- Tuscany region has many enogastronomy products with strong brands such as wine (various *chianti* labels, Brunello di Montalcino), olive oil (Terre di Siena DOP, Lucca DOP), meat specialties (Florentine steak, *prosciutto*), cheese (*pecorino*) and other traditional dishes. However, these products wouldn't become motive for arrival in destination without proper interpretation and presentation.
- Gourmet experience is developed as unique product, but also serves as an additional offer complementing agritourism and rural tourism
- Enogastronomy scene in Tuscany is developed and presented in objects ranging from Michelin starred restaurants (29 one-star, 4 two-star and 1 three-star restaurant) to agritourism and taverns.
- F&B facilities offer wine tasting lunches where food is paired with wine while guests are being educated on wine sorts and have possibility to taste various wine sorts.
- Enogastronomy is presented in cooking classes but also in cooking schools which offer a different kind of educative vacation in Tuscany.
- Enogastronomy production facilities and F&B facilities are connected with routes suitable for individual touring but also bike and hike tours. These routes' visibility is upgraded with strong online promotion and brand building, but also with maps available on site and road signage.

Key takeaways

- In order to create international image based on gastronomy it is important to have branded tourism products, promote it strongly online and ensure on-site visibility.
- It is important to include producers and educate them on storytelling and presentation as a way to offer differentiating enogastronomy experiences.
- Professional development of enogastronomy as a tourism product, can be done only if there are strong private stakeholders in destination offering quality products and services.
- It's important to offer wide range of restaurant types in order to satisfy the needs of different market segments and to adapt the offer and presentation of traditional cuisine to international standards.
- Product can be presented through a range of gourmet routes and offered in different holiday packages.
- Enogastronomy is significant for connecting the rural areas to a tourism product through different experiences – production and preparation of traditional products, vineyard visits, tasting rooms etc.

2. Riverbank architecture and content

Arno river is the longest river in Tuscany with length of 241 kilometres. Arno riverbank is representative example of tourism valorisation of rivers in towns.

Ponte Vecchio and Arno riverbank, Restaurants on Arno riverfront, Running in Parco della Cascione in Florence
Source: Google, Horwath HTL 2018

Basic features

- Arno riverbank in Florence is constructed in a way to upgrade city's visual attractiveness and as a point of interest for visitors and local citizens.
- Arno riverbank in Florence is a central place for various events and city life with a range of possible activities, along with restaurants, bars and shops.
- Riverbank is also a recreational zone, especially in part of Parco della Cascione where green areas dominate the setting. These areas are also used for organization of different sport events but also for local citizen's recreation.
- There is a number of resting areas visited both by locals and visitors.

Key takeaways

- Rivers are high valuable resource which can be valorised as main point of interest by creating highly attractive river promenades with recreational and leisure zones.
- Well planned and maintained riverbanks with attractive promenade have positive effect on visitors flow and can become event venues, but also areas for restaurants, bars and shops.

3. Thermal baths and spa facilities

Tuscany is a region with a number of natural springs and spa towns established in ancient times. Today, thermal baths, spa and wellness offer is one of the main pillars of tourism supply.



Thermal baths of Saturnia Maremma, Vitigliano Relais and Spa, San Giuliano Terme
Source: Google, Horwath HTL 2018

Basic features

- Natural springs in Tuscany are either owned and maintained by public sector or privately owned and used as a resource for spa and wellness offer.
- Natural springs owned and maintained by public sector are free of charge outdoor areas and are used by local citizens and tourists. These springs are managed in a way to secure sustainability (waste management, visitor management etc.) but also to raise attractiveness and tourism valorisation (safety measures, F&B facilities, resting areas, parking etc.).
- Privately owned spa and wellness accommodation facilities (hotels, *relais* etc.) collect thermal water from natural springs in indoor/outdoor pools and offer upper-upscale service with saunas, massages and various therapies.
- Additionally, most of the spa and wellness hotel properties have clear information on therapeutic effect of water in their facility based on balneological researches.

Key takeaways

- Thermal water natural springs are globally one of the most competitive resources which provide a possibility for professional development of wellness and spa tourism product. This is a year-round product that attracts higher expenditure guest segment.
- In order to professionally valorise thermal springs, there is a need for clear understanding of their features and characteristics in terms of curative and therapeutic effect but also key features of product commercialization.
- Thermal springs are mostly used for medical and rehabilitation purposes but also as a resource that can be commercialized as a wellness and spa product.
- Commercialization of public sector owned springs is mostly possible through medical spas or hospitals, public pools, swimming areas etc. with introduced safety measures and supporting facilities.
- Most of the private owned springs are commercialized as spa and wellness resorts, but also as private medical spas for rehabilitation.

4. Interpretation and visitor centres

Apart from museums and galleries where a number of artworks is exhibited, Tuscany also offers interpretation and visitors centres where local handicrafts, rich tradition and contemporary art are presented.

Museum of Crystal in Colle di Val d'Elsa, Poggibonsi Archaeodrome - Open Air Museum
Source: Google, Horwath HTL 2018

Basic features

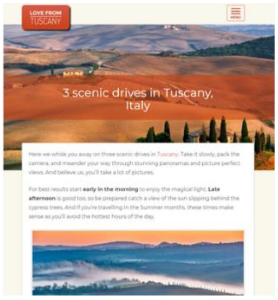
- Museum of Crystal in Colle di Val d'Elsa is interpretation centre for local handicrafts and skills.
  - 15% of the crystal on global level and 95% of crystal on national level is produced in this town and that fact is used as a base for interpretation and storytelling.
  - Museum is located in former crystal and glass factory once occupied by one of the historic furnaces.
  - It exhibits various crystal and glass artworks but also common everyday objects.
  - There is also possibility for customer interaction in "experimental area" where visitors are able to touch the objects and millstones used in everyday production.
  - Ticket price is ranging from 2.5 to 4 EUR.
- Archeodromo Poggibonsi is an open-air museum devoted to the archaeological findings of settlements in early Middle Ages.
  - Ancient settlement from 9th century is reproduced in 1:1 scale-built buildings.
  - Interpretation is based on re-enactment of old lifestyle and traditional crafts by archaeologists and other staff.

Key takeaways

- Visitor and interpretation centres are places where key destination resources, such as stories, legends, cultural heritage and traditions, are presented in innovative and modern way.
- These centres mostly use modern technology (virtual reality, artificial intelligence, multimedia and other) in order to replicate experience from history and provide possibility for guests to be a part of experience creation.
- Classic museums and galleries are replaced by modern which are interactive and offer dynamic experience.
- Additionally, visitor and interpretation centres provide information about whole destination and as such serve also as tourism info centres.
- Mostly, centres have additional features such as F&B facilities which extends visitors' stay.

5. Individual touring enablers

Although much of the Tuscany landscape is hilly, road infrastructure and signage enable individual touring.

Ferrari self-drive experience tour, Online presentation of scenic drives, Driving map for Tuscany
Source: Google, Horwath HTL 2018

Basic features

- Self-driving experience and individual touring is one of the most popular ways of discovering Tuscany landscapes and countryside.
- Well maintained, high-quality roads and up-to-date signage, connect various points of interest such as wineries, historical towns, natural sites and other attractions.
- Scenic roads with resting areas and viewpoints are presented in driving maps and online.
- Driving maps contain information on pointes of interest and are distributed in tourist information centres and accommodation facilities.

Key takeaways

- Quality road infrastructure supports individual and group touring and improves accessibility.
- Roads and points of interest need to be well-signed.
- For individual touring planning, all information should be available online.
- By providing maps and information on scenic roads and various points of interest, public sector can effectively manage visitor flows;
- Including private sector offer in such maps, public sector is improving their visibility
- There is a possibility to introduce various kind of self-driving routes ranging from gourmet, off road, cultural sites route etc.

6. Alternative mobility

Some of the historic towns and points of interest are located on hilltops and as such are hard to reach by foot. In order to provide alternative way to reach those points, there are various gondolas and funiculars in Tuscany.


Gondola in Marciana on Elba island, Funicular in Certaldo
Source: firenzecard.it, Horwath HTL 2018

Basic features

- Cable cars, funiculars and gondolas are improving accessibility of certain points of interest which are hard to reach because of their hilltop position and strong incline.

- There is a difference between various types and the right type is chosen regarding specific characteristics of the terrain and building possibilities.

Key takeaways

- By introducing alternative mobility options, destinations can upgrade the quality of stay as well as quality of life.
- Such solutions can reduce traffic pressure on urban centres or local roads.
- Apart from being useful way of transportation, these mobility options can also become an attraction themselves.
- Such mobility option needs to be planned according to highest safety and security measures and needs to ensure sustainability.

6.3. STYRIA

Destination overview
General information
Location: Southeast Austria, on south Styria borders Slovenia, on east, north and west other Austrian federal states. Region's capital is Graz.
Size and population: Total area of Styria covers 16,399 km^2 (2nd largest of all Austrian federal states). In 2016, population of Styria was 1.23 million (4th federal state of Austria by population). GDP per capita, on federal state level, in 2015 was 33.100 EUR (15 percentage points more than EU 28 average).
Climate: Sunny, cold and snowy winters, dry and relatively warm summers.
Basic geographic features: Styria has two main geographical areas: mountainous area with mountain ranges above 3,000 meters and the southern lowland slopes where there are numerous vineyards, orchards and thermal springs of medicinal water. The most important Styrian rivers are Mura, Mürz, Salza and Enns.    Position of Styria in Austria, mountain landscape of Styria, vineyards of southern Styria
Tourism profile
Positioning: The Green Hearth of Austria
Differentiation elements: Combination of winter season experience in mountains and relaxing in fresh air and spa resorts during summer season.

Key elements: well preserved nature and activities in nature, highly developed tourism infrastructure through: ski resorts, high quality spa resorts with signature health treatments, highly competitive hotel objects and authentic private accommodation; healthy and delicious gastronomy, branded eco-organic agricultural production (apples, vegetables, pumpkin oil, meat – pork and veal).

Key tourism products:

1. Outdoor – year-round nature-based tourism with various outdoor activities: skiing, cross-country skiing, hiking, golf, cycling, mountain biking, hiking, trekking etc.

2. Gastronomy – Styria's gastronomy is presented in a fashionable and appealing way. The most famous Styrian gastronomic products are wine, pumpkin oil and apples. The renowned gastronomic offer of Styria is united under the brand *Kulinarium Steiermark*.

3. Health and wellness – based on authentic, signature and innovative treatments with local ingredients such as apples, basil, grape, hay, herbs, medicinal mud, pumpkin and salt, and globally recognized treatment and self-treatment techniques that are recognized and protected under the name *Traditional Styrian medicine*.

4. Family vacation – shorter or longer vacation with various family activities, adapted accommodation (kids hotels, agritourism and other). In addition, there are specialized excursions with elements of fun, education and adventure that include the whole family and activities specially designed for children, depending on age.

5. Culture – based on festivals and events such as Advent, modern architecture, castles, churches, shrines, historic urban structures etc. Additionally, Graz was selected as the Cultural Capital of Europe in 2003 and is recognized as European City of Culture.

Main attractions and resources:

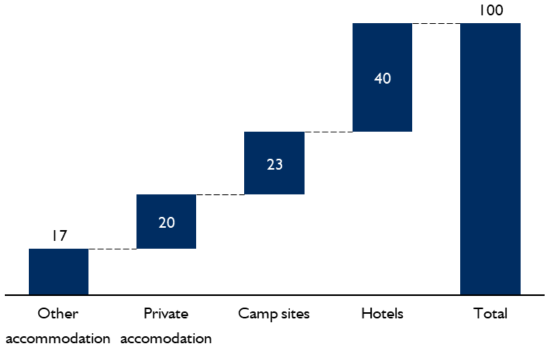
- Two UNESCO World Heritage sites: Graz old town with Eggenberg palace and Semmering railway;
- Graz – capital of Styria famous for rich cultural and historical heritage and a prominent design character that is manifested through unusual installations, design and innovation;
- Ski resorts – there are 16 ski regions with 73 ski venues and around 700 km of perfectly prepared ski tracks with high safety measures. Most famous ski resorts are Schladming, Dachstein glacier, Lachtal, Hohetauern and other.
- Spa resorts – there are 9 thermal springs, 15 wellness and beauty hotels and 7 medical and health resorts. Wellness and spa offer is branded and specially promoted as *Thermenland Styria*.
- Wine roads and southern Styria gastronomy – roads are connecting several points of interest where wine and other gastronomy specialties are presented.
- Castles – beside the elements of architecture and history heritage, within the sites there is a possibility to experience specific gastronomy delicacies of the regions, wine and natural surroundings. Most prominent castles of Styria are: Eggenberg, Schlossberg, Burgruine Gosting Riegersburg, Seggau, Deutschlandsberg and Herberstein

Steiermark
DAS GRÜNE HERZ ÖSTERREICHS

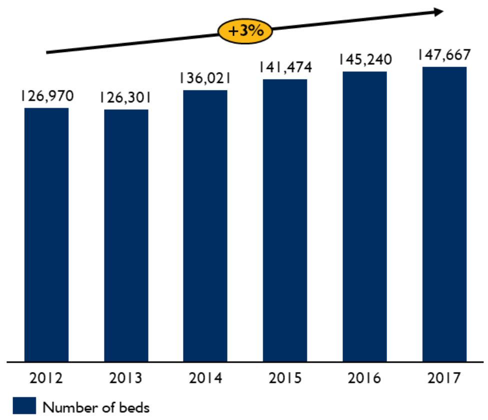
Styria tourism logo, Mountain biking in Styria, Styrian gastronomy

Tourism supply

Graph 13 Share of bed capacity by type of accommodation in Styria in 2017



Graph 14 Number of beds in Styria from 2012 to 2017



Source: statistik.steiermark.at, Horwath HTL 2018

Number of beds per km^2 Styria is 9, with average annual bed occupancy rate of 24% in 2017. The low rate is due to a high share of seasonal accommodation establishments.

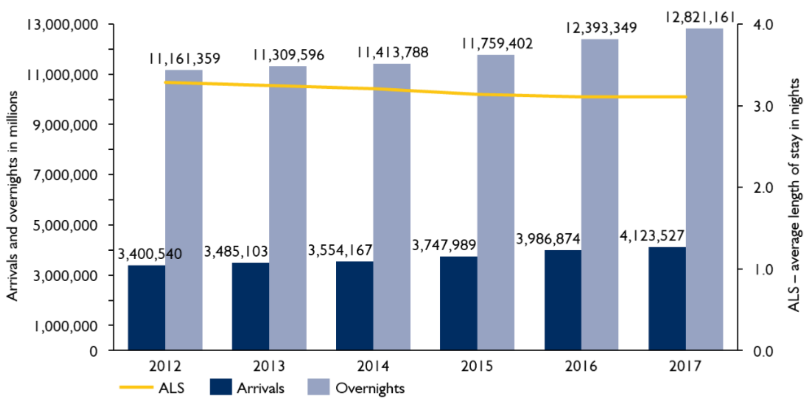
Most of the accommodation objects developed from small, family-run businesses with authentic experience of local lifestyle and gastronomy. However, there are properties under international marketing affiliations such as Relais & Chateaux and branded properties, e.g. Falkensteiner.

Besides common categorization, accommodation facilities are also specialized for certain type of demand and as such also differ among each other. Some of the types are: hiking, biking, wellness & spa, health, nature park, green accommodation & organic farms, family, culture, adults only etc.

Waldruhe B&B, Falkensteiner Therme & Golf Hotel Bad Waltersdorf; LOISIUM Wine & Spa Resort Südsteiermark;Der Steirerhof

Tourism demand

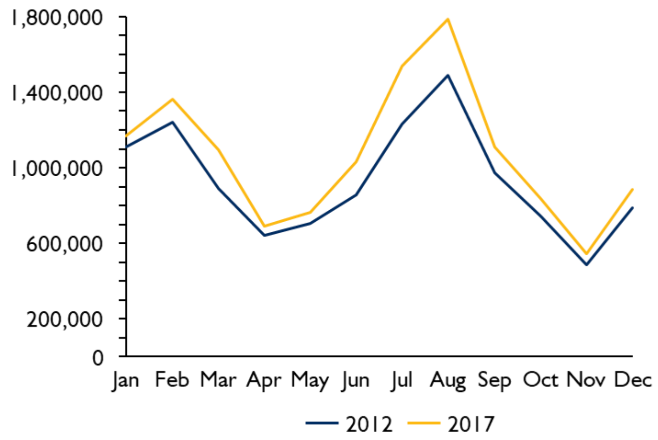
Graph 15 Number of arrivals, overnights and ALS in Styria from 2012 to 2017



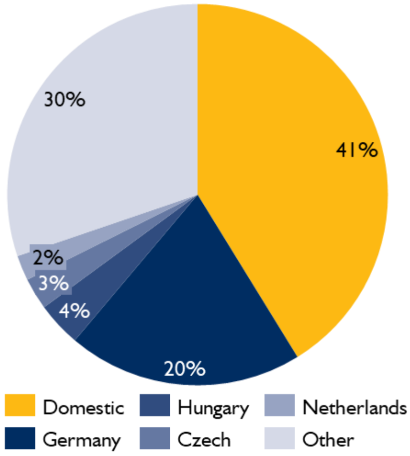
Source: statistik.steiermark.at, Horwath HTL 2018

In 2017, Styria had 10 overnights per inhabitant ratio and made around 11% of total Austrian tourist overnights, which points this region as one of the most successful regions on national level. Slower growth of number of overnights in compare to number of arrivals results with shorter ALS, however, stable growth continues in even faster rate when compared on year-on-year basis.

Graph 16 Seasonality in Styria in 2012 and



Graph 17 Top 5 markets by nationality in Styria in 2017



Source: statistik.steiermark.at, Horwath HTL 2018

According to main tourist resource, Styria records two main seasons – the winter one in mountains from January to March, and summer season in nature from June till October. Styrian markets are quite diversified, with strong influence of domestic market and neighbouring countries.

Economic impact of tourism sector

In 2016, there were 23,969 employees in tourism sector in Styria, representing 5% of the total number of employees of the region. On national level in 2016, share of employed in tourism and hospitality sector was 11%, representing a total of 249,114 employees.

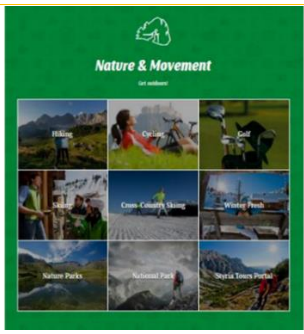
The average estimated daily tourist expenditure at national level in 2016 was 138 EUR.

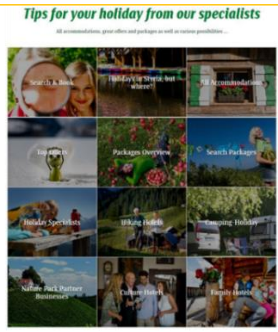
For the purpose of conducting competitive analysis, following initiatives in Styria are analysed:

1. Official tourism web portal
2. Genussregal
3. Outdoor in Styria
4. Family holidays
5. Golfing in Styria
6. Wellness and health
7. Steiermark card

1. Official tourism web portal

Styria's official tourism dedicated website presents and promotes key tourism products of the whole region and as a first point of contact for potential visitor provides all necessary information for travel organization.





Source: www.steiermark.com, Horwath HTL 2018

Basic features

- Sections with specific information: *Things to do, Where to travel, When to go, Accommodations*;
  - *Things to do* section provides information about possible activities sorted in 5 main categories: nature & movement, regeneration & wellness, food & drink, culture and family, while every category has its own specific activities;
  - In *Where to travel* section Styria is geographically divided in 10 sub-regions with presented offer for each of them;
  - *When to go* section represents different possible activities based on 4 seasons and various events during the year;
  - Beside the overview of different types of facilities, key feature of *Accommodations* section is possibility to book tours and packages adjusted for different market segments.
- Web portal is user-friendly, has attractive high-quality photos that provide authentic experience while content is actively updated and translated to 8 different languages.

Key takeaways

- High quality tourism web portal should be well designed and apply brand standards.
- Tourism offer has to be presented according to tourism products or market segments.
- Text content has to be short, informative and inspirational.
- Portal has to provide all necessary information for trip organization (how to get there, things to do, destinations to visit, accommodation facilities, experiences etc.).
- Multimedia content on portal (photography and video) has to be attractive and high quality.
- Portal has to present various service providers and provide booking and contact information.

2. *Genussregal*

Genussregal is the most prominent and largest wine shop in Styria that also offers a range of locally produced agricultural products and a place where these products are presented and promoted in an appealing and modern way.



Source: www.steiermark.com, Horwath HTL 2018

Basic features

- *Genussregal* connects local wine and agricultural products producers with market and distributes their products.
- Initially, business model predicted collaboration of 50 wine producers on construction of distribution centre for their products. Minimal fees for cooperation were 10,000 EUR but producers on average invested 20,000 EUR. 50% of total investment was financed through cross-border cooperation funds and state subsidies.
- Currently, *Genussregal* offers 2,500 products from 250 local producers in 1,700 m^2 area and wine bar which also offers local gastronomy delicacies paired with wine.
- *Genussregal* is a modern architectural attraction and as such is point of interest for many visitors of the region.

Key takeaways

- In order to develop gastronomy and ensure higher visibility of local products, public sector should stimulate opening of gastro/gourmet shops, to offer additional distribution options for private sector.
- Gastronomy shops initiatives can be result of private or public sector activities (associations, non-governmental organizations, private enterprises etc.).
- In addition to shop, such outlets can offer tasting rooms, interpretation areas and experiential activities that adds value to the offer.
- Gastronomy shops and interpretation centres can be guests' first point of contact with destination's enogastronomy and thereby can serve as a showcase of destination gastronomy offer.
- Such offer increases image of the destination.

3. Outdoor in Styria

Outdoor in Styria's is a year-round nature-based tourism product including various outdoor activities: skiing, cross-country skiing, hiking, golf, biking, mountain biking, hiking etc.

Source: www.steiermark.com, Horwath HTL 2018

Basic features

- Natural resources in Styria are adapted for outdoor activities, family holidays, adventure etc.
- Tourist infrastructure that supports the outdoor product development of the region is highly developed, consisting of bicycle trails, ski slopes and skiing infrastructure (trails, cable cars etc.), hiking and trekking trails, golf courses, good and clear signage and marking, specialized accommodation adapted to different activities (bike hotels, homes, huts, etc.).
- Outdoor offer is presented on the tourism web portal where, depending on the choice of activity, it is possible to search activities by season, thematic routes or accommodation facilities.
- Whole offer is presented on international interactive platform *Outdooractive*.
- The region has developed mobile app specialized for outdoor activities with following functionalities: connection to the *Outdooractive* platform, search engine for various outdoor activities, overview of all accessible tours and ski centres, tourist facilities (attractions, catering facilities, shopping centres etc.), direct access to maps, useful tools such as compasses, slope and

height gauge, navigation, top search engine, QR code reader and weather forecast, overview and possibility of accommodation reservation, offline storage and use of data, media information (360° panoramic photos, photos, webcams) etc.

Key takeaways

- Nature-based activities can be organized and offered to the individual market only when high quality and internationally competitive infrastructure is built.
- Infrastructure has to be built, maintained, mapped, signed and adapted to various types of activities.
- Offer needs to be promoted online and via various international outdoor platforms in order to reach larger market share.
- Destination has to develop interactive maps which can be used offline, but also through applications that provide a possibility for individuals to consume a product.
- After infrastructure is built, next step is to adapt it different market segments – kids, teens, families, third age guests, extreme, adrenalin, soft activities etc.
- With development of basic infrastructure, other kinds of tourist infrastructure will develop organically (hotels, restaurants, resting areas, viewpoints etc.).
- There is a possibility to pack other products and experiences using the same infrastructure – e.g. themed gourmet, sacral, cultural and other routes.

4. Family holidays

Family vacation in Styria has been developed through specialized family hotels, activities for families and children, and through experiences and attractions tailored to children of all ages (theme parks, zoos, water parks, etc.).



Source: www.steiermark.com, Horwath HTL 2018

Basic features

- In Styria region, there are 18 family hotels, ranging from organic child farms to the 4-star hotel adapted for children.
- 9 destinations in Styria are adapted for excursion for families with children.
- DMCs organize specialized excursions with elements of entertainment, knowledge and adventure that include the whole family and activities specially designed for children, depending on age.
- Family leisure activities are organized mostly in nature and structured for different children ages.
- Styria has developed family holiday brand that promotes family vacation throughout the region and ensures high quality of service.
- Additional initiatives for young people like *Young Styria,* designed especially for youth from 6 to 18, brings together a total of 40 providers of accommodation and excursion destinations that attract young travellers to their culture-oriented activities, knowledge, entertainment, and study trips.

Key takeaways

- In order to professionally develop family product, destinations must have specialized tourism infrastructure such as family hotels, theme parks etc.

- Family destinations must have built kids' friendly environment and developed experiences with included entertainment, education, adventure activities.
- Family destinations develop special product brand or quality trademark which communicates the offer to the market and manage expectations.
- Family product is a part of other tourism products such as outdoor with family or kids' friendly trails, ski tracks etc., and gastronomy with adapted menus for kids, educational classes and other.

5. Golfing in Styria

Golf is considered as one of the outdoor activities in Styria but it is a specific tourism product with high added value and high expenditure demand market segment.


Schloss Pichlarn SPA & Golf Resort, Golf Club Gut Murstätten
Source: Google, Horwath HTL 2018

Basic features

- There are 27 golf courses in Styria many of which have supporting accommodation facilities.
- Golf resort hotel properties offer upper upscale accommodation quality and high-quality service.
- Size of the golf venue and number of holes (36,18 or 9) determines its possibility to be international tournament venue or recreational venue.
- Apart from golf venue, hotel resorts offer a range of other services ranging from high-quality F&B facilities, spa and wellness, activities for kids etc.
- Styria's landscape and terrain features improve attractiveness of the venues.

Key takeaways

- Golf, as a tourism product, improves overall destination image and quality and also provides a possibility of product differentiation.
- In order to build sustainable golf course, there is a need of high initial investment and choice of such a location to avoid any natural hazards but that is also at least 70ha.
- Climate conditions need to enable year-round business.
- Golf courses need additional facilities and high-quality service in order to satisfy the needs of the specific target segment.
- Golf product attracts higher spending guests' segment.
- Golf courses are used as training facilities for most of the year, but there are also highly attractive golf events where complete tourism offer of the destination can be presented.

6. Wellness and health

Wellness and health offer in Styria is based on authentic, signature and innovative treatments with local ingredients such as apples, basil, grape, hay, herbs, medicinal mud, pumpkin and salt, and globally recognized treatment and self-treatment techniques protected under the name *Traditional Styrian medicine*.

Source: www.steiermark.com, Horwath HTL 2018

Basic features

- There are nine thermal springs and a number of spa and health resorts in Styria with broad range of services.
- Most of the resorts are specialized in some type of treatment, but mostly they base their offer on holistic approach to the health in order to relax and recharge.
- Specialized facilities' offer is presented on regional tourism web site and divided into four categories: spa health resorts, therapeutic health resorts, climatic spas and places with natural healing substances.
- Although properties are under private ownership, public sector is responsible for maintenance of points in public administration such as outdoor pools, e.g. Fürstenfeld outdoor pool, which is free access pool.

Key takeaways

- Thermal springs are valorised through developed infrastructure and maintained by public, but mostly by private sector.
- Product is professionally developed and offered in different accommodation types (hotels, spa resorts, rehabilitation and medical centres etc.).
- Traditional medicine and local ingredients are exploited through wellness and spa product and presented through authentic, signature treatments.
- Product is certified and branded and strongly promoted on international level.
- Procedures and facilities are standardized in order to introduce safety and security measures and increase product quality.

7. Steiermark card

Tourist card is marketing tool with primary goal of offer integration on city, regional or state level, but also offer promotion and tourism flow management.

Source: www.steiermark.com, Horwath HTL 2018

Basic features

- Steiermark card is the regional tourist card which integrates 141 products and is valid in summer season from April to October.

- Price of the ticket is ranging 29 EUR for kids to 79 EUR for adults in high season period.
- Total value of all included products is around 1,200 EUR.
- Activities or products included are guided tours, various mobility options usage (cable cars, public transport etc.), discounts in thermal resorts and other accommodation properties etc.
- Not all of the activities and products are fixed and available in all of the periods so customer has to check when is the right time to use the card in order to make the most out of the purchase.

Key takeaways

- Tourist card is a promotional tool for destination's tourism product and it also serves as a tool for management of tourist flows.
- Tourist card can be used as a tool for extension of guests stay in destination and in order to improve business profitability of service providers in periods when tourism traffic is low.
- Card needs to be profitable both for service providers and consumers while business model success depends on offer attractiveness, service quality and reliability of service providers.
- Card needs to be available on many points and online as a way to secure availability.
- There are mostly three tourist card business models regarding their price: free of charge and mostly presenting points of interest and activities with few discounts, lower price cards where consumers get full discount on some activities and cards which after purchase provide full discount on selected activities (outdoor activities, cultural sites etc.).
- Card needs to be promoted in order to raise public visibility and awareness.

CHAPTER 7
SWOT

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Hotel, Tourism and Leisure

7. SWOT

The SWOT is a synthesis of destination internal strengths, weaknesses, external opportunities and threats. The analysis for 4 designated municipalities is primarily based on conclusions from market analysis, interviews with different stakeholders from public and private sector and secondary research as well as identified gaps in value chain and compared to competitive best practices.

STRENGHTS	WEAKNESSES
▪ UNESCO protected heritage sites ▪ Rich cultural and natural resources ▪ Preserved authentic heritage (iso-polyphony and saze music, traditional dances and music, stories, legends, customs and way of life) ▪ Recognised importance of cultural heritage preservation ▪ Local agricultural production (fruits, vegetables, dairy products, wine, raki, gliko, honey, etc.) ▪ Existing private initiatives (accommodation, tours and guides, F&B, tasting rooms, etc.) ▪ Welcoming and hospitable people ▪ Awareness of the need for joint development and cooperation on regional level ▪ Strong interest for competitiveness upgrade from both public and private stakeholders ▪ Presence of South Albanian destinations in foreign and domestic DMC offer	▪ Poor air accessibility of the broader region ▪ Poor roads conditions of destinations, villages and number of points of interest ▪ Low urban appeal ▪ Poor intermunicipal connectivity ▪ Lack of public sector-driven professional tourism management on local level ▪ Low level of service quality in dominant part of tourism value chain (accommodation, F&B, attractions, tours and excursions etc.) ▪ Weak private stakeholders' structure in terms of business know-how, experience and financial strength ▪ No tourism management system in place (nationally nor regionally) ▪ Under valorised tourism resources that lack international competitiveness, interpretation and additional experiences ▪ High seasonality and low average length of stay ▪ High share informal economy especially in accommodation sector ▪ Lack of global categorization system for accommodation facilities ▪ Absence of globally recognized hotel brands ▪ Lack of globally recognized tour operators ▪ Lack of reliable and consistent tourism business database and statistics ▪ Strong focus on local and neighbouring markets with low exposition towards Western- and Central-European markets ▪ Undiversified accommodation structure (mostly mid-scale quality, small capacity, family run business)

	▪ Outdated F&B facilities with lack of global standards in terms of food presentation and innovation ▪ Poor visibility of local dishes and products ▪ Locally oriented and unattractive events ▪ Non-existing or non-implemented brand ▪ Poor marketing activities – no website or professionally managed social media accounts, poor and outdated printed materials, low availability of promo materials on-site
OPPORTUNITIES	**THREATS**
▪ Continuous global growth of demand for undiscovered and emerging destinations ▪ Albania as one of the last undiscovered countries on the Mediterranean ▪ National political establishment starting to understand power of tourism for wider socio-demographic agenda ▪ Empowering Ministry of Tourism and Environment ▪ Restructuring of National Tourism Organisation ▪ Increasing interest of private investors for opening new accommodation capacities ▪ Presence of donor institutions operating on national and regional level and investing in tourism ▪ Existing foreign and national NGO initiatives ready to further invest in tourism and improving tourism experiences ▪ Candidate for accession to the EU ▪ National level initiatives for development of rural areas and general tourism offer (agritourism, EDUA, production incubators, etc.) ▪ Cross-border cooperation initiatives with Greece, including leveraging on existing Greek airports ▪ The Interreg V-B Adriatic-Ionian programme, known as ADRION, including Albania, Bosnia and Herzegovina, Croatia, Greece, Italy, Montenegro, Serbia and Slovenia	▪ Overall negative image of Albania influencing tourism positioning and attractiveness ▪ Competition of regional coastal and rural destinations (Croatia, Greece, Montenegro, Macedonia etc.) ▪ Further unsystematic development of tourism ▪ Unsustainable exploitation of resources and attractions (quarry activities within National Parks territories, hydropower developments risking ecosystems and landscapes of rivers, uncontrolled cutting of trees) ▪ Weak implementation and control of laws and rules ▪ Unresolved property and legal relations that aggravate investments

CHAPTER 8

Strategic framework and growth targets

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Hotel, Tourism and Leisure

8. STRATEGIC FRAMEWORK AND GROWTH TARGETS

Based on qualitative and quantitative findings from the previous chapters, as well as interactive and iterative process with the Client, Steering Committee group and municipal stakeholders, in this chapter strongholds for future development are defined. For this purpose, a long-term vision for each municipality and South Albania is given which serve as a clear guide for choosing current and future lines of action. Out of vision, business mission is derived and defined for a short to mid-term by defining all key activities and directions of actions. Apart internally defined tourism vision and mission, market positioning of each municipality and South Albania are defined as an attempt to influence the perceived image of the destination in the consciousness of the guests.

Based on findings from primary and secondary research, inputs gathered from stakeholders, but also on key resources primary and secondary tourism products are defined. Primary products are the one with strongest resource base and ones that are primary motives for visitation. Destinations should focus on improving those products as they are quick-wins and strong image making. On the other hand, secondary products are complementary products with resource foundation, but are still to be developed in long-run, are not primary motives for visitation but rather additional experiences for guests in destination.

Based on identified market footholds, mid-term growth targets are identified. Regardless the lack of reliable long-term data series, it seems that Southern Albania already is positioning itself as one of the leading tourist regions of Albania and tourism has the potential to spread economic, social and environmental benefits across a wide spectrum of Southern Albanian society.

8.1. BERAT

VISION

Following is the tourism vision for Berat confirmed on strategic workshop with steering committee and municipality stakeholders:

> *„Berat is a must-visit, year-round Albanian destination where all guests can engage in cultural and nature-based activities in authentic Albanian way."*

Vision is based on three main pillars with respective rationales:

must-visit, year-round	Berat's location and accessibility, along with world-class resources in terms of UNESCO heritage, makes it a must-visit destination for all visitors in Albania, but also an alternative for 1-2 days trip for guests in Tirana and other major towns in vicinity. Mild climate allows these activities to happen throughout the year.
cultural and nature-based activities	Currently, main motives for visiting Berat are cultural (UNESCO heritage) and natural resources and attractions (Tomorri and Shpiragu mountains and Osumi river). Based on these resources, different activities should be further developed in order to become main motive for visiting Berat in a long-term perspective.
authentic Albanian way	In Berat guests can experience authentic Albania through gastronomy based on local agriculture, traditional handicrafts and specific architecture. Additionally, Berat is a town of tolerance and coexistence of different religions in which different cultural influence throughout the history is showcased.

MISSION

In order to achieve internally set vision, Berat has to accomplish following mission:

- *Revive a living culture concept of Albanian arts and crafts through:*
  - *Increased attractiveness and activity within historical core of the town;*
  - *Improved liveability of the town;*
  - *Implemented modern interpretation of traditional gastronomy;*
  - *Professionally organized events and entertainment programmes throughout the year.*
- *Develop high quality and sustainable nature-based activities in surrounding environment.*

„Revive a living culture concept of Albanian arts and crafts"	Living culture concept implies revitalization of a town and castle area through opening of various businesses and organization of events based on culture, arts and crafts.
„Increased attractiveness and activity within historical core of the town"	UNESCO protected historical core of the town, its houses, streets and squares, are in need of refurbishment in order to raise attractiveness and open a space for businesses.
„Improved liveability of the town"	Town's liveability will be improved with investments in infrastructure and connectivity between different points of interest but also valorised and reconstructed riverfront.
„Implemented modern interpretation of traditional gastronomy"	Modern interpretation of traditional gastronomy implies upgrade of service standards but also facilities where guests will be able to fully experience local agricultural products.
„Professionally organized events and entertainment programmes throughout the year"	Events organized in Berat need to be professionally managed and based on historical, cultural and artistical values of the town in order to motivate year-round visits.
„Develop high quality, sustainable nature-based activities in surrounding environment"	Berat needs to sustainably exploit natural resoruces and develop diversified tourism product through investments in supporting infrastructure.

POSITIONING

„Berat is a unique showcase of 2400 years of multi-layered history and architecture, presented through Ottoman ambience, Albanian traditional art, culture and crafts along with tasteful experience of authentic gastronomy nested within impressive nature.

Get inspired! *"*

- Berat will inspire its visitors by interpreting, in a modern and interesting way, different layers of history, from Roman, Ottoman, Illyrian, Byzantine to modern Albanian history;
- Still, the first impression of Berat is the Ottoman heritage and its influence visible in architecture, religious monuments and overall ambience in historical quarters of Castle, Mangalemi and Gorica;
- Strong arts and crafts heritage are presented in souvenir shops located in city centre and Castle area;
- Gastronomy offer leverages on traditional cuisine and local agricultural products which can be tasted and enjoyed in almost all restaurants in town and villages;
- Overall attractiveness is emphasized by the amazing scenery of historical town, nested among mountains, beautiful nature and original villages;
- Berat inspires with its culture, stories, heritage, culinary, local products and nature.

PRODUCT DEVELOPMENT FOOTHOLDS

Following are identified primary tourism products for Berat:

- culture and touring,
- active and adventure,

and along with them following secondary tourism products:

- gastronomy,
- events and entertainment,
- MICE and
- short break.

PRIMARY TOURISM PRODUCTS

CULTURE AND TOURING

Demand for cultural tourism product in Berat has developed as a part of national and regional level cultural touring itineraries organized for groups.

In long-term perspective, this product will represent strongest demand driver, but it will need to advance from product attractive for groups to a product also consumed by individual tourists and visitors.

Modern and innovative interpretation of rich heritage, along with needed infrastructure interventions and new attractions, will further develop and improve this product.

DEVELOPMENT FOOTHOLDS

- UNESCO protected historical quarters Castle, Mangalemi and Gorica as areas with high potential of valorisation;
- Other cultural, historical and sacral heritage that needs to be put in tourism usage through interpretation and new attractions;
- Quality potential storytelling material – legends, myths, stories etc.
- Coexistence and tolerance of different religions;
- Inhabited Castle and historical core of the town with owners interested in tourism development;
- Non-valorised buildings in Castle area with possible tourism valorisation;
- Traditional handicrafts – stone and wood carving, embroideries etc.

ACTIVE AND ADVENTURE

Nature resources in Berat Municipality could be used as a strong base for development of active and adventure tourism. Currently this resource is not fully exploited due to lack of tourism infrastructure and poorly accessible Osumi river and Tomorri and Shpiragu mountains.

Berat is already a part of specialized active and adventure DMC offer on national and regional level, but this product is almost non-consumable for individuals without organized guides due to missing infrastructure and safety standards.

But, with such a strong resource, and with needed interventions in infrastructure, mapping, safety and security and promotion, this can become a mass market product for outdoor enthusiasts.

DEVELOPMENT FOOTHOLDS

- Tomorri and Shpiragu mountains;

- Osumi river as a rafting and canoeing resource but also as a recreational zone in city centre;
- Range of possible activities: rafting, canoeing, mountain climbing, cycling, MTB, hiking, trekking etc.;
- Existence of local DMCs which have already recognized market's readiness and demand for such product;
- Private stakeholders' initiatives for capacity building and education;
- Global trend of increased engagement in active and adventure activities;
- Global growth of travels motivated by outdoor activities.

SECONDARY TOURISM PRODUCTS

GASTRONOMY

Gastronomy currently isn't a motive for travelling to Berat and is considered as a supporting product also in long-term period. In order to develop this product, there is a need for further exploitation of local products in terms of creating experiences related with food production, preparation and consummation. F&B facilities need a service quality and visual attractiveness upgrade in order to meet global quality standards. Additional infrastructure needs to be built to enable offering additional experiences.

DEVELOPMENT FOOTHOLDS

- Traditional cuisine based on local agricultural products such as olive oil, wine, dairy products, vegetables etc.;
- Rural tourism experience in villages on Tomorri mountain and other rural areas;
- Quantity of restaurants in town;
- Existence of local producers with facilities for product presentation and degustation;
- Existence of traditional recipes as a resource for cooking classes where visitors can learn more about Albanian cuisine.

EVENTS AND ENTERTAINMENT

Berat has few events throughout the year but they are mostly oriented towards local and domestic market. Events are not professionally managed and do not improve town's image and market attractiveness.

With investments in infrastructure, introduction of professional event management and attractive year-round event calendar, Berat has a chance to become event destination recognized on international level.

DEVELOPMENT FOOTHOLDS

- Castle area as potentially attractive venue;
- Historical heritage with possible interpretation through events;
- Art colonies organized in the town;
- Vicinity of source market for weekend events (Tirana);
- Global trend of events becoming an important part of overall tourism offer.

Proximity and accessibility of Berat from Tirana, make it a desirable MICE destination, especially in the sphere of incentives, smaller scale meetings and congresses.

MICE

Important preconditions for development of MICE, accessibility, proximity and source markets, are already met. Berat should leverage on these preconditions and build additional infrastructure (congress facilities) to fully professionalize the product. In that way, Berat will open a possibility for smaller scale meetings and congresses organization, along with bigger number of team building and incentive trips.

DEVELOPMENT FOOTHOLDS

- Infrastructure in existing properties (hotel Tomorri);
- Possibility to adapt existing properties (university building, old cinema) for MICE purposes;
- Proximity of Tirana and accessibility – Albanian business hotspot;
- Incentive trips that are already happening in Berat.

SHORT BREAK

Currently, Berat isn't a short break destination for individuals, neither domestic nor foreigners.

But, because of its proximity to Tirana, Berat could leverage on short breaks based on events, culture, outdoor activities and gastronomy. In order to develop market-appealing short break product, Berat will need to improve liveability of the town, build leisure infrastructure and improve entertainment possibilities.

DEVELOPMENT FOOTHOLDS:

- Proximity of Tirana and accessibility from other Albanian more populated towns;
- Traditional gastronomy;
- Cultural heritage;
- Activities in natural surroundings;
- Rural tourism;
- Events;
- Global trend of guests taking holidays more often and shorter throughout the year.

MARKET DEVELOPMENT FOOTHOLDS AND GROWTH TARGETS

Based on identified market footholds, following growth targets are identified:

	MARKET FOOTHOLDS	GROWTH TARGETS
1	Because of the UNESCO heritage, market is already discovering Berat with prospect of further increase in demand	By 2023 increase number of arrivals from 101,184 in 2017 to 180,000
2	With the increase in demand, private sector will need to follow with increase in supply offer	Increase the number of beds from 1,143 to reach 3,000 beds
3	By developing cultural and nature-based activities, Berat can become year-round destination offering many activities and experiences to the market	Increase average length of stay from 1.6 nights to 2.5
4	Foreign market is discovering Berat with already a visible increase in demand	Increase the share of foreign guests from 70% to 80%
5	Globally, there is a general trend in increase of individual travels compared to groups	By 2023 achieve a share of individual foreign guests of at least 30% of total arrivals
6	By offering additional activities, services and experiences, expenditure will increase	By 2023 increase average daily expenditure to reach at least 60 EUR

Rationale:

- Over the last 5 years, number of visitors to Castle increased by 11,000 on average annually. With better promotion, stronger image, improvement of tourism offer and better accessibility, it is assumed that this number will grow at a faster rate, thereby reaching 180,000 in 5-year period, which is a growth of 78,816 guests, or 15,736 on average annually.
- Current occupancy rate of all accommodation establishments is estimated at 38.8%. With the increase in demand, new accommodation establishments will open to reach 41% occupancy rate on average annually. This rate is comparable to developed year-round destinations. In order to achieve that rate, Berat will need to offer 3,000 beds in all accommodation establishments.
- Current average length of stay is low, only 1.6 nights. By creating new motives for visiting and improving existing offer, average length of stay will increase for at least one more day.
- Currently in Berat foreigners account for around 70% of arrivals, i.e. 70,828 guests. As the focus of Berat needs to be put on foreign guests, the goal is to double them in absolute number, i.e. reaching around 140,000 guests, which will account of around 80% of total arrivals.
- Berat should make significant step forward in the direction of product development and diversification and attracting more individual foreign guests, rather than touring groups. Thereby, the goal is that individual foreign guests account of at least 30% of total foreign arrivals.
- According to PIUTD baseline survey conducted by the World Bank, daily expenditure of guests in Berat was 47 EUR. With diversification of tourism offer, new attractions and activities, urban upgrade and more commercial facilities, the expenditure will grow and the goals is the expenditure to increase in order to reach 60 EUR per day.

8.2. PERMET

VISION

Following is the tourism vision for Permet confirmed on strategic workshop with steering committee and municipality stakeholders:

„Permet is an authentic Albanian countryside destination combining experience of unspoiled nature, natural healing thermal springs along with traditional music, food and products."

Vision is based on three main pillars with respective rationales:

authentic Albanian countryside destination	Permet is located in mostly rural region of Albania and due to lack of accessibility it is mostly undiscovered destination. However, these characteristics offer a possibility for Permet to deliver a sense of authentic rural Albania experience with warm, hospitable people and true countryside lifestyle.
unspoiled nature and thermal springs	Permet's natural surrounding is the most valuable resource and unique selling point on which Permet can base its differentiation and market positioning. Although not valorised, National park Bredhi i Hotove-Dangelli and Benje thermal spring, offer a possibility for professional development of active and adventure and health and wellness tourism.
traditional music, food and products	Traditional food and agricultural products are one of the Permet's tourism development strongholds. Some of the products are already recognized on national level (*gliko*) but there are many others such as *raki*, wine, dairy products, meat etc. Preserved local lifestyle can also be experienced through *saze*, music characteristic for South Albania and especially Permet.

MISSION

In order to achieve internally set vision, Permet has to accomplish following mission:

Delivering sense of wellbeing in traditional and rural surrounding through:

- *Activation of thermal product;*
- *Creation of a hub for exploring surrounding natural sites and nature based outdoor activities;*
- *Improved rural tourism competitiveness.*

„Delivering sense of wellbeing in traditional and rural surrounding"	Permet will deliver sense of wellbeing through developed thermal product, experience of natural surrounding and traditional cuisine.
„Activation of thermal product"	Thermal product will be professionally developed through valorisation of thermal springs and building of commercial thermal resort, along with supporting infrastructure.
„Creation of a hub for exploring surrounding natural sites and nature based outdoor activities"	Permet needs to exploit its location and become a hub from which guests will be able to make daily excursions and explore natural surroundings.
„Improved rural tourism competitiveness."	Rural tourism will be primarily developed in surrounding and villages through gastronomy, growth of agritourism and building of infrastructure that improves accessibility.

POSITIONING

„Experience traditional Albanian warm hospitality and best traditional gastronomy experience in a small and authentic countryside destination off the beaten path.

Relax and recharge!"

- General sense and feeling of Permet is traditional and rural with authentic lifestyle, welcoming warm and hospitable people, ready to interact with guests.
- Best traditional gastronomy can be experienced in almost all of the restaurants, while local producers open their facilities for guests in order to showcase their production;
- Permet is not easily accessible, thereby off the beaten path, but as such is unspoiled and different from other destinations in surrounding;
- As it is a quiet place, with beautiful nature, good authentic, natural food and thermal springs, in Permet one can relax and recharge.

PRODUCT DEVELOPMENT FOOTHOLDS

As Permet is a tourism destination at the beginning of its development, it should focus on developing just few primary tourism products being:

- health and wellness,
- active and adventure and
- rural tourism.

PRIMARY TOURISM PRODUCTS

HEALTH AND WELLNESS

Health and wellness, as a tourism product, is yet to be professionally developed. Currently, Benje thermal springs are motive for arrival only for domestic market and mostly used by locals. Permet has a chance to highly profit as unique health and wellness hotspot in South Albania and as such can significantly affect year-round business, tourism product quality, average length of stay, average expenditure etc.

Thermal springs' curative effects need to be researched in order to determine development possibilities which will be a base for infrastructure building in terms of accommodation facilities and other supporting infrastructure.

DEVELOPMENT FOOTHOLDS

- Benje and other currently inaccessible thermal springs in Permet area;
- Large area in springs' vicinity as a possible location for upper upscale accommodation facilities;
- Thermal product as globally recognized and competitive product attracting high spending guests;
- Serious thermal business already done on Greek side of the boarder.

ACTIVE AND ADVENTURE

Most of the specialized active and adventure DMCs on national and regional level include Permet in their offer as an area which is not to be missed for various outdoor activities (rafting, hiking, trekking, horseback riding etc.).

However, Permet, currently isn't recognized as a hub for exploring natural sites, especially not by individuals. Primary reason for that is lack of urban and specialized infrastructure in town, but also in its surrounding.

DEVELOPMENT FOOTHOLDS

- National park Bredhi i Hotove-Dangelli with Ranger's hut as area for development for a range of outdoor activities;
- Vjosa river already valorised as rafting area from various DMCs, but also as a river flowing through the city centre;
- The City stone;
- Unspoiled nature;
- Villages in Permet surrounding;
- General trend of travels motivated by outdoor activities.

RURAL TOURISM

Rural tourism product development in Permet is based on local agriculture production and possible activities in rural area. Although Permet, as a town, can be considered as rural tourism destination, most of the rural tourism activities will develop in surrounding villages which are also rich in cultural and sacral heritage. Gastronomy offer visibility, along with service and interpretation quality, needs quality upgrade and modernization.

DEVELOPMENT FOOTHOLDS

- Existing private initiatives with intention of preserving traditional gastronomy;
- Traditional cuisine based on local products such as *gliko, raki,* dairy products, meat etc.;

- Rural tourism experience in surrounding villages;
- Existence of local producers with facilities for product presentation;
- ProPermet consortium aiming to promote processing of typical agro products, and handicraft products;
- National incentive scheme for developing agriculture and agritourism;
- Strong local stakeholders already producing traditional gastronomy products and developing visitor centres, tasting rooms etc.;
- Existence of traditional recipes as a resource for cooking classes where visitors can learn more about Albanian cuisine.

MARKET DEVELOPMENT FOOTHOLDS AND GROWTH TARGETS

Based on identified market footholds, following growth targets are identified:

	MARKET FOOTHOLDS	GROWTH TARGETS
1	Permet is at its very beginning of tourism development and with development of tourism products the market will start discovering it	By 2023 double the number of arrivals from 17,884 to 35,768
2	With the development of tourism, private sector will follow and offer diversified accommodation establishments	Increase number of beds by 1,000 beds to 1,362 in different establishments (thermal resort, hotels, campsites, guest houses)
3	With the professional development of primary tourism products the average length of stay will increase	Increase average length of stay to 4 nights
4	Consortium ProPermet has the power and willingness to develop and strengthen SME	Open at least one souvenir / gourmet shop and regularly offer at least 2 culinary related experiences
5	By offering additional activities, services and experiences, expenditure will increase	By 2023 increase average daily expenditure to reach at least 55 EUR

Rationale:

1. Permet can double number of arrivals by activating globally competitive tourism resources, primarily thermal springs through thermal hotel/resort, and professionally develop other primary products. Being in the start-up phase, Permet has the possibility for faster growth.
2. Current occupancy rate of all accommodation establishments is estimated at 21%. With opening of thermal resort, new average annual occupancy rate will need to reach at least 39%. This rate is based on occupancy rates of thermal destinations in developing phase. In order to achieve that rate, Permet will need to offer 1,362 beds in all accommodation establishments, stressing out the importance of building thermal resort that will be a break through and push to the whole destination.
3. With the development of thermal product, through sport, wellness or health, Permet has a foundation to attract guests and offer such a service for which people will stay at least one week. Combining average length of stay for all tourism products in Permet, the goals is for guests to stay on average annually 4 nights.
4. Currently there are no souvenir or gourmet shops, neither culinary related experiences (cooking classes, engaging in production or preparation of food, etc.) the goal is to open at least one souvenir

or gourmet shop that will serve as a distribution channel for local products, and create at least 2 culinary related experiences in cooperation with ProPermet and local producers.

5. According to PIUTD baseline survey conducted by the World Bank, daily expenditure of guests in Permet was 35 EUR. With diversification of tourism offer, new attractions and activities, higher quality accommodation establishments, professional activation of thermal springs, the expenditure will grow and the goals is the expenditure to increase in order to reach 55 EUR per day.

8.3. GJIROKASTRA

VISION

Following is the tourism vision for Gjirokastra confirmed on strategic workshop with steering committee and municipality stakeholders:

„Gjirokastra is the most visited historical city of Albania."

Vision is based on one main pillar with its rationale:

most visited historical city	Gjirokastra is not a year-round destination because of its position and a number of daily visitors arriving from coastal destinations. However, historical significance, Castle, historical houses and overall ambience makes Gjirokastra worth the visit.

MISSION

In order to achieve internally set vision, Gjirokastra has to accomplish following mission:

To showcase different layers of Albanian history through:

- *Revitalization of the Castle;*
- *Urban and traffic reconfiguration (intermodal node, pedestrianization, central access square with parking, public spaces, sustainable access to the Castle);*
- *Modernization of cultural heritage (re)interpretation;*
- *Creation of a hub for exploring surrounding natural sites and nature based outdoor activities.*

„To showcase different layers of Albanian history"	Gjirokastra can showcase Albanian history from different history eras: from Roman and Byzantine to 20th century history through its tangible and intangible heritage.
„Revitalization of the Castle"	Castle needs management reorganization and revitalization through visitor management system, innovative interpretation, F&B facilities and attractive events.
„Urban and traffic reconfiguration"	Gjirokastra will introduce intermodal node, pedestrianize historical core, build central access square, upgrade public spaces and secure sustainable access to the Castle.
„Modernization of cultural heritage (re)interpretation"	Gjirokastra's cultural heritage needs innovative interpretation in order to present all of its features and to become a motive for extended stay in destination.
„Creation of a hub for exploring surrounding natural sites and nature based outdoor activities"	Gjirokastra will exploit its location and become a centre for exploration of its surrounding with built infrastructure and offer of different active and adventure activities.

POSITIONING

„Gjirokastra is a boutique Albanian destination showcasing rich and noble history, picturesque scenery, local people unique skills, traditions, isopoliphony and gastronomy.

A privilege to explore!"

- Gjirokastra is relatively small and compact, thereby boutique, communicating at the same time the upper upscale position of the offer that results from its rich and noble history;
- Gjirokastra is picturesque, while life and happenings in the centre showcases local people skills, traditions and gastronomy;
- Gjirokastra is unique and with its fascinating history makes guests feel privileged to explore it.

PRODUCT DEVELOPMENT FOOTHOLDS

Following are identified primary tourism products for Gjirokastra:

- culture and touring,
- active and adventure,

and along with them following secondary tourism products:

- gastronomy,
- events and entertainment,
- golf and
- rural tourism.

PRIMARY TOURISM PRODUCTS

CULTURE AND TOURING

Currently, Gjirokastra's cultural tourism product is mostly consumed by touring groups and is a part of larger itineraries or excursions from coastal destinations.

In order to build its attractiveness for individuals and to become a motive for longer stay in destination, Gjirokastra's cultural heritage needs modern and innovative interpretation of its rich heritage.

DEVELOPMENT FOOTHOLDS

- UNESCO protected heritage – historical houses, bazaar, mosque and two churches;
- Gjirokastra Castle as area for various cultural activities and interpretation of historical heritage;
- Quality potential storytelling material – legends, myths etc.;
- Other cultural, historical and sacral heritage in surrounding area;
- Traditional handicrafts – embroideries, stone and wood carving, etc.

ACTIVE AND ADVENTURE

Gjirokastra is surrounded by natural resources which can serve as a starting, for various outdoor activities. In order to become a hub for exploration of natural surroundings, Gjirokastra needs to improve supporting infrastructure (roads, access, trails, maps, signage etc.). Location of Gjirokastra offers a possibility for this area to become a connecting point between continental and coastal part of the region. Moreover, active and adventure can become a joint product of Gjirokastra and Permet.

DEVELOPMENT FOOTHOLDS

- Natural resources in surrounding area which provide desirable scenery;
- Existing DMC offer and initiatives;
- Favourable location for connecting the region's coastal and continental part in one active and adventure product;
- Various points of interest (cultural, historical, sacral etc.) dispersed in surrounding rural area suitable for hiking, trekking, biking, horseback riding and other activities;
- Global trend of increase of travels motivated by outdoor activities.

SECONDARY TOURISM PRODUCTS

GASTRONOMY

Gjirokastra's gastronomy scene is currently represented by mostly traditional restaurants and just few restaurants which have advanced towards more modern cuisine. However, long-term product development will be based on local agriculture and showcase of traditional cuisine, whether in restaurants or tasting rooms and similar objects. Still, this will be a supportive product for guests in destination offering additional experiences.

DEVELOPMENT FOOTHOLDS

- Traditional cuisine based on local agricultural products such as olives, olive oil, wine, dairy products, vegetables etc.;
- Rural tourism experience in villages in rural areas;
- Quantity of restaurants in town;

- Existence of local producers;
- Existence of traditional recipes as a resource for cooking classes where visitors can learn more about Albanian cuisine.

EVENTS AND ENTERTAINMENT

Current event calendar in Gjirokastra might offer motive for visit to domestic market, while is not attractive enough to attract foreigners. Still, Gjirokastra has the ambience and venues that can be turned into a stage for various events.

Additionally, coastal destinations can be considered as source market for different kinds of summer events and festivals. Events and entertainment can serve as additional offer for guests in destination, but if managed professionally can become motive for visit.

DEVELOPMENT FOOTHOLDS

- Castle area as potentially attractive venue;
- Historical heritage with possible interpretation through events;
- Vicinity of source market for summer events;
- Global trend of event organization and increase in demand for such offer.

GOLF

Development of golf product is a long-term potential and might become significant upside potential for the destination. Gjirokastra has a large area for building a golf course of 18 holes and complementary accommodation facilities in the valley, but also a favourable location (after building of connection road from Kardiq to Saranda) and climate for sustainable year-round business.

DEVELOPMENT FOOTHOLDS

- Favourable location and mild climate;
- Existing area in the valley for building golf course and supporting infrastructure;
- Non-existing golf product in the region and market's demand for upper upscale tourism products;
- Upside potential of golf product for image building.

RURAL TOURISM

Rural tourism in Gjirokastra Municipality is yet to be developed as currently rural areas are hardly accessible, cultural and sacral heritage is poorly interpreted and traditional gastronomy is limited to few facilities. However, with a strong and competitive resource base, rural tourism can develop and become motive for visit surrounding area and connect it to other experiences such as cultural, sacral, outdoor and other.

DEVELOPMENT FOOTHOLDS

- Various historical, cultural and sacral points of interest in rural surrounding;
- Traditional cuisine based on local products such as *raki,* vegetables, dairy products, meat, honey, etc.;
- Rural tourism experience in surrounding villages.

MARKET DEVELOPMENT FOOTHOLDS AND GROWTH TARGETS

Based on identified market footholds, following growth targets are identified:

	MARKET FOOTHOLDS	GROWTH TARGETS
1	Because of the UNESCO heritage, market is already discovering Gjirokastra with prospect of further increase in demand	By 2023 increase number of arrivals from 97,294 in 2017 to 180,000
2	With the increase in demand, private sector will need to follow with increase in supply offer	Increase the number of beds from 1,143 to reach 2,500 beds
3	By developing cultural and nature-based activities, additional motives will be created that will enable longer stay	Increase average length of stay from 1.5 nights to 2
4	Foreign market is discovering Gjirokastra, and with improving accessibility with Saranda, this market will increase	Increase the share of foreign guests from 75% to 85%
5	Globally, there is a general trend in increase of individual travels compared to groups	By 2023 achieve a share of individual foreign guests of at least 50% of total arrivals
6	By offering additional activities, services and experiences, expenditure will increase	By 2023 increase average daily expenditure to reach at least 60 EUR

Rationale:

1. Over the last 5 years, number of visitors to Castle increased by 15,000 on average annually. With better promotion, stronger image, improvement of tourism offer and better accessibility, it is assumed that this number will grow at a faster rate, thereby reaching 180,000 in 5-year period, which is a growth of 82,700 guests, or 16,500 on average annually.
2. Current occupancy rate of all accommodation establishments is estimated at 36%. With the increase in demand, new accommodation establishments will open to reach at least 38% occupancy rate on average annually. This rate is comparable to developed cultural destinations that still see a seasonality pattern. In order to achieve that rate, Gjirokastra will need to offer 2,500 beds in all accommodation establishments.
3. Current average length of stay is low, only 1.5 nights. By creating new motives for visiting and improving existing offer, average length of stay will increase to at least 2 nights.
4. Currently in Gjirokastra foreigners account for around 75% of arrivals, i.e. 72,900 guests. As Gjirokastra needs to focus on attracting even more foreign guests, the goal is to more than double them in absolute number, i.e. reaching around 150,000 guests, which will account of around 85% of total arrivals.
5. With the improvement of product portfolio and better connection with the coast, Gjirokastra will attract more individual foreign guests, rather than touring groups. Thereby, the goal is that individual foreign guests account of at least 50% of total foreign arrivals.
6. According to PIUTD baseline survey conducted by the World Bank, daily expenditure of guests in Gjirokastra was 48 EUR. With diversification of tourism offer, new attractions and activities, urban upgrade and better connectivity with the coast, the expenditure will grow to reach 60 EUR per day.

8.4. SARANDA

VISION

Following is the tourism vision for Saranda confirmed on strategic workshop with steering committee and municipality stakeholders:

„Saranda is premium Albanian coastal Riviera destination."

Vision is based on one main pillar with its rationale:

premium	Albanian Ionian sea coast is still not so exploited and as such is different from its Mediterranean competitors. Saranda will deliver high quality riviera experiences for different market segments, but with target investments in tourism infrastructure and quality upgrade of different points of interest, it will aim to become an upper upscale destination.

MISSION

In order to operationalize tourism vision, tourism mission is stated as following:

Delivering premium riviera experience through:

- *Expanding/building nautical product;*
- *Revitalisation and expansion of the promenade;*
- *Creative interpretation and storytelling of cultural sites;*
- *Improved accessibility.*

„Delivering premium riviera experience"	Saranda will advance from midscale destination with average offer to regionally competitive destination with high value offer that attracts higher spending guests.
„Expanding/building nautical product"	Nautical product in Saranda, both in terms of cruising and yachting, needs development support through cruising port expansion and building of new marina.
„Revitalisation and expansion of the promenade"	Saranda will extend promenade towards south in order to revitalize underutilized areas, separate pedestrians from traffic and stop uncontrolled beach business expansion.
„Creative interpretation and storytelling of cultural sites"	Many natural and cultural sites in Saranda municipality are under valorised and through modern interpretation and storytelling will become globally competitive attractions.
„Improved accessibility"	Saranda will leverage on its position and improve accessibility from Greek island Corfu and connectivity with other coastal and hinterland Albanian destinations.

POSITIONING

„Saranda is the most desired Albanian holiday destination leveraging on crystal clear sea, rich culture and heritage, offering diversified, price competitive experiences.

A place to be!"

- Saranda can become an aspiring destination for higher spending market segments in the way that will offer an upgraded (upper-upscale) service and professionally developed, interpreted and managed resources;
- Saranda is an appealing and desired costal destination for domestic and foreign higher income guests;
- The resources increase the value and quality of the destination, while the price is competitive compared to other Mediterranean destinations;
- With all of the preconditions fulfilled and added values of different events and developed supporting tourism products, Saranda will become a regionally recognized place to be.

PRODUCT DEVELOPMENT FOOTHOLDS

Following are identified primary tourism products for Saranda:

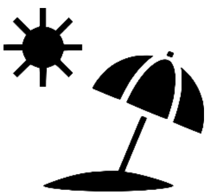
- sun and beach,
- nautical and cruising,
- culture and touring,

and along with them following secondary tourism products:

- gastronomy,
- events and entertainment,
- MICE,
- active and adventure and
- golf.

PRIMARY TOURISM PRODUCTS

SUN AND BEACH



Sun and beach currently account for largest share of tourism demand, and in future will remain main motive for visit. Coastal Riviera experience is dominating the offer, but the focus is to change from mass market to upper-upscale added value sun and beach product.

DEVELOPMENT FOOTHOLDS

- Coast and riviera;
- Crystal clear sea;
- Number of beaches;
- UNESCO heritage site;
- Price competitiveness;
- Summer holidays are still one of main motives for traveling;

- Competitive neighbouring countries already building strong image and business based on it.

NAUTICAL AND CRUISING

Nautical and cruising product accounts for largest share of daily visitors which are part of cruising groups visiting destinations on Ionian, Mediterranean and Adriatic coast. In order to professionally exploit and sustainable develop this product, Saranda will need significant investments in infrastructure, primarily port and marina. Moreover, Saranda is the first point of entry for people cruising from Greece, thereby, by professionally developing this product, Saranda is diversifying its product portfolio while exploiting main resource.

DEVELOPMENT FOOTHOLDS

- Favourable location of Saranda between Greece and destinations on Adriatic Sea coast;
- Crystal clear sea;
- Coastal destination;
- Recognized natural and cultural resources and attractions by foreign tour operators;
- UNESCO heritage;
- Emerging and undiscovered destination for nautical product;
- Growing demand for cruising and nautical product;
- Competitive neighbouring countries already building strong image and business based on it.

CULTURE AND TOURING

Culture and touring are primary tourism product for Saranda with demand motivated primarily by cultural resources in surrounding (Butrint, monasteries, Finiq, Porto Palermo and others). Saranda is a part of Albanian and regional tours packed and sold by both national and international level tour operators.

DEVELOPMENT FOOTHOLDS

- Attractive cultural resources located in surrounding (Butrint, Porto Palermo, Finiq);
- Attractive cultural resources located in town and its close vicinity (Synagogue-Basilica, Lekursi castle, Forty saints' monastery etc.);
- High demand for undiscovered Albanian cultural sites;
- Possibility to use sites as cultural events venues – Butrint;
- UNESCO heritage as strong appealing factor.

SECONDARY TOURISM PRODUCTS

GASTRONOMY

Gastronomy in Saranda is primarily based on Mediterranean and Greek influence. Currently it is not primary motive for visit, nor it will be in the future, rather it will be an additional offer for guests in the destination offering good quality sea food and further improvement in facilities towards higher value offer according to positioning.

DEVELOPMENT FOOTHOLDS

- Quantity of restaurants in town;
- Close vicinity of agricultural production in other parts of the region;
- Possibility to exploit local agricultural production – olives and aqua farming products - mussels;

- Strong image of Mediterranean and Greek cuisine.

EVENTS AND ENTERTAINMENT

Currently there are no events that would attract a larger number of tourists and the ones organized are mostly locally oriented and serve as additional offer for guests in destination. Being mostly sun and beach destination, Saranda could develop regionally recognizable events suitable for different market segments, from cultural events in historical venues to music, sport and other summer festivals.

DEVELOPMENT FOOTHOLDS

- Historical heritage with possible interpretation through events;
- Possible summer events and festival offer development;
- Large number of guests in destination during summer season;
- Offer already developed with proven success in competitive destinations.

MICE

Saranda is currently not a MICE destination, but without a strong competition on regional level, especially in coastal part of South Albania, Saranda has a chance to build strong product, especially in sphere of incentives, executive meetings and smaller conferences. MICE development can be also considered as a chance for hotel offer diversification.

DEVELOPMENT FOOTHOLDS

- Connectivity with Greek airports;
- Lack of regional competition;
- Number of accommodation facilities;
- Possibility of leisure activities development.

ACTIVE AND ADVENTURE

Active and adventure product in Saranda is going to develop with high focus on sea activities such as stand-up paddling, kayaking, scuba diving, as well nature-based activities in surrounding areas as hiking, biking, etc. It won't be a primary motive for arrival and will be consumed by the guests already staying in the destination and can become a reason for longer stay and exploring the surrounding destinations.

DEVELOPMENT FOOTHOLDS

- Existing local businesses initiatives;
- Strong main resources (sea, hinterland);
- Demand market already staying in destination and ready for consummation of the product (young couples, families with kids etc.);
- No need for major investments.

GOLF

The area of Saranda has natural predispositions to build golf course and supporting infrastructure, thereby further position Saranda as a high value destination and attract higher income guests. Development of golf product is a long-term potential that can become and upside potential for Saranda.

DEVELOPMENT FOOTHOLDS

- Favourable location and mild climate;

- Existing private initiatives for golf product projects;
- Existing, non-utilized land;
- Non-existing golf product in the region and market's demand for upper upscale tourism products;
- Product that is aligned with wanted positioning.

MARKET DEVELOPMENT FOOTHOLDS AND GROWTH TARGETS

Based on identified market footholds, following growth targets are identified:

	MARKET FOOTHOLDS	GROWTH TARGETS
1	Sun and beach is one of the most attractive tourism products, and summer holidays global motive for travel	By 2023 increase number of arrivals from 464,682 in 2017 to 700,000
2	With the increase in demand, private sector will need to follow with increase in supply offer	Double the number of bed reach 27,500 beds and diversify accommodation offer
3	By developing additional activities, apart sun and beach, and activating the resources in surroundings, guests will be motivated to stay longer	Increase average length of stay from 3.2 nights to 5
4	Saranda is improving its accessibility and foreign tour operators start discovering it and offering it to foreign markets	Increase the share of foreign guests from 75% to 85%
5	By offering additional activities, services and experiences and improving the quality, expenditure will increase	By 2023 increase average daily expenditure to reach at least 130 EUR

Rationale:

1. Saranda will increase the number of arrivals by 50% and achieve 700,000 arrivals, which will be a 10% average yearly growth, according to Mediterranean destinations in their developing phase.
2. Current occupancy rate of all accommodation establishments is estimated at 29%. With the increase in demand, new accommodation establishments will open to reach at least 35% occupancy rate on average annually. This rate is comparable to family Mediterranean sun and beach destinations. In order to achieve that rate, Saranda will need to dou32ble the number of beds.
3. Current average length of stay is below average Mediterranean destinations. By professionally developing tourism products, creating new motives for visiting and improving image, the average length of stay should come to Mediterranean average of 5 days.
4. Currently in Saranda foreigners account for around 75% of arrivals, i.e. 350,000 guests. The goal is to increase the share of foreigners, i.e. reaching around 590,000 guests, which will account of around 85% of total arrivals.
5. According to PIUTD baseline survey conducted by the World Bank, daily expenditure of guests in Saranda was 118 EUR. With diversification of tourism offer, new attractions and activities, new marina, quality improvement and attraction of higher income guests, the expenditure will grow to reach 130 EUR per day.

8.5. SOUTH ALBANIA

VISION

Following is the tourism vision for South Albania:

„South Albania is a must visit, year-round destination, a synonym for unique blend of coastal and hinterland ambience. Here, where rich heritage meets scenic nature, guests can engage in diversified activities and create everlasting memories based on traditional gastronomy, events and rural experiences."

Vision is based on main pillars with respective rationales:

must-visit, year-round	South Albania has world-class cultural and natural resources which makes it a must-visit destination and a starting point for visitors who want to explore Albania. With developed tourism products and experiences, infrastructure and an existing favorable climate, visiting South Albania goes on throughout the whole year.
unique blend of coastal and hinterland	South Albania is an authentic mixture of coastal and hinterland elements which creates unique ambience and encourages guests to enjoy different landscapes. Coastal and continental parts of South Albania should be further developed and connected into a holistic experience in order to satisfy modern guest needs.
rich heritage meets scenic nature	Rich historical, cultural and natural resources along with UNESCO heritage are strongest development footholds for building primary products and creating main motives for visiting South Albania.
diversified activities	South Albania should offer a wide range of activities focusing on experiential ones, which will create everlasting memories and put in tourism usage all existing resources.

MISSION

In order to achieve internally set vision, South Albania has to accomplish following mission:

- *Build positive image and create awareness through:*
    - *Creation of tourism brand and professional management;*
    - *Development of tourism products in synergy with private and public sector;*
    - *Professional marketing of South Albanian tourism on target international markets.*

„Build positive image and create awareness "	The region will invest efforts in marketing and product development activities with main aim of becoming recognizable and desirable tourism destination.
„Creation of tourism brand and professional management"	The region will create a professional tourism brand based on branding strategy that will serve as an image building and awareness creating tool.
„Development of tourism products in synergy with private and public sector"	The region will develop primary tourism products In cooperation with private and public stakeholders on the municipal level.
„Professional marketing of South Albanian tourism on target international markets"	The region will implement all activities planned and developed in the marketing strategy in the sphere of offline and online promotion and sales.

POSITIONING

„South Albania is a hidden gem of Balkans, a destination that combines coastal and hinterland landscape, offers diversified experiences in urban and rural surrounding and inspires guests to explore rich culture, history and UNESCO heritage, taste traditional cuisine, engage in outdoor activities and feel warm hospitality of Albanian people.

The experience of authentic Albania starts here!"

- South Albania is one of the last undiscovered destinations on the Balkans, which can become an internationally recognized tourism region and a desirable place to visit through professional tourism product development;
- South Albania is combining costal and continental, rural and urban experiences, offering wide range of activities for different market segments, closely related to its tradition, culture, gastronomy and untouched nature;
- South Albania is the true representation of authentic Albanian tradition, heritage, history, traditional gastronomy and thereby a starting point for discovering whole Albania.

PRODUCT DEVELOPMENT FOOTHOLDS

Primary products of South Albania are based on identified primary products in four designated municipalities which can be further packed into experiences based on different resources and adjusted for different market segments. Thus, the development focus should be on following tourism products:

- Culture and touring
    - This product is based on strongest product foothold - cultural heritage present in all of the region - UNESCO heritage sites, rich history and culture. In order to create a motive for cultural touring groups to extend their stay in South Albania, product needs quality upgrade in terms of innovative interpretation and infrastructure interventions.

- Sun and beach
    - This product is currently, and in a long-term perspective, primary tourism product in coastal destinations and one of the main motives to travel in South Albania. Main aim for product development is advancing from mass market product to higher quality.
- Active and adventure
    - South Albania is rich with natural resources that are already partially exploited as a base for active and adventure activities. Coastal destinations will develop this product primarily through activities on the sea, while continental destinations have a possibility to offer a variety of activities in surroundings. There is a possibility to connect the region with different active and outdoor activities and to create various experiential routs. In order to professionally develop active and adventure product, upgrade is needed in terms of infrastructure, service quality and professionalization of offer providers.
- Rural tourism
    - Rural experience is present throughout South Albania. In long-term perspective, rural tourism offer will develop as a combination of enogastronomy experiences, local agricultural production, cultural and sacral heritage with fulfilled preconditions of improved accessibility and infrastructural upgrades.
- Nautical and cruising
    - Saranda, being the entry point from Greece and already discovered by many cruising companies, will need to further develop this product and in order to provide better experience, expand the port and build nautical marina.
- Health and wellness
    - Health and wellness product can be developed in Permet with the exploitation of thermal springs. By professionalizing it, this can become a strong motive for visitation and upside potential for Permet municipality.

Appendix

Hotel, Tourism and Leisure

APPENDIX 1: PERSONAL INTERVIEW QUESTIONS

1. What are your main source markets (overall client base)?
2. What tourism products and tours you offer that include South Albania? What are your most attractive tours and unique experiences in South Albania?
3. What is the guests' profile that visit South Albania? What are main motives for traveling?
4. What should be improved in South Albania in order for tour operators to operate more easily? Biggest bottleneck in tour operating business in South Albania? Transport issues?
5. How many customers yearly buy your products that include South Albania? Can you comment on the 5 years trend?

QUESTIONNAIRE FOR TOUROPREATORS SELLING SOUTH ALBANIA

The purpose of this survey, conducted as part of World Bank's project for integrated urban and tourism development of South Albania, is to assess South Albania's tourism product. We are particularly interested in what kind of tourism product you offer based on South Albania, who are current buyers as well as what you would need for better commercialisation.

NAME:

COMPANY:

A. Introduction

1. How long do you operate?
2. What are your main source markets (overall client base)?
3. What tourism products and tours you offer that include South Albania?
4. How many customers yearly buy your products that include South Albania? Can you comment on the 5 years trend?
5. What are your most attractive tours in South Albania?
6. Which are some unique experiences you organize in South Albania and how can you improve them?

Please feel free to attach brochures and tour itineraries of tours that include South Albanian destinations.

B. Guest profile and motivation for traveling

1. Indicate the guests' profile that visit South Albania

(Mark with a cross on the number according to the level of relevance of each target: 1-Not relevant; 5-Very relevant)

Targets	Relevance
Young people	1 2 3 4 5
Group of friends	1 2 3 4 5
Young couples without children	1 2 3 4 5
Families with children	1 2 3 4 5
Older couples without children (40-60)	1 2 3 4 5
Older couples without children (60+)	1 2 3 4 5
Other (please specify):	1 2 3 4 5

Other (please specify):	1 2 3 4 5

2. Mark with a cross knowledge of the destination by travellers before buying the travel package to South Albania and tourism products that are main motives for traveling.

(Mark with a cross on the number according to the degree of knowledge/motivation: 1-Very low; 5-Very high)

Knowledge & motivation	Degree
Knowledge about the destination (before the journey)	1 2 3 4 5
Main tourism products/motives when choosing South Albania:	
- History & culture	1 2 3 4 5
- Sun & beach	1 2 3 4 5
- Short break / City break	1 2 3 4 5
- Outdoor / Active holidays	1 2 3 4 5
- Gastronomy	1 2 3 4 5
- Touring (group/individual)	1 2 3 4 5
- MICE	1 2 3 4 5
- Special interest	1 2 3 4 5
- Other (please specify):	1 2 3 4 5
- Other (please specify):	1 2 3 4 5
- Other (please specify):	1 2 3 4 5

Operations

1. Do you find it difficult to cooperate with tour guides and agencies in South Albania? What are major challenges in this regard?
2. How do you organize the transportation to and in South Albania? What are major challenges in this regard?
3. Is there a notable seasonality in your business with South Albania? If yes, which are the most popular months for traveling?

C. Professional opinion about the destination of South Albania

1. Please define three key attributes of South Albania:
2. What is South Albania missing for better commercialisation?
3. What should be improved in South Albania in order for tour operators to operate more easily?
4. Which image and positioning do you think South Albania has as tourist destination today?
5. What should be the image and positioning of South Albania in a 5-year period?
6. What should be three priority tourism products of South Albania?

D. Marketing and promotional activities

1. How and on which channels do you promote your offer for South Albania? Please mark YES or NO the options and briefly explain.
   - Via travel agencies (YES / NO)
   - Direct sales (call centre) (YES / NO)
   - Homepage, own booking machine (YES / NO)
   - Digital marketing (YES / NO)
   - Social media (YES / NO)
   - Print media (YES / NO)

2. Which marketing/promotional activities would you recommend to destinations in South Albania in order to attract more international tourists (from tour operating perspective)?
3. How do you see the growth potential of the following tour operator products for South Albania?
(Mark with a cross on the number according to the degree of growth potential: 1-Very poor; 5-Very strong)

Product	Growth potential
Cultural Roundtrip (art, culture, history, local people experience, typical local food, etc.)	**1 2 3 4 5**
Outdoor sports activities	**1 2 3 4 5**
"Smooth" holidays in pure nature (walking, hiking, etc.)/ Holiday in "pure nature" lodges, etc.	**1 2 3 4 5**
Sun & Beach holidays	**1 2 3 4 5**
Gastronomy	**1 2 3 4 5**

Thank you for your time and cooperation!

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