

TOURISM MARKETING DEVELOPMENT AND ITS ROLE IN ECONOMY OF ALBANIA

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Abstract

This research refers to the main word of the last decade in Albania as one of the key factors in economic development, Tourism. Ranked frequently by the prestigious Media and World Tourism Organizations, Albania is being presented as one of the favorite destinations in the last decade. Gross Domestic Product growth with 8.4% and employment of human resources to 23.9% of total employment, at different levels, have made tourism one of the most powerful sectors with total support of Central Government. Tourism is one of the few branches of the economy that competes with dignity in the international market. Albania has a full package of tourism products in its portfolio, such as: cultural, natural, health and conference / business tourism. As a package it creates the opportunity to expand the group of visitors who displays special interests for tourist activities. Lack of public and private investment, lack of well-known hotel brands and tour operators, informality, lack of human resource training, competition analysis, poor technology utilization, legal framework, lack of standardization have made Albania compared to Region and those of the European Countries, to have disadvantages in a normal development of tourism. In this study we have analyzed as well, 4P Marketing in Albanian Tourism, such as Product, Price, Place and Promotion. We also investigated the Location Marketing ("Albania Go on Your Way" slogan), Activity Marketing (hiking, canyon, camping), corporate marketing etc. The results achieved by the use of marketing elements and design of marketing plans by promoting and supporting as key columns of the country's economy. The statistical analysis from 2011 to 2017 on the progress of Tourism growth and effects in economy will be on focus of our paper.

Data in the study was collected from primary as well as secondary data sources (observations, internet resources, press and visual media).

Keywords: *Tourism, Albania, Economy, Marketing*

JEL classification: *O1, M31, M38, M48, O5*

1 Introduction

Tourism is a set of economic activities that are combined with each other in order to meet the needs of individuals related to the movement of people and spending free time. Nowadays, tourism represents a whole industry, as it involves the exploitation of natural resources, the transformation of natural and human resources, tourism products and services.

By the meaning of great potential and it plays an important role in meeting the key macroeconomic objectives related to economic development, employment, and sustainable economic and social development. Influence and Impact, there is turbulence in nature, political environment and culture are diverse. Economic impact is the most distinctive and has the greatest importance in overall development and this is due to the functioning of all the components of the chain.

Tourism in Albania contributes on increasing national incomes, creates employment opportunities, limits the trade deficit gap, strengthens economic development in peripheral regions, intersects the activity of enterprises that produce goods and services that meet the needs of either the right or the tourist. In recent years, Albania is focusing on economic policies to promote tourism as a powerful potential in the international arena as a sustainable source for economic growth.

Tourism has an important and very positive impact on Albania's development as well as its progress. Albania has a competitive position in the regional tourism market. Due to its geographic position and natural potential, Albania competes convincingly in the global market and in the region. It is characterized by a continuous development and a high sensitivity, facing insecure internal and external factors, today it is the one that has the world's attention, the drafting of strategic plans, in keeping with the political, social, economic, technological and environmental environment. As a sector of the economy, it affects the growth of Gross National Product, debt consolidation, job creation, investment growth and promotion of local, regional and national development.

Albania, refers to its slow economic development due to a closed-door economy, from the system of about 50 years of communism, has undergone a rapid development in tourism, driven by the increasing intensity of tourist resources by locals and aliens.

Tourism is in the most important projects of the Government, so that Albania is promoted as a destination of attraction for tourists, developing a sustainable

tourism by ensuring tourists that the services providers in order to meet the tourist requirements in a healthy and secure environment, by respecting the needs of future communities and generations. With this aim the drafting of legislation and supporting mechanisms has done the good functioning of all the links of the economy in Tourism.

1.1 Legislation

- LAW NO. 93/2015 ON TOURISM
- LAW NO. 114/2017 FOR SOME ADDITION TO LAW NO. 93/2015 „ON TOURISM“
- LAW NO. 71/2017 FOR AN ADDITION TO LAW NO. 92/2014, “ON VALUE ADDED TAX”, CHANGED

1.1.1 Marketing of Tourism in Albania

Based on following statistical data, Tourism is an ever-increasing scale and the most influential in the economy. The marketing and communications tools have significantly increased the efficiency and sophistication of the tourism services in the country. Because of the integration of the policies and mechanisms of the law, the development of Small and Medium Enterprises, hotel structures and restaurants have made Albania not the same as 20 years ago. Every day more awareness is gained by tourists and tour operators, in improving marketing methods and marketing elements in the tourist market. Small companies have started to undergo significant development due to the use of marketing in selling and trading their goods and services.

Tourism has also become more diversified over the last few years and is now seen to consist of three main areas of the product:

- *Coastal tourism*, where it has developed as the main product that focuses on “beach and sun” tourism. The main coastal destinations are Velipoja, Shengjin, Durrës (Adriatic Sea), Vlora, Himara, Saranda, Ksamili (Ionian Sea). The “beach and sun” product in some regions of Albania offers advantages in the natural environment, accommodation facilities, culinary services and special services.
- *Cultural tourism*, though not the main focus, Albania’s resources and history in heritage of archeology and culture, offers considerable potential. This area has been identified as Albania’s main points by various visitor observations and foreign trade travel trade. Albania offers three World Heritage Sites:

Butrint Archaeological Park, Berat and Gjirokastra UNESCO, followed by a number of historical and cultural attractions and monuments.

- Natural-rural tourism-eco-tourism, the climate of Albania, geography and physical diversity of the territory, represented by a series of mountains, lakes, rivers and lagoons is accompanied by rich biodiversity of flora and fauna. These are present in a number of national parks and natural reserves within the country. Natural and rural areas in Albania offer opportunities for rural tourism development, ecotourism and outdoor activities (river rafting, paragliding, mountain biking, fishing, trekking, climbing, hiking, horseback riding, study trips, etc.). Some of these activities are the main motivation for visits of foreign visitors to these countries.

The main actors dealing with tourism marketing in Albania are:

- Ministry of Environment
- National Tourism Agency
- The Marketing Organization of the Destinations
- Tourist Information Office

All the above-mentioned actors serve as a mechanism for the prediction of a proper regulation, maintenance, and a strategic plan for the well-functioning of all the influential factors in tourism. The preparation of stands at various fairs, the preparation of promotional materials, the preparation of maps and information at local level, the organization of events in order to promote local and local culture in the region and beyond, are some of the factors influencing the development of Tourism and marketing in Albania. Online tour booking through the widespread use of the IT support factor, cultural tourism and UNESCO-protected heritage, such as Butrint, Gjirokastra, Berati, and the Ionian Coastline, are becoming recognizable identifying marks for Albania.

However, it is worth mentioning that tourism marketing in Albania has its beginnings in 2005, followed in 2006 by the world's first tourism media in Albania by prestigious media in the world, CNN. Promotional and publicity spots have always brought the number of visitors and tourists to the country, with a diversification of their backgrounds, such as Italy, England, Germany, USA, Poland, France and so on.

One of the most popular forms for promoting Tourism in Albania and not only, anywhere in the world, are undoubtedly social networks such as Facebook, Instagram or Twitter, where every structure such as Hotels, Tourist Agencies and Restaurants manage such accounts, and make a publicity over the products and services they offer, thus bringing a good idea and a widespread promotion to the

virtual world, which is closely linked to the use of a large number of the population.

Local Marketing is also being used recently in Albania, where through the licensing and management of social networks, tourism destination labels have been developed, thus separating photos, video experiences, resulting in structures receiving a promotion from tourists and a real show about what is offered.

One of the latest projects developed and drafted by the government is the implementation of the July - December 2017 campaign, with the promotional slogan "Go Your Own Way", followed by media spots and participation in international fairs such as the Stuttgart CMT developed in January 2017, have developed Immediate Tourism in Albania.

As below, some of the projects with a duration determined by the Albanian Government:

1. "Consume-Less Project in Mediterranean Tourism Communities" aims to significantly reduce waste in terms of energy, water and waste at the local level. The project focuses in particular on the specific nature of tourist areas which it is necessary to define and implement sustainability policies aimed at reducing water, energy and waste production by setting different types of actions that take into account the particularities of tourist areas. Duration of the 2016-2019 Project, Budget 2,635,000.00 (Albanian Leke).
2. Albania, Travel Your Way: Integrated Management of Rural and Cultural Tourism in the Regions of Gjirokastra and Berat (TREC) Areas: Permet, Skrapar, Girokastra, Berat Duration: 3 years Partners:

CESVI

National Tourism Agency

Traveling the Balkans

Sangro-Aventino Development Agency

Other key actors: Municipality & Besa Fund

1. THEMA Project Duration: 2 years Partners: Epirus Development Agency, Ionian Region Hotels Association, Regional Development and Cooperation Center (Gjirokastër), National Tourism Agency, Gjirokastra Prefecture Areas in Albania: City of Gjirokastra.

2 Data and Methods

Data in the study are collected from primary as well as secondary data sources (observations, internet resources, press and visual media).

The research methods in this paper are qualitative, for developing a basic research model, through content analysis, literature study on theoretical knowledge of the concept of tourism and tourism marketing. The Quantitative Approach consists of the financial and numerical statistical data, as well as their analysis.

The revenues from the tourism sector for 2016 arrived at 1,528 million Euro. Compared to the period of 2015, the revenues from tourism increased 13% due to the increase of foreign visitors and their length of stays. Trend has remained the same for the first half of 2017 compared with same period of 2016.

The table below shows the revenues and expenditures of tourism in Albania in 2010-2016.

In million Euro

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | First half 2016 | First half 2017 |
|---------------------|--------|--------|--------|--------|--------|--------|--------|-----------------|-----------------|
| Revenues | 1,226 | 1,169 | 1,145 | 1,106 | 1,283 | 1,353 | 1,528 | 640 | 722 |
| Expenditures | -1,032 | -1,121 | -1,003 | -1,113 | -1,196 | -1,117 | -1,139 | -500 | -567 |

Source: Bank of Albania.

Information on the daily expenditures from foreign visitors in Albania is shown below.

In Euro

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---------------------------|------|------|------|------|------|------|------|
| Daily expenditures | 81 | 70 | 62 | 64 | 68 | 71 | 68.5 |

Source: Bank of Albania.

The daily expenditures of the foreign visitors in Albanian decreased in 2016 compared to 2015, but are still above the low level of 2012.

Length of stay increased in 2016, by one day for non-resident visitors coming for personal reasons and decreases slightly for business visitors, compared to 2015.

Daily expenditures from non-resident visitors in 2016 do not change for business visitors and decreased by 4 Euro per day for non-resident visitors coming for personal reasons compared to 2015.

The World Travel and Tourism Council (WTTC) (www.wttc.org)⁶⁸ calculates that the direct contribution of tourism in the Gross Domestic Product, in 2016 arrived at 127.7 billion ALL, or 8.4% of the GDP. The total contribution was valued at 393 billion ALL or 26% of GDP. The direct and total contribution in 2016 increased compared to 2015, respectively by 8.9 % and 8.4%.

In %

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|-----------------------------------|------|------|------|------|------|------|------|
| Direct contribution to GDP | 6.4 | 6.1 | 6.1 | 4.8 | 5.9 | 6.0 | 8.4 |
| Total contribution to GDP | 23 | 21.7 | 21.4 | 16.7 | 21 | 21.1 | 26 |

Source: WTTC.

Total contribution to employment increased by 8.1% in 2016 compared to 2015.

In %

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|--|------|------|------|------|------|------|------|
| Direct contribution to employment | 5.6 | 5.2 | 4.9 | 4.2 | 5.3 | 5.5 | 7.7 |
| Total contribution to employment | 20.1 | 18.4 | 17.2 | 15.2 | 19.2 | 19.3 | 23.9 |

Source: WTTC.

Table 1 Arrivals of Foreign citizens by mode of transport

| | 2009 | 2010 | 2011 | 2012 | 2013 |
|----------------|------------------|------------------|------------------|------------------|------------------|
| | 1,855,638 | 2,417,337 | 2,932,132 | 3,513,666 | 3,255,988 |
| By air | 227,186 | 245,756 | 267,359 | 273,071 | 314,074 |
| By sea | 214,555 | 216,079 | 190,998 | 180,125 | 181,794 |
| By land | 1,413,897 | 1,955,502 | 2,473,775 | 3,060,470 | 2,760,120 |

| | 2014 | 2015 | 2016 | First half 2016 | First half 2017 |
|----------------|------------------|------------------|------------------|------------------|------------------|
| | 3,672,591 | 4,131,242 | 4,736,000 | 1,600,695 | 1,759,294 |
| By air | 337,161 | 400,742 | 457,000 | 183,123 | 225,010 |
| By sea | 197,919 | 211,556 | 276,000 | 70,368 | 109,986 |
| By land | 3,137,511 | 3,518,944 | 4,003,000 | 1,347,204 | 1,424,298 |

Source: INSTAT and Ministry of Tourism and Environment.

⁶⁸ <https://www.wttc.org/-/media/files/reports/economic-impact-research/countries-2017/albania2017.pdf>

According to INSTAT data for the period 2014-2017, the inflows of foreign nationals by region have always been increasing. Citizens from Africa, America, Eastern Asia, the Middle East and South Asia in 2014 score a total of 3 672 591 and in 2017, 5 117 700 in total. Also foreign foreigners from Europe mark a total of 3 423 665 in 2014 and in the year 2017 the total number of foreign visitors to Europe goes to 4 686 695.

3 Results and Discussion

One of the most popular and most popular forms of promotion are social networks, which are generally not differentiated by structure structures due to the similarity they have in promotion.

- Tourist businesses in the country do not have the professional capacity to build and apply cross-marketing policies with each other, not using pricing and distribution policies.
- Most businesses use the agency's location as a promotion factor.
- Businesses in Albania do not develop detailed marketing plans, and do not use other mix marketing elements such as personal sales, sales promotion, or public relations.
- Lack of qualified personnel, not using expertise in knowledge and studies.
- Increased number of agencies and tour operators have overcrowded the market, so the products are similar and often undifferentiated, dishonest competition in prices and disinfection of products
- Businesses do not contribute to much on Marketing, so they do not Promote Albania as a destination. The contractual agreement with Booking or Trip Advisor, the two most powerful operators in the world regarding hotel or restaurant reservations have made Businesses take more seriously starting from 2015 on wards, promotion through pictures, prices, bids, investment the increase in services, and the increase in the number of tourists in the country.

4 Conclusion

To conclude, all these analysis and reviews are done, in order to bring a new concept of tourism marketing in Albania, for the effectiveness and development of tourism industry. By statistical analysis and resources Albania is addicted to be a potential place for Tourism in region, and not even. A common strategy is to be followed to give more tourism products with quality and quantity. Creating

it's originality and authenticity brand, will help Tourism to be more famous and a key factor for growing of economy and employment in Albania.

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