

CASE STUDY 21

MANAGING AN EMERGING DESTINATION: DE CASE OF KORCA REGION, ALBANIA

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Country: Albania
Sector: Tourism

THE CHALLENGE

Albania is well situated to take advantage of the millions of international tourists travelling to the Mediterranean annually. It presently attracts a very small percentage of this group mainly due to its years of isolation and the rather neutral-to-negative image.

The Korca Region, located in the southeast corner of Albania immediately adjacent to the countries of Macedonia and Greece, possesses a good balance of nature and culture-based tourism development opportunities (i.e. Ohrid and Prespa Lakes, internationally-renowned eco-systems, mountains, archaeological and cultural sites including ancient Illyrian sites, Byzantine churches, museums traditional events, festivals and food). Although the Region's tourism industry is in its infancy, a number of small hotels have emerged in the two larger centres of Korca City and Pogradec City and along Great Prespa Lake, located within the Prespa National Park.

Currently a majority of visitors to the Korca Region are domestic with a significant number visiting from the Tirana, Albania's capital. International tourists are commencing to travel to and through the Region with a number of Tirana-based tour operators (in partnership with western European tour operators). They have tours that usually spend one or two nights in the Region before travelling on to the southern Albanian coastal area or to Tirana. The number of 'independent' tourists is gradually growing due to Albania's present allure as an 'undiscovered' destination but is still not significant.

The Region faces significant challenges to tourism development. Infrastructure is a key issue. Many of the roads are narrow, not well maintained and unsuitable for large tour buses. Lack of continuous electrical power is a concern, particularly in rural areas. Road signs are limited, often inaccurate or too small. Marketing and promotion is still in a developmental stage and there are few formal information centres where information can be displayed and accessed by tourists.

Although Albanians are a very warm, welcoming and hospitable people, tourism awareness and industry training is limited. The understanding of a 'market-driven' sector is limited both within Albania and the Korca Region. Many commercial hotels, restaurants and shops are constructed by residents without conducting a market analysis and therefore many do not survive. Due to the lack of understanding of the 'market-driven' concept, little thought is given to the collection, analysis and evaluation of tourism data.

Whilst there is commitment to see the tourism sector progress and grow, management of the sector is weak and subject to the vagaries of elected politicians. The private sector is not organised and therefore not politically strong enough to administer tourism.

There is a clear need for an independent and non-political management structure at the Korca regional level to be put in place to help the sector develop and progress and provide it with proper leadership and management.

CLIENTS AND PARTNERS

Following the development of four local tourism strategies, utilizing SNV's Tourism Action Planning process and advisory expertise, it became apparent that for local tourism strategies to succeed, it would be necessary to jointly work at the regional level in the development of a 'Tourism Destination'. The Korca Regional Council was selected as SNV's primary client. The Korca

Regional Council, with the support of the Ministry of Tourism, Culture, Youth and Sports, successfully applied for ST-EP/Sustainable Tourism-Eliminating Poverty Foundation funds for the development and implementation of a Korca Region Tourism Destination Development and Management Programme' in partnership with the United Nations World Tourism Organization (UNWTO) and SNV.

The overall objective of the Programme is to develop Korca Region into an international and domestic tourism destination, utilizing the Region's numerous natural and cultural attributes, through the provision of capacity building and management capabilities to relevant Regional tourism stakeholders in the public, private and relevant NGO sectors. The three year Programme was launched in December 2008. The Programme has four objectives:

1. Effective marketing of the Korca Region in domestic and international tourism markets based upon viable regional products, resulting in *more tourist arrivals who patronize local/regional tourism services/attractions developed by, or employing the poor.*
2. Viable market-driven regional/local tourism products are developed that either *employ or are developed by poor residents.*
3. Productive, sustainable tourism value chains are developed in the Korca Region that enhances *local/regional tourism product services that employ or are developed by poor residents.*
4. A sustainable 'enabling environment is developed in the Korca Region that allows its tourism industry to develop and flourish providing *opportunities for the employment of poor residents.*

During the first phase of the Programme a product development and marketing strategy of the Korca Region was developed with the assistance of international expertise. The Strategy was developed in collaboration with around 50 regional tourism stakeholders from both the public and private sectors. A key recommendation of the strategy was the establishment of a Destination Management Organisation (DMO) with the aim of managing the development of Korca Region as a destination thereby addressing the abovementioned issues.

The new DMO structure is a partnership between the public and private sectors with both contributing resources (financial, human and in kind).

In the first year, SNV facilitated the process of establishing the DMO, including formal registration, in order to:

- have the support of stakeholders, both public and private;
- empower the DMO to take decisions, guided by a Board (created with the support of SNV) that represents the tourism sector of the area, and is dominated by the private sector;
- be adequately resourced so that it can operate effectively to implement a range of tourism development projects and activities.

In consultation with experts and stakeholders the key roles of the DMO were identified as:

- Regional tourism policy and strategic planning
- Marketing and promotion
- Collection and provision of visitor and general information
- Product development
- Market research
- Facilitation of the private sector and of tourism investment
- Development of Public-Private Partnerships
- Regional tourism awareness

MARKETING:

- **A marketing strategy**, completed in April 2009, included recommendations for marketing activities to target the selected segments as well as recommendations to establish a Destination Management Organization for the region, setting up tourist information centres in the main towns, create a regional tourism website, and identify and agree on a regional tourism brand. The Marketing and Product Development Strategy is officially approved by the Tourism Steering Committee.

- **Korca DMO and network of information centers established**
In establishing the DMO significant attention has been focused on building the capacities to enable the organisation to function independently and to undertake the agreed roles efficiently and effectively. DMO staff (Executive Director and one staff member) have been trained.

The DMO was formally registered in the courts in October 2009 and has commenced operations. It is co-housed with the Korca Regional Tourism Information Centre which was opened officially in December 2009. The DMO operates the information centre as one of its responsibilities and as a mechanism for raising resources.

In addition to supporting the establishment of the DMO, SNV advisors have supported capacity building activities, involving the regional, municipal and communal staff (including private sector and NGO representatives) in several training/workshops in the following topics:

- Sustainable Tourism Strategy Development
- Pro-poor Tourism Value Chain Analyses/Development
- EU Project Writing and Management (in collaboration with UNDP-SNV partnership programme (AA4)
- Cataloguing of cultural heritage and monuments
- Tourism statistics and data base processes

- **Produced Brochures, website and souvenirs** The Korca DMO, with the support of SNV advisors, is providing promotional services to private sector members including the development of the visit Korca web site (www.visit-korca.com) and has supported local stakeholder and artisans in the development of a range of souvenirs.

- **Conducted Regional events and FAM trips** for domestic tour operators and an exposure visit to Montenegro, Macedonia and Kosovo organized

- **Tourism signage at main tourist attractions:** Billboards are developed to serve as tourism signage providing information through a detailed map and information on the attractions. They will be installed in the centre of four villages, in very accessible and visible locations.

In the cities of Korca and Pogradec tourism signs will be developed according the law and EU standards (brown and white colours).

STATISTICS:

- **A regional tourism database** has been established and operating since September 2009. It is an important tool for public and private sector operating with the tourism industry (most notably accommodation establishments, tour operators and travel agents, attractions and food and beverage services). The data generated by visitor and accommodation surveys provide tourism establishments with better insight into their operations and enables them to compare themselves with their competitors. It also provides all establishments with better data on their markets and enables them to more effectively target new customers.

- **Software for accommodation and visitor survey developed**
 - **Accommodation survey:** this data collection distinguishes between two types of guests: those living in Albania and those living in all other countries. Meetings were held with accommodation establishments in both Korca and Pogradec to explain the process of completing the survey and to solicit their participation. Hundred selected hoteliers were asked to generate 10 completed surveys per month (1,200 per year).
 - **Visitor survey:** The aim of the visitor survey is to better understand visitor and trip characteristics in the Korca region, and most significantly to estimate the level of visitor expenditure per annum. The survey was disseminated via selected hotels in Korca and Pogradec. Over one year period 1500 visitor surveys have been collected

- **Training** to raise the awareness of importance of databases for proper planning and management.

PRODUCT DEVELOPMENT AND CAPACITY BUILDING:

- Product development strategy and VCA integrated in marketing strategy and focused on developing city tourism, cultural tourism, nature tourism and handicrafts
- Tourism action plans for Korca, Pogradec, Prespa and Kolonja in place
- Training on tourism services provision: 5 courses with handicraft producers, rural communities and private sector

IMPACT

Korce Regional Government is making additional investments to improve infrastructures, which facilitates tourism investments; New hotels, guest houses, coffee bars and restaurants have been developed.

Based on accommodation and visitor surveys in 2009 it is estimated that there were around **50,000 tourist arrivals** (565,750 bed nights available x 15% occupancy x 1.7 nights average length of stay) in the region that stayed in hotel accommodation. This estimation does not include day visitors or those staying with friends or relatives. While the final data for 2010 have not yet been analysed it is forecasted that there will be an increase of 20% or 60 000 tourists staying in hotel accommodation.

Based on the surveys it is estimated that tourists staying overnight in hotels in the region spent **Leke 631 million (€4.7m)** during 2009. Of this, Leke 210 million has been spent on accommodation, with a further Leke 144 million spent on food and drink.

In keeping with ST-EP Foundation, UNWTO and SNV tourism development philosophies, it is expected that the process developed and the lessons learned in the Korca Region will be replicated in other Albanian regions. This will lead to attracting greater numbers of international and domestic tourists and, more importantly, providing economic and social benefits for marginalized citizens located throughout Albania, specifically in the rural areas.

LESSONS LEARNED

After the implementation of different activities during ST-EP program, key learning points for the actors involved include:

- Take a market-driven approach – know what the tourists want;
- The DMO and tourism information centre have a key role in driving regional tourism development
- Understanding competition is important and inspiring inspiring/education;
- Future markets/marketing are a challenge
- Growing destination management understanding of the Board of the DMO;
- Major events and tourism packages – good quality and promotion are key

Other lessons learned during the last year relating to the establishment of the Regional DMO include:

- The process of establishing the Korca Region DMO has galvanized tourism stakeholders toward working together and growing the destination for the benefit of all – private, public, community and tourists. Building an understanding of the role of the DMO and its independence outside of the political arena has been an important process.
- For the private sector, understanding the need to cooperate in a newly competitive market place is an ongoing process
- A detailed business plan is required to articulate roles, responsibilities and funding sources;
- Selection of the right specialists through an open and transparent process is required for the selection of the DMO Staff;
- There is much to be gained in learning by doing;
- New funding sources should be tapped while seed funding is still available for operations. This enables the DMO to establish its

reputation and value to its members and build a track record for future opportunities;

- A monitoring process should be developed in a partnership way.

Seed funding and support for the DMO through the UNWTO-STEP-SNV partnership continues to be critical to the sustainability of the DMO, as it still needs to prove its value to both public and private sector stakeholders. Over time the DMO is expected to become the dominant, most influential and most respected force behind development and management of the tourism sector in the Korca Region.

QUOTES:

"On 14 March, 2011, the UNWTO and the Russian Federation will hold a seminar on "Effective Governance in Tourism Destination Development" in Moscow in the framework of the Fair Intour market. We wish to invite someone from the DMO in Korca in order to talk about their work, experience, tasks, difficulties, etc. We strongly believe that such a sample will be very useful for the Russian colleagues who will come from all over the country to this fair and thus to the event". Cordula Wohlmuther, UNWTO

STANDARD DATA:

Start and end date of contract within which the intervention occurred:
June 2008 – December 2010

Composition of team:

SNV: Albana Cule, Allison Rossetto, Anila Shehu

LCBs: Ilir Hasa

Number of PPDays already invested and planned to be invested per category of staff:

SNV: 323 PPDs

LCBs: 120 PPDs

Relevant partnerships: UNWTO, Regional Council of Korca, Ministry of Tourism, Municipalities of Korca, Pogradec, Erseke, Communes of Liqenas, Voskopoja, Drenova, Vithkuq.

The financial resources invested: 1000 EUR

Client satisfaction and enhanced capacity scores: 20