

INNOVATIVE STRATEGIES IN THE MANAGEMENT OF ALTERNATIVE TOURISM

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Abstract:

This paper is focused on the nature, origin and scope of innovative strategies in the management and development of rural and eco-tourism as sustainable alternatives to traditional tourism activities. Specifically, the management strategies in the Bulgarian region of Eastern Balkan Mountains have been under consideration.

At this purpose, we assessed not only the natural and anthropogenic resources and hotel facilities infrastructure, but also concrete aspects of the strategies implemented in situ to promote the alternative tourism, as market segmentation and the profile of the tourists visiting this region of Bulgaria.

Keywords: *alternative tourism; innovative strategies; tourist products; tourist profile*

ESTRATEGIAS INNOVADORAS EN LA GESTIÓN DE TURISMO ALTERNATIVO

Resumen:

Este artículo se centra en la naturaleza, origen y ámbito de aplicación de las estrategias innovadoras en la gestión y desarrollo del turismo rural y ecológico como alternativas sostenibles a las actividades de turismo tradicional. Concretamente, las estrategias de gestión en la región búlgara de los Balcanes Orientales han sido objeto de consideración.

Con este propósito, se evaluaron no sólo los recursos naturales y antropogénicos y la infraestructura de instalaciones hoteleras, sino también aspectos concretos de las estrategias implementadas *in situ* para promocionar el turismo alternativo, como la segmentación del mercado y el perfil de los turistas que visitan esta región de Bulgaria

Palabras clave: *turismo alternativo; estrategias innovadoras; productos turísticos; perfil turístico*

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1. Introduction

Nowadays a simple offer consisting of conventional accommodation and restoration facilities does not perform as a real attractive for tourism demand. An increasing number of individuals prefer the various choices of alternative tourism due to the wide range of activities they offer, including, among other incentives:

- accommodation in temporary residence, availability of local products offer, variety on different categories of services;
- sports activities for recreation, as walking tours, horse riding, fishing, hunting, swimming pools, etc.; and
- cultural activities, not only guided or free tours to architectural monuments, but also considering possibilities for participation in appropriate courses to prepare typical local cuisine, protection of flora and fauna, arts and crafts, festivals and fairs, etc.

On this evidence, tourism organizations are changing their management practices in accordance with the new strategic approaches to be adopted, which should contribute to face the challenges and to develop those changes required under new circumstances (Barros 2005).

In this sense, Ansoff (1990) suggested that strategic management performs as a systematic approach allowing to connect the organization as well as to find its place regarding the environment which it is located, so as to ensure its ongoing success (or at least, to maximize its success possibilities) while protecting it from surprises. In other words, strategic management is conceived as the process of design, selection and implementation of the development strategy of an organization, expressed in a process which is divided into three main phases or stages (Zafirova 2007): i) strategic planning; ii) realization (implementation) of the strategy; and iii) monitoring and evaluation of the strategy.

In the concrete case of Bulgaria, we should take in mind that the development of alternative tourism in the country has been, is and will be increasingly influenced by the trends at European level. This can be perceived, for example, when encouraging diversification (Momchilov 2011) as one of main strategies for tourism development (Zheliashkov et al. 2013) as part of a real market orientation of the offer (Genchev 2009).

However, when dealing with the topic of alternative tourism in Bulgaria, the growing demand at global level becomes a crucial issue (Vázquez et al. 2005), just as in case of close neighbouring countries, both from an internal and external perspective (Naghiu et al. 2005). Moreover, the stronger growth tendencies in the alternative tourism demand are confirmed in the reports and predictions by the World Tourism Organization and become much more evident when compared to the expectations in case of “traditional” mass tourism.

So, the development of alternative tourism should outline positive trends related to the creation of new jobs, development of infrastructure in rural areas, reduction of migration of young people, preservation of the atmosphere and the lifestyle in the rural communities, preservation of historical, architectural, cultural and ethnographic identity of the region and diversification of economic activities in the rural areas (Georgiev et al. 2003; Getz et al. 2004).

On all the above basis, the aim of this paper is to present the foundations for a research to determine the nature, origin and scope of strategic management decisions related to the development of alternative tourism facilities in Bulgaria as well as the strategies which are specifically applied at concrete study cases. An additional goal refers to the identification of the strategies that guest houses located in the Eastern Balkan Mountains locations apply when assessing alternatives and selecting their alternative tourism offers.

At this purpose, in a prospective research the profile of tourists visiting the Eastern Balkan Mountains was analyzed, as a previous step for a market segmentation of the alternative tourism offer; then, the different strategies used by guest houses and recreational facilities were identified and assessed; and finally, some guidelines were determined in order to improve the selection of strategies and so contribute to the better development of alternative tourism in the relevant geographical area.

2. Prospective analysis of the profile of the tourists in the Eastern Balkan Mountains of Bulgaria

Based on data from an initial survey that was carried out over a sample of 30 interviews in Spring 2013 at establishment in the selected region, the “typical” tourist in the Eastern Balkan Mountains of Bulgaria can be characterized as medium aged, i.e. in a range from 26 to 56 years old (see Figure 1). In most cases, they are not alone individuals, but families with young children.

However, the motives of the tourists to visit the area seem to be complex, clearly depending not only on issues as age, but also on others as religion, social status, ethnicity and gender, which constitute the common criteria in market segmentation models (Bulgarian Marketing, Promotion and Information in Tourism Directorate 2013).

As an alternative, demographic segmentation tests can reveal the characteristics of tourists based on indicators such as age, sex, number of family members, education, occupation, race and nationality. These indicators are widely used in processes of segmentation of consumer markets and their popularity is due to the following reasons: i) getting the information is easy and affordable for recruitment; ii) they are used in the analysis of all consumer markets for all type products; and iii) they provide an easy identification and naming of the segments. Indicators characterizing rural tourists according to their education, level of income and occupational status belong to the socio-economic category.

Regarding the sources of information used to find the tourism facilities, we can appreciate that Internet clearly performs as the most recurrent information source. Nowadays, a number of potential visitors are not using travel agencies when organizing their holidays, and this is the reason for an incessant growth of tourism websites, in a general sense, and specifically alternative tourism. These websites are aimed to facilitate (and stimulate) the consumer’s choice. This is evident in case of respondents which required via Internet the services of guest houses with an alternative tourism offer (Figure 2).

Figure 1. Proportion of age groups

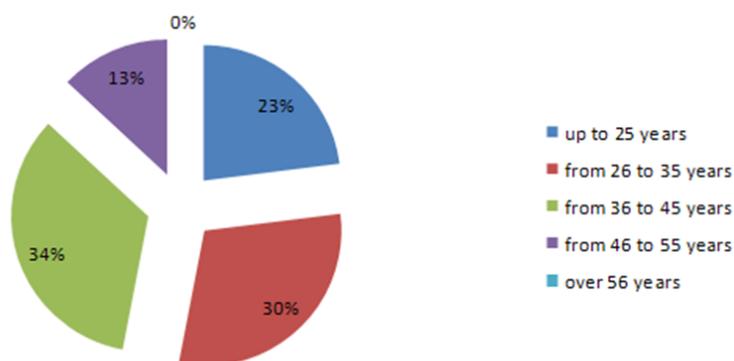
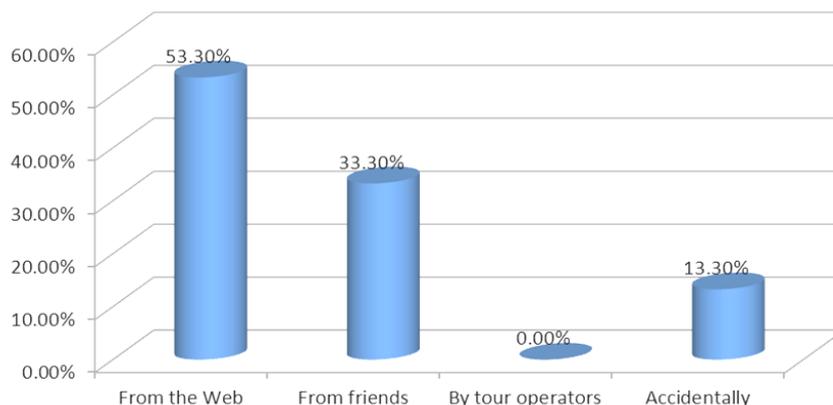


Figure 2. Share of people using specific source of the information about the guest houses



On the other hand, five are the top preferences for visitors of alternative tourism facilities (Figure 3), while the prices they pay per person and night range from BGN 10 to 50¹, depending on the category of selected guest house / family hotel and/or its location. Such price variations are shown in Figure 4, where each of the 30 conducted interviews is identified on the horizontal axis, while the prices paid are represented on the vertical one. Finally, Figure 5 shows the percentages of interviewees by their monthly income per family member. Nearly half of them said it to range from BGN 601 to 800².

Figure 3. Proportion of people who have visited sites of alternative tourism



Figure 4. Price per person per night (BGN)

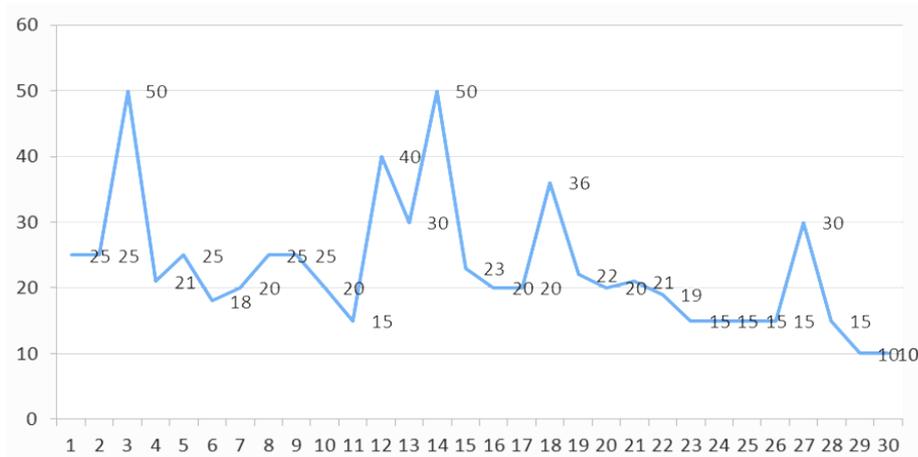
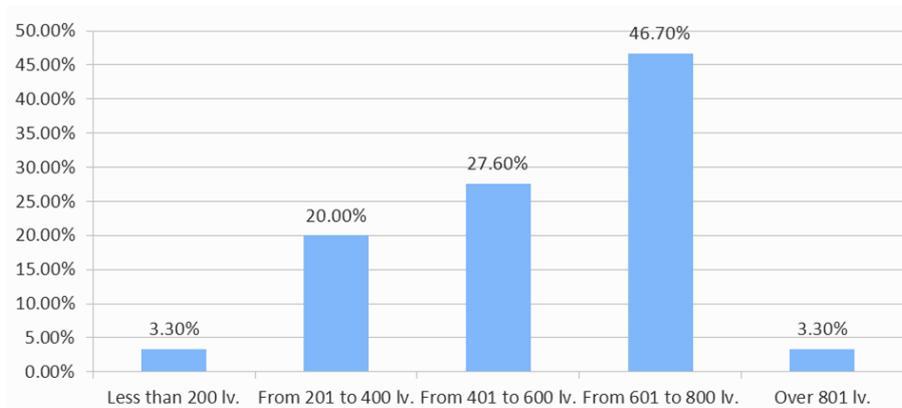


Figure 5. Proportion of visitors according to disposable monthly income per family member



¹ Bulgarian Lev Real (BGN) is the currency of Bulgaria. At the time of publishing this paper (April 2014) the exchange rate with US\$ was around 0.71 (1 BGN = 0.71 US\$) and 0.51 with Euro (1 BGN = 0.51 €).

² That is, some 424.36 to 564.88 US\$, or 307.29 to 409.03 €. Just to provide a referent for comparison, and according to Eurostat, the minimum wage in Bulgaria for 2013 was 158.5 €, while medium wage figures ranged some 300 €.

3. Choice of strategies for the development of alternative tourism in the Eastern Balkan Mountains of Bulgaria

The formerly mentioned strategy of diversification that characterizes the development of the whole tourism sector in Bulgaria is also followed by guest houses that offer both accommodation and additional alternative tourism attractions as recreation complexes. Moreover, and accordingly to in-depth interviews with tourism business owners these establishments seem to combine it with a strategy of integration.

So, on the one hand, horizontal integration allows the growth of a tourism business (in terms of size) by acquiring or taking part in competitors operating in the same or similar markets, and then can also contribute to provide a faster access to new tourist offers, both in the same or different regions and to the same or different clients. This strategy uses to be successful when the business has a lot of strengths, but faces external threats from competitor companies.

On the other hand, vertical integration is a strategic alternative that allows tourist businesses to launch new activities that are forward or backward in the chain of the tourism products offered. The backward vertical integration involves buying of a company supplier for the tourism firm and the vertical forward integration involves buying a company-distributor of tourism offers. The last strategy is used by businesses which have to face weaknesses in meeting consumer demand.

However, vertical integration requires a larger availability of financial resources, but also leads to a reduction in administration costs and, as a consequence, in the prices of services offered. It may be manifested as: i) inverse (i.e. building structural units ensuring the supply of services for the normal functioning of the tourism activities); ii) direct (i.e. involving an expansion of the organization to its consumers); or iii) complete (i.e. closing the cycle of the tourism services offered, that is, with coexistence of inverse and direct integration).

Meanwhile, a strategy of diversification is associated with the search of the best position for penetration in other activities than the already included in the own offer, either by product replacement and/or addition of new products. This strategy has two directions: i) development of a new product oriented towards a new market or acquisition of another tourism complex or activity in an alternative tourism area; or ii) penetration in other areas, regardless their relation to the current alternative tourism offer, i.e. the so-called heterogeneous diversification.

Heterogeneous (conglomerate) diversification implies moving towards offering new tourist services which are not related in their target to those previously offered. The organization may use the same or different distribution channels, as the new offer can be oriented towards the same or new target groups of customers. The main reason to choose this alternative is usually linked to expectations on a higher return on investment in the new directions. The decision for this kind of diversification, however, may be also indirectly associated to additional opportunities for the development of the main business by accessing to new potential customers or exploring opportunities for strategic partnerships. A financial synergy exists in the conglomerate diversification, as it provides a balance between the portfolios of current tourism business and the cyclical sales.

The real fact is that guesthouses offering alternative tourism in the Eastern Balkan Mountains area seem to be widely linked not to the one or another of the above strategies, but to both of them. A number of the owners of guest houses devoted their efforts to other activities before they got involved in the alternative tourism industry.

An example of the application of both strategies (appropriate for a case-study) is found in two guest houses located in the region which form a mini-resort, the *Hotel Complex Ichera*, that is suitable for groups and company meetings. They offer delicious national and international cuisine, as well as opportunities for recreation and other entertainment programs, including picnics, trails, trips to historical and nature landmarks, visiting caves or fishing. Both guest houses have generic personal and share a same reception. Nearby the mini-resort the hosts have established a trout hatchery, then allowing a menu rich in all kinds of fish dishes.

In the village of Ichera, sometimes referred as “*the pearl of the Sliven Mountains*”, guest houses offer tourists the possibility of enjoying true eco-friendly products, as homemade cheese and bread, or Balkan’s trout. The alternative tourism offer includes a wide range of interesting attractions, as biking and pedestrian trails or a library. The owners of the lodge were engaged in agriculture before turning their

chalet into guest houses and offering rural tourism. Once their business has grown, they decided to offer their ecological production to their guests in a variety of culinary delights, so they have diversified their previous agricultural activities.

Eastern Balkan Mountains also offer favourable conditions for the development of animal husbandry. Many guest houses in this area offer environmentally friendly animal products such as different kinds of meat, cheese, yellow cheese, milk and yogurt. Many residents in the area breed horses, which are an interesting attraction for the tourists. To be precise, the alternative tourism guesthouses already include horse riding as part of their offer.

In summary, horizontal integration appears as a long-term growth strategy that protects guesthouses offering only accommodation facilities and decreases the competition. Vertical integration, in turn, strives to serve its customers with quality products. Heterogeneous diversification leads to radical changes in the position of the organization and its management, tourism products and distribution system.

4. Conclusion

The implementation of management strategies in alternative tourism facilities and resorts can significantly increase the efficiency of this type of tourism. Tourists which prefer alternative tourism offers in Bulgaria are increasing in comparison to those who chose the conventional mass options.

Nevertheless, the alternative tourism offer should keep its attractive by keeping its lower prices of products and services, while it provides relaxation in beautiful environment, acquaintance with Bulgarian customs, crafts, and health care activities as mountain trekking, cycling or horse riding.

However, further research on representative samples is required in order to properly obtain conclusions about tourist profiles and preferences, as well as on the changes in their perceptions and experiences due to the effect of management strategies.

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