



## Alternative and Mass Tourism Combination Analysis

### Cases in South Europe

#### Socio-economic impact of Mass and Alternative tourism models

Mass tourism is the most broadly developed tourism model throughout the world. The main reason for this is the potential for rapid development and quick returns on investment.[1] Mass tourism is especially profitable in rich and warm locations, where profit margins are high and seasonality is not an issue. Tourists are attracted to those warm and exotic places year-round and provide a steady and secure customer base. Additionally, they are willing to pay premium prices for high-end services and exclusive life style. As the most exclusive and profitable locations get overdeveloped, investors start looking for new opportunities and become more acceptable towards lower level of returns. The crowding-out effect pushes them to secondary and tertiary markets, which can still be fairly profitable. Profitable businesses pay taxes and generate steady flow of income for the government. This is why the Hotel Industry has strong lobbies and good relationship with governments in numerous countries. All those factors make Mass tourism the natural first-choice for many nations around the world.

Excessive development of Mass tourism can be harmful for the economy, social stability and natural environment of tourist destinations. Profitable markets are prone to overdevelopment due to the natural behavior of investors. Government regulations aim at controlling that risk, but fulfill their purpose only to a certain extent. Corruption and lobbying often lead to small groups of people profiting at the expense of entire communities. Such behavior is harmful not only at an economic level. Overbuilding inflicts permanent damage on natural resources and habitats. Overdeveloped tourist destinations often have problems with air and water pollution. Additionally, large inflow of tourists can be harmful to the local culture and customs. Many communities with developed Mass tourism start losing their cultural heritage after certain period of time.

Alternative tourism has emerged as a model that is more consistent with natural and community values. The fact that alternative tourism stresses on sustainable growth and allows for better distribution of economic benefit has contributed to its popularity. Additionally, as the Mass tourism markets get saturated and government regulation becomes more stringent, Alternative tourism emerges as a profitable investment opportunity. In an environment of low interest rates and economic uncertainty, investments that generate relatively stable cash flows are highly

desirable. Furthermore, government subsidies and tax benefits can make such opportunities even more attractive. Increasing public awareness on environmental issues has also benefited the development of Alternative tourism. The model is viewed as environmentally safe and beneficial for small communities.

Sustainable tourism evolved the notion of alternative tourism to a new level. Sustainability is becoming an increasingly important factor as societies realize that natural resources are perishable. This movement is especially strong in Europe, with sustainable economy, energy, and tourism gathering strong support from governments and institutions. However, economic efficiency has been serious argument against the push towards sustainability. Proponents of the free market argue that if something is economically feasible and beneficial, it would occur through a natural process. Sustainable tourism, on the other hand, has been slow and hard to develop due high up-front costs and slower return on investments.

Despite that, Sustainable tourism provides long-term advantages and economic growth that mass tourism does not. The model is not that dependent on seasonal and climatic conditions, providing opportunity to create average capacities year round. In addition, Sustainable tourism is based on smaller groups of people, creating logistical advantages over Mass tourism. This also creates opportunities for smaller-scale projects, which would require less financing and less time to payback the initial investment. Sustainable tourism does not require the huge investment in infrastructure and creates a supply that can more effectively meet the demand. The model is less prone to overdevelopment and has the potential to redistribute profits more efficiently. Communities can benefit from financing local projects the same way they finance infrastructural projects like bridges or roads.

#### Lessons from Europe

Spain had experience serious damages from overdeveloped Mass tourism locations. The country tried to develop its Sustainable tourism platform, but faced serious challenges such as low technical quality and lack of suitable infrastructure. The Southern European nation is the 5th largest economy on the continent and has historically been strongly dependent on its tourist sector for much of its budget needs. Mass tourism revenues in Spain grew from almost nothing in 1950s to more than \$60 billion in 2012. [7] Most of this growth has come at the expense of local culture and architecture. Many resorts have been seriously overbuilt and have lost their Spanish identity. Water pollution, crime, and drug trafficking have also become serious issues in certain destinations. Even though the country's tourist sector had over 50 years of experience, it was slow to recognize the harms of mass tourism and stimulate change. The country failed to leverage its key competences such as culture and history and focused on expensive sectors such as golf and skiing. The Financial troubles since 2008 have seriously impaired the ability to raise capital in Spain. Development of expensive projects and infrastructure is becoming increasingly hard and sectors without competitive advantages such as skiing will suffer from that.

Greece is very different from Spain both on an economic and social level. If exploited efficiently, certain characteristics of the nation could have given it a serious edge in developing Sustainable tourism. Despite being much smaller geographically and economically, Greece has

historically and cultural traits that could make it a leader in sustainable tourism. The nation has a small population and huge number of scarcely-populated islands – a perfect setting for high-quality sustainable attractions. However, the Mediterranean nation has become rather dependent on its mass tourism sector, providing close to 20% of its government budget. Such massive contribution to the economy cannot come along without large concentration of power and wealth. In reality, political instability and corruption have been a serious issue in Greece. The lack of efficient reforms has impaired the ability of the country to efficiently upgrade its tourism sector. However, the nation has limited the amount of damage inflicted by mass tourism by robust environmental regulations.

Slovenia is a smaller and less developed economy, which lacked competitive advantages in any particular sphere of tourism. However, the country managed to build a successful model through leveraging its weaknesses and promoting tourism as its most important economic sector. Slovenia undertook a very structured and insightful approach towards reforming its tourism sector. The nation first set out to determine what are the key trends and developments in the international market. Next, they identified the key advantages of their country – mainly undamaged nature and small and flexible economy that could meet the industry's changing needs. By doing that, Slovenia was one step ahead of countries such as Spain in Greece. Instead of fighting change and being pressured by time constraints, Slovenia was embracing it. Additionally, the small nation tried to focus services and benefits that other tourist destination were ignoring – better organization, quick access and flexibility, as well as packaging together business and natural activities. This unique approach created a niche market for Slovenia, where they delivered complimentary rather than competing services.

Similar in size and economy to Slovenia, Croatia also managed to develop a strong alternative tourism sector through strong planning and reform implementation. The Mediterranean nation focused on delivering high-quality, value-add services rather than cheap and affordable attractions. Croatia recognized that the tourism industry is becoming increasingly commoditized and recognized the opportunity in a value-add approach. The country started with a well-structured program aiming at increasing competitiveness and diversifying their offerings. There was a strong focus on local communities and sustainability. The aim was to leverage every aspect of the Croatian culture into delivering a full customer experience to tourists. The government encouraged local population to develop infrastructure and promoted transparent and open environment for operation. They believed that tourism should become an integrated part of the economy and way of life, rather than just an industry. This innovative approach built strong foundations for sustainability and future growth of the sector.

The different experience and varying success of the four reviewed countries provides important ground for future Sustainable tourism policies and initiatives. As world population grows and natural resources become scarce, Sustainability will become increasingly important. Nations are doing a mixed job in recognizing and keeping up with this trend. Some countries, such as Spain and Greece, are trying to combine Mass and Sustainable tourism, while Croatia, for example, is focusing solely on Alternative tourism models. If implemented properly, both can be winning strategies. The trick is to have the organizational and infrastructural flexibility to meet the shifting demand and changing environment. In general, smaller countries with younger institutions have

the advantage of being more flexible and innovative. On the other side, larger economies have the resources and historical expertise in exploiting arising opportunities.

Slovenia and Croatia are a great example of how small economies should approach their tourism policies. Both countries performed a cost-benefit analysis and identified their key advantages and disadvantages. They managed to leverage those advantages and, in some cases, even the disadvantages in providing value-add services and integrated solutions. They recognized that the industry is becoming commoditized – largely driven by costs, and that smaller economies cannot compete on those terms since they cannot achieve economies of scale. On the other hand, they can use their flexibility to target niche markets and provide complementary services. In other words, they can ride the flow of change, rather than sail against it.

Bulgaria is small mid-low income Eastern European country that has historically developed Mass tourism locations. However, now the country finds much of its best destinations overbuilt and experiencing serious environmental issues. The lessons learned from Slovenia and Croatia may be especially useful in helping Bulgaria diversify into Alternative tourism and develop a sustainable economy. Despite its slightly larger economy, Bulgaria carries many similar characteristics to Croatia. Its economy has made a recent transition from Communist to free market regime and has a young and flexible institutional body. Despite the typical issues with corruption and lack of legislation, the country is open enough for reforms and new policies. Given that there is enough political will the country could transform its tourism sector with a few efficient and decisive steps. The guidelines for this transformation should come from countries such as Slovenia and Croatia, which have already achieved significant success in reforming their industries.

First, Bulgaria should start by conducting comprehensive analysis on international trends in the tourism industry. Once the country is familiar with those trends, it can start thinking where exactly it could position itself and what value it can bring. By analyzing its key competences and advantages, the Eastern European nation will be able to have a clear idea of its capabilities and set realistic goals. Since Bulgaria has a well-developed Mass tourism sector, probably the best choice for the country would be to keep that stable source of revenue, while start diversifying into Alternative touristic destinations. The revenue from the Mass sector could be used to subsidize Sustainable tourism policies on a local level. The government would give incentives to local population to start developing hotels, as well as other small infrastructural and cultural projects. The preserved and authentic spirit of some destinations would target a specific segment of the Cultural tourism sector and provide year-round source of revenue. [15]

Bulgaria should put additional effort into strengthening its skiing and golf sectors, areas where the country has distinct competitive advantages. The main threats to both sectors are the lack of infrastructure and strategic investments. Both of them have been dominated by investments aiming at short-term gains, rather than sustainability. A strong public policy would change this and give proper incentive to long-term investors and stakeholders. Since its small economy and limited ability to raise capital, Bulgaria should focus on attracting foreign investors by providing security and stable political and legislative environment. Similarly to Croatia, The Black Sea nation should consider making tourism a national objective and turn into a cultural experience

rather than simply an industry. That would create a drive to sustainability and allow for longer-term goals and objectives.

### Conclusion

Sustainable tourism is an emerging and powerful trend that will shape the future of the touristic sector. The road towards sustainability has been hard, but economic and environmental issues in Europe have considerably raised the public awareness. Government is looking for ways to reform their tourist industries and implement objectives and policies for long-term development. Income inequality and urbanization also support the development of sustainable tourism destinations, as local population sees it as the only way to secure a year-round source of revenue.

Spain and Greece are big economies, which are struggling with the after-effects of mass tourism. Both countries started developing their touristic sectors in the 1960s and 1970s, but have just started to realize the benefits of sustainability. The two nations are trying to diversify their Mass sectors with plans and policies stimulating the adoption of Alternative tourism models. That transition has faced a series of financial, economic, social, and political issues. Historically, Greece has been more environmentally conscious of its destinations and has experienced lower levels of pollution and damage from mass tourism.

Slovenia and Croatia are dynamic small economies, which are trying to find their position in the international touristic market. Both nations have adopted strong and structured policies for the adoption of Sustainable tourism. However, Croatia has decided to abandon Mass tourism, while Slovenia is pursuing a mixed model. The valuable experience of those two nations can provide insightful guideline for other Eastern and Central European countries that face the challenge of reforming their industries.

Bulgaria is a small Eastern European economy that has historically developed a strong Mass tourism sector. As a result, the country is facing a series of environmental, social and political issues. The lack of adequate investment, infrastructure, and political will for reforms have left the tourism industry weakly regulated and with no clear objectives. Corruption and lobbying have distorted development and have concentrated wealth in the hands of a few. Water pollutions and lack of filtration technologies threatens some of the strongest summer destinations. Lack of infrastructure impedes the growth of the skiing and gold sectors – two of the main drivers in the country.

Despite all this, Bulgaria might be capable of reforming its industry through taking a series of steps and following the example of Croatia and Slovenia. The country should conduct a thorough analysis of trends in the industry and determine its competitive advantages. Next, a structured and detailed plan for development and reform should be adopted. The government should focus on limiting the environmental damage from Mass tourism and the promotion of Sustainable tourism at a local level. The country has the natural resources and potential to become the primary skiing and golf destination on the Balkans, with the ability to attract millions of international tourists each year.

**Research Source** :Young Scientist USA