UNIVERISTY "ST.KLIMENT OHRIDSKI" – BITOLA

FACULTY OF TOURISM AND HOSPITALITY – OHRID



APPLYING THE FAS METHOD IN IDENTIFYING THE TOURISM POTENTIALS OF KOSOVO

 $/\!/$ a self-assessment of the doctoral thesis $/\!/$

Candidate: MSc. Petrit Hasanaj

Mentor: PhD Simona Martinoska A main characteristic of the modern world is mass tourism, which includes numerous different subjects (organizers, travelers, institutionalized tourist service providers, receptive population, etc.) and which has already become one of the basic elements of modern times.

The significance of tourism as a source of income and employment and as the main factor in the payment balances of many countries, attracts great attention. Governments, private sector, regional and local authorities and other entities involved in international trade and economic development recognize the role given to tourism.

Tourism is defined as a broad service sector with a wide range of simple and comprehensive goods and services that support it. Tourism is transformed into a major sector of the economy by generating financial revenues and creating new jobs.

Tourism is expected to develop the country's economy, it contributes in increasing the national income, the employment, reduces the trade deficit, strengthens the economic development of the peripheral regions of the country, intensifies the operation of enterprises that produces products and services intended to meet tourism needs in a direct or indirect way.

The rich natural resources and traditions that exist in the world are one of the main motives for traveling for tourists who want to get to know better with undiscovered places and new cultures and experience new things in culture, art, crafts, everyday life and traditional cuisine.

Encouraging in a conscious way of experiencing the natural and cultural heritage for tourist purposes means creating new jobs, reducing poverty, preventing the migration of the rural population, and expressing a sense of pride among the locals and the tourists themselves.

Regarding the importance of the tourism, it should be noted that there are various notions that determine it, such as tourism trade, tourism industry, tourism and travel, travel industry, tourism sector, tourism economy, etc.

Many authors consider that due to its complex nature, tourism as a notion creates difficulties in its definition. The development of tourism requires connections with various activities, to be present in all countries of the world, among all people, to be part of their languages, and to be found in all dictionaries. In the context of this conclusion, tourism is a trip or travel for vacation, entertainment, treatment and sightseeing.

The boundaries of the tourism industry are almost undefined, which brings new influences, new segments and new activities with a wide range of products and services that show little degree of homogeneity and use new technologies in the production process.

Perhaps there is no other economic sector with such diversification of economic activities, therefore, in the last decade, tourism has become a very dynamic system with a

flexible structure, variable consumer behavior and strong impacts, especially on the development of the transport industry and technology.

Having regard to the dynamics of the development of the society, parallel to this, tourism has developed especially during the 20th century as a result of the rapid development of the economy, the movement of people, politics, art, education, science and sports etc.

This is a very special characteristic for the middle of the last century, where the true expansion of the tourist movement was felt. Namely, in the year 1950, there were 25 million tourists traveling around the world, in 2007 there were 700 million tourists, and in 2015 was estimated to 1.2 billion, with the forecast that by 2020 this number will reach 1.6 billion.

Destination management, i.e. exploiting the tourism potential of a country to develop tourism and the national economy in general is in urgent need of analytical and policy tools, and even more so in the context of tourism for development programs. Understanding both structural elements and dynamic processes are an essential factor in the development of a tourism destination.

This paper will describe a model of a destination which considers three types of structural components: factors (resources), attractors (tourism demand), and support services (or systems). We call this model as FAS model and it analyzes as well the optimizing behavior of destination stakeholders, both endogenous and exogenous, as a way to understand destination dynamics.

The FAS methodology can be applied in the strategic positioning of destinations as well as in achieving greater competitiveness and sustainability contributing to development of tourism. The model was born in the context of a European Eureka research project, and has been tested in a variety of destinations.

In the previous two decades, many researchers, experts and practitioners have noted these shortcomings and proposed methodological guidelines and recommendations that address the definition and analysis of tourist destinations and, at the same time, the setting of effective management. As a result, the FAS model appeared.

This model creates a structure that analyzes, classifies and measures components of tourism destinations or clusters. These structural components are grouped into sets and subsets showing the comparative advantages of a particular tourist destination. On this basis, tourist destinations can be classified into relatively homogeneous categories.

On the other hand, the competition that exists at those destinations is relatively strong, because tourists have relatively similar expectations, demands, needs and desires. However,

the most important issue here concerns the fact: how comparative advantages of a destination can be used for true mutual competition.

The FAS model is used as a methodology and framework in a huge number of projects since their initial application in 2002 and as such a model proved to be a very useful in three areas of tourism policy:

- 1. Creating an analytical framework and policy by at least one involved party in a tourist destination or cluster,
- 2. Acceptance of certain strategic positioning,
- 3. Assisting in the creation of participatory governance and management of the tourist destination.

The main purpose of this paperwork is to analyze the causal relationships between the implementation of the FAS model and the identification of the tourist potentials of the destinations, with particular reference to the Republic of Kosovo. The purpose of this paper is to illustrate the significance of this model or methodology in positioning a particular tourist destination on the international tourism market.

This model will help in finding more solutions to the problems that tourist destinations face, and when it comes to Kosovo as a tourist destination, the FAS model should be used in the direction of undertaking appropriate measures to raise the level of competitiveness in terms of other neighboring destination countries.

The subject of this doctoral dissertation research is the structure and elements of the FAS model that will determine the factors (resources), the attractors (tourist offer) and the support of Kosovo's services as a tourist destination. This model can help analyze the behavior of participants in the tourist destination and in understanding the dynamics of development of the tourist destination.

The purpose and subject of this research have their own spatial and time frame. The spatial framework determines the boundary of research, and in this case we limit ourselves to the territory of the Republic of Kosovo divided into five tourist regions, while the time frame in which statistics are presented on the situation of tourism in Kosovo relates to the time period of 2010-2015, while the field research was conducted in 2016.

The realization of the goals that are set in the research, is based on the combination of certain methods, and most often we will be guided by the inductive method (researching from the specific towards the general, where conclusions are obtained according to the existing facts

and premises, in order to verify the data and operationalization of concepts) and the deductive method (observing from the general towards the special).

The quantitative scientific method is used in this research, because the data collected is more structured, the survey involves more respondents compared to the qualitative method, as well as due to the fact that data can be more easily replicated and compared directly with other data.

During the development of this topic, primary and secondary data are more used, respectively official data presented in all types of documents and they will be used and the most relevant data and information for confirmation of the actual images for the situation in the stated relationship system will be much more analyzed. On the basis of these data we will try to create appropriate conclusions.

For the phenomena for which there are no official data and information, and which are important for perceiving the situation and trends in the field of tourism, will be further qualitatively elaborated. The research of this paperwork is mostly based on desk research, while certain field research are realized with the help of the internet as a medium containing a large number of data.

For the realization of this research and for obtaining accurate results, an online questionnaire, composed of 21 questions (structured questions that are closed and for those questions the respondents san answer by choosing the previously given answers), several questions are of the type of lists (any response is selected), other issues are categorized (only one answer is selected, yes or no), as well as rankings.

The sample of this research is in line with the subject being observed, and depending on the data availability. The population subject of this research are hotel facilities (hotels, motels and auto camps), travel agencies, municipalities, state institutions and tourist associations, for all of Kosovo in total, respectively for all tourist regions). A total of 80% of the total sample were surveyed for each tourist region.

The survey was conducted by submitting an online questionnaire to the managers of hotels, motels, travel agencies, municipal managers, state authorities and tourism associations. Descriptive processing of data (numbers, percentages, tables and graphic representations of such data) is used as a way of displaying the data.

A random stratified (probabilistic) sample is used in this research. The stratified sample was used because of the need to increase the precision of the research, and this was achieved by stratification of the sample in parts (stratums). The geographical regions of the state (tourist regions of Kosovo) are used as criteria for the division of the sample in question.

According to this, the survey covers a total sample of 573 entities, of which 293 are hotels, 237 are travel agencies, 38 are municipalities, 4 are tourist associations and 1 is belonging to the tourism sector within the competent ministry of the state. This sample is divided according to the tourist regions of Kosovo. The survey was conducted from 01.06.2016 until 31.08.2016. The mathematical formula for a random stratified sample is used separately for the determination of the sample for each tourist region.

In the research we set the following general hypothesis:

1. The application of the FAS method contributes to the identification of tourist potentials of Kosovo.

Special hypotheses in the research of the doctoral dissertation are:

1.1. In tourist destinations where the FAS methodology is used to identify the tourist potential, there is a greater possibility of access to international tourism markets,

1.2. The application of the FAS model in the direction of the development of the tourist destination provides better living conditions for the local inhabitants,

1.3. The FAS methodology reveals the needs, demands and wishes of the tourists, i.e. it helps to satisfy the perceptions and expectations of those tourists,

1.4. The application of the FAS methodology is significant in the process of creating a strategy for tourism development in Kosovo as a special tourist destination.

The study of this paper identified 17 natural factors, 12 human factors, 13 financial factors, 11 natural attractions, 16 cultural attractions, 11 human attractions, 9 support systems (catering), 7 transportation systems, 8 auxiliary services as a system for support.

From the conducted research it is expected to identify the three elements of the FAS model for Kosovo as a tourist destination: factors, attractors and support services for the five tourist regions of this country (the tourist region of Pristina, Cursed Mountains, Sharr Mountain, Mitrovica and Anamorava). The identification of the elements according to this methodology will enable to discover the tourist potentials of Kosovo and thus to find out the real opportunities, but also the challenges for the development of tourism in this country.

This doctoral thesis is composed of four parts. Part 1 "Theoretical and Methodological Approach in the Research" explains the subject and purpose of research on this paperwork, the methods used in the research and the methodological approach to study. An integral element of this section is the presentation of basic and auxiliary hypotheses, which are need to be confirmed or rejected. This section also contains a presentation of the expected results.

Part 2 "Tourist Destinations and Application of the FAS Model" is actually the basic framework for further analysis of all other elements of this doctoral thesis. This section consists of three chapters. The first chapter lists the basic aspects of tourism (concept and characteristics of tourism, definition of the term tourist, definition of the tourist system, as well as important types of tourism).

The second chapter entitled "Tourist Destinations" refers to the definition and explanation of the basic characteristics of the tourist destinations by several authors and scientists, further explaining the elements of tourist destinations, development factors and what are the most important types of tourist destinations. We consider it important to mention tourist destinations and types, because on the basis of such division we will be able to easily identify the tourist potentials of a country-destination.

The third chapter refers to the FAS model of tourist destinations, with particular reference to the origin of this model, the structure of the model (factors, attractors and support of services) and the application of the FAS model in the tourist destinations.

Part 3 "The development of tourism in Kosovo as a tourist destination" aims to show the development of tourism in Kosovo and it consists of three chapters. The first chapter presents a brief historical overview of the development of Kosovo's tourism in three phases: tourism movements until 1990, tourism in the period 1991-2000 and the development of Kosovo's tourism in the new century. This chapter is analyzing the number of tourists and nights spent, foreign tourists who visited Kosovo as a tourist destination and other indicators for the development of tourism in this country.

The second chapter aims to show Kosovo as an attractive tourist destination, because this country has natural resources considered as a potential for tourism development (geomorphological, climatic, hydrographic and biogeographical resources for tourism development). On the other hand, Kosovo is known for its richness in the aspect of cultural and historical resources (material and spiritual cultural heritage and special events of cultural and historical importance). The third chapter of Part 3 refers to Kosovo as a tourist destination consisting of several tourist regions: the tourist region of Pristina, the tourist region of Cursed Mountains, the tourist region of Sharr Mountain, tourist region of Mitrovica and the tourist region of Anamorava.

Part 4 "Application of the FAS model in identifying the tourism potentials of Kosovo" is the result of the synthesis of the three previous parts and refers precisely to the identification of the tourism potentials according to the FAS model, deriving from the results of the conducted research. This section consists of three chapters, the first chapter is about identifying the factors in tourist regions, the second chapter displays and explains the tourist attractors and the third chapter refers to the support of services in the tourist regions of Kosovo.

At the end of this doctoral thesis, will be presented the conclusions from the conducted research, applying the FAS model, which will identify the problems that are present in Kosovo as a tourist destination, but also the potentials for tourism development in this country.

Based on the field research (a questionnaire sent to the accommodation facilities like hotels, motels and auto camps, then to the travel agencies, municipalities, state institutions and tourist associations of Kosovo), according to the tourist regions, we can conclude:

→ The tourisy region of Pristina, in terms of natural factors, is characterized by limited natural resources for tourism development, especially in terms of water resources and protection of the natural environment. The situation with human factors is relatively good in this tourist region, but there are certain problems (small investments in employment, bad working conditions, lack of trainings and qualifications in tourism.

On the other hand, in this tourist region there are human potentials for tourism development (tourist companies have employed capable managers and workers, everyone agrees on the significance of tourism on the development of the overall economy, and these employees behave according to standards of ethics).

In the tourist region of Pristina, financial factors are not on the proper level, because there is a lack of private capital, insignificant foreign investments, difficulties in obtaining loans from banks, and cooperation with all financial institutions (domestic and foreign) is on a very low level.

What is considered as an opportunity and potential for tourism development is the International Airport of Pristinat, which is the only one in Kosovo, and is considered a very important factor for connecting the country with the rest of the world. The situation with the natural attractions in the tourist region of Pristina is characterized by a lack of attractive elements of the area (for example, there are no beaches, complementary facilities and recreational activities in this region), but we can mention that this region has certain potentials for organizing tours for visiting certain places and attractions).

Regarding to the cultural attractions, the situation is at the lowest level, because there are problems in archeology, architecture, museums, festivals and intangible cultural heritage, conferences of domestic and international character, fairs etc. On the other hand, this tourist region is very famous for its traditional cuisine, hospitality, folklore.

The human attractions in this tourist region are not satisfactory, because all tourism entities involved in tourism in this region do not have their own travel arrangements, no amusement parks, art events are very rare that can be used to attract tourists. But, it is worth mentioning that Pristina as a region is very famous for the shopping malls, there are many concerts organized there, all due to the greater possibilities for buying.

The situation with catering in this region is different, there are all types of catering facilities for accommodation and food, the entire catering infrastructure is very developed and it is a significant advantage over other tourist regions in Kosovo. Transportation as a supporting system in the development of tourism faces different problems: no rail traffic, urban and intercity transport is in a chaotic situation, and the only possibility in the area of transport is the International Airport in Pristina.

In the part of the supporting services, the tourist region of Pristina is characterized by a lack of tourist guides, information centers, health centers for tourists, and as a positive aspect is the high level of safety and security offered to the guests while staying in the country.

→ Tourist region of the Cursed Mountains, in terms of natural factors, differs from the previous region, because it abounds with larger natural resources such as water resources, nature parks, favorable climatic conditions for the development of many types of tourism, however, as a problem there is protection of the environment and lack of tourist activities.

In this tourist region there is insufficient number of employees in the tourism and catering sector, and the conditions for the work of the tourist workers are not at the appropriate level, there are certain potentials for development in terms of human resources or human capital (there are capable managers and workers, programs for training in the field of tourism and catering, etc.).

The situation with the financial factors in this region is not satisfactory, because there is a lack of capital, there are problems in the area of bank loans, there is insufficient

cooperation with the different types of financial institutions or organizations, although there are certain initiatives for attracting domestic and / or foreign capital.

From the research we conclude that the situation with the natural attractions in this tourist region is excellent, because the whole region has a mountainous character (mountains, forests, rivers and lakes), in this region there are many entities that offer accommodation and recreation services, especially during the winter season. However, it should be noted that there are certain problems in organizing tourist tours in this region and lack of activities during the summer season.

Regarding the cultural factors in the tourist region of Cursed Mountains, it should be noted that the situation is considered excellent, but in this region there are problems in the area of cultural and historical heritage (festivals, galleries, museums, localities, etc.). However, this region is distinguished by its customs, way of life, folklore, national cuisine etc.

There are no amusement parks in the tourist region of Cursed Mountains, there are no events organized outdoor, there are no shopping centers and the cultural aspect of living is not at the appropriate level. In this tourist region there is not enough catering facilities for accommodation of guests, but the existing hotels or similar facilities are in good condition, and the restaurant service and restaurant facilities are in sufficient number and offer excellent food and service.

It should be noted that there is no airport or developed railway in this region, there are not enough tourist guides and info centers, but the positive side in this region is interurban transport.

→ The tourist region of Sharr Mountain, in relation to the situation with natural factors, is a less developed region compared to the previous region, but as potentials are considered natural factors and reservats, as well as endemic flora and fauna, and yet the problem is the protection of the natural environment.

It should be noted that the situation with human factors is not at the right level, the working conditions in tourism do not meet the standards and the real problem is the lack of educated personnel in the field of tourism and catering. The situation with the financial factors is assessed with the lowest rating because there is insufficient capital, lack of domestic and/or foreign investments, the capacities for attracting capital are quite small etc.

The natural attractors in this tourist region are diverse and rated with the highest score and the positive side in the utilization of these elements which is filled with a lot of accommodation facilities and various recreational activities, especially in the winter. This region is famous for its cultural and historical heritage, but there are real problems in the field of crafts, museums, architecture, but the better side is traditional cuisine and intangible cultural treasure.

As in the previous tourist region, in this region there is a lack of amusement parks and shopping centers, there are no organized events that would attract domestic and foreign tourists. On the other hand, there are many types of catering facilities for accommodation and food, but according to the research that this situation can be assessed with an average grade.

The tourist region of Sharr Mountain is not developed from the aspect of transport (no developed railway, no airport, bus transportation is difficult). In this region there are not enough personnel in the field of tourist guidance and/or companion, there is no first aid in the hotels, while the security situation is assessed with the highest rating.

→ The tourist region of Mitrovica, speaking of natural factors, is in a disadvantage compared to other regions, but the potentials for tourism development are climate conditions, clean and natural water.

The situation with human resources is not at the desired level, because there are problems in employment, there are no trainings in the field of tourism and hospitality, insufficient professional staff, but in this region, according to the research, it is noted that to the tourism and hospitality is given a great importance.

The situation with the financial factors in this region is very bad (economic and political crisis and ethnic dividings), but there are certain possibilities for access to financial capital.

Regarding to the natural attractions, this region is not so attractive, i.e. it does not contain natural attractions that would help in the development of certain types of tourism. In this region there are significant and visible problems in the field of cultural attractions, as in all previous regions. Traditional food and hospitality are the strong side for the population living in this region.

The human resources for tourism development in this region are almost invisible or non-existent, with enormous problems, but in the field of catering a quality and professional service is provided, both in accommodation and in the cuisine. Bus transport is more developed in comparison to the railway, and on the other hand there is a serious lack of ancillary services such as tourist guide services, health protection of tourists, and in comparison with other regions, the security situation is at a dramatic level due to the already known political problems in that part of Kosovo.

→ The tourist region of Anamorava, in relation to natural factors, is not so known and significant, but what it differs from the other tourist regions is the diverse plant and animal world and access to natural environments.

In the tourism sector, there is not enough staff, there are no professional staff, the significance of tourism is not as recognized as in other regions; the conditions for work in the tourism industry do not meet the standards, yet it has quality entrepreneurship in the tourism sector and catering.

The financial situation is poor, there are no capital investments, the situation is similar with the natural attractors and there is not enough organization of tours. The traditional food and kindness of the locals are a positive aspect from the point of view of cultural attractions, and the potentials of the people's attractions in this region are very small.

The situation is also bad regarding to the catering facilities such as auto camps or tourist villages, but it is good for hotels and restaurants, which offer quality accommodation and quality food.

The transportation in this region is not so developed, and the only strong side is the city transport of passengers. There are no tourist guides in this region, there are no information centers, no health services for tourists, but on the other hand, the safety and security of tourists at the highest level.

The conclusions of the research for each tourist region individually represent the basis for accepting or not accepting the basic and specific hypotheses of this working paper.

Based on the conducted research and analyzing the results, it can be said that the basic hypothesis IS ACCEPTED due to the fact that the application of the FAS model really contributed to discovering and to identify the tourist potentials of Kosovo as a tourist destination, especially from the aspect of the tourist regions of this country.

The application of the FAS model has helped to find out what the situation with the factors, attracters and support of tourism services for each tourist region individually is, but on the other side, we found out and the relevance of these factors, attractors and service support, and in the research itself we can see more precisely what's the situation and the relevance is.

Once the tourism potentials of Kosovo have been identified, the process of creating a "tourist map" of this country helps to provide greater access or significant relief towards joining the international tourism markets, and thus we believe that the first additional hypothesis of this paper IS ACCEPTED.

Namely, through the discovery of tourism potentials, Kosovo as a destination, together with all state and local institutions, have an clear overview of what is a possibility and what are the potentials for development, and on the other side, what are the problems that prevent the development of tourism in this country. In this way, it helps to find out solutions for easier access to tourist markets.

The identifying of the tourist potentials of Kosovo will help in solving the problems that tourism faces in this country, so we believe that the application of the FAS model provides better living conditions for the local population, which means that the second special or auxiliary hypothesis of this paperwork IS ACCEPTED.

In fact, the locals are an inseparable part and a very important factor for the development of tourism in a destination, so the discovery of the potentials for the development of tourism in Kosovo means the involvement of the local population in the tourist offer of the country, and the local population is the main representative of the cultural and historical heritage, "chief boss" of traditional cuisine and a host in the process of welcoming guests and tourists from the country or abroad.

The overall activity of the local population, among other things, results in economic effects, which in turn means an increase in the number of employees in tourism and catering, higher household incomes, increased consumption by guests that contributes to increased production and service, leading to increasing national income and finally creating better living conditions for the population in one country (tourist destination).

Every tourist travels outside his place of permanent residence for a rest, recreation, visit to relatives and friends, for religious and similar purposes and/or discovering new people and cultures. At the moment of arrival of the tourists in a destination, a certain need or a certain request or desire is actually fulfilled, but all this will be realized if there are tourist resources for which those tourists traveled.

So, at the moment when a certain factor, resource, an attractor or a certain service that helps or supports the development of tourism is identified, it will only then be known what potentials are available (tourist destination) and whether those potentials or resources are sufficient to satisfy a particular need or desire, or the expectation of tourists. Therefore, we consider that the third special or auxiliary hypothesis of this paper IS ACCEPTED, because the FAS model helps to discover the needs of the tourists, while also indicating which tourism potential is satisfactory, and thus measures for development of a certain type of tourism must be taken and meets a particular need or desire of the tourist.

When showing the conclusions from the conducted research, it can be said that the FAS model has identified the problems and shortcomings that are present in Kosovo as a tourist destination. However, this model has also made it possible to discover the potentials for tourism development in this country. The FAS model should help create new strategies and policies for the development and promotion of tourism, in maintaining the destination and creating new opportunities for all.

Therefore, we believe that the last specific hypothesis IS ACCEPTED, because the application of the FAS model can help in creating a strategy for tourism development in Kosovo. In fact, identifying the potentials and problems that tourism faces in this country is the main basis and the "first raw material" in the process of creating a strategy for tourism development, and that strategy can be further integrated into the strategy for overall economic development of the country.

In the end, all of this should shape up the impact of the measures and should create the forms of the participation in tourism management. By doing so, participants can better understand the system where they operate and that means evaluating the effects of alternative policies and programs.

The FAS model should help create new strategies and policies for the development and promotion of tourism of Kosovo as a tourist destination, in maintaining the destination and creating new opportunities for all.