

University of Twente, Enschede, The Netherlands

Preparing Camp AS for the Future

Attracting Dutch Tourists to Macedonia

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Finding the Best Strategy for a campground in Macedonia to Attract Dutch Tourists

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Summary

This research focuses on the development of the Macedonian campsite 'Camp AS'. It is part of the larger organisation Inex Drim. Camp AS originates from thirty years ago when tourism from for example the Netherlands was thriving. Nowadays, international tourism has disappeared from Camp AS, just as it has from the entire region. For Camp AS this was the motive to start searching for the best strategy for attracting Dutch tourists again to its grounds.

This research provides an answer to this problem through the use of the Tourism Destination Competitiveness model (Enright & Newton, 2004). This model addresses the opportunities and the blockades of the region through identifying its attractors and drivers. The model visualizes that 'International Access', 'Uncertainty over Safety' and 'Power of the Local Government' act as the main blockades in any strategy formulated to attract Dutch tourists. The model also shows its benefits of being an Established Tourism Destination, its attractors (sun and the lake) and the country's price level are major opportunities for starting a campsite. Government policy on tourism is seen as an opportunity, because the first measures have been taken, but results and continuity of the program are not known yet.

Through the 7s model (Waterman et al., 1981) and the Marketing Mix (McCarthy, 1960) the internal capabilities of Camp AS and its parent organisation Inex Drim are discussed. The results show the potential of Camp AS having a perfect location, but also focuses on the terrible condition the campsite is in. Other strengths of the organisation are its relatively well developed distribution channel and customer friendliness. Staff costs are low and is considered as a strength. However, Staff Skills are overall beneath what can be expected. Hospitality in the restaurant, cleaning and maintenance do not deliver sufficient quality. Language proficiency is only in the lobby sufficient, but in the other areas employees are not ready to host international, Dutch tourists. The last data item consisted of a segmentation analysis. This analysis concluded that 'empty nesters' and 'families' are the most attractive segments to target.

The final conclusions for identifying a best strategy for Camp AS is to follow a cost focus strategy aimed at 'empty nesters' that travel by car. The reasoning behind this recommendation is that it is not expected that the major international blockades will be removed on the short term. Next to this, investments in hotel Drim are prioritized, so large investment strategies are not possible on the short term for Camp AS. With this strategy, the already visiting camping tour operators will be satisfied and only a small investment has to be made. This investment will also make sure that the impact of the Internet is countered. No negative reviews will then be placed on the Internet and the Internet is a major driver in international tourism.

At the time the international blockades are lowered, tourism from the Netherlands will most likely start. When this is the case, Camp AS should change from the cost focus strategy to a differentiation strategy. This way families can be targeted. This is a large segment that does not interfere with the empty nesters that travel off-season. Next to the choice of these strategies, it is highly recommended that Camp AS and Inex Drim invest in better staff skills. It is also recommended that Inex Drim starts the initiative towards a better inter-firm cooperation. A better bond with hotels in the region will result in a better grip on government policy (if necessary). Also, the region will be able to offer the region to tour operators in a more complementary way. Next to that, Inex Drim should start to help its hometown Struga to develop itself. Helping entrepreneurs getting ready for international tourism and in the best case creating a society that tries to enhance the city centre of Struga into a thriving place.

Finally, some of the findings in this research should be analysed further. The research indicated that there is anxiety of Dutch tourists to come to Macedonia, named uncertainty over safety. However, more research should be conducted to the actual nature of this observed phenomenon. Next to that, the model of Enright & Newton (2004) was critically assessed. The model has a well defined structure with its distinction between attractors and drivers of tourism, but the model can be improved on several issues. First, it lacks a proper definition of variables. Second, indicators are not provided. Third, the model mixes country, industry and organisation specific factors, which makes it hard to see which level of abstraction is required. Fourth, it misses drivers, such as the Internet. The 7s model (Waterman et al., 1981) and the Marketing Mix (McCarthy, 1960) were complementary to each other. For this research these models proved to be a good framework of the internal analysis.

List of Figures

Figure 1:	Present Macedonia	6
Figure 2:	Macedonia 500 VC	6
Figure 3:	Sub-questions	9
Figure 4:	Enright & Newton (2004) Tourism Destination Competitiveness	10
Figure 5:	Distribution Channel	24
Figure 6:	Confrontation Matrix	27

Preface

At the time I started searching for an internship to write my Bachelor thesis, I already knew I wanted to go to (South) East Europe. This because I already had a great backpacking experience in Romania and Bulgaria. I came in contact with lots of countries, but never with Macedonia. It simply was not in my evoked set.

But then I got a message from Ohrid AIESEC and I began to search what Macedonia actually was. It seemed to be a good country for staying and I decided to go. This was absolutely a good choice that I do not regret. After the, almost, 4 months of staying in Macedonia all prejudice, of me and my direct environment, is gone. It is a great country and the subject of my thesis made me understand the country much better.

I am fascinated with its history, its beauty and the people that live there. Before I went I did not even know Macedonia had a tourism sector, but now I know much better. It is definitely one of the better places I visited and that was not expected at beforehand.

Tourism was a subject I had never studied, but in these months it did catch my interest. It is astonishing to see how models developed in tourism literature actually work in practice. When reading the report you will know what I mean with that.

Further, I want to thank 'Gage' for the opportunity to work at hotel Drim and of course the AIESEC sisters Hristovska. Without them I would never have been in Macedonia and that would have been a pity.

Content

1. Introduction	6
1.1 Background	6
1.2 Country information.....	6
1.3 Context	7
1.4 Problem Identification & Formulation	7
2. Theory	9
2.1 Destination Competitiveness	9
2.2 Segmentation	11
2.3 Capabilities of the organisation	12
2.4 SWOT Analysis.....	14
2.5 Concepts of Strategy	14
3. Methodology	15
3.1 Methodological decisions	15
4. Findings	17
4.1 Competitiveness of Macedonia.....	17
4.2 Tourism Destination Competitiveness	18
4.2.1 Attractors	18
4.2.2 Drivers	19
4.3 Segmentation	21
4.3.1 The Segmentation Process	21
4.3.2 Empty Nesters	22
4.3.3 Families	22
4.3.4 Youngsters.....	22
4.4 Internal Environment	22
4.4.1 Marketing Mix of Camp AS.....	23
4.4.2 7s Model.....	25
5. SWOT Analysis.....	26
5.1 Confrontation Matrix	26
5.2 Summarizing the Issues.....	27
6. Conclusions & Recommendations.....	29
6.1 Conclusions	29
6.2 Discussion.....	30
6.3 Recommendations	32
References	33

1. Introduction

1.1 Background

This first chapter will give insight in the country of Macedonia and the Macedonian tourism organisation Inex Drim, which consists of two hotels and one campsite. It is not the whole organisation that is in focus, just a part of it namely the campground 'Camp AS'. The campground is located at the Ohrid Lake area in southern Macedonia.

Readers might ask themselves what the Macedonia – Netherlands connection is where this report leans so heavily on. Insight in this relation is highlighted as well as the company Inex Drim. After the background and context for this report are clarified, I present the questions I want to answer. The last paragraph of the chapter will give insight in the total structure of this report.

1.2 Country information

Macedonia is located at the most southern end of the Balkans and is surrounded by the neighboring countries Greece, Albania, Serbia, Kosovo and Bulgaria. Figure 1 displays present Macedonia and it can be noticed that it has no access to the sea. The capital of Macedonia is Skopje and has approximately 700,000 residents. The GDP/capita in 2007 was approximately \$ 3,000 (Reckoski et al, 2007).

Macedonia has a typical land climate, which means that the summers are hot and the winters cold. Macedonia is a country about the same size as the Netherlands. This is about the only similarity. For instance, the country consists of 60 percent of mountainous areas, has no sea connection and has a population of only two million. The second town in Macedonia is Bitola with only 70,000 inhabitants. The most beautiful part of Macedonia is the area surrounding Ohrid in the south, which is also known as 'Jerusalem of the Balkan'. It is located at Ohrid Lake and the whole region is covered with mountains, fortresses, monasteries and churches. UNESCO has accepted the lake and the region of Ohrid as a world heritage site. The region surrounding Ohrid is also the most touristic.

Macedonia has an interesting, as well as a complex history. Numerous historical events took place here and several empires ruled over the country. The Macedonian history begins 2,500 years ago with Alexander the Great (real name Alexander III of Macedon) who was one of the key historical figures in his time. He was famous for its battles and enormous empire. At its peak it even reached the region of where nowadays Pakistan is (Worthington, 2004). The empire of Alexander III of Macedon had its home country Macedonia in,



Figure 1: Macedonia Nowadays



Figure 2: Macedonia 500 Bc

nowadays, Greece and Macedonia (figure 2). After the era of Alexander the Great, Macedonia was part of the Roman Empire. The Roman province Macedonia consisted of great parts of what now is known as Greece. In the years thereafter Macedonia was part of different empires, such as the Bulgarians, the Serbians and the Ottomans. This region was conquered many times; there were many strong empires constantly in this region.

In the twentieth century Macedonia was part of the Yugoslavia of Tito. After his death, Yugoslavia ended up as a warzone with severe fights. However, Macedonia managed to stay out of the fighting and declared independency in 1992. The name Macedonia was chosen and its national flag was the ancient flag of Alexander the Great. Since then Greece and Macedonia have a name dispute. Greece did not acknowledge the name nor the flag, because they also claim the heritage of Alexander the Great. The Greeks even have a province with the name 'Macedonia'. So far, Greece has claimed the history more successful and was able to condemn Macedonia by blocking its access to Western Europe. However, recently the European Union said that Macedonia was in the pipeline towards access to the EU (NRC Handelsblad; October 14, 2009).

1.3 Context

According to statistics (WTO, 2004), world tourist arrivals reached 700 million people in 2003 from 455 million people in 1990. Money expenditure increased from 2 billion Dollars in 1950 to 480 billion Dollar in 2002. The tourism branch is the biggest single sector in the world. Nowadays, already 10 percent of the world population is an international traveler. Expectations are that this number will rise with another billion by 2020 (Liu, 2003).

Macedonian tourism is situated predominantly around Lake Ohrid and this is where Inex Drim executes its business. Although the lake is seemingly large, tourism focuses here on two cities, namely Ohrid and Struga. The city of Ohrid and the lake are UNESCO world heritage. Ohrid is a thriving city that is already developed. A little to the west is the town of Struga, also directly at the lake. It also contains several hotels, one of them Hotel Drim.

The focal organisation of this study is Inex Drim and more specific its 'daughter' Camp AS. The organisation consists of a hotel and a campground that operate in the tourism industry of Macedonia. To get a better understanding I will highlight the company itself and its distribution channel. Hotel Drim is the most important part of the Inex Drim group. It is a former 5 star hotel with 200 rooms located in the city centre of Struga, directly at the beach. Here most of the revenues are realised. It is also the place where the entire back office is situated. In season the workforce is about 180 fte. Occupancy rates in season are about 60 to 70% and the hotel has an annual revenue of about 2,000,000 Euro. At the moment it was acquired the hotel was in a bad condition. However, large, costly renovation programs made it a 4 star hotel and competitive again. The first investment round upgraded most of the rooms in Hotel Drim. In 2010 the second round is planned and this will include restoration of the central hall and conference facilities. The third investment round, not planned for yet, will upgrade the exterior and will bring in extra facilities such as a wellness centre. Investments in Hotel Drim will be the case for the coming years and will place a burden on its capital.

Another investment of the Inex Drim group is a campground a few kilometers outside Struga. This campground is called 'Camp AS' and is the focus of this research. Camp AS covers 10 acres (medium sized) and has about a 1,000 places. However, a few hundred places are occupied all year by mobile homes. These mobile homes also make the biggest contribution to the revenue. About 90% of the cash flow comes from mobile home rents. Approximately 90,000 Euros comes from the activities at the campground. Most of the revenues come from rents on the mobile homes. Other sales only contribute for 10,000 Euros. According to the general manager, the site is not profitable. Annual results vary from small profits and small losses. Annual figures point out that the entire group is not profitable this moment. Profit over the year 2008 was approximately 30,000 Euros. This is mostly due to the heavy investments made to increase the quality of the hotel again.

1.4 Problem Identification & Formulation

The origin of Dutch interest in Macedonia and vice versa can be found about 70 years ago when A. den Doolaard, a Dutch writer, visited this region and wrote a novel about it. It was called 'de bruiloft der zeven zigeuners' (the wedding of seven gypsies). Later on, when Macedonia was part of Tito's Yugoslavia, Macedonia became a popular destination for Dutch tourists, not the least because of Den Doolaard. At its peak about 50,000 Dutch tourists visited Macedonia each year. Unfortunately, during the big war Yugoslavia faced after the death of Tito, tourism from the Netherlands faded. As the general manager of Hotel Drim said: 'At the moment the first bombs fell, our hotel was fully occupied with about 400 guests from the Netherlands'. Despite that the war never reached Macedonia, tourism decreased dramatically and nearly no tourists from the Netherlands ever visited Macedonia again. The war in former Yugoslavia has ended already 15 years ago. A conflict country such as Croatia was already able to develop its tourism sector again after the war. However, Dutch tourism to Macedonia is still not developed. One reason can be that the region was not sold as

Macedonia. It was sold as Lake Ohrid (the tourism region) in the country of Yugoslavia. Unfamiliarity can be one of the reasons. Another possible reason is the bankruptcy of the biggest tour operator at that time; Yugotours. Whatever the exact reason is, Dutch tourism in Macedonia remains small nowadays. Tour operator ID Riva (the only Dutch tour operator at the moment in Macedonia) expects to sell just a few hundred journeys this year. The first Dutch tour operators came in 2006, but Gogo and Sunweb disappeared just after one year. The year thereafter Q-International started business in Macedonia. The first year ID Riva showed up in Macedonia was 2009, because other parties had left Macedonia. In 2010 however, a more promising start has been made with the presence of 3 tour operators. Macedonia and therefore Inex Drim as well is not able to bring the amount of Dutch tourists in as 30 years ago. Despite the progress made in the last three years. The new presence of tour operators nowadays has to do with the recent development of the Ohrid lake region. Throughout the region investments have been made. Ohrid has restored its city centre, bars and beaches were developed and the castle ruins of its history are excavated. The town of Struga is a bit behind, but also here the investments are visible. For example a street with bars and terraces has been developed just two years ago.

Camp AS is one of the remains of the times when tourism flourished. There has not been an investment since the time it was opened. Despite this, last year the first group of Dutch customers came to the campground. The 'ANWB Kampeerreizen' still had the contacts from 30 years ago. They also recently thought it was time to include Macedonia again in one of their packages. So the first tourists, predominantly elderly, already came to Camp AS. The number of Dutch tourists that visit the camp now is not enough to exploit it again. Larger numbers are needed and therefore it is necessary to get insight in the possibilities and the Dutch needs to attract these tourists to Camp AS. It is clear that what was offered so far at Camp AS did not meet the needs of these tourists. No facilities, not even decent sanitary, were available for them. As explained earlier, the camp is hardly functional but might have good potential for future tourists. Inex Drim wants to find the most suitable strategy in order to attract the Dutch tourists to Camp AS. Therefore, the main research question of this paper is:

What is the best strategy for Inex Drim to attract Dutch tourists to Camp AS?

The research question will be answered through a desk research, interviews with different stakeholders and observations during a three month stay in Macedonia. The precise methodology will be explained in chapter three. Next to methodology, a structure to answer the research question is determined. This is the 'the marketing process model' as in Kotler (2003). It helps in such a way that it identifies a path to follow for executing a business problem such as the one described above. It is a proper design because it gives focus on the implications of the external environment, the internal environment and segmentation possibilities. However, it gives the freedom to choose different models for analyzing these different aspects. Kotler (2003) states that based on these outcomes competitive advantage can be gained where core competences meet sufficient market conditions.

The first element of the model is to filter and analyse the crucial elements out of the organisation context. This means the external and internal environment. Sub-question 1 is linked to the external environment, aiming at knowledge on the crucial elements and their impact of the external environment, which is described by Enright & Newton (2004) in their model of destination competitiveness where they identified the major attractors and drivers of a tourism destination. The next item contains segments, which are distinctive groups in a market. In this research it matches the second sub-question, which focuses at finding the most attractive market segments for Camp AS. The answers to the first three sub-questions are answered in chapter 4. This chapter comprises the data obtained from the earlier mentioned research methods. Sub-question 3 is to answer the capabilities of the organisation itself. Central in this question is the ability, the capability of the entire organisation Inex Drim to host Dutch tourists in a satisfying matter.

The next step of the model is identifying possible strategies than can be reached. Based on the findings in the analysis of the situational factors, capabilities of Inex Drim and the most attractive segments targets can be set that have to be reached. These data findings will be analysed with the help of a SWOT and a confrontation matrix. This information will be used to answer sub-question 4 and is located in chapter 5.

The last step is where it all comes together. This is where the new, best strategy has to be formulated. The sub-questions are stated in figure 3. These four sub-questions also resemble the structure of this report.

1. *What are the drivers and attractors in 'destination competitiveness'?*
2. *What segments are attractive for Camp AS to focus on?*
3. *To what extent is Inex Drim capable to deliver the Dutch tourists' desired level of quality?*
4. *What are the possible strategies to follow for Camp AS?*

Figure 3: Sub-questions

2. Theory

The first question to address is to what extent a single organisation, such as a campsite for instance, influences the tourism sector. The tourism sector is large so one can conclude that the influence of a single campsite or hotel is negligible. Enright & Newton (2004) see competition in tourism mainly at the level of countries or regions: "A destination is competitive if it can attract and satisfy potential tourists and this competitiveness is determined both by tourism-specific factors and by a much wider range of factors that influence the tourism service providers" This one sentence resembles how campgrounds like Camp AS are affected by external factors. This will be elaborated in the two following sections.

2.1 Destination Competitiveness

Capone and Boix (2005) state that competitive advantages are more and more related to a system of local actors supplying a complex final product: the travel experience. Competition in tourism is mostly arranged for at the level of countries. A model that explicitly deals with competitiveness at this level is Porter's 'Competitive Advantage of Nations' (1990). Porter's framework postulates that success in international competition in a given industry depends on the relative strength of an economy in a set of business-related features or 'drivers' of competitiveness (Enright & Newton (2004). However, it brings difficulties along that do not make it a perfect fit: Enright & Newton (2004) state that Porter's approach is far from being universally accepted in the areas of business economics, industrial organisation and management studies. It lacks the need for specificity and measurability. This also applies to models like PESTEL (Johnson et al., 2003) and Porter's Five Forces Framework (Porter, 1980), which have a better focus for 'ordinary' analysis of the environment and not a nation's competitiveness.

Kozak (1999) has developed a tourism specific article for analyzing destination competitiveness. He did not develop a model, but came up with 14 items where a destination has to check itself on. However, De Holan and Philips (1997) explicitly recommend the inclusion of Porter's Diamond, particularly when examining tourism in developing countries. 'World class 'sun and sand' provides a basis for competitiveness in tourism, but it does not guarantee development or success in the tourism industry'. In other words, this list of Kozak (1999) is not able to distinguish between what makes a tourist destination attractive and what the drivers for tourism actually are. The following model developed by Enright & Newton (2004) includes both factors.

However, first it is important to get insight in the competitiveness of a destination. Kozak (1999) summarizes the number of measures used by different institutions, together with a brief analysis of problems of each measure. However, overall they indicate a destination's competitiveness.

1. The Volume of Tourist Arrivals

Countries used to be ranked by a list based on foreign arrivals. However, it had several weaknesses. It does not account for the length of stay, there are difficulties of gathering reliable data and it is hard to anticipate the future based on these numbers.

2. The Volume of Tourism Receipts

This is an indicator that comprises the quality of tourists. One can attract much more tourists than the other, but still gather a lower yield. Quality tourists are more important for a destination's success.

3. The Share of Tourism Receipts in GNP

Any development in a particular tourism industry is recorded as a direct contribution to GNP. It will display which destinations have a relative higher yield than others. However, there are also dangers. In the case a country relies heavily on the tourism sector and it suddenly collapses, big problems immediately come up.

For drivers of tourism and destination competitiveness Enright & Newton (2004) used next to Porter's Diamond several other tourism specific articles and came up with their Tourism Destination Competitiveness model (figure 4).

Attractors	Description
<i>Physiography</i>	Visual Appeal, Climate, Interesting Architecture, Well-Known Landmarks
<i>Culture and History</i>	Different Culture, Notable History, Local Way of Life
<i>Activities</i>	Nightlife, Music & Performance, Museums, Dedicated Tourism Attractions, Cuisine
<i>Special events</i>	Special events, Interesting Festivals
<i>Safety</i>	Perceived safety of tourists
Drivers	Description
<i>Input</i>	Internal Transportation Facilities, Communication Facilities, Staff Skills, Access to Information, Local Managerial Skills, Banking & Financing System, Geographic Location, Level of Technology, Staff Costs, Property Related Costs,
<i>Industrial & Consumer Demand</i>	Long-Haul Market, Local Market Demand,
<i>Inter-Firm Competition & Cooperation</i>	Good Firm Cooperation, Tough Local Competition
<i>Industrial & Regional Clustering</i>	Support from Related Industries, Presence of International Firms,
<i>Internal Organisation & Strategy of Firms,</i>	Strategies of International & Local Firms
<i>Institutions, Social Structures & Agendas</i>	Political Stability, Free Port Status, Government Policy, Cleanliness of Government, Overall Economic Conditions, Transparency in Policy Making, Investment Incentives, Tax Regime, Education & Training Institutions, Regulatory Framework, Strong Currency, Community Institutions
<i>Tourism Business Superstructure</i>	International Access, Good Retail Sector, High Quality Accomodation
<i>Market Ties</i>	Long-Haul Market Potential, ethnic ties

Figure 4: Tourism Destination Competitiveness Model (Enright & Newton, 2004)

The framework of Enright & Newton (2004) has been tested by the authors themselves on Hongkong. However, the results achieved by them might bring along limitations for generalization of this concept to, for example, the case of Macedonia. It might be possible that outcomes on the variables can be influenced by cultural differences for instance (see; Hofstede, 1980). Despite this uncertainty on the scores, the usefulness of the variables themselves is not questioned.

To make the point above clear, an example of a variable in the concept, 'cuisine'. For a sun and sand destination this might not be that important. However, it will make clear what the importance for a particular destination is. That there are variables that might yield different outcomes, the results of Enright & Newton (2004) also yielded a number of outcomes that strong, that it is important to outline them. The tourism entrepreneurs of Hongkong saw (perceived) tourist safety, political stability and international access as the most important aspects of destination competitiveness. These outcomes might have a spurious causality, but these variables stand out enormously. Because of that, these factors are granted a more important focus in this report.

One driver that is missing in the framework is Internet. Because of its absence a more comprehensive explanation of this driver is given.

The new driver: Internet

Mason & Rennie (2007) see that Web 2.0 (the new Internet development stage) has changed the popularity of social networking. This can be identified by three characteristics: Users make a profile; it is a traversable, publicly articulated social network and consists of semi-persistent public comments. Kabassi (2009) states: 'The Internet has become so popular that not only teenagers browse information online, but also people of all different ages. Greupl (2006) supports that flight information and accommodation are the most searched topics for the consumers aged between 50 and 60 years old'. This indicates the impact Internet has on tourism. Transparency of price and quality become easier to get for consumers, which increases their buying power.

The way consumers acquire this information is explained by Xiang & Gretzel (2009) who state that so-called social media websites (where users add their content), such as blogs, virtual communities, wikis, social networks and media files shared online, have gained popularity (Gretzel, 2006; MacLaurin & Crotts, 2007). Also customer ratings and evaluation systems are increasingly used (Schmallegger & Carson, 2008). In users' search for information, 64% of (American) users, used search engines in their search for information. Xiang & Gretz (2009) indicate that search engines promote the social websites, but however, there is still room for marketers to compete with these social media and fight for consumers' attention.

The external environment in the tourism sector is clear. The model of Enright & Newton (2004) has been elaborated, criticized and complemented with the driver 'Internet'. The next paragraph analyses what the capabilities of the focal organisation are. To be competitive a company needs to excel and through the framework it is possible to analyse the strategic capability. For this segmentation is performed first.

2.2 Segmentation

'Segmentation is the act of identifying and profiling distinct groups of buyers who might require separate products and/or marketing mixes' (Groen, 2008). The idea is to identify segmentation variables, segment the market and then make profiles of the different types of customers. Effectively marketing a product is strongly correlated with the needs of the customer. Therefore a needs-based market segmentation approach is advocated by market researchers (Kotler, 2003). There are different segmentation variables that can be used. These are Geographic (Region, population density, climate), Demographic (age, gender, income, education, race, social class), Psychographic (lifestyle, personality), Behavioral (occasions, benefits, user status, attitude toward product). These are the major segmentation variables. However, there is one other thing that should be examined carefully, namely the attractiveness of an identified segment.

Identifying a market segment is only useful when it is homogeneous, differentiable, substantial, measurable and accessible (Kotler, 2003). A segment must be homogeneous in order to be able to develop an effective marketing mix, but it also has to differ from other segments (in case of multiple segments) and have to respond differently. The segment should also be substantial. It is not worth paying attention to groups that are too small to make a good profit. The segment should be measurable as well. If there are problems with identifying the characteristics of a market, it will be harder to develop an effective marketing mix. Accessibility relates to the possibility to be able to reach the targeted group of customers. The extent of international access will influence this indicator.

In tourism (and also other industries as pop culture) cohort segmentation is common (Pennington and Fridgen, 2003). However. They use cohorts as a segmentation variable. To be exact, they mean cohorts of age and this will reveal differences in behaviors and other needs. The authors propose that Schewe & Noble (2000) stated that significant research has been conducted to suggest that cohorts are a valid 'driver of human behavior'. Pennington & Fidge (2003) state that already in 1994 Meredith & Schewe found that cohorts can help businesses in two ways; 1) to reveal attitudes towards products and 2) provide opportunities for advertising which target specific groups. Also the ETC (2006) uses cohorts (they name it life stage) as the main segmentation variable. They define them as 'empty nesters', 'families' and 'youngsters'. They admit however, that these groups are not perfectly homogenous groups and that they still have different tastes to some extent. ID Riva's main segment are the families. This because they travel in high-season, search for comfort and low prices and are therefore a distinctive group, despite they also have various interests.

A different type of segmentation was executed by the Dutch Tourism Institute (NBTC) in 2008. They focused on travel and lifestyle differences of 10 Western countries, including the Netherlands. Although not segmented by age, here the differences in age are also expressed. Another good item is the quality of the different types of tourists.

The NBTC formed its segments based on the variables lifestyle, travel motivations, travel behavior and media behavior. This resulted in 'traditionals' (elderly, empty nesters), 'mainstream' (mass tourism), 'upper class quality seekers', 'postmoderns' and 'achievers'. Although the NBTC's segmentation consists of 5 segments, the groups are still not homogenous and hard to distinguish, because the segments are based on behavior. And behavior is more difficult to distinguish. It is easier to focus on cohorts.

2.3 Capabilities of the organisation

Companies that are better equipped to respond to market requirements and anticipate changing conditions are expected to enjoy long-run competitive advantage and superior profitability (Day; 1994). This does not leave much to one's imagination.

Marketing Mix (McCarthy, 1960)

So for destination competitiveness was discussed. After analyzing the external environment, organisational capabilities have to be examined and one tool for this is the marketing mix (McCarthy, 1960). It is an imperative concept in modern marketing and academically it is referred to as the set of controllable tools that the firm blends to produce the response it wants in the target market, so it consists of everything the firm can do to influence the demand for its product (Kotler and Armstrong, 2004). Despite that it is a well known concept, choosing a framework 50 years of age requires some explanation. The world has changed and the variables of the marketing mix might have changed as well. A number of authors have tried to find better mixes like (Bordon, 1964), Frey (1961) and Lauterborn (1990). Last named has created the most serious competitor of the 4p marketing mix. Lauterborn (1990) proposes a more consumer-oriented mix than McCarthy's (1960) marketing mix. He states that marketing is centered on the consumer point of view. This is true, but this model again loses focus on the organisational side of the marketing mix. This plus the fact that the original marketing mix (McCarthy, 1960) is still the best option.

1. Product

Analysts should consider and analyse all major product decisions that the company may have carried out, such as quality, features, style, sizes and after-sales services. Moreover, the company's position, as well as marketing strategy in the market, can be judged on the basis of its product mix including width, length, depth and consistency (Proctor, 2000). *Product features* relate to feasibility of a product to different types of customers, like different kinds of product tastes or colors. *Quality* is the totality of features and characteristics of a product or service that bear on its ability to satisfy stated or implied needs. Product quality can mean performance quality, durability and reliability. Section 2.1 showed the importance for honesty and good quality, as the company can be directly punished by popular social media.

2. Price

List price consists of the differences in prices. For different sizes, product variety different prices can be set. The prices overall deal with the consistency of prices. It is important that there are no irregularities in the pricing. Most important part here is that pricing is considered fair by the customer. *Overall pricing* is a company's pricing relative to competitors. Overall cost leadership (the ability to offer products/services at a lower price than the competition) can be a target in this perspective.

3. Promotion

Promotional strategies include all means through which a company communicates the benefits and values of its products and persuades targeted customers to buy them (Kotler and Armstrong, 2004). Promotion is the company strategy to cater for the marketing communication process that requires interaction between two or more people or groups, encompassing senders, messages, media and receivers (Lazer, 1971).

The Internet has been stipulated in section 2.1 as increasing buyer power. It seems that tourism has to fear the presence of the Internet, but that is not the case. Not only consumers get more information and power, also companies have the ability to get to know the consumer much better. Migas et al. (2008) found that consumers

still have more trust in printed materials. However, their research showed that personalized, together with applying information of the consumer's past, increased response rates by over 500%.

4. Place

This contains all company activities that make the product available to the targeted customer (Kotler and Armstrong, 2004). In general, while planning placement strategy, companies consider six different channel decisions including choosing between direct access to customers or involving middlemen, choosing single or multiple channels of distributions, the length of the distribution channel, the types of intermediaries, the numbers of distributors, and which intermediary to use based on the quality and reputation (Proctor, 2000)

The distribution channel is how goods are channeled from raw resources to an end product in the hands of a consumer. The most important customer is the strategic customer (Johnson et al; 2003). The strategic customer is the one that you're actually selling to, often intermediaries. When they have power, it is crucial to identify the requirements of the strategic customer. The second characteristic is *transport*. This can be the transportation of goods, but also of people. For example in tourism transport of customers is common. *The location* is an important aspect. Depending on customer's wishes and sales opportunities a sound location should be chosen.

These four elements describe most of the characteristics of an organisation. However, there is a limitation of the marketing mix (McCarthy, 1960) that it cannot overcome. The four elements do not comprise all the capabilities of the organisation. To solve this the 7s model of Waterman et al. (1981) is included, but there were other possibilities. The Marketing Mix extensions tried to solve this. For example, the extensions by Bitner & Booms (1981). These authors claimed the original model was incomplete and they added three more items, namely people, process and periphery. Process however, can be captured under product and the influence of workers. Periphery is just an extension of the location, which means it fits the 4th item of the Marketing Mix (McCarthy, 1960). The most important add-on 'people' cannot be placed under any of the Marketing Mix elements. However, this is more comprehensively described in the 7s model of Waterman et al. (1981). This 7s model captures not only the quality of people in the organisation, but also all other important aspects an organisation needs to possess. Therefore it is complementary to the original 'marketing mix' model. The Bitner & Booms (1981) is therefore excluded.

7s Model (Waterman et al., 1981)

The 7s model describes the internal characteristics of an organisation. The 7 factors are all interrelated. A flaw in one of the factors will influence another factor in a negative way as well.

1. Strategy

This factor includes the objective of the organisation. Where does it want to go in the future; what resources are necessary and which are crucial to reach the desired objective.

2. Structure

The structure comprises the lines of hierarchy. The visual part is the organisational chart. Examples are a functional, divisional or a matrix structure. Next to that different aspects that are built into the organisation, namely line management, span of control, content of tasks, employee empowerment and the degree of specialization.

3. Systems

Within this model, everything that is arranged for is a system. For example salary & bonus systems, information systems and work meetings.

4. Staff

The characteristics that employees possess determine in a large extent the possibilities of an organisation. These characteristics are level of education, knowledge, experience, motivation and further other competences that might be required. Also the way management shapes the employees (and line managers) towards satisfying behavior and competencies are important, like giving the opportunity to build competencies. Enright & Newton (2004) showed that staff skills were one of the most important items in tourism.

5. Style

Style is to be referred as 'management style' of top management. Styles can be democratically or the opposite authoritarian. It can motivate and influences the sphere in the organisation. Top management behavior will also have its influence on the organisational culture. Enright & Newton (2004) also included 'local managerial skills' in their research and was awarded as highly important.

6. Skills

Which competencies or combinations of competences give the organisation a lead in competitiveness. Skills are dependent on the organisation and especially the different functions. For example, in functions with a lot of face-to-face contacts, emotional intelligence is of major importance.

7. *Shared Values*

This is placed in the centre of the figure. With a reason, because this reflects the organisational culture, its identity. An outcome is for example individualistic behavior and the opposite, collectivistic society. The things that employees are proud of and the level of loyalty are characteristics in an organisation. It is also the identity of the organisation for the outside world.

2.4 SWOT Analysis

The previous paragraphs described the elements needed for the analysis of the organisation environment and capabilities. The framework Enright & Newton (2004) will be used to analyse the external environment and the 7s model (Waterman et al., 1981) and the Marketing Mix (McCarthy, 1960) are the frameworks for analyzing the internal environment of the organisation in focus. The internal factors are strengths or weaknesses. The external factors are opportunities and threats. These factors will be placed in the confrontation matrix for analysis. The confrontation matrix consists of the four elements as described. In this matrix the influences of the internal factors on the external factors (and vice versa) will be analysed. When an internal and external factor influence each other positively, this is visualized by placing a '++' or a '+' in the appropriate square. In case their influence on each other is negative, this is presented with a '-/-' or a '-'. When the factors do not have an influence on each other, the box will be left blank.

The confrontation matrix will yield factors that strengthen each other, factors that weaken each other and factors where the organisation must improve their weaknesses in order to overcome threats or seize opportunities in the external environment. This analysis will yield a number of factors that are of most importance for the organisation and can be influenced. Factors that do not influence the organization's situation and cannot be influenced by the organisation are not taken into account in further analysis. This further analysis describes the impact of the important factors on doing business for the organisation.

2.5 Concepts of Strategy

A strategy is a model, which is often flexible and can change over time. However, there are characteristics that it need to respect. A strategy should be feasible, suitable and acceptable for every actor involved. Porter (1980) states that cost advantage and differentiation in turn stem from industry structure. Each of the generic strategies follow a different route to competitive advantage. These different strategies are creating cost leadership, differentiation and focus. The first two try to create competitive advantage in a broad array of market segments. A focus strategy strives to gain competitive cost or differentiate in a narrow segment.

A company seeking to gain cost leadership advantages has to become the low-cost producer in its industry. These producers typically sell a no-frills product (Porter, 1980). An absolute requirement for a cost leader is that its products are approximately equal to customers. A basis of differentiation might exist when a competitors offers higher services levels. In order to keep proximity, a cost-leader must offer this as well. In the second strategy, differentiation, a firm tries to be unique in its industry along a number of dimensions that are highly valued by buyers. The basis of differentiation will vary for every company pursuing this strategy, but examples where differentiation can be reached are distribution channel, through marketing, services, product specifications etc. Porter (1980) states that having a strategy only makes sense when the achieved extra benefits of differentiation exceeds the cost of differentiation. A focuser seeks to gain competitive advantage in a segment or a group of segments, even though it does not possess a competitive advantage overall. A focuser aims at segments where competition is underperforming (differentiation focus) or over performing (cost focus).

Porter (1980) describes the danger of not acquiring a competitive advantage at all, naming it 'being stuck in the middle'. A common mistake is when companies have a distinct image, for example a cost leader, and then add services and extra products, which make them better, but also more expensive. It then loses its cost leadership and at the same time is unable to compete with differentiators. Porter (1980) states that blurring a generic strategy is disastrous. The best situation is when a company achieves competitive advantage in multiple generic strategies. However, this is difficult because cost savings then should not interfere with differentiation tactics.

3. Methodology

This chapter consists of the processes and decisions during the gathering of information and describes and gives arguments for the limitations of my report.

3.1 Methodological decisions

This study is first descriptive of nature. It first describes the situation that Camp AS is in for the external as the internal environment. Then this study tries to create and identify a new situation; a situation that has not occurred before, namely the arrival of Dutch tourists at Camp AS. This makes this study a descriptive as well as an exploratory study. The way descriptive studies are executed is predominantly through qualitative research (Babbie; 2007). Also exploratory studies fit a qualitative research. Possibilities as in Babbie (2007) are the use of focus groups, grounded theory or an extended case study. Choices made here will be explained further on in this chapter. First the choice between quantitative and qualitative research is explained more comprehensive. This research is deductive in nature, meaning that theory will be used to test the casus of Camp AS.

Qualitative interviewing is an iterative process, which makes it also possible to be flexible, which is another major advantage (Rubin & Rubin, 1995). The iterative, flexible process made it possible to identify the major bottlenecks in the destination competitiveness of Macedonia. Another big advantage is that one is always prepared to engage in field research. A survey needs considerable preparation in order to make it succeed. Further, Babbie (2007) claims that qualitative research has a better validity in comparison with quantitative research. The researcher has countered possible weaknesses, such as subjectivity of observation.

The 'unit of analysis' is Camp AS. The main aim is to find out whether the campground is able to attract Dutch tourists. Next to Camp AS, there are a number of 'units of observation'. These consist of Dutch tourists; their opinion about the Camp for instance. It also consists of Dutch tour operators; being the strategic customer in the chain, their opinion and knowledge is indispensable. Third, the parent company 'Inex Drim'. It is important to answer the question if the parent is able to develop its daughter into a competitive campground. Fourth, the opinion of the local people of Lake Ohrid. This last group is a bit special, because these 'interviews' were absolutely not arranged for, but provided material that influenced conclusions and is therefore interesting in this paper.

Extended Case Study

The qualitative research theory is familiar with different approaches to gather information, such as the choice between pre-research knowledge or not. This study however, wants to benefit from pre-research knowledge, through the use of the 'extended case study'. This method has the purpose of discovering flaws in, and then modifying existing social theories. Burawoy (1991) suggest to try to lay out as coherently as possible what we expect to find in our site before entry. This approach is also the one of this report. Where and when information from the literature could be gathered and used, it was done. This imposes the danger of bias, as opponents of pre-knowledge impose. However, by recognizing this danger, the interviewer tried to avoid this possible bias. The benefit of knowledge is that the conversation is steerable. This makes it possible to get answers on all topic related questions, whether or not conforming to theory.

The study was therefore started with a literature search. First for models for destination competitiveness. The general models were hard to apply, because of specificity that was necessary to come up with answers in all aspects of destination competitiveness. Therefore the model of Kozak (1997) was used. It deals with all factors, but underestimates one aspect. This is the aspect of IT, because at that time the consequences of Web 2.0 were not as visible as now. The model of Kozak (1997) has not been changed, but an extra stress on the importance of IT is added to the model.

For the internal environment two models were used, because they proved to be complementary. These are the marketing mix of McCarthy (1960) and the 7s model of Waterman & Peters (1982). No changes or add-ons needed to be added to these models. Also the model for segmentation proved to fit within this research.

In practice it meant that the actors 'tourists' and 'Inex Drim' were interviewed with pre-knowledge. This resulted in good data on what these Dutch tourists want, and that it was not always a full match with other

findings. The advantage of qualitative research came into practice when the tour operator ID Riva suddenly turned up in Macedonia. This provided good information, although no preparation could have been made.

As mentioned above, a decision to include quantitative research had to be made. It could have only been possible with the tourists, because here the number was large enough. However, I had decided to execute this. Namely, there were only a few Dutch tourists available during my stay. A survey was an option at Camp AS, but it was far more fruitful to interview them in their own environment. This would result in much richer data. Further, comparisons could be made, because there were different groups of tourists that came. This made the need for a survey also less. Time was also an issue, because the tourists arrived already two weeks after I started my research. Development of a good survey is rather difficult in this amount of time. One of the key strengths of this research is that it includes information and opinions of most of the actors involved in the process. The only actors not contacted are the authorities. Although this actor plays a crucial role, literature was extensive on their role. This report therefore also includes their opinion.

Operationalisation

This paragraph consists of how to measure the concepts proposed in chapter 2. Operationalization was most necessary in the destination competitiveness model of Enright & Newton (2004). The others are already defined in the theoretical framework. In destination competitiveness, there are two sub-concepts, namely attractors and drivers. The attractors can be measured by Macedonian brochures, brochures of Hotel Drim and through the opinion of the tourists interviewed. There is only one element that needs a different approach and that is 'safety'. This is measured by only tourists.

Input

'Internal Transportation Facilities' is measured by the numbers of facilities available, their quality and their prices. This will provide a valid view of the travel possibilities in the region. 'Communication Facilities' such as Internet and Mobile Networks will be assessed on their quality and availability. 'Staff Skills' are measured on the ability to speak English. This is not a complete measurement of staff skills. The entire item of staff skills will be analysed in section 4.3 for assessing the internal capabilities. 'Access to Information' is measured as the availability of promotional material of Macedonia. 'Local managerial skills' are measured only by the quality of Drim management and will be analysed in section 4.3 as well. The measurement of these indicators is through own observation.

'Banking system' for entrepreneurs is measured by the height of the rents. This is valid because the access to funds can be crucial in capital intensive investments such as hotels and camps. Height of the rents will be researched through a desk research. Banking for tourists has predominantly to do with access to money. Therefore the indicator is the availability of ATM's and their ability to process Dutch debit cards. This is measured through own observation. Geographic location is integrated in local market demand and long haul market demand. The geographic location in itself is not a valuable measure. It is only valuable with respect to its surroundings. 'Staff costs' are measured by GDP/capita, but are integrated in section 4.3, because of its influence on Inex Drim. This is researched through a desk research and own observation.

Industrial & Consumer Demand

Long – haul market potential is first defined as 'a destination too far for being a 'car' destination'. This means that the majority of travelers will arrive through the air. The potential is measured by relative close-range markets (less than 5 hours flying) as being the most attractive and longer as non-attractive. This is measured through interviews with tour operators. 'Local Market Demand' is measured as the quality of tourism and its total visitor percentage, which is measured through a desk research.

Inter-Firm Competition and Cooperation

'Good Firm Cooperation' is analysed through observations where cooperation could have existed. This is based on own observations. Tough local competition is by analyzing the competitiveness of the other camps, this is analysed by the data from interviews.

Industrial & Regional Clustering

'Related and Supporting Industries' and 'Presence of International Firms' are not taken into account, because of high similarities with other variables. The first is similar to good firm cooperation and is placed under that topic. The second is the presence of international firms as the presence of tour operators that provide the connection. This is placed under the variable 'International Access'.

Internal Organisation & Strategy of Firms

'Strategies of International Firms' has the same problem as the presence of international firms. The definition of strategies of these firms fit under 'International Access'. The strategies of local firms can be placed under good firm cooperation. This describes their strategies and actions in the tourism environment of Lake Ohrid.

Institutions, Social Structure & Agendas

Political stability is a variable suitable for various definitions. This research uses items of political stability that can influence Macedonia's tourism sector. These are measured through desk research and observations. 'Free Port Status' is measured by the tax imposed on products. 'Government Policy' is measured by the activities the government undertakes on tourism. This is researched by observation and desk research. Reliability and validity should be improved more when results are present. However, this year it is the first year that the policy is implemented. Reliable results of these actions are therefore not available yet. 'Cleanliness of Government' is the degree of corruption. This is measured through a desk research on corruption. 'Overall Economic Conditions' is measured with the UN report on 'ease of doing business'. This is a reliable measure of entrepreneurial possibilities in a country. 'Transparency in Policy Making' is considered as part of the 'Government Policy'.

The elements of the marketing mix are all researched through the qualitative interviews with tour operators, managers and tourists. Results on the 7s model are based on own observations and tourist interviews.

4. Findings

4.1 Competitiveness of Macedonia

For a good perspective on the Macedonian Tourism Sector, its competitiveness needs to be examined. Kozak (1999) indicated that three measures are commonly used.

The Volume of Tourist Arrivals

Only the number of total nights spent can be analysed and not the number of tourist arrivals, because of data limitations. This means that actual number of holidays are not known, however the total activity in the sector is. The total number of nights spent in 2006 (latest) is 205,000 (Reckoski et al., 2007). About 75% of this number is from activity of neighboring countries. The total number of spent nights by Dutch is 3,809. Divided by an average 5 day stay, concludes that only a few hundred Dutch tourists visit Macedonia. It also indicates that with an average stay of 5 days only 40,000 tourists from abroad visit Macedonia. In comparison with the total Dutch visits abroad (Kerncijfers NBTC, 2009), this is just a small number.

It is even less having in mind that these numbers represent the entire country of Macedonia, not only Lake Ohrid. Also, other factors like businessmen visiting, family visits and even humanitarian workers are also taken into account in these numbers (Reckoski et al, 2007). Domestic tourism, however, is developed. This was pointed out in interviews and Reckoski et al. (2007) state that the number of nights spent domestically is 1,475,000, which is a staggering 88%. Dutch total contribution (including family visits etc) is only a 0.2%.

The Volume of Tourism Receipts

Macedonian GDP/capita yields \$ 3,000 per annum (Reckoski et al., 2007). This indicates that most of the tourists do not spend much when they are on holiday. Based on this assumption, the quality of tourism is low. There is little tourism from Western countries, yielding 3% of total nights spent (of which a great deal is most likely from family visits). This short analysis justifies to conclude that the quality of tourism is low.

The Share of Tourism Receipts in GDP

Reckoski et al. (2007) state that tourism in Macedonia only contributes a 1.5 to 1.8 % of GDP. It employs a little over 3% of total Macedonian employment. Concerning the capacity and occupancy rates it shows that Macedonia has an overcapacity. Reckoski et al. (2007) claim that the Ohrid Lake region has a capacity of 70,000 beds. This in turn indicates that every bed is occupied for about 2.5 weeks on average.

Overall it can be concluded that International tourism in Macedonia is not realized yet. Hardly any international tourists, low quality tourists and a relatively low percentage of GDP spent in tourism. However, the country already has an established tourism sector, because of domestic tourism. The next sections will reveal where origins of the flaws in Macedonian tourism are.

4.2 Tourism Destination Competitiveness

4.2.1 Attractors

The first element discussed in the 'attractor' analysis is according to Enright & Newton (2004) the element 'safety', which came out as most important in their research. Safety is more of a condition that needs to be fulfilled, otherwise tourists will not come at all.

Safety

There is a difference between actual safety and the way it is perceived by, in this case, visitors. As an interviewee from a CEEOL (2003) research said: 'Tourists have no problems going to New York, but to Macedonia they question the safety of the country. And New York may be a lot more dangerous'. From the interviews obtained, the primary reason for tourists to travel with a group was that this way they felt more safe. However it should be noted that 'safety' had a broader understanding. For example a few tourists said that, in case of a flat tire, the presence of the group made them feel more safe. It seemed like uncertainty of what to expect and unfamiliarity with this region were the dominant factors of this anxiety. However, more research is needed to examine this more carefully. Another possible explanation can also be the connection with the Balkan war. There is little doubt that tourism faded because of the Balkan war, but these excuses do not seem valid anymore. Croatia, a country actually involved in the war, has already a developed tourism sector again. The 'war' argument therefore does not seem valid. Researching the real safety will provide a better answer of the real situation in Macedonia. A good measurement can be comparing Dutch criminal records with the Macedonian records. But differences in the quality of data mining and the police system quality makes comparison difficult. Gadjananova (2006) identifies a low capacity to guarantee the rule of law. In other words, the manpower needed to prevent these activities is simply not there. Tourists did not experience any misbehaving in Macedonia. In fact, one tourist even noted that the relation with the local community was far more relaxed than for example in a holiday environment such as Gran Canaria.

Other Attractors

The main reason for the Dutch tourists that visited Macedonia was because they wanted something else. The best selling proposition of the Ohrid Lake region was found to be the sun and the lake in a beautiful scenery, yielding no exceptions between the tourists. The way of communicating and attracting tourists to Macedonia through the websites and brochures came down to the same items. It aimed predominantly at physiographic, culture & history and activity related factors. A strong message was sent for the visual appeal, its nice summer climate and its well known landmark in the presence of the UNESCO heritage 'Lake of Ohrid'. These brochures try to sell it also by aiming at its remarkable history and ancient architecture. Macedonia, and especially Ohrid, presents itself as a vibrant place with a good nightlife. However, things not expressed in these brochures are the 'local way of life' and 'cuisine'. Promoting the local way of life in combination with cuisine might yield an interesting picture. However, in general, the promotional material already aims at the most eye catching aspects of this region. This is quite a positive story, but the product manager of TUI expressed herself negative on the region. She said that the region was potentially beautiful, but that it was not developed and not good enough to be an added value for TUI's portfolio. This raises questions, but these can be easily solved. Macedonia's tourism sector only started to develop itself about 3 years ago. This product manager saw the region in a state where no vibrant night life existed. However, big investments have been made since then.

An attractor that Enright & Newton (2004) do not mention is the price level in Macedonia. Prices in the region are about half the price as in Western Europe, not to compare it with popular sun destinations in France or Spain. The price level in Macedonia can have a positive influence on tourism. This was also mentioned by the tourists, however not their first argument. The tourists also like the scenery of Ohrid and its history, however, this was not mentioned unless asked upon.

- Uncertainty over safety proved to be a major blockade and is therefore included in the SWOT
- A major attractor was the sun and the lake, therefore included
- Also included because it is highly promoted is the historic scenery
- The Macedonian price level is also highly attractive for tourists and therefore in the matrix

4.2.2 Drivers

The most important drivers in Enright & Newton's (2004) research were Institutions, Social Structures & Agendas, Tourism Business Superstructure and Input. However, during the analysis difficulties arose with respect to definitions of the variables mentioned by the two authors. This is explained and clarified where applicable.

Input

The Internal Transportation Facilities in the region are limited to the bus network and taxis. The busses are not of good quality. They are overcrowded, old and its network does not comprise all the hotels in the region. Furthermore, it is hard for Western Tourists to understand, because services are not offered in English and no information desk or route plan is available. The long haul buses as a matter of fact, are of a good quality with plenty of supply. Here the only limitation is the lack of English proficiency.

There are plenty of taxis in the region. Prices are not transparent and not fixed. Communication can be difficult. However, for Western tourists prices are still not compared to prices in Western Europe for instance. This system can be considered as fairly well.

Communication Facilities are no problem in Macedonia. Mobile telephone networks are widely available. Internet is available, and of reasonable quality.

Staff Skills are not suited yet for international tourism. Foreign language competences are scarce in customer interaction scenes, such as restaurants, shops etc. Access to Information is not arranged for at the public level. No government office is dedicated to provide material to guide international tourists. Sometimes, hotels do have information on their own. Most of the restaurants do not have well translated menus. For tourists this is hard. Analysis of local managerial skills is based only on observations at Hotel Drim. This is analysed in the next chapter.

The Banking & Financing system in Macedonia is a problem. CEEOL (2003) and Gadjanova (2006) state that interest rate is far too high and that investments are therefore difficult to realize. The Banking & Financing for consumers, more specific tourists, is well developed. Cash withdrawal with Dutch debit cards is possible in most of the many present ATM's. The ATM's are all in English and easy to understand for a Dutch tourist.

- Internal Transportation Facilities and Access to Information are important, because of Macedonia's geographically widespread sceneries the country advertises with. Therefore included
- For an easy holiday, Consumer Banking and Communication facilities are essential.

Industrial and Consumer Demand

Local Market Demand is currently of most importance for Macedonia. As in section 4.1 described, the country's number of visitors yield an 88% stack of total numbers, despite the quality of tourists is not high. In case one includes local market demand also its neighboring countries, then the total tourist number for local market demand yields 97%.

Although Macedonia's geographic location is perfect for summer holidays, its potential in the long-haul market is not fulfilled yet. Long-haul is defined as a destination that is too far to travel by car, and thus is a flight destination. Because of Macedonia's location, according to the director of ID Riva, Macedonia is too far for being a car destination. This makes it unattractive for the group of Dutch tourists that travel this way. However, for a flight destination it is not far; a three hour flight from Amsterdam to Ohrid. At the present moment, only a handful of people from long-haul countries visit the region, and this number will be even smaller in practice, because of family visits etc. The lack of foreign demand does not necessarily needs to be a negative thing, also when a destination wants to focus on international tourism. Crouch & Ritchie (1999) state that foreign demand thrives more readily when domestic tourism is well established. In other words, Macedonia's tourism sector has already been developed to some extent, which makes it easier to fit in the international tourists. Next to that, the Lake Ohrid region already has affinity with the Netherlands, because of the thousands of Dutch tourists that already visited the region twenty, thirty years ago.

- To start international tourism, it is an advantage to have an already established destination: included.

Inter-Firm Competition And Cooperation

Tough Local Competition is the best situation for a company to be innovative and strive for better quality (Porter, 1980). In the region of Lake Ohrid there are no camps operational. Drim's general manager indicated that there are three other campgrounds in the region, namely Levadisde, Gradisde and Saint Naum. All camps

originate from the 80's and all have not had significant investment since that time. The tour operator of NKC visited the sites and claimed the situation was just as bad as Camp AS. She was not satisfied at all with the quality of camps in the region. This answer is strengthened by some reviews on zoover.nl, where the camps were seen as extremely worse. According to one of the employees of Drim, Levadisde has plans to invest in the campground. There are no signs of recent investment activity from the other two sites. It can be concluded that the level of competition is low.

Good Firm Cooperation is understood as the collectivistic way the industry promotes itself united. Observations show that this is not well taken care of. There is informal communication, especially between the hotels in Struga and probably also between hotels in Ohrid. However, Drim did not know that in 2009 that ID Riva was operating in Ohrid. This is a strong indication that there is little cooperation. Also, after the contact had been found, Drim did not forward it to the other hotels in Struga. The tour operator itself stated that they were not aware of Struga as an interesting place for holidays. Next to that, it took more than 10 years to make the government form a tourist agency. It is clear that the Macedonian tourism industry is not presenting themselves in a collectivistic way, nor do they help each other finding contacts.

- Good Firm Cooperation is important, because then tour operators and consumers are offered a complementary product. This is not the case yet and therefore included.
- Although local competition is not developed, this is not seen as a major opportunity, because of the International Access (further in the report) makes it not important enough to include.

Institutions, Social Structure and Agenda

Political stability is a possible source for problems in Macedonia. Tensions between ethnical Macedonians and Albanians led to riots in 2001 (Gadjanova, 2006). The problem was resolved quickly by making concessions to the Albanian minority. They got more rights, like Albanian as an official second language in cities where it has a population of at least 30%. Struga is one of those cities. Despite riots do not occur anymore, Gadjanova (2006) still identifies a deepening of the ethnical line and notices a widespread disbelief that the ethnicities can live together. Gadjanova's (2006) research was conducted at the time wounds were more fresh. That the ethnical lines still exist, is visualized by local government elections. In Struga with an Albanian majority, there is always an Albanian mayor elected. This according to the local people, because everybody votes for its ethnical candidate, no matter what the qualifications of other candidates are. This immediately leads to another problem in combination with a decentralized government. Ohrid and Struga have received funding from the EU to build its tourism sector. However, in Struga funds were withdrawn when it became apparent that local politicians did not use the funds for the greater good. Infrastructure and beaches for example, are therefore rather undeveloped in Struga, whereas Ohrid has been developed.

Cleanliness of the government, in other words corruption, is a problem in Macedonia. According to Gadjanova (2006) internal selection procedures are not transparent. Meaning that it often is not the one best suitable for the job that actually gets it. A survey among Macedonian civilians revealed that almost 90% of Macedonian citizens believe that the government is the centre of corruption (Gadjanova; 2006). A visible result of this corruption is the lack of government activities such as garbage disposal. This is not well arranged for and tourists saw this is very disturbing.

Another important item is government policy in tourism. The Balkan institute CEEOL in a 2003 report: 'the government has moved disastrously slow on tourism reforms'. CEEOL (2003) also described the plans of the government to form a national tourist organisation in order to increase the image and promote tourism. However, Reckoski et al. (2007) still mentions the plans of the government to form a national tourist organisation. In 2009, this organisation was created and it seems that the efforts are more serious now. Promotional videos have been seen on Dutch Television and for the summer of 2010 there are three different tour operators that are offering Lake of Ohrid tourism products (De Jong Intra, ID Riva and Q-International).

Macedonia is not the easiest environment to do business. According to the UN's report Ease of doing business (2008) Macedonia is rewarded a 71th place. It is easy to start a business, but it is hard to get construction permits and to employ workers. An unemployment rate and poverty rate of over 30 percent is the situation in Macedonia (Statistics Macedonia).

- Political stability, Ethnical tensions and Cleanliness of (local) Government are major blockades in developing Lake Ohrid as an international tourism destination. Therefore included.

- A form of hope is given by recent developments on government policy on tourism. Despite that initiative is fresh and may be non sustainable, therefore included.
- Building permits progress slowly and therefore a potential threat when a camp needs to be rebuild. Therefore included.

Tourism Business Superstructure

The most important indicator of tourism superstructure is 'international access', as was the outcome in Enright & Newton (2004). Point this to Macedonia, it is first concluded that Macedonia is a 'flight' destination.

According to the director of tour operator ID Riva, the line to which people want to drive is Croatia and not further. The presence of international firms is crucial. Tour operators from the Netherlands willing to do business is the only way to start tourism from the Netherlands effectively (ANVR, 2009), According to ID Riva a real bottleneck for starting tourist destinations are flight costs. Flight costs for Macedonia are high. First, because the expected occupancy rate is low, which means risk and as a result a higher price. Second, there are not many flights. This means that the empty planes you always have, must be distributed over the small number of flights. Third, Macedonia does not have the luck being a winter destination, which can cut prices by having more flights. So a higher price is logical, but the tourist may not pay this additional cost. A government can act as an important factor to get the flying wheel started by subsidizing a bit of the flight price. However, the government is so far not willing to do so. High quality accommodation is the last indicator of the tourism superstructure Through the review site zoover.nl, data was gathered and it provided a mixed view, regarding the scores given. ID Riva saw Macedonian tourism as old class that is once again developing.

A major trend described by the ETC (2006) was the demand for more luxury. In camping, these trends come out as the demand for luxury wooden cabins as the substitute for a tent, according to various tour operators. TUI named these cabins a very good selling proposition and sales in this segment are very good. ID Riva also pointed out the need for swimming pools at camps. They claim that sales at camps with pools exceed those without one. ID Riva said that having a pool is something in the psyche of people and that another reason could be that people have more control over their small offspring. TUI, however, does not fully agree with ID Riva. They claim it is dependent on the situational factors of where the camp is located.

- International Access is a major obstacle in Macedonia's international tourism. Therefore included in the matrix.
- The demand for more luxury is an important issue for tourism, and because of that included.

Internet

Macedonia is present on the Dutch web, but its presence is not comparable to that of the major holiday regions. However it has improved over the past three years. Deloitte (2004) researched the Dutch tourism sector and found that in 2004 around 65% used Internet as their primary source of information. Search engines were in 2004 used by 26% of Dutch tourists. More interestingly, they found hardly any difference among segments, which is consistent with Xiang's (2009) results. The Deloitte (2004) research showed that Internet was the primary channel for bookings (50%). Through the important search engines, much information is available of Macedonia, but only when Macedonia is the typed word. When the Dutch word 'vakantie' is typed, only tour operators that do not have Macedonia in their portfolio show up in the top results. Further, in the internet, nothing is found on Macedonian camps. It means that at this moment, Dutch tourists willing to camp will not go to Macedonia. However, when Macedonia is typed, a lot of references are displayed. The top results plus the sponsored results display the tour operators where Drim is in business with. Further, the Dutch review site zoover.nl displays results of Macedonian hotels and camps, meaning that the performances of these hotels are available for the online interested.

- Internet is a major driver. Its transparency will influence the industry, and is included in the matrix.

4.3 Segmentation

4.3.1 The Segmentation Process

The theoretical framework on segmentation showed the problems in segmenting in the tourism industry. Various ways of segmenting are possible. However, for this report only 'empty nesters', 'families' and 'youngsters' are identified as different segments. The segments are not fully homogeneous, but to accomplish that criterion much more segments must be identified, which is not practical. These segments are easy to

identify being cohorts, that makes them easy to measure. The segments differ from each other in various ways, namely season of visit, travel motivations, their specific needs and the way they travel. All segments are substantial and accessible, which is more comprehensively argued in the paragraphs below. In this way three segments can be distinguished, namely elderly (empty nesters), youngsters and families.

4.3.2 Empty Nesters

This segment has its most important characteristic that it has an 'empty nest'. The European Travel Commission (2006) identifies two major characteristics in this tourism segment. First, the increase of elderly people in the Netherlands. The report indicates that this segment is a growth market for the coming years. Second, 'empty nesters' have time and money to go abroad for a holiday. Therefore, this group predominantly travels in off-season and are therefore very attractive. This group can make a camp extent its season. This is already visible at Camp AS, because several camp clubs visit in May and June. Because of available time of this group, they travel by car. The clubs offer long travels to various parts of the world. According to the NKC tour operators the Balkan region is getting attractive again, their members (all seniors) have seen the rest of Europe and want to see something different. What she also claimed is that their members still do not travel alone to the Balkans, because of perceived safety. However, she thinks, when it is started, this alone travelling might indeed happen.

Next to the empty nesters that visit Macedonia by car, there will also be a market for those travelling by air. However, it is not known whether this sub-segment is interested in having a holiday in a tent or wooden cabin. Another characteristic is that this group is less interested in material things, but more interested in experiencing different cultures and learn from them (NBTC, 2007; ETC, 2006). Further, Dutch tourists that visited the region 20, 30 years ago may come back when they conceive it as save again. Actually, there were already a few among the tourists that have been in Macedonia before.

4.3.3 Families

Families are the opposite of empty nesters in the first mentioned characteristics. They have a full house and travel predominantly during the high season. The consequence of targeting families is that family members will have different preferences and have different needs. According to TUI and ID Riva parents want to use camping to get a bit more time for themselves and therefore the offspring needs to be enjoyed, for example. This market is the biggest. It is the main mass market for tourism (ETC, 2006). Although tourism by car is still the largest, flight destinations are popular as well (ETC, 2006). With an airport nearby, distance is not an obstacle for Camp AS. Accessibility might be an obstacle. The market for mass tourism is global. Tour operators have a complete portfolio. As described, 2 tour operators are already in Macedonia. However, they sell it as an extra offering. It is not their product focus. These are also not the largest tour operators with the best channels. Again, about substantial size for Dutch outbound tourism to Macedonia and Camp AS is an uncertain topic.

4.3.4 Youngsters

The main characteristic of this market is that the group is in the age between 18 and 35 years. They do not have family like obligations and are therefore free to travel. Making up to 20 percent of the total market this segment is quite interesting. Also because the income of this segment increases more rapidly than any other segment (ETC, 2006). Accessibility is a bit harder. The Ohrid Lake region is not a real youngsters paradise such as Ibiza or Lloret de Mar. The tour operators in this segment therefore will not be eager to insert it in the program. However, via traditional tour operators and Internet sites especially for this target group might be enough to attract them. Especially, because the lake and the mountains provide the activities that this group is most interested in.

- The segments best suitable are 'Empty Nesters' and 'Families'. The characteristics of these groups are different, both are large and they complement each other.

4.4 Internal Environment

The Inex Drim group itself is the other part of the analysis. The 7s model will analyse the organisational capabilities of the organisation. Thereafter an analysis of the marketing mix of Camp AS. This analysis will identify the strengths and weaknesses of the organisation. The final paragraph will visualize the total analysis due to a SWOT analysis.

4.4.1 Marketing Mix of Camp AS

Product

The quality of the camp is far below tourists' expectations. The Dutch tourists' opinion about the first part of the camp is that it absolutely does not look inviting. Some tourists thought they were going to a prison instead of a camp. The main reason for this is the presence of old, communist era mobile homes. According to the general manager this still is a present from the past. However, the opinion is that it is not a problem for selling the present camp. This research shows that tourists are very unhappy with it and that they even see this as a bigger point of distress than for example the sanitary. The tourists' opinion of the part closer to the water was positive. Only the beach has to be developed, but the current state is not seen as a problem. The location was awarded as absolutely magnificent, because it is directly at the lake. One of the reasons that the lake has not been developed yet is the negative role of the local government. There is not one beach put under concession yet, while that was the actual intention of the central government.

The camps themselves were also rewarded by the customer. Camp AS is an old camp and has got therefore a lot of trees. Trees equal shade and well defined places. This was really awarded by the Dutch customers. The judgments about services at the camp were negative. Although the management decided to upgrade the sanitary with a small investment, most of the tourists did not appreciate it. The reason is because this sanitary still does not meet the standards of normal life. They also lacked the absence of chemical toilets, washing possibilities, place to the dishes and water points, necessities for modern day car tourism. The electricity connections were thought to be dangerous. Other service elements that most camps have like restaurants and super markets are not open. The facilities or these services are in place, but due to the low visitors it is not yet profitable to open. In case tourist numbers increase these facilities will be opened once again. Activity programs are due to the same reason not running at the moment, but hotel Drim has the experience to set these up. Camp AS needs investment and it needs to rebuilt its facilities. The previous chapter showed that it takes a long time to receive building permits. When starting to construct, these permits need to be passed. Starting construction has to be planned therefore almost a year in advance.

Price

The macro section visualized the cost structure of tourists visiting Macedonia. The majority of costs is in transporting the tourists to Macedonia. The high prices for flying are an obstacle that need to be overcome, but that is not in the hands of Inex Drim. ID Riva states that these activities cannot be substantiated by small companies, but can be provided by government.

Current pricing at Camp however is a point of focus. This because the price/quality ratio is not normal. The Dutch tourists were far from pleased with the overall prices at the moment. The 18 Euros was seen as too much for the camp. In this way, it is impossible to establish a good customer relation this way, which can be important when other camping sites in the direct region decide to enter the market. As one visitor noted; 'for this money I have a decent camp in the Netherlands'. Prices are the same in high season as in low season. And the places at the beach side are the same as at the side of the road. There is only difference in price in the editions of mobile homes.

Cost leadership is an important part of the element 'price'. From the driver 'staff costs' in section 4.2.2 it is defined that staff costs in Macedonia are low. As a result, cost leadership can be reached when compared to other destinations. For Camp AS, low wages can result in the ability to offer its places at a lower price whilst having the same margin.

Promotion

Although influence of a single hotel is limited, Drim's presence in the internet is fairly well. All tour operators with a presence in Macedonia have Drim in their portfolio and it usually displayed as the top result. Further, on zoover.nl it is displayed as the 3rd result. However, this site displays the good and bad propositions of the hotel. Everybody searching for hotels in Macedonia will know that Drim has not properly arranged its diner and cleaning. Drim's own promotional activities are analysed as well. There is a brochure for Camp AS. However, this brochure does not represent the camp in an honest way, which annoyed some of the visiting camp tour operators. Further, the hotel opened a new restaurant, also for visiting tourists. This concept was promoted through billboards and by contacting tourists. However, the restaurant was not visited by many tourists. A more careful analysis of how to attract people should be made. In the future, when the camp becomes operational, the same promotional activities have to be present when a restaurant is opened at that site.

Knowledge how to produce brochures is available, because it is of good quality. However, selling a product includes more than just visual appeal.

Place

Because most of the contacts of twenty years ago have faded, access to the Dutch distribution channel is difficult. This is not only the case for Drim, but for the entire Macedonian tourism sector. Figure 5 resembles the distribution channel of Inex Drim, which gives an idea of what already has been established with respect to attracting Dutch customers. In figure 5 every contact with customers can be a contact physical or via the Internet. Direct selling takes place via the application on Drim's website, but can also be repetitive customers. With some tour operators there is direct contact. These are the camping tour operators like the ANWB. Other tour operators, such as ID Riva use a local partner to represent their stake.

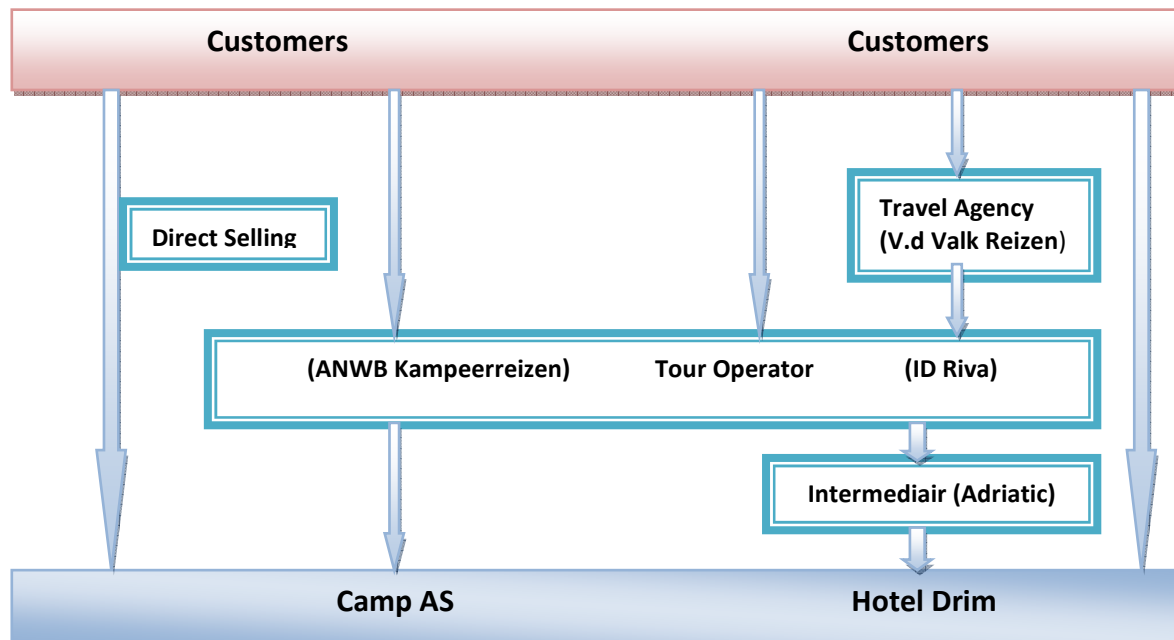


Figure 5: Distribution Channel Inex Drim AD

For Inex Drim it is difficult to reach the customer in the Netherlands. Direct selling does not work so far (for example through their website). The only other way to get in touch with them is via tour operators. However, most tour operators are not interested so far. There are three tour operators that are now trying to sell the Macedonian tourism products. Despite this, the major tour operators have not yet signed in to Macedonia as stated in the macro section. Also, the largest tour operators in camping (ANWB, ACSI) do visit Camp AS in round trips, but do not place the camp in their brochures or on their websites. And that despite these tour operators have more than 8,000 camps on their websites. However, there may be some progress, because there are already about ten tour operators that offer round trips through the Balkans and as a result, crossing Macedonia as well. Collective tourism is starting, but the individual tourism has not started yet. And the individual mass tourist is the biggest chunk of the pie (ETC, 2006). The tour operators searching for hotels stay in Ohrid. The tour operators that organise a roundtrip with caravans visit Camp AS. This is a competitive advantage, because they checked out other camps, but chose AS. Next year there will probably be about five tour operators on AS. Compared to other hotels and campgrounds in the region Inex Drim has the strongest distribution channel. There are only 5 hotels that are offered by the tour operators (including Beograd and Drim) and Inex Drim is the only organisation that is in contact with camp tour operators.

The location of the camp is also a part of the product, namely the beach and lake. As described in the product section, this was rewarded very well by the tourists. However, there are more aspects that a good location needs. Camp AS' proximity to the cities of Ohrid and Struga is only limited to a few miles. In fact, the camp is the closest of all camps to Ohrid and Struga.

- The strengths identified here are Camp AS' location, the fact that it is an already established camp and its distribution channel. Therefore these items are included.

- With respect to the weaknesses, bad sanitary, no facilities, old mobile homes, an undeveloped beach and pricing for Dutch tourists are taken into account for the confrontation matrix.

4.4.2 7s Model

This section answers whether or not the organisation is capable of developing and exploiting the campground in the future. The item of strategy is not included. This will be analysed in section 5.

Shared Values

Inex Drim does not have any formal codes for employees, regarding their shared values. However, shared values are at place, because as well Albanians as Macedonians work next to each other without any tensions or problems. The employees considered themselves as a big family, and because of three months of observations no tensions in ethnical behavior were noted. In hotel Drim, Albanians and Macedonians have no problems working together. However, there is still a theoretical possibility that things go wrong again. The sphere in the organisation was described by employees as being a family. No individualistic behavior for personal gains was observed during the three months. The culture is therefore considered to be collectivistic.

Structure

The structure of the group is focused at Hotel Drim, meaning that camp and the second hotel, Beograd, are placed in the structure of hotel Drim. At this moment, Camp AS has around 10 employees, all working to maintain the property. The organisation structure of the camp is therefore informal. One boss and his span of control of ten employees. At this moment, the structure of the Inex Drim organisation is functional. Under the Board of Directors are line managers in the following departments: Kitchen, Restaurant, Sales & Reception, Maintenance, Cleaning, Finance, hotel Beograd and the Campground.

Decisional power within Drim is arranged by the investors. The General Manager has operational control, but not much decisional power. Further, one of the investors has plans to gain more control, which resulted in a dual chain of command, which sometimes led to confusion among personnel. This problem is likely to be resolved in time, because of retirement of the General Manager. Most of the decisional power is not delegated to line management. For example the marketing manager has not the authority to implement marketing actions at her own initiative. Top management decides what and how it will be promoted. At the sales department there are specialized jobs that require extensive knowledge of the employee. This because not everything is put in the information system and is unstructured for the ones not involved. This is not bad, but it makes it harder for other employees to understand. At the time the camp is fully operational, several of the departments mentioned above will be relevant for the camp as well. It is the question whether a functional structure will hold in this case. This structure may place an extra burden on the departments.

Systems

The department I worked for was Marketing & Sales. I considered doing business as 'ad hoc', although employees had good understanding how to improve. During my stay the department expanded from 2 to 4 employees. As a result the understaffed department got time to structure and carry out marketing strategies, no results known yet. A fully operational campground will need information systems to structure workflow and operational activities. At this moment, nothing is in place yet to guarantee these operations succeed. The only information system currently used is to register the scarce visitors. However, this information system does not visualize where visitors are situated at the camp. Improvements here are necessary. The information system at hotel Drim is functional, but not of latest quality. However, with this information the reception exactly knows the situation in the hotel. Digital information systems are not installed in the areas where customers are involved.

Skills, Style and Staff

From the reviews on zoover.nl, it is concluded that customer friendliness and child friendliness are the main skills of the hotel. These skills will also be important for the campground. However, there are less positive reviews on the cleaning and the quality of the diner. Cleaning at the campground was according to Dutch tourists sufficient. The main concern regarding skills is the maintenance department. In the hotel leaks were discovered in simple sanitary connections. This work force also installed some toilets and showers on the campground. The entire sanitary was installed unprofessionally. Dangerous failures in the electrical circuit, no attention to ergonomics, bad water management (way too little) and leakages make me doubt the skills to develop and maintain an entire camp.

The cuisine also needs some attention. Although the quality of the restaurant next to the hotel is of good quality, the restaurant for all-inclusive hotel guests needs improvement. On zoover.nl, tourists regarded the diner without exception as not good.

Selling rooms of the hotel to tour operators proved needs improvement. Selling their hotel to tour operator ID Riva the general manager was not able to mention the hotel's unique selling propositions. The only things mentioned were price and location to the river Drim. However, the hotel might have got the best characteristics of the entire region. It has got the best location (only hotel at the Ohrid Lake with beach and city centre within an arm's reach), child friendliness, spacey beaches, customer friendliness, price and the river Drim. This gap may be solved by itself. The President of the Board will take his place from next year and he is aware of the hotel's propositions. The next gap that arises are the skills concerning campground knowledge. To overcome this gap, the president is visiting several successful camps in Greece and Croatia. A last aspect is the lack of English skilled personnel. 90% of the waiters at Hotel Drim do not speak English or any other foreign language. Good communication and ideal selling conditions cannot be reached this way. However, this conclusion is consistent with findings throughout the entire region, as observed in section 4.2.2.

- Staff costs, child friendliness and customer friendliness are taken into account as the main competitive strengths in the confrontation matrix.
- Language proficiency, Staff Skills and knowledge on camping are the major weaknesses and therefore in the matrix.

5. SWOT Analysis

5.1 Confrontation Matrix

Factors that are of influence on Camp AS are now clear. However, their impact and implications are not. This next step is to identify which external factors strengthen (either positive or negative) internal factors of Camp AS. This may also appear to be vice versa. All elements that showed an impact are presented in figure 6, the confrontation matrix. In this matrix all elements are still included.

The first step after the confrontation matrix is the excluding of the least important factors. These are the factors that cannot be influenced by Camp AS and its mother organisation Inex Drim and that do not form major blockades in attracting Dutch tourists to the campsite. The factors in figure 6 that are not included are colored.

Excluded from threats:

- 'Business Environment': The long time necessary to receive building permits can be an obstacle as well in building a camp. However, this is a factor that is known and can be avoided by starting early enough. Further, experience of top management, with renovating hotel Drim, indicates that experience in this field of expertise is present. It is not a major obstacle and can hardly be influenced by any other internal factor.
- 'Internal Transportation Facilities': Although that the quality can be improved, tourists it is not a major obstacle. Taxis are cheap and customer friendliness of Drim takes care that tourists get taxi drivers from a company they trust. Therefore, there is no reason to include this further in the analysis.
- 'Ethnical Tensions': This factor posed a major threat to the stability in Macedonia about 10 years ago. Despite that tensions do exist, it is not considered as an eminent threat. Although the situation is not perfect, there are no signs that it will burst as it did in 2001. Therefore it is not seen as an immediate threat; it cannot be influenced by an internal factor and is therefore not included further.

Excluded from opportunities

- 'Historical Scenery': This item is not included because of its limited impact on tourism. The interview data did not mention historic scenery as a must. Neither did the research of Enright & Newton (2004) and therefore it is not included further.
- 'Banking for Consumers': The influence of this item is limited. No significant relations were found here.
- 'Communication Facilities': Although that these facilities are reasonably well developed, it is not a major driver for tourism and does not strengthen other internal factors. Therefore it is not included further in this research.

SWOT Analysis Camp AS		Opportunities										Threats									
		Macedonian Price Level	Government Policy	Established Tourism Destination	Communication Facilities	Banking for Consumers	Sun and Lake	Historical Scenery	More Luxury	Empty Nesters	Families	Ethical Tensions	Power Local Government	Corruption	Internet	International Access	Access to Information	Uncertainty over Safety	Inter Firm Cooperation	Internal Transportation Facilities	Business Environment
Strengths	Location	++	++	++		+	++	++	++	++	++	-/-	-/-	-/-	++	-/-	-	-/-		-	-/-
	Benefits of Established Camp	++	++	++			++	+	++	++	++	-/-	-/-	-/-	++	-/-	-	+	+	-	-/-
	Distribution Channel	++	++	++	++		++	+		++	+	-/-	-/-	-/-	+	-/-		-/-	-/-		
	Staff Costs	++	++	++					++	++	++										
	Customer Friendliness	++	++	++	+	+	++		++	++	++			+	++	-	+	++		++	
	Child Friendliness	++	++	++			+		+		++			++	-		+				
Weaknesses	Bad Sanitary	-/-	-/-	-/-			-	-	-/-	-/-	-/-		-/-	-/-	-/-	-		-/-			-/-
	No Facilities	-	-	-			+	+	-/-	-	-		-/-		-						
	Old Mobile Homes	-/-	-	-			-/-		-/-	-/-	-/-			-/-	-						-
	Undeveloped Beach	-	-	-			-		-	-	-		-/-		-						
	Pricing for Dutch Tourists	-	-				-		-	-	-				-						
	Language Proficiency	-	-	-	-	+			-	-/-	-/-				-	-/-	-/-	-/-		-	-
	No Camp AS Org. Structure									-	-										
	Staff Skills	-							-/-	-/-	-/-				-/-						
	Knowledge on Camping	-	-	-			-	-	-	-	-				-	-					
	Management Skills		-	-					-	-	-		-			-/-	-			-/-	

Figure 6: Confrontation Matrix Camp AS

Excluded from weaknesses

- 'Management Skills': The present management does not meet qualifications, but this problem will solve itself. This is the last year of present top-management and it is expected that professional management will now take place. Therefore not included in further analysis.
- 'No Organisational Structure of Camp AS': Despite that there is not a functioning structure, the organisation Inex Drim is capable of building a structure that employs more than 150 workers. Therefore, this is not considered as an eminent weakness and not further included.
- 'Knowledge on Camping': This is a weakness that Inex Drim has to overcome itself. The President of the Board is already busy with visiting several campgrounds abroad searching for benchmarks. Therefore, this is not included in further research.

From the strengths are no items excluded. All items proved to be important and to have much influence on external factors and vice versa.

5.2 Summarizing the Issues

The items that do make an influence or are a major blockade in the development of Camp AS are now analysed. The factors that are colored in figure 6 are not included.

1. *Strengths versus Sun & Lake*

The sun and the lake are the main reason tourists visit Macedonia. This positively influences the good location of Camp AS. The fact that the campsite has the advantages of being established, enough shade and good places, strengthen the external factor even more. Staff costs make it possible to operate cheaply in this beautiful environment and also customer friendliness and child friendliness enhance this opportunity.

2. *Strengths versus segments*

The targeted segments will have their main reasons in visiting Macedonia complemented with the presence of already established strengths. Families will enjoy the expertise in child friendliness and all will enjoy the benefits of cheap labor. For Camp AS the reason for empty nesters to visit this part of Europe will be extra pleasant, because it has the distribution channel better developed than its competitors in the region. The benefits of the established camp was especially awarded by the Dutch tourists.

3. *International Access*

A negative impact on business for Camp AS is the international access. This research showed the lack of large tour operators in Macedonia and that prices to travel to Macedonia are high. Tourists do have to pay more when they want to go to Macedonia. This is beyond control of Camp AS and has a negative impact on business. Macedonia is not a car destination, which means flight price is the most important aspect in selling the Camp AS product to customers. When there is no possibility for competing in flight price, consumers most likely travel to another destination.

4. *Uncertainty over Safety, its influence and the disability to influence it*

Another strong negative force is the 'uncertainty over safety'. Dutch tourists are not used to travel to this region, so do not know the ins and outs. Tourists do not know what to expect and will therefore choose for other destinations.

5. *The strong influence of Internet*

Internet is placed in this research as a threat. This might have been questioned by the reader, but there is a good reason. The tourists at Camp AS were not satisfied of the quality of Camp AS. This research has showed the importance and impact of Internet. The positive aspect is that the strengths of Camp AS can influence this driver, the negative aspect is that every Dutch tourists can see what the quality of Camp AS at this moment is. Results also showed that for no segment Internet use is uncommon. Camp AS needs to improve its facilities in order to leverage the impact of Internet from negative to positive.

6. *Bad Sanitary, No Facilities & Old Mobile Homes and their influence on Opportunities*

The Dutch tourists were positive of the location of Camp AS. However, these tourists were very negative when it came to the facilities of the campsite. The sanitary was improved and new, but not properly installed and far too little. The Old Mobile Homes were seen as deteriorating their holiday. They did not like it. A smaller complaint was made about the missing of other facilities, such as chemical toilets and dish washing facilities. The tourists only asked for decent, basic facilities. This means that improving this to a level is required to satisfy these customers.

7. *Strengths versus Macedonian Price Level, Government Policy and Established Tourism Destination*

These factors, placed in the left-upper quadrant all have a positive strengthening influence on each other. Government policy is in this quadrant a strength, however preliminary. The program has not proven itself yet, but is granted the benefit of the doubt. This because this year finally steps have been undertaken and already more has happened than in the previous years. The strengths of Drim also benefit from the Ohrid Lake region being an established tourism destination. Dutch tourists can expect thriving cities where they can enjoy themselves.

8. *Power of the Local Government & Corruption and their fully negative, not changeable impact*

The analysis described the strong negative impact of the Local Government and Corruption. These two factors are intertwined, but Corruption does not stop at the local level. The major influence of these negative drivers is the development of Camp AS' beach. Only with the interference of the court is Camp AS authorized to exploit the beach. The local Struga authorities do not cooperate with this and also do not care about waste disposal in

the municipality. This is a strong negative influence that cannot be influenced by one of the strengths of Camp AS.

9. Language Proficiency & Staff Skills and their negative influence on the target segments

The ability to speak foreign languages is not widespread in Macedonia. This is not helping to remove uncertainty over safety and does not help letting tourists feel more comfortable. This has to do with the education program of the region and cannot be influenced by Camp AS. However, it is possible to provide English lessons to the employees. Further, reviews on the Internet revealed the lack of quality in the departments of cleaning and the restaurant. Own observation saw the lack of quality delivered by the maintenance department. These incompetence need to be resolved. Not in the last place because they can be immediately found on the Internet.

10. Inter-Firm Cooperation

The research showed the lack of cooperation between tourism actors in Macedonia. The hotels do not help each other, but also on another level there is no cooperation. Tourists that visit Struga are welcomed in the typical hospital way, but there is no restaurant in Struga that knows how to serve International Tourists. Expertise of Inex Drim could help to develop these other important actors of tourism. There is no reason not to, because Drim thrives by promoting its hotel and campsite is situated on a central point. Then make sure this city centre of Struga also delivers the quality. Another reason is the collectivistic thinking, which is present in the organisation. However, there is no reason to stop this thinking beyond boundaries of the organisation.

11. Pricing and its impact on target segments

The last factor discussed is pricing. The tourists were a bit upset when they found out about the pricing of Camp AS. They claimed the price was just as high as for a decent campsite in the Netherlands. Further, no variance in seasonal influences has been made on pricing. Further there are no options in quality (place location, size for instance).

6. Conclusions & Recommendations

6.1 Conclusions

This paper has examined the situation of the Macedonian tourism sector, the situation of Camp AS, available segments and it has identified available strategies for Camp AS. Now it is possible to answer the main research question: 'What is the best strategy for Camp AS to attract Dutch tourists?'

The top management of Drim is willing to invest 500,000 Euros in the camp. This means that there is funding available and that strategies can be developed accordingly. The confrontation mix analysis revealed a set of knowledge gaps, uncertainties, blockades and some competitive advantages of Inex Drim. This section will yield possible strategies for the two segments that were found to be attractive.

First, it can be concluded that tourists that visit Macedonia are interested and appreciate the lake and the sun. They also thought that prices were very low and therefore attractive. They claimed Camp AS to have a perfect location with the benefits of a mature campsite. However, there are some major obstacles for Camp AS that influence the final conclusion on what the best strategy is. The biggest blockade identified is 'International Access'. This blockade is influenced by 'Uncertainty over Safety' and 'Government Policy'. However, it cannot be influenced by Camp AS, nor Inex Drim. This blockade will mean that for the coming years no large amount of Dutch tourists have to be expected that arrive at Camp AS. At this moment improvements are visible, but the number of Dutch tourists has not increased so far. Therefore it is wise not to invest too much at start in Camp AS. Next to the great uncertainty on demand, the top management of Inex Drim decided to invest first in hotel Drim. This is another good reason not to base plans for large investments in Camp AS on the short term.

This conclusion justifies the choice for a strategy where cost is its most competitive advantage. This leaves two options open, namely cost leadership and the cost focus strategy. A cost leadership strategy does not seem applicable, because the quality of camping this way, does not match the quality that is offered in one of the hotels. Further, it is even likely that investments in tents should be undertaken, without any guarantee that there will be tourists. Next to that, the distribution channel is not that well developed and is therefore not attractive as well. The major tour operators for tent holidays have the main tourism destinations Spain, France

etc. in their portfolio, but not countries such as Macedonia. These operators will not come unless it is complementary to their portfolio and this means at least a good International Access.

Target Segment 'Empty Nesters'

The analysis showed that Camp AS, despite its state, was able to acquire a first mover advantage over other camps in the region. The ANWB Kampeerreizen, according to the others the trendsetter, chose Camp AS as their stop in Macedonia. The numbers of empty nesters travelling longer and further may yield an interesting segment for the future without the need to invest much.

The appropriate strategy for this group is a focus strategy on costs. No large investment are needed and Camp AS can make use of its first movers advantage. The tourists travelling by car and caravan need the basic facilities such as decent sanitary and no polluted sight of the old mobile homes. These have to be removed as soon as possible. Next to these absolutely basic facilities, this target segment has the need for other facilities at the camp, such as chemical toilets, sound electricity system and washing possibilities. There is no need for this group to invest in wooden cabins and swimming pools. The cost for this strategy is low. The costs in this strategy will be much lower than the available 500,000 Euros.

For the first coming years, this strategy is most suitable for Camp AS. It is highly unlikely that the blockades as described will be lowered that intensive international tourism is possible. Revenues will not be high in the first coming years, because the 'empty nesters' still have to discover the Balkan region. But in the future this is a potentially large market, and where the foundations of this market can be made right now. Camping tourists from the Netherlands will already be familiar with Camp AS through the camp tour operators. Improvements in the camp can also prevent getting bad reviews on the Internet, which is a positive latent effect.

Target Segment 'Families'

If the development of the drivers of the Macedonian tourism goes as planned, then in the middle-long term the flight costs may be lowered that much, that the region is competitive for international tourism. This is where in line with the families that want more luxury a differentiation strategy is to be followed. Starting with building wooden cabins including kitchen and sanitary will make the camp distinctive in the Macedonian tourism sector. Building these cabins is costly, according to ID Riva about 10,000 Euro each. Unless secondhand can be bought. However, when tourism from the Netherlands gets started, these cabins will sell. A glance at prices of these cabins in Croatia learns that these are charged for around 100 Euro a night. According to the tour operators, this a very well selling product.

Not all tour operators agree on having a pool. However, it seems a valid argument that parents want to have their children in a safe environment. This does not include the lake, thus building a small pool does not seem unreasonable. The differentiation strategy results in a larger need for more staff. In order to sell more and have more satisfied customers, the camp should invest in hiring better personnel or train the present staff. This investment is the most costly, but can be invested gradually. Not all the cabins need to be installed from the first moment. However, this investment can exceed the 500,000 Euro.

6.2 Discussion

With these conclusions the best strategy for the coming years is identified. However, there is some room for discussing the outcomes. The research showed the lack of international possibilities at this point. However, the differentiation strategy is only possible when these outcomes have resolved. It might be possible that the international barriers are not lowered. Because of this, it is wise not to invest too much at this point and wait until there is an opportunity to take it to the next level and develop the camp further.

Further, the model that delivered the most important items has to be criticized for future studies. The model of Enright & Newton (2004) was found to be underdeveloped. Next to the models I wondered why tourists are so afraid of going to a country like Macedonia. In this research it seemed like this being scared originated from ignorance of the country. Further research on destination competitiveness should investigate this precise reasoning, because for me it is still a black box.

The model of Enright and Newton (2004) is one of the most important models used in this paper. Although it is an interesting model yielding a lot of information and different angles on destination competitiveness, the

model can be criticized. First, the authors are weak in defining variables and do not even define the difference between an attractor and a driver. There are several ways to interpret the variables and their survey will have been subject and therefore been biased, because their subjects in the survey can have never had the same definitions.

In the theoretical framework I argued for a model that was general as well as specific to the industry. This was one of the reasons to pick Enright & Newton's (2004) model. However, for a reader it might have been difficult to distinguish between country factors, industry specific factors and organisation factors. The model of Enright & Newton (2004) uses all three. In this research, the organisation factors were addressed in the internal analysis. However, country and industry variables were still mixed in the model. This is not necessarily a bad thing, but the reader should be made aware of that. Hence, a future model should actually make a difference between these different factors.

The model also does not take into account the relative importance of its variables and indicators. Some are conditions that need to be fulfilled, otherwise all other scores on every indicator are irrelevant. These conditions are a condition in order to be competitive at all. A better model would add different stages in the tourism development process of a destination. Further, the definition of destination is not perfect, just as competitiveness. What exactly is the destination, where does it stop, who are joining are simple, but crucial questions. In this case it was the entire region of Lake Ohrid. But there is little coherency between the actors in this industry. This is also a missing link in the study of Enright & Newton (2004). Further, what other variables are missing next to the few already identified in this research. The field of tourism research addresses much wider issues than mentioned in this research. This is worth investigating, just as their contribution to competitiveness of a destination.

The structure of the model is another point of discussion. The authors use their 'drivers' model and structured it according to drivers found in their 1997 research. This research revealed that Macedonia is not ready for international tourism yet, and that because of main blockades in the three drivers 'input', 'institution, social structure & agendas' and 'tourism business superstructure'. These factors were dominating the conclusions of this report, which is in general lines similar to Enright and Newton's (2004) conclusions. In their research, indicators of these drivers were found most important.

Another thing the model of Enright and Newton (2004) fails to do, is to identify which fields are related to each other. The authors do not make any attempt to try to reveal correlations between various variables. There is nothing known about independence or interdependence of variables and/or drivers. Face validity suggests that there is. For example international access is likely to be correlated with government policy. High Quality Accommodation might be correlated with the level of competition. Possible Interdependencies should be researched, because it is hard to believe that there is not a single causal relationship between any of the variables.

Porter's Diamond contains next to its basic elements also the element of chance. In tourism, chance can be considered as a driver. For example, terrorist attacks, ethnic tensions (or the lack of tensions) and other uncontrollable forces can influence a nation's competitiveness. As a last remark, the only stakeholder group (managers) was asked to give their opinion. However, there are more stakeholders involved, and their opinion can be different.

Concluding, this model of Enright & Newton (2004) has not been prepared carefully. The authors insisted to use drivers derived from one of their previous articles. However, with this research, they could have seen that they were not applicable. Next to the negative side, their thought of thinking of destination competitiveness as attractors and drivers yields a good view on destination competitiveness in a corrected model in future research.

Another model used was the 50 year old marketing mix of McCarthy (1960). This model was surprisingly well applicable in combination with the 7s model (Waterman et al., 1981). However, it sounds strange that a model this old is still applicable in modern day and further research should find out whether or not my conclusion on the model is correct.

6.3 Recommendations

It is highly recommended that for the coming years only the 'empty nesters' that travel by car are addressed. There is too much uncertainty to make a large investment justifiable for the camp. It is also recommended that pricing of the camp is executed in a more proper way. No discriminating prices, but prices adjusted for quality and size of the place.

It is also recommended to take a closer look at especially the maintenance department. Although there are not many tourists from the Netherlands, it is wise to treat them with care. The maintenance department has not given any evidence that they are capable of fulfilling the needs of the Dutch tourists. In other words, are not capable to take care of proper sanitary facilities.

Meanwhile, Inex Drim should try to improve the 'Inter-Firm Cooperation'. First of all, the hotels should cooperate in order to offer a total package for the tour operators. A single hotel is not interesting for a tour operator and the hotels in the Lake Ohrid region will make it easier for new tour operators when they see a total package of hotels. This better cooperation might also help in influencing the government policy on tourism where necessary. Here the same, a single hotel (or campsite) will not influence the policy, but an entire region can. Next to that, inter-firm cooperation should be improved among actors in the town of Struga. It is in Drim's interest when restaurants and other tourism facilitators are accustomed to international tourism. When entrepreneurs in the town of Struga work together well they might even organise activities that make the city even more attractive for tourists. Despite this cooperation, the local government of Struga is a blockade that seemingly cannot be taken. Although the authorities might be influenced when they see the possibilities of tourism, it is absolutely not certain that they will change their behavior.

The last recommendation is that the staff skills must be improved. Employees that come into contact with international tourists should be able to serve them. English proficiency of the personnel should therefore be improved. Next to that, the quality of cleaning, the restaurant and maintenance should be improved. This already has led to bad reviews on the Internet and unless not improved, it will result in more of these reviews.

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