

IMPLEMENTING DESTINATION MANAGEMENT ORGANIZATION (DMO) MODEL FOR EFFECTIVE PROMOTION OF RURAL TOURISM DEVELOPMENT (Case of Shar Mountain -North Macedonia)

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ABSTRACT

The growth of rural tourism in North Macedonia is highly promising. Foreign visitors to the country are drawn in by the country's unusual cultural diversity and extremely rich local traditions from the past. For its natural beauty and tourist attractions, Shar Mountain is well-known. Since the majority of Shar Mountain was designated a national park last year (2021), a very different strategy for developing tourism is now required than in the past. The necessity for sustainable development in this area is implied by the need for environmental conservation on the one hand and the growth of tourism on the other. This study suggests a DMO model that can be used for the first time in this region in the context of the consolidation of various actors and the growth of rural tourism based on the current conditions. The primary stakeholders' ability to coordinate their efforts will determine how well this model is put into practice.

KEYWORDS:

RURAL TOURISM, DMO, PROMOTION, SHAR MOUNTAIN

JEL CLASSIFICATION CODES:

L83, Z32, O18

1. INTRODUCTION

Tourism is already a global phenomenon that is encountered in everyday life and is a complex social phenomenon that highlights a spatial, economic, cultural, ecological or some other dimension. Tourism is an aggregate expression of the term tourist, which means a temporary visitor who stays at least 24 hours in the country he is visiting. According to the World Tourism Organization, tourism is defined as "A set of activities of persons in the course of traveling and staying in a place outside their usual environment, not more than one year, for leisure, business or other reasons not related to income from the place that they visit" (UNWTO).

The tourism sector is significant for the global economy, representing about 5% of the Gross domestic product of the entire world (WTO). According to data from the World Tourism Organization, tourism is a powerful source of export earnings, representing 30% of all export services in the world, while 45% of total export services are in developing countries. The investment power for the same year is estimated at 9% of the total world investments. Starting from the development goals and the possible economic benefits of tourism, rural areas have recently been actively involved in the search for the utilization of their potential. Tourism as an economic branch is one of the development potentials for rural areas that strive to valorize the natural, cultural, and traditional values of the environment. Tourism, as an interdisciplinary activity, includes several sectors that together produce a tourist offer to meet a diverse demand from the market.

According to the analysis of WTO (World Tourism Organization) and ETC (European Travel Commission), Europe is the number one tourist destination in the world, and it shows a tendency to increase the number of tourists

who use extended weekends as a way to avoid stressful living in urban areas. When choosing tourists destinations on extended weekends for 3-4 days, tourists choose nearby destinations available by car and bus or transport organized by low-cost airlines. Hence, when choosing destinations for short stays, destinations that offer various forms of rural, mountain tourism and spa tourism have an advantage in the analysis.

2. RURAL TOURISM AND PERSPECTIVES

Top tourist destinations, especially in developing countries, include national parks, mountains, lakes and cultural sites, most of which are located in rural areas. That is why tourism is an important factor of the rural economy in these regions. Tourism will never be dominant in rural areas, especially not in the developing world due to the fact that there is a large set of rural areas for which the future in the direction of developing tourism cannot be predicted. Between these two extremes, there are poor rural areas with some tourism potential.

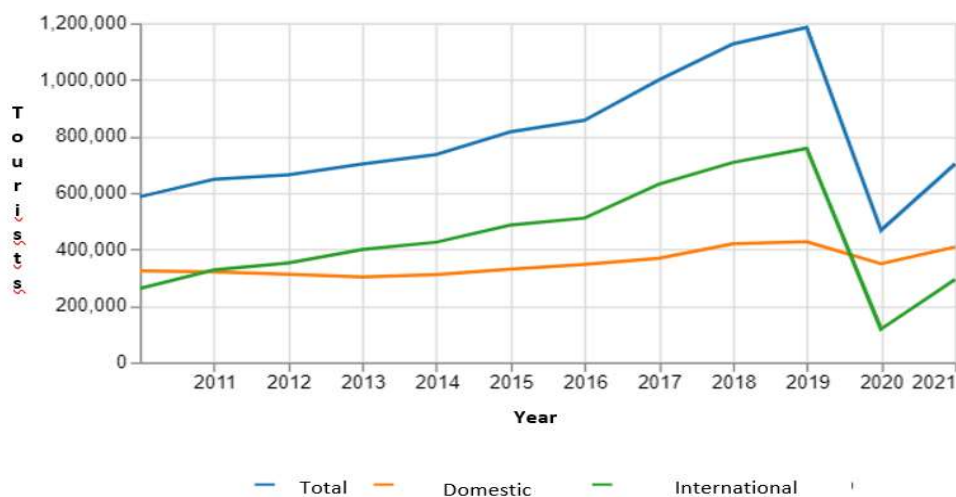
Rural areas can be in a subordinate role compared to urbanized and more developed areas. These problems can be caused by political or institutional obstacles, especially in developing countries, such as: administrative complexity in dealing with less populated areas, lack of coordination between rural development and tourism development, as well as low priorities for rural development areas by the central government. Because of that fact, ways to overcome these problems are needed. For most rural places, the development of rural tourism requires a combination of developing an attractive product and overcoming other problems. However, the main challenges of rural tourism lie in how to develop rural areas while still maintaining the value of tradition and culture that is reflected in certain rural areas. For this purpose, in the continuation of this paper, rural tourism will be analyzed from the perspective of tradition and modernity.

Rural tourism has been considered, therefore, as a chance to promote local development, thus representing an economic activity that involves a change in rural areas. Consequently, marketing activities begin to play a very important role, and selling rural tourism means selling activities in a rural space (for instance, walking, climbing, hunting, adventure, sport and health tourism, educational travel, arts, and heritage), thus showing its main facets. This is an economic activity with potential social, economic, and environmental impacts that are highly dependent on the local characteristics of a region, and it has the potential to stimulate rural economies with positive effects on farm income.

2.1 Rural tourism in Shar Mountain

North Macedonia has recently been giving a special importance to tourism in general and alternative forms of tourism in particular.

Figure 1 Number of tourists in North Macedonia, annually

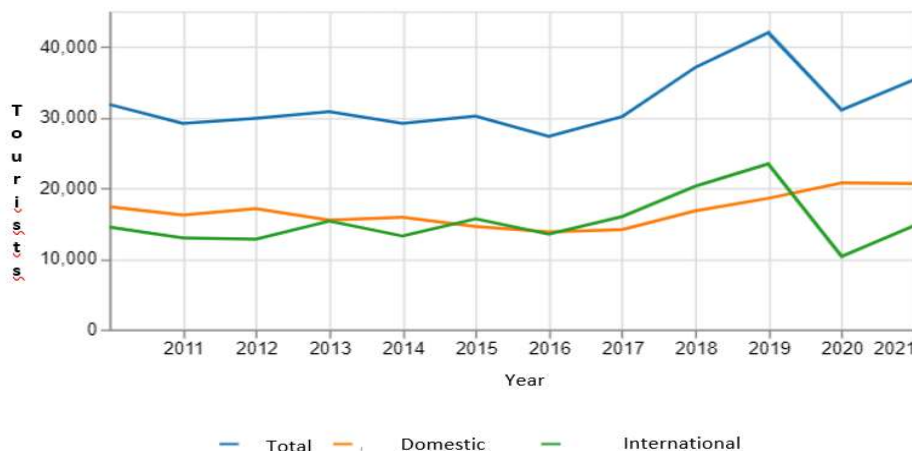


Source: State Statistical Office of North Macedonia, 2022

Figure 1 shows an increased trend of incoming tourists in the country in recent years, apart from the pandemic years, which makes it obvious that the tourism sector was hit. According to the government’s program for the development of tourism in 2021, subsidies are provided in villages, even if they are of small financial value.

In order to encourage the development of tourism in rural areas, it is foreseen government’s financial support during the construction or adaptation of rural households that will give catering services in accordance with the methodology set by the government. Financial support in the amount of 60% of proven costs, but not more than MKD 200,000.00 will be used for the purchase of equipment and inventory, reconstruction as well as for arranging the space of rural households (data from: Ministry of Economy, 2021, MKD).

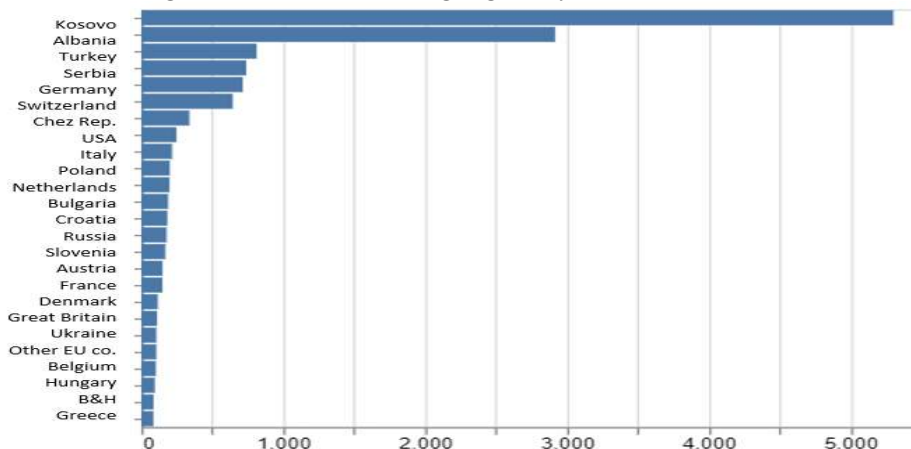
Figure 2. Number of tourists in Polog region, annually



Source: State Statistical Office of North Macedonia, 2022

According to the National Strategy for tourism in North Macedonia, in the western part of the country, where Shar Mountain is located, the mountain resorts are at an average level. According to the analysis, Macedonian mountain resorts mainly consist of several ski lifts, cable cars and slopes and various accommodation facilities nearby. In summer, hiking trails are available in the surrounding area. The mountain resorts are currently mainly visited by local tourists (Northern Macedonia/neighboring regions) and mostly as one-day visits. The main reasons for this evaluation are outdated ski-lifts, low quality terrain preparation, lack of summer and entertainment facilities and unresolved ownership structures (data from: Tourism Strategy MKD).

Figure 3. Tourists in Polog region by countries, 2021



Source: State Statistical Office of North Macedonia, 2022

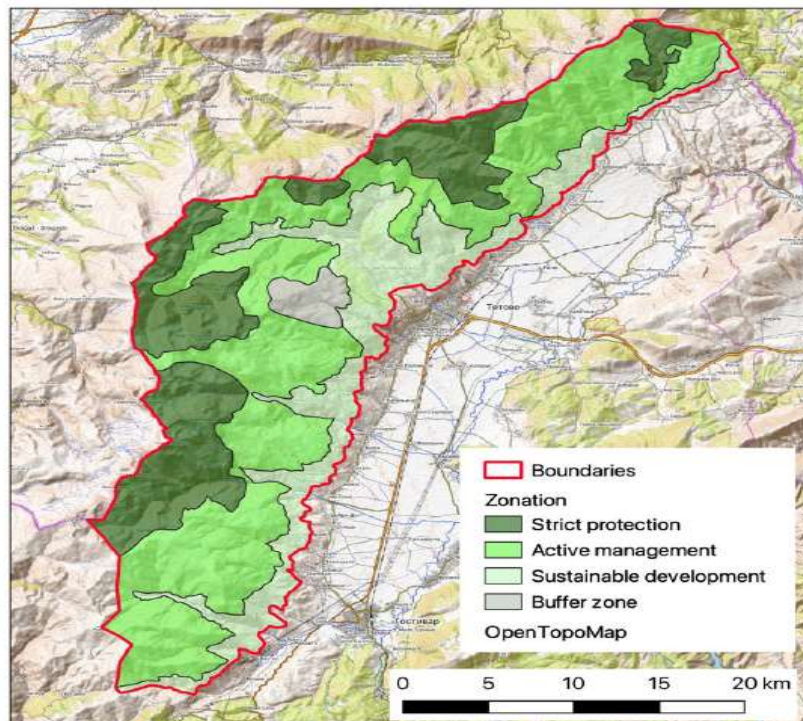
The Shar Mountains are a mountain range that lies in the north-west of North Macedonia and south of Kosovo. The area has a wealth of natural values and biological diversity. It is rich in forests, grasslands, mountain lakes, streams, and diverse geomorphology. The Macedonian part of the range covers an area of 840.2 km², and its highest point is Titov Vrv, at 2,748 m above sea level. The northern part, located in Kosovo, was declared a National Park almost ten years ago (data from: Draft Management Plan for Shar Mountains National Park).

The Shar Mountains are an important region of European biodiversity and an area of exceptional natural value in the border area of North Macedonia and Kosovo. On the Kosovo side, the National Park was declared more than a decade ago, while on the Macedonian side, there have been numerous initiatives for the protection of the Mountains during the last decades.

On June 30, 2021, the Republican Assembly in North Macedonia declared the National Park a protected area. This initiative, which materialized a year ago, envisages a protected area of 62,705 ha following the criteria of IUCN category II, national park, with more than 75% of this territory to be under high protection. Within the boundaries of the Shar Mountains National Park are 27 villages which in many cases have declining populations and poor infrastructure. Administratively, the national park is located in seven municipalities: Jegunovce, Tearce, Tetovë, Bogovinje, Vrapçishte, Gostivar, Mavrovë and Rostushë. Most of the land is state property. The fauna in the mountains of Shar is rich with all kinds of taxonomic groups, 5 species of fish, 11 amphibians and 17 reptiles have been confirmed in freshwater habitat areas. Birds are the most dense class of vertebrates in the area, represented by 128 species. In particular, various birds of prey are found: the mountain eagle, the white-headed vulture, the cuckoo horse, the falcon and the pike. 51 species of mammals are present, including brown bear, Balkan lynx, wild cat, otter, wild boar, wild goat, roe deer, wolf, red fox, weasel and weasel species (data from Draft Management Plan for Shar Mountains National Park).

Tourism is an important sector of Shar Mountain. Now there are several accommodation structures. Mass tourism is present in the Kodra e Diellit ski resort, while various types of alternative tourism are still being developed. These activities include summer and winter mountain sports such as climbing, horseback riding, mountain biking, freestyle skiing, snowshoeing and snowshoeing. Pressure on natural values is identified by the use of motor vehicles.

Figure 4. Zonation of Shar National Park, North Macedonia



Source: Draft Management Plan for Shar Mountains National Park, 2022

Based on the Nature Protection Law, 4 zonation have been mapped and described in the new Shar Mountain

National Park: strict protection, active management, sustainable development, and a protective belt for the ski resort.

2.1 Challenges and benefits

There are plenty benefits from rural tourism development. Anyhow, being faced with new challenges, mountain Shar on the one hand has an excellent potential for tourism development, while on the other hand, it faces the new rules of environmental protection. Therefore, the concept of sustainable tourism should be implemented more carefully.

With the development of tourism, new jobs are opened, as well as employment opportunities for the local population. This is especially important for developing countries and regions such as in North Macedonia. On the one hand, tourism enables significant economic benefits for many countries, regions, and communities, but on the other hand, it also has a great impact on the environment and socio-cultural processes. Mass tourism can represent a big problem for developing countries where there are no well-defined laws for the protection of natural resources and ecosystems from the pressures of tourists. In the same level today is Shar.

The irrational use of natural resources such as water, soil, and fossil fuels leads to their depletion. With the intensive development of tourism, there are also risks of damage and destruction of natural landscapes through subsidence, soil erosion, etc. The huge demand for fresh water for agriculture, industry and households makes water one of the most limited resources.

3. METHODOLOGY

Through this paper, an effort has been made to study the phenomenon as objectively and comprehensively as possible. There are three types of research methods when doing a study: exploratory, explanatory, and descriptive. This study paper is based on descriptive research that has to do with the description of a situation and thinking about what happened or what is similar to a phenomenon. According to this approach, this study is limited or restricted only to studying some aspects of the phenomenon. Therefore, this approach is not based on any form of systematic measurement.

There are two main ways of collecting data: through a qualitative and/or quantitative approach. Qualitative methods are based on research where the emphasis is on words or text rather than numbers. The qualitative method allows the researcher to study specific issues in more depth and detail. The qualitative method enables the creation and production of rich information, but the source of information comes from a more limited number of individuals. The idea of this method is to use the information of a limited group of individuals, and then they would represent the attitude of others who are affected by the same problem.

During working on this paper, collected data to be used further in the analysis and customization of the DMO model went through the qualitative method, resulting in discussions and conversations related to the phenomenon of the study with different individuals who have knowledge, competence, and authority regarding the region of Shar. Individual interviews and conversations occurred during the period March-October 2022. In addition, the analysis of the study was done mainly based on the available secondary data and through desk review. With this study, a DMO model is presented, which for the first time can be used in the case of Shar and contribute to the coordination and implementation activities in the field of rural tourism in that region.

4. RESULTS - DMO MODEL

Promotion can be said to be closely related to the tourist destination. If private enterprises promote their own narrow interests, this does not guarantee success at all costs. This is since the combined efforts to promote the entire destination will be beneficially to all major stakeholders. The role of public administration should also be mentioned here, although tourism is an activity where private initiative is more present, governments have always played a key role in the promotion of their countries as tourist destinations (Lennon, J. et al. 2006).

The promotion of rural tourism deals with the "perception" of the tourist destination by potential tourists. This moment indicates that perception is even more relevant than reality itself. When we talk about a service where rural

tourism also belongs, the perception of the destination is a decisive factor for potential tourists. Close to that, Brian Garrod (Garrod, B. at al., 2005) points to a similar important concept, which he calls "imagination". Hence, it is of crucial importance what imagination the potential tourists have for a rural touristic destination.

Therefore, it requires the state agencies to be deeply involved, either at the local or at state level, the business community, the civil sector, as well as all key stakeholders, in order to achieve the promotion of the tourist destination in the best way, and create a better tourist "perception" or "imagination". However, to achieve such coordination, a unique body is needed, which will be accepted by all parties as a point of synergy and coordination. The opinions that the approach of public-private partnership for development and promotion of rural tourism destinations is very desirable are also going in that direction.

Given the above, a suitable model for Shar mountain is the DMO model (Destination Management Organization), which has been very successfully implemented in several regions and countries around the world. The need to create a model for the role of tourist stakeholders in Shar for promotion of its rural tourism seems to be an imperative from what the literature and the other cases require.

Each country has its own unique DMO model according to the specifics of each country, and a unique one should apply also in the case of Shar. Anyhow, the general DMO model explained in this paper is proposed according to the needs of the micro regions where Shari belongs to. DMO as a model it is required to be created by the public, private and civil sectors, and would contribute to the marketing and promotion of the destination, the development of the rural tourism product, as well as the attraction of tourists to the rural tourism destination.

Among the main activities of DMO are also activities in field of marketing intending to attract potential inbound and outbound tourists. Considering that marketing includes much more than just sales and advertising, destination promotion is among the most important activities within DMO model, which can include activities such as: sale of tourist packages, direct marketing, advertising, sales promotion, public relations, etc. The sale of tourist products and services at a certain destination can be initially carried out by individual companies, but the DMO should manage the sales of the entire tourist destination. Advertising by DMO should be done through various means, such as through printed materials, advertisements on television, radio, billboards, internet, magazines, diaries, social media etc.

Further, the main focus of the DMO is to maintain contacts with tourists. This element is certainly part of the marketing activities, but in the model, it is presented as a separate activity that should be given special importance. DMO should create a database of tourists, which continuously informs tourists, or serves them according to their needs. Very often within the framework of the DMO are the existence of tourist information points, which should be a natural part of a DMO.

Activities with high environmental impact, such as snow mobile and off-road driving, require constant monitoring and regulation and should take place within defined constraints, including measures to reduce damage to nature, as part of a sustainable tourism program. Activities with a high impact should be operated under defined rules and control mechanisms, including measures to reduce damages to the nature, within a program for sustainable tourism which should be part of DMO.

Some winter activities like ski touring and snowshoeing take place over a large area and have a low environmental impact. Popular summer activities like hiking, mountain biking and horse riding need to follow marked and maintained trails and roads. A system of trails needs to be monitored by DMO in order to avoid possible risks, and conflicts between the different users. Activities conducted at specific locations are usually nature-based, where a particular geological feature is used for a specific purpose. Such activities, which include speleology (caving), alpine climbing and rock climbing may pose threats to certain habitats, and careful assessment should be made before permitting them. Information technology (IT), as such, is accepted, with the possibility that it is a great opportunity for stakeholders that deal with tourism, management of destinations or information services in general. In certain cases, information technology offers peripheral and more remote destinations due to lower costs and greater market penetration, as well as obtaining media control in the promotion of these regions, especially for the target group from urban areas. This case is common where tour operators and the global tourism industry is larger than local private firms. The Internet, as a commercial tool, has provided bidders with alternative channels of communication, marketing and distribution that could prove effective in bypassing these intermediaries.

Given the region of Shar, the digital marketing it is envisaged in the annual program of the government of North Macedonia. This activity envisages the electronic promotion of the Republic of North Macedonia in worldwide social media such as google, Facebook, twitter and others. For the realization of the activity, the Ministry of Economy will conduct a public procurement in which all legal entities, registered for this exercise, will have the right to participate

activity and will fulfill the conditions that will be provided by the public procurement.

5. CONCLUSION

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