

Comparative Market Characteristics of the Municipality of Varna and the Municipality of Nessebar as Tourist Destinations

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Abstract

The Municipality of Varna and the Municipality of Nessebar are the flagships of tourism along the Bulgarian Black Sea Coast. The two municipalities are home to Bulgaria's largest seaside tourist resorts – resort complex "Sunny Beach" and resort complex "Golden Sands". The two municipalities welcome and serve millions of tourists. The article aims to make a comparative description of the development of tourism in the two destinations over time according to basic indicators such as: number of bed-places in the accommodation establishments; number of tourists, number of nights spent, average stay of tourists, income from one tourist and income from one night spent.

Keywords: tourist destination; tourist demand; tourist supply; competitiveness

JEL Code: R580

Introduction

The basis of the management of a tourism destination to increase its competitiveness, is the measurement and analysis of the results achieved by it on the tourist market. Particularly useful from a management point of view is the comparative analysis of the destination related to its competitors.

In Bulgaria, municipalities are the main administrative-territorial units for which there are adequate and reliable statistical data to be analyzed and compared as tourism destinations.

The present study is dictated by the complex and dynamic competitive environment in which the two most developed tourism destinations at the municipal level on the Bulgarian Black Sea coast - the municipality of Varna and the municipality of Nessebar are presented. The presence of the two municipalities mainly in the international market of sea holiday tourism puts them in the conditions of fierce competition from foreign and domestic competitors both in terms of the quality of the tourism product and especially in terms of its price.

An assessment of the competitiveness of Varna municipality and the municipality of Nessebar on the tourism market could be obtained by comparing the two destinations according to basic quantitative indicators. The comparison is justified by the presence of the two largest seaside tourist complexes on the territory of the two municipalities – resort complex "Golden sands" in the municipality of Varna and resort complex "Sunny Beach" in the municipality of Nessebar.

The Municipality of Varna occupies a unique place in the territory of Bulgaria, performing the role of a crossroads between West and East, and North and South. Therefore, as early as 1908, the idea of building a resort center arose. The first holiday home "St. Constantine" and part of the hotel "Prague" near the monastery "St. st. Constantin and Elena" are built then. In 1909, the city welcomed the country's first organized group of French tourists. Gradually Varna has become an international tourism destination and has established itself as the flagship of Bulgarian international tourism. In 1921, the municipal administration announced Varna as a seaside resort, and the resort status of the city was institutionalized by a royal decree from 1925. Today, Varna is one of the largest tourism centers in the country.

In the development of tourism in Bulgaria, the municipality of Nessebar also plays an important role as a tourism destination. The center of the municipality, the city of Nessebar, is one of the oldest cities in Europe, originating more than 3,200 years ago. Due to its unique natural features and very well-preserved monuments from different eras, at the VII session of the World Heritage Committee in the city of Florence in 1983, the old town of Nessebar was included in the

List of World Heritage Monuments. On the territory of the municipality there is the largest tourism agglomeration in Bulgaria and one of the largest in the Balkans - the town of Obzor - the town of Sveti Vlas – resort complex "Sunny Beach" - town of Nessebar - village of Ravda. In the economic profile of the municipality of Nessebar, tourism is the main and priority economic sector. (Marinov, S. et al, 2018)

The comparative analysis of the two municipalities according to key quantitative indicators is the basis for management decisions aiming at the development of sustainable tourism in the destinations.

1. Thesis statement and literature review

The tourism destination is a key component of the tourism system. According to the updated operational definition adopted by the WTO, "a tourism destination is a physical space with or without administrative and/or analytical boundaries, in which the visitor can spend the night. It is a cluster (co-location) of products and services as well as activities and experiences along the tourism value chain and a basic unit of tourism analysis. A destination involves various stakeholders and can be networked to form larger destinations. It is also intangible with its image and identity, which can affect its market competitiveness." (UNWTO, 2019)

In the modern administrative-territorial division of Bulgaria, municipalities are the main administrative-territorial unit with local self-government. In this form, municipalities in Bulgaria are tourism destinations with clearly defined administrative boundaries, local self-government bodies and an independent municipal budget. The available territorial separation and administrative-budgetary independence allow the generation of systematized statistical information and management decisions making for their tourism development (Administrative and territorial structure of the republic of Bulgaria act, 1995; Local government and local administration act, 1991)

In the management of the tourism destination, the comparative method (benchmarking) is used to analyze the competitive environment of the tourism destination and to evaluate its performance compared to its main competitors in several important directions. First, evaluating the destination's performance related to its competitors before and after strategic interventions such as major investment projects, large-scale advertising campaigns, etc. Second, planning, arguing and effective use of public resources for the development of the destination. Third, evaluating the correctness and effectiveness of the adopted tourism strategy and the achievement of the goals set for the development of the destination. (Marinov, 2015)

When comparing the destination with competitors, it is appropriate to use basic quantitative indicators such as: number of bed-places in the accommodation establishments; number of tourists, number of nights spent, average stay of tourists, income from one tourist and income from one night spent.

2. Results and discussion

The municipalities of Varna and Nessebar are dominantly linked to the foreign tourist market. With a share of 72%, foreign tourists form the main segment of Varna municipality as a tourism destination. They realize 83% of overnight stays in the destination. By market share of overnight stays for 2019, the most overnight stays were realized by tourists from Romania (21%), followed by Germany (20%), Bulgaria (17%), (Poland 11%), Russia (5%) and others. (Ilieva G., 2021). For the municipality of Nessebar, foreign tourists are also the main segment of the tourism destination with a share of 84.6% and realized 89.2% of overnight stays in the destination. In recent years, the top 10 outbound markets of Nessebar destination according to the number of overnight stays are Germany, Great Britain, Russia, Poland, Romania, the Czech Republic, Ukraine, Slovakia, Israel and Hungary. (Marinov, S. et. Al, 2018; Marinov, S., 2021)

According to the official data of NSI, the municipality of Nessebar has a larger number of bed-places in accommodation facilities than the municipality of Varna (with 29,395 more beds in 2019). (Figure 1).

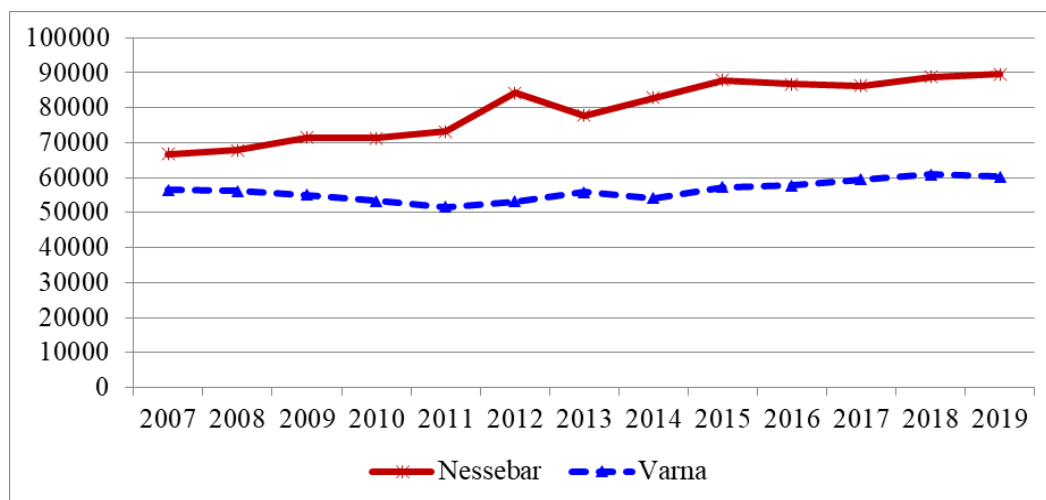


Figure 1. Dynamics of the number of beds in accommodation facilities in the municipality of Nessebar and the municipality of Varna

Source: NSI

Until 2013 the number of overnight stays in the municipality of Nessebar is less than those in the municipality of Varna, but after 2013 the situation has changed. The last six years from 2013 until 2019 the number of overnight tourists in the municipality of Varna is lower than that of the competing municipality. (Figure 2).

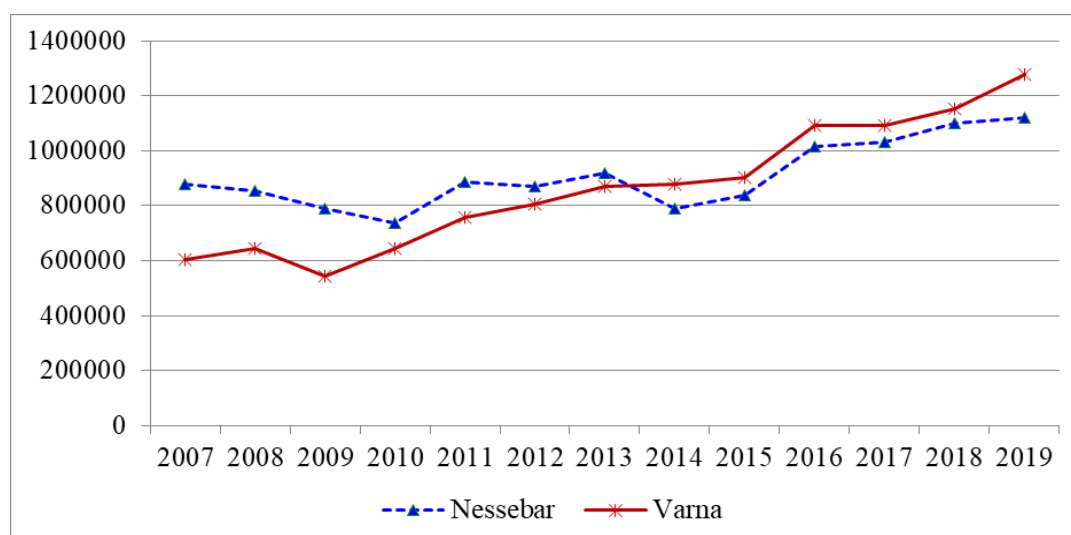


Figure 2. Dynamics of the number of persons staying overnight in the municipality of Varna and the municipality of Nessebar

Source: NSI

Since 2008 the municipality of Varna has lagged behind the municipality of Nessebar in terms of the number of overnight stays - with 2,365,452 fewer overnight stays in 2019. (Figure 3)

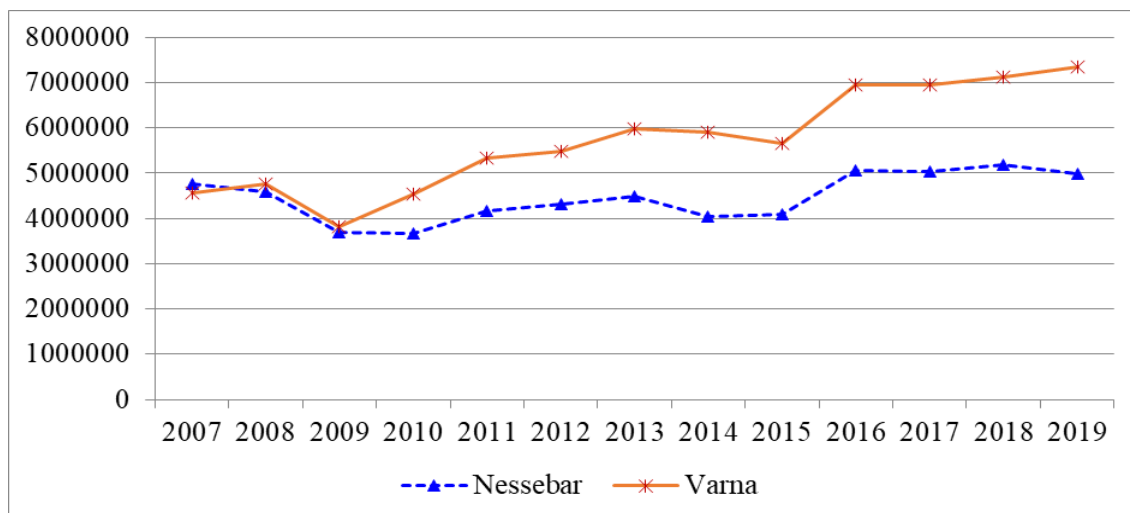


Figure 3. Dynamics of the number of overnight stays in the municipality of Varna and the municipality of Nessebar
Source: NSI

In the last decade, destination Varna has a shorter stay of tourists compared to the municipality of Nessebar. (1.31 days shorter in 2019), but the gap has been narrowing in recent years. (Figure 4)

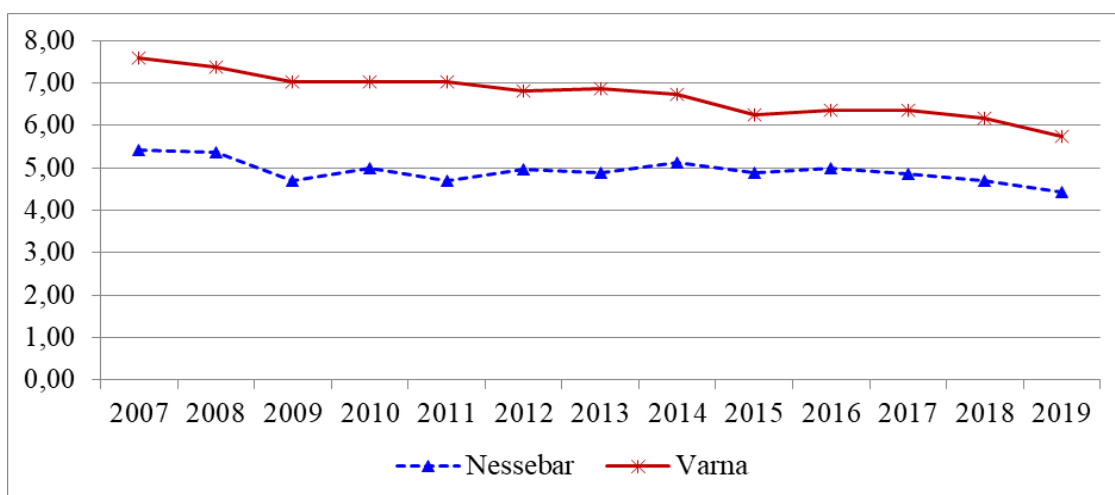


Figure 4. Dynamics of the average stay of tourists in the municipality of Varna and the municipality of Nessebar (number of nights per 1 person)
Source: NSI

Although the destination of Varna has mineral springs and a large number of hotels with spa centers, the seasonality of tourism in the destination is identical to that in the municipality of Nessebar (Figure 5).

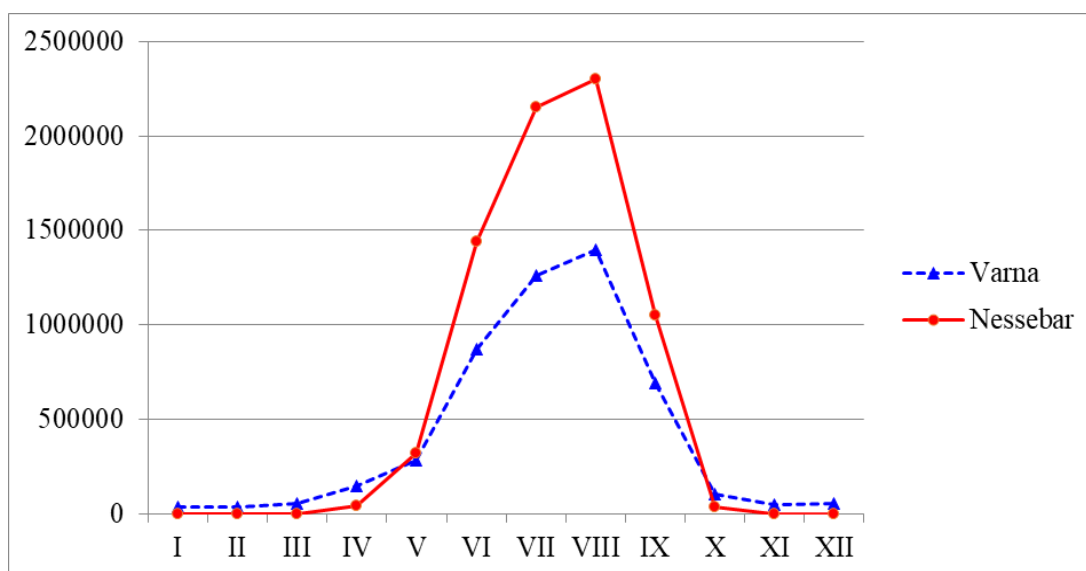


Figure 5. Overnight stays by month in the municipality of Varna and the municipality of Nessebar in 2019

Source: NSI

The occupancy of the bed capacity in the municipality of Varna on an annual basis is slightly higher than that in the competing municipality (22.64% in the municipality of Varna against 22.45% in the municipality of Nessebar in 2019). Over the last twelve years, the curve changes of bed occupancy in the two compared destinations are identical, showing declines in 2014. high growth in 2016 and maintained level in 2017-2019. (Figure 6).

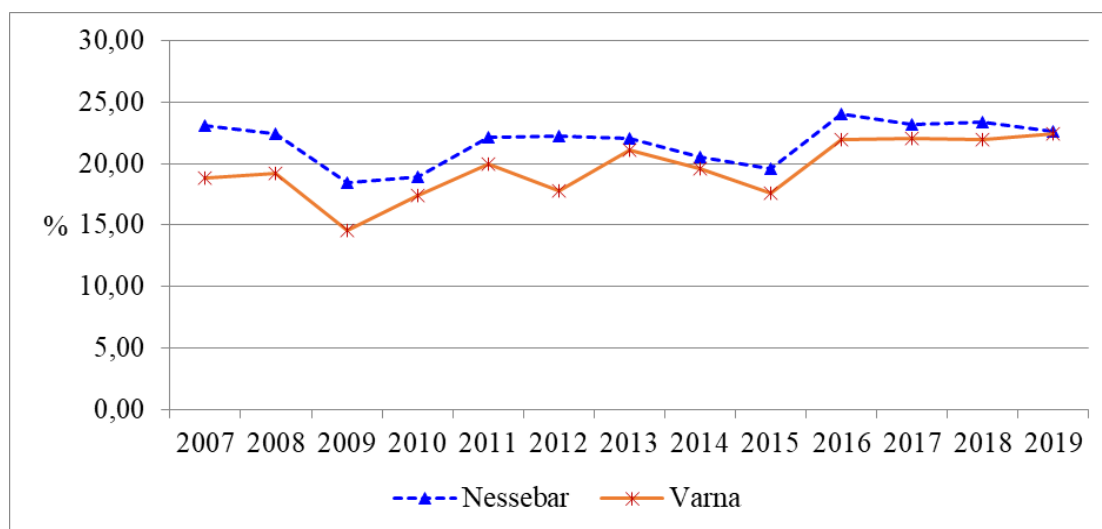


Figure 6. Dynamics of occupancy of the bed capacity in the municipality of Varna and the municipality of Nessebar

Source: NSI

In the last five years, 2015 and 2019, the revenue from one night in the two municipalities was almost equal, but in 2019 it is higher in Varna destination with BGN 2.50. (Figure 7).

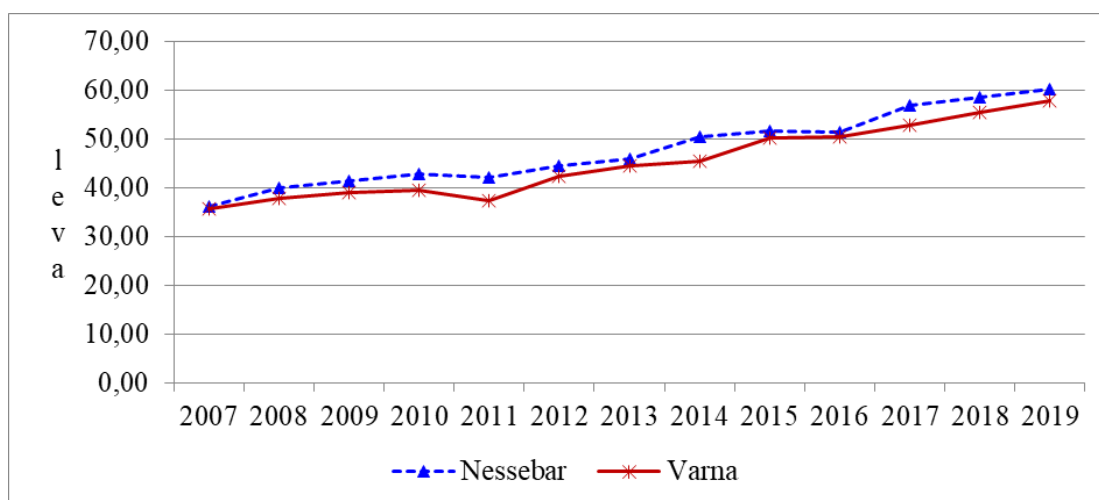


Figure 7. Dynamics of the income from one night in BGN in the municipality of Varna and the municipality of Nessebar
Source: NSI

Due to the shorter tourist stay, the income from overnight stays per tourist in the municipality of Varna is lower than that in the competing municipality (BGN 64.75 less in 2019) (Figure 8)

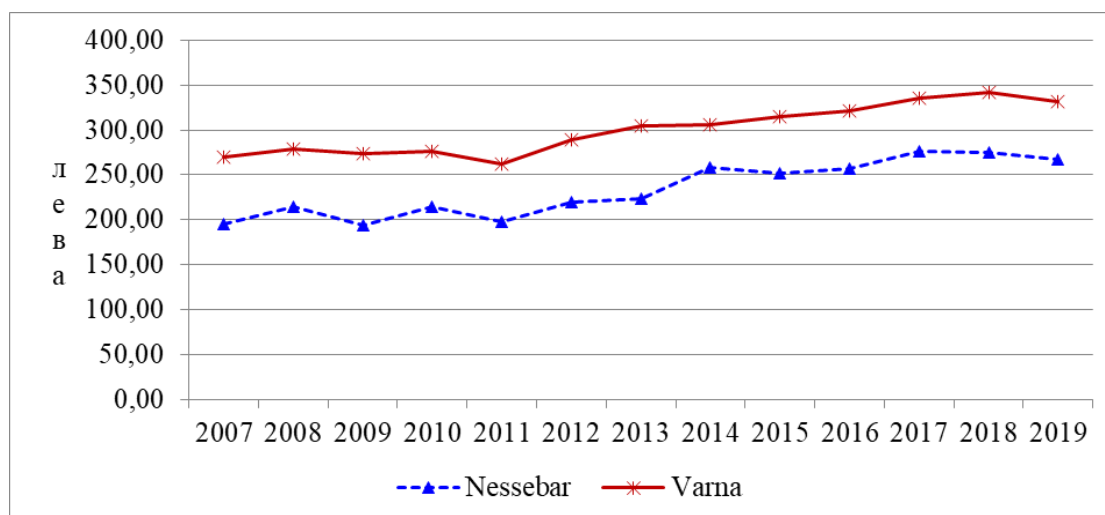


Figure 8. Dynamics of income from one tourist in BGN in the municipality of Varna and the municipality of Nessebar
Source: NSI

Conclusion

As a result of the comparative analysis of the market performance of the municipalities of Varna and Nessebar, the following conclusions can be drawn.

First, the municipalities of Varna and Nessebar develop standard mass sea holiday tourism and compete in the same outbound markets. Varna has a symbolic position in the UK market, but is significantly expanding its presence in Romanian and Polish markets. The destination is experiencing a shrinking of its positions in the main market for sea holiday tourism in Europe and the world, which is Germany. In 2019 Germany is overtaken by Romania in terms of relative share in overnight stays in the destination of Varna. The municipality of Nessebar performs hesitantly on German market and expands and doubles its positions on the UK market and Polish market. Both of the compared destinations register ebbs and flows of tourists from Russian market due to geopolitical impacts.

Second, for both destinations there is a strong seasonality of visits with a high concentration in the months of July and August. On the other hand, there is a shortening of the summer tourist season at its wings.

Third, there is a permanent trend of shortening the average stay of tourists in both destinations. An unfavorable fact that means more effort to serve different tourists with different behavior.

Fourth, keeping the annual occupancy of beds in accommodation facilities at a low level (22.64%-22.45%). The reasons are an oversupply of seasonal beds in accommodation and ineffective marketing to diversify the supply and market positioning of the destinations.

Fifth, an increase in the revenue of one night from one tourist. The main reason is that more hotels are switching to the all-inclusive stay formula. The price per night increases due to the inclusion of a large amount of services in the package, which, however, leads to cost savings for the tourist during his stay on the territory of the municipality as a whole.

Sixth, a decrease in the income of one tourist, the main reason for which is a shortening of the average stay in the destination and a slight increase in the prices of tourism services.

The conclusions necessitate the generalization that the municipalities of Varna and Nessebar are in the market spiral of low-budget and highly seasonal sea vacation tourism with an oversupply of beds in the accommodation places and saturated tourist demand. This spiral leads to low service prices, low accommodation occupancy, low income, low staff income and an outflow of staff from the tourism sector. To break out of the "poverty spiral" differentiation of supply and effective marketing are needed to reposition destinations in the tourism market.

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