

THE STRATEGIC MANAGEMENT IN THE HOTEL INDUSTRY FOR THE DEVELOPMENT OF CONGRESS TOURISM IN OHRID

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Abstract

Tourism is an important economic activity for the country's economy. That is why a strategic approach should be planned and organized. The biggest tourist destination in the country is undoubtedly the city of Ohrid. It is included in the UNESCO World Heritage List. On its southwestern side is Lake Ohrid, which undoubtedly represents the largest and most attractive tourist destination in the country. It is a sufficient reason to include in tourism development strategy all realistic forms of tourism, including congressional tourism.

This form of tourism, current in modern business conditions, is a great way to increase the number of tourists and improve tourism revenue. The paper is a survey of the largest hotels in Ohrid, where the attitudes of hotel managers are measured by a survey, with a goal conducted to demonstrate the link between the strategic approach to tourism management with the development of congressional tourism.

The paper proves the general assumption of the link between the strategic approach in tourism management with the development of congressional tourism and the annual income in the hotel industry.

Key words: *strategic management, congress tourism, strategic planning, business tourism, Ohrid*

JEL classification: L83

Introduction

Today, we are witnessing numerous changes that occur in the field of economics, politics, environmentalism, technique, technology and environment, which all have some impact on tourism.

Although Macedonia has the potential and must continue to develop a Tourism Development Strategy, the document of which has already been implemented in cooperation with the United Nations, the World Tourism Organization and the World Bank, however, Macedonia is far from the world and European tourism trends. It doesn't have export-oriented activity which is precedent in many European countries. According to the State Statistical Office data, the number of tourists in November 2020 was 21,516, and the number of nights spent 48.182. Compared to the same period in 2019, it decreased by 66.6%, and the number of nights spent decreased by 64.5%. This data is due to the measures implemented by the World Health Organization in a pandemic condition.

The share of tourism in gross domestic product has a steady downward trend. The small share of tourism in GDP is a sufficient indicator that a lot must be done in this field, for through the growth of tourism to achieve a foreign exchange inflow in the

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country and through it to increase the number of employees. So we can make a connection, first with our closer neighbours, and then with the European tourist destinations.

A specific tourist product that has been experiencing its flourishing in recent years is congressional tourism, which is important for maintaining the tourist season throughout the year.

The city of Ohrid, as a UNESCO city with its infrastructure and increasingly sophisticated tourist product, can be a city where tourism will be the main business branch. In the city of Ohrid as the cradle of literacy and culture, Lake Ohrid, the closeness of Mount Galichica and the proximity of Lake Prespa, nature and authentic food, as well as the 3- and 4-star hotels, provides a great opportunity for the development of congressional tourism.

The paper aims to assess the conditions for the development of congressional tourism, to see how much the city, i.e. the tourist facilities are ready for the development of the congressional tourism and what is offered to the tourist for its money, and through that, whether things can be improved for the development of modern congressional tourism and the hotel industry.

Congress tourism

Travels for visiting seminars, symposiums, workshops and conferences are increasingly growing globally. The notion of congress tourism in international practice is also encountered as "Industry and Conventions" (Weber & Ladkin, Trends affecting the convention industry in the 21st century, 47–63).

, "Conferencing Industry" (Qu, Li & Chu, "The comparative analysis of Hong Kong as an international conference destination in Southeast Asia", 643–648), "Convent Industry" (Mair & Thompson, "The UK association conference attendance decision-making process", 400–409), "Business Events" (Weber, "Meeting planners' use and evaluation of convention and visitor bureaus", 599–606), "MICE Industry (Geić, *Menadžment selektivnih oblika turizma*, 333) and more.

Congress tourism is a specific form of tourism, whose main travel motive is not a rest, but an active or passive participation of individuals at gatherings and manifestations of a different nature.

Congresses, in addition to their educational and social role, can include recreational as well as motivational role, implying many natural and cultural content during the congress itself, as well as in the pre- or post-congress period.

Most of the demand in congressional tourism is concentrated on two important market segments, which is corporate (corporate market) and associations (non-product market). The events of associations differ in their characteristics from the events of corporations. The organization of corporate events for the ultimate goal has business success, profit and increase in profits from operations.

Corporations observe their events as a source of costs, while on the other hand, associations of events see as a source of income (Toh, Peterson & Foster, "Contrasting approaches of corporate and association meeting planners: how the hospitality industry should approach them differently", 43-50).

In the late 19th and early 20th centuries, trade associations, scientific institutions, and political parties organized major events in Western Europe and the United States, using extensive networks of various associations.

The last four decades of the 20th century and the beginning of the 21st century have been marked by many changes that have led to an increase in business travel. Informatics, transport development, improved living standards, leisure growth and revenue growth are just some of the features of existing development and globalization that have provided high quality predispositions for the development of human needs for this form of tourism.

According to ICCA reports - International Association for Business Tourism, business and congressional tourism in the world today cost almost 1/4 of the total international tourism in inflows and foreign exchange inflows. Among the regions ahead of Europe (59%), followed by Asia, the United States, the Middle East and Africa.

For the past few decades, the sphere of organization of congresses, exhibitions and meetings has grown significantly (Boo & Kim, "The Influence of Convention Center Performance on Hotel Room Nights", 297 –309).

In 2019, a worldwide record of 13,254 events took place - 317 more than last year. First five spots in the global rankings show nothing particularly new - Europe remains the most desirable destination for international meetings. Paris is first with 237 events, followed by Lisbon (190), Berlin with 176, Barcelona (156) and Madrid (154) - a »classic« figure that - in a slightly changing order - has been observed for many years. Up until 10th place we can find Vienna, London, Singapore, Prague and Tokyo (<https://www.statista.com/statistics/1093295/business-travel-spending-worldwide>). ICCA's 2019 statistics captured 13,254 rotating association meetings, the highest ever recorded annual figure in its yearly statistics, with an increase of 317 from last year's record-breaking figures (<https://www.iccaworld.org/>).

Of this, cities with the largest number of organized international meetings in 2019 are the largest cities in Europe (*ICCA Statistics Report 2017: Country & City Rankings 2016*, 5-7).

In the first place of the ranking, according to the number of meetings in 2019, is the city of Paris for second time in a row, Lisbon, 38 and climbed in 4th place, Berlin in the 3rd place, Barcelona and Madrid (5th). Impressive meeting destinations lately became the cities of Valencia and Istanbul.

In addition to the European, the world's most popular city of congresses and conventions, nine years in a row is Singapore with the greatest presence in the events industry with over 130 world conventions throughout the year.

In 2019, global business tourism spending reached \$ 1.283 billion (<https://www.statista.com/statistics/1093295/business-travel-spending-worldwide>). GDP share for business trips in 2019 was 0.7%. In 2019, the cost of business tourism worldwide reached approximately \$ 1.28 trillion. In 2019, the United States generated more than 1/3 of world consumption on its own.

Meetings are a part of life, but great meetings can change lives. We know how to make meetings work for your company, your attendees, and your brand.

Global business tourism costs have grown year by year over the past decade. In 2019, costs increased by 2.6 percent compared to the previous year. In contrast, the cost of business travel around the world has seen the most significant decline annually.

Congress tourism creates significant direct and indirect effects on the local economy (Baloglu & Love, “Association meeting planners perceived performance of Las Vegas: an Importance-Performance Analysis”, 13-27), but also induced effects. Studies show that the development of congressional tourism has a positive impact by increasing the number of returning guests (conversion).

The result of the positive economic effect of congressional tourism is a consequence of the fact that it is an almost all-year product that is realized throughout the year (Casanova, Kim & Morrison, “The relationships of meeting planners' profiles with usage and attitudes toward the use of technology”, 19-43).

Studies show that every dollar generated by congress creates a set of economic interactions that move additional consumption in other sectors, which can lead to double or triple effects (Lee & Back, “A review of economic value drivers in convention and meeting management research”, 409 – 420).

The economic effects of congressional tourism are often overlooked because they hide behind the complex structure of the industry that cost marketing organizations, suppliers, distributors and various other intermediaries from the category of small and medium enterprises, i.e. the monitoring of spending that occurs from the organizers of the congress, the participants, exhibitors and sponsors are very difficult (Kim, Chon & Chung, “Convention industry in South Korea: an economic impact analysis”, 533-541).

Another trend in the development of congressional tourism that is significant is sustainability. It does not only mean environmental protection, but also applies to the economic and social impact of the organization of its environment. For these reasons, numerous certification programs have appeared in recent years - only in congressional tourism on the market there are many such eco signs that relate to the so-called green hotels, congressional centres, catering services and other.

Every company in the field of tourism and catering has a main and basic strategy, which is good service not only to top managers, but also to managers of the three levels, as well to the executors.

The strategic approach in tourism management has a positive effect on the development of congressional tourism, and thus on the annual income in the hotel industry.

Perspectives for developing congress tourism in Ohrid

Tourism is a significant business for the country's economy. Therefore, it should be planned and organized with a special approach, strategically,

The largest tourist destination in the country is undoubtedly the city of Ohrid. Ohrid is in the UNESCO World Cultural Heritage List. On his southwest side, the Ohrid Lake is located, which represents the largest and most attractive tourist destination in the country. This is a sufficient reason in the tourism development strategy to include all real possible forms of tourism, including congressional tourism.

This form of tourism, current in modern business conditions, is a great way to increase the number of tourists and improve tourism revenue. If we add the fact that getting to know the beauties of Ohrid and Lake Ohrid increases the desire of tourists to visit it again, of course the benefit of congressional tourism is even greater.

Ohrid is a "living" city of two thousand four hundred years, the legitimate successor of the bright Lihnid, a city with woven achievements of strong ancient civilization. Ohrid is in fact the cultural history of the Republic of North Macedonia in retail.

The city of Ohrid, as a UNESCO city with its infrastructure and the more sophisticated tourism product, can be a city in which the main economic branch will be tourism. The city of Ohrid as a cradle of literacy and culture, its local - continental climate, Ohrid Lake, the proximity of Mount Galicica, as well as the closeness with the Prespa Lake, near the airport complex, nature and authentic food and hotels with 3 and 4 stars, gives an excellent opportunity for the development of congress tourism.

Research

The research was prepared in the interest of confirming the hypothesis that the strategic approach in managing congress tourism will contribute to greater profitability of hotel facilities. The survey was conducted in the region of the Municipality of Ohrid in the 10 largest hotels, suitable for congressional tourism. The survey covered three or four employees of managerial positions. The analysis calculated 36 respondents because 6 respondents are more involved in the research, from the same researched hotels. The research is expected to provide data on whether strategic planning of promotional and organizational activities for congressional tourism affects the profitability of the hotel organization.

On the first question of the survey, which is: I believe that the strategic planning of the promotional activities contributes to the success of the campaign for congressional tourism, all 36 respondents answered; with YES answered 30 responders or 83%, with PARTIALLY- 6 or 17% of the responders.

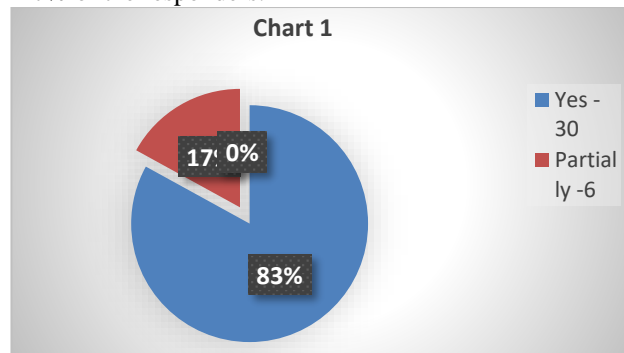


Chart 1: I believe that the strategic planning of promotional activities contributes to the success of the congress tourism campaign

The second question from the survey questionnaire, which is: The recruitment of seasonal workers is planned in advance, all 36 respondents participated. From which 15 respondents answered with YES or 42%, 21 respondents or 58% answered PARTIALLY, with NO-0 respondents answered.

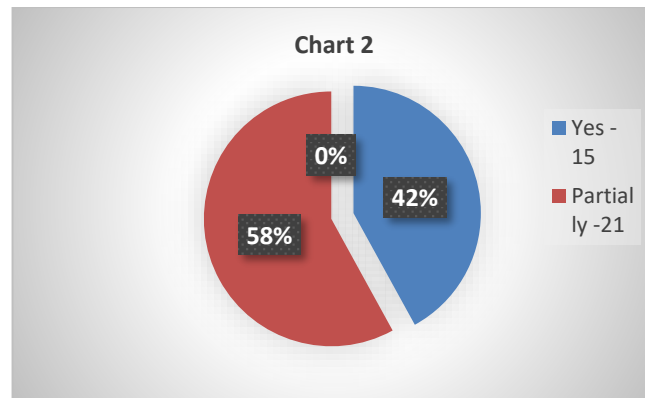


Chart 2: Recruitment of seasonal workers is planned in advance

To the third question from the survey questionnaire, which is: The control of the preparatory activities for the congress tourism is performed throughout the year, all 36 respondents answered; with YES 21 respondents or 58%, with PARTIALLY answered 15 respondents or 42%, with NO- 0 respondents answered.

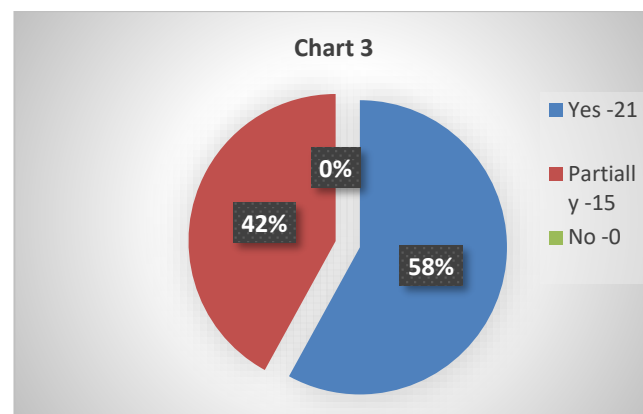


Chart 3: The control of the preparatory activities for the congress tourism is performed throughout the year

The fourth question from the survey questionnaire, which is: Promotional activities for congress tourism is carried out throughout the year, answered all 36 respondents; with YES 21 respondents or 58%, with PARTIALLY answered 15 respondents or 42%, with NO-0 respondents 0% answered.

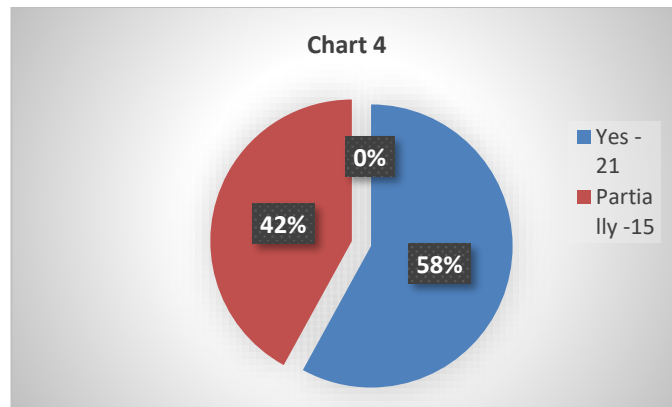


Chart 4: Promotional activities for congress tourism are carried out throughout the year

To the fifth question from the survey questionnaire, which is: The preparation of the staff for reception of congress guests is done before each planned event, all 36 respondents answered; with YES 30 respondents or 83%, with PARTIALLY answered 6 respondents or 17%, with NO- 0 respondents answered.

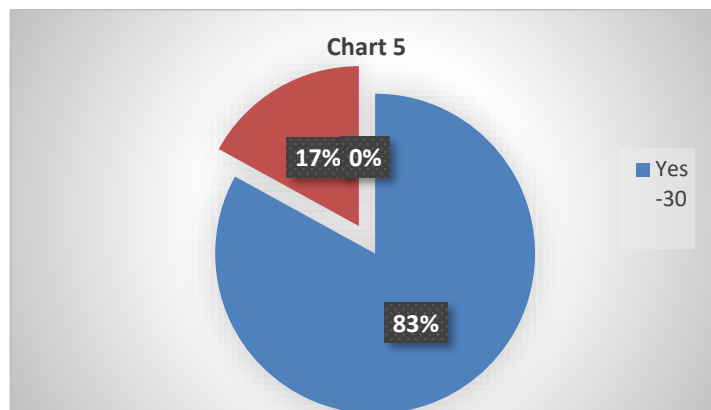


Chart 5: The preparation of the staff for the reception of congress guests is done before each planned event

To the sixth question from the survey questionnaire, which is: The control of the technique for use by the congress guests is performed before each planned event, all 36 respondents answered with YES 33 respondents answered or 92%, with PARTIALLY answered 3 respondents or 8%, with NO-0 respondents answered.

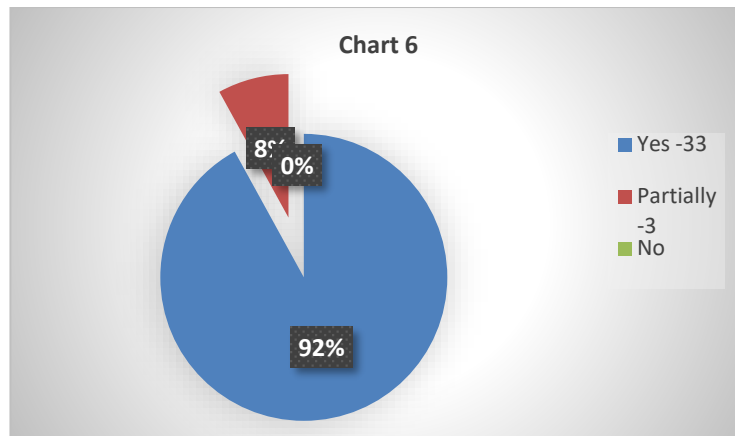


Chart 6: The control of the technique for use by the congress guests is performed before each planned event

To the seventh question from the survey questionnaire, which is: The control of the working conditions of the congress guests is performed before each planned event, all 36 respondents answered; with YES answered 30 respondents or 83%, with PARTIALLY answered 6 respondents or 17%, with NO - 0 respondents answered.

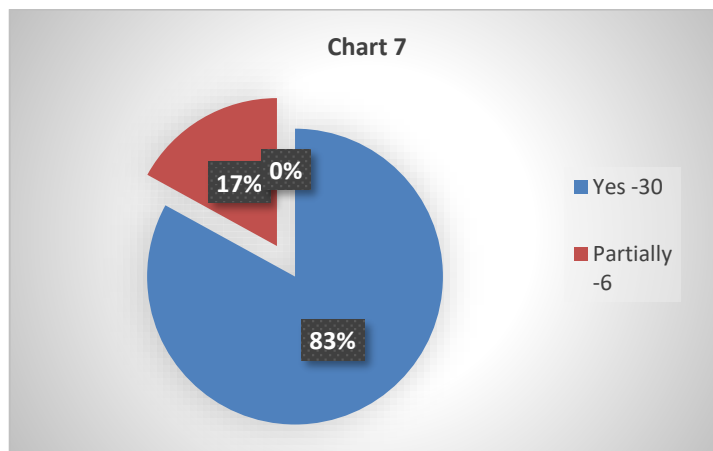


Chart 7: The control of the working conditions of the congress guests is performed before each planned event

To the eighth question from the survey questionnaire, which is: During the stay of the guests the situation is continuously monitored, all 36 respondents answered; with YES - 33 respondents answered or 92%, with PARTIALLY answered 3 respondents or 8%, NO- 0 respondents answered.

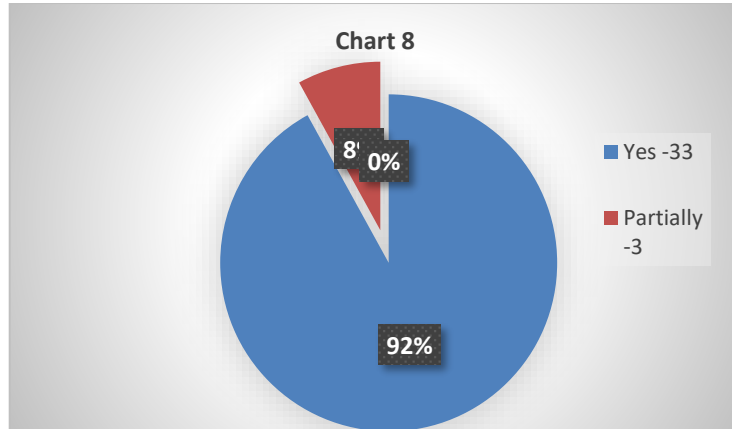


Chart 8: During the stay of the guests, the situation is continuously monitored

To the ninth question from the survey questionnaire, which is: After the congress activities, with the guests is discussed about the pleasure of staying in our hotel, all 36 respondents answered; with YES answered 24 respondents or 67%, with PARTIALLY answered 12 respondents or 33%, with NO - 0 respondents answered.

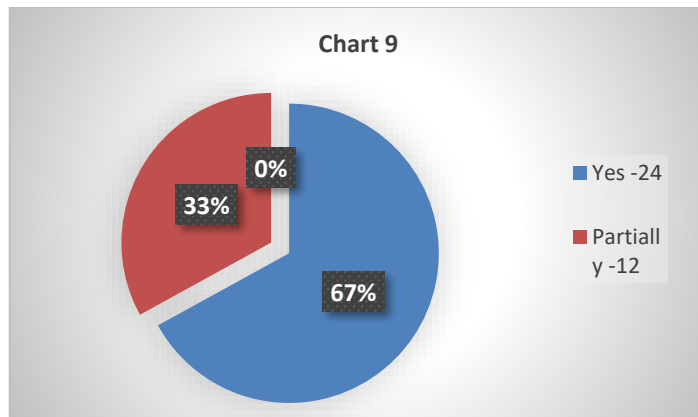


Chart 9: After the congress activities, with the guests is discussed about the pleasure of staying in our hotel

To the tenth question from the survey questionnaire, which reads: Thanks to the organization of congress tourism we manage to increase the profitability of the organization, answered all 36 respondents; with YES answered 24 respondents or 67%, with PARTIALLY answered 12 respondents or 33 %, with NO - 0 respondents answered.

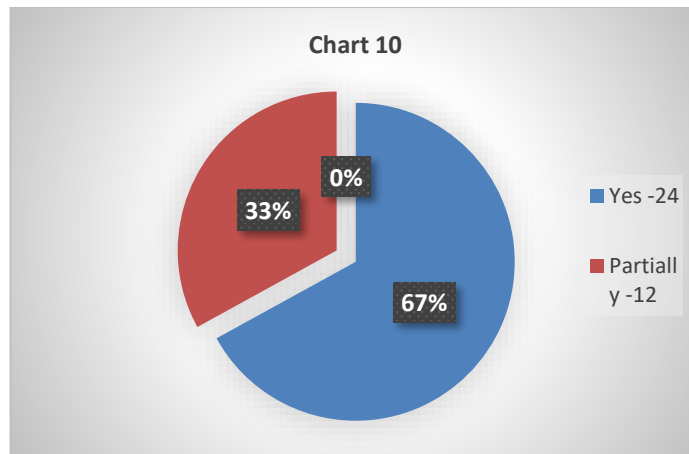


Chart 10: Thanks to the organization of congress tourism we manage to increase the profitability of the organization

After reviewing all the data and results obtained from the research, through which it was confirmed and proved that if the hotel organization, as a tourist-catering organization, has built a strategy to promote and organize, create and retain qualified staff and control the work in the context of the congress tourism then will increase attendance, and thus profitability, is fully confirmed and proven as true.

Conclusion

Congress tourism today is one of the most significant forms of movement in the tourism market. In the world is considered a very serious branch of tourism itself because it is a chance to meet people, business exchange, exchange of scientific knowledge, and at the same time the opportunity to popularize the tourist offer.

The statistics show: the number of visitors in places, months and the percentage of realization of the planned guests, and therefore the planned income from that branch in tourism

From the results obtained, it can be concluded that the strategic planning of tourism activities related to congress tourism influence positively on the development of congress tourism and annual income in the hotel industry, and the hotel organization, as a tourist-catering organization, has built a strategy for promotion and organization, creating and retaining qualified staff and controlling work in the context of congressional tourism.

The newly emerging situation and unpredictability of the movement and development of tourism, imposed a need and demand for new measures. According to the ICCA statistical indicators, in 2020, there is a new format for providing appropriate representation of what is happening in science and tourism this year. These new forms are without physical presence, but virtual, hybrid, delayed and cancelled (<https://www.iccaworld.org/npps/story.cfm?nppage=4193545>)

According to the ICCA, in 2020, business meetings will take place according to new forms and thus affect economic flows and total participation in income not only of tourism activity but also economic indicators of countries in general.

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The research can be conducted in different activities to obtain a parallel of situations in the country. The results obtained can be used in any organization that wants to increase the profitability of the organization based on strategic planning. Of course, the results are more appropriate to use in tourism organizations because that is where the research was conducted.

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