

**Marija ACKOVSKA** \*)  
**Neda PETROSKA ANGELOVSKA** \*\*)

**SUSTAINABLE MODEL OF TOURIST INFORMATION  
CENTERS IN THE REPUBLIC OF MACEDONIA**

**Abstract**

This article is focused on functioning of TIC in the Republic of Macedonia and creation of sustainable model of TIC applicative in local circumstances.

For this purpose, the operating of thirteen TIC in the Republic of Macedonia is analyzed. Generally the method of observing of their organization and operation is used, from which arise main characteristic of their present functioning and the problems that they are facing till now are identified. For more specific issues the method of interview with TIC representatives is used, also.

The research shows that the present situation of TIC is not favorable, and they are facing with problems relating to their organization, locations, formal cooperation with real sector, promotion, but significant problem is providing financial sources for normal functioning of TIC. Therefore, different model for sustainable TIC ongoing is needed. Namely, the sustainable model of TIC will provide its successful operating in market circumstances.

**Key words:** sustainable model, tourist information center, financing, public-private partnerships, Republic of Macedonia

---

\*) Ph. D, Institute of Economics-Skopje e-mail: marija@ek-inst.ukim.edu.mk

\*\*) Ph.D, Institute of Economics-Skopje e-mail: neda@ek-inst.ukim.edu.mk

## **1. TOURIST INFORMATION CENTERS IN THE REPUBLIC OF MACEDONIA-PRESENT SITUATION**

In 2010, in the Republic of Macedonia there were operating around thirteen tourist information centers (TIC).. They are mainly established as a result of concrete projects of international organizations, and in some cases its establishment comes from initiatives of the civil sector or the local authorities. Most of TIC-s functions within the sectors of local economic development (LED) at municipalities, or within a particular public enterprise. They are fully financed from the municipal budget, i.e. public enterprises, or partly financially supported by local authorities through financial, technical or other forms of support.

Additionally to the above mentioned cases, which are most common, an exception can be distinguished from the tourist bureau Lihnidos Ohrid, which functions as a private enterprise, and its incomes comes completely from the outside of the municipal budget, as well as the TIC Krusevo which functions as a public-private partnership. A specific case might be noted with TIC Matka, which operates as a part of activities of Non-Governmental Organization (NGO).

Almost all TIC-s, are facing problems relating to the financial coverage of planned and ongoing activities. Also, these offices are facing with the location and staffing problems, like working through one office, instead of working through a network of several offices, and have a small number of employees engaged, which is a minimum required staff to smoothly function one office. Furthermore, it is noticed the lack of clearly defined program activities, lack of logistical support through specific services provided within the TIC, as well as the insufficient level of cooperation between the TICs itselfs and the wider business community and citizens of the municipality or other potential TIC partners.

TIC also face with the lack of promotional materials, and can not satisfactorily present its tourist offer in front of potential tourists. Promotional materials are not updated and not professionally developed.

In addition to the above mentioned issues, there are more issues dealing with the differences existing between the TICs itselfs. Certainly each tourist destination has its own specifics, and thus has different needs in operating a TIC. Anyhow, in addition there can be found conceptual differences that some TIC go farther in serving the tourists (i.e. mediation of accommodation to tourists, selling souvenirs and so on),

while others perform just informing activities to the tourists, without any additional service. So we still do not have a viable and successful model that should be followed by all TICs, guided also in adjusting certain actions when needed, which depends on area specifics around the TICs.

The emphasized problems represent a serious obstacle to further development of the TICs and serious threat to the economic viability of such offices. Hence, overcoming these issues, the basic direction is to establish a sustainable model of TICs, applicable in current conditions of the country.

## **2. THE MAIN CHALLENGES OF TIC IN REPUBLIC OF MACEDONIA**

The operation of each TIC represents individual case. Each of these offices operates under specific conditions and are facing with specific problems that pose an obstacle to its current operations and its further development. However, there are problems characterizing most of the TICs operations and as such, they can be generalized and identified as major challenges in the operation of the TICs in R.M. In addition we will briefly keep on each of these determined issues.

**TIC's spheres of operation are not clearly defined**, which derives from the lack of **clearly specification of TIC's activities**. Namely, the expectations on a TIC operation, often are externally dimensioned; hence these offices are put into a position to undertake a number of responsibilities and activities beyond the basic functions they should principally have. However, there are also cases where these offices, deal with a limited opportunities, and not with activities to realize the potential activities envisaged by the law.

Most TICs provide the following services:

- Informing visitors about the local tourist resources and facilities available;
- Information about public transport in the region;
- Accompanying (travel guiding) organized groups;
- Development and distribution of promotional materials, as well as provision of maintenance and update of the web-portals of TICs;.

In some cases TIC deal also with:mediation providing private accommodation, and other specific products / services from the local population; sale of souvenirs, promotional materials, tickets, permits; event Organisation; developing projects, gathering information for a database of tourist facilities, capacities and services, as well as developing and creating a system of indicators for the valorization of the real quality and performance of tourism resources; establishment of cooperation with business community; developing specific tourist products.

**The current satisfactory level of cooperation** between the TICs and tourism business sector, as well as the potential individual providers of tourist services, is expressed in the absence of continued intensive communication and lack of formal contracts that clearly articulate the benefits, responsibilities and obligations (including financial) of each contracting parties. Such cooperation should be based on partnership between the TIC and other stakeholders based on mutual interest. Partnership assumes the identification of economic, technical and financial resources at all levels, public sector, private sector and nongovernmental organizations, which can contribute to the completion of the activities of the TIC, as well as in promotion and development of the overall tourist offer in the local environment, emphasizing thus that context and providing the best alternative activities and directions for creating a healthy business relations. Here should me emphasized the need for raising awareness about the acceptance of voluntary system on standardization of private accommodation (under the law on Local Self-government), in close cooperation with the municipalities that are responsible for standardization of private accommodation, which will enable the quality standards of facilities through the establishment of a relevant classification of rooms.

**Staffing** is also one of the critical moments in the organization of the work provided by TICs. The organization and performance of the overall work of these offices is left to a few people who with more or less success are dealing with different activities outside their scope, which in principle might be related but fundamentally are different activities. Hence, it is needed improvement of the skills of employees involved in the tourism sector of the municipality, in order to improve the quality and standardization of services and in planning, management and implementation of tourism development activities. Also, it is imperative to provide a sufficient number of employees as professional and motivated staff who possess the necessary skills and knowledge to successfully cope with the challenges of working in the TIC and would be decorated with enough enthusiasm to do socially-useful work.

Establishing an **integrated system of information, reservations and sales**. In this context, the establishment of a functional and informational updated official **website** is a very important marketing tool, especially if it provides or maintains a system of on-line bookings and payments of specific services or products.<sup>1)</sup> This integrated model is more present in the patterns of public - private partnership, where TIC is more focused on commercial activities. Otherwise, there is an open debate (from legal point of view) whether the existing TIC should be carried out only informative activities as a public service, or they can also carry out commercial activities, which additionally requires to be a separate legal person, be equipped with cash registers, and become a tax payer.

<sup>1)</sup> Yuan, Y. L., Fesenmaier, D.R.: The Role of Information Tehnology use in Visitors Bureaus. Butterworth-Heineman, Oxford, 2006, p92.

**Current funding** is a major, if not the most important challenge for TICs. Adequate funding and availability of necessary resources for the smooth functioning of the TICs is critical. The limited funding disables the expansion, satisfactory / optimal scale of operations, to exploit market opportunities, as well as to engage the necessary professional staff. Hence, it raises the need to find new / additional channels of financing, or self-financing and to undertake marketing activities in order recruiting new strategic partners.

**Insufficient awareness of the local community** about the importance of tourism development and socio-economic life of local people and benefits from the existence of TICs, is a key link in the complex tourism offer. In this context, it is evident the absence of mass mobilization of all stakeholders to be motivated to act and make decisions aimed at the identification and implementation of joint interests.

The existence of one or maximum two TIC's offices in a wider area of the municipality, does not guarantee a successful fulfillment of the needs of potential tourists and visitors from the TIC services. Hence, it imposes the necessity of **expanding the network of TIC offices** in the local community as their services would become more accessible to potential users and thus TICs would have exercised its function in a more consistent and overall manner. In this context, should carefully be chosen the location of the TIC. Namely, they should be placed on the main tourist routes, in easily accessible places. Also, the possibilities to improve the TIC imposes the need for **networking TICs** offices at regional and national level, in order to exchange information , jointly advertise and do promotional materials , hence organize joint tourist packages in a larger context. Such networking will enable strengthening of their capacities and joint work in projects of mutual interests.

### **3. TIC FUNCTIONING- ABROAD EXPERIENCES**

As mentioned above, most of the TICs in RM are established as a result of international projects or grants from foreign countries. Hence, most commonly the set-up as well as the operation of the TIC is based on proven international practices, customized to local conditions and context. Also, few cases where TIC employees have visited few foreign countries enabled them to gain the opportunity to learn about the experiences of similar offices in those countries and to convey the learning into their offices. Taking into account these experiences and some of our findings, we can draw generalized features of the TICs, as foreign experiences.

The experiences from abroad show different models of TICs offices. Typically these offices are the responsibility of properly established national / local tourism administration, usually a public enterprise whose dominant activity is the development and promotion of tourism in particular micro or mezzo tourist destinations. The system of public-private partnership is emphasized as one of the alternatives to an accept-

able TIC model, though this concept was abandoned in the early 80s and was declared unsuccessful and counterproductive.<sup>2)</sup>

According to this functioning model, activities of TIC offices in most of the cases are funded through local and central government budgets, as well as those from European community projects.<sup>3)</sup> Typically, operation of such offices is supported by certain forms of self-financing (selling books, souvenirs, local products, promotional materials, service commissions from the business sector, advertising space, etc.), and depending on laws on tourist activities in most of the countries, TICs might be working as travel agencies. An illustrative example might be mentioned that even smaller TIC offices in foreign countries, are working with its own budget of about one million Euros per year. Such budgets of the TICs, are far away and too ambitious even for the most of the Macedonian municipalities, considering their weak financial condition and the fact that the total municipal budgets are smaller than the above mentioned TIC's budgets.

The organizational structure of the tourist offices allows execution of activities aligned with previously determined and well-defined programs. In these programs are included all dominant activities of TICs, and are associated with the promotional activities of all major cultural, sporting and other events during one calendar year. Namely, the tourist bureau is involved in the organization of all cultural and tourist events and takes care to accommodate their visitors, thus participating in the preparation of tourism promotional materials for the municipality and the region.<sup>4)</sup>

It should be pointed out that tourism in these countries is strongly linked and closely connected with culture, education, historical heritage, the church etc. Also, there might be noticed a widespread use of modern technology, especially Internet as an important business tool in the contemporary operating environment.

The tourist offices in other countries, differently from ours, usually have developed organizational structure. Namely, the activities within each agency are performed by at least four units-departments. The departments of tourist offices that were subject to observation for the purposes of this research can usually be as following: department for public relations; department of marketing; department for creation new materials; and department of maintenance and accuracy of the information on their ads and website. In each department, at least two employees are working and the employees are part of the municipal administration. Some of the TIC's activities are also performed by engaging volunteers.

---

<sup>2)</sup> Costas, S.: *Urban tourism and Urban Change: Cities in a Global Economy*. Routledge, New York, 2010, p.48.

<sup>3)</sup> *Budgets of National Tourism Organizations 2008-2009*, WTO, Madrid, 2010, p.84.

<sup>4)</sup> *Policy and the practice of Global Tourism*, WTO, Madrid, 2011, p.143.

#### **4. RECOMMENDATIONS FOR THE SUSTAINABLE OPERATION MODEL OF THE TICS IN THE REPUBLIC OF MACEDONIA**

In most of the LED action plans of Macedonian municipalities, tourism is identified as one of emerging sectors for integrated development, being as one of the priority development promoter.<sup>5)</sup> There is a broad consensus between the local government, business sector and civil community representatives for positive effects that sustainable tourism development might bring to the overall development of their municipality.<sup>6)</sup>

Taking this into account, long-term sustainability of the TIC offices will greatly depend on the attitude of leading institutions and perpetrators of the tourism policy at local level, hence whether the efforts for promotion of tourism development will be only declarative or be really supported by concrete actions. Namely, the successful survival of the TICs, mainly depends on the way that tourism will develop under specific local environments in the future and the attitude on this topic by development stakeholders.<sup>7)</sup> In other words, the **TIC** should function as an **organizational unit within a legal entity with public mandate** (public enterprise, a foundation for tourism development, etc.), meaning its should act as a part of the local administration.

The main objective of TICs operation is to **improve the general conditions of tourists while staying at a certain destination, hereby designing and implementing specific tourist services and tourist promotions activities aimed at strengthening the image and performance of the municipality / region as an attractive tourist destination.**

For a successful realization of the basic objectives of the TICs, various activities should be performed. The main areas of TICs activities can be distinguished as following:

1. Marketing and promotion;
2. Informative and additional services;
3. Managing the tourism portal;

##### **Marketing and promotion:**

- Marketing and promotion of the municipality as an attractive destination;
- Development and production of different tourism promotional materials;
- Distribution of promotional material;

---

<sup>5)</sup> Strateshki planovi za lokalni ekonomski razvoj. USAID, LGRP, Skopje 2004, p. 23.

<sup>6)</sup> Hall, C. M. and Jenkins, J.: Tourism and Public Policy. Routledge, New York, 2004, p.68.

<sup>7)</sup> Guide for Local Authorities on Developing Sustainable Tourism, WTO, Madrid, 1998, p.150.

- Planning and implementing interviews for medias and advertising activities;
- Develop and implement campaigns to promote specific local tourist attractions and the municipality as an attractive tourist destination;
- Cooperation with travel agencies, catering facilities and other entities at the local tourist industry in joint promotional projects;
- Selling advertising space in promotional materials of TIC, and in the tourism portal;
- Coordination and organization of TICs participation at tourist fairs and similar events;
- Cooperation with national, regional and international associations in the area of joint promotional activities and support to individual promotional efforts.
- Promotional tool called “word of mouth“ through TIC’s network of tourist guides, which would promote tourist destinations in the best way, in front of tourists visiting that area;

**Informative and agency activities:**

- Management of tourist information, the system of reservations and booking;
- Creating and selling complex travel packages for individuals and groups of visitors;
- Collaboration with suppliers of complimentary tourism services (restaurants, private accommodation, travel agencies, cultural institutions, etc.) on their connectivity area, as well as in marketing of its individual services;
- Planning and organizing events supplementing the tourist offer of the municipality / region.
- Sales of tourist services and products that are not part of the promotional material, or are not part of free of charge distribution (souvenirs, tourist literature, CDs, maps, tickets, permits, etc.).
- Managing and organizing the services of tourist guides;
- Organizing or cooperation when developing specific (tailor made) services and products;
- Keeping statistics on the number of visitors to the TICs and users of its services;
- Organization of work of individual TICs offices;
- Collaboration and networking with other TICs of the region in creating and selling common tourist packages/product;
- Improving quality of tourist services and preparation of proposals for new tourism products and events, aimed at improving the overall tourism offer of the municipality;

### **Managing the tourism portal:**

- Administration of tourism portal;
- Conceptualizing and prepare the content of tourism portal;
- Update the content of the tourism portal;
- Administration of the information system of the TICs;
- Maintaining the links of TICs individual suppliers on a variety of tourist services (private accommodation, traditional cuisine and crafts) and providing support for on line booking or sale;

Each of the main areas of activity should be performed within individual sectors of the TICs, and in the organizational structure of the TIC should operate few offices / information points located in the most frequent and accessible locations.

The staff which will be engaged in TICs, should possess knowledge and skills required for successful performance of the activities as envisaged in their job description.

The number of employees should be aligned with the objectives and possibilities of the public company / municipality and the type and the scope of activities of the TIC. However, it is recommended a minimum number of employees to be engaged, at least one employee in each TIC's department and one in each extended office / information points. Hereby, it enables a smooth performance of TIC's activities.

The best is these employees are part of the municipal administration, and it is not wrong if parts of TIC's activities are covered by volunteers or other forms of outsourcing.

Cooperation with potential subcontractors should be based on a voluntary basis, but formalized through agreements that clearly define the benefits and obligations of contracting parties. In that context, the operation of tourist inspection/monitoring should be organizationally dislocated from TICs, in order to avoid the feeling of coercion and mistrust between the TICs and its associates, or partners.

The established cooperation between the tourist offices in national and regional level, contributes highly to sustainability of the TICs, as well as its networking and cooperation with other similar institutions in the country and abroad. Hereby, it would enable the promotion of common interests, joint market access and cooperation in creation and distribution of regional packages, to enable sharing of experiences and advices, and possibly direct assistance in the operation of TICs.

Recommended model for funding sources that will provide financial sustainability of the TICs, is the **self-financing**.

Given the socially-beneficial role of the TICs, in the touristic promotion of the municipality and the improvement of the general stay conditions of tourists, it is quite conceivable that the **dominant source of funding should be coming from the municipal revenues**. Namely, all municipalities in Macedonia gain incomes from

tourist taxes in a range of 80 %. Utilizing some of these funds would be substantial annual budget for operation of all bureaus, which covers a large part of its activities.

However, given the different level of tourism development in different municipalities and according to the realized number of tourist nights, the absolute amount of these revenues is different. While in areas with significant tourist visits, these figures represent significant amounts, in other less developed tourist communities, these incomes are insignificant and insufficient for establishing the financial budget of the TICs. In these cases, the hospitality fee is an insufficient source for filling the municipal budget and its spillover into the work program of the TIC. Certainly, in municipalities where tourism is determined as one of development priorities, the work of the TICs can be covered by particular programs for local development centers or through the work of separate foundations, offices, public companies, which are established and act for that purpose.

A second relatively reliable source of funding for the operation of the TIC's, are **own revenues**. In fact, majority of the TICs deal with agency services, gaining incomes based on realized sales of goods and services, provision of mediation, revenue based on advertising and the like. In order these revenues are set at a relatively sustainable level, it is required to be well defined the area of activities, then should be also organized a formal network with established providers of tourist services.

Additional sources of funding for financial support of specific activities and projects of the TIC, can be sponsorships, donations of funds from the participating projects, funds from state institutions and agencies.

Other models of TICs operation is the public-private partnership or the functioning of the TIC purely on commercial basis, which are recommended in exceptional cases.

**Public-private partnerships** are recommended only in cases where the financial conditions if the municipality does not allow for serious investment in supporting the tourism development of the municipality, and also recognizes the need for institutional support to promote tourism of the municipality and improvement of general conditions for tourist stay in the municipality. The advantage of this model consists in risk division, especially the financial and market one, which supports also the consolidation of facilities and personnel in achieving relatively speaking a common interest, i.e. expansion of tourism and improvement of the quality and heterogeneity of the overall tourist offer. However, in such conditions should be established a system for monitoring the performance, allowing equal representation and realization of a useful and commercial-justified services, respectively to avoid the danger of the TIC's activities to act as a private travel agency with financial and material assistance from the municipality.

The model for the commercial survival of the TIC, is a **model** that mainly operates on the principle of **self-financing** with some support from the municipality, which is the founder of the TIC. This TIC model is more acceptable in terms of

public-private partnership because there is no separation of powers and mixing of interests. The municipality being founder of the TIC has the position to insist in implementation of socio-beneficiary services. TIP is financed solely through sales of its commercial services and thus it doesn't burden the municipal budget. However, the sustainability of that TIC model depends on the sustainable level of tourist demand and it is applicable only for the municipalities which are recognized as tourist destinations.

### **Conclusion**

It should be emphasized that there is no a generally accepted universal model for the functioning of the TICs, because each of these offices operates under specific conditions and they perform different functions. However, the analysis of foreign and domestic experiences in TICs functioning, and the opinions and suggestions of individuals directly engaged in the operation of the TICs, enables us to identify key issues that represent an important base for the successful positioning of the TICs, and also makes easier the implementation of decisions regarding these issues, which should ensure the sustainability of such offices.

It should be noted that the functioning of the TICs is not an end target, but TICs should be an integral part of a complex organizational structure that underlies its action toward the overall management of tourism development by creating high quality and highly structured tourist offer, attractive to visitors and tourists, both to domestics and foreigners, but at the same time to assure a positive impact on quality of life of local people. In this context TICs functions within that organization as a marketing entity.

The Macedonian model of sustainable TIC should cover the following activities:

- Marketing and promotion;
- Informative and additional services;
- Managing the tourism portal.

Also, sustainable TIC maintenance, presumes engagement of skill staff, local and regional cooperation and networking and permanent inflow of financial sources. In this sense dominant source of funding should be coming from the municipal revenues.

### **Bibliography**

1. Ackovski N. i Ackovska, M.: Politika za razvoj na turizmot, Centar za naučno-istraživački radovi, FTU, Ohrid, 2005.
2. Ackovska, M.: Turizmot i ekonomski razvoj na Republika Makedonija, Ekonomski institut-Skopje, Skopje, 2009.
3. Costas, S.: Urban tourism and Urban Change: Cities in a Global Economy, Routledge, New York, 2010.
4. Hall, C. M. and Jenkins, J.: Tourism and Public Policy. Routledge, New York, 2004.
5. Yuan, Y. L., Fesenmaier, D.R.: The Role of Information Technology use in Visitors Bureaus. Butterworth-Heineman, Oxford, 2006.
6. UNWTO: Budgets of National Tourism Organisations 2008-2009, UNWTO, Madrid, 2010.
7. UNWTO: Policy and the practice of Global Tourism, UNWTO, Madrid, 2011
8. UNWTO: Guide for Local Authorities on Developing Sustainable Tourism, WTO, Madrid, 1998.
9. USAID: Strateshki planovi za lokalni ekonomski razvoj. LGRP, Skopje 2004.