MANAGEMENT IN TOURISM

Nikola Perovic

Milieukontakt Macedonia

April, 2013

З.Е. „Натура“-Струга
Ул.Караорман, бр.11, 6330 Струга
Тел/факс: ++389 46 781 043
e-mail: ue_natyra@yahoo.com

Funded by the European Union

This manual has been prepared by:

Milieukontakt Macedonia

www.mkm.mk



In the framework of the project:

“Strengthening Education and Training Capacity on Natural Resource Conservation in Ohrid – Prespa Basins”

Beneficiary: U.E."Natura"-Struga

Contract Number: 2012/288-302

Address: “Karaorman” no.11, 6330 Struga, R.Macedonia

April, 2013



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INTRODUCTION

Management has many definitions and aspects. But most important is to stress importance of managers in creation of organization, making plans and process of planning, together with its implementation and continuous control-monitoring. Management also means realization of work through other people, so managers are responsible for good delegation of work among its staff and evaluation of their success.

Management can be analyzed at micro and macro level, economically speaking. At micro level, or level of individual companies, it is important to have good managers in order to satisfy goals of effectiveness and efficiency. Effectiveness means that one is doing good things, and efficiency means that the process has been managed with the optimal recourses. Both those goals are mutually connected and only if companies are effective and efficient they will be profitable in long run.

At macro level, management can by analyzed at level of local, regional or national (federal) including NGO sectors, academics, scientists, and research organizations. It is important that one society understands that every process should reach abovementioned goals of effectiveness and efficiency. Therefore, we are very interested to understand management in every economic and noneconomic activity. Let's focus on management in tourism.



Management in Tourism, Macro and Micro Level

One of my first lessons from US hospitality and tourism companies is that good management is ROG. R stands for return, O means of, and G is the guest. So, **Return of Guests** is the best goal and the best result of good management in tourism. However, it is not only responsibility of managers in local tourism and hospitality companies; it is also the task of various organizations at macro levels.

Table 1: Tourism marketing management at micro and macro level

Level	**Theoretical aspects**	**Practical aspects**
Macro	Importance of explanation of functioning of integral marketing touristic system as economical output, and factor of economical and social environment	Construction of macro marketing model of general process of marketing in tourism which should lead to the best satisfaction of social interests
Micro	Micromarketing theory explains the method of management (how and why) of marketing processes at the level of touristic companies	Construction of micromarketing model using marketing knowledge in order to achieve better results of touristic companies

Adopted from 1. (Ognjen Bakic-Marketing in Tourism)



At macro level, or level of each local authority, region of federal (national) government, it is very important to look at tourism as integral process, which involves not only touristic organizations. Tourism can bring many benefits to whole society, but also the whole society should be involved in creation of positive environment as a factor of success of output in tourism. Therefore, creation of various models which better explains functioning of touristic process has been in focus at macro level. Management and marketing in tourism are two academic disciplines which help better understanding of tourism, but also help in better and more responsible ways of business behaviors, which should bring benefits to every aspect of tourist activities. Social interests mean that not only tourists, as a consumers, and touristic companies, as providers of services, should be satisfied. It is important that all stakeholders, meaning government, banks, NGOs, creditors, local authorities, academia, etc. find their interest in development of tourism. Only in that way, tourism will be primary goal of each country which has touristic potential, like all our countries in the region of South Eastern Europe have.

"How" and "why" are two questions behind methods of efficiency and effectiveness, which have been already explained. "How" stands for good practice in achieving the best with optimal resources, and "why" is question to be answered always to understand if one is on "good track", or in the industry where it has competitive advantage. If managers in touristic organizations know how to be effective and efficient, they will lead their organizations to profit, as the most important economical goal, and in the same time respect practice of corporate and social responsible behavior. The company in today's world should be partner of each stakeholder, but has to be managed good in order to create more than it spends. Otherwise, management is doing bad job, and should be replaced with the better.



Marketing of Tourism Destination

Marketing concept has been based on three basic elements:

- Consumer orientation
- Market driven organization, and
- Profit.

Consumers' needs are major reason why producers (suppliers) exist. Once they become familiar with consumers' desires and wants (by marketing research), organization should be created accordingly and in order to make profit for itself.

Marketing is the science of market understanding. We need to recognize needs and desires of consumers, successfully satisfy those and at the same time fulfill goal (profit) of our company (organization).

How to define touristic market? It is matrix of relations among demand (consumers, customers) and supply (touristic companies, service providers) which imply exchange goods and services according to monetary equivalents set up in prices, as one of four major elements of marketing mix (products, price, promotion, sale channels).

In order to better understand marketing, one should look at the development phases of touristic market from 1950, when tourism started to develop, till 2000. Back in 1950s, touristic market started to develop as so called mass market, without any mean of differentiation (specific product) or segmentation (specific consumers 'types). At the end of 1960s and during 1970s only two basic segments at touristic market aroused: older and younger consumers, but during 1980s managers in tourism understood that development



needs multilevel segmentation (richer older consumers, other types of segments). From 1990s concept of niche marketing arrived and product customization (creation of specific touristic product for the customer). These processes of better understanding of consumers' needs and habits have been continued in 2000s. Special Marketing Information Systems (MIS) have been created, such as data bases of consumers per postal code, etc.

Touristic demand (consumers) according to the theory of marketing in tourism (1) is determinated by economical, socio-psychological and environmental factors.

Economical factors of touristic demand contain the following:

- Disposable income
- Per capita income
- Personal consumption
- Living costs
- Transport costs
- Costs of touristic services
- Foreign exchange rate
- Promotion costs
- Physical distance (from destination)

Socio-psychological factors that determine touristic demand includes:

- Demographic factors
- Motivation
- Travel preferences



- Image
- Awareness regarding different travel options
- Attitude towards the destination
- Free time
- Paid travels
- Previous experience
- Health
- Cultural preferences

Environmental factors of the touristic market are defined among the following:

- Availability of touristic supply
- Economic growth and stability
- Political and social environment
- Recession
- Technology development
- Reachability
- Infrastructure development
- Epidemic
- Wars, terrorism
- Social and cultural attractiveness
- Special factors (Olympic games, large events)
- Barriers and restrictions

The most specific characteristic of touristic demand is its elasticity, which can be analyzed from economical and noneconomic factors. Economical elasticity measures changes in touristic demand when consumer income has been changed,



or other economic factors, such as promotion, foreign exchange rate, etc. Elasticity from noneconomic factors is sensitivity of changes in touristic demand when other factors, like crises, political issues, or terrorism, occur.

Also, very specific for touristic demand is the fact that this demand, which is different compared to demand for any other product, unlikely reaches saturation, or full satisfaction, since one can always visit new destination, use different experience or transport mean.

Having in mind current global crisis, we are very interested to predict touristic demand during these times. During recession touristic demand is even more elastic, but also it has certain effect of delay. So, especially tourists with lower and middle income (like the most consumers from our region) can even increase level of touristic demand during recession, or decrease it when economy has been recovering.

If we understand that consumers are different and have different needs for touristic products, we should know that touristic demand is therefore heterogenic and very mobile. Since the touristic demand is heterogeneous due to different consumer needs, the possibilities of creation different touristic products are also various. Therefore, we have need to define consumer segments which are homogeneous inside and create product which is efficient and capable to satisfy their needs. Touristic demand is constantly moving, or it is very mobile. It is supply driven, since sufficient time is needed to create adequate touristic destination, but, due to modern transportation modes, the demand can easily be moved to another supply provider (touristic destination).

The process of touristic consumption and production are overlapping, so there is no way to make stock. Also, touristic demand has high time concentration, and in the case of our region, the period of consumption (and production) has been usually realized during June-September.



After defining all important aspects of touristic demand, it is critical to mention **new trends at touristic market**:

- Segment of 60+ population will be even more important for all suppliers and “snow white years” will ask for new products and suptile guest treatment in every aspect
- Nautical tourism has created special need for new products, special marinas and cooperation of tourism with other industries (trade, telecommunication, agriculture) which can create special products for “nautical” consumers
- Health tourism will be more important, having in mind that world population has generally becoming older, and has more health consciences
- Demand for “green destination” with protected areas is becoming very popular for tourists with environmental concern
- Different modes of using accommodation will be more implemented, such as “time sharing” concept where one pays only for time used instead of owning an accommodation for the whole year. So called self-catering and special food patterns (slow food, fast food, etc) will influence creation of different touristic products.
- Incentive travels, which are created to motivate clients and employees, will be more important in the future.
- Business tourism as special form of touristic consumption will be more important, especially in destination where cultural specifics demand for business/pleasure “mixture”
- Demand for weekend fun will create new touristic products, such as thematic parks with mix of shopping, recreation, fitness, health tourism. Countries with many expatriates, like our region, will face demand for such thematic parks.



Social Marketing Concept in Tourism

In XXI century we are all concerned about sustainable development. The only way to achieve sustainable development in tourism is to respect interests of macro and micro levels and to motivate all to mutually look at tourism as integral activity, where almost every organization, regardless if it is governmental or nongovernmental, can mutually work to create better output of the touristic destination.

Table 2: Delegation of responsibilities in sustainable development

Level/Organization	**Responsibility**
Local community/Region	Defining philosophy of tourism, determination of social, psychological, cultural and other parameters (possibilities)
Managing organizations at local communities	Coordination and implementation of sustainable level at specific level. Definition of necessary hierarchy and monitoring
Specific touristic companies and other players	Co-financing budget of sustainable development. Participation in planning and implementation of sustainable development
Local community	Enhancing and patronage in implementation of sustainable development
Visitors-tourists	Self-education in values specific for local community and respect for its concept of sustainable development



Adopted from 1. (Ognjen Bakic-Marketing in Tourism)

Therefore, it is necessary that coordination of sustainable development at local community or regional level contains the following:

1. Specification of primary goals.
2. Achieving consensus among key decision makers at the community/regional level
3. Identification specific actions (activity plan)
4. Determination of factors of evaluation
5. Data gathering
6. Evaluation

In order to have coordination according to the above, practice has developed few mechanism of enhancing sustainable development, such as: limitation of number of visitors in protected areas; system of so called Caring Capacity, which means precise degree of possible and desired construction in tourist destination; creation of taxes for sustainable development, and other means of legal infrastructure, that improves desired growth of tourist output according to concept of sustainable development, which every destination should design, having respect to the specific environment (political, economical, social, technological, ecological and legal).



Management of Marketing Mix

Marketing mix consists of four major elements: product, price, promotion, and place (channels of sales). Besides those four elements (4 Ps), in marketing theory we can find 6 Ps (added people and packaging), or 8 Ps (added planning and partnership), 9 Ps (added placement), but in essence all those added elements can be founded in extended formulation of basic four elements. For example, packaging is part of product portfolio, placement is part of promotion at point of sales, and partnership is very much connected with channels of sales (and supply of chain management in general). Therefore, we shall be focused on brief explanation of four elements of marketing mix or "famous" 4 Ps (product, price, promotion and place).

Product in Tourism

It is important to stress that marketing theory confirms that services are also products, since they are created in order to fulfill the needs and wants of consumers (tourists). In tourism we are concerned about so called "total product"or integral product, which means that all services and products which are used for satisfaction of tourists are products, as a part of touristic marketing offer. All products which are being consumed during visit of tourists, regardless if they are made in other industry (agriculture, trade, etc) are to be connected to main service that tourism creates for its guests.

Since touristic product is a set of different services and items consumed according to specific needs of each visitor, it can be concluded that touristic product has not been standardized. We can disaggregate one touristic product to specific need for accommodation, mean of transport, food, fun, cultural awareness, etc. Therefore, each touristic organization at micro level needs to



create products which concerns physical characteristics (room design, restaurant size and type, etc.), but also all other nonphysical needs of visitors, such as image, staff attitude, and all other services important to the guests. Therefore, we can look a touristic product from two basic angles:

- Touristic organization's
- Visitor's aspect.

Touristic organization in process of creation touristic product has to think about:

- Psychical elements
- Operational style
- Other services

Psychical elements include location, number of rooms, size and type of rooms, furniture, parking, restaurant size and type, bars. Operational style is connected to image of hotel (organization), brand, price, style in services, fitness facilities, number of staff, colors of uniforms, comfort. Other services which are part of "extended" touristic products are devoted to service quality, reservation system, organization of tours, price transparence, VIP treatment, airport transfer, etc.

On the other hand, visitors (tourists, guests) are concerned with perception of quality, or their own vision of touristic products. As we already explained, touristic products are not standardized and every visitor could have different perception of one touristic product. In the focus of the guest we can find their need for satisfaction of their wants. To understand this basic element, we have to disaggregate the visitor's need for appropriate location, price, size and type of room, food, bars, expected level of services, fitness possibilities, and brand. If we



are looking even closer, we will understand that visitors are also looking for "extended elements" such as recreational possibilities, children activities, price differentiation, discounts, quality, sport, image, extra services for VIP, etc.

Therefore, touristic organization has to understand different guest's preferences in order to create suitable products (touristic "packages"):

- Basic package (modern room, parking, simple breakfast)
- Richer package (extra services, such as pool, parking security, etc.)
- Business package (different product for the guest company)
- Holiday package (plenty of recreation)
- Half-day package
- Wholesale package (for other intermediary in touristic industry).

Integrated touristic product (total product) consists of:

- Attractions at a touristic destination, which include all natural and historical aspects of one destination (area, region)
- Accessibility of a destination, measured by economic distance between emission (origin country of guests) and receptive country (destination)
- Facilities at a destination, meaning accommodation, food, recreation, etc.

Therefore, all three aspects are being concerned in process of creation of total touristic product at certain destination.

As in every economic activity, managers in tourism should be actively involved in process of product modernization, which could be achieved through:



- Extra staff training
- Customer motivation
- Adding extra services
- Flexible price policy
- Customer data base
- Direct communication with customers.

Price in Tourism

Price is the only financial term in marketing mix. Policy of prices is set in order to fulfill two following goals:

- General company goals (profit, return, growth, risk minimization, liquidity)
- Marketing goals (market share, prestige, leadership, competition, demand).

Measurement of these goals can be maintained by good market information regarding competitors and their prices, perception of prices among customers, data on price elasticity, revenues and costs.

There are several approaches for price formulation. The most basic is method costs +, which is based on data of production costs with addition of desired margin. This method is very passive, since it underestimates power of market demand. Other method is competitive adjustment of prices and is typical for so called market followers, but if a company wants to become a leader it is essential to understand customer value (price that is willing to be paid by customers) and to go backwards by reduction of all costs in order to create a product. Nevertheless, the bottom price is defined by costs, and top price has been limited by disposable income of consumers.



Prices can be differentiated (different prices) according to the following:

- Time (seasonal pricing, time of arrival or departure)
- Quantity (services for groups or individuals, customer segments)
- Geographic factor (different region pricings)
- Channel of sales type (different prices for indirect and direct sales)
- Terms of payment (discounts)
- Market (foreign vs. national)
- Quality of facilities (different prices according to the quality).

Promotion in tourism

Promotion or communication is a mix of activities which have common goal to create awareness regarding touristic product and consequently demand for such product (and/or destination).

General goals of communication mix are:

- Image building
- Informational support
- Assistance to all members of channels of sales (travel organizations).

Promotional or communication mix is set of few elements:

- Advertisement (Media Relations)
- Public Relations (PR)
- Sales promotion (Activities on point of sales)
- Personal Selling
- Publicity



- Merchandising
- Sponsorship
- Direct Marketing

Advertisement concerns paid promotion activities at media (printed, TV, radio, outdoor, internet) by usage of different printed materials, CDs, DVDs, movies, etc. while publicity also concerns relations with media, but without direct payments for advertisement. Usually, these two media relations are connected, and in many cases media offers “free”publicity, if linked with paid ads. PR is a structured way of communication not only with media, but also with all stakeholders (society, creditors, NGO, banks, employees, government, etc.) in order to create better image of product (and destination) by distribution of all positive information. Sales promotion is set of activities designed to create customer stimulation, which creates their positive response (special events, presentations, festivals, etc.), while merchandising concerns point of sales, but it has been guided behavior of specially trained staff that takes care of good positioning of products. Sponsorships, although are not always directly connected to sales, should always have idea behind to promote the sponsor in order to get better positions of its products in minds of customers. Direct marketing, as a direct connection between supplier and guest (customer), has been one of the latest trends in customer behavior, specially influenced by internet and social networking. It is important to understand that good promotion should have ILUBA logic:

You have to be INTERESTING, in order to be LISTENNED by customers, who need to UNDERSTAND you, and only than they will BELIEVE, and be ready to ACT.

Channels of sales



Distribution or channel of sales is a system of transfering the goods and services from producer to customer at the right place at the right time. Practice knows indirect and direct channels. Indirect means that certain number of intermediary (travel organizers) have to be present between supplier and customer, while direct channel becomes possible when supplier directly sells services to customers, without need for travel organizers. It is the fact that, having in mind large physical distance between suppliers and customers, most of touristic activities are organized through indirect channels of sales, but at the same time, it has been known that modern technological environment, such as internet, brings more options for direct channels.

The advantages that travel organizers bring (and selling agencies) from supplier's point of view are:

- No need for direct presence at every local spot
- Broad market coverage
- Agents are very skilled and qualified for both, emission and receptive market
- Agents makes more customized products
- An agent saves time and resources.

Modern data bases, such as ACORN (A Classification of Residential Neighborhoods), which is a system for households segmentation in 38 groups with detailed lists of characteristic of each segment (age, family type, income, travel attitude), helps suppliers (touristic organization) to create direct response marketing. That is a way of direct channel of sales where two-way communication with customers bring completely new added value for both, customers and suppliers. Direct response marketing shall create all other meaning to price policy, promotion tools and product customization.

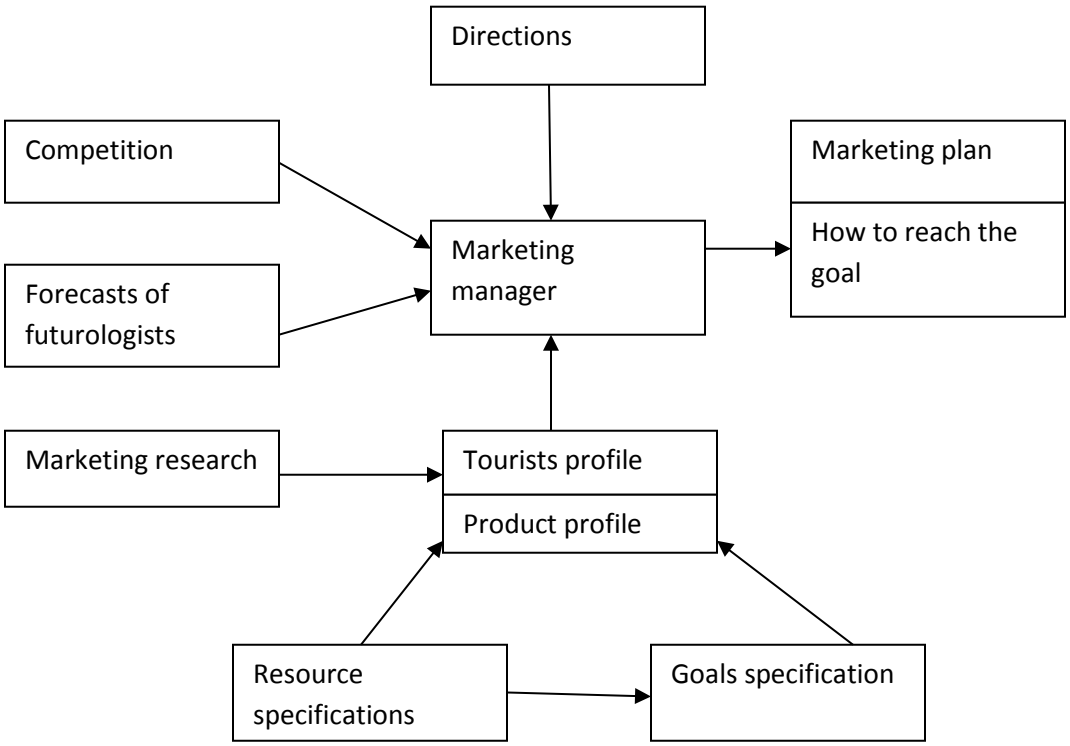


Plan and Strategy in Tourism

At macro level there are three possible levels for planning: local, regional and national. Touristic organizations at national level need to have as their main task improvement of image towards touristic destination. But, it is not only national level concern. At regional and local levels, all creators of touristic policies need to enhance country image and area image, and create brand of the touristic destinations. For example, regions in EU like Cote d'Azur in France, or Costa del Sol in Spain, and Spreewald in Germany, show that brand of touristic destination can be created at different levels of country organization, not only at national.

Therefore, at both macro and micro levels there are various information from touristic market that marketing supplies:

Picture 1: Set of marketing information at macro and micro level



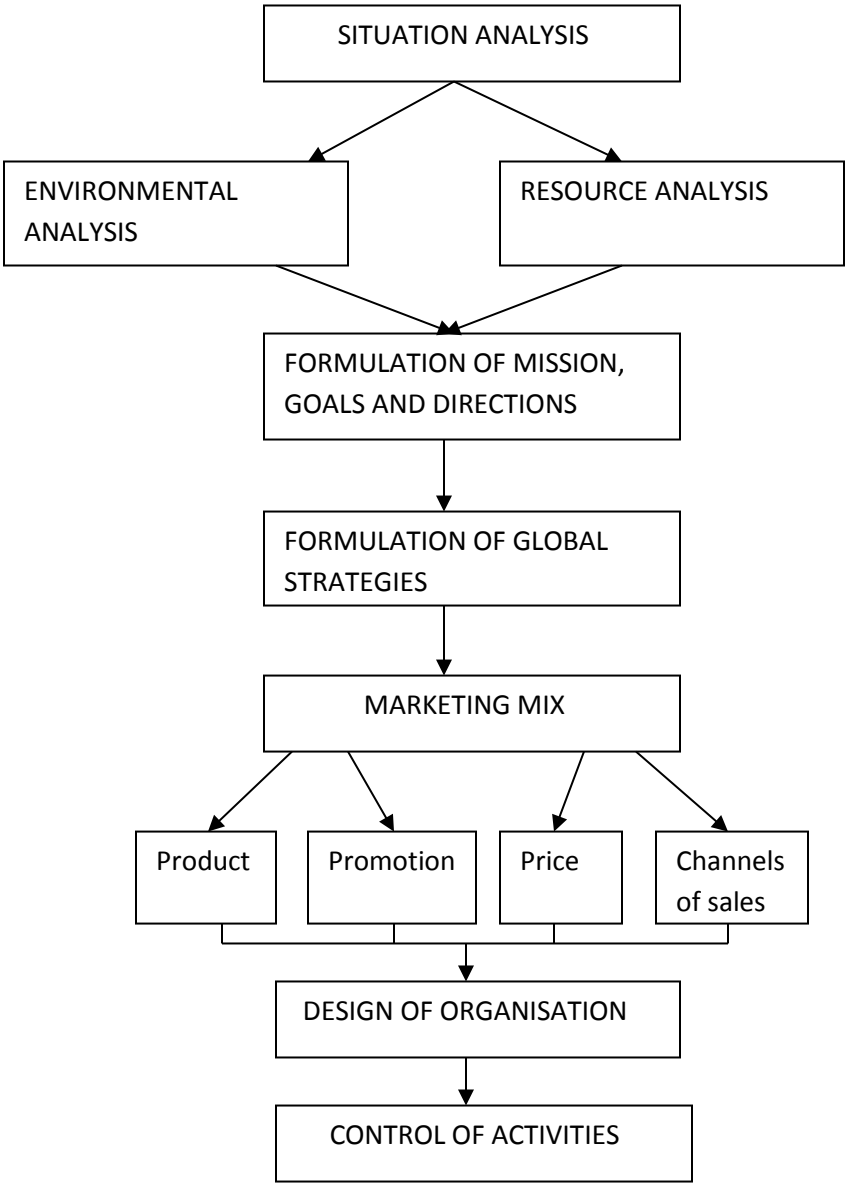


Therefore, at every level in touristic market it is critical to be supplied with all above mentioned information from the market, which helps them in better understanding of touristic demand, and consequently better design of touristic products. Also, when we mention products in tourism, it is important to understand that so called “total product” includes interconnection of all industries in one touristic destination (agriculture, construction, trade, etc.) in order to totally satisfy consumer (guest).

Touristic destination is more or less rounded geographical area (country, region, sub region). It should have attractive elements, regardless if these are cultural, natural, social, and it has to have appropriate modes of accommodation, recreation and transportation. The full conceptual marketing management of touristic destination needs to be consisted of the following elements:

1. Situation analysis
2. Formulation of mission, goals and directives
3. Formulation of global strategies
4. Definition of strategic and tactical decisions of marketing mix instruments
5. Design of organization
6. Control of activities.

Picture 2: Elements of marketing management of tourist destination





All the above elements are integral part of marketing management. At a very beginning, every marketing plan should include situation analysis, which consists of environmental analysis (shortly PESTEL) and analysis of resources (or SWOT). PESTEL means that we are interested to describe environment, and understand political, economical environment (market, competition, economic stability, etc.), social, technological, ecological and legal environment. SWOT analysis show internal strengths and weaknesses (of organization at micro or macro level), and external opportunities and treats.

Mission is a way to expose our effectiveness (doing right things) by setting goals and directions. Vision helps us to realize our desired position in the future (usually 5-10 yrs).

There are many strategies which help to define efficient ways of getting our organization to desired position, but three are the most important: strategy of undifferentiated marketing (mass market), strategy of differentiated marketing (definition of segment and market targets) and strategy of concentrated marketing (focus, niche marketing). It has been explained earlier that today's world asks for definition of market driven approaches by creation of market segments and differentiated products.

Marketing mix can include many elements, but four are most important: product, promotion, price and channels of sales. Organization can be correctly created only after all the above elements of marketing plan are analyzed, since organization should be adopted to market needs.

Without control of marketing activities in every phase, marketing plan cannot be adequately monitored and evaluated.

Marketing managers both at micro level of macro level (LTO-local tourist organization, RTO-regional tourist organization, NTO-national tourist organization) cannot make efficient decisions without support of marketing information system.



Having in mind that adequate information system depends on market conditions at every tourist destination, and without any desire to suggest adequate information system which can fit all situations, we can conclude that every good system should include four subsystems:

- Subsystem of internal reports
- Subsystem of marketing investigation
- Subsystem of marketing research
- Analytical marketing subsystem.

Organization of Marketing Activities in Tourism

Marketing organization should be market or demand driven. That means that creation of organization occurs after touristic company become familiar with needs, wants and preferences of tourists (customers).

Good marketing organization in tourism needs to respect the following:

- Focus on customer values
- Focus on direct contact with customers (direct marketing response)
- Support activities
- Minimization of customer dissatisfaction.

In order to fulfill the above requests, marketing has created CRM or Customer Relationship Management, organization of activities with focus on relations with customers. The whole system in touristic companies needs to follow CRM in order to better create touristic product according to information received from development of preferable relations with customers. Good CRM should increase



the value both to tourists and suppliers of services and should increase the level of loyalty. Loyalty is a customer satisfaction which creates increase of purchasing, or increased number of visits to designated touristic destination. We should never forget that keeping "happy" old customer is much less expensive than continuous effort to acquire new customers.

In organization of marketing activities very important place belongs to brand building. Brand is a promise of delivery of expected value for customers. When brand is strong, we have loyal customers.

Hotel industry knows the importance of keeping strong brand image in order to keep the customers. Important is that hotel brand has been created to adopt touristic products to expected or perceived quality. Therefore, there are many examples, as shown in the following table, of different brands created for different customer segments.

Table 2: Hotel brands

Cendant Corp.	Bass Hotels&Resorts	Marriott International	Choice Hotels International	Starwood Hotels& Resorts Worldwide	Hilton
Days Inn Howard Johnson Knights Inn Ramada Super 8 Travelodge Villager Lodge Wingate	Crowne Plaza Hotels&Resorts Holiday Inn Holiday Inn Express Holiday Inn Family Suites Resorts Holiday Inn Garden Court Holiday Inn Select Holiday Inn SunSpree Resorts Inter-Continental Hotels and	Courtyard by Marriott ExecuStay by Marriott Fairfield Inn by Marriott Marriott Conference Centres Marriott Executive Apartments Marriott Hotels, Resorts, and Suites Marriott Vacation	Clarion Comfort Econo Lodge MainStay Suites Quality Rodeway Sleep	Four Points Luxury Collection St.Regis Sharaton W Westin	Conrad International Double Tree Hotels, Suites, Resorts, and Clubs Ebassy Suites Hampton Inns&Suites Homewood Suites

	Resorts Staybridge Suites by Holiday Inn	Club International New World Ramada International Renaissance Hotels and Resorts Residence Inn by Marriott Ritz-Carlton SpringHill Suites TownePlace Suites			

Education in Management and Marketing in Tourism

The fact is that tourist development in many countries has been growing more rapidly than educational patterns. Therefore, both formal and informal education are important in order to gain necessary management competences which will support development of touristic destinations. Those competences include:

- Competence for solving problems of guests/tourists with high level of sensitivity and devotion
- Competence in communication both orally and in written form
- Competence to achieve positive working environment among employees
- Competence to achieve professionalism in every situation
- Competence to achieve positive consumer attitude and positive relations with them
- Competence to lead employees to act in operational success.

It is important to try to solve every problem and need of quests, which can be solved in touristic destination according to its plan of (sustainable) development.



But, even more important is that all quests are carefully listened, because we want ROG-return of guests, which we have mentioned earlier, as the most important goal of management.

Managers in tourism, as service industry, have to know how to communicate at very sensitive level. There is no way to adopt CRM-customer relationship management- without sensitive communication skills adapted to specific needs of tourists. It is important that communication skills include knowledge of basic specifics of culture of foreign guests, so it is necessary for tourism managers to be well prepared for all types of culture from emission countries (countries of origin of quests).

If you want to have “happy” quests/consumers, you need to have “happy” employees. So, manager has to be competent to create working environment which will have positive energy which should lead to more successful operations and relations with quests.

Managers have to enhance and respect professionalism all the time and in every aspect. That means sensitive separation of any emotions which can negatively influence positive relations with quests.

There are managers at various levels of organization hierarchy: operational managers, managers at middle levels, managers at strategic levels, chief executive officer-CEO. Optimal education for those managers’ levels can be defined in the following table.



Table 3: Optimal education per management level

Management level	**Optimal educational degree**
Operational level	College
Middle level	University degree
Strategic level	University level and master degree/MBA
Leader/CEO	MBA, Ph.D.

Why do we believe that improvement of management skills through continuous education is necessary? Because there are various tasks and complex functions that successful managers have to finalize. Those functions are:

- Planning
- Organization
- Decision making
- Communication
- Motivation of employees
- Control.

Function of planning means that manager defines goals and set up plans for achievement of these goals. On the other hand, function of organization means definition of all activities, delegation of responsibilities, task management, delegation of supervisors and decision makers.

Decision making is the key function of managers and it includes definition of the vision, mission, goals and directives (policy) of the company.

Communication and motivation of employees has been more and more important in order to lead all members of company to achievement of company



goals. That is the reason behind corporate culture, and many companies define special guidelines for better adoption of corporate cultural values.

Control (monitoring) is the function of continuous evaluation in an organization (company, NGO, local authority) in order to assure that it has been effective and efficient all the way. Managers are those who need to evaluate both results of the organization and employees in order to measure targeted growth of touristic output.

In practice of education in tourism, there are two models:

- Formal model
- Dual model.

Formal model implies that managers receive the most educational skills from the formal education in college/university, and that trainings in the working environment are minimal. This model has been mainly adopted in Eastern Europe, and our region had been using it in the past. Knowing that Eastern Europe (Poland, Check, Slovakia, Romania, Bulgaria) became part of European Union, the need to adopt standards in education that are implied with EU has been created changes of this model to Dual model. Dual model implies necessity of both formal and informal education within working environment. Very good example comes from Germany where young people (after age of 16) continue with their education at local college (Berefsshule), but at the same time in combination with work. All these educational activities are maintained by mutual interest and consensus among private and state owned educational organizations, employers and workers' unions.



All the competences that we have spoken about are to be adopted over professional life of managers. It is important that formal education can boost competence in more structured way, but informal education in working environment is also very important, specially knowing that demand of consumers in tourism are rapidly changing, so the need of gaining new skills are constantly arising. It is important that education system should be designed for creation of integral tourism and should look at tourism as the system, and at the same time, all management levels (operational, middle, strategic, CEO) needs constants improvement of competence.



SPECIAL FIELD: WINE TOURISM

The special form of tourism, and at the same time direct marketing approach, has been wine tourism. This field has been occupied with an issue of transformation of people to visitors, who helps in better sales of wines, and at the same time, better image of wine company and wine region (touristic destination). Direct sales to visitors at US wineries has been growing and in many cases total revenues of wine tourism make around 20% of the total revenue of wine companies. It is important that besides promoting their company's touristic potentials, every winery should work together to mutually enhance brand image of touristic destination they belong. So, all previously mentioned advices regarding plans, strategies, organization, etc. works also for wine tourism organizations.

First step in better understanding the wine tourism is to better understand potential visitor-tourists. You need to know her/his needs and wants, preferences for fun, wine style, etc. Majority of wine tourists are not interested for heavy presentation of the wine company, they are more willing to spend their time on relaxing, but amusing wine degustation with hands-on wine experience and "light" wine story. They want to feel "wine adventure", since there are many emotions involved in all story about wines, lost of history and positive energy. So, it is important to know that wine tourists, like all other tourists, firstly ask for comfort and recreation, and secondly for wine consumption. Many wine companies tend to forget this fact, so they should not treat wine tourists as any other business visitor, who comes strictly for wine degustation and production site inspection.

It is also very important to link wine tourism with general touristic policy, since guests who come to wine companies are also potential target for all other touristic products. Therefore, wine tourists are usually people who prefer active



holidays, so they are very good target for all other recreational packages at touristic destinations.

Trips to wine companies are usually on half-day or daily basis. Therefore, it is good that wine cellars are within 1 hour drive from a city where guests' hotels are located. It is custom in this type of tourism that guests usually spend no more than a day in visit to wine companies-cellars. In situations when wine cellars are too far away from cities, good idea might be do establish wine tastings rooms closer to cities, since wine tourists usually like to have wine experience very soon after they leave hotel (accommodation).

Let's focus on few aspects of wine tourism:

- Promotional tool
- Profit Center
- Wine experience
- Link with local food
- Direct sales of wine
- Special gifts

It is important to know that wine tourism is a way of enhancing brand image of wine company and of the whole wine region. Visit to wine cellars and vineyards brings direct communication with a producer, and that is essential in the world of direct marketing. As being promotional tool, it is important to keep a track of all visitors, and especially those famous can help in PR campaigns. This element is important, but not sufficient. Wine tourism function has to be profitable and to create sufficient sales in order to cover costs of degustation premises, specially trained staff and wine samples, and at the same time to create profit for wine company and boosts its sales.

Time spent at wine cellar has to be great experience according to quality perception of visitors. Great atmosphere will be even more pleasant if it is linked



with local food specialties. The region of Balkans has much to offer in this field. Degustation premises need to have good space for sales of wines, and nice shelves which creates perfect visual identity of company's brands. It should also be the space for promotion of all new wines from each vintages. Besides regular products, wine tourists like special gift packages which will remind them on nice wine experience and which will create a chance that also their friends, after receiving wine gifts, visit the wine cellar in the future.

Wine tourism should have to be linked to all other, especially upscale touristic activities. Wine visitors like to spend time at fine restaurants, to enjoy spa, biking, and golf. Wine tourists are most likely population with higher income, so it is not only useful for wine cellers, but for the whole touristic destination, to make the most benefits from their visits. Examples of Rioja, Napa Valley, Bordeaux, Cape Town, show how wine tourism can boost all other sectors of tourism and hospitality. These wine regions helped the increase of number of tourists to those destinations, which created revenue growth for all players in tourism, not only wine companies.

Therefore, it is important that touristic organizations on local, regional and national level recognizes potentials of wine tourism development, help in their establishment and to promote wine tourism as a new, but important aspect of integral touristic product.



Literature

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