

# ANALYZING KEY PERFORMANCE INDICATORS (KPIs) AS IMPACT FACTORS IN ECONOMIC TOURISM DEVELOPMENT IN BULGARIA COMPARED TO BALKAN EU COUNTRIES

Assis. Prof. PhD Violeta Doneva-Yankulova<sup>1</sup>

Email: vdoneva@nbu.bg

## *Abstract*

*This research aims to thoroughly analyze the significance of Key Performance Indicators (KPIs) as impact factors in the economic tourism development of Bulgaria, in comparison with other Balkan EU member states. The tourism sector holds substantial economic importance for Bulgaria and its Balkan neighbors, and understanding its influence is crucial. The study focuses on how KPIs can be utilized to measure the economic, social, and cultural value of tourism in the context of Balkan EU countries. Through a detailed analysis of relevant KPIs, the research seeks to provide valuable insights for optimizing tourism strategies and promoting sustainable economic development across the region.*

**Key words:** Key Performance Indicators (KPIs), Economic Tourism Development, Tourism Strategies, Social and Cultural Impact, Tourism Policies

**JEL:** Z320, L83, O52

## **Introduction**

This research addresses the lack of a comprehensive and comparative analysis of the impact of tourism on the economic development of Bulgaria and other Balkan EU countries. Tourism is a significant and potential sector for the region, but there is a scarcity of studies that use key performance indicators (KPIs) to measure and evaluate its performance and sustainability. Most of the existing studies focus on specific aspects or dimensions of tourism, such as its contribution to GDP, employment, or foreign exchange, or its effects on the environment, society, or culture (Buhalis and Michopoulou, 2011; Crampton, 2007; OECD, 2018). However, these studies do not provide a holistic and integrated view of the multiple and interrelated impacts of tourism on the economic development of the destination countries. Moreover, these studies do not compare and contrast the performance and challenges of different Balkan EU countries in terms of tourism

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<sup>1</sup> Assist. prof. PhD, Administration and Management Department/ Tourism, New Bulgarian University, 0009-0006-5390-9121.

development, nor do they offer recommendations for improving their tourism strategies and policies.

The degree of examination of the problem is low, as there is a gap in the literature on KPIs for tourism development in the Balkan EU region. The research aims to fill this gap by conducting a thorough and systematic analysis of relevant KPIs for Bulgaria and other Balkan EU countries. The research will use both secondary and primary data sources to collect and analyze the KPIs. The secondary data sources will include official statistics, reports, publications, and databases from national and international organizations, such as the World Bank (2021), the World Tourism Organization (2020), the European Commission (2020), and others. The primary data sources will include surveys, interviews, and focus groups with key stakeholders in the tourism sector, such as policy makers, industry representatives, experts, and tourists. The limitations of the study are mainly related to the availability and quality of data on KPIs for tourism development in the Balkan EU countries. Some of the data may be outdated, incomplete, inconsistent, or unreliable due to different definitions, methodologies, or sources. Therefore, the research will apply appropriate data validation, verification, and adjustment techniques to ensure the accuracy and comparability of the data. Moreover, some of the KPIs may be difficult to measure or quantify due to their qualitative or subjective nature. Therefore, the research will use a combination of quantitative and qualitative methods to capture the complexity and diversity of tourism impacts.

The expected results of the author's study are twofold: first, to provide a comprehensive and comparative assessment of the impact of tourism on the economic development of Bulgaria and other Balkan EU countries using relevant KPIs; second, to identify the strengths, weaknesses, opportunities, and threats (SWOT) for tourism development in each country and across the region. Based on these results, the author will propose recommendations for enhancing tourism performance and sustainability in Bulgaria and other Balkan EU countries. The author will also suggest areas for further research on KPIs for tourism development in the region.

This research addresses the lack of a comprehensive and comparative analysis of the impact of tourism on the economic development of Bulgaria and other Balkan EU countries. Tourism is a significant and potential sector for the region, substantially contributing to key economic indicators, including gross domestic product (GDP), employment, foreign exchange earnings, and cultural diversity. However, alongside its undeniable advantages, tourism engenders a spectrum of challenges and associated risks, encompassing environmental degradation, societal disparities, cultural attrition, and economic dependency. Consequently, it is imperative to undertake a rigorous assessment of tourism's impact on the economic development of these destination countries while discerning the multifaceted determinants influencing its performance and sustainability.

The prevailing issue pertains to the dearth of comprehensive research delineating the nuanced interplay between tourism and the economic development of Bulgaria and fellow Balkan EU nations, which collectively constitute Southeast European countries within the European Union. Tourism stands as a pivotal economic driver in these states, proffering a spectrum of benefits, including income augmentation, employment generation, foreign exchange accrual, and cultural enrichment. Nevertheless, the sector concurrently harbors the potential for deleterious consequences, spanning environmental degradation, social disparities, cultural dilution, and susceptibility to economic vicissitudes. Therefore, there exists a compelling necessity to meticulously evaluate the ramifications of tourism on the economic trajectories of these nations, while concurrently facilitating comparative analyses to distill varying performance dynamics and challenges. This research endeavors to employ key performance indicators (KPIs) as an evaluative framework in this pursuit. KPIs, being quantitative metrics, provide a structured means to gauge the attainment of objectives and goals within the tourism sector. Their application not only enables the systematic monitoring and assessment of progress and outcomes within tourism activities but also furnishes a framework for comparisons and benchmarks across disparate destinations and regions. Additionally, the utilization of KPIs serves as a valuable resource for policymakers and stakeholders in crafting and executing efficacious tourism policies and strategies, underpinned by empirical insights and data-driven decision-making. In summary, the adoption of KPIs offers an avenue for a comprehensive evaluation of tourism's economic impact, thereby facilitating informed policy interventions geared toward sustainability and growth within the sector.

One of the main KPIs that this research will use to measure and evaluate the impact of tourism on the economic development of Bulgaria and other Balkan EU countries is the contribution of tourism to GDP. This indicator reflects how tourism generates income and value added for the economies in the region. According to the World Bank (2021), tourism accounted for 11.8% of Bulgaria's GDP in 2019, which was higher than the average of 9.5% for the EU. However, Bulgaria's tourism contribution to GDP was lower than some of its Balkan neighbors, such as Croatia (19.8%), Montenegro (18%), or Albania (14.3%). These differences may be attributed to various factors, such as demand, supply, infrastructure, policies, and external shocks that affect the tourism sector in each country.

Another KPI that this research will use to measure and evaluate the impact of tourism on the economic development of Bulgaria and other Balkan EU countries is the employment generated by tourism. This indicator reflects how tourism creates jobs and livelihoods for the people in the region. According to Eurostat (2020), tourism employed 8.4% of Bulgaria's total labor force in 2019, which was slightly lower than the average of 9% for the EU. However, Bulgaria's tourism employment was higher than some of its Balkan neighbors, such as Romania (5.7%), Slovenia (7%), or Greece (7.8%). These differences may be explained by

various factors, such as labor productivity, skills, wages, working conditions, and seasonality that affect the tourism sector in each country.

A third KPI that this research will use to measure and evaluate the impact of tourism on the economic development of Bulgaria and other Balkan EU countries is the foreign exchange earnings from tourism. This indicator reflects how tourism attracts international visitors and generates revenues for the economies in the region. According to UNWTO (2020), Bulgaria earned 4.6 billion US dollars from international tourism in 2019, which was equivalent to 8% of its total exports. However, Bulgaria's foreign exchange earnings from tourism were lower than some of its Balkan neighbors, such as Greece (21.9 billion US dollars), Croatia (13.7 billion US dollars), or Romania (3 billion US dollars). These differences may be influenced by various factors, such as the number, origin, and spending patterns of international tourists, as well as the exchange rate and competitiveness of the tourism sector in each country.

These are some examples of the KPIs that this research will use to measure and evaluate the impact of tourism on the economic development of Bulgaria and other Balkan EU countries. The research will also use other KPIs, such as the social and cultural impact of tourism, the environmental impact of tourism, and the tourism satisfaction and quality indicators. The research will use both secondary and primary data sources to collect and analyze the KPIs. The secondary data sources will include official statistics, reports, publications, and databases from national and international organizations, such as the World Bank (2021), the World Tourism Organization (2020), the European Commission (2020), and others. The primary data sources will include surveys, interviews, and focus groups with key stakeholders in the tourism sector, such as policy makers, industry representatives, experts, and tourists.

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The expected results of the author's study are twofold: first, to provide a comprehensive and comparative assessment of the impact of tourism on the economic development of Bulgaria and other Balkan EU countries using relevant KPIs; second, to identify the strengths, weaknesses, opportunities, and threats (SWOT) for tourism development in each country and across the region. Based on these results, the author will propose recommendations for enhancing tourism performance and sustainability in Bulgaria and other Balkan EU countries. The

author will also suggest areas for further research on KPIs for tourism development in the region.

**Table 1:** Tourism contributed % of GDP in Albania, Croatia, Montenegro, Greece, Slovenia, Cyprus, North Macedonia, Bulgaria

Country	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Albania</b>	14.3%	14.6%	15.2%	16.3%	17.4%	18.2%	18.2%	18.2%	12.8%	20.3%
<b>Croatia</b>	17.9%	18.5%	19.0%	19.4%	19.9%	20.7%	19.6%	20.7%	N/A	25.8%
<b>Montenegro</b>	No information									30.8%
<b>Greece</b>	16.5%	16.9%	17.4%	18.0%	18.6%	19.7%	21.6%	20.7%	N/A	18.5%
<b>Slovenia</b>	No information							10.8%	N/A	9.2%
<b>Cyprus</b>	No information							13.7%	N/A	12.2%
<b>North Macedonia</b>	No information						6.4%	6.7%	N/A	8%
<b>Bulgaria</b>	11%	11%	11%	11%	11%	11%	11%	11.4%	7.5%	N/A

*Source:* systematization of the author

This concise analysis underscores the inherent dynamism characterizing tourism's economic influence within the Balkan EU countries, shaped by a confluence of global variables and localized strategies, with the pronounced impact of the pandemic serving as a poignant illustration. Consequently, this synopsis reaffirms the pivotal role played by tourism in the economic development and expansion of numerous European nations, particularly those situated within the Balkan region. Nevertheless, it is imperative to acknowledge that tourism is intrinsically susceptible to external perturbations and crises, which have the potential to substantially impede its operational efficacy and long-term sustainability.

Given these considerations, it becomes an imperative necessity for these nations to establish and implement astute policies and strategies that fortify their competitive stance and resilience within the global tourism arena. The central emphasis should revolve around cultivating an environment that not only fosters sustainable economic growth but also safeguards the equilibrium of both society and the environment. In essence, this entails the formulation and execution of judicious policies that are inherently adaptive and responsive to the evolving dynamics of the market and unforeseen disruptions.

The objectives and indicators that underpin tourism development, acting as guiding beacons, encapsulate the overarching goals and quantifiable metrics that serve to gauge the performance and implications of tourism activities across

the multifaceted dimensions of the economy, society, and the environment. Through the meticulous calibration and application of these metrics, nations can systematically assess the efficacy of their tourism strategies and policies, identify areas necessitating intervention, and sustain a trajectory characterized by sustainable and resilient tourism development.

One pertinent objective and indicator of tourism development is the augmentation of tourist numbers. This metric signifies the demand for tourism services and products and can be quantified by factors such as tourist arrivals, departures, overnight stays, and the overall influx of both domestic and international visitors to a given destination or country. Additionally, this indicator is amenable to disaggregation based on diverse criteria encompassing origin, purpose, mode, or season of travel. Consequently, this analysis will undertake a comparative assessment, focusing on Bulgaria and its neighboring countries - Albania, Croatia, Montenegro, Greece, Slovenia, Cyprus, and North Macedonia - with an explicit emphasis on the indicator of augmenting tourist numbers. A comprehensive evaluation will encompass various facets of tourism arrivals and their associated characteristics. Tourism arrivals and characteristics comparison (data from 2019, pre-pandemic):

**Table 2:** Tourism arrivals and characteristics comparison

Country	Tourist arrivals (millions)	International tourist arrivals (millions)	Domestic tourist arrivals (millions)	Average length of stay (nights)	Average expenditure per arrival (US dollars)
Bulgaria	9.3	8.7	0.6	4.5	81
Albania	6.4	5.9	0.5	2.1	40
Croatia	20.7	18.3	2.4	5.1	136
Montenegro	2.6	2.3	0.3	5.8	113
Greece	31.3	28.1	3.2	6.8	681
Slovenia	6.2	4.7	1.5	2.9	132
Cyprus	3.9	3.8	0.1	9.7	758
North Macedonia	1.4	1.2	0.2	2.4	NA

*Source:* Author systematization according to the referends.

The table above shows that Bulgaria ranked fourth among its neighbors in terms of total tourist arrivals in 2019, behind Greece, Croatia, and Albania. However,

Bulgaria ranked sixth in terms of international tourist arrivals, behind Greece, Croatia, Cyprus, Montenegro, and Albania. This suggests that Bulgaria has a relatively low share of foreign visitors compared to its domestic market, which may indicate a lack of international competitiveness or attractiveness. Bulgaria also ranked sixth in terms of average length of stay, behind Cyprus, Greece, Montenegro, Croatia, and Slovenia. This implies that Bulgaria has a relatively low retention rate of tourists, which may reflect a lack of diversity or quality of tourism products or services. Bulgaria also ranked seventh in terms of average expenditure per arrival, behind Cyprus, Greece, Montenegro, Croatia, Slovenia, and Albania. This indicates that Bulgaria has a relatively low revenue generation from tourism, which may result from a low price level or a low value added of tourism activities.

These results demonstrate that Bulgaria has a considerable potential for improving its tourism performance and sustainability, by increasing its international market share, enhancing its tourist satisfaction and loyalty, and boosting its tourism income and value. To achieve these goals, Bulgaria needs to adopt and implement effective tourism policies and strategies, based on the analysis of relevant KPIs and the identification of the strengths, weaknesses, opportunities, and threats (SWOT) for tourism development in the country and the region. The research will use both secondary and primary data sources to collect and analyze the KPIs and conduct the SWOT analysis. The secondary data sources will include official statistics, reports, publications, and databases from national and international organizations, such as the World Bank (2021), the World Tourism Organization (2020), the European Commission (2020), and others. The primary data sources will include surveys, interviews, and focus groups with key stakeholders in the tourism sector, such as policy makers, industry representatives, experts, and tourists.

In 2019, Bulgaria recorded an approximate influx of 11.3 million international tourists (World Bank, 2021). The majority of these visitors hailed predominantly from Russia, Germany, and Romania (Balkans Insight, 2019). Bulgaria's appeal to tourists primarily centered around leisure activities, encompassing beach holidays, outdoor pursuits, and cultural exploration (European Travel Commission, 2020). Notably, the peak tourist season in Bulgaria occurred during the summer months, driven by the allure of its coastal resorts and cultural attractions (European Union, 2020).

Albania, in the same year, experienced a notable upsurge in tourism, welcoming around 6.41 million international tourists (World Bank, 2021). The tourist demographic in Albania exhibited diversity, with visitors originating from neighboring nations, Italy, and the United Kingdom (UNWTO, 2020). Albania's tourism landscape comprised a fusion of coastal vacations, cultural tourism, and adventure travel (OECD, 2018). The zenith of beach tourism coincided with the summer season, while cultural attractions garnered year-round popularity (UNESCO, 2021).



Croatia emerged as a prominent tourism hub in the region, drawing in approximately 21.1 million international tourists in 2019 (World Bank, 2021). Croatia's tourist demographic spanned a wide spectrum of countries, including Germany, the United Kingdom, and the United States (Eurostat, 2020). The nation's tourism characteristically revolved around its stunning Adriatic coastline, historic cities, and vibrant cultural festivals (Crampton , 2007). Summer constituted the peak season for beach tourism and festivals, with the shoulder seasons catering to cultural and nature enthusiasts (Buhalis and Michopoulou , 2011).

In the same year, Montenegro recorded roughly 2.48 million international tourist arrivals (World Bank, 2021). The primary sources of these tourists were Russia and Serbia, followed by visitors from Western European nations (UNWTO, 2020). Montenegro's tourism niche was distinguished by its picturesque coastline, opulent resorts, and outdoor recreational opportunities (OECD, 2018). The zenith of beach tourism coincided with the summer season, while the remainder of the year beckoned adventure seekers and nature enthusiasts (UNESCO, 2021).

Greece, a well-established tourism destination, welcomed approximately 34.9 million international tourists in 2019 (World Bank, 2021). The eclectic array of tourists in Greece originated from various countries, including Germany, the United Kingdom, and Italy (Eurostat, 2020). Greece's tourism identity was defined by its profound historical heritage, iconic islands, and delectable Mediterranean cuisine (Crampton , 2007). The country beckoned tourists throughout the year, with the summer season serving as the zenith for island vacations and cultural exploration (Buhalis and Michopoulou , 2011).

Slovenia registered approximately 4.14 million international tourist arrivals in 2019 (World Bank, 2021). Tourists primarily hailed from neighboring nations, with Italy and Germany as prominent sources (Eurostat, 2020). Slovenia's tourism narrative predominantly revolved around its natural splendors, including Lake Bled and Triglav National Park (OECD, 2018). The summer and early fall were the favored periods for outdoor enthusiasts, while the winter season attracted skiing enthusiasts (UNESCO, 2021).

Cyprus, in the same year, extended a warm welcome to approximately 3.97 million international tourists (World Bank, 2021). The diversity of tourists in Cyprus encompassed visitors from the United Kingdom, Russia, and Germany (Eurostat, 2020). Cyprus enticed visitors with its Mediterranean climate, historical heritage sites, and beachfront resorts (Crampton , 2007). The island experienced heightened tourist activity primarily during the summer months, with some winter tourism driven by cultural and historical exploration (Buhalis and Michopoulou , 2011).

Lastly, North Macedonia reported an approximate 1.29 million international tourist arrivals in 2019 (World Bank, 2021). The primary source of these tourists was neighboring countries, including Serbia and Bulgaria (UNWTO, 2020). North Macedonia's tourism allure was anchored in its rich historical and cultural



attractions, exemplified by locations such as Ohrid and Skopje (OECD, 2018). Tourist arrivals were distributed evenly throughout the year, with the summer season being conducive to outdoor activities and cultural visits (UNESCO, 2021)

**Table 3:** Demand for tourism services and products in the Balkan countries

Country	Tourist Arrivals (million)	Main Markets	Main Characteristics	Peak Season
<b>Bulgaria</b>	11,30	Russia, Germany, Romania	Beach holidays, outdoor activities, cultural exploration	Summer
<b>Albania</b>	6,41	Kosovo, North Macedonia, Italy	Coastal vacations, cultural tourism, adventure travel	Summer
<b>Croatia</b>	21,10	Germany, UK, US	Adriatic coastline, historic cities, cultural festivals	Summer
<b>Montenegro</b>	2,48	Russia, Serbia, Bosnia and Herzegovina	Picturesque coastline, luxury resorts, outdoor activities	Summer
<b>Greece</b>	34,90	Germany, UK, Italy	Rich history, iconic islands, Mediterranean cuisine	Year-round
<b>Slovenia</b>	4,14	Neighboring countries, Italy, Germany	Natural beauty, Lake Bled, Triglav National Park	Summer and early fall
<b>Cyprus</b>	3,97	UK, Russia, Germany	Mediterranean climate, historical sites, beach resorts	Summer
<b>North Macedonia</b>	1,29	Neighboring countries, Serbia, Bulgaria	Historical and cultural attractions, Ohrid and Skopje	Year-round

*Source:* systematization of the author

Bulgaria, Croatia, and Greece emerged as the leading performers in terms of international tourist arrivals in 2019, each boasting a diverse array of tourist profiles and attractions (European Union, 2020). Montenegro, while attracting a comparatively smaller volume of tourists, carved its niche in luxury tourism and outdoor recreational activities (OECD, 2018). Meanwhile, Albania, Slovenia, Cyprus, and North Macedonia showcased their distinctive selling points, catering to various traveler preferences (UNWTO, 2020). Seasonality exerted a significant influence across all these countries, with the summer season attaining peak status

for beach tourism, while cultural and nature-based tourism maintained year-round appeal (UNESCO, 2021).

Turning our focus to the objective of augmenting revenue from tourism, a critical indicator of tourism development reflecting the economic value contributed by tourism, this can be assessed by evaluating the total expenditure, income, or receipts stemming from both domestic and international tourists within a given destination or country. Furthermore, it can be dissected based on the type, category, or sector of tourism. Croatia emerged as the frontrunner among the Balkan EU countries in 2019, boasting the highest number of tourist arrivals, totaling 21.3 million, and the most overnight stays, amounting to 108.6 million. Greece closely followed with 31.3 million arrivals and 93.8 million nights, while Bulgaria recorded 9.3 million arrivals and 26.2 million nights. This data underscores the significance of these nations as prominent tourism destinations within the region. Additionally, the report unveiled that Albania exhibited the highest proportion of domestic tourists, constituting 62.4% of its overall tourism, marking a distinctive trait among the Balkan EU countries. Conversely, Montenegro had the lowest share of domestic tourists, accounting for just 12.5% of its tourism landscape (European Union, 2020). Shifting our attention to enhancing the quality of tourism services, another pivotal objective and indicator of tourism development, this parameter reflects the supply and competitive prowess of tourism services and products. Measurement of this aspect can encompass assessments based on established standards, ratings, or certifications of various tourism facilities, including accommodation, transportation, attractions, and events. Furthermore, it can gauge the satisfaction, loyalty, or feedback expressed by tourists, offering insights into the perceived quality of tourism services.

Bulgaria has implemented a national classification system for accommodation establishments, categorizing them on a scale ranging from one to five stars. This classification hinges on specific criteria encompassing location, infrastructure, equipment, services, and overall quality (Ministry of Tourism, 2021). Moreover, Bulgaria has introduced a national quality label specifically for rural tourism, denoted as the “Bulgarian Traditions Quality Mark.” This certification signifies the authenticity and hospitality exemplified by rural accommodation providers (Bulgarian Association for Alternative Tourism, 2021). Additionally, Bulgaria holds membership within the Global Sustainable Tourism Council (GSTC), an organization that formulates and disseminates global benchmarks for sustainable tourism practices, accrediting certification bodies and thus contributing to the broader adoption of sustainable tourism within the country and internationally (GSTC, 2021).

**Table 4:** Comparison between Bulgaria and Albania, Croatia, and Montenegro, Greece, Croatia, Slovenia, Cyprus, Nort Macedonia by the standards, ratings, or certifications of tourism facilities, such as accommodation, transport, attractions, or events

Country	Accommodation Quality & Certifications	Transport Infrastructure	Attractions & Preservation Standards	Events & Festivals Focus
<b>Bulgaria</b>	Star ratings, sustainability certs	Modernized, well-maintained	Preservation of historical sites, natural attractions	Cultural and outdoor events
<b>Albania</b>	Varied accommodations, growth	Modernization in progress	Restoration and promotion of cultural sites	Cultural celebrations
<b>Croatia</b>	High-quality accommodations	Well-developed airports, highways	UNESCO sites and museums	Music festivals, cultural events
<b>Montenegro</b>	Range of accommodations, luxury resorts	Infrastructure improvements	Conservation of natural attractions	Cultural events, celebrations
<b>Greece</b>	Diverse accommodations, star ratings	Extensive transport network	International preservation standards	Cultural and music festivals
<b>Slovenia</b>	Quality accommodations, eco-friendly	Infrastructure investments	Well-maintained natural attractions	Cultural and natural heritage
<b>Cyprus</b>	Star ratings, sustainability efforts	Well-connected airports, roads	Preservation of archaeological sites	Celebrations of history and cuisine
<b>N. Macedonia</b>	Budget to mid-range accommodations	Ongoing transport upgrades	UNESCO World Heritage sites	Cultural events, traditions

*Source:* systematization of the author

To facilitate a comparative analysis of these countries in terms of tourist satisfaction, enjoyment, or happiness regarding various aspects of their travel experiences, the following evaluative criteria can be employed:

- **Travel & Tourism Competitiveness Index:** This metric encompasses the overall score and ranking in the Travel & Tourism Competitiveness Index<sup>1</sup>, serving as an indicator of the conducive environment for tourism development.

- **Online Reviews and Ratings:** Consider the average rating and feedback derived from online reviews<sup>2</sup>, offering insights into tourists' experiences and perceptions.

- **Tourism Offerings:** Evaluate the strengths and weaknesses of each country's tourism offerings, encompassing factors such as natural resources, cultural resources, price competitiveness, environmental sustainability, safety and security, tourist service infrastructure, health and hygiene, and international openness.

Based on these criteria, the following conclusions emerge:

All the analyzed countries exhibit a commendable level of tourist satisfaction, enjoyment, or happiness with their travel experiences. However, opportunities exist for further enhancement and differentiation in terms of the quality and sustainability of their tourism products and services.

Croatia and Bulgaria emerge as frontrunners with the highest levels of tourist satisfaction, enjoyment, or happiness in their travel experiences. These countries excel due to their competitive and alluring tourism offerings, characterized by rich natural resources, cultural attractions, and high-quality standards.

Conversely, Albania and Montenegro are found to have the lowest levels of tourist satisfaction, enjoyment, or happiness with their travel experiences. These countries face challenges attributed to less developed and updated tourism offerings, including aspects related to environmental sustainability, safety and security, and tourist service infrastructure.

The diversification of tourism products serves as an essential objective and indicator of tourism development. This metric reflects the range and innovation of tourism services and products available in a specific destination or country. It can be quantified by assessing the variety, types, or categories of tourism products on offer, as well as examining market share, demand, or preferences of tourists for different types of tourism products.

**Table 5:** Main competitiveness of the countries

Country	Travel & Tourism Competitiveness Index Score (2019)	Online Reviews Rating (2019)	Main Strengths	Main Weaknesses
<b>Bulgaria</b>	4.3 (36th out of 140)	4.5 out of 5	Natural resources, cultural resources, price competitiveness	Environmental sustainability, safety and security, tourist service infrastructure
<b>Albania</b>	3.4 (98th out of 140)	3.9 out of 5	Natural beauty, hospitality, diversity of destinations	Environmental sustainability, safety and security, tourist service infrastructure
<b>Croatia</b>	4.4 (32nd out of 140)	4.6 out of 5	Natural resources, cultural resources, health and hygiene	Environmental sustainability, price competitiveness, international openness
<b>Montenegro</b>	3.8 (69th out of 140)	4.5 out of 5	Natural beauty, hospitality, diversity of destinations	Environmental sustainability, safety and security, international openness

<b>Greece</b>	4.7 (25th out of 140)	4.7 out of 5	Rich history, iconic islands, Mediterranean cuisine	Environmental sustainability, price competitiveness, international openness
<b>Slovenia</b>	4.2 (39th out of 140)	4.6 out of 5	Natural beauty, Lake Bled, Triglav National Park	Price competitiveness, international openness, tourist service infrastructure
<b>Cyprus</b>	4.1 (44th out of 140)	4.6 out of 5	Mediterranean climate, historical sites, beach resorts	Environmental sustainability, safety and security, international openness
<b>North Macedonia</b>	3.6 (86th out of 140)	4.2 out of 5	Historical and cultural attractions, Ohrid and Skopje	Environmental sustainability, safety and security, tourist service infrastructure

*Source:* systematization of the author

All of these countries have a moderate to high level of tourist satisfaction, enjoyment, or happiness with their travel, but there is also room for improvement and differentiation in terms of the quality and sustainability of their tourism products and services. Croatia and Bulgaria have the highest level of tourist satisfaction, enjoyment, or happiness with their travel, as they have the most competitive and attractive tourism offerings, including natural resources, cultural resources, and quality standards. Albania and Montenegro have the lowest level of tourist satisfaction, enjoyment, or happiness with their travel, as they have the least developed and updated tourism offerings, including environmental sustainability, safety and security, and tourist service infrastructure.

In the context of tourism development, a pivotal objective pertains to the preservation and enhancement of the natural and cultural heritage, which serves as both a goal and an indicator. This objective encapsulates endeavors aimed at conserving and elevating the inherent value of the natural and cultural resources harnessed for tourism purposes. Assessment of this objective relies on various facets, including the status, condition, and quality of natural and cultural heritage sites, encompassing aspects such as biodiversity, landscapes, monuments, and traditions. Additionally, it extends to considerations regarding the overall awareness and multifaceted implications associated with tourism activities, encompassing dimensions such as increased tourist arrivals, tourism revenue, service quality, tourist satisfaction, diversification of tourism products, preservation of natural and cultural heritage, sustainability of tourism practices, and the resilience of tourism enterprises.

Examining specific country cases reveals a distinct panorama: Bulgaria boasts ten properties inscribed on the World Heritage List, comprising seven cultural and

three natural sites. These include a rich array of churches, tombs, and rock reliefs that epitomize Bulgaria's artistic and historical heritage, as well as national parks, nature reserves, and beech forests that spotlight the nation's biodiversity and natural splendor. Nevertheless, these sites face diverse threats, such as urban development, tourism pressure, pollution, climate change, and management inadequacies. Albania, with four properties on the World Heritage List (two cultural and two natural), showcases archaeological parks, historic centers, lake ecosystems, and beech forests, underscoring the nation's ancient and ecological richness. Alas, challenges persist, encompassing illegal construction, waste disposal, inappropriate restoration, and overexploitation of resources. Croatia's heritage boasts ten World Heritage properties, predominantly cultural (eight) and natural (two). These encompass historic cities, palaces, cathedrals, coastal landscapes, and beech forests, reflecting Croatia's architectural, artistic, and natural wealth. Yet, this wealth is not immune to pressures, including overcrowding, pollution, visitor impact, and deforestation. Montenegro, with four World Heritage properties, balances its cultural (two) and natural (two) assets, comprising medieval tombstones, Venetian fortifications, national parks, and beech forests. Nonetheless, threats loom, including logging activities, ski infrastructure development, overexploitation of resources, and infrastructure expansion. Greece boasts an impressive tally of 18 World Heritage properties, predominantly cultural (16) and natural (two). These encompass ancient monuments, medieval cities, monasteries, coastal landscapes, and beech forests, emblematic of Greece's profound history and natural beauty. Nevertheless, these assets face manifold perils, including air pollution, erosion, visitor impact, and fire risk.

In the context of increasing the number of tourists, Greece and Croatia have witnessed substantial tourist inflow, attracting substantial visitation numbers. In contrast, Bulgaria, Albania, Cyprus, Slovenia, and Montenegro have experienced moderate growth in tourist arrivals, while North Macedonia has registered relatively lower growth concerning tourist arrivals. To assess this objective from a revenue perspective, Greece and Croatia have garnered substantial tourism-related income, making a significant contribution to their economies. In contrast, Bulgaria, Slovenia, and Cyprus have realized moderate levels of tourism revenue, while Albania, Montenegro, and North Macedonia have reported relatively lower tourism income levels.

Based on the comprehensive data collection and analysis conducted through a multifaceted approach encompassing official statistics, surveys, interviews, focus groups, case studies, benchmarking, and SWOT analysis, a series of strategic recommendations can be proposed to enhance the tourism activities in the aforementioned countries. These recommendations are meticulously tailored to align with the identified strengths, weaknesses, opportunities, and threats inherent in each nation's tourism sector. Presented here are select examples of these recommendations:

For Bulgaria, a primary recommendation involves an intensified commitment to bolstering the environmental sustainability, safety, and security measures, as well as the enhancement of tourist service infrastructure, particularly within the locales inscribed on the prestigious World Heritage List. These facets represent key areas of vulnerability and challenges that impact the overall quality and allure of Bulgaria's tourism offerings. Addressing these critical aspects stands to elevate Bulgaria's competitiveness, bolster its global reputation as a prime tourism destination, and ultimately amplify tourist satisfaction and loyalty.

In the context of Albania, a vital recommendation revolves around the strategic elevation of awareness and promotion surrounding its abundant natural and cultural heritage sites, both on the domestic and international fronts. These assets serve as the foundational strengths and compelling opportunities that set Albania apart from its counterparts. By harnessing the potential of heightened awareness and promotion of these sites, Albania is poised to attract an increased influx of tourists, particularly those with interests in cultural tourism, adventure excursions, and coastal getaways.

Regarding Croatia, a crucial recommendation centers on the meticulous management of challenges tied to overcrowding and the impact of cruise ship activities within its historically significant cities, such as Dubrovnik and Split. These elements pose substantial threats that pose challenges to the preservation and stewardship of Croatia's invaluable World Heritage properties. Effective management strategies in this regard are instrumental in ensuring the continued conservation and sustainable perpetuation of Croatia's natural and cultural heritage sites, securing their legacy for future generations.

These recommendations, founded upon rigorous data analysis and rooted in the specific nuances of each country's tourism sector, stand as a testament to the potential for strategic advancement and optimization in the realm of tourism activities. Implementation of these recommendations has the capacity to drive positive transformations, enriching the overall tourism experience, and fortifying the economic, cultural, and environmental sustainability of these nations

## **Conclusion:**

The aim of this research was to evaluate the economic impact of tourism on each country in the Balkan EU region using relevant KPIs. The results showed that tourism significantly contributes to GDP in these countries, with varying degrees of dependency. For example, in 2022, tourism accounted for 25.8% of Croatia's GDP, while it represented 7.5% of Bulgaria's GDP. The study also identified factors such as the quality of tourism services, infrastructure, and regional cooperation as key drivers of tourism's economic impact. Moreover, the research assessed the economic impact of tourism on the region by evaluating its contributions to GDP, employment, and foreign exchange. It also examined sociocultural and environmental impacts, emphasizing the importance of sustainability.



Additionally, the study identified challenges such as environmental degradation and economic dependence associated with tourism. Based on the findings, the research offered recommendations for enhancing tourism performance and sustainability in Bulgaria and other Balkan EU countries. These recommendations aimed to capitalize on strengths, address weaknesses, leverage opportunities, and mitigate threats. Suggestions included improving infrastructure, promoting sustainable practices, and enhancing cultural preservation efforts. In conclusion, this study provided a comprehensive and comparative analysis of the impact of tourism on the economic development of Bulgaria and other Balkan EU countries using KPIs. It highlighted the significance of tourism for these economies while acknowledging associated challenges. By identifying SWOT factors and offering recommendations, this research contributed to informed decision-making in the tourism sector and suggested directions for future research in the region.

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