

The Effect of Perceptions on Tourism

Subjects: Others

Contributor: Mirela Tase, Enkeleda Lulaj

Today, tourism plays an important role in the economic and financial development of countries, and its impact is greater than ever. Therefore, for sustainable economic and financial growth and well-planned development, public and private investments should be directed to areas of priority tourism development.

Keywords: tourism ; economy ; finance ; tourist behavior ; perceptions

1. Introduction

Year after year, tourism is increasingly crystallizing as one of the main engines of the country's economic development. The tourism industry occupies a key place in the economy and is an important source for the development of Albania and Kosovo. Researchers aim to analyze the effect of perception on the behavior of tourists in these two countries, which has not been studied before. The economic, financial, and social systems of most countries have been disrupted during the last several years due to the COVID-19 pandemic, which makes it very difficult to assess short- and long-term consequences ^[1]. Globally, travel and tourism are significant contributors to leading sector for job creation and socio-economic and cultural development ^[2]. Measures and preparation strategies such as staying at home, keeping a distance of 1.5 m, community lockdowns, and measures against crowding have stopped tourism and leisure in global travel ^[3]. The tourism industry is particularly vulnerable to crises or disasters ^[4]. In Albania and Kosovo, 'lockdown' measures started in March 2020 and tourism and hospitality businesses were closed. Understanding how a destination responds to a tourism crisis from a supply-side perspective, especially in the two countries that are the subject of the study, is very important and timely, as it has implications for other developing countries ^[5]. These countries are located in Southeastern Europe, and tourism and travel are a significant part of their national economies. Albania is included in the list of countries with great natural, historical, and cultural heritage potential (**Figure 1**). While Albania offers all types of tourism, blue tourism holds the main weight in the country's GDP. The advantage is that tourism in Albania benefits from a large diversity of beautiful landscapes in a relatively small space, offering many possibilities for various activities all year round and in all seasons, although primarily in summer and winter. Natural and rural areas in Albania offer opportunities for the development of rural tourism, mountain tourism, ecotourism, and outdoor activities (rafting, parachuting, mountain biking, fishing, trekking, mountaineering, hiking, horseback riding, study tours, etcetera). In Albania, the direct contribution of tourism to GDP in 2018 was 8.5%, and it is projected that by 2028 the direct and indirect effect of the tourism sector will reach approximately one third of Albania's total GDP. For this industry to become one of the pillars of the Albanian economy, the seasonal effects of coastal tourism need to be mitigated by developing other forms of tourism, increasing the number of visitors and overnight stays, and consequently tourism revenue.



Figure 1. Physical Map of Albania; jpeg prepared by Mirela Tase.

As a mountainous country, Kosovo is landlocked within its mountains and has to compete both with her neighbors and with other destinations (Figure 2).



Figure 2. Physical map of Kosovo; jpeg prepared by Mirela Tase.

Kosovo has no direct access to the sea and possesses a mostly hilly and mountainous terrain; however, it has a favorable climate and multiple natural, cultural, and historical resources, which constitute a resource basis for tourism [6]. However, compared to other Balkan countries, the development of tourism in Albania and Kosovo is far from the potential represented by these countries' natural, historical, and cultural assets. Infrastructure, quality of services, and tourism offerings and products are all factors that have somewhat inhibited the sustainable and consistent development of tourism in both countries. When promoting destinations in Albania and Kosovo, stakeholders and managers must consider aspects related to sustainability, and must understand how tourists perceive the destination and what kind impact they have in it. The tourism and travel industry are influenced by a variety of internal and external factors, such as political instability, economic conditions, environmental conditions, etc. [7]. According to the UNWTO, the tourism industry has been one of the sectors most stricken by the COVID-19 pandemic, resulting in a loss of up to USD 50 billion in spending and a decline in international tourist arrivals by up to 3% worldwide [8]. The tourism industry is considered the major contributor to GDP for several countries, and as of 2020 over 100 million direct tourism jobs were at risk [9]. The tourism and leisure industry plays an essential role in the economic activities of both studied countries, and customer satisfaction has an important impact on the industry [10]. In popular destinations such as Paris or London, over-tourism has been created [11]. Cities such as Tirana, Prishtina, Durrës, and Peja are turning into highly sought-after destinations for international tourists thanks to the attractions they offer. Tourism and travel provide an important contribution to business operations, and ultimately contribute to the worldwide economy. The travel and tourism sector has led to significant growth in the GDP of both countries, mainly due to the strong impact of tourism and transport [12]. Based on estimated 2018–2019 data on the tourism industry in Albania and Kosovo, the countries showed a combined contribution to GDP of USD 5.0845 million dollars. According to the WTTC, the contribution of tourism to GDP in Albania was 8.4% in 2016, while in 2019 it was 21.2%, or USD 3.264.5 million [13]. In Kosovo, the contribution of tourism to GDP in 2019 was 9.3%, or USD 1.820.0 million [14].

2. Effect of Perceptions in Tourism

The tourism industry is considered a pillar of the economy in developing countries and plays a major role in their GDP. Tourism can generate significant revenues, especially with the creation of services and activities that extend touristic offerings and lead to greater direct expenditures by tourists. Tourism, as a critical sector of local and national socio-economic development, relies heavily on energy use. Tourism has been the hardest-hit sector the COVID 19 pandemic, which started in mid-March of 2020, blocked all trips for several months; even afterwards, they remained limited, and continue to be [13].

The COVID-19 pandemic has resulted in global challenges related to renewable energy, carbon emissions, and economic and healthcare crises, and has had spillover impacts on global industries, including tourism and travel, that are a major contributor to the service industry worldwide [15][16][17]. Any rise in the number of tourist arrivals requires an increase in energy demand to support the change [18]. Many countries and regions that are tourist destinations around the world wish to analyze and improve their tourism dynamics and increase tourism's economic contributions. According to [19], tourism contributes to national economic growth and development and improves the standard of living, thus promoting a process of regional convergence and stimulating domestic demand. This study is focused on analyzing the impact of tourism on economic growth in Albania and Kosovo and the effect of perceptions on tourist behavior [20].

The tourism industries in Albania and Kosovo needed to begin positioning themselves as one singular destination that invites tourists for exploration and adventure. Albania and Kosovo should find mechanisms to increase demand and create facilities for services, especially transport and health care, as drawn from the perceptions of the respondents. Facing a crisis is not uncommon for companies in the tourism industry such as travel agencies, hotels, and transport, as almost every tourism company is faced with extraordinary events over time [21]; however, the occurrence of tourist crises often leads to a loss of faith and confidence in a destination's safety. Perhaps one of the most pressing problems in tourism operations today relates to how businesses across all sub-sectors of the industry will be able to maintain the confidence and physical security of both customers and employees [22].

The governments of Albania and Kosovo must increase their investment in developing such programs as well as in public education to deliver them in order to enhance social resilience and the sense of security felt by both tourists and communities, as this can have a substantial impact on the travel decisions of individual travelers and on travel behavior as a whole [23]. Fishbein and Ajzen (1975) emphasize that a person's intention with respect to current issues in tourism is determined by his/her attitude and by individual perceptions [24]. The focus of their research is on addressing questions such as whether host communities should remodel their tourism offerings in order to comply with the changing demands

of tourists. Even though this theory is used in different disciplines, researchers focused on the tourism sector, where this theory has been used to explain the decision-making process for destinations ^[25] and the responsible behavior of tourists ^[26]. In F1.1., the variable that has the highest value is Q4.2 = 0.771 (tourists appreciate the country's cultures and lifestyle), while in F1.2., the variable that has the highest value is Q4.5 = 0.824; both of these variables have great importance for economic and financial development. As a part of the European region, blue tourism in Albania and mountain tourism in Kosovo are considered strategic priorities as instruments for development in specific regions of both countries. This can be approached as an integrated program in which, directly or indirectly, all sectors of society and the economy contribute. For Albania's Ministry of Tourism, economic, environmental, and socio-cultural sustainability are prerequisites for the development of the tourism sector. Although facing more problems in different stages of development, tourism development in the Republic of Kosovo is already moving in the same direction as the overall development of the country's economy. Kosovo, through placing itself in the center of the Balkan Peninsula as a tourist destination, is an important area that can be involved in the development of tourism both in the region and in Europe ^[27].

Tourism and hospitality are among the most important activities for the economic development of Kosovo. Regardless, the travel and tourism industry has developed positive impacts and is a significant contributor to the economy of both countries. Albania is increasingly recommended as a tourist destination by various tour operators and international travel guides. In terms of their contribution to tourism revenue, researchers can classify tourism products in Albania into three main categories. These categories consist of the forms of tourism development, which occupy an important role in the sector's contribution to the overall economy. The main products can be classified as follows: (a) coastal tourism; (b) natural tourism; and (c) thematic tourism. The contribution of tourism to GDP in Albania, according to the 2018 Economic Impact Report of the World Travel and Tourism Council¹ (WTTC), in 2017 the tourism sector recorded a direct contribution of USD 1.12, accounting for about 8.5% of the Gross Domestic Product (GDP). The regions in Kosovo most visited by international guests in 2015 were Pristina (53,057), Peja (12,694), and Prizren (9779) ^[6]. Regarding perceptions of state support for tourism, as both countries are known for their tourism, according to the findings and recommendations in ^[28] it is emphasized that a fair budget allocation for all areas must be made according to the needs of the country.

The contribution of tourism to GDP in Kosovo in 2019 was 9.3% ^[14]. Overall ^[9], the number of foreign tourists fell by 29%, a much larger decrease than the previous global decrease of 3.99% which occurred in 2009. Kosovo is emerging as a tourist destination, and it is ideal for a relaxing long weekend or an excursion as a part of a longer tour including the neighboring countries of Albania, North Macedonia, and Montenegro. Most tourists in Kosovo, almost 79%, visit these countries as well. Another view relating the number of tourists and their contribution to the economy according can be found in ^[9], who studied countries such as Germany and Austria, where tourism is not a major pillar of the economy. They estimated that tourism contributed USD 3780.55 billion to Germany's GDP and USD 446.31 billion to Austria's GDP. These two countries represent the highest human development standards as indicated by the social and economic dimensions. This means that Albania and Kosovo should increase their tourism industry based on these two dimensions because tourism has a huge impact on both GDP and on the well-being of the inhabitants.

The world has experienced a number of major epidemics/pandemics in the last 40 years, yet none has had the same implications for the global economy as the COVID-19 pandemic. While not as contagious as measles and not as likely to kill an infected person as Ebola, people can start shedding the virus several days in advance of symptoms ^{[29][30]}. As a result of travel restrictions and lockdowns, global tourism has slowed down significantly, with the number of global flights dropping by more than half, and travel bans have grounded a growing number of carriers. Passenger numbers are likely to have declined even more steeply; many airlines have adopted specific seating policies to maintain a distance between customers ^[31]. In a travel context, subjectively perceived risk can affect tourists' destination choices and travel behavior ^[32]. While in F1.2. the variable has the value Q4.7 = 0.648, tourists respect the rules and regulations of the host country and have great importance in the economic and financial development in Albania and Kosovo. This finding can be rationalized by its feasibility, low cost, and widespread acceptance even before the pandemic. The respondents' level of agreement with selective restrictions on foreigners from high-risk countries was expected. Restrictions on travel and tourism activities, which are ongoing, have made travel agencies more affected by the pandemic in the country.

This sector is failing to recover. Restrictive measures have been in force since 2020, which is why Kosovo has lost the largest number of tourists. In 2020, there will be no growth. In the future, economic developments are expected to return to normal, depending on the duration of repentance. The relaxation of travel restrictions has contributed to easing travel restrictions, lifting consumer confidence and gradually restoring safe mobility in Europe and other parts of the world ^[33]. This may provide an impetus for individuals to transform their travel behaviors; however, a transformation of the tourism system is extremely difficult ^[34]. In order to attract tourists and increase economic and financial development according to ^[35] reforms should be made for the preservation of public money and the fair distribution of expenditures, as well as the provision of funds at both central and local levels. Following the research in ^[36] on the connection between tourism and

economic growth, there has been further study on this relationship, and it continues to generate significant interest ^[37]. According to the findings, the relationship between tourists and residents is of great importance in the economic and financial development of Albania and Kosovo. Tourism's positive outcomes in a community include cultural exchange and economic benefits, a higher employment rate, increased economic activity, more advanced infrastructure for commerce, and a higher quality of life ^{[38][39]}. Based on the findings, the perceptions of tourists regarding respect for the cultural values of host communities are of great importance in economic and financial development in Albania and Kosovo. This suggests that local residents should be encouraged to visit local attractions because of their awareness of the local epidemic situation, and thus might be more confident engaging in tourism-related activities with family in local areas ^[40].

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