

## The Development of Hotel Tourism in Kosovo

Fari Bushi<sup>1</sup>, Idriz Kovaçi<sup>2</sup>, Alberta Tahiri<sup>3</sup>

**Abstract:** Tourism is an economic activity which is oriented towards the use of tourism potentials. With the difficulties it had, the development of tourism in the Republic of Kosovo has gone through different phases and this development has occurred alongside the economic development of the country. Although the Republic of Kosovo has sufficient tourist potential, it still does not treat this activity in the right place for the economic development of the country. Its development will affect the increase of the gross domestic product. In this way it will be ranked in the deserved place in the economic development strategy of the country. Tourism in our country is not the most developed but it is less identified and less developed and it needs a lot to provide a national, state marketing, and to be organized by a state commission in order to develop and identify as ideal tourism to influence visits and attract local and foreign visitors.

**Keywords:** Tourism; Republic of Kosovo; economic development; tourism strategy; tourist circulation; hotel tourism

**JEL Classification:** Z32

### 1. Introduction

Tourism in Kosovo is a branch of the economy that has an increase in its participation in economic activity after 1999. This is because in general Kosovo has inherited a tourist tradition which for years has been undeveloped referring to the political situation and unfavourable and non-stimulating security for tourism development. Kosovo is and it should be a tourist country in the future, and now it is still a country oriented towards the development of tourism. An increase in investment and tourism turnover convinces us that tourism for the country is and it

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<sup>1</sup> Ass. PhD, Faculty of Tourism and Environment, Tourism and Hotel Management; University of Applied Sciences in Ferizaj, Kosovo, Address: Rr. Universiteti, Ferizaj, Kosovë, Ferizaj 70000, Kosovo, Corresponding author: fari.bushi@ushaf.net.

<sup>2</sup> Ass. PhD, Faculty of Tourism and Environment, Tourism and Hotel Management; University of Applied Sciences in Ferizaj, Kosovo, Address: Rr. Universiteti, Ferizaj, Kosovë, Ferizaj 70000, Kosovo, E-mail: idriz.kovaci@ushaf.net.

<sup>3</sup> Ass. PhD, Faculty of Tourism and Environment, Tourism and Hotel Management; University of Applied Sciences in Ferizaj, Kosovo, Address: Rr. Universiteti, Ferizaj, Kosovë, Ferizaj 70000, Kosovo, E-mail: alberta.tahiri@ushaf.net.

will be a driving force of economic development in general (Strategy for Sustainable Agricultural and Rural Development in Kosovo, MAFRD, 2003). However, it should be noted that in order to achieve economic development and positive effects from tourism in Kosovo, it is necessary that all this development should be brought under control and the tourism development strategy should be issued at the country level, which will enable a moving forward with orientations in those forms of tourism which respond most to the development of the country, have a good basis for growth and bring benefits to all participants in the “tourism industry” of Kosovo. Tourism in all countries, whether developed or underdeveloped, is a state priority, and is also supported by local businesses, but when we stop from the comparative, research, analytical aspect, we notice a lot of diversity and differences between countries in terms of supporting the development of local tourism. We say this in order for the support to work not only in theory but also in practice because a special budget must be allocated to draft standardized and harmonized laws with the EU member states, and a budget must be allocated to develop businesses to establish cooperation agreements between local and foreign businesses, and then to create state facilities to move goods freely along the border lines for the good of the country. The positive effect of the development of the tourism industry is not limited to the tourism sector, but it also reflects on the development of other sectors of a country's economy (Reçica & Millaku, 2011).

## **2. Literature Review**

### **2.1. The Concept of Tourism**

The word tourism for most citizens of different countries means walking and visiting places to relax and enjoy the goods, natural beauties and artificial goods that have been created by hand and sophisticated machinery managed by people.

Tourism is one of the most complex activities of today's modern society. In developed countries it has taken the form of a complete industry, with which the economy, politics, culture and all other activities interact and are connected.

The development of tourism in a country's economy can have direct and indirect impacts. In the direct impacts of tourism on the economy, among the most important are:

- The impact on the gross domestic product,
- The increase of national income,
- The development of economic activities that make up the tourism economy (hotels, transport, trade, cultural institutions, etc.),
- The increase of employment,

- The raise of the level of living standards,
- The increase of investments,
- The improvement of the balance of payments,
- The development of underdeveloped areas, etc.

Indirect effects of tourism are in those economic activities, which do not participate in direct visitor services, but supply the tourism economy. These impacts appear, first of all, in economic activities, such as:

- Agriculture,
- Construction,
- Industry,
- Handicraft, etc. (Faulkne & Russell, 2000).

Tourism includes the activities of persons traveling and settling in a country outside their permanent residence, for leisure, business, and other purposes not exceeding one year. Within the limits of the tourism definition framework, the reasons for travel can be identified:

- Business trips, conferences, exhibitions, various meetings, etc.
- Relaxing vacations in sunny places and at the sea, vacations in mountains, cities, walks, river cruises, etc. (Tooman, 1997).
- Tourist events with cultural content such as: art festivals, folklore and classical festivals, pop concerts, sporting events, traditional anniversaries, etc.
- Health tourism on the coast and in places where there are springs of thermal waters.
- Visits to friends and relatives.
- Pilgrimages etc.

Travel purposes are an essential business segment. Each segment has different trading requirements as well as specific rules. Currently, the most frequent tourist segments in Kosovo are “visits to friends and relatives” as well as “business trips”. However, we can say that it was in the pre-war period and now tourism is a goal that is being created not for visits but for tourism of taste and experience of a certain good.

Why should we strengthen the tourism sector? In many parts of the world, the tourism sector is an important sector for economic development. The development of the tourism industry has a very significant positive impact on the economy and

society of a country. Tourism not only has an impact on the development of the country but also on the identification of the country with cultures and natural beauties, where through this identification are increased the confrontations of different cultures with local ones, which affects the exchange of education and the creation of local businesses with foreign ones. The competing tourism product is not only about the spatial extent and reception of visitors, but also affects the increase of revenues and the reduction of unemployment in the given tourist environment, which also results in the improvement of the quality of life. In addition to the benefits to the local population, the state is also a beneficiary of the development of the tourism industry. The other beneficiary of the developed tourism is the tourism business community itself.

With the development of tourism these types of trips can be realized:

- Holidays - Pilgrimages or trips (more than 5 days),
- City walks,
- Various cultural, sports, health events, etc.,
- Visits to friends and relatives,
- Business trips: individual, conferences, fairs, sessions, tribunals.

The benefits from the tourism sector are reflected in three main dimensions:

- Population,
- State and
- Business community.

These benefits result in improved overall quality of life (Reçica & Millaku, 2011).

## **2.2. The Concept of the Hotel Tourism Development in Kosovo**

Based on the experiences so far in tourism and hospitality, the regions of Kosovo but also the whole country should develop the concept based on the creation of the identity of the “tourist place”, which would become synonymous with visitors-users of the existing tourist supply and for the advancement of new contents based on the cultural-historical heritage, which the regions and Kosovo have as a tourist destination. We can conclude that the development of tourism in Kosovo in general has been non-concentrated, thanks to the fact that localities and tourist destinations are scattered everywhere, so there is a dispersion throughout the country, which is due to different socio-economic factors across regions. Whether it is better for the tourism development to be concentrated or distributed in the geographical aspect, at the level of theory no definite conclusion can be given. This is because each

form, even when the tourism and hospitality development is done more and faster in some regions than in others, but also when the tourism and hospitality development is concentrated at the same time in all regions, or at the national level, it has comparative advantages, and disadvantages, so we suggest that the rationale for concentrated or dispersed development should be dispersed according to the concrete cases based on the socio-economic goals that are desired to be achieved with this development (Tooman, 1997).

The creation and development of the tourist supply either in a concentrated way or in a distributed way from case to case, but its level should be based primarily on meeting the conditions of current users of tourism and hotel supply, but also it should give the maximum that this supply of geographical regions of Kosovo as “tourist destinations” find the right place in:

- Kosovo tourist supply;
- Western Balkans Region tourist supply;
- Global tourism market supply.

To achieve this, the place and role of tourism and hospitality must first be determined, the strategic directions and goals of tourism and hospitality as economic branches in Kosovo must be defined, doing:

- Identification and valorisation of tourism potentials based on the strategic approach to tourism management;
- Orientation in creating identity in the global tourism market as a “tourist destination”.

Of course, efforts and work have been made to identify existing potentials, but we are convinced that there are many attractive tourist localities and segments of tourist destinations for visitors which should be researched, prepared, put into operation and developed marketing activities to inform the public about them. The marketing used for tourist destinations should also help eliminate the damage created to the unfavourable image of the country from the political crisis, war and transition time until the time of independence, to foreign visitors but also to domestic ones in some cases. If we do not work systematically to create a positive image of the country then the development of tourism may not be what we expect, but this image should be created with effort and investment in the preservation of cultural and historical heritage, preservation of the environment, preservation of ecological balance of flora and fauna, water and air, as an opportunity to advance the tourist supply with the “ecological” brand (Tooman, 1997).

In the goals and strategic measures of economic development in Kosovo, tourism and hospitality as branches and economic activity should have the sign of priority,

and with the activation of KOTAS (Kosovo Tourism Association) as a partner of the Government and donor institutions of projects in tourism (USAID, GTZ, etc.), the promotion of tourism and hospitality has gained momentum as one of the priorities in the overall economic development of Kosovo. With this increased activity in the field of tourism and hospitality we should focus on the need for planning and introduction of scientific-research work in this economic branch, as one of the interdisciplinary needs to examine the impact of various factors that are present and have significant participation in the development of tourism in the regions of Kosovo but also at the national level.

### **2.3. The Ways of Tourism and Hospitality Concept Development**

#### **2.3.1. Activities**

In order to develop the tourism supply of the regions and Kosovo as a whole, the planning and development of the concept should be viewed at the micro and macro level. At the micro level, the development of tourist micro-locations in the regions should be adequately identified and planned. At the macro level it should:

- Designed, evidenced and planned the interconnection of tourist micro-locations in regional tourist destinations and at the national level;
- Identified and planned accompanying activities that are in function of tourism development (traffic, cleanliness, legislation, etc.);
- Planned and supported the development of hotel tourism capacities and additional tourist content (hotels, motels, pensions, camping, restaurants, buffets, etc.) that would be a prerequisite for the tourism development.

The activities that should be undertaken at the level of the tourist region but also at the country level for the constant growth and development of the tourist supply would be:

- The formation and development of associations at the regional and country level, which would function as a generator of tourism development as a profitable business;
- The development of the tourist supply for the one-day visitor market;
- The development of tourist supply for congress tourism and other forms;
- The preparation and development of significant marketing activities for the regions and at the country level, which will be important for the further profiling of micro-locations and macro-locations within the development of the tourism industry and business in general.

This will be useful from the macro point of view, while further cooperation towards the base of the pyramid will bring better coordination of individual activities for the overall benefit of businesses participating in the tourism industry of Kosovo (Gashi, 1969).

### **2.3.2. Quality**

Apart from the above, there can be no development of tourism without the development of tourist agencies which are intermediaries in the tourist circulation. It should be noted that they have their own role in the formation of tourism products, promote and direct tourist demand, support the marketing of tourist destinations and interesting content for visitors. Relying on the positive emotions of consumers-visitors to the existing supply would not be preferred, in terms of saturation with the tourist supply, consequently attention should be paid to the quality of services in the long term. Necessarily, the quality of tourism should be in the focus of attention of the actors in tourism in Kosovo, making constant efforts to refresh, or always create new ways of providing services in tourism. It follows that:

- Quality should be the beginning and the end of any action or activity which is undertaken and will be undertaken in the future.
- We should insist on the best possible quality of all products and services that make up the tourist supply in the hotel tourism market which is becoming more and more selective and refined.
- A standard should be created and set in business which would summarize the "Quality of Regional Values".
- The quality of products and services that will help create the image of Kosovo's tourist supply and other related issues should be standardized.
- The creation and implementation of quality standards would be an urgent task, and for this businesses and institutions must be engaged (Gashi, 1969).

### **2.3.3. Communication**

The development of tourism has and gives positive effects on the employment of the local population, in various activities that provide products and services for tourists and tourism. This tourism development, if done on the basis of the marketing concept, should create an information system that would enable the tracking of developments at the regional level, at the national level and at the level of the global tourism market. The need for a "tourist destination" to communicate would be based on the following aspects of communication:

- Internal communication (business, community, visitor-consumer);
- Communication with external factors (micro-locations, country level market, global market);
- Mixed communication (community, tourist destination, domestic market, international global market).

Tourist destinations and businesses should be ready and always have an interest in developing relations with the media and the public, in order to find the best forms of marketing and promotion of Kosovo tourism. Depending on how it is communicated between the exchange carriers in tourism, we also distinguish the different tools used which can be:

- Conventional tools (TV, radio, press, etc.) and
- Specialized tools (internet, events, etc.).

It should be emphasized, however, that communication cannot be done only at the level of marketing activities of tourist destinations (Gashi, 1969).

### **3. Methodology**

Primary and secondary data were used to study client loyalty and the factors influencing it. The primary data are taken from the empirical study in the hotel sector in Kosovo market. As secondary data serve: existing literature for both developed and developing countries. These data contribute to both the theoretical and practical basis of the study. An intensive review of the existing literature related to hotel tourism was initially made, and then it was expanded with a review of the literature addressing the factors influencing hotel tourism. Secondary data includes books, magazines, articles, reports, etc. Based on the secondary data, an analytical framework has been developed to analyse the hotel tourism in Kosovo.

#### **3.1. Results**

The state, both legally and constitutionally, has an obligation to support the tourism sector as well as to supervise its work, in order to carry out their activity in accordance with applicable laws, and the purpose of establishing business and pay state obligations under applicable laws. Stabilization of tourism is expressed only when there is supervision of not moving the price as the owner wants but to be done in accordance with the real circulation of fair competition in the place where it operates or within the territory of the state where it operates.



**Table 1. Number of Tourists in Kosovo Hotels in the Period 2009-2019**

The period 2009-2019	Number of employee units	Tourists		Night stays	
		Domestic	Foreign	Domestic	Foreign
2009	54	167,209	17,064	731,508	28,574
2010	54	130,000	15,000	744,000	280,000
2011	46	103,498	4,090	566,174	90,991
2012	50	90,840	3,029	432,747	88,572
2013	50	88,694	2,675	324,136	68,821
2014	50	107,231	4,676	253,328	86,904
2015	50	106,773	2,299	285,609	49,861
2016	50	107,235	2,532	269,920	69,385
2017	50	103,075	2,645	351,842	49,814
2018	50	154,212	4,974	179,269	19,005
2019	23	103,261	12,616	79,521	55,720

Source: Statistical Office of Kosovo, 2009-2019

**Table 2. Number of Employees, Rooms, Beds and Chairs in Kosovo Hotels in the period 2009-2019**

The period 2009- 2019	Number of employee units	Number of rooms	Number of beds		Number of chairs	Number of employees
			Constant	Extra		
2009	54	3,526	7,314	8,001	61,291	6,077
2010	54	3,515	7,329	7,827	69,064	5,947
2011	46	2,523	5,277	5,769	68,660	6,435
2012	50	2,571	5,277	5,769	74,352	6,563
2013	50	2,599	5,638	6,106	27,856	3,662
2014	50	2,599	5,638	6,106	27,300	3,796
2015	50	2,613	5,739	6,146	27,004	3,921
2016	50	2,609	5,728	6,135	29,938	3,914
2017	50	2,588	5,670	6,073	35,423	4,145
2018	50	2,614	5,885	6,258	49,512	4,135
2019	23	2,938	1,547	1,681	58,741	5,145

Source: Statistical Office of Kosovo, 2009-2019

A feature of the years 2009-2020 was the opening of a large number of travel agencies which did not meet even the minimum technical conditions for the exercise of their activity. The vast majority of these agencies are engaged only in the sale of plane tickets and passenger transport works, in order to displace as many Albanians as possible, primarily young Albanians. The period 2009-2019 is

the period when Kosovo experienced massive destruction of tourist potentials, tourist capacities, which were already in a small number. This period of time as a period of mass destruction of all that wealth that was built for years made post-war Kosovo a country with a dilapidated economy (Studies of the Kosovo Development and Planning Office, 2019).

The dilapidated economy cannot be developed only by tourism, but tourism is one of the main priorities of economic development, because through tourism we can attract more foreign investment, and more foreign investors. This attraction can occur when tourists during various visits see the natural resources and beauties, labour force, legal and managerial security, as well as a proper economic education in the Republic of Kosovo. In the post-war period in Kosovo, tourism occupies an important place in the economic activation of the country. The share of the tourism economy in the gross domestic product (GDP) is currently estimated at 6-7%, while in the period 1970-1999 it was about 1.9-2.3%. The increase of the share of the tourism economy in GDP is the result of the drastic decline of the economic activity of the social and public sector of the economy, for reasons already known and due to the changing macroeconomic environment and the great vitality of the private tourism sector (Kosovo Economic Memorandum, World Bank, 2004).

Tourism should not be supported only by public institutions but also by private ones, because through the creation of economic agreements they should inform foreign businesses about the benefits of the country and the advantages of the country's tourism, and through pooling of funds to influence the development of local tourism, enabling the country to receive international subsidies (Kosovo Economic Memorandum, World Bank, 2004).

The number of businesses and the number of employees in tourism ranks fourth in the total number of employees in Kosovo, according to some local and international experts. During the period 2001-2002, the number of private businesses in the tourism sector increased by 862 entities or 55%. Total employment, according to the Statistical Office of Kosovo, has increased. 237 tourism businesses in just nine months have increased by 1548 employees, or by 7.7%. The spatial distribution of tourism businesses has been approximately in line with the economic activity that has taken place in the municipalities of Kosovo. In the total number of tourist businesses of the country, Prishtina participates with 32.11% (1373 tourist businesses), Prizren with 12.39% (530 tourist businesses), Peja with 3.85% (165 tourist businesses), Ferizaj with 2.38% (102 tourist businesses), Gjilan with 5.59% (239 tourism businesses), Mitrovica with 6.73% (288 tourism businesses) and Gjakova with 4.58% (196 tourism businesses). Approximately similar reports are for employees in this sector in these cities. Prishtina leads with 3078 employees in tourism or 28.16%. During the period June 1999-2002, compared to the pre-war period, very big changes were made in terms

of the structure of their deployment and utilization capacities. The ratio of basic deployment capacities to complementary ones is inconvenient. The number of basic objects for deployment in the total number of objects for deployment, participates with 48.5%, while the complementary capacities with 51.5% (Studies of the Office for Development and Planning of Kosovo, 2019).

#### **4. Conclusions**

Any kind of plan and planning for the development of tourism in Kosovo will be difficult to realize without the commitment and involvement of all actors of the Kosovo tourism market and interested partners from the global tourism market. Kosovo's tourist supply is diverse and the emphasis should be placed on the development of conditions for transit tourism, nature tourism, health tourism, winter tourism, cultural tourism, adventure tourism, for which types of tourism Kosovo possesses resources and opportunities that in the future to valorize, and bring tourism to a level to be the pillar of economic development.

Employment of the population is one of the factors, the potentials in which the achievements of tourism development in the country in the near future should be evaluated. The tourism tradition in Kosovo is relatively deficient given the history and political situation that Kosovo has gone through, but this should not be an obstacle to the engagement of existing and newly educated experts in the outside world to create an autochthonous tradition, based on the achievements of developed tourist countries.

The confusion so far regarding the lack of a "master plan for Kosovo tourism" has made the situation more difficult, because it is not known in which direction will go in the development of tourism, who will determine this direction, but there are no answers to questions as:

- Who will take the lead in tourism development?
- When will start the rapid development of tourism in our country?

Communication between the actors of the tourist supply but also with the tourists themselves is shown as a necessity and need in order to answer his constant questions, and the trend that the tourist no longer asks "where he/she will go on vacation" but raises the question of "what he/she will do in the place where he/she goes".

The implementation of an information system for Kosovo tourism is seen as imperative. The education of new generations of experts and workers for the tourism market is presented as an imperative to react immediately and without delays. The transfer of experience from abroad through cooperation with the

countries of the region and beyond should be done permanently, so as to achieve the balance of knowledge even with countries in the region that have a rough tourist supply. Based on these findings, it is necessary to conduct intensive research on innovations and developments in the tourism markets. This should be a broad activity, and well guided in shaping, preserving and developing the historical-cultural heritage, based on the information obtained from interdisciplinary analysis and cross-sectorial cooperation.

A well-conceived project will show the way to go in the development of tourism in geographical regions and at the national level in Kosovo. As an impact of this project may arise other projects that will be a source of other social and business activities that are directly or indirectly related to the development of tourism but also in general economic and cultural development of regions and Kosovo.

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