

## TOURIST RESOURCES VALORISATION THROUGH THE MARKET MECHANISM

**Katerina ANGELEVSKA-NAJDESKA**  
**Simona MARTINOSKA**

***Abstract:** Tourist resources valorization through the market mechanism requires analyzing the wishes and needs of potential tourists and tourism demand on the one hand and the needs of the economic entities on the side of the tourist offer, or those who participate in the creation and implementation of the tourist product. The formation, and also the needs and desires that changes the potential tourists are affected by various factors.*

*The tourist market is based on a mix of correlations between the supply and the demand as integral parts of that market, whereby the subject on the demand side must match the subject on the supply side. Valorization represents integral part of the market research that cannot be done independently from the research of the correlation between supply and demand.*

*The future valorization of the tourism resources on the market, their exploitation and preservation for future generations depends on more non-market rules, the period needed for preparation and adaptation of tourism resources in order to create new tourist product, as well as the formation of entirely new preferences of the future participants on tourism market.*

***Keywords:** tourist resources, valorization, market mechanism, tourist offer, tourist demand.*

### INTRODUCTION

Valorization is an integral part of the market research process, that can't be done as an independent research on the relationship between supply and demand, besides some other markets of goods and services, which means that should be established optimal degree of correspondence between them.

Tourist resources are all issues that have the ability to meet tourism needs of the people. In fact, the tourist resources are those natural and social goods which can be valorized, can be valued and utilized, but also those phenomena, processes and facilities that are visited by the tourists. Therefore, the overall tourist offer should be based on the characteristics and properties of resources in space, because if the space is not dispose with natural or human resources that have a high degree of attraction, it is impossible to upgrade anything else.

The main feature of the receptive space actually is its power for attracting potential tourists. In fact, it depends on the space, if it is rich in phenomena, processes and structures that have a certain capacity and can satisfy the tourist needs.

Space and resources in the area which are used in function of tourism development possess a whole range of specificities that differ from resources in other activities. Tourism requires quality space, which means that the use of each resource should encourage various tourist activities. If resources do not have the attributes that will attract potential tourists, or do not have a conditions for various recreational activities, do not have high aesthetic values, and respectively high attraction strength, then it is just resource, but not at the same time tourism resource.

### **1. The market as a factor for tourist resources valorisation**

When tourism market is treated as a factor in the valorization of tourism resources, then it should be underlined that it may be viewed at the local, regional, national, international and global level. In fact, the local market covers the local tourist movements and world market refers to the resources that have global value such as Paris, London, Rome, New York, the Alps, the Mediterranean and so on. This is important to note, because in the local and world market the services can be of the highest category, which means that prices have to be equalized. Unlike the classic products, while we are talking about the product of the tourist destination it must be taken into account the impact of resources at the destination, and on the quality and the price, if it strives to achieve the world demand for that product. With increasing the distance of certain areas or segments of the demand, prices of services in tourist areas (due to transportation costs to customers) also increase.

Because tourism supply and demand are on the some certain spatial distance, that should be taken into account in the tourist valorization of resources and in the market research process too. Also, the seasonal nature of the tourism trade has to be taken into consideration. Namely, any classic product can be delivered to the buyer's place of residence, but if tourist consumer wants to consume tourist product, he have to come in the tourist destination or place of tourist offer. It should also be noted that if the place of offer is closer and more attractive, the possibility that potential tourists will come is greater, which means that geographical location of the tourist destination and its traffic connections with initiatives spheres has a great significance. So, the market value of the tourist offer, or the tourist resources are in direct correlation with the attractiveness of resources, and in inverse relation to the consumer centers distance (stem areas of the tourists). (Angelevska-Najdeska, 2006)

Seasonality of sales is directly related to the climate time-zone changes. Natural factors have a primary impact on the tourist season. (e.g sunbathing and swimming recreational-tourism can be developed only in the summer of the year). The action of these elements are reflected in the annual mode, in manufacturing, in schools, and thus the vacations or holidays coincide with the

summer months when high temperatures adversely affect the activity and working ability of the human body. In fact, usually during the tourism market research data are found that may sized the demand shape and structure. Tourist season as especially market category directly covers the offer and demand which emphasizes the need for their simultaneously study.

Considering the fact that the tourist consumers as a specific type of customers use the resources and services in the tourist destination and they are included in the tourist destination offer, it is logical that in the market research should first find the scale and structure of the offer, because in that way the modification of the potential tourists demand can be influenced. That is even more important when it comes to attractive elements (because if they are valorized, they may be included in the tourist offer), and with necessary human resources and other investment in some kind of resources, in in that way any tourist destination can participate in the certain services completion.

## **2. General characteristics for tourism resources assessment**

Taking into consideration the fact that tourist movements reach worldwide dimensions, recently more attention is being paid on studying the factors that encourage tourism development and especially in terms of their dimensioning. Some authors believe that the factor separation through spatial aspect is of great importance because the complexity of resources and their distribution in space largely determine and form the tourist offer, as well as tourist demand. Those conditions that determine the tourism development in space are: attractiveness, infrastructure, hospitality and so on.

The tourist attractions are actually the most important factor for the tourism appearance and development in a certain destination. Whether it is natural or anthropogenic (social) resources requires appropriate management in order to be able to maximize the satisfaction of the people (tourists) who visit them. Attractively-motivational factors can be defined as objects, phenomena and processes which with their properties attract tourists, and that is the reason to stay in a certain geographical area. (Marinoski, 2001) Therefore, all resources in general, and the tourist resources in the Republic of Macedonia can be divided into:

- ✓ natural and
- ✓ anthropogenic, or those resulting from the people actions.

Although initially the natural attractions are an integral part of the environment, during the tourism development they also develop and change, so today they can be put down into several types of factors, for which the most acceptable is considered the division as follows: (Milenković, 1999)

- ✓ **pure natural, in its original form, such as:**
  - flora and fauna characteristics

- attractive rocks and rock groups
  - gorges, valleys, canyons, river islands and other forms exerted by different forces
  - rivers, lakes, waterfalls, springs
  - caves, pits, vortices
  - decorative materials
  - climate elements that are important for tourism (temperature, humidity, length of sun gloss, etc.)
- ✓ **natural tourist attractions created by man, but "adapted to nature", such as:**
- natural museums, aquariums and other collections of plants, animals and other elements of the natural environment
  - botanical gardens
  - zoos
  - parks
- ✓ **other group of natural attractions, which include:**
- national parks of nature
  - landscape sections, viewpoints
  - landscapes, mostly local nature parks.

In this last group increasingly is felt the presence of the man who brings some of his elements, which mainly relate to the spatial arrangement, construction of infrastructure and other facilities that will be aimed to improve the quality of the services offered to the tourists. For these reasons, it is difficult to make a precise boundary between natural and anthropogenic tourist motives, because the tourist motives appearance are influenced by impacts from one and the other group, so that they are mutually intertwined. But, mostly in differentiation of the motives are considered those motives that prevail.

The tourist space natural attractions are increasingly and massively exploited because they provide recreational activity to the people, tourists on the one hand, and they have an aesthetic value because they pleasantly affect the man senses on the other hand. Here the emphasis is placed on the ecological side, or ecological system of functioning of the natural values. (Dinić, 1990)

Tourism natural resources are specific and they are qualitatively and quantitatively limited, and often their value is decreased during the tourism activities. Their limitations can be best seen through the inter-relationship of tourism demand and tourist offer.

The fact is that the greater the variety of relief and abundance of mountains with geo morphological forms (caves, gorges, canyons, valleys and specific micro-climate), the greater is their tourism function. If the mountains have a larger volume of water surfaces they will be more convenient for

recreation and tourism. In this regard, the importance of wealth with lakes, rivers and pure spring water is emphasized. It enables the development of water sports, fishing and cultivation of high-quality fish for the catering-tourist facilities. Also, a wealth of mountains with parks, landscapes, etc. contributes to the increasment of their tourist value. Enrichment of the mountains with these elements allows them to gain exceptional recreational and also an aesthetic function. On the other hand, the availability of the mountains also increases their attractiveness. That's why those mountains which are closer to urban centers or tourist roads are more developed in tourism sense. The versatility of mountain flora and fauna provide a comprehensive tourism development. Those mountains that have richer forests are more convenient for health and recreational activities, hunting activities and so on.

In order to obtain the full assessment of natural tourism resources, the attention must be paid particular to water resources. In tourism, the importance of water has a dual role, namely: (Milenković, 1999)

1. The first relates to the recreational and tourist values of surface water, such as runoff and in stagnant waters (accumulated)
2. The second refers to the valorization of thermal and mineral sources

In order to assess the overall value of the thermal and mineral ground water, it should be considered the coefficient of water attractiveness for tourist needs. During valuing water surfaces, it should be used the information obtained from the analysis made in order to assess the beneficial characteristics of water for the tourism. Actually, they are: a water temperature, transparency, purity, depth, the possibility of sailing etc. If such analyzes are conducted for runoff water, the ratio of their attractiveness can be determine through taking the average annual flow of water along the longest river, surface runoff in the region, the total area of all waters in the region, water cleanliness, slope (steepness) of the terrain through which the river flows, etc.

Having in mind that modern tourists during the process of choosing a tourist destination increasingly decide to visit a destination that is "untouched by human hand" and "closer to nature", then the natural conditions of a particular area as the only combination in relative or aesthetic sense has positive impact on the tourism development, and the scope and structure of the tourism benefit will depend on their attractiveness.

### **3. Market assessment of tourist resources**

The market valuation of tourist resources, especially the determination of their market prices, is a very important issue. Since it is particularly difficult to fully determine the price, its optimal variant is required, which is not going to impede the movement of demand for tourist destinations.

The process of determining market prices of tourist resources is influenced by many factors that are grouped into two major groups, namely:

**economic and non-economic.** In the economic factors influencing the market value of tourist resources are included: (Milenković, 1999)

1. Physiognomy and characteristics of the tourism offer, with exactly defined and built tourist product that by marketing presentation become available to all potential tourists;
2. The feature, volume and structure of demand for our tourist resources with their geographic, demographic, economic and political characteristics;
3. The relationship between so established supply and demand and their common effect on the tourism market;
4. The creation of new tourist areas, discovering new and adjustment of the old tourism resources to the new philosophy of travel and use;
5. Permanent conjunctive changes in the market for tourist resources by changing their structure of valorization, of traditional and new risk tourism markets;
6. Introduction of new means of technological progress of the evaluation and utilization of tourism resources, with new means of tourism infra and superstructure, presentation, distribution and final implementation;
7. The use of additional travel resources in complementary types of tourism, as well as their involvement in the creation of an integrated tourist product;
8. The change in the value of national currencies in the countries from where the tourists come and the country that receives them, defining the exchange rate of adequate tourist exchange, the national currency convertibility and the rapid introduction of the tourism product through the possible dumping prices;
9. Influence of the international organizations, unions, associations dealing with evaluation, use and exchange of tourists and tourists resources;
10. The development of new tourist movements forms with the most profitable value and new ways of meeting;
11. The impact of the large tour operators, tourist corporations, systems of hospitality chains and other companies dealing with the exploitation of tourism resources (Marriott, Sheraton, Hilton, ...);
12. The effect of short and long term measures of economic policy in developing, using and expectation of tourist resources (credit-monetary and tax policy, various regulations, encouraging measures etc.);

Another set of factors or non-economic, are those that also affect the formation of tourist resources market prices, refer to:

- Geopolitical relations in the world;
- The different manifestations of the leisure industry;
- Various riots and strikes in the countries of tourist offer;
- Social relations in emitter as well as in receptive countries or regions;

- Working and professional relations and structural characteristics of the population in countries with potential supply and demand;
- Specific relations to political turmoil in the world;
- The impact of natural disasters, unforeseen weather conditions and other natural disasters;
- Different ownership of the resources;
- Partial or complete protection of tourism resources;
- Valorization tourist protectionism for tourism resources;
- Environment preservation and ecological balance of tourism resources.

When we talk about geopolitical relations, we think above all of those that create barriers to the movement of tourists, capital and knowledge required for highly productive use of tourist resources, and thus affect demand and limit the rise in prices. For these reasons tourism without borders and barriers would affect the increase in demand, and in that way generate the prices reduction for the usage of tourist resources in certain destinations.

Leisure time is a factor that has a significant impact on the tourism development, because the greater leisure time volume affects the potential tourist demand formation and utilization of existing resources, and also the market prices reduction of those resources, as used across many forms.

Various riots, demonstrations and strikes are treated as factors that have a limiting impact on the tourism development. Also important is their influence on the formation of market prices of the tourist offer, including means of transport, mediation, accommodation etc.

The status of certain social groups, their ability and opportunity to engage in tourist flows and travel affects the popularization of tourism, and also on the level of prices of the tourist offer.

The structure and the professional profile of the population in emitter as well as in receptive areas, affect creativity and hospitality in tourism and catering establishments, and hence on the quality of supply, and of course on the price.

The embargo and sanctions affect so called - sustainable tourism prices of tourism resources in order not to lose their core substance.

Natural calamities and disasters drastically change the stable formation of market prices of tourist facilities and affect the components of the tourist product as an integral product, in the tourist destination offer.

Complete or incomplete nationalization, or concession sale of natural resources, causes destabilization effect on market prices formation of the same.

Preservation of resources for a better time in the future for their valorization enables offer refreshments at one moment when destination tourist product is in the decline phase in its life cycle, and this will allow tourists new desires interception.

Tourism protectionism valorize some resources faster, better and cheaper, while in same time discourages and increases the price of others, with no real

economic base and thus reduces its demand, making the one more market competitive, and the others less market competitive.

In conditions of growing pollution in urban centers, people would prefer to stay in areas that are cleaner and quieter. Therefore it seeks more to protect the environment and achieve ecological balance which increases environmental cost, which in turn affects the increase in prices of tourist services.

The tourist resources price is forming according certain criteria and under the influence of certain factors. Factors that affect the tourist resources price formation generally can be of an internal character, which includes changes in the tourist destination, and external character, which includes changes in the broader environment. It should take into account the specificities of the tourism market and supply and demand within it. Middelton lists the following prices impacts, arising from the character of the tourism product: (Middelton, 1988)

- high elasticity of demand (in different segments)
- significant flow of time between the pricing and the tourism product sale
- inability of product storage
- high possibility of prices short-term fluctuation
- prices reduction in order to attract demand
- high probability of a war over prices (war prices) in the area of accommodation services, transportation and so on.
- significant state regulation
- necessity of seasonal prices differentiating
- psychological aspects of tourist decision making for the product as a status symbol
- high fix costs in the operation of the tourism market.

It is very important that these features are taken into account when pricing the tourist product of Macedonia as a tourist destination. Moreover, because the interest and demand for tourist product of Macedonia as a destination is flexible when we take into account the influence of factors such as political stability in the region, the economic crisis and so on. However, if a proper pricing policy is run, then it might to some extent influence the prices with their reduction, intervention by the state, seasonal differentiation, etc., and everything in order to attract as many potential tourists. There is a very little space to influence the interval reduction between the pricing time and the sale time of the tourist product, as well as the inability of product storage and to reduce the fixed costs of operation the tourist market. That is why the comprehensive analysis of the Macedonian tourist market current state is necessary with meaningful application of the findings. (Angelevska-Najdeska, 2009)

#### **4. Relationship between offer, demand and price of tourist services and resources**

The relationship between offer, demand and price of tourist services and resources can be analyzed from several aspects.

In case when the offer and demand for tourist services and resources is the same, then the prices of these services and resources vary slightly, usually up, or are in a steady state, so called standby state.

When however, the supply of tourist services and resources is less than the formed demand for them, it come to a situation of more intensive utilization of the same, which on the other hand requires better organization, rational management and so on. The more intensive use actually means rapid depletion of those resources which causes environmental ecological and other costs, and therefore prices rise faster and creates more profit. It's produce consequently greater accumulation, faster construction investment, new forms of exploitation, the appropriate discount rate and repayment period of investment. Prices will continue to form on a higher level, and will not reduce the demand for tourism services and resources.

If, however, the offer of tourist services and resources is greater than demand, then prices should not be rising, but slowly fall to the level of competitive prices of tourist resources and services in the destinations with the same or similar offer.

One of the specifics in pricing is that it is formed at a higher level in places that are more attractive (rich in cultural and historical monuments, natural resources, etc.). However, it is important to attempt not to lose competitiveness in the market. Also, it is essential to find the most appropriate way of combining the policy of price and the quality policy.

In tourist resources price forming, demand, competition developments, and costs have great impact.

Monitoring the relationship between supply, demand and prices enables better organize and operate them on the basis of long-term forecast or projection. Therefore, the long planned valorization of tourist resources through their social value and economic value is need. On the other hand, inadequate use and protection of individual tourist resources, and also not splitting specific resources in tourism under priority value and importance has great influence on the resources prices formation that are part of the destination tourism product. Taking inadequate operational activities in tourism with poor (unskilled) management of all tourism resources affect the operation and tourism development costs rising, and therefore the rising prices of the offered resources and services. Insufficient separation of funds for development and construction of the most modern and profitable tourist facilities also have an impact on the price of the resources that are part of the destination product.

Tourist resources valorization through the market mechanism requires analyzing the wishes and needs of potential tourists and tourism demand on the one hand and the needs of entities on the side of the tourist offer, or those who participate in the creation and implementation of the tourist product. The formation, and also the needs and desires changing of potential tourists are

affected by various factors. During the tourist resources price forming, all factors that may influence its changing, analyze is need, in order to be able to influence the demand for those resources, but also to be competitive. (Angelevska-Najdeska, 2011)

Future evaluation of the tourism resources of the market, their exploitation and preservation for future generations depends on more non-market rules, the period of preparation and adaptation of tourism resources to create new tourism product, as well as the formation of entirely new preferences of future tourism market participants.

On the other hand, there is a some uncertainty because the impact of factors affecting the formation of market relations and market prices of the tourist environment is excluded, but only the tourism resources market valuation and services effect is recognized.

## CONCLUSION

Considering the fact that the tourist consumers as a specific type of customers use the resources and services in the tourist destination which are the part of the destination, it is logical that in the process of market research the first insight should be about the scope and structure of the offer, because that's the way in order to influence and modificate the demand of the potential tourists. It is even more important when it comes to valorization of the attractive elements, and to include them in the tourist offer, and with the necessary investment in labor and required resources to complete the certain services. During the research and analysis of tourism demand and supply as integral components of the market, special emphasis is put on attractive elements-resource, services, but also the prices.

The complexity of tourist needs of every individual manifests as a need for a specific combination of basic and additional services, and they must be satisfied with a complex tourist product from the supply side that an implied temporal and spatial synchronization of attractive, communicative and receptive factors. These factors indicate a wide range of number and elements that tourists expect to have available, so they can choice which of them will consume to achieve personal satisfaction.

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#### NOTES ON THE AUTHORS

**Katerina ANGELEVSKA-NAJDESKA, Ph.D.**, Faculty of Tourism and Hospitality – Ohrid  
k\_angel\_naj@yahoo.co.uk

**Simona MARTINOSKA, Ph.D.** simonabojadzi@yahoo.com  
Kej Makedonija 95, Ohrid  
Faculty of Tourism and Hospitality – Ohrid