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Geographical dispersion of tourist agencies in Republic of Macedonia

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Abstract

Subject of research in this paper are the tourist agencies in Republic of Macedonia. Namely, the notion behind tourist agency shall be defined, along with their historical development in the country under consideration. Tourist agencies can be viewed as a crucial factor for tourism development. The last section of this paper will present a regional division of the tourist agencies, the orientation toward modernization of their activities as well as the government role as a sponsor of the organized tourism activities.

Key words: tourist agencies, tourism development, regional division, organized tourism activities,

Introduction

Although there have been 170 years since the commencement of the first tourist agency, by Thomas Cook, it is still a relatively new activity (Syratt 2003). The first records of intermediation activities in the area of traveling and tourism, are dating since ancient times and are subject to constant changes over time. Taking into consideration various assumption regarding the future development of tourism (according to World Tourist organization, international leisure travel in 2011 have reached 980 million, compared with the 25,5 million in 1950), it could be said that

the tourism intermediation is overcoming the current crises. In addition, expectations are that tourism intermediation will have a stable development pace, not only in terms of quantity, but also in terms of quality.

Nowadays, there are active tourist agencies all over the world, easing the traveling experience to large number of people (Spasic 2010). Tourist agencies are offering products and services related to the traveling, travel arrangements for final consumers on the behalf of tour operators, accommodation capacity, airlines, and cruise companies (Singh 2008). They continue to play an important role in the tourism distribution system, linking supply and demand (McKercher 2002).

Travel Agency is an indirect form of distribution channel, because it acts as an intermediary between potential customers and suppliers of services (Jafari 2000). On the other hand, employees of travel agencies are experts who are acquainted with: the travel schedules of vehicles, roads, accommodation facilities, currencies, prices, regulations, destinations and all other aspects related to travel (Goeldner 2009).

A number of authors provide their own definition of travel agencies and their functions. However, the main functions of travel agencies are: information and advice, mediation and organizational function (Stetic 2000). In tourist theory there are more tourist classifications of travel agencies according to different criteria. According to the basic function, travel agencies can be divided into two groups: tour operators (organizers) and travel agents (Asenova 2006).

Occurrence and development of tourist agencies in Macedonia

The emergence and development of tourism agencies in the country were closely related to the socio-economic conditions in which the territory was located before the Second World War and tourism development in this context (Marinoski 2008). Namely, the territory of Republic of Macedonia in this period occurs within the Yugoslav kingdom. Socio-economic conditions in this area were very unfavorable. Basic existential needs were hard to cover, thus tourist activity was rarely taken into consideration. For this reason, tourism occurs much later, in comparison to its organized appearance in Europe, and other, more advanced areas in the former Yugoslavia. Not taking into account some specific visits or small group outings, the first organized tourist activity on the territory of the Republic of Macedonia is in 1927 in Skopje, at the time when tourist company "Jug" has been established. This tourism company, later on, included business and tourism agency in its activities. In 1930 Advisory Board was established, for the purpose of developing the tourism industry, whose members were tourism officials from the commercial and scientific institutions. In order to improve its financial situation, the company "Jug" becomes a shareholder of the former travel agency "Putnik", buying 25 shares in the amount of

25,000 dinars. This is how, the company got the right to open branch of "Putnik" in Skopje as well as performing tourist propaganda and accepting tourists. Putnik acts as a travel agent after the Second World War in Macedonia. In terms of tourism, the post war period until 1952 is about administrative relations in which tourism mediation is within the state administration. In the territory of the Republic of Macedonia there are trade unions and other forms of social activity that indicate inter alia tourists within tourist movements. "Putnik" acts as a state enterprise. After 1952, there is a commencement of the process of decentralization leading to independent development of tourism in the federal units of the former Yugoslavia. Decentralization is also present in the area of the organization of travel agencies. In Macedonia, travel agency "Putnik" remains a subsidiary office of the company, but at the same period new independent travel agencies, are formed. Such agencies are "Palasturist", "Interimpex", "Avioturist", "Feroturist" acting as a tourist agency in the composition of ZTP Skopje and "Intermakedonija" from Skopje, tasked to work on promoting student and youth tourism. In the field of foreign and domestic tourism there are subsidiaries of travel agencies from other areas of the former Yugoslavia, operating in Republic of Macedonia. Some of which are the branches of "Putnik" from Belgrade, "Generalturist" Zagreb, "Compass" in Ljubljana, "Centroturist" from Belgrade, "Inex" from Belgrade and some other smaller travel agencies. Agencies in the country, during this period, were faced with operating problems. Namely, there was an unfair competition in the tourism market and low qualification structure. Most of these agencies are dealing with the organization and sending tourists abroad, and less with the inflow of tourists in Macedonia. Major problem is the fragmentation of the industry as a whole, thus influencing the fragmentation of tourist's offers. In transport, agricultural and industrial mills, units, plants and so on, have been formed, with the purpose of performing indirect tourism-statesmen activities. Quality of service is very poor and often without humor service, with low levels of tourist places. Speaking of foreign tourism market, tourist agencies had low level of engagement. During the process in which Republic of Macedonia gained independence, along with privatization and transition, there is occurrence of significant transformation in the tourism agency operations. These processes occurred by 1990. Specific trend noticed during this process is that large number of tourist Agency ceased to operate as subsidiary. They become Macedonian tourist agencies. Thus "Putnik" adds the abbreviation MAK since 1992 and operate as a "Putnik - MAK". Moreover, during the same period new travel agencies are registered. Some start-ups travel agencies are independent, but most of them are registered within other companies. Thus, a small number of registered travel agents deal with true resort mediation. Among the newly opened tourist agencies of the period known are: "Marco Polo", "Aurora", "Savannah", "Fram", "Zodiac", "Flaj-tourist", etc..

Regional distribution of travel agencies in the Republic of Macedonia

Nomenclature of Territorial Units for Statistics (Nets 1) as a basis for the collection, processing and publication of regional statistics is established by Eurostat (statistical device of the European Commission), in cooperation with national statistical institutes of the Member States. The main purpose of classification Nets is to provide unique and uniform separation of territorial units at the regional level. The production (provision) of harmonized and comparable statistics on the labor market, agriculture, demography, education, economy etc., at regional level, is the basis for planning and development of regional policy in the European Union (State statistical office, 2010). In this regard, the Law on Balanced Regional Development of Regions in the country, has been adopted and developed (Equal regional development law, 2007). In our country there are eight statistical regions.

Table N.1

Regions	Number of tourist agencies	License A	License B	License B
East	14	7	1	6
Skopje	195	128	10	57
Vardar	12	7	2	3
North-east	26	4	5	17
South-west	44	12	2	30
South-east	19	9	4	6
Polog	32	6	2	24
Pelagonia	37	13	1	23
Вкупно	379	186	27	166

Source: Register of travel agencies, Ministry of economy, Department of tourism and hospitality

According to table 1, largest concentration of tourist agencies can be found in the region of Skopje i.e. 195 agencies. These agencies according to their field of activities are emotional, because they act on territory of their clients, the city of Skopje, having tourist market with high demand for tourist products. One of their primary task is to support the inclusion of potential tourists in the tourist movements. Second biggest region with 44 tourist agencies is the Southwest region. These agencies are mostly receptive in character, because of lake tourist center (resorts) in Ohrid and Struga. The main activity of these agencies is to secure the needed conditions to meet the travel needs of the tourist area. All four regions: Northeast, South, East and Vardar. Are dominated by tourist agencies with combined character. The number and development of travel agencies is closely related to the development of tourism. The data generated shows that arrivals and overnight stays of tourists,

the capacity of accommodation facilities, as well as generated tourist traffic is greater in regions with higher number of travel agents and vice versa. From this we can conclude that travel agencies are one of the main factors for the development of tourism in our country.

Contemporary trends in the activities of travel agencies

Functioning and operation of travel agencies in the country is governed by different rules and requirements which should be met. According to the Law on Tourism, in order for travel agencies to be able to conduct their business they should have a license. Licenses can be: A, B and C (Tourism service law, 2004). From Table 1, we can observe that most of the travel agencies in the country are with license A - 186 (mostly in Skopje - 128), license B - 27 and V license - 166. Tourist agencies having licenses A, can be characterize as tour operators. Approximately 30% of the tourists, in our country, who were on holiday travels are organized through a travel agency, and as a source of information when planning a trip - travel agents are represented by 32% (Eurobarometer 2011).

There is an association of travel agencies in Macedonia - ATAM. It was established in 1994 as part of international travel agencies acting on the territory of the Republic of Macedonia, in order to promote and develop tourism - agency and establishing and realization of cooperation with bodies and associations in the field of tourism and related sectors within the country and from abroad. ATAM is a volunteer non-profit organization of Macedonian tourist agencies, which counts more than 80 members (travel agencies and tour operators from around the country), with an increasing tendency. Members of ATAM with its activities cover most of the activities in the field of tourism in the country. Also, many travel agencies are members of travel commerce.

From the the supply and operation of travel agencies in our country, it can concluded that the travel agencies follow the trends of the tourism agencies and tourism market, using information systems, through participation in international tourism fairs and constantly enriching and raising the level and quality of services offered.

Subventions of the foreign organized tourist turnover

The guide for subsidizing foreign organized tourism market (2010) determined is determining the terms with which, package travel organizers can be entitled to subsidies. In addition to the former other issues are explained, issues such as: the application form and required documentation for classes of transport used by the organizers, the scope and timing of subsidy and the manner of payment thereof.

According to the manual, organizers of package arrangements for foreign guests (tourists) are entitled to subventions if:

- Accommodation in Macedonia of at least three nights in all accommodation facilities where professional services are offered, except for accommodation in rooms and suites that haven't been registered as operator of tourist activities and don't have the proper categorization, of accommodation facilities;
- Organized group transportation in specially rented buses, planes or leased at least 10 seats in the train from the starting point of the group to the point of using the service in the accommodation facility and return of the group to the same route (bus ride and train during their stay in Macedonia is not included);
- Organized group transportation on regular routes and regular rail traffic coming and going back to the group (at least 10 people in the group);
- Organized group transportation in combination with two vehicles as the main means of transportation (plane, train or bus) when the vehicle coming in the destination is considered a main vehicle, for which the request is submitted and
- Round-trip tours (minimum of 10 people per group) with organized transport during departure and arrival of aircraft, bus or train if, at least two nights with service bed and breakfast in various places in Macedonia, are made.

From the two-year practice of subsidizing foreign organized tourism market in our country, we can conclude that subsidies have been accepted and approved by travel agencies, accommodation facilities and government agencies that implement this project. They have been regularly paid, and the amount of the subsidy depends on the country of origin of foreign tourists.

Conclusion

Travel agencies are important stakeholders of the tourism market. Their significant development in the country began in the early nineties of the last century. Nowadays travel agencies in our country follow the modern trends from around the world, and they continually adapt to market demand and tourism needs. Their operations are regulated by the Law on Tourism. There is an irregular distribution of regional agencies, there are regions with developed tourism and high concentration of tourist agencies as Skopje and the Southwest, while the other regions have a small number of agencies. In these regions the number of tourists and overnight stays is significantly lower. One of the positive measures to increase the number of tourists is

to subsidize the foreign organized turnover, which is mostly beneficial for the tourist agencies.

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