
CREATIVE TOURISM DEVELOPMENT MODELS TOWARDS SUSTAINABLE TOURISM

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Creative industries are becoming more and more significant in the post-industrial economy, which is characterized by sharp increase of the service sector and information technologies. Announcement of the creative industry concept better demonstrated not only the practice of cultural industries, as traditionally classical art but also their functional meaning and connection with entrepreneurship and economy.

This publication aims at demonstrating the creative tourism industry system where opportunities of creating joint, new and innovative touristic products of culture, tourism and hospitality industry are presented. The guide reviews resources and aspects of creative tourism, its role as an alternative touristic direction in the process of sustainable development.

The guide provides examples of successful practice of tourist product and service providers in Georgia, Ukraine and Bulgaria, method of offering unique experiences and perception and interpretation of cultural heritage. At the end of the guide, the practice of using opportunities of the digital world for small and medium business in the tourism sector is provided.

The guide is intended for beginner entrepreneurs in the field of tourism and hospitality and students of respective areas of specialization.

The guide was created within the framework of the project “Tourism, Heritage and Creativity” funded under the EU Black Sea Basin Borderline Action Program. The leading partner of the Project is Georgian Arts and Culture Center (Georgia), the partners are the European Institute for Cultural Tourism (Bulgaria) and Mykolaiv Development Agency (Ukraine).
CREATIVE THINKING AND CREATIVE INDUSTRY

What is a creative thinking as the initial process of initiation and formation of creative industry? What is the main result of creative thinking?

Illustration 2. Creative product characteristics. Workshop on Creative Tourism (17.05.2021), Georgian Arts and Culture Center

Creative thinking implies capacity of a human to create a new, original product in the field of his activities. This is thinking out of the box due to which a person can see something uncommon in ordinary events. Existence of new and/or genial discoveries is explained by such form of thinking, which changes the life of not only individuals but of the entire humankind. Result of creative and productive thinking is establishment of a new relationship, creation of a new idea and acquiring new knowledge. A creative person with his/her innovative ideas positively influences the life of others. Therefore, the product obtained as a result of creative thinking is absolutely new both for a person’s individual experience and for the level of general knowledge.

Creative industries\(^1\) are becoming more and more significant in the post-industrial\(^2\) creative economy\(^3\) which is characterized by sharp increase of the service sector and information technologies. A universal definition of creative industry does not exist and it is often a subject of controversy. Creative industries cover a wider range

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1. The concept of Creative industry first appeared in the British National Strategy in 1998, thereby separating itself from the basic culture strategy. This pragmatic decision proves not only the practice of using the concept as a traditional classic art, but also its connection to entrepreneurship and economy.
2. Post-industrial economy is the period of growth of industrialized economy or society during which relative importance of production is reduced and importance of service, information and research increases.
3. Creative economy unites economic, social and cultural aspects. It has knowledge-based economy characteristics. Its main driving force are creative and cultural industries.
of activities, including cultural industries and also, all types of industries which create creative products and services and/or use such products.

These include performing arts, museums, advertising, fashion, architecture, design, cinema products, publishing house. Heritage crafts is identified as a separate sector of cultural history, which simultaneously with the sectors such as music, cinema, architecture, fashion etc. represents one of the most significant resources for development of various countries or regions of the world, source of employment and economic growth.

In some countries, the area and approaches of creative industries are wider and fully cover Internet technologies and software fully. One of the conditions of creative industry is protection of intellectual property. Creative industries use cultural as a resource (initial raw material) in creating industrial products; they have a cultural meaning, but their result is mainly of a functional nature.

Innovativeness is necessary for maintaining the business viability, which does not exist without creativity.

WHEN DO WE CALL AN IDEA INNOVATIVE?
Characteristics expressing the idea of innovation

<table>
<thead>
<tr>
<th>Need</th>
<th>Opportunity</th>
</tr>
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<tbody>
<tr>
<td>is created for resolution of any problem or improvement of the existing problem solution</td>
<td>develops the market and facilitates decision-making by customers</td>
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</table>

<table>
<thead>
<tr>
<th>Has customers</th>
<th>Creativity</th>
</tr>
</thead>
<tbody>
<tr>
<td>otherwise doing business is unprofitable in such case</td>
<td>is the key to appearance of innovative ideas, while ideas already transformed into a product are innovation</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Process and discipline</th>
<th>Value of innovation</th>
</tr>
</thead>
<tbody>
<tr>
<td>innovative product is effective, any process of its works is consistent, timely and organized</td>
<td>both in monetary units and also as a value which you offer to the customers</td>
</tr>
</tbody>
</table>

Illustration 3. Innovative Product Characteristics

ESSENCE, CONCEPT OF CREATIVE TOURISM

Creative tourism is a joint product of cultural and tourism industry, which is created and presented on the tourism market by creative people. Creative tourism product may be produced both by a person of art and any resident of a city and a village, including a farmer whose activities contains elements of cultural and tourism industry. Combination of these two sectors creates diverse touristic offers. Its main resource is the unique cultural (tangible and intangible) resource, product and the entrepreneur.

There are many definitions of creative tourism in the world. Generally, it is viewed as a new (alternative) direction of traditional cultural tourism which is an opposite form of mass tourism and implies paradigms and principles of sustainable development. According to the general characterization, tourism unites travel, expedition, folk crafts, traditions, popular art, gastro-, agro- and art-tourism, festivals, outdoor activities etc.

*Creative tourism is a form of travel which allows for pleasant leisure, travel in the absolutely new environment, perception of novelties beyond a common life and gaining new experiences. This is a travel in the ethnically interesting region where a local living culture is preserved and it is possible to organize educational and adventure tours.*

Both developed and developing countries of the world are interested in strengthening of creative tourism and it is viewed as the best way for popularization and preservation of traditions, culture, folklore. Creative tourism has preserved the identity of cities and villages. Special agriculture development programs are elaborated in Cyprus, the north Spain and other regions of Europe and within the framework of these programs rural houses are restored and decorated in the national style, maintaining the modern comfort and coziness.
Creative tourism is based on personal creative, skills and talents and has the potential of increasing resources and jobs by using intellectual property. Similar to creative industry, creative tourism includes commercial sale of creative ideas and pieces of art at the professional and amateur level (Hawkins 2011, pp. 104-139). Similar to creative industry product, one of the conditions of creating creative touristic products is protection of intellectual property.

Group discussion: Innovative ideas and touristic experiences presented on Airbnb.

*Illustration 8. Innovative cottage. Source: Airbnb - the newest getaways to book summer*

*Illustration 9. Experiential tourism offers Source: Airbnb*
**MAIN ASPECTS AND RESOURCES OF CREATIVE TOURISM**

*If you tell me, I will forget it;*  
*If you show me, I will remember it,*  
*If you engage me, I will understand”*  
*Chinese proverb*

The main aspects of creative tourism are creation of the effect of existence, full inclusion of customer in the production/creative process as a result of which it becomes a direct participant of the action (subject and object), receives new impressions on the basis of local resources and knowledge. Therefore, relations of the host and the customer are one of the most significant components during review of creative tourism.\(^5\)

![Figure 1. Main aspects of creative tourism](image)

Cultural resources are the basis of development of cultural and creative tourism. Competitiveness of a cultural tour largely depends on the artistic and esthetic value of the object to be shown, its infrastructure and attractiveness. Creative tourism grants economic profit to cultural resources – creates jobs and source for inflow of tourists.

**HERITAGE AND CULTURAL RESOURCES**

Today, significance and protection of cultural heritage is discussed a lot. First it was mentioned in the Convention adopted by The United Nations Educational, Scientific and Cultural Organization UNESCO in 1972. From that moment on, the concept of heritage (cultural and natural heritage) became a universally recognized category of world politics based on state cultural and environmental policies. Cultural heritage describes the country and people living in it, beliefs, traditions and achievements. It expresses a creative attitude of humans to the universe.

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5. Different countries use different definitions of creative tourism, yet most have some similarities: they encourage creative potential and active participation (Jamal, Othman, & Mohammad, 2011; Richards, 2011). These experiences usually involve activities like traditional crafts/handicrafts, gastronomy, perfume making, porcelain painting, and dancing (Richards & Wilson, 2006); however, creative factors remain unexplored (Hung et al., 2014).
Tangible cultural heritage implies physically perceptible heritage: sculpture, painting, structure, natural monument etc., while intangible cultural heritage unites dance, music, literature, theater, languages, religious ceremonies etc.

The traditions and customs which we call intangible cultural heritage certify cultural diversity and identity. It is so diverse that it covers all domains from folk poetry to culinary art, which is connected with cultural identity. All domains covered by intangible cultural heritage represent five types: oral traditions and expressions, including a language as the form of transfer of intangible cultural heritage, performing arts; social practices, rituals, festivals, traditional games, culinary art, local knowledge and practice, experience related to the universe; traditional crafts; crafts whose viability depends on oral traditions, knowledge and skills.

6. In 2003, UNESCO adopted Convention for the Safeguarding of the Intangible Cultural Heritage which largely expanded the previous understanding of “cultural heritage” and applied it to intangible cultural in addition to monuments and collections. Heritage crafts are the most tangible among domains of intangible cultural heritage, because its product is tangible. However, as crafts and workmanship are related to knowledge and skills, which were transferred from generation to generation verbally, the Convention will address intangible skills and knowledge and not any specific work. Thus, the goal of the Convention is not to protect a specific work, but to maintain the tradition and ensure its transfer from generation to generation.
Use of intangible culture as a touristic resource in the world tourism is one of the most widely used practices, for example, folk festivals or religious practices for touristic places, for instance, Christmas and Christmas fairs in European cities, folklore or any social practice, for instance, Corrida in Spain. Despite the fact that the Georgian performing arts, such as polyphony and choreography are well known all over the world and are partly recognized as the part of the world heritage, this resource is made a part of the feast in the touristic service and therefore, its value is belittled.

Illustration 10. Traditional festival in the Basque Country, Spain. Source: Internet

The list of Intangible Cultural Heritage of Georgia created in 2011 includes examples of living culture, such as folk dances, Georgian polyphonic singing, culinary art and gastronomy, heritage crafts and visual arts, social practice, rituals, festivals and folk festivals, oral traditions and expressions etc.

Four elements are inscribed on UNESCO Representative List of Convention for the Safeguarding of the Intangible Cultural Heritage (UNESCO.org, 2019):

1. Georgian polyphonic singing – was recognized by UNESCO as a Human masterpiece and was inscribed on its Representative List in 2008.
2. The Ancient Georgian traditional Qvevri wine-making method – on the list since 2013.
3. The living culture of the three writing systems of the Georgian alphabet – on the list since 2016.
4. Chidaoba, wrestling in Georgia – on the list since 2018.
CREATIVE TOURISM IN GEORGIA

Georgia, as the country of the ancient and rich culture, traditionally represents the area of cultural tourism for those who are interested in authentic sightseeing and living culture. There are many monuments in the country which create a unique sightseeing on the international and regional tourism market, for example, the ancient civilization, remnants of megalithic structures, prehistoric rock painting, brilliant examples of Christian architecture of the early and middle centuries. This is complemented by diversity and uniqueness of intangible resources in the country which is expressed by continuity of their traditional use. Diversity of local customs and traditions is more remarkable in mountainous villages. The history of the country is also interesting, especially remnants of trace of Caucasian adventures of empires in peripheral regions of Georgia etc.

Creative tourism, as the “new generation” of cultural tourism first appeared in the national strategy of the Georgian culture. In the country’s tourism development strategy (2015-2025), cultural and natural resources, are viewed as a touristic value together with the Georgian wine and cuisine, elements of traditional hospitality, which attracts modern travelers most of all.

Due its nature, this form of tourism is considered to be the means of improvement of transformations and innovations, as it gave a new life to cultural values and brought new touristic products mainly based on the Georgian cuisine, crafts and art to the market. According to the dissemination area it is considered to be a local innovation, because the products have not gained a wide international recognition yet and have not been taken outside of the country.

Culinary art and gastronomy

The Georgian cuisine has much in common with the Caucasian cuisine. Each region of Georgia offers unique and traditional dishes, distinguished for a clearly different style of cooking, mixture and use of spices and walnut. For example, Khachapuri differs by form and taste in various regions – Adjarian Khachapuri and Acharma are common in the region of Adjara, Imeretian Khachapuri and Korkoti are widespread in Imereti, Gurian Khachapuri are common in Guria, Khabizgina and Pkhlovnebi – in Khevi etc. Georgia used to be one of the countries of the Silk Road and therefore, the ancient travelers also certainly influenced formation of the Georgian cuisine.

Culinary heritage

Georgia is recognized at the homeland of wine. International recognition of the Georgian wine is caused by popularization of the ancient method of wine-making, fermentation and aging of wine in clay vessels; as we have already mentioned, the Georgian method of making wine in Qvevri is assigned the status of intangible cultural heritage and is inscribed on UNESCO List since 2013. Diversity of the Georgian wheat species and influence of other crops on development of the Georgian culinary tourism should be mentioned separately: autumn (ipkli, tsiteli doli etc.) and spring (deka, zanduri) wheat species and the ancient leguminous crops which exist today and are cultivated in various regions, particularly, in Kakheti, Kartli and Samtskhe.

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7. The term “cultural tourism” was first officially used in the Decree of the President of Georgia “On measures for development of tourism and resorts in Georgia” issued in 1998. The term “cultural tourism” introduced in the international tourism terminology was referred to as “experiential tourism” in the nearest past of Georgia. The advantage of “cultural tourism” is explained by the fact that it is more comprehensive, more specific and defines one of the main directions of tourism more than the concept “cognition”, which is subjective and more importantly, it accompanies other types of tourism too, because no direction of tourism exists without cognition.
Illustrations 11-12. Traditional product producers in Samtskhe-Javakheti region, Georgia. © The Biological Farming Association ELKANA

Social activities, rituals and folk festivals

Social activities and rituals tell a lot to the arriving tourists – they show them structural (social and hierarchic) models of society, such as Machubi houses in Svaneti. Customs, history, tradition of the family life in the mountains etc. are unique ethno-cultural traditions in the mountain community. Fortress-cities in regions and historic crosses and icons located there are impressive. Svanetian, Pshavian, Khevsuretian houses traditionally represent 2 or 3 storey structure and have a distinguished urban architectural style.

Local festivals are better preserved in the mountainous villages. For example, Lamaria festival in Svaneti coincided with the New Year cycle and the early spring holidays. One of the most beautiful festivals is Lamproba which is celebrated only in Svaneti. This festival is held before spring comes, for good weather and abundant harvest. The main attributes of this day are special wooden lamps. At the end of the ritual, people gather around fire and sing songs. Georgian wrestling is also a part of this festival.

Illustration 17. Ancient residence in Shatili, Pshav-Khevsureti, © B. Cooper
Illustration 18. Traditional house in Omalo, Tusheti. © L.Khartishvili

Illustration 19. “Shatillba” in Pshav-Khevsureti. Source: Internet
Illustration 20. “Lamproba” in Mestia. Source: Internet
Other festivals which have been preserved in the mountain are “Shatiloba”, “Shuamtoba”, when sport competitions, horserace are held, accompanied by songs and competing in improvised verse. One of the largest and most popular folk festivals in mountainous regions is “Atengenoba” which is held in summer, in the second half of July and even the local residents who settled in the lowlands, return to the mountains in a festive manner.

**Heritage crafts and visual arts**

Heritage crafts are mainly referred to as “folk crafts” in Georgia, where “folk” is the main identification criterion. Therefore, this terms narrows the understanding of the domain. The term “heritage crafts” were introduced in the research conducted by Georgian Arts and Culture Center (GACC) in 2012 and this term is a wider concept and is not limited only to “folk”.

It should be mentioned that though “heritage crafts” includes mainly traditional technologies which are transferred from generation to generation but at the same time, it is a living heritage and undergoes a certain transformation together with technological processes which implies technological innovations and causes certain changes in the process.

<table>
<thead>
<tr>
<th>Terminology</th>
<th>Definition of the Georgian Arts and Culture Center</th>
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<tbody>
<tr>
<td>Heritage crafts</td>
<td>Heritage crafts imply the creative process or the process of creating an imitation as a result of which products are created only by hand or partially mechanically and are based on motives of tangible cultural heritage as well as intangible cultural heritage and traditions of folk crafts.</td>
</tr>
<tr>
<td>Heritage crafts products</td>
<td>Heritage crafts products imply products performed by a traditional technique and/or design, which means traditional forms, ornamental motives where manual work plays a significant role.</td>
</tr>
</tbody>
</table>

Since 2016, Georgia has been engaged in “Europe’s Cultural Routes Certification Program” which facilitates integration of cultural routes in the international network. Five cultural routes were developed within the framework of the Program; “Wine Route”, “The European Route of Jewish Heritage”, “The European Route of Historic Thermal Towns”, “Prehistoric Rock Art”, “The European Route of Historic Gardens”, “German Settlements and Archaeological Heritage”, “Following Alexandre Dumas”8. In this regard, popularization of the Route of Ceramics in Georgia is interesting which will contribute to production of ceramics locally.9

8. [http://culturalroutes.gov.ge/Contact.aspx](http://culturalroutes.gov.ge/Contact.aspx)
9. The European Route of Ceramics (the cultural route recognized by the European Council from 2012) aims to grant the value of cultural heritage associated with production of ceramics and its old tradition, creates a sustainable and competitive tourism offer, not only works of art and collections but also the entire living culture preserved by this domain during these years. [https://www.europeanrouteofceramics.eu/](https://www.europeanrouteofceramics.eu/)
IDEA OF SUSTAINABILITY AND SUSTAINABLE DEVELOPMENT CONCEPT

Idea of ‘sustainability’ represents a significant paradigm of global development today. Idea of ‘sustainability’ covers much more than environmental protection, however this term is associated with environment for many people. Three main aspects of sustainability include economic, environmental and socio-cultural aspects.

Sustainability and/or sustainable development are defined as ‘development that meets the needs of the present without compromising the ability of future generations to meet their own needs’ (WCED, 1987).

Illustration 21. Lekso Gengashvili’s studio “Kera” in Telavi. © L.Khartishvili

The Food and Agriculture Organization of the United Nations (FAO) defines sustainable development as

“The management and conservation of the natural resource base, and the orientation of technological and institutional change in such a manner as to ensure the attainment and continued satisfaction of human needs for present and future generations.

One of the significant principles of sustainability is to “respect the socio-cultural authenticity of host communities, conserve their built and living cultural heritage and traditional values, and contribute to inter-cultural understanding and tolerance”.

Figure 4. Model of tourism adapted to principles of sustainable tourism. City of Baumgartner.

Unlike traditional tourism, sustainable tourism is a relatively new sphere. Unlike mass tourism, a number of new/alternative interpretations have been created which contributed to introduction of at a glance ecologically purer tourism forms. It is desirable that management of sustainable tourism is based on the components described in the knowledge-based principles of economy.

**FORMS OF SUSTAINABLE AND ALTERNATIVE TOURISM**

Due to complexity of the topics, the comprehensive and universally accepted terminology of alternative forms of tourism has not been precisely defined yet; they are united by sustainability principles. Sustainable tourism is accepted as a certain “cap” for various types of tourism, such as rural, eco- and agro-tourism, nature-based, urban, or even mass tourism, as operators and stakeholders adhere to sustainability instructions/guidelines.

Ecological tourism (ecotourism, often referred to as green, responsible, nature-based tourism).

Ecotourism became popular in the North America in 1990s. Interest towards wildlife and responsible travel increased, which improved living conditions of the local population and facilitated protection and conservation of environment.

*Responsible travel to natural areas that conserves the environment, sustains the well-being of the local people. Its main components are environmental consciousness through interpretation, maintaining the ecosystem, protection of interests of local residents.*

For more information:

In the context of Georgia, definition and vision of ecotourism were developed by a group of experts who analyzed the potential of the Georgian ecotourism market and developed the country’s ecotourism development strategy 2020-2030.

*Ecotourism is a unity of socially and ecologically responsible travel forms, non-motorized activities and services which offers interpretation of nature and cultures and gaining experience and is characterized by low environmental impact under conditions of good management.*

*Ecotourism facilitates perception and study of nature by travelers and at the same time, appreciation of own natural and cultural values by the local population. Thus, ecotourism facilitates conservation of nature, sustainable use of ecosystem services, has a regional added value and serves improvement of the quality of life of local residents*. 

RURAL TOURISM

In general, rural tourism is viewed as a rather wide umbrella-concept. It envisages various touristic activities on the basis/under conditions of location in the village or stay in the farm/household. It may be carried out in villages or small towns where agriculture is not a significant factor. Rural tourism is based on local resources, such as a traditional environment and cultural heritage (tangible and intangible). Organization for Economic Cooperation and Development (OECD) (1994) describes rural tourism as follows: “tourism carried out in the village”. This is a relatively general definition but afterwards is it specified that rural tourism is a complex multi-faceted activity: “It is not just farm-based tourism. It includes farm-based holidays but also comprises special interest nature holidays and ecotourism, riding holidays, sport and health tourism, educational travel... and, in some areas, ethnic tourism”.

AGRO-TOURISM

Agro-tourism is one of the forms of rural tourism. Agro-tourism farm is a “commercial enterprise acting in the farm/household and envisaging visits of tourists in rural areas for the purpose of leisure and/or organizing entertainment in ecologically pure areas. In most cases, it is clearly linked to farms and agricultural events. It may also include agriculture museums, regional product fairs and markets/fairs (of farmers).

COMMUNITY-BASED TOURISM

(community tourism) – development approach rather than a form of tourism.

Tourism is owned and managed by community, for community and allows visitors to raise their awareness and become familiarized with society and local living rules.

Community-based tourism approach which was widely spread in the Global South from 1970s, became an integral part of the village’s tourism development strategies. Compared to other alternative forms of tourism, community-based tourism does not represent a type of tourism. Such touristic practice aims at conserving nature and improvement of livelihood in communities through a decision-making process. It is viewed as a tool for development of powerful communities which facilitate social unity and co-participatory management at the local level. Community-based tourism is viewed as a process which facilitates strengthening of local society, engagement, self-confidence of members and social learning.

Illustration 23 Rural tourism in Bulgaria. © L.Khartishvili

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16. The Global South is a term often used to identify lower-income countries on one side of the so-called divide, the other side being the countries of the Global North (often equated with developed countries).
SYSTEMIC VISION OF CREATIVE TOURISM

A comprehensive and systemic approach of the sustainable development concept is the methodological basis of all spheres.

A system is the organized whole, body, “unity of objects, relationship between objects and their attributes” (Hall and Fagen, 1956). The general concept of the system corresponds to interdisciplinary and transdisciplinary research, whose aim is to understand comprehensive social phenomena.

The main concept of the system

⦁ System – organized unit consisting of related and interdependent parts;
⦁ Framework/border which encircles the system and distinguishes it from other systems in the common environment (defined by various dimensions);
⦁ System components (for example, components of touristic system: infrastructure, population, natural resources, accommodation, attractions).

Variables/factors of impact

The system has borders and dimensions such as:

⦁ Space (geographic, administrative)
⦁ Structure (process-based)
⦁ Content (themes, problems)
⦁ Institutional (administrative)
⦁ Personal (actors)

The system components:

Various actors, institutions, natural resources or infrastructure elements.

The system (and each of its components) is influenced by factors from the environment within the main system as well as around it.

17. Interdisciplinarity implies review of events and processes as a systemic whole. The goal of the researches is to maintain a unified vision about all issues and acute problems to avoid unmanageable, uncoordinated processes in separate spheres of human activities, which can lead to rather undesirable consequences, sometimes even catastrophes. Interdisciplinarity, i.e. connections between subjects, and realization of connections within the subject (thematic), as a concept, became the focus of scientific interest after rapidly developing, related disciplines appeared as a result of the scientific-technical progress and a number of sciences were differentiated.

18. Transdisciplinarity implies cooperation beyond academic borders – it goes beyond interdisciplinary cooperation to integrate scientific and empirical knowledge in the entire research process, which should begin with joint identification of problems.
Tourism is an example of a certain hybrid system which is characterized by a complex interaction of social, economic and biophysical components (illustration). Potential impact factors which influence the tourism destination are as follows:

- **External**: global climate change, demand of tourists, available national or international development funds;
- **Internal**: knowledge of languages and communication skills, willingness of the local population to host tourists, available resources.

The aim of description of the unified system is common, comprehensive perception of the case (understanding the issue) by all engaged persons (stakeholders).

**CREATIVE TOURISM STAKEHOLDERS AND THEIR NETWORK COOPERATION**

Creative tourism market players are presented in a very wide range. They include state agencies, international and local NGOs, representatives of private businesses (transport companies, guesthouses and other types of accommodation, catering facilities, traditional workshops, travel agencies, event management organizations etc.) and local population. The role, contribution and level of interest of each player and therefore, the level of their activity and contribution are different.

Social network of creative tourism reveals joint cooperation of representatives of these organizations, so-called stakeholders.
For additional information:

Network approach is more widely used in the context of travel destinations. Travel destinations may be assessed according to cooperation of stakeholders which creates diverse tourism offers onsite (Pechlaner et al., 2012). Social network may be based on a local informal alliance or official partnership. Tourism is viewed as a geographically scattered economic sector which consists of small independent businesses where creation of a comprehensive product depends on the possibility of cooperation (Scott et al., 2008).

![Illustration 25. An example of a network. Source Source: CauCaSusT project. www.caucasust.boku.ac.at](image)

**TOUR OPERATORS**

Tour operators organize/package various elements of tourism experience as a tourism package and sell these packages to customers through tour agents, via internet, at a discount directly or indirectly. Travels organized by them contain at least two elements (for example, air ticket, accommodation, transfer from the airport to the hotel, excursions, insurance, guide etc.) which are presented with a total cost (price).

Negotiations between the service providers (hotels, airlines, sightseeing etc.) and the tour operator are held about a year before provision of services. Thus, many risks are difficult to predict during the negotiations, for example, currency exchange rate, inflation, changes in the regulations on environmental protection, which makes the products more expensive, natural disasters which cause non-arrival of tourists to the destination, political tension etc.
Tour operators purchase services wholesale and such purchasing behavior gives them a better position for trade, as they purchase the product at a lower price than separate individual customers. After the part of services purchased wholesale is grouped into a new product (travel) again, tour operators will be viewed as the “product producers” and not as resellers or wholesale traders (Holloway & Humphreys, 2012). So, they are fully responsible for the product quality (Walker & Walker, 2011).

Direct contact with the client generally falls under direct distribution and in case of use of intermediaries, this is an indirect distribution. Indirect distribution (use of travel agents) significantly reduced during the recent years due to mass use of Internet as the means of information and reservation.

It should be mentioned that presenting the local talents, masters on the market and engaging them in tourism offers – “Visit to masters” – was initiated by tour operators in Georgia. Successful creative tourism entrepreneurs presented in Georgia receive groups of tourists from tour operators operating in Georgia. They have agreed tourism service packages which mainly include: presentation of cultural product production/processing and sale, meals, tasting of locally produced products and offering traditional dishes. Folklore events are also often organized onsite.

Tour operator groups mainly represent one and/or two-day visitors, who stay in the nearby town or village overnight. By tour operators, valuable resources of creative tourism products are ethnologic and ethnographic elements. Heritage and offers based on intangible cultural resources complement the “feelings” of the customer.

Figure 6: Distribution chain in tourism.
Source: Holloway and Humphreys, 2012
# Group activity

Practical exercise No. 1

<table>
<thead>
<tr>
<th>Topic</th>
<th>Sustainable development of tourism</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name of the exercise</td>
<td>Identify creative tourism market players and main stakeholders in your region</td>
</tr>
<tr>
<td>Instruction</td>
<td>Divide the listeners into groups of 4-5 people according to their specific interest</td>
</tr>
<tr>
<td>Description</td>
<td>Using the region’s example, try to present and analyze the current state of tourism. Below are some conditional topics and guide questions. They can be improvised according to the specifics of the place and the teaching format (online seminar, working audience, etc.)</td>
</tr>
<tr>
<td>Methodology/ Skills</td>
<td>The participant must listen to and understand tourism as a system. The main actors of this system and their interactive collaboration. They should identify the tourism product/service supply chain.</td>
</tr>
</tbody>
</table>
| Main Topics for a working group | - Elements of tourism system  
  - Parties interested in tourism. |
| Examples of orientation questions | - With whom do you cooperate in the region?  
  1. Tourism Industry Organization / Model:  
     - What kind of management system exists (or how does the tourism management system work)?  
     - Who are the main actors?  
     - Who has an influential role and who depends on others?  
     - How does the system look in your (selected by group) destination?  
  4. What can you do or change for the better collaboration/involvement?  
     - What kind of changes are needed at the national level?  
     - What kind of change is needed at the local level?  
     - How the tourism system would transform in your (selected) destination after changes at the national and local level? |
| LO | ● Defining main actors/stakeholders in the region  
  ● Identify the influential (leverage point of the system) actor which could change the tourism system in the destination;  
  ● Develop solutions necessary for the sustainable development of tourism;  
  ● Study or improve methods such as mapping, stakeholder selection. |
FACTORS DETERMINING THE TOURIST DEMAND, GROUPING OF CUSTOMERS – VISITOR CATEGORIES

“Consumption” of experience (and sales) is considered as one of the most rapidly growing sectors of economy. Customers strive to experience and not only to consumption of products and services, because the quality of consistent, high level products and services may be not determining a choice of customers. The idea of experience comes from passive and active engagement of customers, use of impressions and as a result, receipt of four realities – entertainment, education, esthetic experience and escapism, as shown on the figure below.

Passive engagement offers the type of activities when a customer is not related to experience of the product production process, for example, when a customer entertains or has fun in a new environment. If a customer actively participates in creation of an experience, he/she is engaged and learns something new or is actively looking for new forms of the personal “me”.

The quality and result of fulfillment of experience depend on the customer’s readiness to engage in the process and interact. By active engagement, a tourist “immerses” in the process. For example, experience gained through entertainment requires only passive participation. In order to transfer new knowledge to customers, first they should understand our offer and second, became actively engaged in the process of creating experience. This may be arrangement of a cognitive travel/visit. Esthetic experiences require only passive engagement but full “immersion”. Here, a tourist derives pleasure from the atmosphere of the destination with all positive feelings: even just a stay there creates an experience. Many tourists who like sightseeing strive to gaining esthetic experience. For example, it is possible to go the coast of the ocean to feel the peace of the beach and watch the rhythm of waves.

Aesthetic experience largely predetermines a positive assessment of the destination (= satisfied customer). Satisfaction which may be considered as the primary precondition of purchase-oriented approached, affects creation of positive emotions when gaining applied and hedonistic experiences.

Natural environment and the product quality perceived by a customer are interrelated which is confirmed by various researches. According to respondents, formation of opinion is affected by accommodation “of high quality and the relevant price” – if the structure is constructed in the attractive natural environment. In the specific accommodation, a traveler chooses a natural environment which is followed by an acceptable price – information about the cost and reliability of overnight facilities. Particular attention is paid to the level of comfort of the accommodation and furniture in the rooms.

According to the survey conducted by Lithuanian Countryside Tourism Association (LCTA) in 2010, for 96% of the respondents (tourists), the pleasure of the spent time is the most important (LCTA 2010:5). Positive experience is also a significant aspect. At the same time, in the onion of 76% of respondents, it is absolutely significant and necessary that the spent holidays are "worth discussing with friends".

19. According to Pine and Gilmore, experiences are: “events in which individuals are engaged in the form common directly for them”, but the statement that experience should be defined from the viewpoint of the customer as “a pleasant, participatory, characteristic moment for those engaged in these events” became disputable. (1999) page 12. Page 31
20. Hedonism – idealist direction of ethics according to which the goal of life is the greatest pleasure.
As a result of the survey, “among the main factors of successful holidays, the respondents additionally identified the feeling of security, reliability of staff and services, as well as many sightseeing, views and various potential activities on the territory of the village”. For relevance of assessment of experience, the aspects such as “authenticity of rural life and traditions, hospitality of local population, possibility of purchase of local products etc.” were considered to be correct together with all potential responses.

**Figure 7. International tourism trends**

**INTERNATIONAL TENDENCIES OF TOURISM:**
What is requested and used by a tourist today?

- Individual and authentic experience
- More communication with local residents than “artificial environment”
- What he/she spends money on
- To spend money moderately and consume the product moderately
- Information from social networks, mobile application
- Learns/becomes familiarized during travel (by educational tours)
- Request a professional guide
- Many elderly people, including people with special needs travel and therefore, they request comfort
- New experience, emotional feeling, rather than a standard product and/or only landscape and/or physical characteristics, such as landscape, coast, attraction etc., i.e. motivation-based approaches

REASONS FOR TRAVEL TO GEORGIA, TOURIST DEMAND

In 2019, international tourism showed the all-time record in Georgia - 9,357,964 and the annual growth rate reached 7.8%. Visits of international travelers include visits of international travelers (83%) and other type of (non-tourist) visits (17%).

Figure 8. Visits of international travelers to Georgia. Source: Georgian National Tourism Administration

Majority of international visitors (80%) arrived to Georgia from the neighbour counties: Azerbaijan, Republic of Armenia, Turkey and Russia, mostly to have a holiday at sea resorts in Adjara (Kobuleti, Ureki, Batumi) and mountain resorts (Tskaltubo, Borjomi, Sairme). Accordingly, the highest share of travels of international visitors to Georgia (74.8%) was performed by land transport which was followed by air transport (23.7%). Index of railway and marine transport is only 1.5%. From the EU countries, Georgia was visited mostly by German, Polish and British travelers. By age, tourists of the age group of 31-50 years are leading (48%), followed by visitors of the age group of 15-30 years (26%), and 51-70 years (25%). (Statistical overview of the Georgian tourism. Georgian National Tourism Administration, 2019).

Seasonal distribution of international travel shows that about 80% of all travels take place in between May and October and reach the peak in August (more than one million tourists).

International visitors use the following services most often: tasting the local cuisine and wine (75%), sightseeing, visiting cultural and historic heritage and museums (45%), recreation at sea coasts, lakes and rivers (20%), visiting national parks, landscape, study of remote and nearby places (16%) and other (National Statistics Office of Georgia, 2021). The figure below shows activities carried out by international visitors in Georgia. According to the international tourism demands, 60% of tourists receive information from friends, 15% of tourists use Internet and apply to travel agencies (3.4%).

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21. Statistic overview of the tourism of Georgia, 2019. Georgian National Tourism Administration
Table 2. The most demanded tours by international visitors in Georgia \(^{22}\)

<table>
<thead>
<tr>
<th>Tour name</th>
<th>International</th>
<th>Domestic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tours to cultural heritage sites</td>
<td>15.6%</td>
<td>14.6%</td>
</tr>
<tr>
<td>Wine tours</td>
<td>15.6%</td>
<td>12.1%</td>
</tr>
<tr>
<td>Marine tours</td>
<td>12.4%</td>
<td>12.1%</td>
</tr>
<tr>
<td>Gastronomic tours</td>
<td>11.7%</td>
<td>11.3%</td>
</tr>
<tr>
<td>Nature/ecotourism/adventure tours</td>
<td>11.7%</td>
<td>12.6%</td>
</tr>
<tr>
<td>Winter tourism</td>
<td>10.4%</td>
<td>10.5%</td>
</tr>
<tr>
<td>Health, spa and recreation tours</td>
<td>8.6%</td>
<td>8.8%</td>
</tr>
<tr>
<td>MICE business tourism</td>
<td>7.7%</td>
<td>3.8%</td>
</tr>
<tr>
<td>Agro tours</td>
<td>3.4%</td>
<td>5%</td>
</tr>
<tr>
<td>Gambling tours to casinos</td>
<td>2.3%</td>
<td>4.2%</td>
</tr>
<tr>
<td>Other</td>
<td>0.7%</td>
<td>5%</td>
</tr>
</tbody>
</table>

Note: According to the forecast of the European Travel Agency, the first sign of restoration of tourism in the post-pandemic period will be domestic and short-term travels. Experts consider changes of customer behavior. At the same time, travel will be planned directly in the pre-departure period, close to the permanent residence or to neighbor countries and advantage will be given to travel by car, to avoid using public transport (bus, train, airplane). Under conditions of COVID-19 Pandemic it is possible to increase domestic tourism and encourage visits from neighbor countries, if this is allowed by regulations and restrictions adopted as a result of COVID-19 (European Travel Commission, 2020).

DOMESTIC TOURISM

In 2019, the number of domestic tours in Georgia equaled to 14.3 million. Local visitors participated in various activities while traveling on the territory of Georgia. Popular activities carried out by visitors included: visiting friends and relatives (66.6%), shopping (55.4%) and tasting the Georgian cuisine (40%), which was followed by comfortable leisure at the Black Sea coast, visiting national parks and sightseeing, visits to cultural and historic heritage sites, museums. According to the statistics of domestic tourism demands, majority of customers (27%) receive information related to travel from friends who had already visited these places.\(^{23}\)

PERCEPTION AND ATTITUDE OF CUSTOMERS

Qualitative researches showed that respondents travel in Georgia mainly for the purpose of becoming familiarized with the living culture (85%), discovery of new places (84%), learning/self-understanding (51%) and entertainment (41%).

\(^{22}\) The Georgian National Tourism Administration interviewed 192 local, inbound and outbound tour operators in 2017.
\(^{23}\) Domestic travel in Georgia, 2019. Georgian National Tourism Administration
Tourists plan the travel online, mainly via “Booking.com” and TripAdvisor, they also consider the advice of their friends and relatives and social media (Facebook, Twitter). Most of respondents plan all aspects of travel in advance; they are looking for adventure and want to make and experience something new during each travel. They like to become familiarized with locals and share the everyday life with them. They want not only to entertain but also to gain knowledge. Cultural tourism should not have a reputation of a “boring” leisure anymore.

Parents with little children – parents of children of the age of 12-14, for whom entertainment of children and cognition are determinants of travel.

Senior travelers – this segment are travelers above 60 years old

Backpackers – similar to eco-tourists, this is the largest segment who travel individually, as a group or in couples

Young, a bit noisy group of travelers traveling without a plan, this is not a large segment

Excursion or practice, possibly near protected areas (for example, camps organized by CTC in Timotesubani)

Organized tourist groups and lovers of nature, tour operator groups of 5-15 and 20-45 persons who have a special interest in thematic programs
CREATIVE TOURISM OFFERS, SUCCESSFUL EXAMPLES IN GEORGIA (CASES)

The presented business models are small and medium enterprises. In the course of their study it was identified that the most popular offers of creative and experiential tourism are visual arts and showing and teaching handicraft (mostly working on clay), culinary art and gastronomic offers, masterclasses of the Georgian folklore etc. Their offers also include organizing educational lessons and camps for children of school age, organizing cycling, walking and cultural tours. Hosts of successful tourism facilities are often active women who started developing tourism business on their own initiative not only by making a guesthouse but also, behind their activities there is an idea to restore and preserve heritage and culture-based traditions which is the factor of inspiration for their business. The cases are oriented at development of the place. For example, “Lost Ridge” considers to restore traditional Kizikian houses. “Sisatura” created a complex of Megrelian “Oda” houses. At “Komli” the hosts restored a 100-year old house and gave a new function to old structures (granary, barn). Their idea is to enliven a forgotten place. Offers of successful models are diverse, one of the directions are events and so-called pop-ups, gastronomic events. They cooperate with the local population, purchase pure products from them, grow bio gardens etc. In addition to social networks, they cooperate with the so-called influencers, journalists and people who share impressions and experience with their audience.

In the course of study of the customer market it was identified that entertainment and relaxation are one of the most demanded realities requested by local tourists at the destination. This may include attending events, such as festivals, local birthdays, theatrical shows, concerts, musical evenings, café-bars etc. In this regard, offers at the destination are scarce or less interesting, as they are organized not by the local community but by the municipality and/or the province. Due to lack of this component, a customer does not stay for a long time and the visit lasts 1-2 days.

BUSINESS MODELS

“Khevsureti and Community”
Georgia/Pshav-Khevsureti, village Korsha

General description of the activity

“Khevsureti and Community” is a studio engaged in heritage crafts, conducting cultural events – exhibitions, youth camps and workshops for the purpose of activation of the local youth and forming them as entrepreneurs since 2014. Activities of “Khevsureti and Community” began with hosting the visitor and introduction of the studio. There are several artists in the Arabuli family – father and one son are painters and another son is a theater playwright and a writer. Creativity of the family members influenced the studio environment. The guest house “Korsha” is decorated with original and ethnographic elements where creativity and individualism of the family are felt.

Illustration 27. Shota Arabuli’s Art Studio in Korsha. ©Khevsureti and Community
The family owns 1 ha of land (with residential area of 120 square meters) and is actively engaged in farming – they have cattle and produce milk products for their own consumption. Almost all of the products offered to visitors are local. Products (eggs, cheese, melted butter) for visitors are bought from some families (mainly from the population of Barisakho community and part of vegetables are purchased in Zhinvali or Tbilisi). Gastronomy has become a necessary attribute of their offer and beer-brewing process is also shown to visitors. Such processes are always interesting for visitors. Delivery of local products positively influences creation of confidence in the family.

The organization also founded the festival “Chirdili” and tries to hold it systematically by raising required funds.

Initially, the idea of creating the studio appeared due to the lack of souvenirs. At the same time, festivals were held and funds were collected for required materials, transport and food. Two years later the project was funded by the Ministry of Culture, but the festivals were suspended from 2016. Later, the studio continued to exist with the support of Strategic Research and Development Center and the Georgian Arts and Culture Center. They also enjoy an interest-free loan issued by the finance organization “Crystal”.

The organization receives local and foreign tourists and familiarizes them with the culture of Khevsureti, works with local families and implements various projects with their engagement (local masters, ethnographers, women working on embroidery and knitting). Their goal is to expand the community-based activities and restore and preserve the living culture of the region. At the distance of one kilometers from the studio, there is a camping zone and an adapted café where the local community gathers. Socialization is a very natural process in such environment. Tourists become familiar and feel the identity of locals, nature, values and the lifestyle common for Khevsureti.

“Khevsureti and Community” promotes products via the Facebook page. It has also concluded business agreements with the leading tour operators in Georgia and has direct contacts with international organizations and embassies. Large part of their visitors arrives in the family upon recommendation of their friends and acquaintances.
According to the hosts, key to the business success is constant readiness to learn something new. Despite vast experience, the family members are willing to attend seminars in eco-tourism again and retrain the local guides for the new season. The family tries to maintain authenticity – keep balance between art and business in the process of product commercialization.

„Orkoli“
Georgia/Samegrelo, Zugdidi

The idea to establish “Orkoli” belongs to Robert Absnadze. He gained knowledge at Tbilisi Academy of Arts and has been working in three genres – sculpture, pottery and pictorial art - for over 30 years. The other family members soon jointed Mr. Robert and painting, modeling and pictorial art have become the main source of the Absnadze family for the last several years. The idea of turning the activities of “Orkoli” into business appeared in 2011 and the author of this idea is the master’s spouse, Mrs. Tsira. Later, this idea became a successful business as a result of joint work.

Robert and Tsira Absnadze are professional ceramists. Their studio “Orkoli” is a popular touristic place. Traditional pottery, vases, decorative wall dishes decorated with Georgian ornaments and sculptures of various figures, as well as examples depicting the modern and the recent history are created in the studio. Events are often held here for the purpose of introduction and promotion of the Georgian heritage. The family expanded
its offers for receiving visitors. They run a family café next to the studio. There is a small shop where visitors can purchase the items. 15 local masters are employed at the studio and their items are sold in souvenir shops throughout Georgia. Within the framework of services offered by “Orkoli” for the tourism market of Georgia, visitors can watch the continuous work process and participate in the masterclass.

Customers of the studio are tourist groups visiting Zugdidi or travelling to Svaneti. Most of them are visitors from Poland, Russia, USA, Estonia, Croatia. International projects, namely, USAID ZRDA have positively influenced increase of recognition. The studio is included in the tourist map, in itineraries and often hosts various info-tours.

In addition to cultural products produced locally, the source of income of “Orkoli” is demonstration of the production process and conducting masterclasses for the youth and tourists.

According to the artist, the main thing is to know your job and do it honestly. Key to their success and their strength lie in the unity of their family.

Under the conditions of the Pandemic, the future plan of the studio is to make an online shop.
Family Hotel “Gallery”  
Georgia/Racha-Lechkhumi, Oni

The Gugushvili family hotel is located in a calm and cozy place on the fringe of a forest in the center of Oni, Racha and has been hosting visitors since 2000. However, the family hotel “Gallery” which includes the old building and creates a space for new experiences for visitors started operating from 2010. After the restoration, the family hotel “Gallery” was granted a cultural heritage award for the new life. Interior of the family hotel is arranged in a traditional style, mostly with handmade items and details common for the region. The buildings are equipped with the Georgian traditional furniture and paintings by the hostess which creates a cozy and warm environment for visitors. There are a library, a gallery and a collection of interesting minerals and stones here ... The hotel has a garden with fruit trees, flowers and leisure zone. Visitors are offered tours to waterfalls, caves, lakes, glaciers and other historic sites.

Most of visitors are foreigners, however the number of Georgian visitors has also increased during the Pandemic. According to the host, visitors often arrive for the second time.

Visitors are taught how to cook traditional dishes, distill chacha, bake bread in the tandoor. Visitors participate in Rtveli (traditional vintage and rural harvest holiday), pressing wine and thereafter they taste the wine pressed on their own. It is also possible to attend pictorial art, wood carving, batik and felt processing masterclasses.

In the opinion of the host of the family, Mr. Temur, it is important to know exactly what you want to do and love your job. This is the key to success. If a person is not lazy, he will succeed in everything.
Etara Regional Open-Air Ethnographic Museum
Bulgaria / neighborhood of Gabrovo

An open-air ethnographic complex “Etar” was built in Bulgaria in 1964 on the model of Skansen (an open-air museum in Sweden, founded by Swedish ethnographer Arthur Hazelius in Stockholm at the end of the 19th century). Its creator near Gabrovo and first director is Lazar Donkov - Bulgarian ethnographer. He is also a self-taught artist who in the 1950s toured the villages of Gabrovo and made hundreds of sketches and drawings of Revival houses, craft workshops and technical facilities. His creation is the only open-air ethnographic museum of its kind on the Balkan Peninsula with active workshops that store and present traditional Balkan crafts, including water-powered mechanisms. The construction of the museum is carried out through three main methods: restoration of objects found on the ground; transfer of original equipment and reproduction of buildings according to previously made photographs. It has been officially declared a national ethnographic park and a cultural monument.

Here tourists can see and try over 30 forgotten old Bulgarian crafts. In it are located folk technical water facilities, houses with craft workshops. The complex reveals the architecture, way of life and economic past of Bulgaria during the Revival, the museum still revives the customs and rituals typical of the folk calendar of the Bulgarians.

The management of the regional ethnographic complex „Etara” relies on the daily visits of Bulgarian citizens, most often families with children, as well as pupils, students, tourists. The capital of Bulgaria - Sofia is located about 500 km from the Bulgarian Black Sea resorts, where from April to the end of October rest over 6 million foreign tourists. In the vicinity of Gabrovo is the geographical center of Bulgaria. There is a good tradition of offering vacationers by the sea two types of excursions - small and large tour of Bulgaria with a visit to the interior of the country - cultural landmarks, natural phenomena and the capital Sofia. So tourists on both routes pass through Gabrovo and visit the original open-air museum.

Annually, the ethnographic complex “Etara” welcomes nearly a quarter of a million guests.
The project of the artist Lazar Donkov is funded by the municipality of Gabrovo, which has a very strict control over the spending of funds. Currently, on the eve of the 60th anniversary of its establishment, „Etapa“ is renewing a European project for 5 million euros. Future plans mainly include increasing the number of foreign and Bulgarian tourists, enriching the cultural calendar and expanding the works of local souvenirs.

**Pottery master Oleksii Baborodin**

Ukraine, city of Mykolaiv

Pottery master Oleksii Baborodin works at Mykolaiv city school of children’s art (municipal enterprise in the field of out-of-school education). The school’s mission is fulfillment of individual needs and development of creative potential of students. The school aims to popularize pottery techniques of the antique period and to educate young people about culture and traditions of the region.

As part of the services offered by the pottery master to the tourist market of Ukraine, visitors can take part in master classes on making various clay products (ceramic tableware, theatrical masks and lamps of the ancient Greeks who lived in Olbia and some other places). Visitors can try to make small handicrafts in various techniques used by the ancient Greeks of the Northern coast of the Black Sea, and to get a unique experience of connecting with the local culture.
CREATIVE TOURISM PRODUCT, DESIGN AND METHODS OF OFFERING UNIQUE EXPERIENCE

For tourists, creative tourism is not only leisure, entertainment and meeting the interests. The present pace of life creates the need for a person to perceive the values beyond the common world, the hidden values which are lost and forgotten as a result of the everyday routine life. Therefore, the main task of tourism product organizers is to create such conditions to customers which will allow them to discover, learn something new, become charged with new energy. Creative tourism ensures access to various events, flexibility of forms and possibility of engagement in organizing individual and group tours and gaining new experience. Often, tourists engaged in cultural tourism are passive observers of the tour process. A creative tour allows visitors to participate in various cultural activities and discover new skills in themselves. Therefore, it is often viewed in the context of experiential tourism.

In cultural tourism, creative tourism product (my means of creation), in addition to a new direction, creates a competitive advantage. This implies demonstration of a product created by authentic and unique resources and attractive places, use, interpretation of innovative approaches, engagement of customers in the process and creation of new experiences with their participation (co-creation). Creative tourism product meets requirements of modern customers in terms of innovation, for example, providing one of the components, such as a museum, with new technologies, innovative methods, interactive electronic service, diverse software applications, establishment of virtual and thematic museums by means of diversification of museum collections and respective internet platforms.

Due to the modern approaches, tourism product consists of three factors:

1. Experiential – festivals, events, communication with the local community, diversified activities and entertaining activities, trade etc.
2. Emotional – human capital, cultural and historic resources, hospitality.
3. Physical – infrastructure, natural resources, buildings and structures etc.

The concept “tourism products” unites offers and activities which include diverse components, such as natural characteristics, history and cultural heritage, ethnographic nuances, adventure elements etc. an interesting offer may include: adventurous activities (snowboard, via ferrata, kayaking) and community-based tourism products and services: participation in the process of cooking local food/making local drinks, masterclasses, participation in agro-tourism activities, making traditional handmade items etc.

The source of the first two factors may be anthropogenic resources – both tangible and intangible, however, intangible is often an inexhaustible source of unique offers for each business or tourism destination. In principle, tourism products (except souvenirs) are services rather than goods. They may be classified as an intangible offer. Tourism products are perceived subjectively by visitors – each destination or individual touristic service is a psychological concept which includes material, abstract benefit and impression. Subjective nature of perception implies emotional, sometimes irrational element. Accordingly, psychologically stimulating products and services should be offers to tourists. Added value and emotional aspect of products have significantly influenced conduct of advertising and marketing campaigns in tourism and in general, how the tourism product is packaged, branded, positioned and presented for target groups. Intangible aspect of tourism products should be considered at the stage of development. When the potential market and segment are identified, the offered product should be in compliance with the following emotional connection to the

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maximum extent possible: expectation → experience → memories/impression. Rather large part of modern tourists have preliminarily searched for information, developed mental expectations and desirable characteristics in connection with a specific place and product. Therefore, the first impression is important and the real offer should not differ from the information obtained earlier.

The possible view related to intangibility of tourism products and their potential perception have two dimensions: the first – the need to offer psychological benefit to prospective tourists is always significant and the second – defining that the expected perception should not be far from reality should be considered at the initial stage of planning which positively influences the product life cycle. However, it is important to understand that intangible is an inexhaustible source of increasing impressions regardless of the expectation. For example, a heritage craft facility “Silk Coil” creates expectations that the impression is related to silk production, but what this impression will be like depends on the quality and innovativeness of service.

USE OF TANGIBLE AND INTANGIBLE RESOURCES

When launching any tourism services, it is important to answer three fundamental questions:

Figure 10. Three fundamental questions for launching a business
It should be well defined – what is your main product of tourism services, for example, accommodation, food, masterclass, souvenir etc. Then it should be defined what you want to do, whether you have a respective material-technical base, knowledge, finances, time and finally, who are customers of these services, how you will attract or contact them.

The question “how” also envisages the resource which will be the cornerstone of your unique offer in the future. Therefore, the potential should be identified first of all. For example, to identify a tourism product in Tskaltubo it is important to know the already existing product and range of service:

<table>
<thead>
<tr>
<th>Tskaltubo Tourism and Hospitality Services</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Original offers</strong></td>
</tr>
<tr>
<td><strong>Natural resources</strong></td>
</tr>
<tr>
<td>• Landscape (high zone, middle zone, low zone)</td>
</tr>
<tr>
<td>• Climate (mild subtropical climate)</td>
</tr>
<tr>
<td>• 25000 ha forest</td>
</tr>
<tr>
<td>• Karst caves (micro-climate), network of rivers, waterfalls, minerals;</td>
</tr>
<tr>
<td>• Thermal-radonic mineral waters;</td>
</tr>
<tr>
<td><strong>Social-cultural resources</strong></td>
</tr>
<tr>
<td>• 130 sites of tangible culture;</td>
</tr>
<tr>
<td>• 20 cultural heritage sites;</td>
</tr>
<tr>
<td>• 13 tourism destinations;</td>
</tr>
<tr>
<td>• 22 sanatoria, recreation houses, 9 bathrooms;</td>
</tr>
<tr>
<td>• Museums, prehistoric settlements;</td>
</tr>
<tr>
<td>• Intangible cultural heritage;</td>
</tr>
<tr>
<td><strong>General infrastructure</strong></td>
</tr>
<tr>
<td>• Education – 42 schools, 23 kindergartens, youth palace, 24 libraries</td>
</tr>
<tr>
<td>• Tskaltubo regional hospital, inclusive center, “House of Mercy”</td>
</tr>
<tr>
<td>• Tskaltubo transport system;</td>
</tr>
<tr>
<td>• Properly functioning communication system;</td>
</tr>
</tbody>
</table>

*Figure 9* Tskaltubo tourism potential and range of services

The above scheme provides full information about tourism services, for example, natural and cultural resources, the existing services, potential competitors and black holes in the tourism service chain.
PERCEPTION AND INTERPRETATION OF CULTURAL HERITAGE

The key topic of interpretation is feeling the unique experience or the main point of impression. As a rule, the basis of interpretation is the nature recognized in cultural heritage, adventures activities related to traditional life, gastronomic culture, active and living traditions (social practice).

The main development line of the product, the story to be narrated may be as follows:
- Forgotten legends
- Old festivals, games
- Traditional attire
- Colors of nature in everyday life
- Culinary stories of the country and families

The practice of story-telling in tourism (commercial, ecologically viable) may be the live activities which are related to old and powerful myths and are supported by archaeological, chemical and historic evidence, for example, the legend of the Golden Fleece and the tradition of gathering particles of gold brought by the river from the underground with sheep’s hide in Ieli (Svaneti) which exists until now.

Interpretation in tourism does not mean invention, it means translation, i.e. natural and cultural resources should be translated into the language which will help visitors to understand the importance of these resources.

In particular, it is important to:
- Connect importance of resources to interests of the visitor
- Allow visitors to establish their own intellectual and emotional ties with natural or cultural resources

SUCCESSFUL EXPERIENCE IN THE WORLD PRACTICE

Enlivening of intangible practice into a modern tourism offer is a common practice, as mentioned above, for example, enlivening of social practice:

The Berkshire Festival of Falconry – one of the greatest festivals of falconry is held in Berkshire, in the south-east part of England where representatives of about 70 countries participate and demonstrate their skills. Cultures of Asian origin, particularly the Central and the Near East Asian countries which were among the first countries to start these activities dominate on the territory. Each country, culture represent their region and the respective ethno-cultural characteristics which are demonstrated in the local traditional cuisine, craft and handicraft, various attires and decorations, as well as the region which represents the specific country.

There is a particular diversity of birds of prey. Each participant tries to demonstrate his skills and present himself be-

Uzbek falconer with his haws. Source: Internet
fore the society in a dignified manner. Attributes, equipment and accessories are also important components. The festival is distinguished and remarkable from visual and aesthetic point of view.

Many people of various interests attend the festival. The event includes informational activities, gastronomic, trade and ethno spaces where works of craft, masterclasses, souvenirs and dishes are offered to visitors.

One of the directions of the festival is development and promotion of crafts. Source: Internet

Uzbek girl offers visitors to taste a local dish. Source: Internet

In Central Asia, women also become falconers. Source: Internet

Illustration 41-43. Berkshire Festival participants from the Central Asia

Soomaa Protected Area and the services based on local traditions integrated there

The most impressive service in Soomaa Protected Area as the high-water territory, is boating which is done by modern canoes and traditional boats which were used by locals for transportation in the previous centuries. Special service is participation in boat-making with local masters.

Illustration 44-46. Boat-making and boat services in Soomaa Protected Areas. Source: Internet
**Group activity**

Practical exercise No. 2

<table>
<thead>
<tr>
<th>Topic</th>
<th>Tourism Product Development UNIQUE EXP. PROPOSITION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name of Exercise</td>
<td>Find and develop a unique selling point for your travel product</td>
</tr>
<tr>
<td>Instruction</td>
<td>Divide the listeners into groups of 4-5 people according to their specific interest</td>
</tr>
<tr>
<td>Description</td>
<td>Using an example, try to identify and present a unique selling point for a creative tourism product that may be based on a particular tradition, heritage, or unique resource in a country, region, place, or family. Below are some conditional topics and guide questions. They can be improvised according to the specifics of the place and the format of teaching (online seminar, working audience, etc.)</td>
</tr>
<tr>
<td>Methodology/ Skills</td>
<td>The participant must listen and understand the specifics of the creative tourism product, the unique side. The participant should also be able to identify possible resources for the tourism product and interpret the identified resources in a single tour package.</td>
</tr>
</tbody>
</table>
| Main Topics for a working group | - Tourism product and its specifics  
  - Creating a market-oriented tourism package |
| Examples of orientation questions | 1. What is your offer?  
  - Main tourist offers/tour product  
  - What is the main attraction of your product?  
  - What advantages does it have compared to other products?  
  2. Distribution of tourism products:  
  - Do you integrate other product services provided by your neighbor or business partners; how do you collaborate and distribute duties?  
  - What is your story behind your product?  
  - When do you start interpretation/introduction of your product/story telling practice to a tourist? Do your partners use the similar story telling practice during product implementation?  
  - What visualizes a unique resource in your tourism product?  
  3. What can you do or change for the better?  
  - What kind of changes are needed taking into account internal and external factors? |
| LO | ☑ Determining the competitive characteristics of a tourism product: Who buys, what and why?  
  ☑ Creation of a different and alternative product compared to the existing offers on the market  
  ☑ Development of solutions necessary for the sustainable development of activities and study or improve the specifics of the tourism product  
  ☑ Formation and development of partnerships under the united concept |
CAPABILITIES OF THE DIGITAL WORLD FOR SMALL AND MEDIUM BUSINESS IN TOURISM SECTOR

First steps in the digital world

Today, digital world has very great capabilities and rejecting it means loss of a substantial source of direct sales. Digital existence became particularly important under condition of COVID-19 pandemic, when the whole world shifted to distant communication.

The steps for working in the digital world:

- First of all, identify your goals and tasks. Determine what you want to achieve in the digital world, who are your customers, define how much time (resources) you will dedicate to online business and select the online platform for placement of your business considering the above:
  - List of local businesses
  - Mobile application
  - Social network.
- Select one of the above and develop step by step. Do not select everything at a time. Do not create false expectations. Be flexible and follow the news. Observe which digital platform is used by your customers and begin with it (for example, Facebook is the most popular in Georgia and if you intend to be oriented at Georgian customers, you should create a Facebook page. Instagram and TikTok are very popular among young people).
- Place yourself in the position of your customers. Ask them what they want and think about how to satisfy their demand. Watch your competitors and think about what you can repeat or improve.
- Identify your target audience, your customers and plan your action strategy accordingly. Observe your business environment and analyze each step made by you: what was successful, what was not successful and why, what you should improve or what you should repeat in the future.
- Maintain permanent communication with your buyers, be easily available and easy to find. In order to be able to sell services or products, people should know that you exist!

SEGMENTATION OF CUSTOMERS, PECULIARITIES OF A DIGITAL “BUYER”

As soon as you identify your objectives, it is very important to select the segment of customers correctly. Who are your customers? Who need your help? Observe who like your products or services? Why do they like them? And select your audience based on it.

There are several common methods of customer segmentation: geographic, demographic, behavioral or value-based. It is also popular to segment customers by their personality type (VALS Framework).

It is a common mistake when business tries to target all segments simultaneously. It is better to choose one or two segments and focus on them. In Facebook post or in the article published on the website, talk to your customers in the language clear for them. Apply to them with easily understandable and brief sentences. Go straight to the point, call them to act: buy, book, call, go to the link.
Create conditions as close to the reality as possible to online customers. Be easily available and provide detailed information about your product or services.

In real life, customers go to several shops one by one. They make a decision considering the price, quality, level of service, contemplate, weight and return to the shop where the liked item is sold and buy this item.

When selecting products or services, online buyers mainly undergo 4 stages: seeing, thinking, acting and attaching an importance. First they see the item (service) which they like, then they look for it, select and buy. At the final stage they share their impressions in the social network: look where I have been, what I have bought, how happy I am.

A virtual (online) enterprise can serve a client as well as a real enterprise. Therefore, you have made all stages of contact with you easier to your customers to the maximum extent possible: search, inspecting the product, obtaining additional information, selection, purchase and receipt.

Decorate the online display window with photos and information (content) of the highest possible quality.

When selecting the target audience, do not make the most common mistakes: do not want to create a product or services liked by everybody, do not focus only on the circle of intimates and do not provide a lot of and unclear information.
DIGITAL ETHICS AND COPYRIGHT

Open a separate bank account and provide a separate phone number for online business. When working at a computer of others, for protection of personal and business information security, it is recommended to use the so-called incognito browser. Incognito browser does not remember data and therefore, is absolutely safe.

When using any material (text, photo, video) it is necessary to indicate its author or source. If you need to remake a photo or graphical material, obtain the right of its use and remaking from the author or use only the material which is permitted to be remade or used within the framework of Creative Common Licenses. Certainly, such material is also permitted to be used only in case of indicating the author/source.

In Georgia, the following are not protected by the Law on Copyright:

- Official documents (Laws, Court decisions, administrative and normative, regulatory), their official translations;
- Official, national symbols (flag, coat of arms, hymn, award, bank notes, other official insignia and symbols of the state);
- Information about facts and events.

COMPREHENSIVE DIGITAL MARKETING AND TOURISM

Webpage

A webpage is your digital office. It is equipped like a real enterprise. Define your goals precisely and plan the structure of your webpage according to these goals. The necessary parts of any webpage are as follows: name, home page, about us and contact. Today, a webpage is not a mandatory attribute of business anymore. Its function may be easily performed by a blob, a page in the social network or an application. Site-portfolio, i.e. a promo-site which is created for each company or event is becoming more and more popular.

The correctly structured webpage site should:

- Easy to navigate
- Upload quickly
- Require minimum time to search, buy, obtain information
- The navigation elements (about us, home page, contact) should be visible on each page!
- It should be possible to return to any place from any place.

You Tube

YouTube is another wonderful platform for online promotion of your business. Create a business channel and upload 15-sec promotional video clips on your YouTube profile or business profile, tell stories, introduce your business to the world, shout out about yourself, get subscribers, turn on monetization and receive income via YouTube.

To turn on monetization you must have your own channel at YouTube, 1000 subscribers and 40 hours of watching during a year. You can schedule premieres, organize events and go live. YouTube is the best means for making virtual tours.
Visit channels of your competitors, watch their most popular videos, select ideas and tailor them to your business.

For SEO optimization of your video on YouTube, use key words in the video’s name, description and tags.

For selection of key words you can use Google Chrome extension: vidIQ.

Google Maps & Google My Business

Google Maps is the most popular “tourist portal” in the world where the modern tourism is planned. This is a map where not only the address is searched but also there is full information about any facility: name, category, address, contact number, working hours, photos. Here you can also see the bus and train schedule, restaurant menu, hotel room prices, make up a route to any pace, reserve a table in the restaurant, order food delivery, book a hotel or buy museum tickets.

The list of local businesses is created and reviews are published on Google Maps which define the rating of this or that facility in Google search system. The list of local businesses is verified in Google My Business application. By means of Google My Business you can: manage your account, respond to reviews, upload your own photos, products, link a contact, upload a menu, hotel room prices, conduct analytics (how many people are looking for you, find a way to you), make a webpage and business email. Your business may appear in Google Knowledge Panel and Google Local Pack/Local Finder only through Google My Business.

VIRTUAL TOURS AND MEANS OF SALE IN THE DIGITAL WORLDS

Airbnb and international booking platform and their capabilities in the post-pandemic period

Due to Covid-19 Pandemic, virtual tours are becoming more and more popular. Wonderful tools for creating virtual tours are Tours Creator and Google Earth Projects where you can create a virtual tour (route), place panoramic and 360° photos and information about this or that place.

Virtual experience of Airbnb has become a rather good source of income. To add virtual experience on Airbnb, you must make an application which must include: title, good quality photos, detailed description of the tour, documents confirming your experience, specific list of what your visitors will receive, specific list of what the visitor should prepare in advance. All invited visitors or assistants who attend the event from the part of the host, must use their own Airbnb account.

The session should be held using Zoom platform and it is inadmissible to share Zoon link or invite a visitor for attending the tour free of charge. This must be a live session. All attendants must be engaged in the process. Any visitor must be able to attend and participate from home or from any place. If virtual experience includes any additional requirements, the visitor should know about it in advance.
TERMINOLOGY

According to the definition of UNESCO, intangible cultural heritage is customs, presentations and expressions, knowledge and skills recognized by the communities, groups or sometimes, by individuals as a part of their cultural heritage, as well as related instruments, items, artifacts and cultural spaces. Domains of intangible cultural heritage are: oral traditions and expressions (legend, fable, oral story, folk tale etc.), performing art (song, dance, theater etc.), social practice (games, festivals, culinary art etc.), experience related to the universe (popular medicine, customs related to natural phenomena etc.), workmanship technique (folk crafts: felt, metal, clay, rug etc.); cultural landscape- creation of a human or joint creation of a human and nature, as well as the area containing archaeological sightseeing which represents a distinguished universal value in terms of history, aesthetics, ethnology and anthropology and requires a synergy of the country’s spatial arrangement, urban construction, environmental protection, monument protection and culture strategies for establishment of a specific protection regime. Today, this term encompasses the city landscape, the landscapes received as a result of industrial or other entrepreneurial activities, theater and museum landscapes etc. (The UNESCO Convention concerning the Protection of World Cultural and Natural Heritage, Paris, 1972; the so-called Council of Europe Landscape Convention, Florence, 2000). Cultural space is a specific geographic area which is related to use of intangible cultural heritage in practice and represents a necessary environment for its existence. Cultural space needs to be assessed in each specific case which may entail necessity of establishment of a certain protection regime. Such cultural space is called a “protected cultural space”.

Cultural diversity - according to the definition of UNESCO, cultural diversity is a unity of different spiritual, material, intellectual and emotional characteristics common for various parts of society or social groups. The term also includes an ability of living together of people having different lifestyles, system of values, traditions, confessions and beliefs.

Stakeholders

Natural persons and legal entities and groups having an interest in a specific issue, organizations in the civil society who are trying to influence the direction of the state policy. For example, in the process of implementation of the cultural policy, stakeholders shall be various state agencies, mass media, NGO sector, professional associations, the Georgian Apostolic Autocephalous Orthodox Church, other religious confessions etc.

Place of origin – modern or historic name of the geographic place, district, region, in an exceptional case, the country used to mark the goods which were originated in this geographic place and whose special quality and properties are entirely or mainly predetermined by the natural environment of this geographic place only and the human factor and this product is produced, the raw material is produced and processed within the borders of this geographic place (for example, “Khvanchkara”, “Nabeglavi” etc.).
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- Georgian National Tourism Administration (2015) Georgian Tourism Strategy
- Embacher, H., (2014) Farm Holidays in Austria. Strategies and contributions towards Sustainability
- Lecturers. APPEAR/ADA project

USEFUL LINKS:

Airbnb Help Center
Airbnb Virtula Experiences
Airbnb Booking tips
Forns about Aribnb VE
https://www.europeanrouteofceramics.eu/
http://culturalroutes.gov.ge/Contact.aspx

Georgian Arts and Culture Center
Address: 7, Niko Nikoladze Str. 0108 - Tbilisi, Georgia
Phone: +995 32 2931335
E-mail: gacc@gaccgeorgia.org
www.gaccgeorgia.org
https://www.facebook.com/tourismheritagecreativity

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