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ELABORATION OF THE SUPERSTRUCTURE OF THE BULGARIAN HOTEL INDUSTRY

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Abstract:

The purpose of the paper is to suggest some terms of reference for the elaboration of the superstructure of the Bulgarian hotel industry. The suggestions are based on the analysis of the superstructure at present. Its capacity, main types of accommodation establishments and their distribution by categories and territory are examined. An analysis is made of some resulting indices such as overnight stays and average stay. The main positive, respectively negative features of the superstructure have been analyzed. Concrete terms of reference have been given in order to overcome the problems specified.

Key words: hotel superstructure, classification, categorization, infrastructure.

INTRODUCTION

The hotel industry is a major component of tourism for each tourist destination. It allows the use the tourist territories to the best advantage and the evaluation of natural and anthropogenic resources. In this respect the ecological balance, the sustainability and the prospects for the development in tourist places depend on it. Hotel industry realizes the main part of incomes in tourism, because, with the exception of the so called “excursionists” by the World Trade Organization, /less than one per cent of the world tourist flow/, each tourist stays overnight in a hotel establishment. Hotel industry satisfies complex tourist needs and in its establishments the basic and a number of additional services are being offered. It is a powerful economic multiplier, a major employer, and to a great extent the quantitative and the synthesized indices related to tourism depend on it. That is why, the tourist territories are presented at various markets mainly with their accommodation establishments. At the same time, in case of bad management of the interrelations stated, hotel industry can threaten or even bring about the degradation of attractive tourist territories. That is why its regulation should be priority of the state tourist policy. The features pointed out depend on the number, the type, the location, the category, etc. of accommodation establishments or on the

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hotel superstructure, the analysis and prospects of which, are leading indices for every tourist country. Bulgaria makes no exception from the dependencies pointed out; that is why the main purpose of the present paper is on the bases of the **analysis of the Bulgarian hotel superstructure to draw some opportunities for its elaboration.**

ANALYSIS OF THE SUPERSTRUCTURE OF THE BULGARIAN HOTEL INDUSTRY

Superstructure specifies the material elements of the hotel product. Generally, it comprises the accommodation establishments within a certain tourist territory. In order to inform future customers and partners, as well as for the purpose of statistics and scientific research, the different hotel superstructure is presented by different indices. The accommodation establishments have been grouped by types, categories, period of exploitation, territorial indication, etc. Bed capacity is an index of extreme importance, because through the potential of beds it shows the number of tourists, who can be accommodated at a time at the destination. Thus the overnight stays realized are defined by the bed capacity, the average stay of tourists, the occupancy rate, that are directly related to the economic efficiency and competitiveness of tourism.

According to the official statistics for 2006, Bulgaria disposes of 1348 hotels with 211 565 beds plus over 40 000 beds in the so called additional means of accommodation. Therefore, for five years the number of establishments has increased by over 50%, which shows a higher degree of making use of tourist resources. The number of establishments is not quite a precise index; No information about the number of rooms in Bulgaria is collected – something which is basic for most tourist countries. That is why for the absolute capacity counting the index “number of beds” is used, despite of the fact that it is hard to get objective information for it, because of the numerous variants and the strong dynamics of hotel offering. This absolute index has also increased by about 5% compared to the previous year, but by over 50% compared to 2001, which is an indication for extensive development. Data presented by the National Statistical Institute for the number of establishments and their bed capacity have been poor, as a result of the fast changes in the Bulgarian tourism and the considerable number of tourists, not in the scope of the official statistics establishments, due to a number of reasons. According to statements of the chairman of State Automobile Transport and other experts, as well as according to the Strategy for sustainable development of tourism worked out, Bulgaria disposes of a considerably bigger capacity than the officially stated – 610 000 beds and the number increases by about 10-12% yearly; i.e. the country on the whole has not reached the level of satiation of the superstructure. In maintenance of this statement are the values of the so called “index (density) of beds as a ratio between the number of beds and the size of the corresponding territory. It is considered that the average index for Europe is about 10 beds per sq. km., and for Bulgaria it is about 2,5 for the officially announced hotel basis, which shows relatively favorable prospects.

The indices examined so far, give just general information about hotel superstructure; the analysis could be detailed. Important for a certain destination are the types of accommodation establishments and the ratio within them, which characterizes the diversity of the superstructure and its conformity with modern trends. According to

the National Statistical Institute, bed capacity in Bulgaria is distributed by types of establishments as follows:

Table 1: Bed capacity of Bulgaria by types of accommodation establishments for 2006

Types of establishments	Number	percentage	Number of beds	percentage
Hotels	1 348	46,7	211 565	83,8
Camp-sites	17	0,6	4 450	1,8
Chalets	130	4,5	7 498	3
Other places for short-term accommodation	1 392	48,2	28 792	11,4
Total	2 887	100	252 305	100

From the table one can see that by number the hotels are equal with the so called “other places for short-term accommodation”, such as private lodgings, holiday villages, bungalows, etc. The latter constitute a new index for the official statistics; data about it has been collected since 2003, but it is not quite precise. From the methodological point of view, mixed in it there are private tourist residences with representatives of the para-hotel-keeping, and it is advisable to differentiate these in a separate class. Anyway, an increase in the number of modern types accommodation establishments emerges, which is an international trend and it diversifies the superstructure.

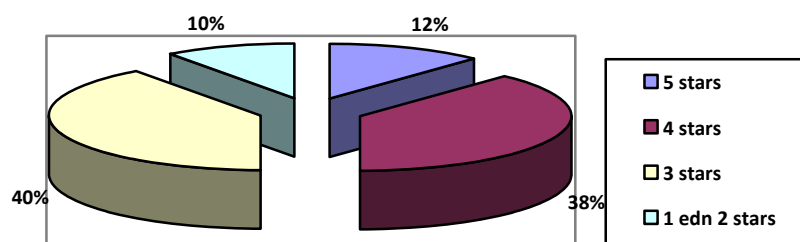
As for capacity, there is a substantial outnumbering of the hotels and for five years they have increased by 50%, which is positive on one hand, because they are the oldest, the mass and the representative establishments in tourism. They require solid investment, relevant return; they can be differentiated additionally so that product can be specialized, etc. At the same time they are related to the main or the classical hotel industry, which is characterized by its weaker dynamics and elasticity. If we add to the examined capacity the considerable number of irregular and not listed holiday apartments which also use valuable recreational territories (according to “Yavlena” agency data over 4 million sq. km. are in the process of construction in the country) it becomes clear, that the main hotel industry has a leading role in this country. On that basis we can make a conclusion, that the type of bed capacity is mono-structural, which makes it inadaptable and strongly dependant on market processes. A great part of the Bulgarian hotels are suitable for mass recreational tourism; they are seasonal and with unattractive (urban, anti-vacation) exterior design, which is a precondition for deepening the problems.

Among representatives of the classical and let us name it modern hotel industry, the third place by number and capacity occupy the mountain chalets, which have importance mainly for domestic tourism. If their level of complexity and comfort is improved, they are a prospective type for the alternative kinds of tourism because of their appropriate location. Unfortunately, camp-sites, if they are well designed and constructed and with an attractive modern appearance, are poorly represented in the superstructure as number and bed capacity (we have in mind beds in bungalows on the territory of the camp sites, besides these, there are 1 707 places available for camping).

The camp sites are the only type of accommodation establishments in Bulgaria, which number has been reduced – from 111 in 1980, down to 31 in 2000 and down to 17 in 2006. Due to a number of reasons the areas in Bulgaria suitable for camping have been liquidated, the still existing establishments have poor material conditions and low standard. According to unofficial information the destination Bulgaria disposes of over 20 holiday seaside and mountain villages, golf and spa holiday villages under construction, as well as of a considerable number of villas, for which there is no detailed information. As a whole with the types of accommodation establishments, there is a difference between the classification of the establishments in tourism law and the collecting of official statistical information, which requires new methods for data processing, conforming to the norms.

Information about the quality of the hotel superstructure and of the whole product, provides the categorization of accommodation establishments. Bulgaria disposes of a centralized state system for categorization of accommodation establishments including facilities of the star type. According to the State Tourism Agency, which categorizes the establishments from 2 to 5 stars, the distribution by categories is as follows:

Fig. 1: Category structure of bed capacity as at 01.01.2006 r.



It can be clearly seen that 50% of the establishments are of the higher scale- 4 and 5 stars, which is due mainly to the hotels and the holiday villages. Considerable is the share of the middle categories – 40%; one and two-star establishments have smaller share. They are represented mainly by small hotels, motels, villas zones. According to the tourism law, the mayors of the municipalities categorize the establishments of the lowest class; that is why it is supposed that, they are more by number than those indicated, but regardless of this, the category structure determinates a quality tourist product. Data show that the standard of hotel superstructure corresponds to a great extent with the value of the tourist resources, especially in seaside and mountain complexes, in the capital and in the big cities. This is a favorable precondition for the development of efficient types of tourism, as well as for the penetration of international hotel chains at the Bulgarian market. It is another matter, to what extent the standards are objective and whether they comply with the normative requirements and whether it is advisable the high categories to become “accessible to the masses” and to be sold at low price levels to the corresponding customers. Regardless of the problems, the category structure of the Bulgarian hotel industry is its strong side, which is supported by almost a 100% newly-built or renovated basis. Qualitative and modern material preconditions for production and realization of the hotel product have been created.

The indicated features of the standard of the superstructure are a function of its territorial distribution, which is extremely uneven.

Table 2: Territorial distribution of the superstructure in Bulgaria – 2007

Territory	Share , %
The Black Sea coast	56.8
Mountain complexes	9.8
Balneological complexes and villages	4.6
City hotels in the the country	28.8
Total	100

According to the official statistics most of the hotel establishments are situated along the Black Sea coast (56,8%) by absolute number, as well as by capacity. In the three Black Sea districts - Varna, Bourgas and Dobrich are concentrated about 50% of the Bulgarian hotels, over 80% of the existing camp-sites and holiday villages. City hotels follow and their percentage is due mainly to the establishments in Sofia and Sofia-district and the other city centers are far behind. About 10% of the superstructure is concentrated in the renowned mountain complexes, which is due to their dynamic construction in the last three years. As a whole, the territorial distribution of the bed capacity of Bulgaria is unequal; it is concentrated mainly in the territories for mass tourism and in the capital.

The territorial distribution pointed out is to a certain extent a function of tourist resources, but it is regarded as a threat for their right exploitation and ecological balance. Once again we can underline the specialization of the bed capacity of destination Bulgaria for mass, recreation tourism, which is highly seasonal, with which the opportunities for the development of other types and for mastering appropriate tourist territories are limited.

The analyzed indices so far characterize the superstructure of the Bulgarian hotel industry, but not the resultativeness of its functioning, which is specified with the number of the realized overnight stays. After the unfavorable trend of reduction of the number of overnight stays in the period 1996-2000, a yearly increase by about 3-5% is noticed. For 2006 the resulting values for the exploitation of the bed capacity are as follows:

Table 3: Number of tourists and overnight stays realized in 2006

Nationality	Number of overnight tourists	percentage	Number of overnight stays	percentage	Number of overnight stays in hotels	percentage
Foreigners	2054123	48	11960168	69	11776062	73
Bulgarians	2232319	52	5467351	31	4342298	27
Total	4286442	100	17427519	100	16118360	100

From the table one can see that by the number of overnight tourists, Bulgarians outnumber the others by 4%, which shows activation of the domestic tourism and a considerable potential in this respect. As for the overnight stays realized however, foreigners prevail, which means a longer average stay. If we calculate it, we get an average stay for foreign tourists 5.8 days and for Bulgarians -2.4. The difference is a result of the main types of tourism for both target groups. Recreational tourism is dominating for foreigners, despite of the activation of the alternative forms, which is related to the longer stay at the destination. In the seaside and mountain resorts we could get prolongation as well, if we disregard the short-term travel of tourists from the neighbors of Bulgaria. With Bulgarians, the average stay is 2.4 days, which is an indicator for short-term weekend (recreation, entertainment, spa and others) and business travel. As for the overnight stays realized in the classical accommodations establishments - the hotels in the total number, those of foreigners prevail, as a result of the smaller number of overnight stays of Bulgarians in principle. If we compare the indices for both consumer markets that are examined, we find out that 98% of the overnight stays of foreign tourists and correspondingly 79,8% of overnight stays of Bulgarians have been realized in hotels. The figures confirm the characteristics outlined, that hotels prevail and they are preferred by foreign tourists and almost all of them avoid staying overnight in other types of accommodation establishments. The establishments of para-hotel-keeping still have a small share in the exploitation of the superstructure, which on one hand displays the problems, but on the other hand comprises unrealized potential.

The seasonal concentration of tourists and the overnight stays define important indices, such as period of exploitation, bed occupancy, economic and social efficiency. Data from the National Statistical Institute for 2006 (a stable trend) show a clearly expressed summer seasonal concentration of the number of tourists /Bulgarians and foreigners/ and overnight stays correspondingly. The peak months are July and August, followed by June and September. The ascertainment is a result of the dominating type of tourism, related to the evaluated tourist resources, as well as by a number of objective and subjective factors. The pronounced seasonality in the exploitation of beds raises serious economic and social problems for the Bulgarian hotels, which reflect on the overall development of tourism in the country. In principle, seasonality within the changing value of the natural resources is difficult to overcome, but opportunities for hastening its influence could be looked for.

Conclusions from the analysis of the hotel superstructure

The limited content of the present paper gives us no opportunity to deepen the analysis of the superstructure of the Bulgarian hotel industry by including more parameters and a longer period. Regardless of this, on the basis of the short survey and some of our other publications and observations, we can first of all outline the following **positive characteristics (strong points)** of the superstructure of Bulgarian hotel industry:

- **Dynamic development**, increase of the number of establishments, as well as the number of beds. The available tourist resources are being used more and more to the full and the quantitative indices characterizing tourism increase. The big number of new establishments means that modern technologies are being used in planning, design, construction, etc., which improves the quality of the material conditions for staying overnight. The dynamic development of the superstructure strengthens the role of the hotel industry as an economic multiplier;
- **Diversification of the types of accommodation establishments.** Despite the conclusion that the bed capacity in Bulgaria is mono-structural to a great extent, because hotels prevail, especially with regard to capacity, there is a positive process of enriching the types. Attempts are being made in the field of the main hotel-keeping to establish theme hotels or for specialization of the product. A positive influence in this respect has the tourism law in Bulgaria, where an official classification of the types of hotels has been introduced. This allows the gradual formation of spa, wellness, aparthotels and others, along with the existing recreational, city, seaside and other types. The first condo hotels and other variants of time share appear. At the same time a considerable number of (there is no current and objective information) small, family, often theme hotels and hostels come into operation, mainly out of the renowned resort areas. Thus, the product is not only diversified, but alternative tourist resources are being used as well. Within the parahotelkeeping there is an extensive increase in the number of holiday villages with an accent on golf and spa;
- **A suitable category structure.** According to data from the analysis most of the Bulgarian establishments are within the scope between 3 and 4 stars, which defines a comparatively qualitative superstructure. Of a similar class are mainly the hotels at the famous resort territories and holiday villages, and this corresponds to the value of the tourist resources and guarantees better market positions. The share of the 5-star establishments is over 10%, and some of them are unique (the so called boutique hotels), which broadens the scope of Bulgarian hotel industry. The good standard of the superstructure allowed the penetration of famous international chains in the recreational and in the business hotel-keeping as well, which enriches the experience and improves the quality of management. National chains mainly through branch offices or franchising are being formed;
- **Good normative basis.** Normative documents are a suitable instrumentarium for regulation and monitoring of the hotel superstructure. Tourism law, despite some imperfection categorizes the accommodation establishments according to the requirements of WTO and EU. Eco-norms with an opportunity for certification of hotels have been adopted; there is a law on the spatial planning of the Bulgarian Black Sea coastline, HASEP system, as well as a strategy for sustainable development of Bulgarian tourism till 2013 with a section on the superstructure.

Similar strategies are being expressed in a concrete form at municipalities; regional tourist clusters are in the process of creation.

Along with the positive characteristics pointed out, it became clear that the favourable preconditions set for the development of the superstructure are not being used to the best advantage, the following **negative (weak) points** of the target of the paper are at hand:

- **overbuilding in some of the most renowned sea tourist territories** and establishing the same process in the mountains, unregulated construction, building up parts of the resources – beach strips, dunes, ski runs. As a result, over 80% of the resources of the sea and mountain resorts in Bulgaria have been absorbed (in some municipalities up to 100%), which is a serious restriction for a possible new construction. Green areas have been destroyed, a great part of the establishments have unattractive design, they are located very close to one another, as a result of which tourist complexes (Golden Sands, Sunny Beach) have been transformed into villages. Comfort of the tourists staying reduces; the high category of hotels becomes pointless, the beds are being sold at lower price levels; hence the lower efficiency of investments. A real danger of irreversible pollution and even destruction of valuable tourist resources is being formed, and finally this could lead to destruction of the resorts. The situation is complicated because of the big number of holiday apartments, which are traded as residential, but are being rented out by the owners to tourists and they are located in the busiest tourist territories. Besides that, the yearly rates of capacity increase of the superstructure are higher than those of the tourist flow, which means that part of it is not realized and this process will deepen further. Secondary transformations will follow, which we would not dare to prognosticate;
- **mono-structure of the hotel basis** – There are mainly seasonal hotels for mass recreation tourism and territorial disbalance. These features limit the development and the improvement of the superstructure. It becomes non-elastic and highly dependant on certain markets and partners. The prevailing seasonal character does not allow the real utilization of the high-cost basis and its corresponding buying out and renovation. The concentration of the tourist flow in time and space does not provide opportunity for a full manifestation of the quality characteristics of the superstructure and for evaluation of the high standard;
- **disproportion between the standard and the quality of the superstructure and the infrastructure.** The state of the roads of the common infrastructure is particularly worrying, as well as the lack or the insufficient capacity of the water-purifying stations and water-supplying networks. Application of energy-saving and ecological technologies, local purifying installations and others is still limited. Landslide processes at seaside resort territories, the lack of a mechanism for unifying the interests of parties concerned in the construction and the maintenance of the common and the tourist infrastructures can be added to the problems. Discrepancy between the relatively good superstructure and the state of the infrastructure has a negative effect on the image of destination Bulgaria;
- **lack of reliable information** about the indices, characterizing the hotel superstructure of Bulgaria. Thus, it becomes extremely difficult to analyse and prognosticate its development, and hence the development of tourism. The problem pointed out is a result of the methodical inaccuracies when collecting and

processing of statistical data, as well as a number of reasons such as tendentious concealment of information by establishments and organisations, uncategorized and unclassified accommodation establishments, strong dynamics in the number of establishments and beds.

Terms of reference for elaboration of the superstructure in Bulgarian hotel industry

- **Elaboration of the normative basis and regulation of the superstructure.** The material basis of hotel industry is not developing in isolation, but in interrelation with the hotel and tourist products. For its elaboration therefore, an overall concept is necessary, and not fractured actions on the spot. That is why, firstly, there is a necessity on the basis of the strategy for sustainable development of the Bulgarian tourism, to establish a self dependant one for the hotel industry and its superstructure. It should include a strategy for the improvement of the quality of the hotel product, and it should be discussed and accepted by parties concerned and particularly by branch organisations. Second, it is necessary to amend the tourism law by elaborating the classification of the accommodation establishments. The separate types of establishments should be clearly differentiated and to be related to the two big groups – the classical and the para-hotel-keeping and the terminology used should be flatly improved. We suggest that a third classification group is introduced « personal tourist lodgings», which should include the private lodgings, the holiday apartments, the time share and similar, after which the groups specified should be categorized. It is necessary to consolidate the monitoring for observation of the requirements and at the same time part of the procedures should be simplified and placed at the disposal of the municipalities and branch organisations. Third, the elaborated classification should be presented to the National Statistical Institute to create new methods for collecting and processing of the statistical information for the hotel superstructure;
- **Unregulated construction should stop categorically.** On the basis of a precise ecological expertise and according to the normative documents and the restrictions of Nature 2000 the potential of each concrete territory should be evaluated. Establishments which do not meet the law norms for the development of the superstructure according to the nature of the tourist resources and the parameters of the environment should be destroyed;
- **Overcoming the disbalance within the infrastructure.** Along with the elaboration of the existing road network, it is necessary to ensure access to tourist sites and resources, especially in the interior as well as to sites of anthropogenic character. To implement a suitable mechanism of public-private partnership to solve the problems with the water-purifying stations, the water-supply and the maintenance of the tourist infrastructure. It is necessary to enhance and support the hoteliers introducing energy-saving, ecological and green technologies, local purifying facilities and others. Overcoming the contrast between the tourist and the other towns and villages should become a state policy;
- **Overcoming the mono – structure.** This should be done in stages. In order to reduce the concentration of the tourist flow, a basis for forms, alternative to the mass recreation tourism must be built, and for Bulgaria spa, wellness, balneological, country, eco, green establishments are suitable. The potential is considerable out of the big towns and villages and the big tourist complexes, which

will improve the territorial distribution of the superstructure. The short season at the Black Sea coast and the mountain resorts does not reach even the one which is conditioned by nature. We could suggest even greater satiation of the basis with additional tourist functions such as spa and wellness centers, conference halls and others and it is suitable to form mini-complexes with a prolonged season or functioning all the year round. It is necessary that the already built superstructure is internally elaborated, in order to overcome its unified character.

CONCLUSION

Bulgaria is one of the countries with a fast developing tourism, despite that it disposes of less than one per cent of the world tourist market. During the past five years the hotel superstructure of the country has increased its capacity by over 10% yearly and the rapid development on one hand allowed the increase of the tourist flow, but on the other hand created problems and brought the superstructure to the point of satiation. The question for its regulation and elaboration is raised. It is necessary to slow down the rates of increase, and efforts should be directed towards the integration of the superstructure with the other elements of the tourist product and the rise in its quality level.

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