Creative Tourism Business Model
And Its Application In Bulgaria
Abstract:

A proposed business model for creative tourism is analysed in the framework of cultural tourism. Although creative tourism is generally perceived as a form of cultural tourism (Ohridska-Olson 2010), it is essentially different from the mainstream cultural tourism. In addition, the paper analyses how this business model can be applied to the cultural tourism for small towns and cities in Bulgaria to fully utilize their creative and cultural heritage potential. The article also points out how creative tourism can bring sustainable and profitable development to small communities in the country.
Creative tourism – a definition

Creative tourism is a form of cultural tourism (Ohridska-Olson, 2010). More specifically it is “travel directed toward an engaged and authentic experience, with participative learning in the arts, heritage, or special character of a place, and it provides a connection with those who reside in this place and create this living culture” (UNESCO, 2006). It “offers tourists the opportunity to develop their creative potential through active participation in courses and learning experiences which are characteristic of the holiday destination where they are undertaken” (Richards and Raymond, 2000). Creative tourism goes beyond the general tourist gaze (Urry, 1990) and involves deeply the tourists in the culturescape of the destination, where they take part in different activities - crafts, arts, culinary and other creative activities, thus creating a close link between the tourists, the local population and its cultural heritage (Richards and Wilson, 2007). Creative tourists are no longer satisfied with pure observation of cultural spectacles but look for active participation - they travel to Argentina to learn to dance tango, to Russia to paint icons, to France to cook traditional Provencal dishes.

Although creative tourism is generally perceived as a form of cultural tourism it is essentially different from the mainstream cultural tourism as it will be elaborated further in the paper. While traditional cultural tourism is based on “viewing”, “seeing” and “contemplating” (e.g. visiting museums, art galleries, concerts, ballet performances and the like), creative tourism is based on “experiencing” (Pine and Gilmore, 1999), “participating” and “learning” (e.g. not only observing icons or icon painting but taking courses in icon painting in the destination). This puts creative tourism as the next generation of cultural tourism that satisfies the higher level need of self-actualisation with a primary focus of active skill development. Furthermore, creative tourism is not so place-bound as cultural tourism in general is, because creative tourism utilises tourist resources that are processes in essence - like dances, singing, crafts, painting, festivals (Prentice and Andersen, 2003) - and is, therefore, more sustainable in nature than traditional cultural tourism based on the consumption of built environments (Richards and Wilson, 2006) and contributes to the development of the destination (Lindroth, Ritalahti and Soisalon-Soininen, 2007).

One of the major issues in tourism consumption, including creative tourism, is the authenticity of the experience (Chhabra, Healy and Sills, 2003; Prentice, 2001; Reisinger and Steiner, 2006; Steiner and Reisinger, 2006). Creative tourism is based on the authentic experience it delivers to the tourist. The specific location where the creative activity takes place can serve as a sign for its authenticity. One can learn to dance salsa from world-class dancers in many countries but only Cuba provides the atmosphere that attaches the symbol of authenticity to the salsa classes experience. Therefore, although creative industries are generally not place-bound, the place itself can be part of the creative experience and can stimulate creativity per se.
Creative tourism business model

The creative tourism counts on cultural resources to attract travellers to a destination. It is also a form of creative community’s development – by stimulating the creative industries from outside, the local economy improves beyond the profits from tourism.

Creative Tourism Business Model

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Figure 1: Creative tourism business model (Ohridska-Olson 2010)
The creative tourism business model includes 5 groups of elements:

**Demand Factors**

The “experience economy” (Pine & Gilmore 1999), which is growing since the 90s of the 20th century encourages unprecedented development of the creative industries in the tourists generating markets and an increasing interest for individuals to learn new skills, and participate in the creation of new cultural experiences.

The rapidly increasing generation of baby boomers are already in retiring age, which means more people with free time and financial resources available to explore activities and places for which they didn’t have time before. Thanks to rapid industrialization in the end of the 19th century up to the end of the 80s of the 20th century, knowledge of arts, crafts and technologies of the past, have been lost in the countries with predominant outgoing markets. New generations of active people (18 years and older) in these markets want to learn and recover for generations to come these lost skills and technologies.

Globalization and the continuing increase access to information through communication technologies, knowledge on indigenous arts, culture and forgotten crafts is available to large amount of people in the outgoing tourist markets. This causes a bigger interest to destinations that can provide unique experiences, which elsewhere are unobtainable.

Besides these general trends in demand factors, there is a concrete demand for creative tourism on the biggest markets for outbound tourism (USA, Germany, UK, etc.), elaborated in the next paragraphs:

**Participation in culture and creativity**

The sales of art and craft materials in the USA has grown from $23 billions in 2000 to $27.4 billions in 2009 and in spite of the recession has remain the same as in 2008. In 2009, 56% of the Americans participated at least in one crafts project (CHA 2010). In 2008, 10% of all adult citizens in the USA (18 years old and more) have participated in arts creation, which is an increase of 2% compared with 2004. This represents 22.7 millions of people who participated in art through some form of creation (NEA 2008). In the same period (from 2004 to 2008), the passive participation of arts (visit museums, galleries, events, etc.) has decreased with 3%. (NEA 2008). In the European Community (E27) in 2007, at least 16% of all adults have participated in the creation of arts and 30% have produced a non-professional movie or have dedicated their free time to amateur photography (Eurostat 2010). In Canada, sales of materials for arts and crafts has increased from 18,4 billions in 2004 to 23,7 billions in 2007. (The Conference Board of Canada 2008).

**Cultural Heritage Preservation and Authenticity**

The demand for authenticity in cultural tourism has transformed the approach to cultural heritage preservation for the usage of creative tourism. More and more
people are not satisfied with “staged reality/authenticity” involving history of place, inherited rituals and ceremonies. In many cases, cultural integrity is compromised and cultural distortion inevitably arises (Walker 2010). The trend shifted in the last 10 years towards authentic recreation of technologies and skills in arts and crafts production versus artificial representation of cultural heritage. This represents a major demand factor for the creative tourism and an instrument to preserve the cultural heritage in its most authentic forms.

Human Interaction and Cultural Immersion

The demand for human interaction and cultural immersion during leisure travel has driven the increase of creative tourism for the last 20 years. Thanks to social networks on the Internet and new technology adoption, communication between local communities and visitors increased rapidly in the last 5 years. That makes possible cultural immersion tours to be developed by associations, organizations and individuals, and not only by tour operators and travel agencies. Organizations such as Global Exchange (an international human rights organization dedicated to promoting social, economic and environmental justice around the world), The Experiment in International Living (an international nonprofit membership association that cultural immersion programs, with members in 27 countries), and many others, are example of how the demand of human interaction goes beyond the typical travel with a list of monuments to visit. Several pan-European programs encourage this interaction, specially in skills learning and travel for creative and cultural exchange (Geiser 2007). Such programs and organizations are: European Association of Historic Towns and Regions, The Cultural Routes Programme of the Council of Europe, European Institute of Cultural Routes, European Cultural Tourism Network and many others.

Cultural travel and tourism

In spite of its mass character, traditional cultural tourism contributes to the creative tourism in various ways. First, it promotes the destination and its cultural heritage. Second, it provides visitors interested in culture, who, during a later trip or during a planned trip to a cultural tourism destination, decide to shift from observation/visitation form towards participation/creativity mode.

Supply factors

The supply factors for creative tourism are in their majority influenced by the same stakeholders as for cultural tourism. The stage of development of the supply and degree of involvement of the stakeholders on local level (see Figure 2) determine greatly the role of the supply factors as resources for creative tourism.
Figure 2:
Cultural Tourism: Major Stakeholders in the formation of Cultural tourism product (Ohridska-Olson, 2009)
**Creative industries**

Creative industries have been included in a factor for development of tourism. They have been used increasingly to promote destinations and to increase their competitiveness and attractiveness (OECD 2009). Their role in branding is also very important for country branding for cultural and creative tourism (Ohridska-Olson 2009), Figure 3. With the development of creative tourism, the role of the creative industries increases rapidly on a global level.

![Figure 3: Overall Country Branding and Country Ranking by Creative Industries (Ohridska-Olson, 2009)](image-url)
Global cultural diversity

The global cultural diversity always has been an important factor for cultural tourism. Since 2003 UNESCO recognizes the intangible cultural heritage as “an important factor in maintaining cultural diversity in the face of growing globalization”. As stated, the intangible cultural heritage is traditional, contemporary and living at the same time, inclusive, representative and community based (UNESCO 2003). It represents one of the major supply factors and resources for creative tourism worldwide.

Unique local cultural offerings and unique local arts and crafts

There is not a single community or sub-region in the world that doesn’t have local traditions and unique place defined cultural offerings in arts, crafts, rituals, or any other expression of intangible or tangible cultural heritage. Even when a loaf of bread is made differently in the neighbouring village, or a song has one line different lyrics, these local cultural offerings represent resource and supply factor for the many forms of cultural tourism. In many cases this tourism is limited to domestic short trips. In other cases, these traditional technologies, crafts, arts and artistic expressions are worldwide famous and attract creative tourists from around the world, such as master classes in opera singing to Italy, icon painting in Russia, or Navajo pottery classes to Santa Fe (USA). These local traditions, unique in their characteristics, are one of the main resources for creative tourism and represent the biggest supply factor for creative tourism for both domestic and international travel.

Tourism infrastructure, cultural tourism resources, hospitality and other types of tourism

The overall tourism infrastructure, the resources for traditional cultural tourism and for other types of tourism play important role as a supply factor for creative tourism. The demand for authenticity, for example, although very important for the creative tourism, is limited by the basics in tourism infrastructure – the Country Branding Index from 2009 (FutureBrand, 2009) shows a discrepancy between visitation and authenticity rating for these reasons. Another influence on the supply factors is the cultural tourism resources. Communities with supply of cultural tourism resources tend to develop creative tourism products much faster than communities without it. Barcelona, Santa Fe, Berlin, Verona, etc. are a vivid example of how cultural tourism supply factors influence the creative tourism. Resources for wine and gourmet tourism, religious tourism etc., are also a base for developing strong supply for cultural tourism.

Creative tourism products and services

Creating branded creative tourism products and services is recent phenomenon for local communities. Countries still don’t have a vision to create a separate creative tourism branding and launch products and services, since they consider it as part of the cultural tourism or they envision it as a local product marketing issue. On the other side, regional or global programs are in place
to recognize the creative places, landscapes or events. UNESCO has a program for creative cities. Creative clusters that “feed on diversity and change and so thrive in busy, multi-cultural urban settings that have their own local distinctiveness but are also connected to the world” (UNESCO 2006 – 2) as well as the creative routes are often branded by the type of art or activity in the creative industry: music, dance, wine-making rituals, etc.

Because of the complexity of the creation of creative tourism products and services, several approaches are taken by DMOs, tour operators and other organizations towards creative tourism development:

- **Destination based:** creative tourism product is destination dependent. Such approach is typical tourism to creative cities, creative landscapes, corridors, or programs of tour operators that use the resources in a place already in the program of tour to the destination not specifically designed for creative tourism.

- **Activity based:** the creative tourism product is geographically dispersed. These are creative tourism programs based on a concrete activity and follow this focus, independently of the location, such are the Renaissance painting style classes, that might cover from Italy to France or the Roman Empire battles re-enactments that spread across several Mediterranean countries.

**Creative tourism tangible and intangible benefits**

While tangible benefits from creative tourism can be measured accordingly with the OECD (OECD 2000) definition for tourism expenditure being “the expenditure made by, or on behalf of, the visitor before, during and after the trip and which expenditure is related to that trip and which trip is undertaken outside the usual environment of the visitor”, the intangible benefits coming from creative tourism are much more difficult to measure. The tangible benefits from creative tourism can be summarised as follows:

- **Cultural capital** – increase of creative and cultural assets (tangible and intangible);
- **Market expansion** – growth of the geographical reach for cultural and creative industries through creative tourism;
- **Innovation** – increase of innovation programmes to include creative tourism for the benefits of the community;
- **Cultural heritage preservation** – cultural heritage is preserved mainly to serve as a renewable resource for creative tourism;
- **Sustainability** – one of the most important benefit from creative tourism due to it characteristics as a process of creation and renewable activity;
- **Brand visibility** – local arts and crafts brands are usually not very known and valorised through tourism. Creative tourism helps brand visibility and hence, increases the brand equity for small communities;
- **Job creation** – in addition to the traditional tourism jobs, creative tourism create employment for artists, craftsman and other professional groups;
Exports – in addition to the normal tourism exports, creative tourism contributes with exports of the cultural and creative industries, otherwise not related with tourism exports.

The intangible benefits from creative tourism are:

- **Local identity and uniqueness** – the focus on unique local arts and crafts and authenticity contribute to the emphasis on local identity;

- **Social capital** – by increasing social values that promote social cooperation to create and operate creative tourism products and services, the social increases dramatically thanks to creative tourism;

- **Cultural values preservation** – instead to destroy cultural values to “please” the visitor, the local communities learnt that preserving their local cultural values help develop creative tourism;

- **Global human interaction and cultural exchange** – the very nature of “experience” and “participation” model in the creative tourism products and services foster a human interaction and cultural exchange more and more on a global scale;

- **Local cultural diversification** – in order to compete successfully on the creative tourism marketplace, which is much more sensitive to uniqueness of the tourism offerings, communities are forced to emphasize and preserve their local cultural identity, pride of place and thus provide a clear diversification of the creative tourism resources.

**Financial results for the destination**

The financial results for the destinations are the fifth element of the creative tourism’s business model. Creative tourism contributes to the local economy by generation of incomes for the local population and revenues for the municipal budgets through taxation. Leaks from the local economy are small as nearly all services and products are provided by the local residents.

**Creative tourism business model vs. Cultural tourism business model**

The creative tourism business model defers radically from the business model of conventional cultural tourism (Table 1, next page). First, it is based on a different resource set. Cultural tourism is focused on iconic buildings, mega events (festivals, etc.), strong presence of historic heritage, vibrant cultural life at a destination and limited famous geographies (Italy, France, Spain, Egypt, England, etc.).

Creative tourism demand, on the other hand, is related to the need for learning and experiencing the creative process – from textiles weaving in the Mapuche regions of Chile to icon-painting in Russia. In some outbound markets, like the USA, the demand is driven in strong traditions and proliferation of hobbies and craft making. And because the creative tourism doesn’t need impressive historic buildings, UNESCO lists or famous events, its destinations extend to all kind of countries and
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Table 1:
Creative tourism and cultural tourism – a comparison between business models

<table>
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<tr>
<th>Creative tourism business model main characteristics</th>
<th>Traditional Cultural Tourism business model main characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Resource Set:</strong> Based on local creative capital in constant development. Any artistic or creative process can be resource for creative tourism: from basket weaving in Egypt to samba dancing in Cuba, from guitar making classes in Kaznaluk to repussé metalworking in New York.</td>
<td><strong>Resource Set:</strong> based on existing cultural heritage resources with predetermined characteristics: Iconic buildings, mega cultural events, historically established brands of influence: UNESCO World Heritage List, National Monuments lists, etc.</td>
</tr>
<tr>
<td><strong>Target markets:</strong> small groups and individuals with narrow niche interests</td>
<td><strong>Target markets:</strong> large groups and individuals with general interests in culture</td>
</tr>
<tr>
<td><strong>Benefits for the cultural heritage:</strong> non-destructive participation, visitors’ responsibility, creation of new cultural heritage</td>
<td><strong>Benefits for the cultural heritage:</strong> mass cultural tourism already represents a danger for many cultural heritage sites</td>
</tr>
<tr>
<td><strong>Sustainability:</strong> very high, since creative tourism is based on a continuous process of creation</td>
<td><strong>Sustainability:</strong> limited, since the resources for cultural tourism in many cases are not renewable</td>
</tr>
</tbody>
</table>

Cities – from Berlin and Barcelona to small villages along the Yantra river and the high planes of Peru. This geographical enlargement benefits communities that otherwise wouldn’t have a shot in taking a piece of the profit in the cultural tourism.

Another issue with cultural tourism is the vast percentage of the so called “accidental cultural tourists” – travellers who use the product of the cultural tourism once at a destination, but their motivation to travel to this destination is not driven by its cultural assets. That makes financial projections, forecasts and planning very difficult, especially on the domestic markets. Research shows huge gaps in statistics about the so called “cultural tourist”: only in the USA there is a difference between 78% (Mandala Research, 2009) and 14% (NEA, 2008) on what percentage of all travellers are cultural heritage travellers.

While there are differences between cultural and creative tourism, the business model for creative tourism clearly shows that any destination of cultural tourism also can profit from creative tourism. This merger of different types of tourism finds very fertile ground through the creative tourism activities: creative and adventure tourism, cultural and creative tourism, archaeology tourism and creative
tourism, wine and gourmet tourism and creative tourism, etc. Therefore, destinations that already have the assets to develop other type of tourism, as Barcelona, for example, with its great resources for cultural tourism, are using this advantage for increasing their profit with creative tourism.

**Resources for creative tourism in Bulgaria**

Bulgaria’s rich cultural traditions and tourism development climate provide ample resources for creative tourism growth.

- Established traditions in creative industries. Although Bulgaria ranks on 62nd place (below the competitiveness threshold) for creative industries exports (World Economic Forum, 2009), the country has established traditions and international prestige in the development of both traditional and modern creative industries.

- Institutional support through several national and European programs. Institutional support from the Bulgarian central government (Ministry of Culture, Ministry of Regional Development, Ministry of Economy, Industry and Tourism), local tourism councils, European Community programs supply both expertise and financial support for creative industry and tourism compositeness increase.

- Traditional cultural tourism resources. Bulgaria ranking in the world for cultural resources is on 22nd place, which makes it very competitive on a global level. In addition, the country is one of the few to elaborate a very complex “Strategy for Development of Cultural Tourism” with the help of international experts.

Table 2 summarises few examples that can be utilised by tourism industry representatives:

**Table 2:**
Resources for creative tourism in Bulgaria (few examples)

<table>
<thead>
<tr>
<th>Location</th>
<th>Creativity base</th>
<th>Description of creative activity</th>
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<tbody>
<tr>
<td>Choprovtsi, Kotel</td>
<td>Local crafts</td>
<td>Carpet and fabric weaving</td>
</tr>
<tr>
<td>Kazanluk</td>
<td>Rare ancient technologies</td>
<td>String instrument handcrafting classes</td>
</tr>
<tr>
<td>Godech</td>
<td>Gourmet food and Local food technologies</td>
<td>Yogurt making classes</td>
</tr>
<tr>
<td>Karlovo</td>
<td>Local technologies for herb collection, essential oils and perfume making</td>
<td>Classes for herb collection and natural cures in the Balkan Mountains, classes of essential oil distillation and perfume making</td>
</tr>
<tr>
<td>Troyan</td>
<td>Unique style of ceramics and pottery design</td>
<td>Ceramics and pottery making and design classes</td>
</tr>
<tr>
<td>Tryavna</td>
<td>Unique style of wood carving</td>
<td>Wood carving classes</td>
</tr>
<tr>
<td>Chepelare</td>
<td>Traditional music</td>
<td>Classes for traditional music instrument playing, singing traditional Rhodope songs, etc.</td>
</tr>
</tbody>
</table>
Economic and social benefits of the Creative Tourism for small municipalities in Bulgaria

As the creative tourism business model discussed above shows, the development of this type of tourism will have positive impacts on the small municipalities in Bulgaria that embrace the development of creative tourism:

- Revival of local crafts, tradition, music, costumes
- Renewed pride of the local population in their cultural heritage (Dogan 2010)
- Popularization of local customs and traditions
- Preservation of ancient arts and crafts
- Cultural heritage preservation (tangible and intangible): Integrating conservation and valorization of cultural heritage in the domain of community development, education and tourism, as well as encouraging its accessibility and knowledge, can be helpful in raising awareness among communities on the importance of cultural heritage in its identity (Dogan 2010)
- Generation of jobs and income in creative industries
- Creativity spill-over effects
- Increased competitiveness of the destination

Although further research is required, we expect that the development of creative tourism will stimulate the intensive economic growth in the destination by adding value to the tourists’ experiences (in contrast to the extensive growth based on the greater resource consumption), for which the tourists will be willing to pay more, and therefore, generating higher economic benefits for the municipality and the local residents.

Application of the creative business model to the Bulgarian cultural tourism and cultural heritage

In order to profit from the creative business model, Bulgarian small municipalities and local government have to create strategies for developing creative tourism products. Practice has shown that plans and programs are not enough to attract visitors (domestic or international) if strategy and resources exist. A strong marketing, regional and local branding have to be created as well in order to establish the creative destinations as choice for cultural tourism to the country. However, the drive for creative tourism development must come from the tourism business as tourist companies have to create, sell and deliver the creative tourism products and services, not EU or governmental policies.
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Crafts andd Hobby Association (CHA 2010), Attitude & Usage (A&U) Study for 2009


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The Conference Board of Canada, 2008 (CBC). Measuring and Understanding Canada’s Creative Economy


