20 YEARS OF LATVIA IN THE GLOBAL TOURISM SYSTEM: changes of spatial structures, cluster formation, significant destinations and their branding

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Introduction

Main changes:
• From Republic of Soviet Union → to independent state since 1991
• From internal tourism flows → to international tourism flows (collapse of iron curtain)
• From state monopoly → to market economy
• From tourism as activity → to tourism as industry

Inbound Tourism (1999 – 2011)

Aim: To identify and map dynamics of Latvian tourism spatial system, with defining the key factors that have caused these changes and stressing the most important ones in future development

Research methods:
• Analysis of secondary data (tourism statistics)
• Semi structured interviews with tourism entrepreneurs (n=219)
• Visitor survey (n=938)
• Focus groups interviews
• Mental and cognitive mapping
• GIS and spatial analysis

Source: CSB Latvia, 2000-2012
Key Factors Influencing Spatial Structure

1. **External factors**
   - Free accessibility
   - Population mobility (immigration, education, job, family, etc.)
   - Accession into the EU (finance - SAPARD, recognition)
   - Schengen treaty (no/less travel barriers)
   - Transport development (low cost airlines, development of Riga Airport)

2. **Internal factors**
   - Capital city Riga factor (UNESCO, re-emerging capital)
   - Destination marketing and branding (national and local level)
   - Development of entrepreneurial environment (regaining ownership, attraction of finances, alternative agriculture, etc.)
   - Change in values and lifestyle of local inhabitants (deferred demand, development of local tourism)
   - State administrative reforms (fragmentation)

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**Transport**

**Number of Flights in Riga Airport (1993-2011)**

Source: Riga Airport data

**Transport**

**Number of Passengers in Riga Airport (1993-2011)**

Source: CSB, 2012
### Travelers by Mode of Transport Used

<table>
<thead>
<tr>
<th>Year</th>
<th>1999</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Latvia</td>
<td>209</td>
<td>210</td>
</tr>
<tr>
<td>Riga</td>
<td>32</td>
<td>35</td>
</tr>
</tbody>
</table>

- Air: 18% (1999), 28% (2011)
- Sea: 5% (1999), 5% (2011)
- Railway: 30% (1999), 5% (2011)
- Road: 47% (1999), 20% (2011)

**Source:** CSB of Latvia, 2000; 2012

### Riga – Significance
- Capital of Latvia
- Re-emerging capital
- International business
- UNESCO site
- Main tourism resources and investments
- Accessibility – International Transport

### Accommodations

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of establishments</th>
<th>Number of beds</th>
<th>Number of visitors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Latvia</td>
<td>Riga</td>
<td>Latvia</td>
<td>Riga</td>
</tr>
<tr>
<td>1995</td>
<td>209</td>
<td>32</td>
<td>18191</td>
</tr>
<tr>
<td>1999</td>
<td>210</td>
<td>35 (16.7%)</td>
<td>16733</td>
</tr>
<tr>
<td>2005</td>
<td>418</td>
<td>84 (20.1%)</td>
<td>24045</td>
</tr>
<tr>
<td>2011</td>
<td>641</td>
<td>115 (17.9%)</td>
<td>35745</td>
</tr>
</tbody>
</table>

**Source:** CSB of Latvia, 2000; 2012

### Marketing and Branding
- Professional national marketing and branding abroad since 2003 (NTO – Latvian Tourism Development Agency under Ministry of Economics)
- First Marketing Strategy for Tourism Development of Latvia for the period 2006 – 2010
- Marketing of the Baltic states
- Strong branding and marketing of Riga
- Not successful first national tourism brand
- Marketing activities of regions and towns
- Local branding and marketing → new tourist destination (Case of Ventspils)
Factors for choosing business location

- Nearness to research and education centres
- Opportunities for upgrading of professional qualification
- Nearness of related companies
- Nearness to the market
- Accessibility and transportation
- Availability of property
- Nearness of the school facilities
- Social environment of the region
- Opportunities for free time
- Good attendance from municipality
- Quality of life
- Image and prestige of the place

Tourism entrepreneurs survey; n=217

Future Development

1. Expressed regionalism and importance of capital city → possible solution is cohesion and strong competition to Riga (second destination)
2. Development of Riga’s competitors depends on the ability to cooperate at various levels (local, regional, national, international) and different directions (developing products, promotion, branding etc.)
3. National tourism policy –
   - Emphasis on regions (brand “Best enjoy slowly”)
   - Consistent development at the Latvian national level, e.g. “Riga +”
4. Globalization process will promote the significance of Riga.
5. The ambition of certain municipalities may create the development of new destinations
6. Growing demand for sustainable and green tourism activities (rural tourism, ecotourism, cycling, etc.) and lifestyle (LOHAS) challenge for regions
Conclusions (1)

1. Socio political changes over the past 20 years have been the main factors for changes in the Latvian tourism spatial structure
2. Very concentrated spatial structure with few tourist centers in central areas during the Soviet period
3. Globalisation and international demand has increased Riga’s hegemony
4. Market economy (regaining ownership, private business), EU financing developed rural tourism.

Conclusions (2)

5. Dispersion can be observed in tourism concentration and supply at the beginning of the 21st century but demand for Riga is still bigger. It is essential and desirable to increase demand for the regions
6. Various forms of spatial cooperation are starting to emerge forming first tourism clusters (GNP-Sigulda)
7. Cooperation of small local destinations and mutual competition of regional destinations and destination marketing is becoming the crucial factor for more dispersed spatial structure
8. The current marketing strategy and brand “Best Enjoy Slowly” is a successful solution for development of spatial structure

Thank you!