Recovery of Slovenian Tourism After COVID-19 and Ukraine Crisis

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Purpose

The goals of this paper are to show and assess the current offerings and potential for the development of tourism in Slovenia, and to point out the advantages and challenges in the development of tourism in this type of destination.

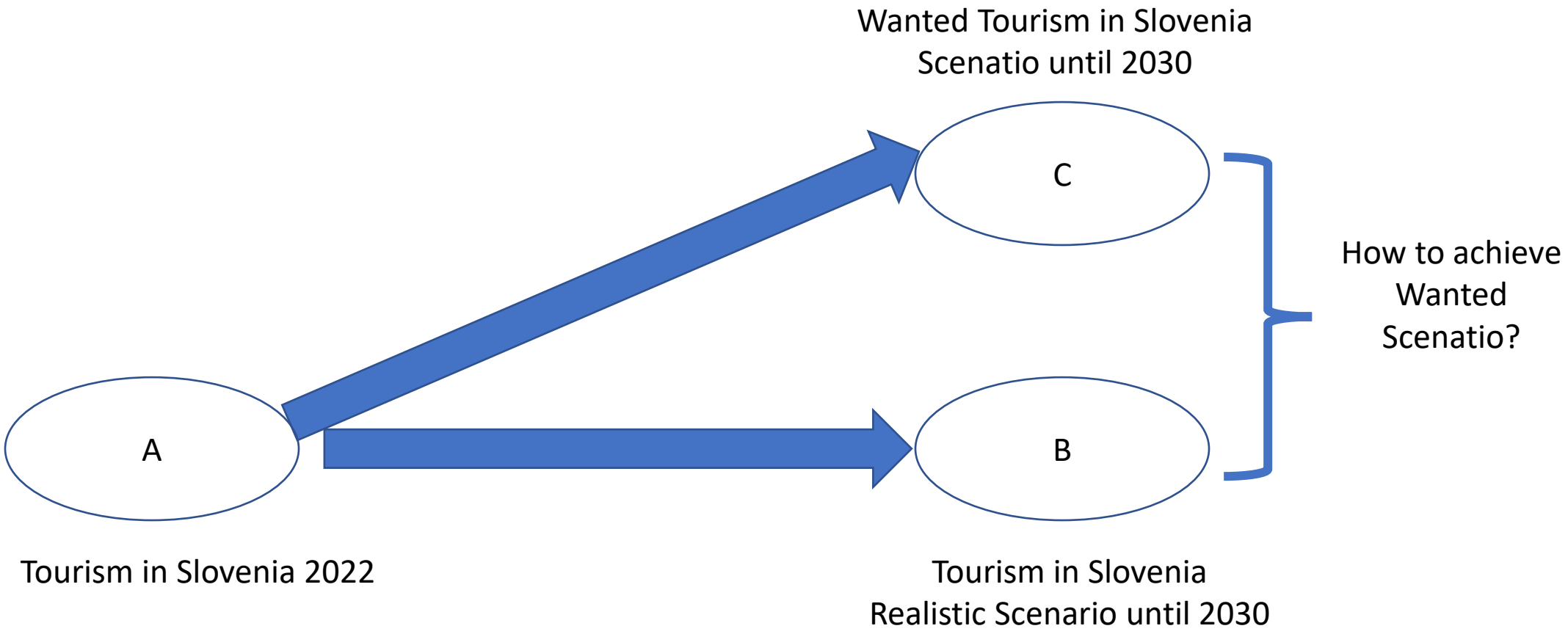

Wanted Tourism in Slovenia
Scenatio until 2030
C
How to achieve
Wanted
Scenatio?
A
B
Tourism in Slovenia 2022
Tourism in Slovenia
Realistic Scenario until 2030

Table 1. Slovenian and world tourism in numbers: 1995–2021

	Slovenia						World			
Year	Revenues of hospitality (1.000 EUR)	Employees: hospitality	BDP in mio EUR	Revenues of hospitality in GDP	Employees: Slovenia	Share of hospitality among all employees	Arrivals: world	Consumption of hospitality: world (billion USD)	GDP world (billion USD)	Consumption of hospitality in world GDP
1995	601.949	20.444	10.561	5,70%	893.572	2,29%	525	372	30.996	1,20%
1996	651.329	23.324	12.147	5,36%	843.162	2,77%	556	405	31.851	1,27%
1997	668.315	24.258	13.837	4,83%	764.778	3,17%	585	408	31.773	1,28%
1998	701.062	25.474	15.352	4,57%	752.239	3,39%	603	411	31.623	1,30%
1999	733.668	26.651	17.227	4,26%	750.223	3,55%	628	427	32.725	1,30%
2000	778.816	28.103	18.853	4,13%	744.890	3,77%	677	437	33.823	1,29%
2001	824.070	28.177	21.148	3,90%	743.430	3,79%	678	475	33.579	1,41%
2002	875.561	28.237	23.549	3,72%	745.169	3,79%	698	510	34.712	1,47%
2003	957.841	28.920	25.613	3,74%	758.474	3,81%	688	610	38.985	1,56%
2004	967.239	28.305	27.628	3,50%	800.541	3,54%	760	656	43.888	1,49%
2005	1.136.005	31.416	29.114	3,90%	806.349	3,90%	808	679	47.539	1,43%
2006	1.309.327	32.063	31.470	4,16%	808.678	3,96%	856	743	51.466	1,44%
2007	1.496.466	33.244	35.073	4,27%	801.230	4,15%	919	857	58.060	1,48%
2008	1.593.730	33.824	37.926	4,20%	807.490	4,19%	935	939	63.650	1,48%
2009	1.473.323	34.034	36.255	4,06%	858.171	3,97%	895	851	60.280	1,41%
2010	1.463.751	33.228	36.364	4,03%	835.039	3,98%	955	927	65.906	1,41%
2011	1.527.599	32.461	37.059	4,12%	823.967	3,94%	996	1.042	73.119	1,43%
2012	1.500.470	31.944	36.253	4,14%	810.001	3,94%	1.046	1.078	74.619	1,44%
2013	1.540.794	31.069	36.454	4,23%	793.597	3,91%	1.097	1.197	76.750	1,56%
2014	1.595.649	31.214	37.634	4,24%	797.792	3,91%	1.151	1.252	78.944	1,59%
2015	1.652.251	32.351	38.853	4,25%	804.637	4,02%	1.200	1.221	74.779	1,63%
2016	1.821.489	33.982	40.367	4,51%	817.209	4,16%	1.241	1.245	75.824	1,64%
2017	1.944.234	35.187	42.987	4,52%	845.454	4,16%	1.329	1.340	80.262	1,67%
2018	2.103.892	36.505	45.755	4,60%	872.772	4,18%	1.413	1.440	84.930	1,70%
2019	2.263.788	37.704	48.007	4,72%	894.229	4,22%	1.468	1.466	86.599	1,69%
2020	1.500.000	35.162	46.918	3,20%	888.918	3,96%	400	536	84.710	0,63%
2021	1.800.000	34.931	52.020	3,46%	900.262	3,88%	415	590	94.935	0,62%

Methods:

Statistical methods were used for benchmark analysis, while Box and Jenkins approach and ARIMA modeling were used for forecasting Slovenian tourism until 2030.

The datasets are analyzed using Tableau 2022.1.

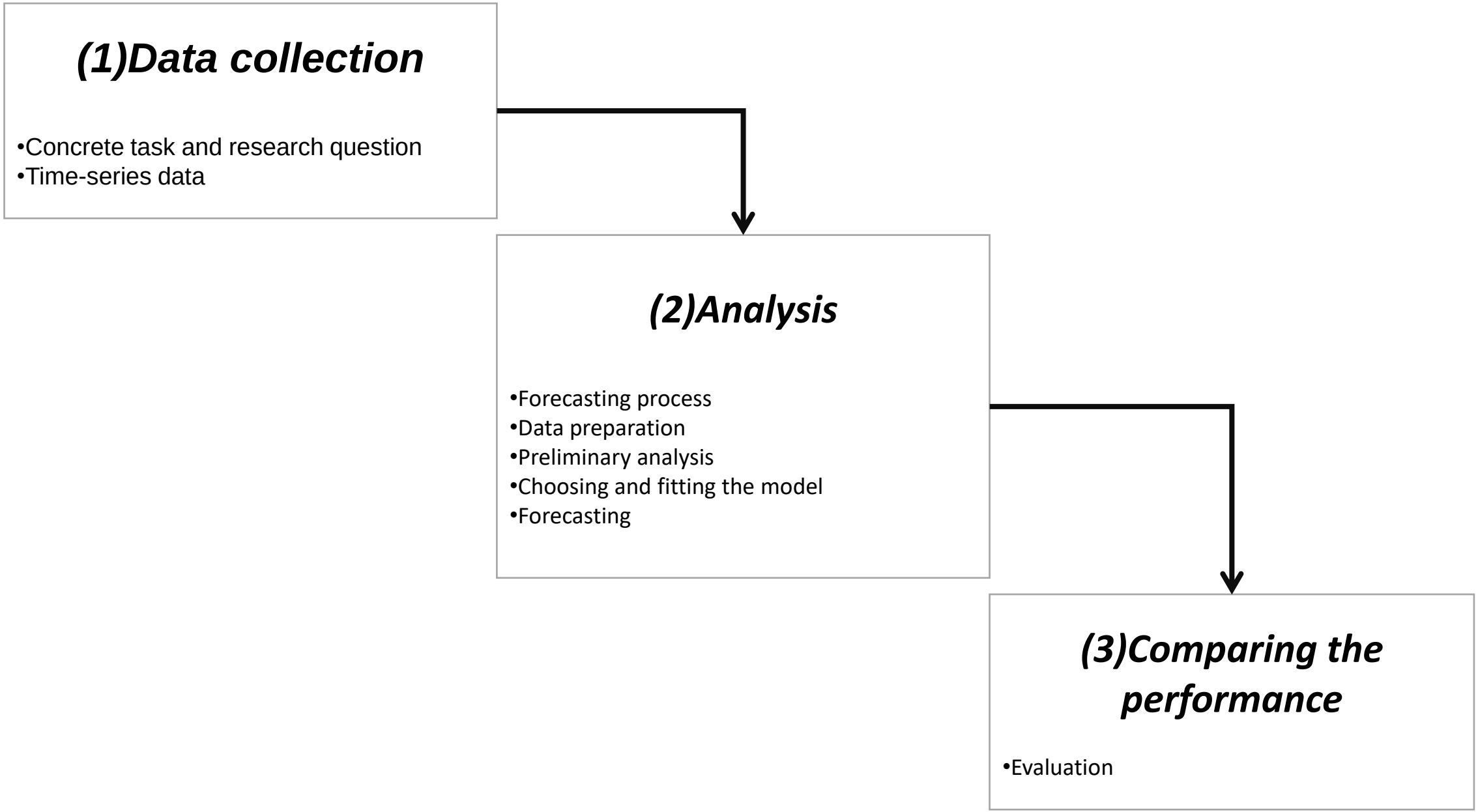
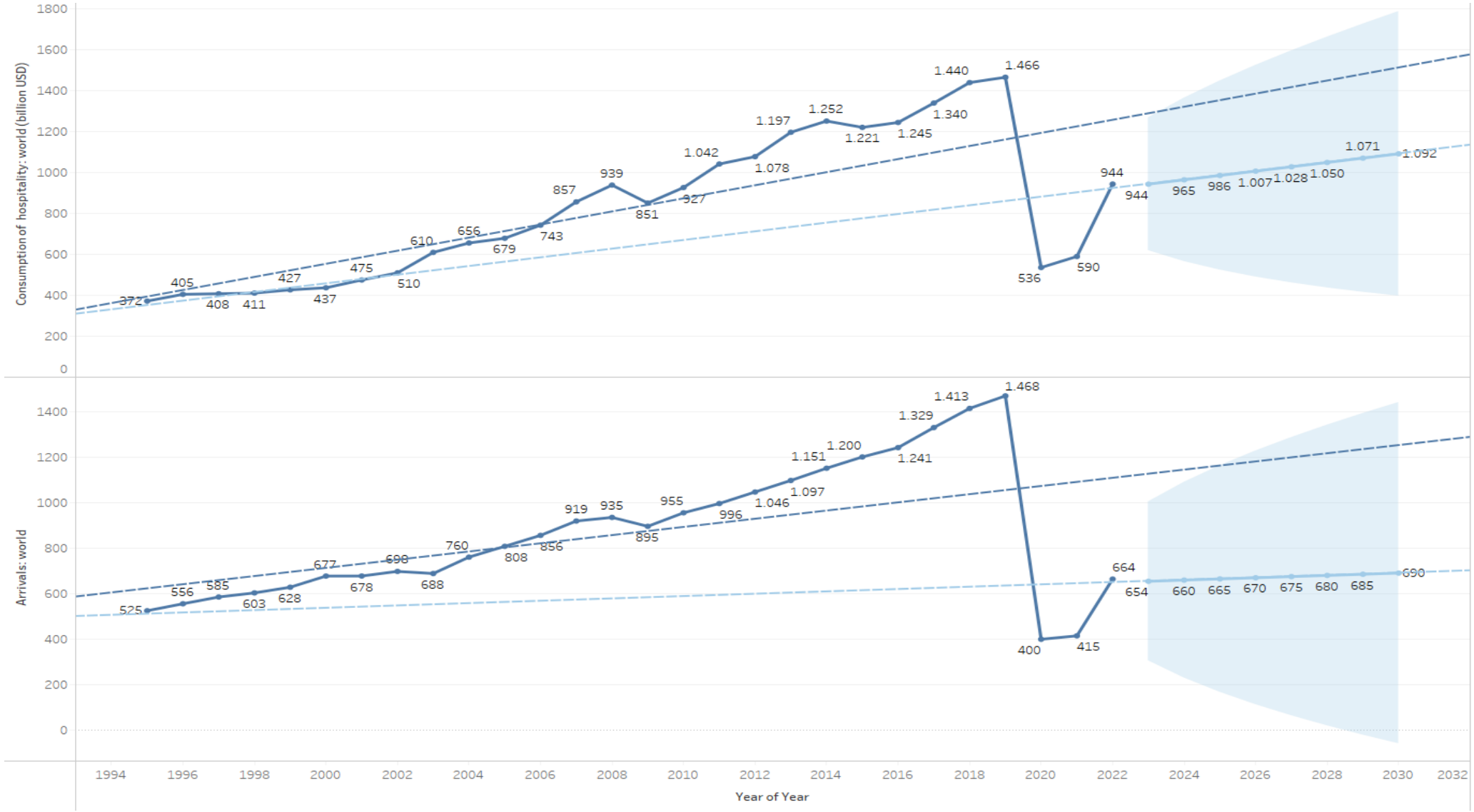

(1)Data collection
•Concrete task and research question
•Time-series data
(2)Analysis
•Forecasting process
•Data preparation
•Preliminary analysis
•Choosing and fitting the model
•Forecasting
(3)Comparing the performance
•Evaluation

Table 3. Forecast error measures (Source: Tableau output; own research)

Arrivals: world: 1995-2030												
Model				Quality Metrics						Smoothing Coefficients		
Level	Trend	Season		RMSE	MAE	MASE	MAPE	AIC		Alpha	Beta	Gamma
Additive	Additive	Additive		212	84	0,96	15,10%	312		0,468	0	0,471
Consumption of hospitality: the world (billion USD): 1995-2030												
Model				Quality Metrics						Smoothing Coefficients		
Level	Trend	Season		RMSE	MAE	MASE	MAPE	AIC		Alpha	Beta	Gamma
Additive	Additive	Additive		197	86	0,87	12,50%	308		0,466	0	0,469
Arrivals of domestic tourists: 1992-2030												
Model				Quality Metrics						Smoothing Coefficients		
Level	Trend	Season		RMSE	MAE	MASE	MAPE	AIC		Alpha	Beta	Gamma
Additive	Additive	Additive		109.778	72.000	1,04	5,70%	732		0,438	0	0,441
Arrivals of foreign tourists: 1992-2030												
Model				Quality Metrics						Smoothing Coefficients		
Level	Trend	Season		RMSE	MAE	MASE	MAPE	AIC		Alpha	Beta	Gamma
Additive	Additive	Additive		664.746	281.505	0,90	17,60%	843		0,349	0	0,353
Tourist arrivals: together: 1992-2030												
Model				Quality Metrics						Smoothing Coefficients		
Level	Trend	Season		RMSE	MAE	MASE	MAPE	AIC		Alpha	Beta	Gamma
Additive	Additive	Additive		613.521	267.465	0,83	8,20%	838		0,221	0	0,427
Overnight stays of domestic tourists: 1992-2030												
Model				Quality Metrics						Smoothing Coefficients		
Level	Trend	Season		RMSE	MAE	MASE	MAPE	AIC		Alpha	Beta	Gamma
Additive	Additive	Additive		391.218	243.152	1,10	5,50%	810		0,347	0	0,352
Overnight stays of foreign tourists: 1992-2030												
Model				Quality Metrics						Smoothing Coefficients		
Level	Trend	Season		RMSE	MAE	MASE	MAPE	AIC		Alpha	Beta	Gamma
Additive	Additive	Additive		1.561.991	683.456	0,92	15,70%	896		0,348	0	0,353
Overnight stays of tourists: together: 1992-2030												
Model				Quality Metrics						Smoothing Coefficients		
Level	Trend	Season		RMSE	MAE	MASE	MAPE	AIC		Alpha	Beta	Gamma
Additive	Additive	Additive		1.326.900	609.331	0,86	6,50%	886		0,246	0	0,452
Revenues of hospitality (1.000 EUR): 1995-2030												
Model				Quality Metrics						Smoothing Coefficients		
Level	Trend	Season		RMSE	MAE	MASE	MAPE	AIC		Alpha	Beta	Gamma
Additive	Additive	Additive		172.008	117.532	0,96	8,80%	687		0	0,024	0,422
Employees: hospitality: 1995-2030												
Model				Quality Metrics						Smoothing Coefficients		
Level	Trend	Season		RMSE	MAE	MASE	MAPE	AIC		Alpha	Beta	Gamma
Additive	Additive	Additive		1.161	912	0,87	3,00%	407		0,5	0	0,5

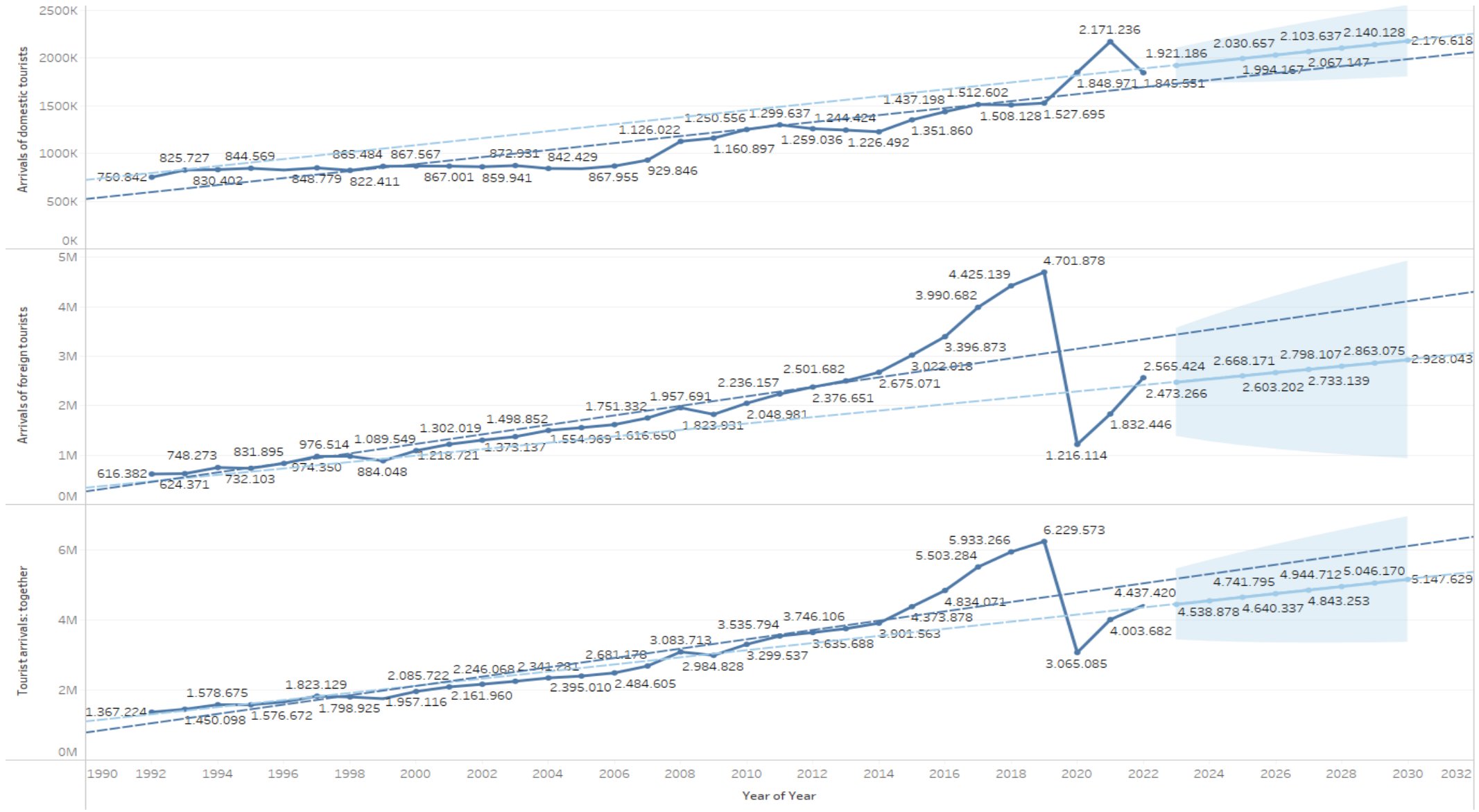
Figure 3. Tourist arrivals and tourist consumption world: 1995-2030



The trends of sum of Consumption of hospitality: world (billion USD) (actual & forecast) and sum of Arrivals: world (actual & forecast) for Year Year. Color shows details about Forecast indicator.

Forecast indicator
Actual
Estimate

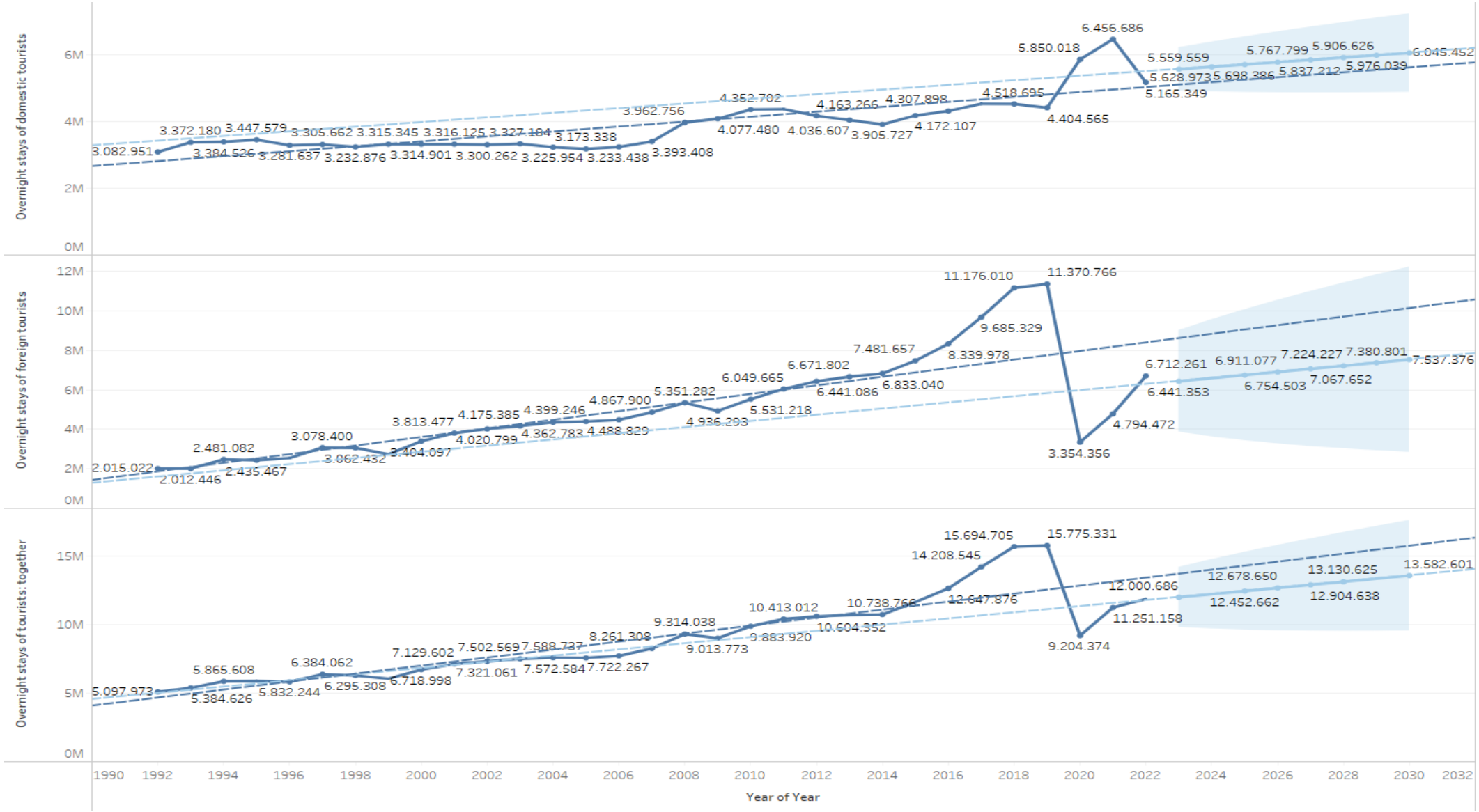
Figure 4. Tourist arrivals in Slovenia: 1992-2030



The trends of sum of Arrivals of domestic tourists (actual & forecast) , sum of Arrivals of foreign tourists (actual & forecast) and sum of Tourist arrivals: together (actual & forecast) for Year Year. Color shows details about Forecast indicator.

Forecast indicator
- Actual
- Estimate

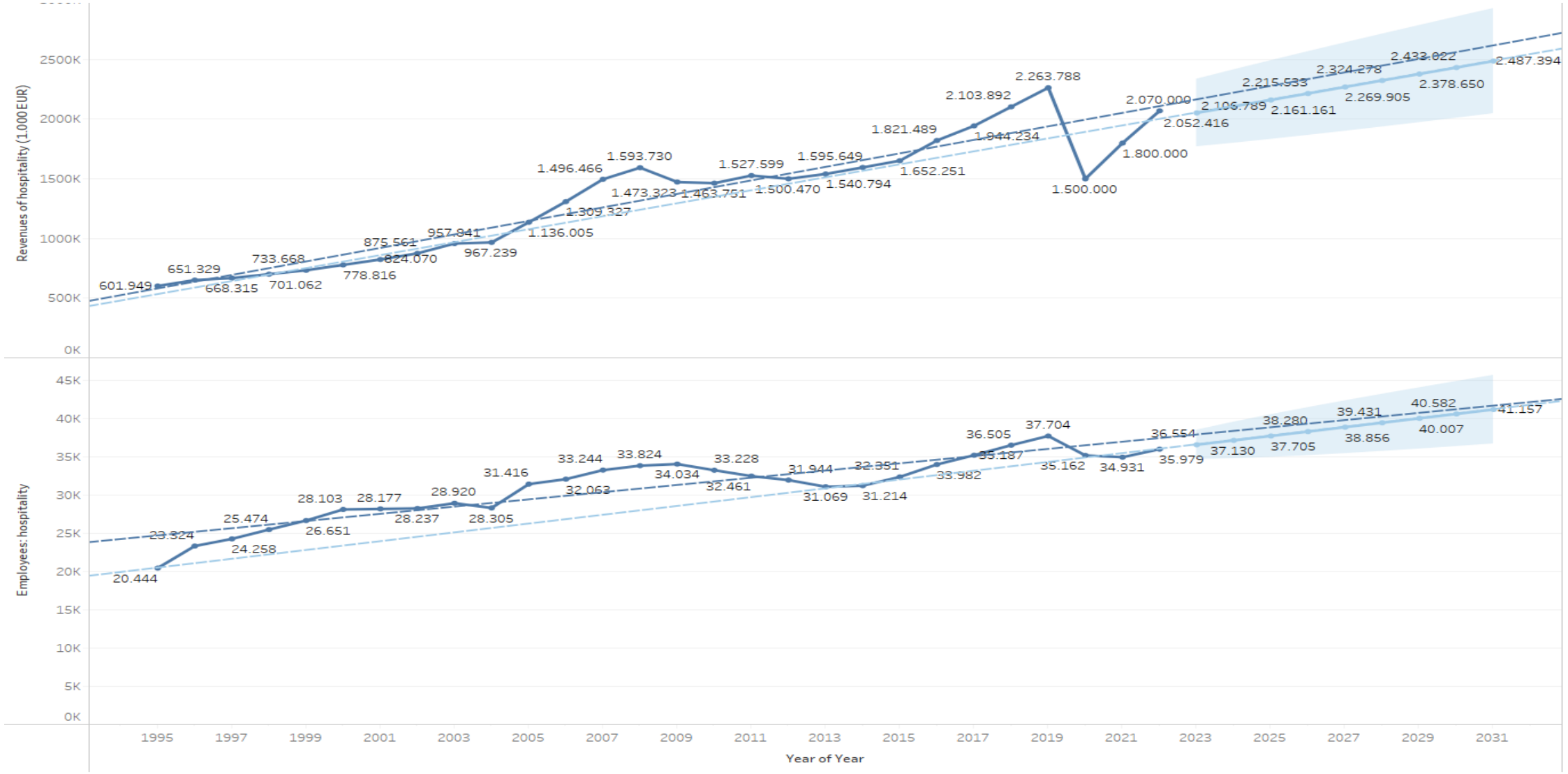
Figure 5. Overnight stays of tourists in Slovenia: 1992–2030



The trends of sum of Overnight stays of domestic tourists (actual & forecast) , sum of Overnight stays of foreign tourists (actual & forecast) and sum of Overnight stays of tourists: together (actual & forecast) for Year Year. Color shows details about Forecast indicator.

Forecast indicator
- Actual
- Estimate

Figure 6. Revenue of 1,000 EUR from tourism and the number of persons working in tourism in Slovenia: 1995–2030



The trends of sum of Revenues of hospitality (1.000 EUR) (actual & forecast) and sum of Employees: hospitality (actual & forecast) for Year Year. Color shows details about Forecast indicator.

Forecast indicator
- Actual
- Estimate

Resulst

- Our findings show that Slovenian tourism will be slower on the uptake and is not likely to fully recover until 2026, due to COVID-19 related uncertainty. A steep jump in daily COVID-19 infections in China and the Ukraine crisis which is affecting political and economic stability in the world is also slowing down the speed of recovery. In 2019, Chinese, Russian and Ukrainian tourists generated 5% of all tourist arrivals and overnight stays. In particular Russian tourists were well-known for their high consumer expenditure and thus desirable to the destination places.

How to Achieve Wanted Scenario?

- The current pandemic is undoubtedly affecting people psychologically . Therefore, it is likely that people may have different behaviors in the pandemic world. The recent literature also states that the current pandemic may change the travel behavior of tourists because pathogenic threats generally result in behavioral changes in the communities (Zenker & Kock, 2020). Thus, the coronavirus may significantly reshape tourist behavior, which can be effective for a long time in the post-viral world (Seyitoğlu & Ivanov, 2022). The COVID-19 pandemic is utterly reshaping the traveling industry. Accordingly, the tourism supply chain is presented with a tremendous challenge for adjusting to new trends in travel, which stem from changes in tourist behaviors (Bire & Nugraha, 2022).
- However, it is clear that without a significant marketing effort, Slovenia as a tourism destination will not sell itself. Slovenia will have to reposition itself in the tourist environment. In fact, Austrian, German and Italian guests have already accounted for 43% of all arrivals and overnight stays in the past. In the record year of 2019, this share was 34%. It is encouraging that this share increased to 46% in 2020. Data for 2022 also show good results. It follows that Slovenian tourism should readapt the offer to attract these groups of visitors and bring them back.
- In order to revive the tourism, it is crucial to define marketing strategy under the strategy of tourism development. Especially important aspect is defining sales policy. In order to ensure high rates of hotel occupancy and high revenues from tourism, the cooperation of hotels with specialized tourist agencies and travel organizers abroad is crucial is vital. It is necessary to set up a complete tourism system. Without the support of state departments, we cannot expect further development of the current tourism.

Conclusion

- During this highly uncertain time, tourism forecasting has come to play a more important role than ever in informing decisions among government personnel, industry professionals, and other tourism stakeholders (Yang et al., 2022).
- First, forecasting allows for tourism recovery predictions and can provide valuable insight for tourism policy design and implementation.
- Second, as demand has been volatile during the pandemic, accurate forecasts can help industry players better allocate their resources (e.g., inventory and staffing) to serve incoming demand.

Thank you for your attention!