/Seal: APPROVED by
Armands Slokenbergs, Director
Latvian Tourism Development Agency
/Signature/
(Signature)
16 March 2010/

The Latvian Tourism Marketing Strategy 2010 – 2015

Latvian Tourism Development Agency
Riga, 2010

Current version as at 01.08.2011

The Latvian Tourism Development Agency would like to express its gratitude to all specialists, experts and organisations involved in the development of the Latvian Tourism Marketing Strategy 2010-2015, especially to:

Advisory Council of the Latvian Tourism Development Agency
Latvian Tourism Advisory Council
Ministry of Economics of the Republic of Latvia
Ministry of Culture of the Republic of Latvia
Jūrmala City Council
Aija van der Steina, School of Business Administration Turība
Maija Rozīte, School of Business Administration Turība
Daina Vinklere, School of Business Administration Turība
Ilgvars Ābols, Vidzeme University of Applied Sciences
Andris Klepers, Vidzeme University of Applied Sciences
Jānis Kalnačs, Vidzeme University of Applied Sciences
Juris Smaļinskis, Vidzeme University of Applied Sciences/Latvian Rural Tourism Association *Lauku ceļotājs*
Ivars Kravalis, Latvian Academy of Sport Education
Inga Selecka, Riga Tourism and Trade School
Ingrīda Smuškova, Tukums Tourism Information Centre
Aivita Heniņa, Ogre Tourism Information Centre
Inesei Turkupole-Zilpure, Zemgale Tourism Association
Vijtauts Brūvelis, Association of Latvian Tourism Guides
Gatis Bolinskis, Marketing and Sociological Research Agency *Data Serviss*
Andris Strazds, Economist
Roberts Ķīlis, Social Anthropologist

The Latvian Tourism Development Agency (hereinafter LTDA) also expresses its gratitude to all organisations and experts that have not been mentioned here specifically but have made a contribution by participating in different discussions, meetings and working groups organised by the LTDA during the period of Strategy development from 01.09.2009 till 01.03.2010.

Content

Abbreviations used in the document

CEE – Central and Eastern Europe

CSB – Central Statistical Bureau

EU – European Union

GDP – gross domestic product

SSNT – specially supported nature areas

LRTA – Latvian Rural Tourism Association

LVL – Latvian Lat

RL – Republic of Latvia

NGO – nongovernmental organisation

VAT – value added tax

LTDA – Latvian Tourism Development Agency

TIC – tourism information centre

Introduction

The tourism industry is experiencing significant changes, both globally and in Europe: diversity and quantity of the offered tourism products increase, new travel destinations emerge and traveller behaviour changes, application of e-commerce in tourism increases and so does the number of tourism products adapted to the tourist needs, thus also Latvia has to search for new solutions for the development of its tourism product and the marketing.

Globalisation and the rapid development of the industry require ever new and creative approaches to tourism destinations in order to be more competitive and reach the set aims. Recently, the competition has become more intense in the European tourism industry leading to differentiation of tourism products and services and effective positioning of travel destinations in the tourism market. It is expected that new tourism regions in Africa, Asia, Pacific countries and Middle East will develop in the near future achieving faster growth rate than the world in general. Therefore today priority is given to the aspects like quality, innovations and product compliance with the current market trends and requirements, namely demographic changes and change in consumer behaviour, safety, authentic offers, and environment protection. This trend should also be taken into consideration in Latvia, for the major part of tourists in Europe are experienced travellers with high requirements.

As a result of the global financial and economic crisis, 2009 came with a rapid decline in the Latvian tourism industry. Currently, the Latvian tourism industry faces other problems as well. These problems are related to the poor quality of the offered tourism products and services, marked seasonality and the resulting fluctuations in the turnover of tourism business, insufficient cooperation at all levels, rapid increase of the value added tax rate and a lack of a single development vision. Irrespective of these aspects, tourism in Latvia is considered to be one of the possibilities of national economic development and priorities of service industry, since tourism is a significant source of export income making a considerable contribution to the country's growth domestic product.

The current situation assessment helps to identify the major problems in the Latvian tourism industry:

1) As a travel destination, Latvia is still neither very recognisable nor competitive in the international market;
2) The balance of tourism payments is negative – expenditures of the Latvian residents in foreign countries exceed those of the foreign tourists in Latvia;
3) The current tourism offer does not facilitate a longer stay in Latvia (at the moment it is 1.4 days) and consequently the increase in expenditures of foreign tourists.

Taking into consideration the economic changes and new market conditions, it is necessary to develop a new Latvian Tourism Marketing Strategy 2010-2015 that encompasses tourism development trends, both globally and in Europe, characterizes the situation in the Latvian tourism industry, defines the vision and the aims of the Latvian tourism development, as well as establishes basic development principles of the Latvian tourism products and marketing activities in target markets.

The Tourism Marketing Strategy will help the LTDA to plan the national tourism marketing activities and the budget and will support the Latvian tourism industry by showing the right direction for offer development to be competitive in the international market, compliant with the modern tourist requirements and profitable.

1. Tourism Development Trends in Latvia and Globally

1.1 Global Tourism Development Trends

Although it is not possible to envisage all global processes affecting global tourism, it is essential to recognise important trends that already have and will have considerable influence on tourism demand, both globally and in Europe:

- **Globalisation:**
    - As a result of economic, social, technological, political and other changes, world countries and regions are becoming more interrelated – single markets like the EU market are developing, tourism companies are merging etc.;
- **Demographic changes:**
    - The number of middle-class population in China and India is growing which will not only ensure big flow of tourists but also cause traffic overload to the travel destinations they are going to visit;
    - The world population will reach 8 billion mark over the next 10-15 years, which is 1.3 billion more than today;
    - Population aging causes changes in the tourist structure by forming new segments. In Europe, 20 % of the population will be older than 65 after 2020. This group of tourists will select travel routes closer to their home and travel actively also during low tourist seasons, as well as make use of health tourism products;
    - The number of European households comprising one or two people is increasing, thus the demand for travel offers generated for this group, both younger and older people, and especially women, will increase. This group includes population of working age with high income and consequently the demand for short holidays will rise as an escape after stressful days at work;
- **Information availability:**
    - Internet and other electronic media become the most significant information and sales channel in tourism industry;
    - Due to the information availability, tourists become more critical and demanding, they are better at considering price-quality proportion;
    - Internet booking is becoming increasingly simple and people trust it more and more. Last minute booking and service purchase are more common than ever and tourists tend to make up their minds closer to departure time;
    - The number of individually organised tours increases, travel schedules become more flexible, however, agents still maintain their position in the market by offering value added services;
- **Development of the experience economy:**
    - Initially, the economy re-oriented from the agrarian economy to the industrial economy and then to the service economy, but in this period of abundance of offers it has turned into the so-called experience economy;

- Experience may include safety, romance, individuality and authenticity or discovery and modern application of existing values and traditions. People are looking for real, genuine values and originality, the true value of things. In addition to the rational application of products, feelings caused by them are also of great value;
- For creation and development of such tourism products cooperation is required at different levels and tourism service providers should invest their ideas and imagination by creating and adding value to the existing resources;

- **Individualisation and adaptation of offers to individual needs:**
  - Customers are more and more looking for tourism products adapted and created exactly for them, thus, as travel intensity increases, the demand for specialised offers will increase as well;
  - Society is no longer homogenous or divided into easily identifiable target groups. It becomes heterogeneous, has different niches and shows inconsistent behaviour that is hard to predict. Therefore orientation towards specific target audiences and niches will be the key to success in the future;
  - The structure of the complex tourism services is undergoing changes, namely groups will consist of less people which will give an opportunity to plan more flexible schedules in order to meet different customer requirements;
  - In the future tourists will be eager to visit more new destinations, as a result of which the number of repeat visits to destinations may decrease;
- **Sustainability:**
  - Climate change, environmental pollution and rising level of social responsibility cause demand for ecological, environmentally friendly and sustainable tourism offer. The companies working on sustainable tourism products will gain a new competitive advantage;
- **Health and healthy lifestyle:**
  - People are paying ever more attention to health improvement, diets, natural and healthy food, healthy lifestyle, beauty care and sports, thus compensating for their sedentary lifestyle, and this all leads to higher demand for tourism products covering this sector.

As a result of the abovementioned global trends, European tourism industry faces the following challenges:

- To strengthen the tourism industry as a high-quality service sector (price-quality proportion, orientation towards consumers and their needs);
- To position Europe as the first choice of global travel destinations;
- To develop tourism industry as a part of the experience economy;
- To develop tourism in a sustainable way;
- To increase value of the existing tourism resources and learn how to earn more.

In the future, tourism demand will also be affected by other factors, such as **global economic growth** and **energy prices**. It is not possible to unequivocally predict development of these factors and their interrelation, however, supposing the global economic growth cannot be rapid in the near future, two scenarios could be constructed as to how the European tourism industry could develop further:

Scenario 1 – slow global economic growth / low energy prices	Although the world is facing slow global economic growth, the tourism benefits from the low energy prices. Business tourism slows down, while the price-quality proportion appears to be the most crucial factor in leisure tourism. People may give up their second (short trip), but at the same they would not reduce expenses for their main trip. The number of travels with high added value increases, since tourists are looking for a strong contrast to their daily routine, problems and stress.
Scenario 2 – slow global economic growth / high energy prices	In this scenario, both economic growth and energy prices affect tourism negatively, thus inbound and outbound tourism weakens in all segments. The slow global economic growth makes people save money, and employment insecurity causes insecurity about future. The high energy prices raise the travel prices. When people go on holidays, they tend to choose short trips close to their homes. Thus the local tourism and European domestic tourism become more important. Due to the presence of competition in the market, price becomes the crucial factor.

1.2 Impacts of Global Financial Crisis on Tourism Development

According to a study on the financial crisis and implications for Europe[1] published by the European Travel Commission, the following may be expected in the near future:

- Tourism activities will recommence slowly. It is estimated that the high development indicators for European tourism seen in 2007-2008 after downfall in 2009 will reach the previous level not sooner than in 2011. In 2010, the expected increase in development indicators for European tourism will range from 1 to 3 %, and for global tourism – from 0 to 2 %;
- There is a risk in the future of W recession, a violent drop in both global economy and tourism demand. For instance, an outbreak of H1N1 virus in some region could be one of the factors of the drop;
- The short trips closer to home will dominate in the first stage of economic and tourism recovery;
- In 2010, leisure tourism will be the main type of tourism, for business tourism will continue to face budget limitations. Yet, efforts made by companies to increase their profitability in 2010 might indicate hidden demand.

1.3 Development Indicators for Latvian Tourism

Results from a survey carried out by the CSB show that foreign travellers have crossed the Latvian border 5.04 million times, which is 6.7 % more than in 2009.

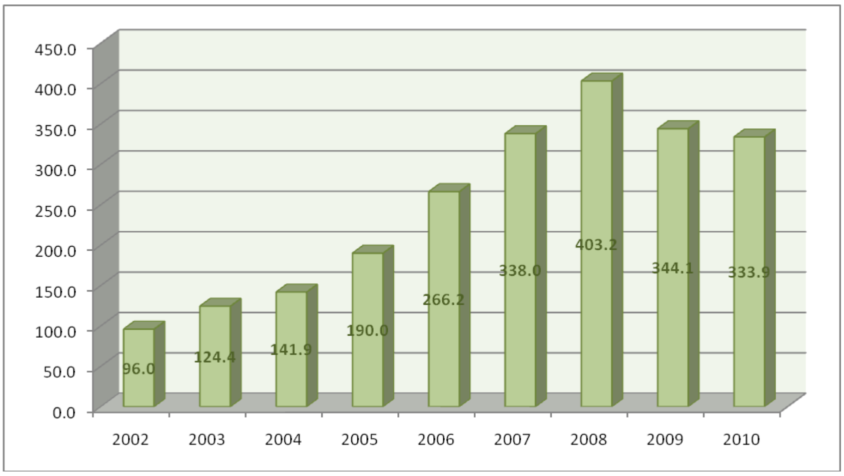
1 European Travel Commission. The Financial Crisis and Implications for European Tourism. October 2009.

73 % of the total number of foreign visitors have spent less than 24 hours in Latvia. Tourists who spent more than 24 hours in Latvia stayed here for 3.9 days on average.

Out of those who spent the night in Latvia, 74 % stayed in hotels or other tourist accommodation, while 26 % stayed with their relatives or friends. For 36 % of all those who travelled for several days this was their first visit to Latvia.

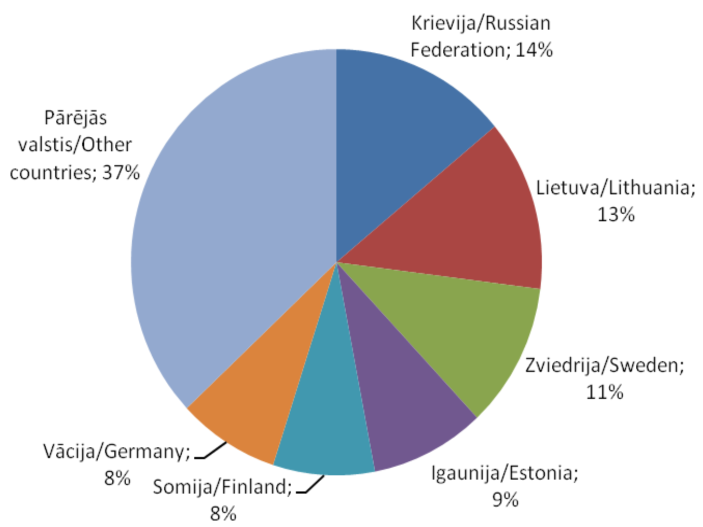
In 2010, foreign visitors spent LVL 333.9 million in Latvia, which is 3 % less than in 2009 (this does not include travel expenses, as well as expenditure made on behalf of an employer and capital investments).

Chart 1. Total expenditure of foreign tourists during their trips in Latvia (2002-2010), millions of LVL



The major part of foreign tourists have been the residents of the neighbouring countries, namely 34 % from Lithuania, 19 % from Estonia, 7 % from Sweden, 7 % from Russia, 4 % from Germany and 4 % from Poland. In 2010, most of the tourists staying in Latvia for several days were travellers from Russia (14 %), Lithuania (13 %) and Sweden (11 %).

Chart 2. Foreign visitors staying in Latvia for several days in 2010 grouped according to their countries



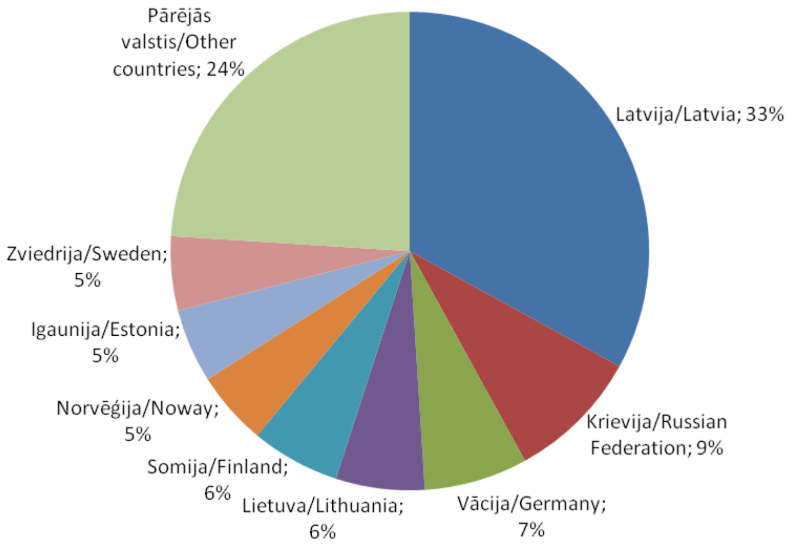
When asked for a reason why they have chosen to visit Latvia, 40 % of the foreign tourists staying in Latvia for several days named leisure, 30 % – business and 20 % – visiting their friends or relatives.

The foreign tourists travelling for several days have mostly found information about Latvia on the Internet (23 %), from friends, relatives and acquaintances (20 %), during their previous visits (16 %), from business experience (14 %), from travel guides (7 %) and from mass media (6 %).

Approximately half of the foreign tourists (51 %) that travelled for several days and crossed the Latvian border in 2010 have used air transport, 32 % – road transport, 9 % – sea transport and 8 % – railway transport.

Data collected by the CSB show that in 2010 hotels and other tourist accommodation in Latvia provided services to more than 1.3 million people in total, out of which 33 % were residents of Latvia, while others were mainly from Russia, Germany, Lithuania, Finland, Norway, Estonia and Sweden.

Chart 4. Foreign visitors serviced by hotels and other tourist accommodation in 2010 grouped according to their countries



When asked to evaluate their visit in Latvia, in 2010 foreign tourists gave the most positive evaluation to service quality, while the price-quality proportion regarding services and knowledge of foreign languages were evaluated most critically that point both towards quality as an area requiring further maintenance and development in order to stimulate return visits and tourist recommendations, and towards the necessity of drawing additional attention to price competitiveness, improvement of price-quality proportion, as well as skills of the service staff.

In 2008-2009, the implications of the global financial and economic crisis most severely affected not only Latvian but also global tourism industry. In 2010, the situation slightly improved. In 2010, the number of tourists in the world increased by 6.6 % in comparison to 2009 and reached 940 million, while the income from international tourism increased by 4.7 % and reached EUR 693 billion. Europe, which was the most severely affected world's tourism region in 2008-2009, showed the first signs of recovery and positive trends in 2010. The number of tourists visiting Europe in 2010 increased by 3.3 %. The same refers to Latvia, which after experiencing the biggest drop in the number of tourists in 2009 among other European countries (-21.5 %), started seeing small increase already in 2010 (+3.8 %). European tourism industry was also negatively affected by flights cancelled as a result of the volcanic activity in Iceland in 2010[2].

The most seriously affected sector in tourism industry in 2008-2009 was accommodation sector. In 2009, the number of nights spent in hotels or other tourist accommodation dropped below the level of 2006. However in 2010 this number increased by 2.8 % in Europe. The increase in the number of nights spent in hotels and other tourist accommodation in 2010 was shown in the major part of the European Union member states, including Latvia that experienced the increase by 11.6 %, which was one of the highest indicators. Latvia showed one of the highest increases in the number of nights spent in hotels or other tourist accommodation by local residents that is largely due to the low figures in 2009[3].

During the first three quarters of 2010 the residents of the EU member states made 1 % less leisure trips than during the same period in 2009, and the average trip length decreased by 0.7 %, however, expenditures of tourists incurred on leisure trips went up by 0.5 %. In this period the number of short (1-3 nights) and local trips decreased by 0.4 %. The number of long trips (4 and more nights) decreased as well by 0.1 %, but this was mainly due to the trips made outside home countries (-0.9 %), for the number of local long trips increased by 0.6 %[4]. Taking into consideration implications of the global financial and economic crisis and experience obtained from this situation, it is clear that people continue to travel, however their travel behaviour changes, preference is given to destinations closer to their places of residence and local tourism becomes more active. Therefore Latvia should respond to this trend and also offer adequate tourism products to local travellers and tourists from closer markets.

2 World Tourism Organization. UNWTO Tourism Highlights, 2011 Edition.
3 Eurostat. Statistics in Focus. Tourism in Europe: first results for 2010. 6/2011
4 Ibid.

2. SWOT Analysis of the Latvian Tourism Industry

Internal factors	
Strengths	**Weaknesses**
☒ Diverse and rich cultural and historical (both material and non-material) heritage, city planning, national cuisine, presence of different religions, old craft skills, manifestations of contemporary culture ☒ Attractive natural resources – biological and environmental diversity, seashore and sandy beach, untouched environment ☒ Rural and ecotourism resources ☒ Developed international airport, a large number of air routes ☒ Considerable potential for experienced labour resources and professional education ☒ High potential for the development of tourism products with high added value and innovative tourism products ☒ Attractive and recognisable tourism image for Riga ☒ Appropriate environment for creation of special products based on natural resources in addition to Riga's tourism offer ☒ Jūrmala known as the largest resort in the Baltic States ☒ Considerable potential for the development of health tourism products based on natural healing resources ☒ Offer of rehabilitation and SPA centre services	☒ Lack of coordination and cooperation in the industry ☒ Insufficient exploitation of the potential for tourism resources (cultural and historical heritage, untouched environment, people) ☒ Tourism offer and infrastructure in separate regions, including places of large concentration of tourism resources, of inadequate quality and not meeting tourists' requirements ☒ Low level of entrepreneurship, low work efficiency, many people employed in the tourism industry lack professional education ☒ Language barrier, especially in Latvian regions ☒ A small number of international tourism brands (like hotel chains) ☒ Poorly developed local tourism ☒ Insufficient use of cooperation among private, state and municipal sectors and nongovernmental organisations ☒ Small amount and proportion of local and foreign investments in the tourism industry ☒ Insufficient exploitation of innovations in the tourism industry ☒ High prices of tourism products and services
External factors	
Opportunities	**Threats**
☒ Latvia's favourable geographical location, including location in the centre of the Baltic States ☒ Moderate climate ☒ Member of the Schengen Area ☒ As a member of the EU and NATO Latvia provides tourists with additional safety guarantees ☒ Global demographic changes and travel motivation changes lead to new niches in the tourism market ☒ Increase in the potential for Asian outbound tourism market ☒ A possibility to attract EU funding for tourism projects ☒ No mass tourism in Latvia ☒ Active cross-border cooperation ☒ As a result of global warming winter and	☒ Low competitiveness of Latvia as a travel destination at both European and global levels ☒ Similar tourism offer from other countries (especially Estonia and Lithuania) and more active marketing ☒ Clear seasonality causing changes in the turnover of tourism business ☒ Slow economic growth of Latvia in comparison to other EU member states ☒ Latvia – a non-eurozone area ☒ Slow regional and global economic growth, the risk of economic recession and recession in tourism, threats of terrorism and disease ☒ Unpredictability of the CIS market

summer climate becomes more attractive for tourists	

3. Latvian Tourism Brand

Creation of a positive Latvian tourism brand is one of the major tasks of the LTDA. This is a complicated process, for tourism destination branding consists of different political, economic and other processes taking place in the country, local residents (traditions, values, behaviour, achievements etc.), tourism offer (tourist attractions, tourism and general infrastructure, quality etc.), strengths of a tourist place (geographical location, scenery, natural resources, cultural and historical heritage etc.) and weaknesses of a tourist place (service quality, infrastructure etc.) in comparison to other tourism destinations.

Up to now, LTDA has conducted different marketing activities aimed at popularising Latvia as an attractive tourism destination, however, it should be admitted that they have mostly been short-term and campaign like activities. Creation of a single image is also affected by the fragmented activities in the industry, since everyone is trying to create a separate image of their company, city or region.

In 2002, a logo and a slogan "Latvia – a land that sings" were developed and used in the LTDA's marketing communication until the beginning of 2010. The logo was used in information brochures, portal www.latviatourism.lv, tourism exhibitions etc. When evaluating the use of the logo and the slogan in creation of the Latvian tourism brand it should be admitted that it was not developed any further than a visual stage, although initially the idea of logo and slogan had been more complex and might have been used creatively in the image creation process. It should be noted that the idea incorporated in the slogan "Latvia – a land that sings" was understandable and close to local residents yet it was incomprehensible and not conveyed to foreign tourists as they do not always have a possibility to become acquainted with the singing and song festival traditions so important to the Latvian culture.

In 2007, at the request of the Latvian Institute, Simon Anholt, a nation branding expert, conducted studies on the strengths and weaknesses of the Latvian image abroad, calculated the National Brand Index, as well as carried out several studies in Latvia in order to clarify what the local society considers to be the aims and directions of the Latvian future development, how they see Latvian brand and its components. Study results show that the biggest obstacles to the development of the Latvian branding strategy are unsolved identity issues, the lack of a long-term country development strategy and unclear vision for priorities of the Latvian future development. Simon Anholt notes in his study that it is easier to make Riga recognisable, yet it should be taken into consideration that rural areas are very important in the consciousness of the Latvian people and form basis for the Latvian identity, therefore solutions should be sought for the development of Riga along with the rest of Latvia.[5]

At the end of 2009, LTDA started the creation of a new Latvian tourism brand and imposed the following requirements within the framework of its development:

1) Facilitate the recognisability of Latvia in the international market;

5 Simon Anholt. Latvija: konkurētspējīgas identitātes meklējumos [see on the Internet] Available at http://www.li.lv/images_new/files/pdf/strategija_latvijai.pdf

2) Provide the long-term foundation for further national tourism marketing activities;
3) Create a single national tourism brand that attracts the attention of foreign tourists and is comprehensible to Latvian residents.

In March 2010, after having conducted research and involved tourism industry experts in the brand creation process, LTDA presented a new Latvian tourism brand: “Latvia. Best enjoyed slowly.” The new Latvian tourism brand is based on the changes in both Latvian and foreign consumer values that have been transforming from traditional consumption to searches for new content of life. Continuous struggle for well-being, daily rush, urge to get in time and be the best in all areas of life have tired people out by making life more turbulent than ever before.

With the help of the new Latvian tourism brand Latvia will be popularised as a place, where tourists have an opportunity to change the tempo of their lives and enjoy unhurried leisure thus tasting new experiences, aspiring to harmony and revealing true values. When creating the concept of the Latvian tourism brand, it was taken into consideration that Latvia is not and will never be a mass tourism destination, but the development of the Latvian tourism products should be based on the following five fundamental values: quality, sustainability, individualisation, high added value, involvement of tourists and gaining experience.

The basic idea of the Latvian tourism brand “Latvia. Best enjoyed slowly” invites tourists to change the tempo of their lives, pause, enjoy unhurried leisure oriented towards details and think about the most important things. Basic values of the Latvia tourism brand are characterised by truthfulness, profoundness, easiness and confidence grounded in the Latvian environment, culture and people.

The concept of the Latvian tourism brand is to achieve the aims set in the strategy. In the future Latvian tourism brand will serve as a unifying idea and common element for marketing and tourism product activities in both public and private sectors in order to promote unified industry communication in the Latvian tourism target markets.

The new Latvian tourism brand will be popularised most actively in the tourism target markets identified as the highest priorities in the strategy, namely, Lithuania, Estonia, Germany, Russia, Sweden and Finland. “Latvia. Best enjoyed slowly” describes the idea and platform of the Latvian tourism brand, however for communication in target markets the logo of the Latvian tourism and slogan versions in foreign languages, i. e., English, Russian and German, will be used.

Creation process of the Latvian tourism brand:

1) To develop the Latvian tourism brand;
2) To integrate the new tourism brand into the Latvian tourism marketing materials;
3) To communicate the new tourism brand to the local society;
4) To communicate the new tourism brand to the foreign countries – the Latvian target markets.

4. Competitor Analysis

The main competitors of Latvia in tourism industry are neighbouring countries Lithuania and Estonia due to their location, similar tourism resources and offer, infrastructure, arrival possibilities and tourism development indicators. All Baltic States conduct their tourism marketing activities in similar target markets. These factors are reasons why the Baltic States compete mutually in the international market, however in separate markets they become cooperation partners instead of competitors.

A comparative analysis of Latvia and its competitors can be performed according to such tourism development indicators as the number of nights spent in the country by foreign and local tourists, number of people serviced by hotels, average stay, capacity of accommodation, arrival possibilities by air and sea transport, number of people employed in the tourism industry, number of agencies abroad, number of tourism information centres.

Table 1. Criteria characterising Latvian, Lithuanian and Estonian tourism industry

Criteria	***Latvia***	***Lithuania***	***Estonia***
The number of people using services of hotels and other tourist accommodations (2010)*	1.31 mil	1.55 mil	2.4 mil
The number of local residents	*0.43 mil*	*0.71 mil*	*0.84 mil*
The number of foreign tourists	*0.88 mil*	*0.84 mil*	*1.56 mil*
The number of nights spent in hotels and other tourist accommodations (2010)*	2.83 mil	4.33 mil	4.7 mil
The number of nights spent by local residents	*0.92 mil*	*2.33 mil*	*1.50 mil*
The number of nights spent by foreign tourists	*1.91 mil*	*2 mil*	*3.20 mil*
The number of beds in tourist accommodations (2010)*	34,657	46,108	50,084
VAT rate applied to hotel services / standard rate (as at 01.07.2011)***	12 % / 22 %	9 % / 21 %	9 % / 20 %
Total expenditure of foreign tourists in lats (2010)*	333.9 mil	321.63 mil	572.79 mil
The number of passengers transiting through airports (2010)*	4.66 mil	1.37 mil	1.38 mil
The number of flights (2010)**	68,145	26,102	33,587
The number of permanent direct destinations within reach of the airport (as at 01.08.2011)**	86	26	36
The number passengers transiting through ports (2010)*	0.76 mil	0.25 mil	7.72 mil
The number of tourist information points / marketing representatives abroad (as at 01.08.2011)****	2	7	10
The number of local tourism information centres and points (as at 01.08.2011) ****	79	58	18

** Website of the statistical bureau of the corresponding country www.stat.gov.lt (calculations made in lats according to the exchange rate set by the Bank of Latvia: 1 LTL = 0.204 LVL), www.stat.ee (calculations made in lats according to the exchange rate set by the Bank of Latvia: 1 EUR = 0.702804 LVL) and www.csb.gov.lv*
*** Statistics on Riga, Tallinn and Vilnius airports according to the information available on their official websites (www.riga-airport.com; www.tallinn-airport.ee; www.vilnius-airport.lt)*
**** European Commission, Taxation and Customs Union VAT rates Applied in the Member States of the European Union (situation at 01.07.2011)*
***** Information available in the official tourism portals of the corresponding countries www.tourism.lt, www.latvia.travel, www.tava.gov.lv, www.visitestonia.com, www.eas.ee*

Chart 5. Competition analysis of Latvia, Lithuania and Estonia by comparing the criteria characterising tourism industry on a scale of 1 to 3 (where 1 – lack of competitiveness, 3 – competitiveness advantage)

▲ **Latvia** ■ **Lithuania** ● **Estonia**	**1**	**2**	**3**
The number of local residents using hotel services	▲	■	●
The number of foreign tourists using hotel services	■	▲	●
The number of nights spent by local residents	▲	●	■
The number of nights spent by foreign tourists	▲	■	●
The number of beds	▲	■	●
VAT rate applied to hotel services	▲	■	●
Total expenditure of foreign tourists	■	▲	●
The number of passengers transiting through airport	■	●	▲
The number of flights	■	●	▲
The number of permanent direct destinations (cities) within reach of the airport	■	●	▲
The number of passengers transiting though port	■	▲	●
The number of tourism information centres abroad	▲	■	●
The number of local tourism information centres	●	■	▲

The comparison of tourism development indicators in the Baltic States leads to the following conclusions:

1) By passenger traffic, the port of Estonia is approximately twice as busy as the port of Latvia and four times busier than the port of Lithuania;
2) By passenger traffic, the airport of Latvia is twice as busy as the airport of Lithuania and Estonia, and provides three times more flight destinations than Lithuania and Estonia;
3) In comparison to Lithuania and Estonia, the inbound tourist flow in Latvia is mainly ensured by air transport that has both positive and negative aspects. It provides more comfortable arrival in Latvia but significantly increases the number of transit tourists, which is reflected in the statistics as shorter stay and smaller number of tourists using hotel services than in Lithuania and Estonia;
4) In 2010, the number of nights spent in tourist accommodation by local residents in Lithuania was bigger than the respective numbers in Latvia and Estonia;
5) In comparison to Lithuania and Estonia, Latvia has the smallest numbers of nights spent in hotels and persons having used hotel services. While Lithuania

shows only slightly better performance, Estonia significantly outpaces Latvia in terms of both the nights spent in hotels and persons having used hotel services, which points to the necessity for promoting longer stays in Latvia and trips for several days made by local tourists in Latvia;

6) Currently, Latvia has no tourist information points abroad, yet it has entered into agreements with agencies on conducting marketing activities in Scandinavia (Sweden and Finland), and Japan. This trend to move from point maintenance to marketing service providers can be seen in other Baltic States as well. Currently, Latvia has the largest local TIC system. The TIC system differs in each country. In many places of Latvia TIC are tourism development coordinators in the relevant area and provide information to tourists as an additional service only, which affects the quality of information provision (working hours unsuitable for tourists, competence and experience of the service staff in providing services to foreign tourists, information availability);
7) Competitiveness of the Latvian tourism industry is significantly decreased by the VAT rate which is one of the highest in the Baltic States and the European Union, thus negatively affecting price competitiveness in general.

When analysing tourism offer of the Baltic States, several common features can be found. Surveys of foreign tourists conducted by the LTDA show that tourists visiting all three Baltic States are attracted by authentic cultural heritage and untouched and unpolluted environment. The safety and the fact that there are not many tourists in the Baltic States (mass tourism) have been named as crucial factors. However, tourists visiting Latvia as the only Baltic State did not consider authentic cultural heritage and untouched and unpolluted environment to be the most important factors. Instead, their most significant criterion for visiting Latvia was hospitality of local residents. Thus it may be concluded that Latvia cannot compete with other Baltic States in the terms of its culture and nature resources only, however it may create competitiveness advantages by using these resources wisely and sustainably in development of tourism offer, which is adapted to the needs of modern tourists.

5. Tourism development in Latvia – perspectives and goals

5.1. Vision

Latvia – recognized in its target markets as an attractive (safe, comfortable, efficient and ideally accessible) tourism destination for individual tourists, it provides true, sincere hospitality and high quality, innovative, sustainable and authentic tourism products with high added value in the relevant target segments created by people with knowledge and professionalism.

5.2. Economic goals

To promote the development of the tourism industry, the Ministry of Economics has prescribed the following economic goals for the period from 2010 through to 2015:

Duration of stay	1. To increase the proportion of foreign tourists who stay in the country for more than 3 days.
Export	2. To achieve tourism service / product export growth and comparative prices each year by 5 – 10 % against the previous year.
GDP increase	3. To reach the typical tourism sector average increase in GDP to an average CEE level (average 5%).
Local tourism	4. To guarantee the percentage increase in local tourist services each year as a tendency and to surpass the overall tourism services export potential increase.

5.3. Marketing goals

To promote the achievement of the planned economic goals, certain sector marketing aims have been prescribed for the period from 2010 through to 2015:

Image 1. To create a unified and easily recognisable Latvian tourism image for foreign visitors.

Quality 2. To promote tourist satisfaction and an increase in recommendations.

3. To promote the increase of tourist return and repeat visits.

4. To encourage the improvement and quality of hospitality in the sector.

Product 5. To promote the development of Latvian tourism and export potential in the relevant target segments.

Development

Seasonality 6. To position Latvia in foreign target markets as a travel destination, that guarantees a satisfactory journey and time spent both during the tourist season and off-season, offering appropriate tourist products.

Cooperation 7. To promote mutual cooperation and coordination of participating tourism agencies – at the international, inter-institutional, and at public and private sector tourist services level.

8. To develop the cross-border cooperation in the Baltics as a popular destination.
9. To promote the cross-border cooperation with the goal to increase the number of tourists coming from neighbouring countries.

6. Target markets for Latvian tourism

Determination of tourism target markets allows for the planning, co-ordination and focus of the State Agency for Tourism Development (hereinafter – TAVA), local government, tourism sector organisations and tourism service providers marketing activities, and thus possibly more effectively taking advantage of accessible financial and human resources, to achieve the desired result – a growth in tourist numbers, an extension of their duration of visit and an increase in their funds being spent in Latvia. At the same time these goals do not limit individual tourism sector enterprise marketing in other markets. The Latvian tourism market may be divided into two components – the foreign and the local.

6.1. Foreign target market

The inbound tourism target markets for Latvia consist of those countries that have the greatest potential to increase their own returns on marketing investments, as well as to contribute to the achievement of economic goals of Latvian tourism sector based on the following target market evaluation criteria:

1. Statistical data on inbound tourists, with the greatest importance being given to travellers who stay longer, who stay overnight at tourist accommodations and spend more money during their travel;
2. The geographical distance of the relevant country, convenient arrival possibilities to Latvia and the possible variations in mode of travel (e.g., airline possibilities for expansion with new routes, changes in ferry and rail journey options);
3. Conformity of the existing Latvian tourism offer with the needs of the relevant country target segments and its development potential;
4. The individual outbound tourism potential from the relevant country (with a focus on travellers who are interested in sustainable tourism);
5. The political and economic stability of the relevant country, border crossing restrictions;
6. Potential cross-border co-operation possibilities for the creation of joint tourism offerings;
7. TAVA available funding for marketing activities and product development.

Latvia's foreign target markets may be divided into four categories:

1. **High priority** – based on the analysis of data from multiple-day visitors to Latvia – their numbers, duration of stay and spending habits, the following countries have been identified as a high priority foreign tourist target markets: Lithuania, Estonia, Germany, Russia, Sweden and Finland. Statistics have

revealed that the largest number of tourists comes to Latvia from these states and also, as travellers, they prefer to stay in tourist accommodations in Latvia. Also, these are the countries for which Latvia has a convenient geographical location and which are joined to Latvia by comfortable air, sea, and road transport networks.

2. **Priority** – this list includes such countries as Norway, Great Britain, Italy, Denmark, Spain and the Netherlands – as determined on the basis of the current numbers of inbound foreign tourists, convenient and various possibilities for travel to Latvia, outbound individual tourism potential and the level of conformity of the existing Latvian tourism offers.

3. **Secondary** – all other European countries, in which, depending on the adequacy of financial resources, minimum, selective marketing activities are realised.

4. **Prospective** – are based on distant markets outside Europe, with no intensive co-operation at present, but where at some time in the future Latvia may have an opportunity to position itself together with one of its co-operation partners (or groups of countries), and foreseeing that in the future such markets may have a large outbound tourism potential.

In accordance with these market priorities, marketing activities are determined in the appropriate market category.

Table 2. Marketing instruments and target markets for Latvia's foreign tourism

Target market categories	**Countries**	**TAVA planned marketing activities**	**TAVA marketing instruments**
High priority	Lithuania Estonia Germany Russia Sweden Finland	In-depth analysis of each country's market with the aim to develop marketing strategy for each market, which includes the existing and the potential tourist segmentation and appropriate marketing activities for each segment in the relevant market.	• Market analysis, market division into segments • Exploratory visits (journalists, tourism operators, travel agents, other specialists) • Advertising campaigns • Workshops and seminars for tourism professionals • Public relations and co-operation with the media • The tourism portal of Latvia • Internet media • International tourist exhibitions • Tourist information materials

			• Co-operation with partners – (LIAA, Embassies, etc)
Priority	Norway Denmark Great Britain Italy Spain The Netherlands	Research of market and product sales potentials, selective marketing activities by using the available funding	• The tourism portal of Latvia • Internet media • Market research • Exploratory visits (for journalists, tourist operators, travel agents, other specialists) • Public relations Co-operation with partners (LIAA, Embassies etc)
Secondary	Other European countries	Selective marketing activities based on the assessment of detailed criteria and depending on the availability of funds.	• The tourism portal of Latvia • Exploratory visits (journalists, tourism operators and agents, other specialists)
Prospective	USA Japan China India	Market potential research, selective marketing activities	• Market research • Co-operation with partners (embassies, Lithuanian and Estonian tourist organisations, countries of the Baltic Sea Region, marketing organisations etc.

Review of target market priorities and activities:

- During the period of strategic planning, TAVA reviews the target markets included in the priority and secondary market category once a year. Based on essential changes in one or several assessment criteria mentioned at the beginning of this section, some countries may be moved from one target market category to another.
- Those target markets, which are included in the high priority market category, do not change status during the period of strategic planning.
- All decisions about the activities in the target markets, and any changes in market priorities are confirmed by the TAVA advisory board.

6.2. Local market

The development of the local tourism market is an essential part of the Latvian tourism sector and one of the marketing strategy goals of the Latvian tourism. The local market is of great importance in terms of sustainability and in providing a balance to the development of the sector, especially as an investment in the development of regional tourism, which is critical for the regions from a sociological viewpoint (in terms of reduction of unemployment, additional income for farmers, the preservation and protection of cultural objects and in the creation and development of an infrastructure).

Support for local tourism within the framework for the Latvian tourist marketing strategy is understood by:

1. The development of such Latvian tourism products that have a high export potential;
2. Raising of standards and quality for the hospitality industry in tourism sector:

- Implementation and control of tourism services quality system Q-Latvia based on consumer feedback;
- Cooperation with institutions and organisations working on the development of professional standards in tourism industry and professional education programmes;
- Cooperation with professional and regional tourism associations, local governments, regional development agencies etc;
- Education of the society on the role of every individual in Latvia with regard to the creation of the national tourism image (how hospitable and courteous the locals are in their attitude towards the guests, and how everyone can make his or her contribution in the promotion of the tourism sector and thus help support the state economy).

In developing tourism products it is important to take note of the attitude of the local population, as each individual is connected to the promotion of a tourism product and together contributes to the overall impression of Latvia. Regardless of the fact that Latvia is a comparatively small territory, it does, however, display considerable contrast in each of its regions. Based on the research of values of the inhabitants of Latvia[1] it has been possible to establish the main values and give assumptions for the various regions of Latvia with regard to how tourists could best be welcomed. Local inhabitants are usually most hospitable towards other people whom they like and these are usually people who appear to be similar. According to data from SIA "Data serviss"[1] Latvia’s inhabitants and their values may determine the tourist profile of those who will most naturally feel comfortable and who will be equally warmly welcomed. On the basis of such a profile it is possible to create:

1. Products and services according to a particular profile;
2. Better communication of availability of appropriate products / services.

TAVA offers a sample of how it might be possible to create appropriate tourist profiles for the various Latvian regions that would match the values profile of the inhabitants of the regions. For this purpose the territory of Latvia is divided into its four historical regions, with a separate presentation of the city of Rīga, which, in terms of its values, differs notably from the rest of Latvia.

Rīga

Rīga will attract those to whom exterior beauty and charm is important as is the desire to appear to be better than they really are, not to be petty, to enjoy the good things and not to be too concerned about day-to-day existential matters. It motivates persons not to rest on their 'laurels' but to keep going further, going beyond the *status quo* of existence and ambition.

Kurzeme

Kurzeme welcomes guests who acknowledge the people of the land, who respect their concerns and want to see what can be achieved with persistence. Those tourists are most welcome, who understand that they are visitors in Kurzeme, and either do not interrupt or simply understand that the owners here are their own people. The tourists might well be 'owners' themselves for whom it is important to see and become familiar with how other 'owners' do their thing – in a different country, in a different culture and under different conditions so as to derive inspiration about their own property back home.

Latgale

Latgale warmly welcomes all those who are open and who say pretty much what they think. It is a place that allows and helps to open the deepest corners of the soul. It is a place for people who live hard and with 'full breast' in the 'here and now', but at the same time who understand how small is their part of the universe, and the need for its preservation for others, but they do not place themselves higher than others.

Zemgale

Zemgale is a place to stop – to take a pause from the great race against time, from thoughts and from the everyday. There is no hurry, no edge. Peace and core feelings, the feeling of stability. A place for reflection, as in a library within the open spaces. It is a place for travellers who wish to understand that there is enough time for those who want to stop … but cannot.

Vidzeme

Vidzeme is that place for various expressions – for free breathing and a broadened perspective, without any attempt to offer the one and only correct way. It is a place to soak up inspiration from nature – concrete and rational. It welcomes those who wish to find a balance, to renew their life 'stabilisers', to look at the familiar in a different light, and for those who are in search of other like-minded people. Not welcome are those who wish to reshape nature or to bark down on traditional values. At the same time there is a perceptible tolerance for the different and for free-thinking. This is a place where it is possible to retreat to the top of a hill to look yonder upon the distance and at the same time to look within.

7. Development of Latvia's tourism product

7.1 Attraction of Latvian tourism products to their destination

To reach the goals of the Latvian tourism marketing strategy and target markets, an appropriate tourism offering must be created. At this moment it is possible to identify various and different destinations or territories to which tourists from abroad travel when they use the offer of Latvian tourism.

Table 5. Latvian tourism destinations and their communication to target markets

Destination	**Characteristic travel mode and purpose**	**Logo used in communication**	**The principal target markets**
Rīga	Short trip, city tour	*Live Riga*	Germany, Sweden, Finland, Norway, Russia, Lithuania and Estonia*
Rīga +	Extended short trip, Rīga as the main travel destination with possibility to undertake short one or several day trips to other cities and regions	*Live Riga*, the new Latvian tourism logo which is integrated with the city and regional logos	Germany, Sweden, Finland, Norway, Russia, Lithuania and Estonia*
Latvia	Main journey	The new Latvian tourism logo integrates also with regional, other city, cluster, or product logos	Germany, Russia, Lithuania, Estonia, Sweden, Finland, Norway, Denmark, Great Britain, Italy, Spain and the Netherlands**
Latvian borderland areas	Short trips, short holidays	The new Latvian tourism logo integrated with regional, other city and cluster of product logos	Estonia, Lithuania, Russia**
The Baltics / Baltics + Russia + Scandinavia	The Baltics or the Baltic Sea Region, as the main destination and Latvia as a component of the package	The Baltics integrated with the new Latvia tourism logo	Germany, Russia, and the distant markets**

** in accordance with the Live Riga logo, the communication strategy may be altered*
*** in this strategy – the high priority markets are preferential*

The aforementioned destinations and travel modes, as well as the necessity to attain economic and marketing goals, thus mark the main development directions of Latvia's territorial offer in tourism:

1) To develop the offer in Rīga surroundings and with the appropriate campaign in Rīga or before arrival in Rīga, so that the *"short trip"* tourists may turn into *"an extended short journey"* users, which means that the existent Latvian base-product *"Rīga"* offering to foreign tourists can lead towards the potential offering *"Rīga +"* ;

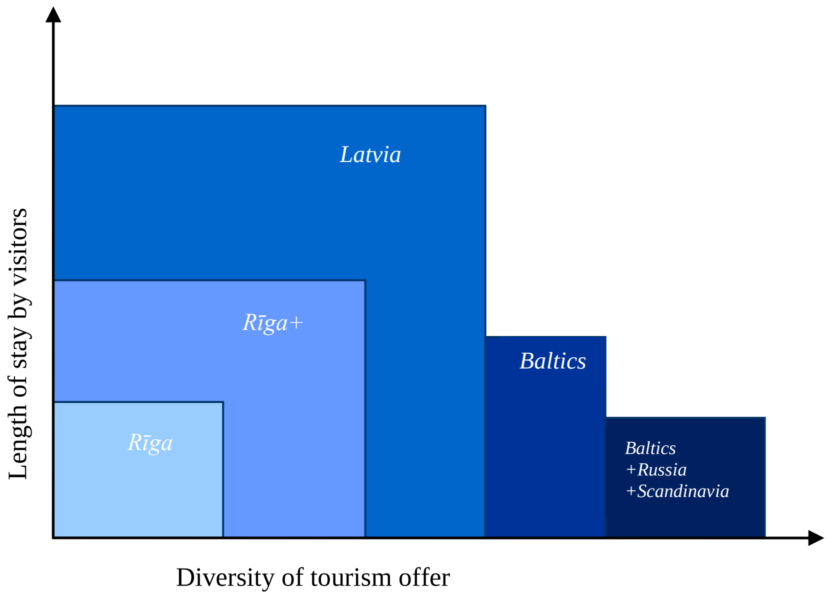
2). To develop high quality Rīga offer and to take advantage of its 'recognisability' so as to make the visitor to repeat the visit or, as a result of a recommendation, Rīga visitors may become clients of the *"Rīga +"* and or other Latvia tourism products;

3) To develop Latvia as a destination product offering to the target markets with appropriate offerings to attract niche tourists, to facilitate local resident travel throughout Latvia, to increase travel activities in borderland areas and to promote the creation of cluster tourism;

4) To develop Baltic tourism offers, at the same time steering away from offers in which Latvia is a small part of a larger deal to an offer in which Latvia becomes the tourist destination and in addition to that tourists visit Lithuania or Estonia, or with an offer in which the purpose of the journey is to travel over all three Baltic countries but where Latvia is offered as a destination in which to stay longer or, to facilitate repeated returns. Extend the Baltic tour offering by adding the Russian or Scandinavian tourist offer.

The development strategy for steering Latvian tourism may be described schematically in Fig. 1, which shows the impact of each model towards the length of stay in Latvia, and the diversity of offering which increases proportionally with length of stay in the territory through which the travel goes. Therefore, in such a way of steering product development, it is possible to guarantee not only an extended period of tourist time in Latvia but to offer visitors many attractive and interesting tourism options.

Fig. 1. Directions of Latvian tourism product development



7.2 The core values of Latvian tourism product development

The development of Latvian tourism as a product is based on five core values – quality, sustainability, individualisation, high added value, and tourist participation and experience-building – all of which are fundamental to the vision on the development of Latvian tourism.

7.2.1 Quality

A unified Latvian tourism offering – a core development and strengthening, an increase in the quality level of tourist services, all with a sincere and genuine hospitality – is the most important aspect of sustainability of this sector, especially hospitality, and :

1) promotes repeated visits to Latvia;
2) is an important criteria for tourists who want to spend a lot of money in Latvia;
3) is a determining factor in recommending Latvia to others.

Recommendations and suggestions are among the most effective of modern day marketing communication means. The raising of the level of quality in hospitality is not only a challenge for the sustainability of the tourism sector, but it is an achievement that is attainable by devoting energies to an increased awareness of tourism education programmes, to facilitating training seminars for providers of tourist services, to introducing a standardised level of tourism quality which is based as a response to consumer evaluation and feedback, and in facilitating quality control, bet also as a presently realisable process for every provider of tourism services – defining quality of service as among its top priorities.

The improvement of quality in the context of this strategy is understood by the introduction of various innovative solutions and product development, both in marketing as well as in human resource training, which will allow the improvement of quality of service, and as well, a greater financial return.

7.2.2 Sustainability

Sustainability of a tourism offering is characterised by four dimensions of sustainability – social – economic – environmental – cultural. The competitive end result of tourism is characterised by the ability to increase foreign tourist expenditure and by an increase in tourist numbers, ensuring quality service and an unforgettable experience, at the same time raising the income of service providers and improving the living conditions of local residents, taking great care to preserve natural and cultural resources. Therefore, in developing tourism services it is important to make sure that all sustainability factors are balanced and taken into account.

In creating a sustainable tourism product the following should be considered:

1) Benefit to the local economy;
2) Tourism product development provides social benefits for the local community (for example, new jobs, development of a new infrastructure or the improvement of the existing one);
3) Values of local nature are preserved;
4) Cultural values are preserved and are integrated into the tourism products.

An example of a sustainable tourism product

Gastro-tourism – stems from Latvia's ecological produce and its consumption due to which jobs have been created in both farming and tourism sectors. Local residents can also experience an enhanced accessibility to eco-produce. In bio-farming the natural habitat is preserved and, in facilitating tours for connoisseurs of fine food it is possible at the same time to familiarise tourists with cultural values, the national cuisine, a demonstration of the art of the chef and to develop the 'slow food' offer, and so on. At the same time in developing the sustainability of this product some negative aspects must also be evaluated – for example, price rise in the catering sector – which may limit accessibility for local residents.

7.2.3 Individualisation

Individualisation foresees the creation of a tourist offering or an adjustment to a particular niche segment for individual requirements. This direction requires careful analysis of all the strengths and weaknesses, of opportunities and threats, to evaluate the competitive options, to understand the common target market requirements and the needs of the independent niche, to define the activities and further development strategies and to realise these. Individualisation is a part of the present and of the future of tourism. Unfortunately it is exactly this challenge for the tourist sector that, in the broader category of promoting and advertising, is the most complicated because the Internet can only guarantee one basic service (transport tickets and accommodation) dissemination and communication, whereas agents and tour operators, for the most part, usually sell standardised packages. The Latvian tourism sector itself must create this tourist offering for providers and must find the most effective channels for its promotion and selling to a target public.

Within the framework of the Latvian tourism marketing strategy, and based on in-depth analysis of the high priority target market, TAVA will develop marketing strategies for the high priority target market segments that will help the enterprises of tourism industry to understand the needs of each segment and accordingly create or adjust individualised tourism products and services.

7.2.4 High added value

High added value tourism products and services, within the framework of this strategy, are such products to which value is added by people with their knowledge and professionalism. The development of such products is directly related to the personal desire of the tourism service provider to invest their knowledge and experience, thus creating a demand for their offering and co-operating with others.

An example of high added value to a tourism product

Health and medical tourism – this form of tourism creates a high added value to its services and products, taking advantage of the high professional standards and knowledge of the medical profession and attracting financially capable tourists, thus positively influencing the local development of the overall medical and associated professions and at the same time facilitating an increase in demand for additional and supportive infrastructure (restaurants, transport services, accommodation).

7.2.5 Tourist participation and gaining of experience

The core principle for this tourism product foresees an individually developed programme or the result of various service providers in co-operation with a resultant new tourism product – innovation or further development so that it allows the visitor to be an interactive participant, becoming involved and experiencing the emotions of participation and thus gaining new and perhaps even 'never-before' experiences and a qualitative expending of time. This would naturally influence a desire to extend the duration of the occasion and of positive recommendations.

An example of tourist participation and development of experience with a tourism product

Craft workshops – tourists would have the opportunity to observe crafts people at work, and they themselves can take part and develop particular skills and create works of craft while at the same time receiving necessary and relevant educational information. This form of tourism provides an opportunity to purchase crafts materials, to visit other local artist workshops etc.

7.3. Strategic tourism products in Latvia

Latvia with its uncluttered living space, moderate climate, rich natural and cultural heritage, little altered natural surroundings, resorts tradition, highly qualified specialists in many professional service areas and its naturally hospitable people is capable of creating a new tourism service/product that can increase the competitive edge of the existing possibilities. It is, however, most important to guarantee the development of the tourism strategy, which provides the sector with additional opportunities for development. Latvia's strategic tourism service / product must be such that:

- is most fully capable of taking advantage of Latvia's strategic resources – its cultural heritage, rich and multifarious natural scenery and thus being able to guarantee its sustainable development and rational utilisation,
- there will be an increase in demand from among European nations.

In parallel to these conditions, it is important to take advantage of the strategic fortune regarding Latvia's geographical location in close proximity of significant tourist regions.

7.3.1. Cultural tourism

The purpose of this table is to define the the most competitive resources in cultural tourism in accordance with requirements specified in Sub-chapter 7.2.

Resources	***Recommendations for using resources in the development of tourism products***	***The most significant resources with development potential****
Architecture (wooden architecture, Art Nouveau, castles and manors, historical city centres etc.)	To include in the offer a tourism product as a key attraction, ensure a quality interpretation, which includes both accurate facts and is fascinating, interesting and educational for visitors.	Castles and manors of Turaida, Bauska, Ventspils, Rundāle, Jelgavas; historical centres of Rīga, Kuldīga, Cēsis, Jūrmala, Ventspils, Liepāja, Rēzekne, Limbaži, Daugavpils, Krāslava etc.; Āraiši lake fort; Gulbene – Alūksne narrow gauge railway; the bridge over the Venta in Kuldīga etc.
Museums	To facilitate the formation of tourism products in museums, to adjust information to the demands of foreign tourism (information in foreign languages, easy and convenient communication), through the cooperation between	The Rīga History and Navigation Museum, the Rīga Motor Museum, the Ethnographic Open Air Museum of Latvia, the Ventspils Museum, the Cēsis Exhibition House etc.

	museums and other providers of tourism services; in due time spread the information on museum activities.	
Immaterial cultural heritage (crafts skills, rituals, folk medicine)	To involve tourists, let them participate, to facilitate cooperation in the development of tourism product, to form clusters, to develop creative tourism.	Traditional singing, dancing; traditional craft skills – weaving, basket weaving, silversmith and metalsmith skills, woodworking, pottery, joinery; natural carpentry material (logs, reed roofing), making amber jewellery etc. Traditions – Jāņi (Midsummer), Easter, Christmas; herbal tea gathering, sauna culture.
Gardens and parks, including theme parks	To include in the offer of tourism products.	*Likteņdārzs* (the Garden of Destiny), Munchausen's Museum, the park of the Rundāle Castle, manor parks etc.
Latvian cultural notables, athletes, scientists, public figures	To refer to in shaping the image and raising the profile of Latvia on target markets, in the export of culture and tourism sectors and in structuring cultural diplomacy.	Elīna Garanča, Raimonds Pauls, Gidons Krēmers, Mariss Jansons, Inese Galante, Gunārs Birkerts, Vija Artmane, Mikhail Baryshnikov, Mark Rothko, Pēteris Vasks, Vaira Vīķe-Freiberga, Vestards Šimkus, Isaiah Berlin, Sergei Eisenstein, Richard Wagner and other cultural and public figures, and athletes etc.
Performing arts	To include in tourism offer, upon evaluating the interests and needs of target markets.	Theatre, dance (ballet, movement theatre, modern dance).
Music	To include in tourism offer consistent with the demands of target markets.	The National Opera, the Big and Small Guild, the Spīķeri concert hall etc.
Cinema	To include in tourism offer consistent with the demands of target markets.	Cinema festivals "Arsenāls", "Baltijas pērle", "Berimora kino", animation movies, cinemas, shooting sites ("Cinevilla" backlot) etc.

Visual arts	To include in tourism offer.	Classical and contemporary art, art museums, galleries, outdoor painting workshops etc.
Festivals	To ensure timely information, to develop tourist packages (flight, accommodation, festival).	Song and Dance Festival, International New Music Festival "Arena", Riga Opera Festival, Sigulda Opera Music Festival, International Spiritual Music Festival, International Piano Stars Festival in Liepāja, "Kremerata Baltica" festival, saxophone music festival "Saxophonia", organ music festival "Rīgas Doms", International Ballet Festival, International Jazz Festival "Rīgas Ritmi", Cēsis Art Festival, city festivals, "Positivus", "Baltic Beach party", festivals of youth non-commercial music etc.
Sacral tourism	To include in tourism offer consistent with the demands of target markets, to put together tourism clusters and special offers (for instance, a visit to a church and an organ music concert).	Aglona Basilica and a pilgrimage in August; medieval, Baroque and Art Nouveau churches throughout Latvia; churches designed by R. Bindenschu, C. Haberland etc.
Sites related to military activity	To develop an attractive tourism offer, including historic information and visitor involvement.	Former Liepāja Naval Port, the Dunaburg Fortress, underground bunkers in Līgatne, the Irbe radar and Soviet heritage sites in other places of Latvia; the Machine Gun Hill (Ložmetējkalns) etc.
Creative city space, seaside resorts	To make use of the creative potential of cities for designing unique tourism products (organising festivals, celebrations etc. characteristic of each city), development of products by creative industries, for instance,	Rīga, Cēsis, Jūrmala, Liepāja, Ventspils, Kuldīga, Daugavpils etc.

	design.	
Cultural spaces recognised by local people and tourists as distinctive and featuring special (local) lifestyle values, traditions and events; village and rural territories	To develop products with the involvement of tourists, facilitate the cooperation between service providers and their partnerships for product development in certain territories, to provide information according to tourist needs. To facilitate the formation of tourism clusters in the cultural spaces.	The Līvi Coast, Latgale, cultural space of Suiti
Gastronomic tourism	To engage tourists, to motivate tourists to participate, to enjoy, taste and cook food. To develop slow food movement, gourmet tourism, innovative gastronomy, creative tourism. To promote the cooking and serving of traditional dishes in contemporary style, attractive for visitors.	Traditional Latvian food, cooking traditions; ecological, natural produce and environment; manors, castles, restaurants and farms where this produce can be tasted and where visitors can take part in cooking in a proper environment. Latvian beer, home-brew etc.
Design, creative neighbourhoods and centres of contemporary culture	To include in tourism offer consistent with the demands of target markets.	The Spīķeri neighbourhood, the Kalnciema Street neighbourhood, Andrejsala, the territory of former VEF factory, NOASS gallery, Istaba gallery, the Bergs Bazaar, Design Information Centre, TASTY Creative Space, ¼ Satori, Pedvāle Open Air Art Museum etc.
Values included in the cultural canon of Latvia	To include in tourism offer consistent with the demands of target markets. To use for producing unique high quality souvenirs.	Folk traditions, visual art, stage art, music, literature, architecture, design, cinema.
Entertainment offer	To include in tourism offer consistent with the demands of target markets.	Music clubs, bars and pubs, summer festivals of popular music etc.

** The input of resources according to the demands and specific profile of each target market*

7.3.2. Nature tourism

The purpose of this table is to define the most competitive resources in nature tourism in accordance with requirements specified in Sub-chapter 7.2. Both the natural resources currently used in tourism and those with a touristic potential can be divided into the following groups[6]:

Natural resources	*Recommendations for using resources in the development of tourism products*	*The most significant resources with development potential**
I Nature areas of different type, biological diversity		
Climate conditions	Four seasons give an opportunity to create four very different types of tourism products (incl. innovative products). In winter – cross country skiing and downhill skiing, horse-drawn sled riding; in spring – bird watching, vast opportunities for water tourism in at least 100 rivers, watching fish migration (vimbas in Kuldīga); in autumn – products related to watching autumn processes in nature (autumn colours in river valleys), etc.	The Baltic states have relatively similar climates. Latvia has more and better quality downhill skiing tracks than in Lithuania. Estonia, if compared to Latvia, has much better infrastructure related to downhill skiing and cross country skiing.
Baltijas Sea and Riga Bay coast and the related biotopes and territories	Products of hiking, Nordic walking, nature studies, sea boating (along the coast), bird watching products, including also cultural heritage resources, for instance, related to fishing and to Livonian heritage.	Latvia's coastline stretches for ~500 km, >80 % of which are sandy beaches. Neither Estonia nor Lithuania has such length of sandy beaches and strands.
Inland waters – rivers and lakes, and their banks	New water tourism routes should be laid out also in major lakes or lake systems in Latgale, at the same time building and maintaining the required infrastructure. Hiking routes should be laid out in the ancient river valleys. A good initiative is a walking route along the Gauja River set up by the Gauja National Park.	Latvia's rivers have more distinct scenic qualities than those of Estonia or Lithuania due to the impressive outcrops of Devonian sandstone on the banks. Also some individual features of the rivers – gradient, rapids, etc. are more attractive for water tourists.
Forests	New hiking and biking routes should be laid out and tourism products developed in forested areas on the basis of reasonable use of fauna and other biological	The Rīga Bay and the Baltic Sea coastal forests with their phytoncide-rich air is yet an under-utilised and under-promoted resort-related and

6 The table produced by Juris Smaļinskis, tourism and environment expert of the *LLTA Lauku ceļotājs*, lecturer at the Vidzeme University College; resources categorised by the author.

	resources (e.g., products of animal watching escorted by knowledgeable guides). A resource unexplored to date are activities popular among the locals – gathering berries and mushrooms, etc.	recreational resource. Latvia has the highest percentage of forestland among the Baltic states (slightly less than a half of the country's total area). The diversity of forest types and biotopes is larger than in Lithuania.
Bogs/marshes	New plank-ways should be laid out in the wetland, and the existing ones should be renovated (e.g., in Ķemeri National Park, Teiči Nature Reserve). Businesses should introduce innovative products (cross-country skiing, snowshoe walking in winter, etc.), as well as products related to nature studies (e.g., bird watching, wetland biotope studies, watching the feeding process of the sundew etc.), that would be significant additional attractions within a basic product.	On the European scale, Latvia has a high percentage of marshland. Latvia's biggest competitor in the Baltics is Estonia where a quality network of walking trails and plank-ways has been set up and diverse tourism products introduced (e.g., in Soomaa National Park).
Meadows	Products based on nature studies should be set up that introduce the visitor to meadow types, species of medicinal herbs etc. Visitors should also be educated about plant species frequently met on a daily basis, not about protected or rare species.	Meadows take up a relatively small part of Latvia; however, there are nature areas unique on the Baltic scale: floodland meadows by the shallow coastal lakes – Lakes Pape, Liepāja, Engure, Burtnieks, and Rivers Lielupe, Slampe etc., where wild cattle are grazing in the open for maintenance purposes.
Wetlands	The principal format of the use of wetlands is that of nature tourism and cognitive tourism based on sustainability principles applied in practice. The most attractive and visible resource of these areas are birds (bird watching products) and plank-ways (see also Bogs/marshes), as well as a relatively extraordinary landscape (bird watching and watchtowers). It is necessary to continue with the tradition of the Days of Latvian National Park wetlands, bird watching, 'green tourism' etc. by involving local businesses – service providers	A number of wetlands in Latvia are both of the European significance (*NATURA 2000* territories, Important Bird Areas), and of international scale and importance, listed as areas of Ramsar Convention. The most typical are the lakes of Engure, Pape and Kaņiers, the Teiči marsh (nature reserve), the Ķemeri mires (Ķemeri National Park), other shallow coastal lakes, the wetlands of Lake Lubāns etc. All the said areas are unique sites by a number of criteria also on the Baltic scale.

	and making these events more attractive.	
Landscapes	Places offering unique views from/over spectacular relief forms (river valleys, heights, hilly areas) have to be relieved of low value growths of shrubs, line-of-sight vistas should be formed, regular maintenance of those sites should be ensured. Observation towers or viewing platforms should be built on higher points. On those, information should be placed about the landscape overlooked (with panorama photos) and the nature and heritage sites it includes.	Estonia is ahead of Latvia in making use of landscape and offering better infrastructure. In this case, Lithuania has an advantage of being less forested and thus offering more of an open landscape, for Lithuania's scenic castle mounds, which, in case of Latvia, are usually grown over with forest, and therefore sometimes even hardly discernible. The unique quality of landscape in Latvia is related to the age-long farmstead lifestyle, which has shaped Latvia's distinctive rural landscape.
II Individual natural objects and formations, nature monuments, biological diversity		
Outcrops of primary rock (sandstone and dolomite), coastal escarpments and sea abrasions	A significant resource for nature studies to be included as a significant element in the products of activity tourism, cultural tourism, etc. Besides, only those sites should be included which have relevant infrastructure and visiting which has recently not caused their biological or scenic degradation, or loss of their heritage value.	Latvia, if compared to neighbouring countries, has the largest number of outcrops of the Devonian period sandstone (valleys of the rivers Gauja, Daugava, Lielupe, Venta, Salaca, Abava etc. and banks of their tributaries). These are the most impressive sites in Latvia as to their number, height and scenic value.
Micro- and megaforms shaped by the ice-sheet	To be included as sites of interest for studies and part of tourism products. Recommendations similar to those on Landscapes. Latvia's uplands (longer periods of snow-cover) should be used for laying	Separate sites already have relevant infrastructure and have been highlighted (major hills, eskers, karst sinkholes) as tourist attractions. A problem of its kind is the fact that in most cases these relief forms are covered

	out cross-country skiing tracks.	with forest and thus difficult to discern, or they do not stand out among the surrounding landscape (see Landscape). Tourist situation does not differ among the Baltic states.
Nature monuments and specific nature sites	Natural monuments are the most represented and varied group of nature tourism sites. Before including these sites in a tourism product (nature, cognitive and heritage tourism, as many are also heritage monuments) infrastructure on at least a minimum standard must be ensured, to be maintained on a long term basis. A very important and valuable tourism resource.	Latvia, in comparison to other Baltic states, has the largest number of heritage trees. The Kaives un Rīgzemju oaks are among the thickest in Europe (the fact is unknown on the European scale); this group also includes large boulders, waterfalls, springs, trees of unusual shape, arboretums etc.
Biological diversity and separate species of systematic groups of animals	For instance, animal (not only bird) watching offer is being developed in cooperation with the Latvian Rural Tourism Association *Lauku ceļotājs* in the Slītere and Ķemeri National Parks; still such products are non-existent outside these parks. Products should be developed where visitors can take part in coastal fishing with a following contribution to the process of processing fish.	Given the significance of this resource on the European scale, the potential of biological diversity in Latvia as yet has found limited application in the context of tourism.
III Manmade objects/sites related to nature		
Natural areas under special protection and *NATURA 2000* territories.	The aims of these areas include recreation and education the public; therefore, it is necessary to improve cooperation and communication with local tourism businesses and NGOs in order to develop new tourism products initiated by the local entrepreneurs, also raising awareness that the status of a protected area could also be an advantage. The brand "Located in the national park or a *NATURA 2000* area" should be introduced and promoted.	Latvia has 681 nature areas under special protection and 327 *NATURA 2000* sites that cover in total ~12% of the country's territory. Latvia's national parks, most nature parks, protected landscape areas and a part of the nature reserves are currently favourites among the visitors. In many of those areas nature trails have been laid out for observation purposes.
Wildlife gardens and collections therein,	The inclusion of these sites into tourism products should be promoted and additional services developed around these sites.	The Līgatne Nature Trails – the largest, richest in species and best appointed site of this type in the Baltic states, partly equipped

botanical gardens, open air expositions, cattle in the wild etc.		to accommodate people with special needs. Some of the hunting gardens are among the largest in Europe. The botanical gardens of the University of Latvia and Salaspils has the largest plant collections in the Baltic in terms of species and taxons. The Rīgas Zoological Gardens – the most modern in the Baltics.

** The input of resources according to the demands and specific profile of each target market*

7.3.3. Products with high value added

Latvia has a high potential and resources not only for the development of products on grounds of cultural and natural resources but also for the formation of other offer with a high value added, for instance, in health and wellness tourism, business tourism and sports tourism.

Resources	***Recommendations for using resources in the development of tourism products***	***The most significant resources with development potential****
Highly developed branches of medicine and skilled medical professionals	To develop package offers involving providers of various services.	Plastic surgery (reconstructive, aesthetic surgery, surgery of the hand), artificial fertilisation, cardiosurgery, eye surgery, dentistry, physiotherapy etc.
Wellness tourism resources	To use in wellness tourism products and for developing SPA services; high quality packages to be developed for competitive prices.	Medicinal mud, sulphur springs, mineral water springs. Rehabilitation centres and SPA hotels in Jūrmala and other cities.
Sport events and infrastructure	Cooperation of the event organisers with providers of tourism services, to raise the participants' interest in staying longer, see the surrounding area, use other services. To organise sports and recreation camps for children and youth using the existing infrastructure. To involve organisers of major sports events and championships.	Games of the Continental Hockey League, the Sigulda Bobsled Facility, BMX, Formula 1 on water, skiing (cross-country and downhill), orienteering, tennis, golf, ice-fishing etc.
Business tourism infrastructure	To develop packages involving the providers of various services.	Convenient air connections, infrastructure for hosting international conferences, seminars and exhibitions; the high profile and attractiveness of Rīga; resources for organising

		motivation tours and team building events (in Latvia and in the Baltic states).

** The input of resources according to the demands and specific profile of each target market.*

7.4. Marketing of Latvia's tourism products

Being aware of trends in the present-day economic and market development, the related changes to the structure of travellers and travel motivation, as well as being conscious of Latvia's tourism potential on the international scale, it must be concluded that Latvia will not rank among the most popular tourist destinations neither in the world nor in Europe, because Latvia cannot ensure extensive and diverse offer of low priced tourism products.

At the same time, through quality development and input of the tourism resources in Latvia, high value added tourism products can be created in line with the demands of individual travellers that would allow enhancing the competitiveness of Latvia's tourism sector in the international market and reaching the set goals. In order to achieve this, the marketing of Latvia's tourism products should be based on the strategies of focusing and deep penetration and the formation of tourism clusters.

7.4.1. Focusing on niches

The strategy of focusing means concentrating on a number of small segments of the target through the offer of tourism products that differ from those of competitors, or the development of high quality in a specific niche or a target segment. There are two ways of taking up a niche – creating completely new and unique tourism products or adapting and individualising the existing products to meet the needs of target groups.

A prerequisite for those who develop tourism products: being creative.
Examples of product ideas:

- A three day course of Latvian folk dance with a concluding concert and a party for the participants.
- A week-long "ecology school" with educational workshops, trips, collecting and preparing berries, mushrooms, herbal teas.
- Games of Continental Hockey League.
- Skiing in the wake of a horse-drawn sled.
- Fishing under ice in various waterbodies (the sea, lakes) etc.

7.4.2. Deep market penetration

Deep market penetration is an effective strategy for further enhancement of the existing tourism offers and creating new ones by making use of Latvian tourism products well-known to tourists. Likewise, this strategy provides for an active advertising of the products, sales promotion by effective means, increasing service quality and other methods of impact targeting the customer. If the demand is flexible, the market capacity can be increased by reducing prices to the level when people with a lower purchasing power are able to buy the product.

The deep market penetration strategy can be realised by:

1) finding more competent, active and creative sellers and agents of tourism

products who can ensure the turnover growth;

2) building co-operation among various companies related to tourism sector on the basis of, for instance, the cluster model.

7.4.3. The formation of tourism clusters

According to the strategies of focusing and deep penetration, the formation of tourism products and the promotion of a certain tourism destination is a regional scale development of the tourism sector and promoting its competitiveness at the international level. By a tourism cluster we understand a group of tourism service providers, organizations and institutions (suppliers, service providers, local governments, tourism organizations, education establishments), which creates synergies through an efficient and concerted functioning in a certain geographical location, thus not only enhancing the competitiveness of each individual member of the group, but also the satisfaction of the end user – the visitor. A cluster also promotes mutual positive competition among the members of the group, thus increasing quality and productivity and facilitating innovations.

Key elements of building a tourism cluster:

1) accommodation and catering companies, which are the static elements in a cluster;
2) passenger transportation services, services by tourism operators and agents, car rental – mobility elements which guarantee accessibility for tourists;
3) recreational, cultural and other services – dynamic elements ensuring that tourists spend more during their trip and stay longer.

An example of a tourism cluster

Sigulda and the vicinity of Sigulda – tourists are guaranteed attractions and activities for winter and summer seasons, and the required services (accommodation, catering, transport, guides, souvenirs etc.). Tourism companies in Sigulda cooperate by offering a joint discount card *Siguldas Spieķis* (Sigulda Walking Stick) and by packaging the tourist offer (e.g., skiing + accommodation + SPA services). Thus they seek to ensure that visitors stay longer and are provided a full scale service. The Sigulda TIC functions as a co-ordinator, organizer, and initiator and implementer of activities for marketing the destination.

7.5. Basic principles of developing tourism products

Tourism products are developed on the basis of the following general principles:

1) TAVA, following an in-depth analysis of the market, draws up the marketing strategy and communication plan for each high-priority tourism market, based on:
   - ⊠ precisely defined segments of the target market;
   - ⊠ the territory;
   - ⊠ tourism products offered to the respective market segment in the given territory.
2) TAVA specifies themes and criteria for themed products and/or campaigns. Those are seasonal offers and campaigns targeted at high-priority tourism

markets and based on themed marketing stories (e.g., "Rīga – the birthplace of the tradition to decorate the Christmas tree", "Accumulating green energy", "The whirl of Autumn's colourful melodies", "Active recuperation in spring", and the like). TAVA develops themed products of this type as an element of long-term tourism service to be highlighted both separately in specific markets and simultaneously in all markets. The life cycle of one such offer will be 5 years on average.

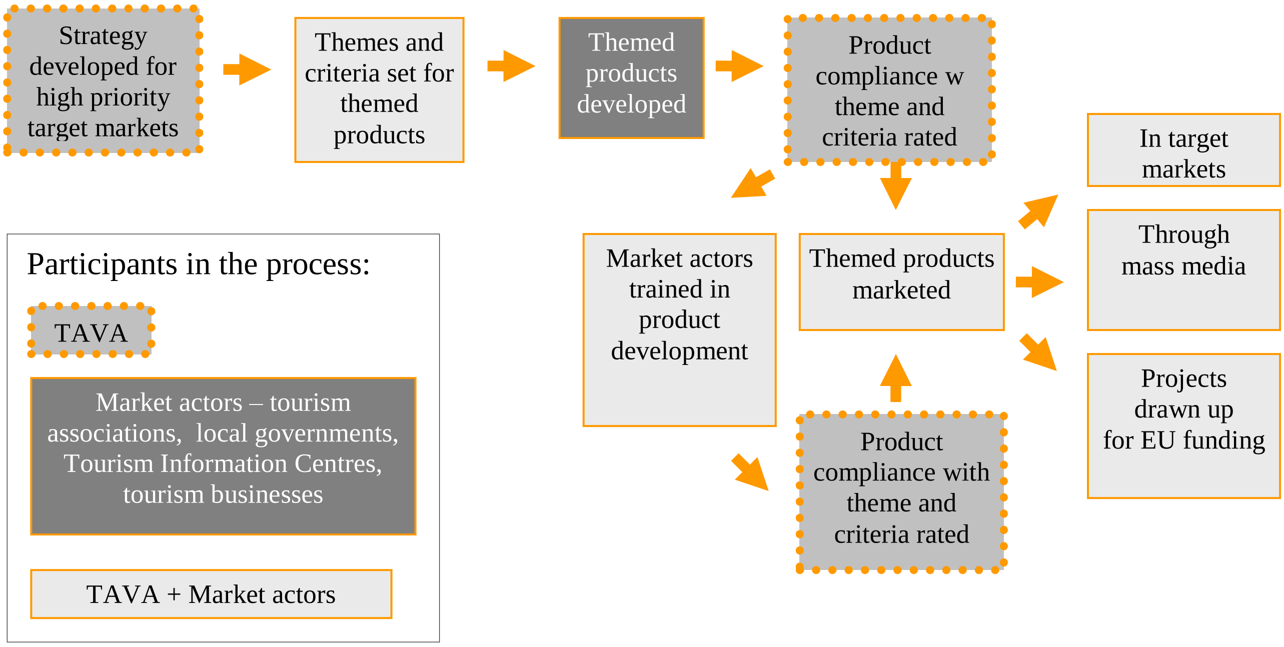
3) The providers of tourism services build their product according to a defined theme and criteria (e.g., by actively organising a concert season in autumn and adding specific components that would extend the stay of the buyers of the product). The providers of tourism services develop their product individually or in association with other partners.
4) TAVA evaluates the compliance of the products developed by service providers with the set criteria of the themed product: the products' commercial potential, consistency with the needs of the market segment, compliance with key principles of developing a tourism product (product quality, sustainability, individualisation, high value added, tourist involvement and experience), capacity, cooperation with other service providers etc.;
5) If the product is in line with the criteria, it is further marketed as part of the promotion campaigns of the national tourism products in the target markets.
6) TAVA markets the product part of the promotion campaigns of the national tourism products.
7) TAVA introduces the media to Latvia's high priority tourism markets, tourism products and their developers;
8) TAVA prepares projects to apply for funding under the EU instruments.
9) If the product only partly complies with the criteria, the tourism service provider is offered further education in order to improve the product. TAVA organises training sessions, as well as promoting cooperation among service providers and attracting partners to contribute to the product development.

The ready products are marketed in three directions:

Focusing on potential tourists planning to visit Latvia	Cooperation partners, journalists and tourism operators from abroad introduced to the products; information placed on the Latvian tourism portal, other internet media and social networks, focusing on tourists who do their own independent travel planning; also classical marketing activities, for instance, advertising campaigns.
Focusing on foreign tourists who have arrived in Latvia	Information disseminated in places where the target audience can be reached best – in hotels, TICs, the airport, the bus station, the central railway station etc.
Focusing on local tourists	Information on the tourism portal of Latvia and in other media, mostly on the web.

The basic principles of developing tourism products are shown in Chart 1.

Chart 1. Flowchart of developing themed tourism products



7.6. Communication channels for developing and marketing tourism products

With the purpose of developing and marketing Latvian tourism products, TAVA will apply various instruments and communication channels targeting three important groups – tourists (both local and foreign), tourism sector professionals (product developers, promoters and sellers) and the general public.

I. Tourists

1) Local tourists:
   - Local tourism promotion campaigns;
   - The tourism portal of Latvia;
   - Local internet media, incl. social networks;
   - Informative publications;
   - Consumer-oriented exhibitions;
   - Public activities.
2) Foreign tourists:
   - The tourism portal of Latvia;
   - Foreign internet media, incl. social networks;
   - Informative publications;
   - Consumer-oriented exhibitions;
   - Public activities, incl. journalists' visits;
   - Updating.

II. Tourism sector professionals

1) Local touroperators and agents:
   - Support information on the TAVA website;
   - Conferences and seminars.
2) Foreign touroperators and agents:

- Updating;
- Visits by tourism operators;
- Cooperation in exhibitions;
- Training in e-environment;
- Conferences and seminars.

3) Tourism service providers:
   - Support to marketing activities;
   - Educational seminars on product development and marketing;
   - Organising training, incl. training accessible on the e-environment and training materials.
4) Education establishments:
   - Carrying out research in cooperation with local and foreign education institutions;
   - Organising on-site traineeship for local and foreign students;
   - Information exchange;
   - Raising the competence level of tourism service providers.
5) Tourism Information Centres:
   - Support information on the TAVA website;
   - Information sharing.
6) Guides:
   - Support information on the TAVA website;
   - Information sharing.
7) Other co-operation partners:
   - The Latvian Investment and Development Agency; its representations abroad;
   - Embassies of the Republic of Latvia abroad.

III. General public in Latvia

- Public activities;
- Educational activities.

8. Funding for Latvia's tourism marketing

The carrying out of the activities under the tourism marketing strategy of Latvia is ensured within the national budget means allocated to TAVA, as well as by attracting the funding of cooperation partners and that from the EU funds. The priorities and underlying principles of channelling the funding are as follows:

- ⊠ to promote the Latvian tourism products in target markets;
- ⊠ to facilitate raising the profile of Latvia's tourism;
- ⊠ to facilitate balancing the price and quality ratio of Latvia's tourism offer;
- ⊠ to respond in a flexible and operative manner to changes in the market situation and accessibility of funding, by adjusting target market priorities and marketing activities therein on an annual basis.

9. The assessment of Latvia's tourism marketing strategy

The following indicators will be applied for measuring the results of the tourism marketing strategy of Latvia:

- Increase in the share of foreign tourists staying for three days or more;
- Changes in the number of tourism businesses (agencies, all kinds of tourist accommodation, etc.);
- Increase in the export of tourism services in comparable prices (% against the previous year);
- Increase in the number of repeated visits to Latvia;
- Increase in tourist satisfaction with services received;
- Tourists who wish to return to Latvia and/or recommend Latvia to other tourists;
- Increase in the number of overnight stays by visitors from high priority and priority markets;
- Increase in the niche product offer on Latvia's tourism portal.

In order to obtain the above data, not only market research has to be carried out in order to ascertain visitor satisfaction with the offer and the factors of making a choice, but also collecting statistical data must be continued on a regular basis. These indicators are comparable with those of other actors in the market, and thus growth can be analysed, or, quite the opposite, stagnating or declining indicators, which can give signals as to negative change or the need to deal with problems. Nevertheless, the assessment of other aspects is also required, for instance, of quality, recognisability, the structure of the sector, the number and size of companies, ability to supply niche products and to segment the offer, the level of skills and education.

10. Documents to be produced or updated during the period of the Tourism Marketing Strategy of Latvia for 2010-2015

During the time period when the Tourism Marketing Strategy of Latvia for 2010-2015 is effective, in order to ensure its implementation, TAVA will produce and update documents which specify activities, results to be achieved, the amount of funding and the assessment of the results; besides, the information included in the Strategy will be regularly updated.

No	Title of document	Deadline for completion
1	TAVA action plan for 2010	1st quarter of 2010
2	Producing the Strategy of the Tourism Image of Latvia	2nd quarter of 2010
3	TAVA operational strategy for 2011-2013, including individual marketing strategies and the communication platform for the local market and high priority foreign markets – Estonia, Lithuania, Russia and Germany.	3rd quarter of 2010
4	Updating the Tourism Marketing Strategy of Latvia for 2010-2015	4th quarter of 2010

5	TAVA action plan for 2011	4th quarter of 2010
6	Updating the Tourism Marketing Strategy of Latvia for 2010-2015	4th quarter of 2011
7	TAVA action plan for 2012	4th quarter of 2011
8	Updating the Tourism Marketing Strategy of Latvia for 2010-2015	4th quarter of 2012
9	TAVA action plan for 2013	4th quarter of 2012
10	TAVA Operational Strategy for 2014-2016	4th quarter of 2013
11	Updating the Tourism Marketing Strategy of Latvia for 2010-2015	4th quarter of 2013
12	TAVA action plan for 2014	4th quarter of 2013
13	Updating the Tourism Marketing Strategy of Latvia for 2010-2015	4th quarter of 2014
14	TAVA action plan for 2015	4th quarter of 2014