

Internship report:

**Development of low cost and sustainable tourism in mountain resorts based on European
business model: The case of Shahdag Mountain Resort**



Student: Aghasadikh Garaybayli

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A year at university past very fast and even though it was during tough times, the peak moment of Covid pandemic, I still enjoyed my year of study. Of course, it would have been much interesting if we could have more present sessions but it was not possible due to governmental restrictions.

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Abstract

As of 2022, the tourism industry has seen several emerging trends and directs that are shaping the way people travel. Rapid development of low-cost tourism can trace its beginnings to the very earliest days of the package tour. In the past twenty years, the de-regulation of European airspace and the emergence of the internet has created has permitted the development of this format. Likewise, the recent financial crisis and ever-increasing competition between destinations have also been driver and simultaneously low-cost accommodation businesses that began to supply and increased demand. However, not all regions of the World are developing contemporaneously. Even though most European cities already added a low-cost business model to their segmentation Some parts of the World however are facing several problems in this area. The reason could be already maximum inbound tourist numbers or no ability to apply this model to expand segmentation of incoming tourists. Also, it is known that not all fields within accommodation tourism can convert to satisfy low-cost tourism, one of which is mountain resorts. Mountain resorts are known to be one of the most expensive tourism choices which usually have narrow segment of average to high level income families.

On the other hand, sustainable tourism, another tourism trend nowadays is also developing on uneven scale throughout the World. While some developed countries are implements laws and regulations towards development of sustainability in tourism sector, other countries have not even thought about it yet. Thus, the crossing point of these two lines presents an interesting topic for investigation in terms of the success of the mountain resorts, their success from the perspective of low-cost tourism and especially sustainable tourism.

Keywords: Sustainable tourism, business model, mountain resort, low-cost tourism.

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I. Introduction

The issue of climate change has become a global concern, with evidence suggesting that human activities are contributing to the increase in greenhouse gas emissions and subsequent rise in global temperatures. As a result, there has been a growing need for sustainable practices in various industries, including tourism. The tourism industry is one of the largest and fastest-growing sectors of the global economy, but it can also have significant environmental, social, and economic impacts. This paper aims to explore the concept of sustainable low-cost tourism and its implementation in mountain resorts specifically Shahdag Mountain Resort.

This study is carried out for several main reasons, firstly it is a requirement as a final work during the second year of the Master program in Sustainable Tourism Management faculty at the Polytechnic University of Leiria, Portugal. Another important goal of this internship is to gain experience in working at mountain resorts, understand the core factors of its duties, analyzing and potentially implementing a low-cost sustainable tourism model concept that is a trend in European cities to local mountain resort in Azerbaijan. This paper is methodologically structured in different chapters that are logically connected and it is starting with a general outline of the background of the company's business, and its components. The next chapter focuses on the work that the author has performed in the organization during the internship alongside with justification of this choice. The next chapters represent the report, which also includes a literature review of some aspects such as sustainable tourism, mountain resort tourism, the deeper understanding of European low cost and sustainable business model and organizational success. An analysis of the situation is conducted to determine whether above mentioned models are applicable to the mountain resort tourism. At the end of the report various conclusions are drawn and further personal recommendations are given for future elaboration.

II. Outline of the background and specific business of the company

i. Background and structure of Shahdag Mountain Resort

Shahdag Mountain Resort is a popular ski resort located in the Greater Caucasus Mountains of Azerbaijan. The resort is situated in the Shahdag National Park, approximately 200 kilometers north of the capital city of Baku. The mountain range provides stunning views and a range of skiing opportunities, making it a popular destination for winter sports enthusiasts. The resort was officially opened in 2012 and has since become one of the leading ski resorts in the region. The resort has a range of ski slopes that cater to skiers of all levels, from beginners to advanced skiers. It also offers snowboarding opportunities, a ski school, and a variety of other winter sports activities. It is the first and largest ski resort in Azerbaijan.

In addition to skiing and snowboarding, Shahdag Mountain Resort offers a range of on-site amenities, including hotels, restaurants, cafes, and shops. The resort's hotels provide a range of accommodation options, from luxury suites to standard rooms. The resort also features an on-site spa and wellness center, providing a range of treatments and services to visitors.

The development of Shahdag Mountain Resort has been part of the Azerbaijan government's efforts to diversify its economy and promote tourism. The resort has been designed with sustainability in mind, with a focus on reducing its environmental impact and preserving the natural beauty of the region.

Overall, Shahdag Mountain Resort is a popular and well-developed ski resort that offers visitors a range of winter and summer sports opportunities and on-site amenities. The resort's location in the stunning Greater Caucasus Mountains and its potential commitment to sustainability make it a unique and attractive destination for travelers seeking outdoor adventure and natural beauty. As stated before, Azerbaijan government made a lot of effort including and investment of several million US dollars in creation and supporting the resort. Even though the on-site amenities and hotels were once transferred to private company, Shahdag Mountain Resort stays as a property of the government of Azerbaijan.


The location of the resort is surrounded by ancient glaciers, deep valleys, amazing mountain lakes and canyons, an ecological treasure of flora and fauna thus of the main goals of Shahdag Mountain Tourism is to keep the sustainability on the high level in order to not disturb the nature with its


presence. Other goals of the resort are oriented towards improving the tourism product, the image of the country, cultural exchange, and to have a positive social and economic impact on local population and especially the younger generation. Below Figure 1 demonstrates the main goals of Shahdag Mountain Resort:

1	Improve ski resort as a tourism in the region
2	Achieve Worldwide recognition to be among top rated mountain resorts
3	Attract more tourist to the country
4	Impact on development socially, economically, and demographically of Azerbaijani regions

Figure 1: Main goals of Shahdag Mountain Resort

In order to fulfil its main goals, the resort has to offer various products in order to provide guests with maximum comfort and also to be able to embrace bigger market share. On the plan of the resort various hotels, aquapark, entertainment center and other activities were presented however not all of them are present at the moment. Below in Figure 2, accommodation types of the resort are presented:

	<p>Set amid majestic mountains Pik Palace Shahdag hotel offers 167 oversized bedrooms and suites that provide maximum comfort for individual travelers, couples and families alike. Our luxury hotel restaurants, bars and lounges provide a variety of unique settings for an enjoyable experience in the mountains. Our dining facilities include Chocolat Café, Alpina Brasserie & Wine Bar, and for those with a discerning level of luxury, an exclusive private Pik Lounge. Our ski hotel has a range of recreational facilities including: The Club with amenities such as an outdoor heated pool, high-tech gym, sauna, whirlpool, and</p>
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	<p>The Spa, providing a full range of beauty and body treatments including aromatherapy, massages and spa rituals. We offer comprehensive meeting facilities which are flexible enough to offer the venue and price that will meet any requirements – from boardroom style gatherings to conferences of hundreds (1)</p>
	<p>Each one of Park Chalet’s 164 elegant guest rooms reflects the perfect mix of rustic yet luxury design teamed with stunning mountain views. Our luxury ski hotel celebrates elegant simplicity and spirituality, as much as it does, refinement and timeless design, with a service and quality that goes beyond all expectations. Enjoy a variety of dining experiences brought to you by our skilled chefs. From comfortable and relaxed lounges to an elegant bar and restaurant, we have everything you need to make your stay an enjoyable one. Featuring fully equipped fitness club and sumptuous spa centre, our 5 star hotel provides guests with a pleasant environment in which to stay in shape. Explore our outstanding dining options and enhance your gastronomic experience. Aspen Grill Restaurant, Lounge and Bar provides guests with delectable cuisine, luxurious ambience and the finest service. Mocca Cafe located in the lobby of the hotel offers great Italian coffee before or after the ski slopes, at any time of the day. (2)</p>

	<p>Shahdag & Spa Hotel features a spa area with an indoor swimming pool, a gym, a sauna and a Turkish steam bath. Free Wi-Fi and free parking are provided. All 170 classic-style rooms come with air conditioning, flat-screen TV, a safety deposit box and a minibar. Free toiletries and a hairdryer are available in the bathroom. The on-site restaurant offers various Azerbaijan and European dishes. A buffet breakfast is served every morning, and guests can have a drink at the elegant bar. Guests can go cycling, horse riding and hiking. The hotel offers its own skiing school and provides convenient access to the slopes. Also it is possible to order massage services, and there is a children’s playground on site. (3)</p>
	<p>Zirve Hotel Shahdag features its own ski school and convenient access to the slopes. Free Wi-Fi and free parking are provided. 28 elegant classic-style rooms come with air conditioning, a flat-screen TV and a minibar. Free toiletries and a hairdryer are available in the bathroom. The on-site restaurant serves various Azerbaijan and European dishes. Also guests can have a drink at the lobby bar, and a buffet breakfast is served every morning. (3)</p>
	<p>Located in Shahdag, Gaya Residences offers spacious rooms with a private kitchenette and a balcony. Modernly decorated, each 18 room comes with a TV. Rooms are fitted with a private bathroom equipped with a bath or</p>

	shower. Gaya Residences features free WiFi in all rooms. (5)
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Figure 2. Accommodation Portfolio.

It is worth to mention that out of 5 accommodation properties on the site of resort, Pik Palace and Park Chalet are privately owned by one of the biggest hospitality groups in the Caucasus region – Absheron Hotel Group. Those hotels are open to welcome guests from mid-December until the end of March. From April to December those hotels remain closed and a reason for that is it not being profitable to operate those properties in summer period. Even though the resort is now positioning itself with ability to offer guests a similar experience as in winter, the demand is still low. Out of all resort’s hotel portfolio only Shahdag Hotel and Spa remains welcoming guests throughout the year. More hotels are plan to be built on the resort’s territory according to main plan and the next should be another small hotel for middleclass travelers.

ii. History and activity

Although the Shahdag Mountain Resort was officially opened in 2012, it was not on the same level in regard to its size and services. Year after year the resort began to expand its services, properties and ski slopes to satisfy the demand and to follow its main plan. Right now, the resort has 16 km long ski and snowboard slopes, many lifts operated by a European company and other restaurants and entertainment centers. The government owns 3 main accommodation properties: Shahdag Hotel and Spa, Zirve Hotel and Gaya Residences. Most of restaurants and entertainment centers are rented out to tenants during the winter season and some of them in summer season. The season in resorts starts usually from middle December when it is snowing and the temperature is appropriate to operate the snowmaking systems and guns. It is worth to mention that even though the weather conditions in winter period naturally creates a snow slopes, all slopes are equipped with European made snowmaking system and when the temperature reaches the appointed level those are operating during the night in order to create enough snow for visitors. After each session a special car called Ratrack configures the snow and makes it perfect for skiing and snowboarding.

The seasonality at the resort is divided into 3 parts: high season, middle season, and low season. Seasons are divided this way because of the weather conditions as it is one of the major figure in operation of the resort. High season starts from December when the weather is snowy and lasts until the end of March, that is when snow melts and it is not possible to keep the slopes running anymore. The low season starts from April and lasts until June, that is when the weather constantly changes and it rains a lot. Most of the days are gloomy and foggy. During this period very small amount of guests travels to the resort. Summer is usually considered as mid-season, the weather finally starts to be more attractive, sunny and hot during the day and chilly during the night. That attracts more visitors due to possible outdoor activities and relatively lower temperatures in comparison to other regions of Azerbaijan.

By retrieving information from property management system (PMS) systems of above mentioned three hotels, and the data from ticketing centre, one can easily notice that each year the resort is receiving more guests who not only come to a day trip but also use hotel facilities and stays at the properties. Unfortunately, due to the fact that hotels' PMS system was changed in 2018, it was impossible for me to retrieve data about hotel stays before that year however below in Table 1 we can observe number of guests staying in Shahdag Hotel and Spa from 2019 until 2022. It is demonstrated that number of guests are progressively increasing and the drop in 2020 occurred because of the global pandemic Covid-19 which negatively affected almost all industries in the World and in my opinion tourism industry was one of the most affected one.

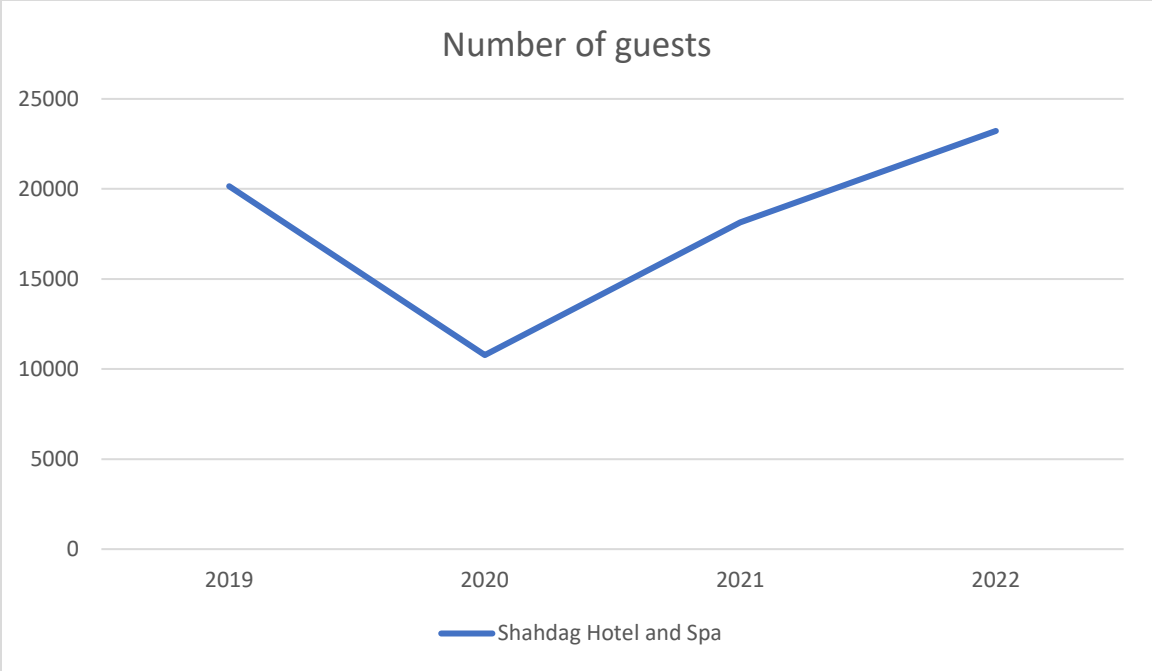


Table 1. The number of guests staying in Shahdag Hotel and Spa 2019-2022. Source Author

Zirve hotel is second main hotel after Shahdag Hotel and Spa and features only 28 modern designed rooms. This hotel is open to visitors only during the high season. Below in Table 2, the hotel’s number of guests throughout the period is shown.

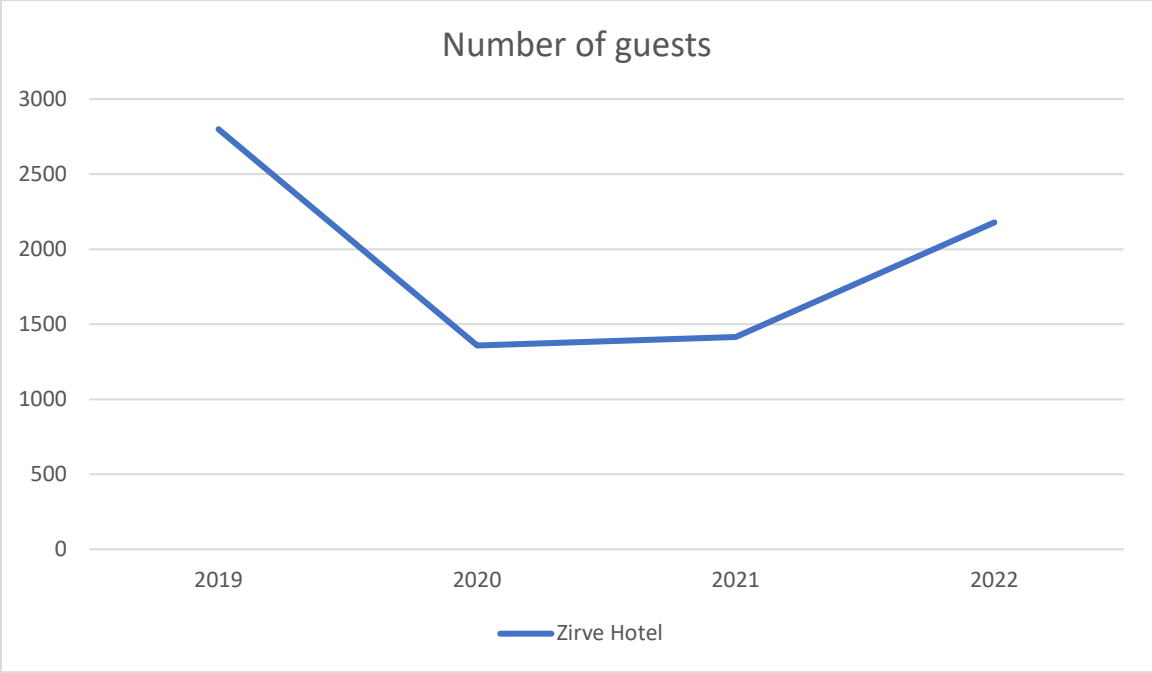


Table 2. The number of guests staying in Zirve Hotel 2019-2022. Source Author

Here from the table, we can observe that it was harder for Zirve hotel to recover after Covid pandemic which as I understand is because of less popularity among guests and fewer operation time during the year.

The last hotel under Shahdag resort management is Gaya residence. Even though it was built several years ago, the operation began in 2022 due to the lack of demand before this period. During the year guests stays correspond to 845 room nights and it is projected to achieve 1849 room nights during 2023. Even though it seems that the resort is operation on a good level and might be profitable, figures which I cannot disclose state that the resort is far from being profitable and is depending on grants from State Tourism Agency which means it is funded from the government. Although, the resort also has its operational revenue which is then invested in maintenance and development.

The resort is operated by almost 600 people and during the high season almost 300 people are contracting for a seasonal job. The resort itself as a property is managed and funded by the State Tourism Agency. The minister of the State Tourism Agency appoints the chairman and 2 deputy chairmen of the resort to directly be at the site and control its operation and structure. Since the resort is funded and operated by government institution, minister also appoints members of internal audit committee to be present and the facility in order to check its operation quality and compliancy to governmental rules and regulations.

III. Outline of the work that I have performed in the company

i. The internship and internee's role

Even though the requirement of the second year of the Master program is and internship, I was actually hired and was occupied full time in Shahdag Mountain Resort as an Auditor of an Internal Audit Committee from September 2021 and I am still working within the company on the same position.

The main purpose of the Committee's activity is to assist the management in achieving the Company's goals by taking a systematic approach to assessing and developing the adequacy and

effectiveness of management, internal control and risk management systems for the Company. The functions of the committee include:

1. Independent and objective evaluation of the adequacy and effectiveness of the management, internal control and risk management systems and providing information about their status to the minister;
2. Providing recommendations for improvement of management, internal control and risk management systems.

My main duty as the committee member is performing the following tasks in order to achieve the functions defined by this regulation:

1. Assessment of compliance of the company's activity with the legislation of the Republic of Azerbaijan, normative legal acts, the Company's Statute and the Company's internal rules during the Internal audit check;
2. Assessing the adequacy and effectiveness of systems and procedures established to ensure compliance with laws, guidelines, rules and procedures;
3. Evaluation of organization and implementation of management, internal control and risk management work;
4. Evaluation of the efficiency and effectiveness of the use of resources;
5. Providing recommendations for the purpose of improving management, internal control and risk management systems and increasing the adequacy and effectiveness of these systems;
6. Providing recommendations on the elimination of defects and deficiencies identified during the internal audit inspection (if possible);
7. Preparation of the Internal audit report based on the final results of the internal audit;
8. Organization of Monitoring for the implementation of the action plan drawn up for the elimination of defects and deficiencies discovered as a result of the internal audit;

9. If there are any doubts about the occurrence of fraud, performing appropriate procedures in order to confirm or exclude the occurrence of fraud;

10. Ensuring the protection of documents submitted for internal audit verification and documenting audit evidence;

11. Establishing business relations with external auditors in order to ensure the maximum benefit from the internal audit service and to reduce the repetition of the same work (exchange of information and coordination of activities, familiarization with audit methods, etc.);

I am engaged in all parts of above-mentioned lines.

ii. Research topic justification

Although I am performing above mentioned duties in hospitality industry, my main direction within the industry is revenue management and sustainability managed in which I was always interested in. My main goal in all my jobs was to increase the properties financial figures through my knowledge in revenue management and also try to present sustainable management to local properties. As Azerbaijan is developing country, the interest in sustainability is not a priority of local businesses. It is crucial for Azerbaijan especially because due to the many reason, main of them being that Azerbaijan is an oil and gas country which highly affects country's ecological conditions. For this reason, local businesses in my opinion should try to reduce their carbon footprint in order to help to increase country's ecological conditions.

Another reason for the research on this topic, is the second part of the title which is low-cost tourism. As I started working in the mountain resort, I shortly acknowledged that most winter resorts in the world have an image of being very expensive and positioned as a type of leisure for high income population. However, the trend of tourism nowadays shows that the industry is started to be more affordable to all kinds of segments and European countries and companies within the industry are a great example of that. Nowadays it is clear that travelling becomes cheaper due to innovations from low-cost carriers and thus affecting a lodging sector which made an overall bill for travelling less expensive. As the matter of fact, it should be mentioned that not all destinations could apply this new trend, main driver in this case is low-cost airline carriers. This trend is not

popular among winter resorts as well. Although in European countries such resorts are consisting of lots of accommodation types, restaurants and entertainment centres resembling small cities, it still is considered luxury tourism.

Moreover, I want to evaluate and analyse the implementation and its effectiveness of low-cost tourism in Shahdag Mountain Resort together with helping it to search its sustainable level and analyse which aspects contributes to its levels of sustainability. I take an example and further investigate a European city Barcelona in order to have a benchmark to which comparison can be made.

This work uses a mix between two different methods, which is a procedure for collecting, analysing and mixing both the personal experience, (an internship that was made to understand better the current situation and collect data), and also analyse secondary data that was provided.

In the first phase, data was collected using not only a web-based research, but also the from the 2 internships that were made during a 6 months period, in different level and types of accommodation in Barcelona and Shahdag Mountain Resort. First internship was made in a low cost hostel, the second experience was made in one of the 5-star hotel in the ski resort. In both cases data were collected and analysed. from first person.

The second phase, focused on explaining the results of the first stage, trying to clarify all the issues founded and to develop a business analysis of the low-cost market. Using all available documents, economic and financial data, case studies and journal articles, it aims to describe the will be conducted a business evolution to reach results that can answer the objectives aim of this study.

IV. Research and analysis

i. Literature review

Tourism

In the modern literature there are many different definitions of tourism. Most common of which is that tourism is a travel for pleasure. However, this definition does not include the modern aspects and possible different kinds of tourism. Nowadays tourism is not only something defined as leisure but it also includes different reasons for touring. Most famous from them are for example, business tourism, study tourism, medical or recreational tourism, eco-tourism, religious tourism and etc. Types of tourism define themselves as a purpose of tourist to travel.

Literature is clearer about the definition of tourist as a tourist is defined as a person who travel abroad or within the territory of the country for minimum 24 hours and maximum 1 year. However, there is an exception that says if the person travels for business purposes he or she should not get paid at the destination of the tour.

The budget tourism, as being a part of a type types of tourism is a low-cost independent international travel. This segment includes the younger generation's demand to wilderness adventures, local travel and travel to nearby countries with a the low, usually fixed budget. The segment of this type of tourism usually stays in hostels, touristic apartments or low-cost hotels, travels choosing the cheapest way and visits free attractions and museums. Before budget tourism was struggling as a tourist could only travel only within the country or to nearby countries. Now, thanks to new technology and the development of low-cost carriers, the tourist can fly travel a distance for as 4 hours which is maximum that most low-cost carriers does for now.

The tourism and hospitality industry, apart from being an economic sector in its own right, is also a driver of the other industries such as the land and air transport, energy and communications industries. The tourism and hospitality industry comprises three major area of activity: restaurant services, which involves all activities associated with the provision of food and beverages; accommodation, which includes overnight stays in large and small hotels, guesthouses, hostels, rural homes, etc.; and tourism planning, management and marketing, which includes tourism activities administrated though third parties and wholesale or retail travel agents.

Tourism, even if this word was not telling anything on those times started in the 10th -13th century with traders who were traveling long distance with caravans to buy in one place and sell in another. As they travelled a long distance, they needed a place to rest, to feed their animals and sleep. For this reason, there were built small houses on the caravan ways, where traders could feed their animals and rest. Scientists are calling it the beginning of hospitality and accommodation in tourism.

However, the first mass tour was managed by Thomas Cook, a big person in tourism history. On 9 June 1841, a 32-year-old Thomas Cook organized a special train be engaged to carry temperance supporters of Leicester to a meeting in Loughborough about four weeks later. A train was subsequently arranged, and on 5 July 1841 about 500 passengers were conveyed in open carriages the enormous distance of 12 miles. That day was a great success and the beginning of mass tourism era.

The history of budget tourism goes back to seventeenth-century where Italian adventurers has been suggested as one of the first backpackers. The backpackers were first low-cost travellers. Carrying only one backpack, tourists could tour weeks and months using the cheapest way to travel and stay. In the late 1960s and '70s this activity experienced by hippie trail, which partly followed the concept of the Silk Road.

Technological developments and improvements have contributed to changes in backpacking. Traditionally, backpackers travelled with a backpack on their back and short to close distance, however this idea started to change in the seventy's century when American domestic carrier Southwest started the concept of low-cost airline. That also created a situation where already established carriers started losing significant amount of market share to these newly formed airlines.

After several decades the low-cost concept that was originated with Southwest Airlines was copied in the UK and Ireland which was based on the Southwest airline's model with the h introduction of Ryanair and easyJet in 1995. AirAsia, founded at around the same time, brought low-cost travel to Asia.

As of 2021, the tourism industry has seen several emerging trends that are shaping the way people travel. Here are some of the current tourism trends:

Domestic tourism: Due to the COVID-19 pandemic and restrictions on international travel, more people are opting for domestic travel. Travelers are exploring their own country, visiting places they have never seen before, and supporting local businesses.

Sustainable tourism: There is a growing focus on sustainable and responsible tourism, with travellers seeking out eco-friendly accommodations, tours, and experiences. People are interested in minimizing their carbon footprint and supporting destinations that prioritize conservation and community involvement.

Digitalization: The tourism industry is becoming increasingly digitalized, with the use of mobile apps, virtual tours, and online booking platforms. Contactless check-ins and payments, as well as the use of augmented reality, are also becoming more popular.

Wellness travel: Health and wellness are a top priority for many travellers, with an increased interest in yoga retreats, meditation centres, and spas. Outdoor activities such as hiking, biking, and surfing are also gaining popularity.

Workcations: The COVID-19 pandemic has led to a rise in remote work, which has resulted in a trend known as "workcations." People are combining work with leisure travel, staying in destinations for an extended period and working remotely while exploring new places.

Adventure travel: Adventure travel is growing in popularity, with more people seeking out challenging activities such as mountain climbing, trekking, and bungee jumping.

Slow travel: Slow travel involves taking a leisurely pace to explore a destination, soaking up the local culture and scenery. People are opting for slower modes of transportation such as trains, bikes, and boats, and staying in accommodations that offer a more authentic experience.

Multigenerational travel: Families are traveling together, with grandparents, parents, and children enjoying group trips and activities. There is also an increasing demand for intergenerational travel, where grandparents take their grandchildren on trips to share experiences and make memories.

Micronations: Micronations involve taking short trips, usually over a long weekend, to nearby destinations. This trend allows travellers to experience a change of scenery without taking too much time off work or spending too much money.

Food tourism: Food tourism is becoming more popular, with travellers seeking out culinary experiences such as cooking classes, farm-to-table tours, and food festivals. People are interested in discovering new flavours and learning about the local cuisine and culture.

Budget tourism in Barcelona

Accommodation

This area includes the operation of facilities that enable tourists to stay in a place for a specific time. There are many types of accommodation, which can be grouped according to location (sea, mountain, etc.), additional services offered (spas, apartments, etc.) and the price paid for their use (hostels, hotels, etc.). Thus, there is a great variety of accommodation options such as hotels of different categories, guesthouses and inns, rural homes, spas, camping sites, hostels, mountain refuges, and tourist apartments, amongst others. It should be noted that, according to the Spanish Economically-Active Population Survey (EPA), the accommodation sub-sector employs 12.1% of all people working in the industry.

Seasonal famous destination Barcelona has an uneven distribution of unequal accommodation types by ratings. It is famous for a variety of luxury hotels and a lack of budget hotels. According to web platforms such as booking.com, budgetplaces.com and hotelbeds.com in the city centre of Barcelona there are only 50 hostels. Besides there are 36 one1 star and 37 two2 star hotels in the city. To compare to luxury accommodation type there 176 four4 star hotels and 39 five5 star hotels. Due to the development of low-cost carriers Barcelona is receiving more and more tourists with a fixed low budget. However, a lack of accommodation types for this segment shows a problem in an accommodation industry of the city.

A long time ago after Olympic Games Barcelona created an image of the city where world famous conventions and exhibitions are taking part. To do that there was a huge invest on the construction of luxury local and international hotel brands. As Barcelona was creating a luxury image in the world, inbound tourists discovered it as better segmentation part as a summer leisure destination. Starting from the 1990s the tourist flow to the city is growing. Last year Barcelona received almost 8 million, 7.874.941 million tourists from all over the world. 62,3% of which were leisure tourists. Professional tourists are only 24,1% of inbound tourism of Barcelona.

Starting from 1990 when professional tourists were 69,1% of tourists, the proportion amount of business tourists is decreasing every year. However, it does not affect the accommodation types the same way. In 2014 there are only 16 more 1 star hotel than it was in 1990; where at the same time 4-star hotels yet there are now almost 5 times more 4-star hotels than there were in 1990.

This inequality problem for Barcelona matters more is exacerbated with the development of low-cost carriers over the past 15 years, which have led to a substantial increase in passenger arrivals. This increase in passenger numbers has not been matched by an increase in accommodation facilities at the lower end of the market, a gap which has been filled by small private landlords providing rental flats. Many of these do not have touristic licences and are thus a form of illegal accommodation. As a result of lacking low-cost accommodation types another problem is becoming a social issue: illegal accommodation. This includes apartments, rooms and beds for rent. When the demand of these kinds of accommodation types is high and a supply is low the city starting to suffer from illegal accommodation types. There is small possibility to count them and control them. Given their small size and private nature, they are difficult to control. These illegal accommodation types often cause social and financial problems. The main social problem of illegal accommodation in Barcelona is local people and neighbours. During the summer in the main touristic streets of Barcelona tourist can notice protesters and people who are not satisfied with the damage illegal accommodation causes. Besides, that this kind of accommodation is financial problem for the city as there is no tax regulation for those apartments. Thousands of tourists are using this kind of accommodation for long and short stay, people are creating social platforms and applications to make it easy attract tourists. Until July 2014 world famous application Airbnb was helping thousands of people to find an efficient accommodation in Barcelona and other main touristic cities of the world. In July of the same year Spanish government decided to apply a taxation form for users of this application in Spain.

The role of low-cost carriers' development

Spain is among the world's top three countries for receiving international tourism, European countries being the principal market. For its part, Catalonia is the Spanish autonomous region which receives most international tourism in recent years. One relatively recent phenomenon is the increase in what is known as low-cost tourism, and in particular the type of

tourism which uses this type of airline as a means of transportation. In 2005, a total of 15.3 million passenger arrived in Spain on low-cost airlines from other countries, which represents 29.7% of the total number of passengers arriving by air (51.4 million), 30.8% more than previous year, continuing the strong growth observed since 2000. Catalonia is the autonomous region which receives the most low-cost airline passengers, 24.6% (3.8 million passengers) of the total (IET, 2006c). The process of establishing and expanding low-cost air travel is now becoming much more generalized throughout Spain, by means of both the secondary airport model which specialize in low cost airlines (as is the case with Girona-Costa Brava airport), and more established airports which have a tradition of operating flights with traditional/legacy airlines.

Barcelona is one of the accessible cities in the Europe. Situated on the coast of Mediterranean Sea, Barcelona can be accessed by airplanes, ships, cars, trains and buses. Nowadays the most famous transport that tourists use to arrive into Barcelona is by airplanes. The city can be reached by 3 airports. The biggest one is El Prat which is situated 25 minutes far from city center and it consist of 2 terminals. It is a destination and hub for lots of numerous low-cost carrier companies such as EasyJet, Vueling, WizzAir, GermanWings and etc. EeveryEvery year El Prat airport recievesreceives more than 35 million national and international passengers.

Another 2 airports, Girona and Reus, are an hour far from city centre but it can be easily accessed by train. Girona airport is a hub for Europeans leader low-cost carrier Ryanair. Even though these airports are not as that accessible as El Prat, thousands of passengers are using these airports to find most economical way to travel. As statistics shows, most low-cost carriers are not using main airports of the city as it is more costly to maintain the plain and has more due to higher additional fees. That helps them stay more economic as the biggest part of the cost are airport fees.

For many more decades one of the most efficient transport type for budget tourists was the motor vehicle. Tourists were hitch-hiking to get free lifts by passing vehicles. By using this method, budget tourists could arrive to a destination without spending anything from their budget. Nowadays, this method of travel is also used by a lot of tourists especially in North America and Europe. Following the technological boom and smart-phone decades, there are now a lot of applications that are developing a hitch-hike system. As now, rather than spend time on the road in the different weather conditions, tourists can download an application or go to website that allows them arrange a road trip with vehicle driver. One of the well-known applications of this

kind is www.blablacar.com. This website and application have numbers of different driver profiles traveling and driving up tourists to destinations by earning money. This is both side efficient deal benefits both parties as the driver makes his trip cost less and the tourist is paying a small amount of money to be delivered to the place they want to go.

The less efficient but still a way to travel to Barcelona is bus and train. Unlike other travel methods these are more costly and takes a lot of time to be delivered. Barcelona has 2 main train and both stations connected with most of the national cities. Also, there are international routes to nearby countries that allows tourists to travel internationally. Nevertheless, after analysis and personal experience in the budget traveling it is clear that the most efficient, both financially and from the time consumption way is a travel by using low-cost carriers.

Food and beverage development

Restaurant services comprise activities linked to the provision of food and beverages. Specifically, the services can be sorted according to variables such as the place where the service is offered and the number of people that use it. Thus, on the one hand, there are premises that offer individual service such as cafeterias, bars, restaurants or other less customary establishments such as casinos, theme parks, etc.; and, on the other hand, there are restaurant services for communities, offered at training centres, health centres, company dining-rooms, etc. It should be said that the restaurant services sub-sector is the largest employer of people within tourism and hospitality industry, accounting for 42% of the total.

Unlike other summer resort cities in Europe, Barcelona is one of the cheapest in the list. Even in comparison to with Nice, France, prices for accommodation, food and entertainment are much lower. There is a huge opportunity for the budget tourist to try local food, nice restaurants and bars.

Spanish cuisine is famous all over the world, which make a lot of people travel and try local cuisine. Barcelona has a combination of Spanish and Catalan food. As a lot of wealthy tourists are traveling to Barcelona to try local food in the world's the best restaurants, Barcelona is diverse enough to have the same opportunity for budget tourists. Thus, there are a lot of local bars and restaurants where tourist can try local food and be in surrounded by local culture. If in another

cities a tourist has small choice and most probably cannot try local cultural food, Barcelona makes it easier for tourists of all kinds.

The city of Barcelona offers a rich diversity of attractions, yet it faces challenges in providing affordable access to all visitors. The entry fees for many attractions and museums are considerably higher than the average, which can limit accessibility for budget-conscious tourists. As a result, a significant portion of these visitors may be unable to fully explore all monuments and attractions. This is in contrast to ski resort destinations, where high costs are also prevalent but are often justified by the unique experience and seasonal nature of skiing. In these resorts, higher prices are typically more accepted by tourists, who are often prepared to pay for exclusive access to ski slopes and winter sports facilities.

However, many of Barcelona's architectural highlights, such as the works of Antoni Gaudí and other renowned architects, are accessible from the streets without any charge. This allows tourists to experience a substantial portion of the city's cultural and historical heritage without entering paid venues. Entry fees are only required for those who wish to access museums or additional exhibits located within these architectural sites. This differs from ski resorts, where there are fewer free options available to visitors.

In many major tourist destinations globally, hop-on-hop-off buses have remained an efficient and popular means of city exploration. This mode of transportation and sightseeing offers tourists a comprehensive overview of the city's layout, cultural landmarks, and historical context. This sector is experiencing growth across various cities worldwide, indicating its continued relevance and appeal.

In Barcelona, this service is provided by two different companies, each offering three distinct routes around the city. These tours include multilingual information, available in over six major languages, to cater to a diverse international audience. This approach not only facilitates city exploration but also enriches the tourist experience by providing context and education in the visitor's preferred language. The pricing of these bus tours, while potentially seen as an added cost, is relatively moderate compared to both the high entry fees of urban museums and the premium pricing at ski resorts.

Low-cost accommodation types

Hostels.

Hostels are the most well-known cheap accommodation type among budget tourists. Hostels provide budget-oriented, sociable accommodation where the guest is renting a bed in a dormitory and with a shared bathroom, lounge and kitchen. The dormitory can be mixed or single-sex. Sometimes hostels can provide the guest with private rooms. Most of the hostels in the world are self-catering and do not have the same formality level as hotels.

The independent hostel industry is growing very quickly fast in the main touristic cities such as New York, Miami, Buenos Aires and Paris. The development of independent hostels in the world is counts as a strong business model. A lot of hostels in the different cities of the world are reporting a higher average income per room than in hotels. The main idea in the hostels is running by occupancy numbers. The example of the city of Honolulu, Hawaii shows that the average hotel room cost is between \$141 to \$173, while an average hostel room in the same city in the same season reports \$200 per night.¹⁹

Even if hostels were considered as low-quality accommodation type for less-wealthy tourists, studies show that on average a guest in hostel is spending more than a guest of hotel due to their his longer stay. According to an Australian study, low-cost tourists facilitate almost \$3.4 billion and stay an average 34,2 nights.²⁰

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Every year the association of Youth Travel Accommodation publishes reveals a review of the business operations of the hostel sector. The study is made in partnership with Hostelling International and Web Reservations International. The study of 2010 includes:

- . Average occupancy rate is 56%
- . Occupancy level is higher in Asia
- . The sale of beds is contributed for 70% of total revenue, and F&B sales 14% of revenue

- . The average bed in hostel costs €21 in high season and €15 in low season.
- . The main cost for hostel establishments are staff and premises, and together are accounted to 45% of total expenses
- . Marketing cost is only 10% of the total budget

Online accommodation platform Airbnb

Development of technology shows itself in every industry of world. It has a huge effect on tourism, as well on budget tourism. In our smart-phones we can easily access to different websites and download various applications. One of the most famous websites of the last decade in budget lodging is Airbnb. It is a website and also an application platform that helps travellers find accommodation. It was founded in 2008 in San Francisco, California.

Airbnb runs on the market place platform model where it helps to connect host with traveller. On its database it has more than 1,500,000 in 34,000 cities and 190 countries.

In every city that Airbnb is launched, it has a lot of positive impact on the economy of the city and country. In the last 2-3 years, Airbnb group accomplish different studies about the economic impact of the program activity in various cities of the world. One of the main ideas of the Airbnb, is not only connect hosts with travellers and provide them with lodging, but also give the travellers unique experience of being a tourist and living as local. Because, nowadays the tourist does not want just visit touristic sights of the city, they want to see the city as a citizen and local. Study shows that 91% of the tourists wants to live as one more inhabitant of the city, and 79% of the travellers want to explore the specific neighbourhood. Furthermore, Airbnb travellers accommodate longer than a normal guest in the hotel and they spend more in different neighbourhoods of the city. The duration of the Airbnb tourist staying and spending is 2,1 times more than a normal tourist. As a fact 74% of the tourists using Airbnb to accommodate are staying in out of the main touristic zones and 42% of them are spending money in the same neighbourhood that they are staying.²¹

Besides that, Airbnb hosts in all over the world are getting a huge benefit from sharing their living places. The same study that was done on hosts of Airbnb shows that 52% of hosts have

medium or low income. Also, 53% of hosts, by renting out their rooms could pay for their monthly rent and could stay in their apartments.²²

However, nowadays Airbnb is facing legal troubles in most of the cities of the world. Airbnb as an online platform allows individuals to rent out their homes or rooms. While this is not illegal, in many cases the rentals that are advertised on this platform do not suit conform to local housing laws and regulations. In most of the cities, an owner cannot rent out the apartment for short periods unless he is leaving also living in the property. Unsurprisingly, the hotel industry are is also against Airbnb, as it makes it easy for travellers to find cheap accommodation. Economist reported that in 2016 Airbnb will take 10% of hotel takings and it is enough to send many businesses under.

Hostals

Hostal is a new term that a lot of people most probably have not heard of about it. However, tourists that travels to Spain or Hispanic America can meet face with this new term on their travels in tourism. A Hostal is a type of lodging that is mostly found in Spain and Hispanic America. It is a concept of low-cost hotel, without any level of stars. Normally, hostals have a bar, restaurant or cafeteria where they serve food and beverages not only to guests of the hostel but also to locals.

This type of accommodation typically includes small private bedrooms, or in some cases apartments either for long or short time period. Sometimes, the bedrooms in hostals does not have a private bathroom, so the guest should share the bathroom with other hostel clients. In some hostals there could be two or more different categories of rooms, some of which could have private bathroom in the bedroom. Linens and towels are usually provided by the hostel, however not all hostals provide everyday cleaning and changing bedsheets and towels. If it is long stay, guest might be provided by cleaning after some period of staying in the hostel. Usually, it is 3 or 4 days. Depending on the price and room type, some hostals might provide guests with small breakfast or half board.

Hostals are very common in Spain and also in Mexico, Central and South America and California. Often, they are family-run, independent businesses with a strong involvement with the local community.

Hostals are an accommodation type between hostel and hotel. The main difference from the hostel is that, while hostels are providing shared accommodation type, usually in a dormitory with 6 or more people, hostals are providing private bedrooms and in some cases bathrooms. In the case of Mexico, for example, a hostel is just a Spanish word for hostel, however in these hostals they can provide both dormitories and private rooms. This type of lodging is ideal for backpackers, youth and those travellers with little funds of accommodation.

Hostals are classified from one to three stars, unlike the hostels which are not classified under the star rating. It is also different from hotels, which have different star classification from one to five stars.

Other budget accommodation types

Besides those of already mentioned above, there are more different long-term lodging types that can help a traveller reduce the cost of the trip. One of the most common one is a new trend in tourism sector, which is hospitality exchanges. It is one of the best ways to get free accommodation and to obtain that a traveller should find someone who lives where he or she is going. This kind of lodging are not only saving accommodation costs for 100%, but also gives a chance for the tourist to live a local life, meet new people and get information from the city locals.

When this kind of lodging started to be more famous among low-cost travellers, there started to appear new website websites and applications that helps hosts find tourists and other way around vice versa. One of the biggest successful in this type of accommodation is couch surfing. It is a world-wide company that puts hosts and travellers together in one website, where travellers can achieve their goal: find free accommodation. The goal of the site is not only to help travellers to save money on accommodation but also learn about the culture by being able to stay and interact with a local.

Couchsurfing International Inc. was formerly a non-profit organization registered in the U.S. Nevertheless, in August 2011, Couchsurfing announced its change of status to a for-profit corporation. Before site was functioning by volunteer investments which contributed \$15 million. However, after its liquidation the company that its assets where sold started to apply an annual fee of \$25. This had security implications. Explaining this with the safety, as by doing this they could an verify the access to a member's credit card and other information.

One of the most common but least comfortable accommodation types is camping. Depending on the city and its camping facilities and season, the tourist can set up a camp without any charges from the government in most cities of the world. It is an outdoor recreational activity. Generally held, it is more for nature and outdoor time spending than to provide the enjoyment. Camping became popular among elites in the early 20th century. Tourist can use shelters, tent caravan or other primitive structure.

There are different forms of camping in the world. Even if the idea of camping was created as a nature recreational tourism type, nowadays there more than 25 different camping types. One and main of them is urban camping. Although, it is not a comfortable and joy-giving accommodation type, it is one of the cheapest lodging types.

Urban camping is very popular among budget travellers and backpackers. Campers have their own website, where they can get advice on over which city to visit, the city's camping facilities and legal aspects of it. The definition of urban camping is "camping in an urban setting by sleeping on rooftops, under bushes and in public parks".²⁴ One of the mainstreams of the urban camping nowadays is a card tent camping. Travelers are setting a car tent ion the free parking places and spend the night inside the tent. It is a rather ingenious approach to urban camping. Instead of hiding in a park or making up excuses in a public location, car tent users can camouflage themselves right in plain view. These car tents are designed to look like a car cover, so travellers can go camping in the city without being disturbed. This type of camping is now popular in biggest cities in the world, like New Year, Los Angeles, Paris, Tokyo and etc.

Sustainable Tourism

Sustainable tourism refers to tourism activities that are carried out in a way that minimizes the negative impact on the environment, society, and economy, while maximizing the benefits to local communities and visitors. It involves responsible travel to natural areas, which conserves the environment and improves the well-being of local people.

Sustainable tourism aims to ensure that tourism activities do not compromise the natural and cultural resources of a destination, but rather contribute to their preservation and promotion. It involves reducing waste, conserving energy, and using resources efficiently, while also supporting local businesses and respecting local cultures and traditions.

Sustainable tourism also involves educating tourists and raising awareness about environmental and cultural issues, promoting responsible behaviour, and encouraging visitors to take actions that will help to preserve the environment and benefit local communities. Ultimately, sustainable tourism seeks to create a positive and long-lasting impact on the places visited and the people who live there, while providing visitors with unique and meaningful experiences.

Many authors have written extensively on the topic of sustainable tourism. Here are some examples of their thoughts and ideas:

The WTO defines sustainability is applied to ‘all forms of tourism in any types of destinations, including mass tourism and the various niche tourism segments. Additionally, it relates sustainability principles with environmental, economic and social-cultural aspects of tourism development and the suitable balance that must be established between them to guarantee long-term sustainability (World Tourism Organisation, 2004).

As per Lansing & De Vries (2007) tourism is often seen as a welcome source of economic development on one hand and on the other one ‘conventional’ mass tourism is associated with various negative effects, namely ‘the destruction of ecological systems and loss of cultural heritage’.

According to Smith and Eadington (1992, cited in Butler, 1999) there is a tendency of linking a variety of forms of tourism with the concept of sustainable development. The author argues that

‘the majority of these are forms of tourism which can be characterized as being ‘green’ or ‘alternative’, in the sense that they are not part of mass or conventional tourism’.

Buttler (1999) explains this concern by describing sustainable development being as a concept, which emerged in the context of the second global wave of environmental concern, which on the other hand coincided with ‘increasingly obviously visible environmental impacts of tourism in mature destinations, and growing political support for environmental protection’.

Martha Honey: In her book "Ecotourism and Sustainable Development," Honey argues that sustainable tourism should prioritize the conservation of natural and cultural resources, while also promoting economic development for local communities.

Megan Epler Wood: In "Sustainable Tourism on a Finite Planet," Wood emphasizes the importance of integrating sustainable tourism practices into all aspects of the industry, from transportation to accommodation to activities.

David Weaver: In "Ecotourism," Weaver emphasizes the need for responsible tourism practices that minimize negative impacts on the environment and cultural heritage, while also promoting positive social and economic benefits for local communities.

Anna Spenceley: Spenceley's book "Responsible Tourism" explores the concept of responsible tourism, which involves travellers making informed and responsible choices that minimize negative impacts and maximize positive contributions to the destinations they visit.

Harold Goodwin: In "Managing Tourism Growth," Goodwin argues that sustainable tourism requires a holistic approach that considers not only environmental and economic sustainability, but also social and cultural sustainability. These authors and many others emphasize the importance of sustainability in the tourism industry and suggest a variety of approaches and strategies for achieving it.

Researchers have identified some common themes that are applicable to sustainable tourism and its description and functionalities.

Definition: Researchers note that sustainable tourism is a complex and multifaceted concept, encompassing social, economic, and environmental dimensions. They emphasize that sustainable tourism should aim to meet the needs of present and future tourists, while also ensuring the long-

term viability of tourism destinations and minimizing negative impacts on the environment and local cultures.

Impacts: After studying the impacts of tourism on destinations both positive and negative effects were identified. Positive impacts may include economic growth, job creation, and cultural exchange, while negative impacts may include environmental degradation, cultural commodification, and displacement of local communities.

Strategies for achieving sustainability: various strategies have suggested for achieving sustainable tourism practices, including destination management, sustainable tourism planning, stakeholder engagement, education and awareness, and certification schemes.

Innovations in sustainable tourism: Researchers have explored innovative approaches to sustainable tourism, such as ecotourism, community-based tourism, and responsible tourism. These approaches prioritize environmental and cultural conservation, local community involvement, and responsible tourism practices.

Challenges: Researchers have also noted that achieving sustainable tourism practices can be challenging, particularly in the face of global environmental and social issues. These challenges include climate change, over-tourism, and the need for greater industry collaboration and accountability.

In a nutshell, researchers and authors write about sustainable tourism as a crucial aspect of the tourism industry, and recommend a range of strategies for achieving sustainable tourism practices. They also highlight the importance of collaboration and innovation in addressing the challenges of sustainability in tourism.

Mountain resorts

A mountain resort is a type of tourist destination located in a mountainous area, typically offering a range of recreational and leisure activities. Mountain resorts are often located in scenic areas with beautiful mountain views and offer a wide range of outdoor activities such as skiing, snowboarding, hiking, mountain biking, rock climbing, and zip-lining. They may also offer indoor facilities such as spas, fitness centres, and restaurants.

Mountain resorts are popular destinations for tourists seeking outdoor adventure and relaxation in a natural setting. They may be located in various types of mountainous areas, such as alpine, sub-alpine, or tropical highlands. Some mountain resorts are seasonal, with activities geared towards winter sports during the colder months and summer sports during the warmer months, while others are open year-round.

Mountain resorts may vary in size and amenities, ranging from small lodges or cabins to large-scale resorts with multiple accommodations, dining options, and recreational facilities. They may be owned and operated by private companies, local communities, or government agencies. Mountain resorts provide a unique and popular form of tourism that offers a wide range of recreational and leisure activities in a beautiful and natural setting.

Business model

A business model is a framework that describes how a business creates and delivers value to its customers while generating revenue and profits for itself. It is a strategy for how a company operates and makes money.

A business model typically includes several key elements, including:

Value proposition: This is a statement that describes the product or service the business offers, and how it solves a problem or satisfies a customer need.

Revenue streams: This describes how the business generates revenue from its customers, which may include sales of products or services, subscriptions, advertising, or licensing fees.

Customer segments: This identifies the target customers that the business serves, based on factors such as demographics, behaviour, and preferences.

Channels: This describes how the business reaches and interacts with its customers, which may include physical stores, online platforms, social media, or other marketing channels.

Key resources: This includes the resources that the business needs to operate, such as people, equipment, technology, and intellectual property.

Key activities: This describes the core activities that the business performs to create and deliver value to its customers, such as product design, manufacturing, or service delivery.

Key partnerships: This identifies the strategic partnerships and alliances that the business forms with other organizations to support its operations and growth.

Cost structure: This describes the costs associated with operating the business, including fixed and variable costs, and how those costs are managed and optimized.

A business model provides a roadmap for how a business operates, creates value, and generates revenue and profits. It is a key tool for entrepreneurs and businesses to understand and optimize their operations and growth strategies.

Sustainable Business Model

A sustainable business model is a framework that describes how a business creates and delivers value to its customers while minimizing its negative impact on the environment and society. It is a business model that seeks to create long-term economic, social, and environmental sustainability, rather than solely focusing on short-term financial gains.

A sustainable business model typically includes several key elements, including:

Sustainable value proposition: This is a statement that describes the product or service the business offers, and how it creates sustainable value for its customers and the wider community.

Sustainable revenue streams: This describes how the business generates revenue from its customers, while also considering the impact on the environment and society. This may include

pricing strategies that reflect the true cost of production, or revenue-sharing models that incentivize sustainable behaviours.

Sustainable customer segments: This identifies the target customers that the business serves, based on factors such as their sustainability values, behaviour, and preferences.

Sustainable channels: This describes how the business reaches and interacts with its customers, while minimizing its environmental footprint. This may include digital channels, sustainable transportation, or circular supply chains.

Sustainable key resources: This includes the resources that the business needs to operate, such as renewable energy, sustainable materials, or ethical sourcing practices.

Sustainable key activities: This describes the core activities that the business performs to create and deliver value to its customers, while minimizing negative impacts on the environment and society.

Sustainable key partnerships: This identifies the strategic partnerships and alliances that the business forms with other organizations to support its sustainability goals and objectives.

Sustainable cost structure: This describes the costs associated with operating the business, including the true cost of production and the cost of mitigating negative environmental and social impacts.

Del Baldo & Baldarelli (2017) define Sustainable Business model as one where sustainability concepts are the driving force of the firm and its decision making. The authors state that it encompasses a wide range of change within the organization, as well as in its external network, than traditional business models.

Schaltegger et al (2016) state that that no sustainable value can be created for customers without creating value to a broader range of stakeholders, therefore 'a business that contributes to sustainable development needs to create value to the whole range of stakeholders and the natural environment, beyond customers and shareholders.

A sustainable business model is a key tool for businesses to create long-term economic, social, and environmental sustainability, while also creating value for their customers and stakeholders. It is a way to balance the needs of the business with the needs of the wider community and the planet.

In order to evaluate the sustainability criteria Fisher (2014) had developed an evaluation schema that reflects the positive and negative impacts on the environment, society and economics. The schema consists of 10 items (divided into three categories: environmental, social and economic impacts) which are evaluated on a scale from 1-5, where 1 represents the most unsustainable option and 5 - the most sustainable option. (Table 3)

Table 3 Fischer’s evaluation scheme, source: Fischer (2014)

<p>Impact: high - low Journey to/from destination: long distance – short distance</p>	<p>1 Intercontinental flight (distance >3000km), often with one or more stop-overs</p>	<p>2 Intermediate flight (distance 500 to 3000km), usually with a continent, without stop-overs, or a long haul trip using an uneconomical car</p>	<p>3 Long-haul car trip (distance 2000km or more)</p>	<p>4 Long-haul trip by train, or short-haul car trip</p>	<p>5 Short-haul trip by train and /or other local transport systems, or bicycle</p>
<p>Travel at the destination: highly – little energy consuming</p>	<p>Using fuel-guzzling vehicles (e.g. cross country vehicles, motorbikes, quads, motorboats, usually not with the aim of reaching another place but for having fun</p>	<p>Using vehicles like convertible, motorbikes or quads for the pleasure of driving, but also as a means of transport</p>	<p>Renting car (if arriving by air) similar to the one at home with the purpose of visiting natural, cultural or recreational attraction, or using own car at the destination</p>	<p>Renting a small, economical car (if arriving by air) with the purpose of visiting natural, cultural or recreational attraction, or using own car for exploring the vicinity</p>	<p>Mainly walking, hiking and riding a bicycle, occasional use of buses and other local transport systems in order to reach interesting places</p>

<p>Accommodation: comfort high - low, owner's external – local</p>	<p>First class holiday resort with swimming pools, international restaurants and international food, bars, shopping center, sometimes with casino, often conceived as isolated unit enormous quantities of energy and water producing a lot of waste</p>	<p>High standard hotels or resorts, in urbanized tourism destinations with restaurants, discos and shopping centers, or large recreational vehicle</p>	<p>Private owned big hotels and /or restaurants, or small caravan</p>	<p>Private owned big hotels and /or restaurants, or small caravan</p>	<p>Tents, cabins, research stations</p>
<p>Authenticity: not important - important</p>	<p>Same comfort, food, drinks, and music as at home, or higher comfort, more food and especially more beer/drinks than at home, local food, spices, music and culture is of no interest, and neither is the landscape, as long as there is sea, sun and sand</p>	<p>Similar comfort as home (or better), partial interest in folklore, whalewatching, a trip by cable car to the top of nearby mountain</p>	<p>Enjoying the local culture and tradition, local food, history and buildings, interest in how people live at the destination</p>	<p>Interest in in local food, visits to museums or natural history and on the culture of the visited area, reading books about the destination and enjoying the landscape</p>	<p>Wilderness, or living with or in ways the locals do or did</p>
<p>Activities: artificial - nature based</p>	<p>Events and fun: visiting discos, dance parties, entertainment, fun parks , and other events with no relation to the</p>	<p>Doing sports that requires, e.g. physical strength (i.e. cross country cycling,</p>	<p>Leaning (a little) about the nature and/or culture of the destination by</p>	<p>Hiking, swimming, visiting museums, mountain climbing, and – among other things – sunbathing</p>	<p>Long distance hiking, staying overnight in the wilderness, watching or studying animals,</p>

	destination's culture and tradition, driving high speed cars, motorbikes, quads or motorboats, not leaving the resort for the entire duration of the holiday, maybe with the exception of a few hour's safari	cross-country skiing, or paragliding), spending the evenings with dinners and discos	visiting natural and cultural highlights, but also swimming, sun-bathing and relaxing		taking pictures, learning about local nature and culture
Impact on ecosystems at the destination: high – low	Hotel resorts built on the best beaches (best for tourist), not respecting requirements of the nature (e.g. destroying important breeding places for sea turtles), high water consumption, often in dry areas, resorts and access roads intersecting or totally destroying natural ecosystems, production of large quantities of waste, airport and access	Existing settlement enlarged for tourists, energy-saving infrastructure, but nevertheless destruction of the local environment close to the tourist centre	Medium-sized hotels with moderate road access, need of children's paddling pools, hiking on trails or roads, moderate soil erosion on mountain tops, where many people stay on unpaved ground	Small roads only, causing little soil erosion, staying on hiking trails	Staying outside, sleeping in cabins, no littering, no collecting or rare and /or endangered plants, no disturbance or feeding of wildlife

	roads close to the tourist centre				
Protection activities (indirectly/directly) supported: no – yes	No support of protection measures in the region	Part of the visitor's money used for leaflets on the beauty of the region/the region's ecosystems	Indirect support of nature protection measures by bringing money to the region, or direct support due to entrance fees to national parks	Indirect support of nature measures by bringing money to the region, in addition to use of a part of the (visitor's money) for improving the ecological situation, or tourists have to pay fees (e.g. for visiting a national park), and nearly all of the money goes to the protected area's administration for improving protection	Indirect support of nature protection measures by bringing money to the region plus use of most of the (visitor's taxes) (and maybe additional government money) to establish a well-working public transport system for both locals and tourists to improve the ecological situation, or tourists have to pay fees (e.g. for visiting a national park), and nearly all the money goes to the protection area's administration for improving protection

<p>Impact on socio cultural structure: high – low</p>	<p>Touristic centres: highly attractive for job seekers, complete change of the local communities' structures due to foreign influence, local people change their behaviour (e.g. farmers become waiters), traditions are commercialized and are no longer part of the daily life of the local people, local people are urbanized with respect to physical and social structures, prostitution</p>	<p>Tourist resort and hotels are large compared to the size of the local community, they are only partly integrated in the social structure of the community, a trend towards urbanization is clearly visible</p>	<p>Villages gave been enlarged by tourism, more and larger hotels, guesthouses, and restaurants have been built, but most of the jobs are held by people from the region, local culture is not fundamentally changed</p>	<p>Villages still have their regional character, special places for events (disco, open-air cinema) are scarce or non-existent, the region is neither overcrowded by foreign guests nor by job-seekers</p>	<p>Few tourists, therefore little impact on local culture, farmers remain farmers, local people detain old traditions</p>
<p>Money flow to : international companies – local</p>	<p>Most of the money goes to airlines and international travel agencies or hotel chains, only a small share goes to local people (e.g. tips, badly paid</p>	<p>Most of the money goes to airlines, national transport companies, national or international travel agencies, owners of large hotels with their</p>	<p>Most of the money goes to hotels, owners of park lots, privately-owned restaurants</p>	<p>Most of the money goes to the (local) owners of small hotels, guesthouses, cottages, restaurants and to local guides (e.g. museums)</p>	<p>Most of the money goes directly to privately owned local hotels, restaurants, cottages and food shops, to shops offering local</p>

	unqualified jobs)	head-quarters often at the economic centre of the country			handicrafts, and local guides
Education efforts: none - a lot	No educational facilities/activities offered, and none demanded	Folklore events, public evening presentations offered and demanded	Half - or one- day trips to touristic attractions offered, many tourist are interested, leaflets and booklets, information panels	Guided tours not only to the touristic main attractions, but also to more sophisticated destinations (e.g. churches, vineyards, breweries, honeyfarms) offered and made use of	Museums and /or information centers, research stations, guided tours, information sheets, information boards and booklets available, everything intensively used by tourist

ii. Methodologies

An exploratory case study approach was selected to delve into the intricacies of internships and gain a comprehensive understanding of the research problem. This study employed a variety of research techniques, including direct observation, primary data collection (document analysis, examination of organizational documents), and surveying. To analyze the collected data, a within-case analysis was conducted.

Data Collection

The methodology utilized two primary data sources:

Primary Data:

Personal Communication: Interviews were conducted with resort members, executives, managers, and clients to gather first hand insights.

Observation: The researcher immersed themselves in the resort environment, observing activities, experiencing the resort as a guest, and analyzing the work processes.

Direct Interviewing: Interviews were conducted with the chairman, members, and directors.

Secondary Data:

Published research reports, books, journals, and articles.

- Official documents.
- Online cloud-shared files.
- Personnel department records.
- Research Questions

To justify the exploratory approach, the study analyzed and verified various aspects of the research topic. For the sake of simplicity four key research questions were investigated:

1. Is a mountain resort suitable for low-cost tourism development?
2. How does introducing low-cost tourism in a mountain resort affect business development?
3. Is low-cost tourism development in mountain resorts suitable for a sustainable tourism model?

iii. Analysis discussion

The following sections will delve into each of the four research questions, providing a comprehensive analysis and answering them based on the collected data and findings.

Research question 1: Is a mountain resort suitable for low-cost tourism development?

Based on the analysis, the mountain resort's geographical location, infrastructure, and cost factors make it unsuitable for low-cost tourism development. The resort's target market should be aligned with its unique characteristics and focus on attracting high-end or specialized tourists who are willing to pay a premium for the experience. There are several factors that support the above-mentioned statement. Remote location is a first and main reason and creates an obstacle in front of the low-cost tourists that want to visit the resort. The resort is situated in a remote mountainous region, far from major transportation hubs and popular tourist destinations. The nearest airport is located 3 hours or approximately 250 km (by car) far from the destination and limited connectivity and lack of awareness decreases the chances for low-cost tourism arriving by air to visit the place. To explain in details, tourist arriving by air needs to take a shuttle bus that heads to the city center where in the walking distance there is a metro access. Using the metro, the tourists arrive at bus station where all the buses operating between the city hold a major hub. From there bus heading towards city Qusar should be taken an approximate 180 km road needs to be achieved. Finally arriving to Qusar the tourists should take shuttle busses provided by the resort with another 30-50 mins of route to arrive to the resort. During the time of working there and surveying most of the guests arriving to the resort, none was encountered that has made this route in order to arrive to the Shahdag Mountain Resort. This inaccessibility makes it difficult for budget-conscious travelers to reach the resort without incurring significant travel expenses. The lack of affordable lodging options also significantly limit the appeal of the resort to this market segment. As previously given in details regarding the accommodation types, the resort offers only high-end, luxury accommodations, which are often beyond the budget of low-cost travelers. It is noteworthy to mention that a new three-star hotel is currently under construction within the resort's premises, with operations expected to commence in January 2025. However, there remains uncertainty regarding how its pricing strategy will influence its popularity and whether it will appeal to the budget tourism segment. Another hotel within the resort, originally opened as a four-star establishment and later downgraded to three stars, still retains many of the amenities characteristic of a four-star hotel and thus maintains pricing that reflects the services provided. This situation suggests that budget-conscious tourists may face challenges in finding suitable accommodations within the resort.

Conversely, it should be noted that in the vicinity of the resort, several small villages offer more affordable accommodation options. These include rooms within private homes or separate houses provided by local residents. Generally, these lodging options are considerably cheaper than those offered by the resort, though they also provide a lower standard of quality and are not regulated by official agencies. The clientele for such accommodations typically consists of drivers who transport families or groups of tourists to the resort and require an overnight stay to facilitate a return trip the following day.

The mountain resort currently offers limited amenities to cater to tourists on a tight budget, which poses a challenge for those seeking affordable options. Most of the accommodations within the resort are mid- to high-end, with prices reflecting the extensive services and facilities typically offered by higher-category establishments. As a result, there are few options for travelers looking for low-cost lodging that aligns with their budget constraints.

Furthermore, the dining and entertainment facilities available at the resort are primarily designed for guests staying in more expensive accommodations. Affordable dining options, such as low-cost restaurants or cafes, are scarce, forcing budget-conscious travelers to spend more than planned or to seek alternatives outside the resort area. Similarly, recreational activities within the resort tend to have high entry fees, and there are few free or low-cost activities available, limiting access to these amenities for tourists with a limited budget.

The lack of public transportation or affordable shuttle services within the resort also restricts the mobility of budget-conscious tourists, making it difficult for them to explore the surrounding areas or access local amenities that may offer more affordable options. Overall, the resort's current setup seems to cater more to tourists willing to spend on premium services, leaving a gap in the market for amenities that could accommodate budget travelers looking to enjoy the mountain experience at a lower cost.

Research question 2: How does introducing low-cost tourism in a mountain resort affect business development?

Several cost factors contribute to the high prices at Shahdag mountain resort, making it a significant driver of overall expenses for visitors. One of the primary factors is the substantial

investment required to maintain and operate the resort infrastructure. After conducting interviews with several key individuals, including the chairman, the deputy chairman for accommodation services, the deputy chairman for financial issues, and various other department heads, it became evident that numerous cost-driving factors influence the resort's pricing policy. Furthermore, the fact that the resort operates as a government institution and relies on annual grants from the government complicates efforts to manage operations efficiently and reduce costs. This includes the cost of ski lift installations, snow grooming equipment, and the constant maintenance needed to ensure safe and efficient operations. The expense of maintaining ski slopes, managing ski patrols, and ensuring optimal snow conditions—often through artificial snowmaking—adds considerably to operational costs. Additionally, resort is located in remote, mountainous regions, where logistics for supplies, staffing, and maintenance is more complicated and expensive. Also taking into consideration that in the country, Baku is the most important hub where all the production and facilities locate and the resort is 3 hours far from Baku, transportation of goods and services.

The need to pay competitive wages to attract skilled staff in remote areas is a critical factor influencing the high prices explain HR director during the interview. As an experienced HR manager in mountain resort he states that due to the challenging location and environment, ski resorts must recruit personnel who possess specialized skills, such as ski instructors, snow groomers, maintenance workers, hospitality staff, and safety professionals. These roles require specific training and experience, which limits the pool of potential candidates. Furthermore, the location of resort mean that prospective employees must be willing to relocate which can be deterrents unless the compensation offered is sufficiently attractive. In addition to logistical challenges, working in a remote and often harsh mountain environment can be demanding and physically exhausting, further justifying the need for higher wages. The cost of living in these areas may also be elevated due to the scarcity of local amenities and the need to import goods and services, which necessitates offering higher salaries to compensate employees adequately for these additional expenses. Competitive wages are crucial for retaining skilled staff in an industry that is highly seasonal and where the demand for qualified personnel peaks during the winter months. High turnover rates can lead to increased training and recruitment costs, which resort aim to minimize by offering better compensation packages to maintain a stable and experienced workforce. This need for competitive pay contributes significantly to the operational costs of ski

resorts and is ultimately reflected in the higher prices charged to guests. Another factor is that the resort is government managed and it receives an annual subsidy, and unlike the other establishments and the hotels that are located on the territory of the resort and not only, most of which are closed during the off season the government managed ski resort and all establishments within it are restricted from closing during the off season. The biggest reason is a social welfare of the region. It is a strategically important for the government to maintain jobs in the region throughout the year in order to provide North region of country with enough work places and ensure people of the region are maintain the standard of living. For these reasons cutting costs by totally or partially closing the resort is excluded from the options. By ensuring that wages are competitive, ski resorts can attract and retain a workforce that meets the high standards required for safe and enjoyable skiing experiences. This strategy is essential for maintaining the quality of service that guests expect, particularly in an industry where the reputation for excellence and safety can directly impact a resort's success and profitability. In addition, ski resorts cater to a clientele that often expects a certain level of luxury and exclusivity, which can lead to additional costs for premium services and amenities. High-end lodging, fine dining options, spa facilities, and après-ski activities are all part of the resort experience that many visitors seek, further driving up prices. Overall, these various cost factors—ranging from infrastructure maintenance and logistical challenges to the economic need to capitalize on seasonal demand—are significant motivators behind the high prices found at ski resorts.

Market analysis.

In order to make a market analysis of the low-cost tourism opportunity in Shahdag resort will be used 2 different ways for analysis already existing and potential market in case of further development of this tourism type. First tool for analyze the market will be TOWS analysis. The next tool to analyze the market will be Porter's Five Forces. Porter's Five Forces are better for developed market and business analysis tool that helps to examine the situation more deeply.

TOWS.

This well-known classic business tool helps to analyze the external environment (threats and opportunities) and internal environment (weaknesses and strengths). These techniques can be

a good tool to think about the strategy of whole organization or business. It can also be used as a process, a marketing campaign. TOWS analysis will help to understand better the strategic choices that the business is facing. The original and more well-known variant of this analysis is SWOT analysis. However, after a small research and studies of professors in university it has been decided that focusing on threat and opportunities first helps lead to productive discussion about what is going on in the external environment rather than getting bogged down in abstract discussions about what a company is good or bad at. Following this advice for development and analysis of low-cost tourism opportunity external factor of the market should be analyzed first. Existing market nature and competitiveness of the market and other external factor should be examined. To do that analysis should start with point out factor of threats and opportunities of the existing market. After accurately checking external factor, internal weaknesses and strengths could be analyzed.

Threads. Low-cost tourism can create several problems for Shahdag, which usually depend on attracting higher-paying customers. One of the main issues is the potential drop in revenue. Resort has high costs for things like maintaining lifts, grooming slopes, and providing safety services. If they lower their prices to attract budget tourists, they might not make enough money to keep up these standards, which could lead to a decline in the quality of the resort. It was mentioned that Shahdag mainly relies on the subsidies from the government however it has a yearly turnover of 15 million Manat or 8.8 million USD. Each year Shahdag decreases its financial dependent from the government subsidies by increasing the revenue and minimizing the costs. Another problem with low-cost tourism is overcrowding. Cheaper prices can bring in more visitors, especially during peak times, which can lead to long lines, crowded slopes, and a less enjoyable experience for everyone. If a resort becomes too crowded and the quality of the experience drops, it might lose its appeal to higher-paying customers who are looking for a more exclusive and high-quality experience. Environmental damage is also a concern. More visitors, especially those focused on budget travel, might not be as careful about their impact on the environment. This can lead to more litter, damage to the slopes, and stress on the local environment. Resorts located in sensitive mountain areas may struggle to balance the increase in low-cost tourists with their environmental goals. This sustainability part points will be discussed broadly during the next responses.

The local economy and community might also suffer. High-end tourists usually spend more on local businesses like upscale restaurants, shops, and spas. If the resort shifts to attract more budget

tourists, demand for these businesses could decrease, leading to potential job losses and a weaker local economy. The resort's reputation could take a hit as well. A place that is known for luxury and exclusivity might see their brand weakened if they become associated with budget tourism. This could make it harder for them to attract high-spending guests in the future and maintain their status as a premium destination.

Opportunities. Low-cost tourism offers to the resort several opportunities to grow and attract more visitors. By offering affordable options, Shahdag can appeal to a wider range of people, including families, students, and young professionals who might not normally afford a ski trip. This can help fill the resort during slower times, like weekdays or off-peak seasons, when fewer people usually visit. One big opportunity is attracting new customers who might become regulars. When people experience skiing or snowboarding at an affordable price, they might come back in the future and even spend more as their interest and income grow. Low-cost tourism also can bring a more diverse group of visitors to the resort, creating a lively and fun atmosphere that can make the experience more enjoyable for everyone. Offering budget-friendly packages can attract large groups, like school trips or company outings, which can bring steady business and good word-of-mouth advertising. Even with lower-priced tickets and accommodations, Shahdag can still make money through other services. Budget travelers might still spend on things like ski rentals, lessons, food, and souvenirs. By providing affordable extras, the resort can increase its overall earnings. Low-cost tourism can also push ski resorts to be more efficient and innovative. To keep costs down while offering lower prices, resorts might invest in new technologies or find smarter ways to run their operations, like using automated check-ins or partnering with local businesses for deals. These improvements can benefit all visitors, not just those on a budget.

Weaknesses. Offering lower-priced services and accommodations can significantly reduce the profit margins for the resort. Resort has high fixed costs for maintaining infrastructure, equipment, and staff. Lower prices may not generate enough revenue to cover these costs adequately, leading to financial strain. A focus on low-cost tourism can dilute the resort's brand, especially if it is known for luxury and exclusivity. Attracting budget-conscious travelers might change the resort's image, making it less appealing to high-end customers who expect premium services and a more exclusive experience. Additionally, lower prices can lead to an influx of visitors, especially during peak seasons. This can cause overcrowding, leading to longer wait times for lifts, congested slopes,

and an overall decrease in the quality of the experience for all guests, including those who paid full price. It is worth to mentioned that, higher visitor numbers can result in increased wear and tear on the resort's facilities and infrastructure. This can lead to higher maintenance costs and more frequent repairs, which can strain the resort's budget. One of the main issues is an increase in budget tourists, who might be less conscious of environmental issues, could lead to greater environmental degradation. This includes more litter, damage to natural areas, and increased resource consumption, which can negatively impact the resort's sustainability efforts. Budget tourists typically have less disposable income to spend on ancillary services such as dining, rentals, lessons, and shopping. This can limit the Shahdag's ability to generate additional revenue from these sources, further straining profitability. Providing high-quality services at lower prices can be challenging. The resort might struggle to maintain the same level of service and amenities, leading to customer dissatisfaction. This can result in negative reviews and damage to the resort's reputation. While low-cost tourism can bring in more visitors, it might not contribute as much to the local economy. Local businesses that cater to high-end tourists, such as upscale restaurants and boutiques, may suffer from decreased demand, leading to potential job losses and economic downturns in the surrounding area. With reduced revenue from lower-priced offerings, the resort will have less chance to invest in necessary upgrades or expansions. This would limit its ability to improve or expand facilities unless the additional subsidy has been granted and order has come from the government to do so.

Strengths. Low-cost tourism would offer to Shahdag the chance to reach more people and offer a variety of experiences. By providing affordable options, resort can attract a wider range of visitors, including families, students, and young professionals who might not usually consider a ski trip. This would help keep the resort busy, even during slower times, and brings in steady revenue throughout the year. Affordable prices can introduce new people to skiing and snowboarding, encouraging them to return and possibly spend more in the future. Low-cost tourism can also help Shahdag build a reputation as a welcoming and accessible destination for everyone, which can lead to greater customer loyalty.

Even with lower initial prices, the resort can still make money from services like rentals, lessons, and dining taking into consideration that most of the revenue comes from as a subsidiary from the government. Group travel, such as school trips or corporate outings, would also bring in more

business. Additionally, budget travelers can support the local economy by spending money at nearby businesses. To accommodate budget tourism, Shahdag may find new and efficient ways to operate such as investing in cheaper accommodation types such as hostels or camps, benefiting all guests. Budget-conscious visitors, especially younger ones, could also spread the word through social media, boosting the resort’s visibility and attracting more people.

Porter’s Five forces.

Porter's Five Forces framework helps analyze the competitive dynamics within an industry. Below the framework will be used to understand the low cost tourism opportunity in ski resort.

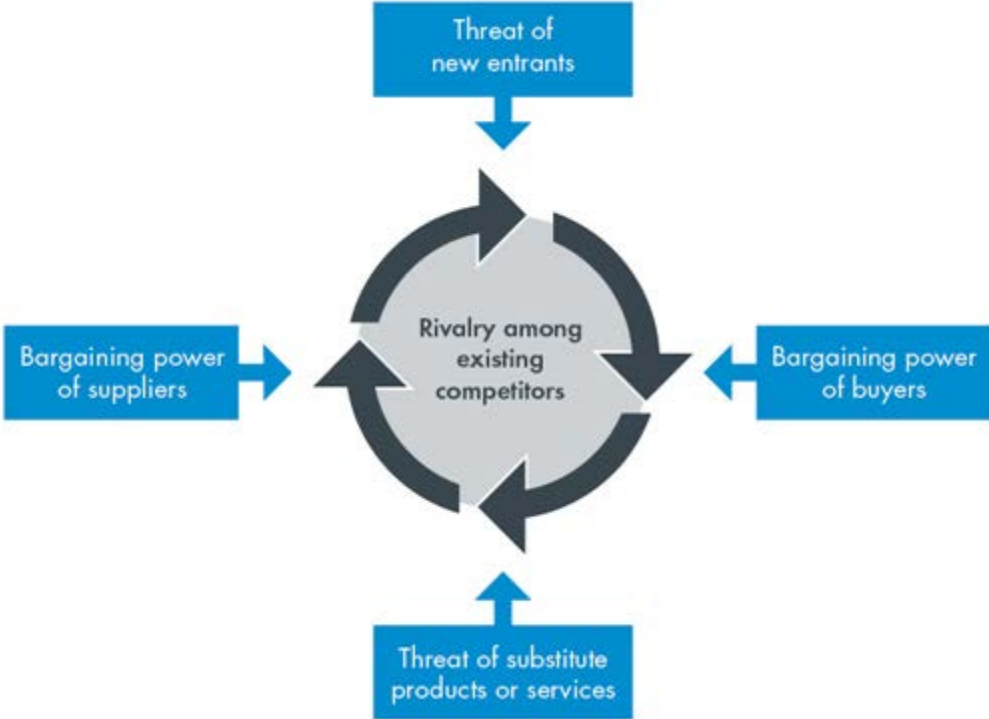


Figure 3. A graphical representation of Porters Five Forces

1. Threat of New Entrants

Shahdag requires significant investment in infrastructure, equipment, and staff, which acts as a barrier to new entrants. However, the rise of budget-friendly travel options and lower-cost

accommodations may make it easier for new players to enter the market with minimal investment. It might need to enhance its value propositions, such as offering affordable packages or improving service quality, to maintain their competitive edge against new, lower-cost competitors.

2. Bargaining Power of Suppliers

Suppliers of ski equipment, maintenance services, and food and beverage providers impact costs significantly. The case of Shahdag is very specific, as it is relying on subsidy from the government and from the beginning was under direct control and supervision of State Tourism Agency, the procurement here can only be done by official government tenders. All the suppliers need to be chosen from the official portal, where candidates have high barriers to enter, company control and documentation. After entering the suppliers need to give the lowest price for the services among their competitors. Usually if all documents are in place, the company that gave the most efficient price wins and gets the contract. However, it creates additional problems and issues for the resort. Mainly the suppliers raise the prices artificially in order to get the most out of the contract. Taking into consideration that Shahdag have dozens of contracts during the year, overall, the situation causes artificial raise in costs for all services and goods.

3. Bargaining Power of Buyers

Budget-conscious travelers have many options for affordable vacations, increasing their bargaining power. They can easily compare prices and switch between resorts, which puts pressure on resorts to offer competitive pricing. On the other hand each resort should carefully analyze and decide whether losing budget-conscious clients causes damage to overall revenue or it can be substituted by other source of revenue. Shahdag can differentiate itself through unique value propositions, such as offering exceptional customer service, exclusive experiences, or added value in their low-cost packages to attract and retain budget-conscious customers.

4. Threat of Substitutes

Alternatives to ski resorts, such as other winter sports destinations, tropical getaways, or local recreational activities, can act as substitutes. These alternatives may offer comparable experiences at lower costs or different value propositions. Also, other ski resorts which offer lower price and are more budget traveler friendly can act as a substitution to Shahdag. The biggest threat comes from neighbor Georgia where there are several ski resorts across the country that offer overall the

same services for the affordable prices. Before Covid when land borders were open with Georgia lots of tourists were travelling 5-8 hours to visit ski resorts in Georgia simply because they are much more affordable. This trend was paused during and after Covid because since then Azerbaijan's land borders are closed.

5. Industry Rivalry

The ski resort industry is often competitive, with multiple resorts vying for the same customer base. As mentioned before the biggest threat for Shahdag Ski resort are ski resorts located in Georgia. Besides being more in numbers they are also bigger and cheaper than Shahdag, Low-cost tourism adds another layer of competition as resorts may engage in price wars to attract budget travelers but what reality shows that Shahdag was not engaging in price wars among competitors and never decreased its prices since opening except right after the Covid where all the hospitality industry started from scratch.

The low-cost tourism segment for Shahdag resort faces challenges from potential new entrants, supplier power, buyer power, substitutes, and industry rivalry. To succeed, resort must strategically manage these forces by differentiating their offerings, optimizing operations, and maintaining procurement in a better and more clear way with suppliers.

Research questions number 3: Is low-cost tourism development in mountain resorts suitable for a sustainable tourism model?

The suitability of low-cost tourism development in mountain resorts for a sustainable tourism model depends on how it is implemented. From the available data, studies and personal research it is known that low-cost tourism can offer certain benefits, but it also presents challenges that need to be carefully managed to align with sustainability principles in Shahdag Mountain Resort.

The development of low-cost tourism in Shahdag and how it fits within sustainable tourism depends largely on how it's managed. While low-cost tourism has some clear benefits, it also brings challenges that need careful handling to ensure it supports long-term sustainability. Studies and research show that low-cost tourism can help grow local economies and provide more

opportunities for a wider range of people, but if not properly managed, it can also put strain on the environment and infrastructure of mountain areas.

One of the main advantages of low-cost tourism is that it opens up access the resort for more people, including those with lower incomes. This broader access helps spread the financial benefits of tourism to more communities and businesses, especially local ones. It also keeps the resort economy running even during off-peak times when fewer high-income visitors come. As the seasonality in Shahdag is a main driver of tourists, and if that depend mainly on wealthier tourists often see large drops in visitor numbers at certain times of the year, but low-cost tourism can help smooth out those ups and downs.

By attracting a wider range of visitors, including budget-conscious travelers, low-cost tourism increases demand for affordable services like lodging, dining, and transport. This extra demand can be a big boost to local businesses, particularly small ones that might struggle to compete with larger, high-end companies. Another benefit is that budget travelers tend to stay longer because they are looking for more value for their money. Longer stays can help reduce the environmental pressures caused by short-term visitors, such as constant transportation and increased energy use, resulting in a smaller carbon footprint per guest.

However, low-cost tourism in Shahdag resort also has serious downsides, especially when it comes to protecting the environment. Mountain areas are delicate ecosystems, and a large increase in visitors can lead to overcrowding, more waste, and harm to natural landscapes. Keeping the balance between attracting more tourists and preserving the natural beauty and health of mountain areas is tough. Without proper management, a surge in visitors could lead to significant damage to these environments. Also, it is important to take into consideration that even though Azerbaijan is developing with a strong pace, it is still behind other European countries in regards to sustainability. Not only the government is not ready to sustainable lifestyle and does not do much about it, also minds of people are still not fully developed that way. There many examples that can be shown but one of the main ones is that when government started to put different color of trash boxes in the streets for people to sort their trash, even passed several years still people do not sort their trash properly.

Low-cost tourism often focuses on making trips cheaper, which might limit the amount of money available for eco-friendly infrastructure and practices. Higher-end tourists are more likely to pay

for green options like carbon offsets, sustainable hotels, or eco-tours, but budget travelers typically have less money for such choices. This means the resort might not be able to invest in environmentally friendly services and amenities as easily without raising prices, which could drive away low-cost tourists.

Another big challenge is the stress that low-cost tourism puts on infrastructure, such as transportation, lodging, and waste management. As the number of budget tourists increases, so does the strain on these essential services. In mountain areas of Qusar region, where it's difficult to expand infrastructure due to environmental concerns, this added pressure can cause even bigger problems. Poor planning for the rise in visitors can lead to overcrowded hotels, slow transportation, and improper waste management, which not only harms the environment but also worsens the tourist experience. Low-cost tourism can bring economic benefits and make mountain resorts more accessible to a wider group of people, it needs to be carefully planned and managed to support sustainability. Proper investment in infrastructure, environmental protection, and balancing affordability with sustainability are key to reducing the negative effects that budget tourism can have on fragile mountain ecosystems. If these issues aren't addressed, both the economy and the environment of mountain resorts could suffer in the long run.

V. Conclusions and Recommendations

In summary, as discussed earlier, the Shahdag Mountain Resort is a successful mountain resort that has a potential for low-cost tourism that aligns with sustainability standards. However, it is not without its flaws, as there are areas that could be enhanced. Addressing these improvements is the primary focus of this section.

Low-cost tourism doesn't have to be at odds with sustainability. Resorts can offer affordable eco-friendly lodging, green transportation options (like shuttles or car-free zones), and nature-based activities that promote environmental awareness. Investing in sustainable infrastructure, such as energy-efficient buildings, waste recycling systems, and water conservation measures, can allow resorts to manage costs without sacrificing sustainability. Resorts can use low-cost tourism as an opportunity to educate budget travelers about responsible tourism practices. By promoting

environmental awareness, resorts can encourage travelers to respect local ecosystems, reduce waste, and support sustainable activities. Sustainable tourism focuses on balancing economic, environmental, and social impacts. Low-cost tourism can be part of this model if resorts carefully control visitor numbers to avoid overcrowding and the degradation of natural areas, while ensuring the local community benefits from tourism without being overwhelmed.

Low-cost tourism development in mountain resorts can fit within a sustainable tourism model, but only if it is thoughtfully managed. To ensure that it supports sustainability, resorts must invest in eco-friendly infrastructure, balance visitor numbers, promote responsible tourism, and ensure that local communities benefit from tourism. Without proper planning and consideration of environmental limits, low-cost tourism could potentially undermine sustainability efforts, causing long-term harm to the environment and local economies.

Below are some recommendations for Shahdag Mountain Resort to maintain and develop low-cost tourism for its and community's benefit. These practices help the ski resort navigate the challenges and capitalize on the opportunities presented by low-cost tourism while maintaining its overall business health:

The resort can use its existing infrastructure and services to offer affordable packages that attract new customer segments, like families, students, and young professionals. This can help fill occupancy during off-peak seasons and bring in steady revenue.

The resort's strong brand and existing services (like ski rentals, lessons, and dining) can be used to generate additional income from budget tourists, even if accommodation prices are lower.

Even while targeting low-cost tourists, the resort can focus on maintaining high standards of service and safety to protect its brand image. This can be done by offering value-for-money experiences without compromising on quality.

Shahdag can use its well-established operational systems to manage and control visitor numbers, ensuring that facilities are not overwhelmed during peak times, thus preserving the overall guest experience.

To overcome the challenge of lower profit margins from budget tourists, the resort can invest in technologies that reduce operational costs, such as automated check-in systems, energy-efficient snowmaking, or online booking platforms.

The resort can address the weakness of seasonal revenue fluctuations by offering special deals during off-peak times to attract low-cost tourists, thereby increasing occupancy and revenue throughout the year.

The resort can strategically manage the introduction of low-cost options to avoid diluting the brand and alienating higher-paying customers. This can be done by segmenting services or creating distinct areas for budget and premium guests.

In terms of the environmental aspect, to mitigate the potential environmental impact of increased visitor numbers, the resort can implement eco-friendly practices and educate all visitors, including budget travellers, on sustainable tourism practices. These include:

Investing in energy-efficient items like LED bulbs, computers, and heating systems can help cut down the organization's carbon footprint.

Using digital signs and printing on both sides of paper can save paper.

Switching from single-use plastics to recycled items like reusable cups and utensils helps reduce waste. A good recycling policy and providing reusable glass bottles can also help with waste and resource conservation. Moving to digital advertising instead of using paper leaflets saves resources.

Getting ISO 14001 certification shows the organization is serious about environmental management and provides a way to improve its practices. While it may cost money, time, and expertise, it can improve the organization's environmental impact and reputation.

In conclusion, a low-cost ski resort can successfully offer a satisfying winter experience by focusing on cost-effective strategies and efficient operations. By optimizing resource use, implementing budget-friendly amenities, and prioritizing value for guests, such a resort can attract budget-conscious skiers while maintaining a high level of service. Strategic investments in energy efficiency and smart management practices further enhance affordability without sacrificing quality. By implementing energy-efficient technologies, reducing waste through recycling and

reusable materials, and leveraging digital tools to cut down on paper use, resorts can minimize their environmental impact while keeping costs in check. Investing in sustainable practices not only would help preserve natural resources but also enhances Shahdag's appeal to eco-conscious visitors. Through careful planning and commitment to sustainability, Shahdag can offer an enjoyable experience that aligns with both economic and environmental goals.

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