



Interview with Betim Budzaku ▶ Balance of the current situation of tourism and future forecast



Betim Budzaku at the Andorra Tourism offices.

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General Manager of Andorra Tourism

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The pandemic crisis and the war in Ukraine are two of the events that have prompted a change in the tourism sector. The General Manager of Andorra Tourism, Betim Budzaku, explains the current situation in Andorra, future challenges and upcoming trends.

-You have been the General Manager of Andorra Tourism since 2011. How has the sector changed over the years?

-If we go to 2011, we can see that it was a difficult time because, previously, in 2008 a global crisis began, especially economic, which caused the most complex situation that Andorra has had in its history of tourism. In general terms, however, the Principality has experienced two important periods. First, a model focused on shopping

tourism was created about 30 or 40 years ago, but around 2004, the country began to lose visitors due to the birth of low-cost airlines and, at the same time, because we didn't have our own airport. For this reason, the tourism culture in our country changed.

-Is it still appealing to shopping tourism?

-Shopping should be something else, an added value to your travel experience, but it should never be a reason to go somewhere. However, Andorra has a differentiating point, which is The Shopping Mile, that is, 1.6 kilometers with more than 1,000 shops concentrated and, obviously, even if it is not the main reason to visit, from Andorra Tourism, we always look how to promote this concept of overseas shopping. On the other hand, purchases depend on the purchasing power of visitors, so we have an obli-

gation to tailor our business offer to these needs.

-So what is the tourism of the future?

-Experience tourism. The surprise effect no longer exists, because when you go to a new destination you can get information, see photos, look for the highlights. Currently, the journey is to experience a place you've seen before, and in that sense, it must have premium content so that it can be a differential destination.

-Have visitors increased?

-Approximately 8.2 million people still visit us, - I am talking before the pandemic- but especially in low season, like summer. In July, for example, we receive up to 40% more tourists. However, of these 8.2 million tourists, five million do not stay overnight and only 3.1 million stay at least one night. Sig-

nificantly, rather than growing in number of tourists, we have grown in number of stays. Currently, Andorra generates 14 million stays. Regarding nationalities, the 60% of tourists are Spanish - of this figure the 70% are Catalans -, the 20% are French and the 20% international nationalities, mainly from the European market. In this sense, it is important to note that local tourism generates shorter stays, and it is precisely this 20% of international tourism that produces more overnight stays.

-Has the profile of the local tourist changed with the pandemic?

-Before we only had one day visit, but more and more he stays long. In the pre-pandemic, we had three radios: tourists who are three hours away by car, those who are six hours away, or the international tourist. Now, these three hours have become six, because a customer in Ma-

drid may consider Andorra close, because he may think it is safer and also not have to take a flight or worry about whether he will be able to travel or not. In principle, we are working very well with the local market, but we also want to mark the international markets, since, after all, a country where tourism has the most important weight in the economy cannot depend on two specific countries. The forecast is that in the next three years we will recover the European Central Market, and in five years, the target will be Asia and the Middle East.

-How has the war in Ukraine affected the Andorran market?

-If we compare the figures with those of 2019, the loss has been between 40,000 and 45,000 Russians, most of whom came in the winter and generated an average of seven nights' stay. As a result, we are talking about 400,000 lost nights.

But we must not forget the Ukrainian market, which did not have the strength of the Russian market, but has had an impact in two different ways. On the one hand, because of the sending tourism and, on the other hand, because the most important tour operators in Russia had an office in Kyiv and also sent Ukrainian tourists to Andorra. The loss is double, but in the last two years it has not affected us as much as with the issue of the covid crisis, the Russian market disappeared due to the application for vaccines and visas. So, if we compare the data with 2020 and 2021 we have not noticed as much as in previous seasons.

–How should tourism marketing strategies adapt to these changes?

–The most significant change has been the transition from offline to online. Currently, 70% of campaigns are done on the internet, and if it doesn't work, we can automatically change it. This is a substantial evolution because, first of all, you can segment your targets better - we are targeting a very focused target in the summer with hiking, cycling, nature and the concept of breathing fresh air. Second, it generates much more accuracy, effectiveness, impact and flexibility, which 10 years ago was not possible.

–Can the increase in fuel prices affect tourism?

–Of course, but there is a curious effect that we are currently studying. In 2008, in the context of the crisis, the mentality of the people was of absolute savings, which caused even more problems in the economy. This time, when we talk about rising energy prices, it doesn't matter so much, because people haven't been able to travel in two years because they really want to leave home. In a normal situation, the price of fuel would affect us much more.

–Another problem is climate change ...

–Andorra is a top ski destination in the world, and this affects us in the stability of always having snow. In any case, there are two ways to survive: on the one hand, the production of artificial snow, which we have in 70% of our slopes and, on the other hand, deseasonalize our activities to accommodate tourists outside the winter, because we have 47,000 beds available and that's a lot. With the issue of rising temperatures we have not been so harmed, as we are located at a high altitude and may be of interest to visitors who want to escape the heat and overcrowding. However, Andorra can adapt to climate change in many ways, but for the time being the solution is the great world forces. At Andorra Tourism, we comply with all environmental protocols and regulations in all the events we carry out. In addition, respect for the massification of the mountain is an issue that we are dealing with not only ourselves, but also from the muni-

cipalities. For example, rural areas that were once free will now be paid for and will be more controlled.

–The doctor in economics Miguel Puig said last year in a conference in Canillo that quality tourism means that there is a reduction in building permits, also in the supply of accommodation and the amount of tourism, which can lead to an increase in prices. Can this situation occur?

–Promoting private initiative. Supply is driven by demand, fortunately or unfortunately. Andorra is currently 92% natural, and only 8% is built. Specifically, 468 kilometers are pristine spaces. Even if there is construction, it is difficult to reach the margins and therefore for now there will be no radical change. In terms of overcrowding, it is a more national than international issue, because we can look for ways to use the car less and respect nature more to avoid the urban concentration we have now, but we cannot pretend that tourists do not come by car. The culture we have depends a lot on it.

–How do you think the lack of staff in the sector can be solved?

–It is a problem that we do not only have in the Principality. Spain, which is the most receptive country of tourists in the world, with more than 80 million tourists a year, is also suffering from the supply of staff, especially in the Balearic Islands. I believe that there is a need to build some loyalty with the worker, which companies are doing recently, so that they can continue to work during the summer season. The Ministry of Tourism is also carrying out various training projects. It is very difficult to ask for such an effort, because if the business works in the winter but does not exist in the summer, it is automatically an imbalance. We've come a long way in terms of deseasonalization, but May is the only time we've found a way to make it more attractive to tourists. It is a complex issue, because the advantages of the people who want to come will have to be analyzed so that they can repeat, but I think that the training should be increased and good conditions should be offered to have a loyal staff.

–Andorra Tourism wants to incorporate more exclusive experiences. Could you give me an example?

–We are working on the Macarulla routes, an experience for families with young children. We also have other experiences that already exist, but need to be communicated more. For example, Naturland, which is an impressive project, as all its characteristics as a theme park are focused on nature, a line that corresponds to Andorra. In addition, we are working with a new gastronomic experience, to be able to organize an event in a couple of months. Another different project is Liquids, from Caldea, which is a children-only spa. We al-

so have viewpoints such as the Roc de Quer, and new infrastructures such as the Tibetan bridge in Canillo. However, we want to offer different experiences that the local customer did not know. It is true that we want to do exclusive activities, but we also want to promote premium tourism (which is not a luxury). Private supply in Andorra has improved over the last four years and, thanks to the entry of international channels, there are different labels that are standing out. In addition, we also have shows such as Cirque du Soleil or Mountain Music.



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–Why is Cirque du Soleil paying this year?

–When we started Cirque du Soleil nine years ago, we contacted the organizers. July was a super low season, so we asked for an exclusive, free and unique show in Europe. We did not include free to degrade the show, but to create a differentiating point that would attract visitors. We have already burned this point and now what we want is to differentiate the tourism that comes to us. We cannot grow more than eight million tourists, it would be a mistake to keep, especially for the welfare of all, as the overcrowding is not good. In this sense, this year the show is paid, but it is a practically symbolic action, 5 euros. Another reason we paid for it is because in previous editions there were some people who booked and didn't sell, so we make sure they appreciate it. We are also more educated and trained and, in this sense, we have not only changed the concept, we have also changed the location.

–What financial return is expected from Cirque du Soleil?

–When we created the show, we didn't do it to sell ourselves, but to improve the tourist offer in Andorra. To calculate the return we look at the average expenditure made by

a tourist in Andorra, which in July represents a return of more than 20 million euros, when the cost of realization is between 2.6 and 2.7 million d'euros; and we also conduct a survey. More than 30,000 people answer, and it's a record. Typically, a survey usually answers between 8 and 12% of visitors, but here we have the participation of 120,000 people. More than 80% say that the main reason why they come to Andorra in July is because of the Cirque du Soleil show.

–Is there a difference between doing Mountain Music in summer and winter?

–Yes, a lot, and that raises a lot of internal doubts. It is the same event looking from two different points. We, on the one hand, want to generate visits to Andorra, obviously, and we have specific months that we want to generate more. But on the other hand, we take care of the brand, because there are a lot of concerts like this in the Alps and it's a top category. When David Guetta can perform in the Alps or in Ibiza it is more exclusive, but it is very expensive. It's mass tourism, but quality, because people spend a lot of money there. So why should a person come to Andorra? What stands out about Mountain Music is the height, the outdoors, and most of all, it was born in the pandemic when no one could do concerts. We didn't have any regrowth as everything was organized. We had more than 90% occupancy and we welcomed high level artists, because in that context, David Guetta could only be here or in Dubai, there was no other option, and with an audience only in Andorra. So, bottom line is that we're really looking forward to mountain music in the summer. In winter, however, the mark rises. We decided to spend it in the winter, because in the summer we do not have a period to do it, and if we already organize the Cirque du Soleil in July we counter-program ourselves. We only get 1.2 million visitors in August, and June is too early for the weather. Next year's plan is to continue doing Mountain Music in the winter. If we had more budget we could probably create two editions.

–What do you think of the construction of the new multifunctional building?

–We're late. The multifunctional is a must. A country with 77,000 inhabitants cannot have any space to accommodate more than 850 people. Recently, at a business meeting, we had to have dinner with 1,100 people in a room that is not adapted. We are talking about an entire country not having an indispensable area. There is a will to build the multifunctional, but we are looking in more detail not to make the mistake that is usually made, that is, first build the building and then put the content. We put the contents first and then the building. So, one of the keys that is recommended, but not essential, is that

it is urban and that it is in the center. Having this possibility not only opens up options, but can also be used for other things. I think the multifunctional will be done, but you have to be a little patient, because to build a building of this nature and being self-financing, which is the key, takes time. Also, we can't go wrong because it's important for the future of tourists and locals.

–Andorra Tourism will renew its alliance with the Stade Toulousain. What does this renewal entail and what will be the future projects?

–From Andorra Tourism, we usually have very limited everything that is about sports and sponsorships, because we have a link in everything that can be done in Andorra and that is why we sponsor it. The agreement with the Stade Toloussain is not a sponsorship, but it is as if it were, as it offers us the right to create different actions with the brand. Rugby is one of the four most important sports in French culture and, as it is also a very nice brand, we started talking to them to make it an official tourist destination. We now believe that this formula is over, because we have been doing it for years, and we are looking at other possibilities that we can see. The ski slopes, for example, are very interested in all the actions they take to generate the attraction of customers who want to take ski passes.

–What do you think of the merger of Ensisa with EMAP? Do you think that ski slopes should operate under a single ski pass?

–I think the tracks should look at the best possible formula so that it is profitable and guarantees a future. We are mainly comfortable with the situation we have and, whether or not we have a single ski pass, we are selling more than 2.5 million days of skiing abroad, with a brutal après-ski. There are a lot of tracks not too far from here that are suffering, are deficient or their quality is not competitive. Therefore, I believe that Andorra Turisme should not ask for things that lower the profitability of Andorran slopes, as their proper functioning, quality and future must be guaranteed.

–What are the next projects?

–We are now working to transform Andorra, create experiences adapted to each type of audience and improve their experience. I think we're recovering a lot from the pandemic, and we're pretty comfortable with the fact that marketing doesn't work overnight, it's a matter of inertia. We've been working on a line of communication for seven or eight years now and we see the results, and everything we do now will be seen in a few years. We have the private sector by our side, and this gives us some peace of mind and the possibility of achieving tangible goals - because we have the luxury that everything is tangible in Andorra - and we can mark the strategies in a very balanced way. ≡