

**Katina Kostadinova Popova / Miroslava Malinova Malcheva**

# **Assessment of the potential of Varna city as a smart tourist destination**

## **Abstract**

In recent years digitalization became a mainstream factor for socio-economic development and improvement of quality of life. The concepts of "smart cities" and "smart tourist destinations" are real consequences of the global urbanization process. Nowadays, digitalization is a privilege for every destination oriented towards young people and innovation initiatives. Intelligent destinations require development of optimal urban management models bound by considerable investments. The current study examines the potential of the Sea capital of Bulgaria – Varna to become a smart tourism destination. The used methodology is based on the selection of three scientific tools – PESTEL analysis, SWOT analysis and Delphi method. The major findings showed that the need of digitalization will become an important feature of the tourist supply in Varna. The city is a fast-growing academic destination and an attractive center for many young people. The tendency to use innovative technologies before and during the stay in a destination, typical for every young person, creates numerous opportunities for Varna. The introduction of ICT in the modern life of the residents and the guests of the city should be done through a precise assessment of the advantages and disadvantages of the digitalization process.

**Key words:** smart city; smart tourist destination; IoT; digitalization; Varna, Bulgaria

## **1. Introduction**

In the first two decades of the 21<sup>st</sup> century the global citizens witness a rapid growth and dynamics in the tourism industry. The changes in consumer demand provoke the need of adaptation of the supply to the new tourists' requirements. The impact of Internet and information and communication technologies (ICT) brings to the forefront the necessity of management of smart destinations that spring up in response to the pursuit of uninterrupted information provision.

The purpose of the study is to assess the potential of Varna to be an intelligent tourist destination. For its realization the following research tasks are set up: a review of the definitions of basic concepts related to the smart destinations; creation of a conceptual research model for assessment of the potential of smart destination; PESTEL analysis of the meso-environmental factors with direct influence on smart specialization of the city; SWOT analysis of Varna in the context of digitalization and sustainable development and formulation of conclusion based on the assessment of the macro-environmental factors structured through the Delphi method.

## **2. Literature review**

Facing new dynamic business models and growing competition in its markets, many industries and companies are currently confronted with the need for a full revision of their current strategies. Digitalization plays a key role in this scenario. Digital technologies and opportunities, which they create, will be the driving force for success in an increasingly digital future (Kazandzhieva & Santana, 2019). This

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**Katina Kostadinova Popova**, PhD Student, University of Economics, Varna, Bulgaria; email: katina\_popova@ue-varna.bg

**Miroslava Malinova Malcheva**, PhD Student, University of Economics, Varna, Bulgaria; email: m.malcheva@ue-varna.bg

applies, both, to companies and to national economies. The topic of the application of digitalization in all spheres of socio-economic life is affected by the scientific studies of many authors. As Caragliu et al. state, the digitalization is involved in the concept of smart city along with other factors such as social capital, entrepreneurship and innovation capacity. The basic characteristics of the smart city can be outlined as following (Florida, 2002; Caragliu, Del Bo, & Nijkamp, 2009; Agència Valenciana del Turisme [Invat.tur], 2015): the use of infrastructure network to improve economic and political efficiency and allow social, cultural and urban development; an emphasis on city development based on entrepreneurship; integrative and socially inclusive development; crucial role of high tech, creative and innovative industries; sustainable development in all its dimensions: economics, socio-cultural, environmental, political, etc. (Table 1).

Table 1  
Factors and characteristics of a smart city

SMART ECONOMY	SMART PEOPLE
<ul style="list-style-type: none"> <li>• innovative spirit</li> <li>• entrepreneurship</li> <li>• economic image</li> <li>• productivity</li> <li>• flexibility of the labor market</li> <li>• internationalism</li> <li>• capacity of transformation</li> </ul>	<ul style="list-style-type: none"> <li>• qualification and skills level</li> <li>• tendency to constant changes</li> <li>• social and ethic pluralism</li> <li>• flexibility</li> <li>• creativity</li> <li>• cosmopolitanism and open-minded population</li> <li>• participation in the social life</li> </ul>
SMART GOVERNANCE	SMART MOBILITY
<ul style="list-style-type: none"> <li>• participation in the decision-making process</li> <li>• public and social services</li> <li>• transparent governance</li> <li>• politic strategies</li> <li>• perspectives</li> </ul>	<ul style="list-style-type: none"> <li>• local accessibility</li> <li>• international accessibility</li> <li>• infrastructure</li> <li>• sustainable transport system</li> <li>• safety and innovativeness of the transport</li> </ul>
SMART ENVIRONMENT	SMART LIVING
<ul style="list-style-type: none"> <li>• attractiveness of the natural resources</li> <li>• contamination</li> <li>• environmental protection</li> <li>• sustainable development of the resources</li> </ul>	<ul style="list-style-type: none"> <li>• cultural and educational infrastructure</li> <li>• individual security</li> <li>• tourist attractiveness</li> <li>• social cohesion</li> </ul>

Source: Adapted to: Griffinger et al. (2007); Invat.tur (2015).

All these smart city parameters could not be effective without the role of the ICT. Digital technologies not only evoke social transformations but also position themselves as generators of globalization processes. Technology can be considered as the essence of smart cities and a tool for achieving inclusive society, modern education, creativity, public health, citizenship, dynamic culture, transparency, accessible data, clean, accessible and affordable water, clean air, acceptable waste treatment, integrated urban and interurban transport, creative entrepreneurship, partnerships of academia, citizens and entrepreneurs, innovation and international connectivity – all these parameters of a smart tourist destination area. The ultimate purpose of a smart city is to achieve efficient management in all areas of the city (urban planning, infrastructure, transport, services, education, health, public safety, energy, etc.) satisfying both the needs of the city and its citizens and those of the tourists and visitors (Cibrián et al., 2012). With the emergence of the phenomenon "Internet of Things" (IoT), which provides an infrastructure that exceeds the barrier between objects in the physical world and their representation through computer-based information systems, nowadays, almost every smart city can be considered as smart destination (Rose, Eldridge, & Chapin, 2015; Andrés, 2018). The decision of turning a physical territory from smart city into a smart destination is referred as *a complex process of agreement between agents, sectors and forces that interact within the boundaries of a given territory for the purpose of promote a common project*

that combines generation of economic growth, equity, social and cultural change, ecological sustainability, gender approach, quality, spatial and territorial balance, in order to raise the quality of life and well-being of each family and citizen who inhabits it (Wallingre, 2012). In the scientific literature smart destinations are seen as a key factor for competitiveness (Küçükaltan & Pirnar, 2016; Boes, Buhalis, & Inversini, 2016). They are a physical tourist places where new technologies are used as a tool for managing the tourist product and maximizing consumer satisfaction (Xiang, Tussyadiah, & Buhalis, 2015; Gajdošík, 2018). There is no definition strictly limited to smart (intelligent) destination. The term is extremely complex due to the large number of its elements. In its common sense, smart destinations require new scheme of work and coordination between the public and the private sector, as well as the local community and particularly the population that lives from tourism (Álvarez, Rodríguez, & Duarte, 2017). The researchers state that smart destinations are inextricably linked to the phenomenon "smart tourism". In its context they represent an *innovative tourist space, accessible to all people, consolidate on an infrastructure and a cutting-age technology that guarantees the sustainable development of the territory, facilitates the interaction and integration of the visitor with the environment and increases the quality of visitors' experience in the destination and the quality of life of the residents* (López de Ávila & García, 2015).

The Manual of smart destinations configuration, managed by Valencian Institute of Tourism Technologies describes 6 basic factors that justify the smart tourist destination settings (Invat.tur, 2015):

- **Technology** – smart destinations are directly related to the Internet and its open innovation platforms, easy access from devices and service measurement;
- **Demand** – today's tourist is more informed, his behavior is variable and the destination must meet the needs of contemporary "intelligent visitors";
- **New business models** – the introduction of ICT in business management is due to the need of increasing the efficiency and competitiveness of the industries;
- **Efficiency** – the deficiencies in public services and infrastructure (water losses in the supply network, unregulated street lighting, derived costs of traffic congestion, etc.) can be resolved or be reduced by intelligent management;
- **Competitiveness** - the importance of the strategy, planning and management of destination is arising as a way to improve the use of resources, adaptation to different market contexts and obtaining competitive advantages;
- **Sustainability** - the objective of sustainability is clearly associated with the rational management of resources and efficiency in all the environmental vectors of a tourist destination. The different dimensions of the sustainability are contemplated in the paradigm of smart cities: the economic one linked to competitiveness, the social one to the quality of life and environmental to an efficient management of natural resources.

Smart tourism is a direct extension of e-tourism. While e-tourism serves as a factor for digital connection between the stakeholders, smart tourism is about connecting physical objects of daily use with network information systems (Gretzel, Werthner, Koo, & Lamsfus, 2015; Koo, Shin, Gretzel, Hunter, & Chung, 2016; Gajdošík, 2018). Through the years have been developed a number of models for sustainable management and competitiveness of the destination (Dwyer, Mellor, Livaic, Edwards, & Kim, 2004; Ritchie & Crouch, 2010; Goffi, 2013). The common among them is the indisputable role of the destination management organization (DMO) as a subject that builds the pillars of a smart destination. Special attention is paid to the factors of the external and internal environment of the destination, which influence directly and indirectly on the activities and the behavior of the main participants

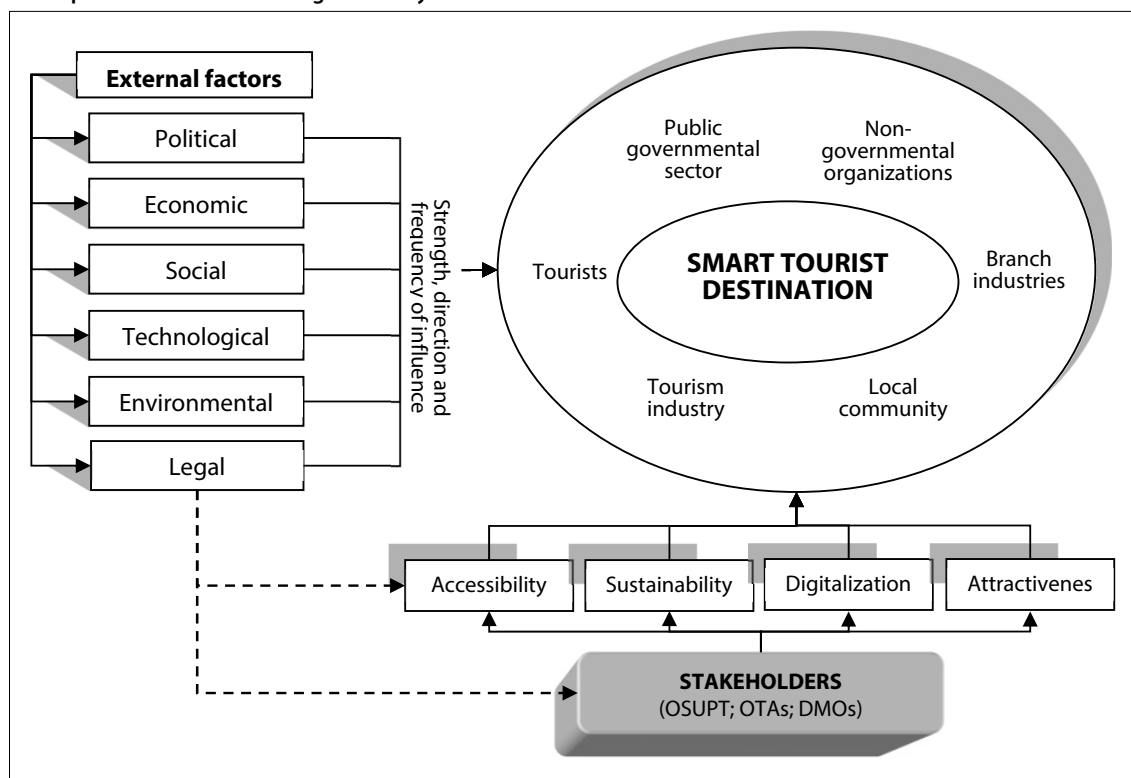
in the tourist process (Ritchie & Crouch, 2010; Asadi, 2011; Štrba, Kršák, Sidor, & Blišť'an, 2016). Today's digital tourism economy can be considered as a complex set of factors, conditions, influences and relationships. The analytic process requires special research methods and differentiated approach.

### 3. Methodology

The current study uses data and results from the development of 5 projects on local, regional and international level for the period 2009-2021, aimed at turning Varna into a smart city. By situation analysis the authors have evaluated the effects these projects have on the tourism development in the destination. The assessment of their contribution is made by selecting 4 main criterions: innovative nature of the measures, sustainability of these measures over time, adequacy of the planned measures for the needs of different social groups, impact on improving city's profile as a smart tourist destination.

Undoubtedly, the development of the city as a smart destination requires careful consideration of the positive and negative aspects of the tourism process, which includes many players, directly and indirectly influencing on the smart tourist specialization of Varna (Figure 1).

Figure 1  
Conceptual model for assessing Varna city as a smart tourist destination



Legend: OSUPT (Organizational Structures of Urban Public Transport); OTAs (Online Travel Agencies); DMOs (Destination Management Organizations). Source: The authors.

In the purposed by the authors conceptual model, key places occupy the "actors" on the local tourist scene. The development of the city as a smart destination depends on the attitude of the public sector and the will of the state institutions to co-operate with other organizations, including those from

the tourism industry and those from the branch industries. A core moment in the work of Varna Municipality is encouraging the leadership, entrepreneurship and investment process for the purposes of modernization of the material and technical city infrastructure and elaboration of specialized production factors, such as technologies (Marinov, 2008). The modern lifestyle of the local population combined with the rising demand of online tourism services and products among tourists, helps to implement some innovative approaches in planning the city as smart destination. The expansion of low-cost airlines increases the independent individual travel, where new technologies play a key role for maximizing the effects of the tourist consumption (Dabeva, Marinov, & Lukanova, 2016). Important parts of the integrative model of Varna as tourist place are the four pillars of smart tourism – main factors for implementing master plans for development of smart destination. While other researchers see as pillars primarily infrastructure, human capital and technologies (Khan, Woo, Nam, & Chathoth, 2017; Jasrotia & Gangotia, 2018), the present article focuses on the mandatory terms without which the city has no chance to be included in the group of smart destinations worldwide. Accessibility, sustainability, digitalization and attractiveness are required conditions for every smart destination and are proved in the European Commission's Guidance for the initiative "European Capital of Smart Tourism" (European Commission, 2019). They are fundamental requirements for the improvement of the local and regional tourist product. Each one of the analyzed in the following pages projects is developed in the context of those pillars.

On the bottom of the conceptual integrative model stay all interested parties (stakeholders) which support the pillars of the smart destination. An important role here is devoted to the online travel agencies (OTAs) and public transport organizations. As purchases of tourist packages abroad increase and the creation of unique services is being personalized, travel agencies witness a rapid growth in on-line sales (Kazandzhieva, 2010). Today information technology has become a universal feature of travel industry and influences both on the distribution of the tourist product and consumers' behavior (Kazandzhieva, 2012). The importance of electronic online distribution channels has increased due to the boom of new technologies, Internet, emails and smart phone usage (Marinov & Kazandzhieva, 2010). A key part in the development of every smart destination is the possibility to book tourist services directly, comfortably and cheaply, using the potential of "the new intermediaries in tourism" – organizations connected via digital network which provoke the entry of "virtual consumers" (Kazandzhieva, 2014). The relatively good transport accessibility and the low prices of the services and products are competitive advantages for promoting Varna as a favorable tourist destination (Marinov, 2014).

In the cases where the management has its own independent organization, the institution is called destination management organization (DMO). As a rule, DMO can be a public authority (ministry, directorates, etc.), a board or a working group established on the basis of partnership between public administrations, state or municipal enterprises, private companies and organizations of public-private partnerships (Marinov, 2015). In the presented model as DMOs are accepted all organizations which manage the analyzed projects – Municipality of Varna and its Directorate of tourism, Tourist information center (TIC – Varna), regional organizations as Varna Chamber of tourism, public institutions serving tourist (museums, galleries, social centers), clusters and other non-governmental organizations (NGOs).

Every aspect of the integrative model is directly influenced by the factors of the external environment. The impacts of those factors are assessed by the experts from Varna Municipality and TIC-Varna in relation to their strength, direction and frequency of influence, according to the principles of the Delphi method: anonymity; repeatability; controlled feedback and statistical aggregation (Szpilko, 2014). The study of the macro environment is carried out using the PESTEL analysis method, according to which the factors are grouped in political, economic, social, technological, environmental and legislative.

For each group key positions with impact on smart tourism have been identified (Kazandzhieva & Popova, 2017). Based on the results of SWOT analysis some recommendations are made in order to maximize the opportunities and minimize the threats to develop Varna as smart tourism destination.

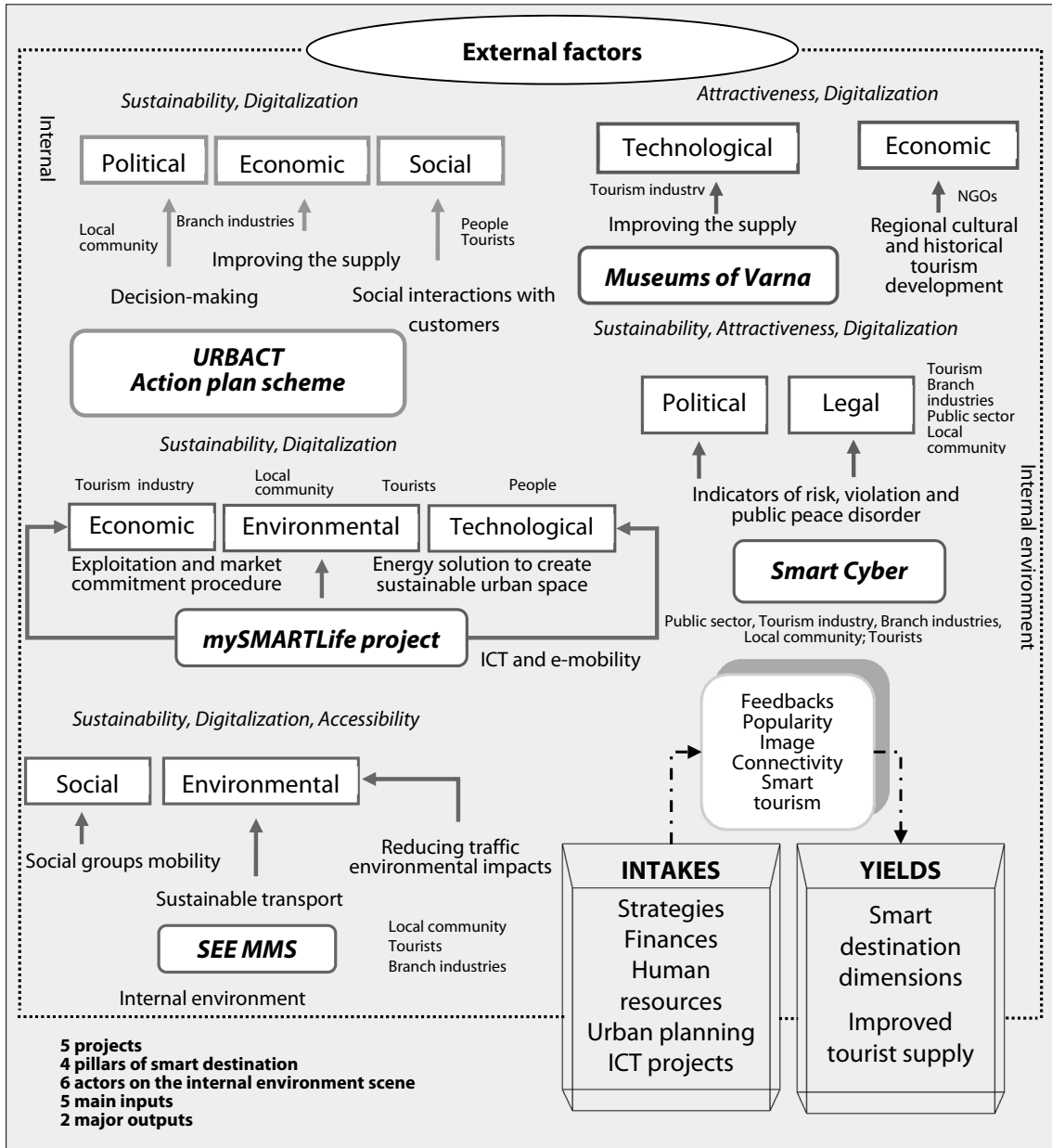
## 4. Features of Varna as a potential smart destination

After being proclaimed as European Youth Capital in 2017, Varna continues its path of development as a center of attraction for business and young people. The main idea is to enable people and all types of organizations to improve the city's environment by developing their own projects in different spheres: entrepreneurship, urban environment, culture, new technologies, etc., with digitalization and "city intelligence" being integral parts of the process. The smart destination is configured as an imaginary urban area that combines the concept of green city with technological futurism, generating a technocentric vision of the city of tomorrow (Vanolo, 2014). The development of a smart destination model is a long and complicated process that requires time, investments and changes in urban planning, not necessarily positive and with a great success (Ivaris-Baidal & Rebollo, 2019). Through the integration of information and communication technologies (ICT) in tourist life, Varna is on the road to its inclusion in the group of cities identified as potential smart destinations. According to the authors' selection the most significant projects developed in the last few years that influence directly on the tourism are:

- ***URBACT Interactive Cities*** - promoting the city as an attractive tourist destination by attracting more tourists with the help of social networks and improving its image at national and international level and involving a wider circle of citizens in the decision-making process, as well as easier research on public opinion through social channels;
- ***MySMARTLife*** - combining ICT, e-mobility and energy solutions to create sustainable urban space and creating and launching a network of mySMARTLife cities, composed of a number of cities interested in sharing experience with other urban areas;
- ***SEE MMS*** - ensuring mobility for all social groups, creating a positive attitude towards sustainable methods of transport, reducing environmental impacts associated with traffic and improving the quality of life;
- ***Museums of Varna – repair and modernization*** - improving the conditions for providing services in some cultural institutions in Varna, including museums, galleries and monasteries;
- ***Smart Cyber*** - developing a model which includes network software for database and a system for feedback from critical infrastructure sites.

The information about these projects is available on the official site of the Municipality of Varna. Tourism is a key sector for the city and the biggest part of the demand is arranged in its context. Therefore, there is an increasing need of managing the tourist growth continuously expanding the product portfolio and complying with the needs of the sustainable development. Like everywhere around the world "smart" has become the new "buzzword" in the country that encompasses the tourist sector in order to achieve resource optimization (Koo, Gretzel, Sigala, & Xiang, 2015). The selected by the authors projects are a proof that the city can achieve smartness and sustainability only by emphasizing on the combination of human and technological capital. By their nature, the projects have a different focus and direction of impact, but a common target segment - tourists and locals in the particular destination. The overlapping of their development periods contributes the overall development of the city as an intelligent destination and affects all stakeholders systemized in the conceptual research model (Figure 2).

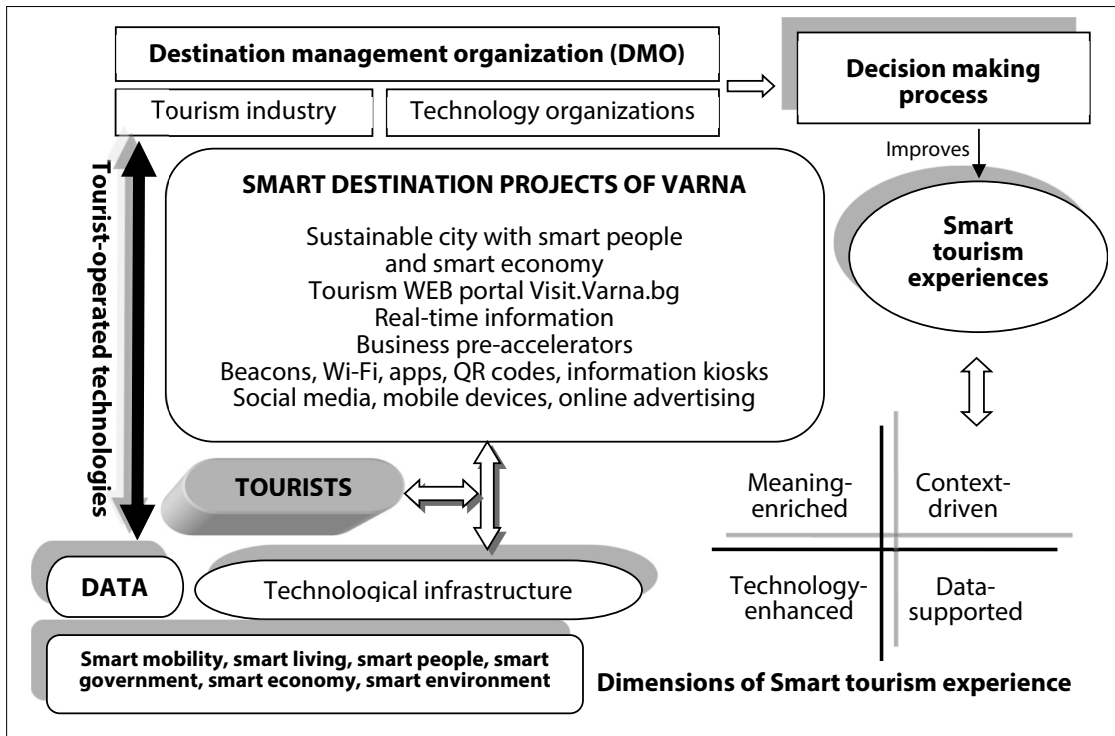
Figure 2  
Integrative model of interaction between selected projects



Source: The Authors.

The implementation of the projects described in the figure and the continuous interaction of the achieved results form the so called "smart destination experience" which is defined as tourist experience enhanced through smart technology - mobile connectivity, data, Wi-Fi-driven resources, etc. (Gretzel, 2014). It has to be distinguished from e-tourism experience because of its value-added meaning before and after taking the trip (Figure 3). In this sense, smart technology successfully collaborates with the smart tourism ecosystem when travelling (Gretzel, Reino, Kopera, & Koo, 2015).

Figure 3  
 Creating smart destination profile of Varna city



Source: Adapted from: Buhalis (2005); Gretzel (2014); Femennia-Sera & Neuhofer (2018); Ivaris-Baidal et al. (2019).

The usefulness of the projects and added value they bring can be assessed in two aspects: for the destination itself and for their guests and visitors.

The core common result achieved by these projects is the use of ICT as a tool for improving destination's ability to respond to all the challenges and needs of the tourist supply and demand. By adapting the destination development to the local and national tourism strategies, the projects are actually preparing the city for the reality of the future, which main driver will be the information technology. Furthermore, they happen to be a great opportunity for the destination management, because of the long term sector-crossing collaboration (Gahr, Rodríguez, & Hernández-Martín, 2014). The subsequent impact and significance of the projects will finally complete the process of forming Varna city's smart tourism ecosystem. It is based on the principle that *nothing works individually but continuously interacts within the ecosystem to evolve* (Gajdošík, 2018).

As to the tourists, the mentioned above projects are an opportunity to create their own experience and access all the information available in and about the destination, by all means – to be a real smart tourist. "Smart tourist" concept is referred to a modern, well informed visitor devoted to the principles of sustainability, with a sense of debt and a responsibility the natural and anthropogenic resources of the destination – a person highly sensitive to changes and interaction (Mascaró, 2012; Femenia-Serra, Neuhofer, & Ivaris-Baidal, 2019). An important topic worldwide today is the terrorism and all its consequences for the personal safety and the tourism industry. As a direct form of political violence, it is now an inseparable part of any national tourist policy (Neshkov & Kazandzhieva, 2015). Safety and security can be further encouraged by the application of new technologies. The general achievement of the "Smart Cyber" project is the drawing of a geo-reference risk map based on a broad approach in light of sociological and criminological theories as the basis for developing a "risk assessment model".



## 5. Discussion and findings

The possibilities for turning Varna into smart destination should be evaluated according to the factors of the macro environment. Those factors have been assessed by experts from Varna Municipality and TIC-Varna through Delphi method. They influence with different strength, direction and frequency on the behavior of all subjects interested in the development of smart tourism in the destination (Table 2). Their generalized assessment shows that:

- The smallest is the probability of change in the economic factors group. Nevertheless, their strength of influence is high, giving rise to the risk of missing some opportunities and minimizing some threats;
- The biggest is the probability of change in the group of the technological factors. In the context of smart destinations, their direction of influence is defined as clearly positive;
- Despite their average probability of change and medium frequency of influence social factors have essential role in improving the measures that stakeholders take in order to turn Varna into smart tourism destination. The more educated and technologically advanced are the consumers, the more need of specialization has the supply sector;
- There is an opportunity to alter the priorities of DMOs with the change in the group of environmental factors. Attention should be paid to the possibilities of adhering to the principles of sustainability through application of innovative technology measures;
- The influence of political and legislative factors as objective conditions for the development of the tourism sector in general should not be overlooked. The political will to apply ICT in all spheres of socio-economic life stays in the base of building smart cities and smart tourism destinations.

Table 2

**Influence of the macroenvironmental factors on the development of Varna as smart destination**

EXTERNAL FACTORS*	Probability of change			Direction of influence			Frequency of influence			Strength of influence		
	-	0	+	-	0	+	-	0	+	-	0	+
<b>POLITICAL</b>												
Political will to apply ICT			X		X				X			X
Prioritization of tourism sector on national level		X				X			X		X	
Prioritization of tourism sector on regional level			X			X			X			X
<b>ECONOMIC</b>												
Growth of the tourism sector	X				X			X			X	
Investments in tourism		X				X		X				X
Seasonality in tourism	X			X					X			X
<b>SOCIAL</b>												
Changes in consumer behavior		X				X			X			X
National population lifestyle		X			X			X			X	
Education		X				X		X				X
<b>TECHNOLOGICAL</b>												
Tech innovations in tourism			X			X			X			X
Access to Internet and devices			X			X			X			X
Distribution digital channels			X			X			X			X
<b>ENVIRONMENTAL</b>												
Energy supplies			X		X			X			X	
Pollution			X		X		X			X		
Nature sustainability		X		X					X		X	

Table 2 Continued

EXTERNAL FACTORS*	Probability of change			Direction of influence			Frequency of influence			Strength of influence		
	-	0	+	-	0	+	-	0	+	-	0	+
<b>LEGAL</b>												
Consumer protection		X		X				X				X
Laws and strategies in tourism		X				X			X			X
Cross-border cooperation legislation		X				X		X				X

\*Legend:

Probability of change: (-) minimum; (0) average; (+) maximum;

Direction of influence: (-) negative; (0) mixed; (+) positive;

Frequency of influence: (-) low; (0) medium; (+) high;

Strength of influence: (-) low; (0) medium; (+) high.

Source: The authors.

The real beneficiaries of the implementation of the analyzed projects are representatives of the host community, city visitors and leisure and business tourists. Most of them use technologies drawn by the trendiness or novelty of the platforms and applications. Beyond novelty and the pull of new technologies, users tend to be motivated by economic, environmental and social factors (Malcheva, 2018). In this context, the success of the projects should be assessed according to the degree of their innovativeness and adequacy to the requirements of communities of different nationalities and social characteristics. According to the prediction of long-term efficiency of the project, again the Delphi method has been used (Table 3).

Table 3

**Efficiency assessment of the projects and implemented measures**

PROJECT NAME	Efficiency assessment	EVALUATION CRITERIA			
		Innovativeness of the implemented measures	Sustainability of the implemented measures over time	Adequacy of the implemented measures for the needs of different social groups	Impact on improving the city's profile as a smart tourist destination
URBACT – Interactive Cities project	High				X
	Medium	X	X	X	
	Low				
MySMARTLife	High	X	X		X
	Medium			X	
	Low				
"SEE MMS" Project	High		X	X	X
	Medium	X			
	Low				
Museums of Varna – repair and modernization" Project	High		X	X	
	Medium	X			X
	Low				
"Smart Cyber" Project	High	X			
	Medium		X		X
	Low			X	

Source: the authors.

The situation analysis of Varna Municipality as a tourist destination is a platform for carrying out the SWOT analysis. It systemizes strengths and weaknesses of the city, as well as the opportunities and threats that correspond to its sustainable and smart tourism development:

**Strengths:** Geostrategic location and diversity of natural resources; Image as already proven summer tourist destination; Political stability, safety and security; Rich cultural heritage and history; Good

transport connectivity and accessibility for the outbound tourism markets (year-round operating airport, railway station, seaport and highway); Good institutional infrastructure; Provision of tourism related staff (complex set of tourism education organizations - universities, colleges, high schools); E-connectivity; Regional (municipal) strategy for sustainable tourism development; Smart city projects with well-defined and realistic goals; European Youth capital 2017; European Sport capital 2019; Best tourist site reward; Good price-quality ratio; Well-developed telecommunication network and stable Wi-Fi connectivity.

**Weaknesses:** Managerial issues in implementing smart technology in all spheres of the supply process; Lagging development of the technical infrastructure; Problems in the application of smart technologies in mass urban transport system; Unsatisfactory qualitative and quantitative parameters of regional tourism advertising; Weak online visibility of Varna as year-round destination; Insufficient foreign direct investments; Irrational use of the available natural and anthropogenic resources; Insufficient visibility and public awareness of the completed smart projects achievements; Limited secure bicycle parking facilities and inadequate parking supply for peak times in the city center; Poor performance of some stakeholders in the process of turning the city into a smart destination.

**Opportunities:** Increasing the presence of foreign companies in the field of IT and outsourcing; Improving business climate and increasing the opportunities to attract foreign direct investments; Renovation of the transport network and construction of the "Black Sea" motorway - A5; Promoting cross-border cooperation and public-private partnership in tourism sector; Optimizing stakeholders' involvement in European programs and funds; Taking effective measures to minimize the impact of seasonality on national and regional level; Enhancing the political will to apply ICT in tourism supply sector; Handling heterogeneous urban information system; Encouraging active citizenship; Optimization of existing digital channels for communication with citizens and guests of Varna; Creation of business portal and event platform and targeting international organizations for arranging events and conferences in Varna; Providing and maintaining the most convenient information and reservation accessibility of the targeted users to the tourist products by using ICT; Focusing efforts on the preparation of the candidacy of Varna for participation in "European Capital of Smart Tourism" competition.

**Threats:** Disappearance of personal touch in service and replacement of the human workforce with computer system; Competition increasing (fluctuations in tourist demand due to high-run competition from near-by tourist destinations); Dependence of the city on foreign investments and export of capital from the destination; Data privacy and security issues (risk of personal data leaking in cases of unprotected Internet connections, plagiarism, spam and viruses); Focused investment interest in famous tourist resorts of the area and lack of control over expansion of the tourist superstructure; Positioning on the international tourist market as cheap destination.

## 6. Conclusion

This paper presented fundamentals of a smart city in terms of definitions, criteria and current state city framework in order to present Varna as a potential smart tourism destination describing some opportunities for improvements. The concept of a smart city simply focuses on how to increase the citizens' quality of life by using ICT as enablers, which support the pillars of Varna as a smart destination. The combination of stakeholders' systematic work and the positive attitude of the local community towards the implementation of information technologies within a successful urban master-plan hold the potential for sustained competitive advantage for both residents and tourists in the destination. The

current study made comprehensive efforts to provide a clearer vision of the concept of a smart city that can play a fundamental role in developing a smart destination strategy. The applied methodology for assessing the frequency, direction and strength of influence of the meso-environmental factors highlights the importance of the DMOs as principal decision makers in the organizational managerial process.

By relying on the research results, we can make the following conclusions and summaries: among the four pillars of smart destination, the less-developed two are accessibility (especially in terms of the organizational structures of public urban transport) and sustainability (in accordance to the insufficient quality of life improving). As to the attractiveness and digitalization, we can summarize that the work on some smart project is still a continuous process. This practically means that the final assessment of the results achieved by those projects can be made after their complete realization. By now, Varna has taken the road to its gradual smart city transformation.

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