
COGNITIVE ANALYSIS OF TOURISM SPENDING OF BRAND BULGARIA ON TARGET AND PROSPECTIVE MARKETS OF GENERATION ALPHA

Assoc. Prof. Rumen Draganov, PhD

University of Library Studies and Information Technologies, Bulgaria

Abstract. The study evaluates the practices of applying the cognitive analysis of the information environment in tourism in a university environment in the analysis of data related to the presentation of the Bulgaria brand in the target and prospective markets. The research aims to show the total expenses for promoting and advertising Bulgaria in the country and abroad, using available and complicated data from the information environment. The study is based on a content analysis of documents, regulations, and relevant publications, combined with secondary data at national and European levels, and the contribution of generation α . The research results are helpful to teachers and students studying tourism, business and government administration to gain insight into the scale of the total costs related to the positioning of the Bulgaria brand. This paper presents new research project entitled “Research of opportunities for the implementation and development of educational tourism in Bulgaria: Cultural heritage in support of formal education”, won in 2023 Competition for financial support of basic research projects, organized by the Bulgarian National Science Fund, part of the Ministry of Education and Science of the Republic of Bulgaria, Contract № KP-06-N75/17 from 15.12.2023, led by Chief Assist. Sonya Spasova, PhD.

Keywords: cognitive analysis of tourism; generation α ; tourists; excursionists.

JEL: M38, R11, O2

1. Introduction

Generation Alpha is the demographic group after Generation Z and is highly active on social networks. This activity has its financial dimension when it comes to reporting contributions to the national advertising of the Bulgaria brand. Seemingly nice pictures and selfies related to cultural and natural attractions are outside the sight of tourism analysts who weigh the general points for advertising the destination's brand. Here, the participation of vloggers, bloggers, and celebrities is sought more, and the little guy is ignored. But the little man of the Alga generation makes a multi-million-dollar income by advertising his destination and places he visits outside it without realizing it. Our job here is to account for that contribution. While we are not and cannot be precise enough, it is essential to know that Generation Alpha has made a significant contribution, unlike Generation X and Y. Researchers and the

popular media use the early 2010s to 2012s as this generation's starting years of birth. It continues to this day. Named after alpha, the first letter of the Greek alphabet, Generation Alpha is the firstborn entirely in the 21st century and third millennium (Genevieve, 2020). Most members of Generation Alpha are children of millennials (1977-1995). Their marketing strategies are linked to their parents' values by using social media and video marketing.

The cognitive analysis of tourism is a form of perception of attitudes using natural intelligence, which systematically observes what is happening in the tourist destination, drawing up a map of the destination and making predictions based on this map. Attitudes reflect the information environment and its behaviour and predict future developments. To explain the use of the term "cognitive", we can look at the different forms of use of this term in science. Cognitive analysis in neuroscience, as a branch of biology, is studying how the central nervous system works. It examines a person's mental processes, including the morphology of perception, attention, memory, and decision-making mechanisms when problems arise. It helps researchers and professionals understand how people think and make decisions. Similarly, cognitive psychology studies the cognitive abilities of the human mind and the processes related to memory, logical thinking, attention, perception, imagination, decision-making ability, etc. For cognitive psychology¹, the thesis that it is unique in its essence, an interdisciplinary branch of scientific knowledge, is valid. Cognitive psychology is the equivalent of epistemology², dealing with knowledge's origin, scope and characteristics. Epistemology examines how we come to know things, the limits of our knowledge, and how much credibility we can attribute to this knowledge of ours (Ulf, 2004). The social integration of cognitive processes is considered in the conceptual models of Julian Rotter³ and Albert Bandura⁴. Cognitions are systematized carriers of information in a person's intrapsychic homeostasis. Cognitive psychology deals with the study of the anatomical-physiological structure of mental phenomenology and examines how we structure and organize the experience acquired in our ontogenetic development. Cognitive psychology, unlike behaviorism⁵, does not focus attention on mechanistic irritants that somatize⁶ mental modalities but seeks the optimal implementation of knowledge and experience obtained through the conscious processing of information from our environment. The research methods of cognitive psychology are based on the socially engaged position of the brain as a psychological derivative, decoding messages transmitted from sources of unknown origin. The unidentified genesis of this information flow needs social adaptation, in which the central place is not the emotional-behavioural side but the intensity of conditioned reflex domestication (Mark, J. et al., 1997).

The techniques of cognitive analysis in tourism come precisely from the socially engaged position of the brain as a psychological derivative and

include observation of the tourism ecosystem of the destination, surveys, interviews, etc. Higher-order thinking is among the most essential skills that can be useful in tourism process research. The research is not focused on studying the actual or close to actual numbers of tourists and day-trippers visiting the destination but on topics related to "tourism success", which "relies on a coordinated approach to the planning, development, management and marketing of the destination" (Ritchie et al.:2003). This means that more is needed for the information to be reproduced to make sense of it, analyze it, conclude and use it in various sources other than the initial insight when it was acquired. Cognitive skills for processing information related to tourism processes are a set of mental skills that refer to the way our brain deals with information around us - this includes experience from past experiences, what we perceive with our senses in the process of observation, our thoughts and way of reasoning about the surrounding environment. Based on the reviewed texts in various books, articles and publications, we can assume that in most articles, this term usually refers to applying cognitive science to analyze perceptions and develop logical thinking skills in decision-making processes and decisions. There is no generally accepted definition of the term "cognitive analysis in tourism", but for this study, we will stick to our definition, namely that "Cognitive analysis of tourism is a process of observing, capturing and reproducing information that encompasses the ecosystem of a tourist destination, as its separate elements and as a whole". We need cognitive analysis in tourism to research the composition of the information environment and make predictions in the short, medium and long term.

2. Research Methodology

The research is based on a content analysis of documents, regulations, and relevant publications, combined with secondary data at national and European levels. Suppose we want to see the costs of the "Bulgaria brand" in the target and prospective markets. In that case, we first examine the documents related to the ministry's policies regarding the target and prospective markets. They are defined in the Annual Program, for the relevant year, for national tourist advertising and its appendices: (i) Calendar of upcoming events (for the relevant year) with a tourist orientation in Bulgaria; (ii) Participation in international tourism exhibitions (Godishna programa, 2022).

The Annual Program with the budget of the Ministry of Tourism, which is adopted annually with the State Budget Act (SBA), is analyzed, where the budget of the Ministry of Tourism for the relevant year is indicated (Art. 22 of the SBA for 2024). The distribution is confirmed as expenditures in policies and budget programs and, in particular, policies in the sustainable development of tourism. From the State Budget Law, it is impossible to see precisely the

funds allocated by other ministries and departments and the municipalities earmarked for advertising the "Baria brand". The cognitive analysis of tourism also includes an assessment of the funds for "Brand Bulgaria", included in the budgets of other ministries and agencies such as the Ministry of Culture, the Ministry of Transport, the Ministry of Economy, the Ministry of Agriculture and Food, the Ministry of Regional Development, etc. who are indirectly included in "Brand Bulgaria" through their participation in various domestic and international events, and who advertise Bulgaria in one way or another and thereby contribute to its promotion. We can group the cognitive analysis of the costs of branding and marketing the tourism commodity and the tourism product in target and prospective markets into four interrelated stakeholder groups: (i) State and municipal costs of national tourism advertising; (ii) Expenses of the tour operators for advertising the tourism product they create; Costs of hoteliers, restaurateurs and sellers of additional services to ensure the sale of tourist services; (iv) contribution of other suppliers.

The analysis also examines the part of the contracts between hoteliers and tour operators. Each hotel included in the search engine of the online tour operators (OTA) pays a certain percentage to the operator (for Booking in, 18%). This payment is considered to be directly related to the support of "Brand Bulgaria", which support appears in the form of pictures and text many times on the operator's website. Similarly, in the contracts between hoteliers and restaurateurs with foreign tour operators, an express text is included, which fixes what percentage of the contract volume will be invoiced in favour of the tour operator. The funds are used to advertise the offered tourist product. The cognitive analysis accepts this amount as a contribution to the promotion of "Brand Bulgaria", and, accordingly, it is considered a contribution to the advertising costs of the brand. Such a contribution is also the foreign tour operator's funds for indirect brand advertising outside of the above funds under contracts with counterparties.

To the sums obtained in this way, the sum of the expenses of the municipalities, which collect a local tourist tax for each night and use a part of these funds to contribute to the promotion of Brand Bulgari, is added. This support, which the municipalities use for advertising, is considered in the cognitive analysis as an expenditure of funds supporting the advertising of "Brand Bulgaria". The mental analysis also examines other sources originating from commercial companies, public organizations, sports and school clubs, which participate in fairs and exhibitions or competitions in the country and abroad, and which also support the advertising of "Brand Bulgaria" in a particular part. The contribution of social media posting on Facebook, Instagram, YouTube, Telegraph, Twitter/X, and TikTok of the X, Millenials and Z generations, who very actively share photos and videos on their profiles,

which popularizes the tourism brand of the destination, is also taken into account.

In a university environment, during the cognitive analysis of tourism, the technical assessment of the costs for positioning "Brand Bulgaria" in the target and prospective markets, students receive a case study in which questions are asked about the evaluation of the expenses by market and documents are indicated on the Internet in which the primary data and information exist. The assessment is carried out by groups of three "independent experts" students. The leader of the Exercises distributes the Costing Cases by cost group, by lottery or other objective method, among the groups from the student list. Each student works with the provided documents and determines the corresponding amount of the assumed cost according to the cost evaluation criteria. The reasons for each item on the evaluation form contain information about compliance/non-compliance with an approved evaluation criterion. In case of (i) differences in the assessments of the three independent experts (performing the technical evaluation) by more than 20 per cent, a consensus meeting is held between the three assessors; (ii) differences in the assessment of the independent experts on some of the criteria or when one expert gave 0 (zero) points on some of the sub-criteria, a consensus meeting is held between the three evaluators.

When a circumstance arises, the three assessors hold a consensus meeting to agree on the differences in the given assessments. The Head of the Exercises carries out the consensus meeting. As a result of the meeting, the independent experts corrected the presented Evaluation Case Study, which is included in the formula for the final result.

Competing tourist destinations in the target and prospective markets fight for the same tourists, who, in turn, in the conditions of the Internet, receive quickly differentiated information about the most advantageous offers and can choose a better price. Apart from the cost of the tourist product or commodity, there is also the question of the accessibility of the tourist destination or tourist place, its attractiveness, popularity and prestige. We are witnessing all kinds of models of integrated tourism products, especially in terms of supply in overseas markets where the Destination could achieve preferential travel conditions. In the long term, the high value of the offered goods and the offered tourist product wins. Here, by "goods", we understand the values of the tourist packages offered by tour operators, and by "tourist product", the services provided on the spot in the tourist destination by the hotels, restaurants and other providers of tourist services.

3. Analysis of Target and Prospective Markets

Tourism is an industry that has developed dynamically in recent years in a competitive struggle between individual destinations to win more visitors

from target and prospective markets. The advent of the Internet has opened up enormous opportunities for competition in all markets. We observe destinations that are proactive and accordingly identify and use the opportunities available to them to take actions that actively work in the markets to attract more visitors - tourists and excursionists. Some analysts associate the achieved better results in the organization of the market offering with better media representation and advertising and more invested financial resources. Peter Drucker said it more than thirty years ago: "A company has only two primary functions: innovation and marketing." (cited Kotlar, 2023 p.46). The same applies to the tourist destination. Among the factors that build the destination's image are the excellent organization of information and quality advantages. A country's industry will retain its customers only if it can continue to lead in offering the most significant value. And the answer must be better targeting, differentiation and branding. A country's industry will only retain its customers if it can continue to lead in offering the most significant value. The answer must be better targeting, differentiation and branding (Kotlar, 2023). The imposition of a given brand and the means to promote it are measured by comparing the performance of individual destinations in the target and future markets. However, the quality of the tourist products and goods the destination offers is also essential. After all, every participant in the big game called tourism wants to gain leadership in the respective markets, leading to better profit.

Competing tourist destinations in the target and prospective markets fight for the same tourists, who, in turn, in the conditions of the Internet, receive quickly differentiated information about the most advantageous offers and can choose a better price. Apart from the cost of the tourist product or commodity, there is also the question of the accessibility of the tourist destination or tourist place, its attractiveness, popularity and prestige. We are witnessing all kinds of models of integrated tourism products, especially in terms of supply in overseas markets where preferential travel conditions can be achieved. In the long term, the high value of the offered goods and the offered tourist product wins. Here, by "goods" we understand the values of the tourist packages offered by tour operators, and by "tourist product" the services provided on the spot in the tourist destination by the hotels, restaurants and other providers of tourist services

Under Art. 6, item 3 of the Tourism Act, the Minister of Tourism approves an Annual Program for National Tourism Advertising which has the following objectives: (i) Presenting Bulgaria as a safe, welcoming destination using modern communication channels; (ii) Targeted selection of the channels from the marketing mix to implement effective campaigns to impose a positive image of our country; (iii) Targeted advertising covering target audiences by geography, behaviour and interests, periods and socio-demographic targeting;

(iv) Promotion of specialized forms of tourism, which are characteristic of the tourist areas in the country; (v) Expanding the wings of the active summer and winter seasons and positioning Bulgaria as a year-round destination through sustainable forms of tourism; (vi) Achieving synergy in the interaction with tourism business, industry associations and organizations, municipal administrations, media and other parties involved in the sector at the national and international level (Godishna programa, 2022).

According to the Ministry of Tourism's Annual National Tourism Advertising Program, target and prospective markets come in internal and external forms. The domestic market is significant for developing Bulgaria as a four-season tourist destination. The leading municipalities for domestic tourism indicated in the Annual Program for National Tourism Advertising are Sofia, Nessebar, Varna, Primorsko, Velingrad, Tsarevo, Bansko, Balchik, Pomorie, Burgas, Plovdiv, Samokov, Hisarya, Razlog and Veliko Tarnovo (Godishna programa, 2023). The destinations for internal tourism in Bulgaria offer visits to relatives, friends and cultural tourism in an urban historical environment, summer sea and winter mountain sports and recreational tourism, spa and wellness, health, rural, wine, hunting and all other types of tourism in the unique nature and opportunities for rural and mountain tourism. Sofia, Plovdiv, Varna, Burgas and Veliko Tarnovo are the biggest target markets for tourist destinations. Prospective markets in our country are Smolyan, Pleven, Ruse, Sandanski, Petrich, Kyustendil and Stara Zagora.

4.Cognitive Analysis of the expenditures of Brand Bulgaria

In the cognitive analysis of the costs related to branding and marketing of the tourist goods and the tourist product of brand Bulgaria in the target and perspective markets, we observe the behaviour of three interrelated interested groups: (i) state costs for national tourist advertising; (ii) expenses of the tour operators for advertising the tourism product created by them; (iii) expenses of hoteliers, restaurateurs, sellers of additional services and other persons who advertise Bulgaria in the target and prospective markets, thereby assisting in the sale of tourist services.

➤ The determination of the costs for "Brand Bulgaria" (BB) in the target markets was based on the following formula:

$$\sum V_n = \sum M_{tn} + \sum M_{kn} + \sum M_{sn} + \sum H_n + \sum T_{on} + \sum T_{rn} + \sum T_{xyzn} + \sum T_{\alpha n} + \sum N_n \quad (1)$$

➤ Where:

➤ $\sum V_n$ – the amount of funds for the promotion of BB for the relevant year (n);

➤ $\sum M_{tn}$ - contribution to the BB of the Ministry of Tourism;

➤ $\sum M_{kn}$ - contribution to the BB of the Ministry of Culture;

- $\sum M_{sn}$ - contribution to the BB of the Ministry of Youth and Sports;
- $\sum H_n$ - contribution to BB of hotels and restaurants;
- $\sum T_{on}$ - contribution to BB of tour operators and travel agencies;
- $\sum T_{rn}$ - contribution to BB of commercial companies;
- $\sum T_{zn}$ - contribution of generation X, Y and Z to promote BB in social networks;
- $\sum T_{\alpha n}$ - contribution of generation α to promote BB in social networks;
- $\sum N_n$ - contribution to BB of other persons, municipalities and businesses;

Formula (1) of cognitive analysis of the costs of Brand Bulgaria in the target and prospective markets covers the entire spectrum of possible direct and indirect costs attributed to advertising the tourist product. The process of making sense of the contribution, measured in terms of its monetary equivalent, which was made from the summated formula of the contributions of individual budgetary and extra-budgetary stakeholders involved in the promotion of Brand Bulgaria, in the process of cognitive analysis shows that in the evaluation of the contributions should be taken taking into account all possible sources of financing the promotion of the brand, which directly or indirectly influence the positioning of the destination in the target and prospective markets. As can be seen from the formula, the contribution of posting on social networks Facebook, Instagram, YouTube, Telegraph, Twitter/X, and TikTok of generations α , who are very active in sharing photos and videos on their profiles, is also accounted for, which popularizes the tourism brand of the destination (Carter, 2021). However, Generation α contributes 90% more than Generation X, Millennials (Y) and Z.

According to data from the Institute for Analyzes and Forecasts of the Information Environment in Tourism (IAPIST) at the University of Library Science and Information Technologies - Sofia, Bulgaria, which uses the methodology of cognitive analysis, the most important target markets for Bulgaria are the Benelux (Belgium, the Netherlands and Luxembourg). , Great Britain, Germany, France, Greece, Serbia, North Macedonia, Romania, Turkey, Poland, Czech Republic, Slovakia, Hungary, Denmark, Norway, Finland and Sweden, and the most significant prospective markets are the countries of the Middle East, Israel, India, China, Baltic States, Moldova, United States of America, Canada and Japan (Godishna, 2023).

5. Findings and novelties

The research results are helpful to teachers and students studying tourism, business, and the state administration to get an idea of the scale of the total costs related to the positioning of the Bulgaria brand. Sharing the predictions made in the cognitive analysis of tourism in the public and private sectors can help generate compiled data on investment in target and

prospective markets and predict the total volume of destination brand advertising funds for policy development and decision-making (EC, 2022). The cognitive analysis of tourism essentially observes the attitudes. It examines the information environment of the tourist destination to reveal more and closer to the actual situation data related to the tourist processes by using the instrumentality of logical thinking, perceptions, imagination, and attention to each one of the components of the tourist offer, to support the ability to make a decision.

The cognitive analysis of the costs of positioning the Bulgaria brand in the target and prospective markets has an applied nature. It is based on the officially received data provided by the National Statistical Institute, the Ministry of Tourism, the Law on the State Budget (Zakon, 2024), the Updated Strategy for the Sustainable Development of Tourism in Bulgaria 2019-2030, the content analysis of regulations and publications combined with secondary data at national and European level. The cognitive analysis of the brand advertising data by advertiser groups is necessary to develop an integrated assessment of the total costs for the Bulgaria brand in the target and prospective markets. The contribution of applying the method of cognitive analysis to estimate the costs of advertising the tourist product gives a better idea of the participation of each of the stakeholders in the integrated advertising of the brand in the target and prospective markets. Through it, the local authorities and the central administration are informed about the contribution of each of the participants in attracting tourists, the development of regional economies and the creation of new jobs. Many institutions, organizations and structures from various departments, control bodies and the local government are connected with tourism. It depends on the information environment in which our country is presented as a predictable and reliable destination for Bulgarian and foreign guests who will choose Bulgaria for their holiday and vacation.

The data of IAPIST show that in 2023, the costs related to the branding and marketing of the tourist product of Brand Bulgaria in the target and perspective markets calculated according to formula (1) are 63.0 million euros. 12.6 million foreign visitors visited Bulgaria for tourism, of which 42% were visitors for summer sea tourism, 32% for cultural and other types of tourism, 15% for winter tourism, 6% for spa and wellness tourism and 5% for purposes beyond tourism statistics. The domestic market has generated over 24 million trips for tourism for Bulgarian citizens in Bulgaria and about 7 million trips for Bulgarian citizens abroad. Bulgarians in the country, about 4.2 million, travel an average of 5.7 times a year. Over 70% of all Bulgarian tourists have chosen to make a tourist trip in 2023 only within Bulgaria.

NOTES

¹ Cognitive psychology is a branch of psychology that studies cognitive abilities and processes of human consciousness and problems related to memory, language, logical thinking, attention, perceptions, imagination, decision-making ability, etc.

² Epistemology (in ancient Greek: ἐπιστήμη, "knowledge" and λόγος "word, teaching") is a branch of philosophy that deals with the origin, scope, and characteristics of knowledge.

³ Julian Rotter (1916 - 2014) was an American psychologist who created the locus of control theory. This theory is associated with a person's beliefs about the reasons for good or bad results in his life in general or in a specific area such as health or education. The scientists developed the concept in 1954, and it has since become an important aspect of personality research.

⁴ Albert Bandura (1925 – 2021) is a Canadian psychologist best known for his theory of social learning. He is a proponent of this theory, which explains mental functioning in terms of the triadic interplay between behaviour, cognitive and other internal determinants, and environmental factors. Bandura attributes a central role to modelling in acquiring and regulating thought, effect, and action.

⁵ Behaviorism is a scientific field in modern psychology and is related to the methods of observation and experiment.

⁶ Somatization is when a person experiences somatic (bodily) symptoms for which no discernible physical cause can be found.

REFERENCES

CARTER, Christine Michel (2021). "The Complete Guide To Generation Alpha, The Children Of Millennials". Forbes. Archived from the original on April 9, 2022. (viewed 22.05.2024)

European Commission (2022), Transition pathway for tourism. Corporate author(s): Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs ISBN 978-92-76-48965-8 doi: 10.2873/113442 c.16

GENEVIEVE, Shaw Brown (2020). "After Gen Z, meet Gen Alpha. What to know about the generation born 2010 to today". Family. ABC News. Archived from the original on February 17, 2020. (Viewed 22.05.2024)

Annual program for national tourism advertising (2022). <https://www.tourism.government.bg/bg/kategorii/strategicheski-dokumenti/godishnata-programa-za-nacionalna-turisticheska-reklama-za-2022-g> (viewed 23.05.2024)

Annual program for national tourism advertising (2023). <https://www.tourism.government.bg/bg/kategorii/strategicheski-dokumenti/godishna-programa-za-nacionalna-turisticheska-reklama-za-2023-g> (viewed 23.05.2024)

KOTLER P., Milton KOTLER (2014) *Winning Global Markets: How Businesses Invest and Prosper in the World's High-Growth Cities* Hardcover – August 18, 2014, ISBN: 978-1-118-89379-1

MARK, J., G. WILLIAMS, FRASER N., WATTS, COLIN M., MACLEOD, ANDREW Mathews. (1997), Cognitive Psychology and Emotional Disorders, 2nd Edition Wiley, June 5, 1997 ISBN-13: 978-0471944300

RITCHIE, J. R. B. & CROUCH, G. I. (2003). The competitive destination, a sustainable tourism perspective. Cambridge: Cabi Publishing. ISBN-10: 184593010X.

ULF, Robert Pol (2004). About Philosophy, New Bulgarian University Publishing House, p.466, ISBN 954-535-309-0.

Law on the state budget of the Republic of Bulgaria for 2024 (2024) State Gazette, issue: 108, dated 30.12.2023 Official section / NATIONAL ASSEMBLY, page 2.(viewed 22.05.2024).

Assoc. Prof. Rumen Draganov, PhD

ORCID iD: 0000-0002-0341-8598

University of Library Studies and Information Technologies
Sofia, Bulgaria

E-mail: r.draganov@unibit.bg