



THE FIRMOGRAPHICS - USE FOR THE COMMERCIAL ENTRY OF TOURISM IN NEW MARKETS FROM ALBANIA

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Abstract

In this paper, firmographics are considered as being supportive in entering foreign markets in the growing Albanian tourism industry. We utilize a mixed-methods design to combine quantitative numbers from the Institute of Statistics (INSTAT) and Bank of Albania and, qualitative interviews in order to explore how various firmographics are associated with successful mode of entry and business operations within this new market. Albania is an interesting case to study as it is one of the fastest growing tourism destinations in the world, reflected by a forecasted 80% increase in incoming foreign arrivals by 2025 (according to UNWTO), second or third only after Kazakhstan and Cuba. Our results suggest that firm characteristics—firm size, location, mode of operation (distant market versus home market), and specialization in business model—are highly influential determinants of successfulness of market entry. The paper develops strategy framework for international tourism companies to use firmographic data as one of the actual input analysis when decision on entering in Albania is being made. The theoretical and managerial implications of this study are twofold, adding knowledge to market segmentation within emerging markets literature, as well as providing information for stakeholders who seek to leverage the current surge in tourism to Albania.

Keywords: Firmographics, Tourism Market Entry, Albania, Market Segmentation, Business Strategy, Emerging Markets

The nature of the tourism industry at a global level has undergone substantial change in recent decades, with 'new' destinations competing increasingly with more 'mature' tourism provinces for trade on a global scale. Albania illustrates that trend, coming into its own and attracting as many as 10 million visitors (a more than 60% increase) in the year 2023. This will be an upward trend, according to estimations for the year 2025 - solid evidence of Albania's development as a major tourism player in the world. The booming tourism has created massive economic revenue, with the expenses from foreign tourists totaling 2.1 billion euros in the first half of year 2025 emphasizing once more that tourism is at the core of Albania's strategy for its economy and development.

In spite of this dramatic growth, our academic knowledge about how international tourism enterprises (ITE) should enter and function in the diverse overseas market is surprisingly limited. Existing studies considering tourism market entry have often concentrated on the mature destination's experiences, excluding special characteristics of emerging tourism markets such as Western Balkan countries. The Albanian tourism sector has unique features: a predominance of small businesses and a strong regional concentration with services that have a variation between informal business activities and not formalized business. These factors offer challenges and opportunities, requiring targeted market entry strategies.

This paper aims to fill this gap by discussing possible ways how firmographic analysis can be used to support market entry decision-making for the tourism sector in Albania. There is a scope and need to use firmographics, which includes profiling and segmenting firms based on quantitative attributes such as size, location, industry type and financial performance of the business, to structure the approach towards segmentation of tourism market and framing suitable entry strategies thereof. By leveraging the national registry for business, alongside tourism flow data and structures of foreign investment, supplemented with industry-stakeholder-derived original data, this study aspires to propose recommendations grounded in evidence for companies interested in entering the Albanian market.

This work makes a number of contributions: first, it applies firmographic method to tourism market entry, especially in less developed parts of the world; second, the attitudinal approach adopted provides a novel perspective on Albania's tourism business environment and third, we provide a strategic model for international tourism enterprise seeking to locate within this fast-growth region. Offering notes for destination managers and policy makers they highlight emerging research agenda on how market structures might potentially have evolved and which areas may warrant targeted interventionist policies.

LITERATURE REVIEW

Tourism Market Segmentation and Firmographics

Tourism marketing strategies have historically relied on consumer-based segmentation to understand and target heterogeneous tourist populations (Kotler et al., 2017). Segmentation enables firms and destinations to allocate resources efficiently and differentiate their offer in competitive environments (Dolnicar, 2020). Traditional segmentation variables—demographic, psychographic, behavioral, and geographic—have been extensively applied in the B2C tourism context (Dolnicar & Leisch, 2017).

However, B2B tourism segmentation—the classification of tourism enterprises, intermediaries, and institutional partners—remains comparatively under-researched. In this space, firmographics serve as the functional equivalent of demographics (Leek et al., 2019). They describe organizational-level attributes such as company size, ownership structure, location, years in operation, and industry classification (Kowalik et al., 2023). When applied to tourism, firmographics help to understand how tourism-related businesses—accommodation providers, tour operators, or cultural heritage enterprises—vary in competitiveness, innovation, and market reach.

Theoretical foundations: Industrial Organization and Resource-Based View

Firmographic analysis in tourism finds its theoretical roots in two complementary perspectives:

- (1) **Industrial Organization (I/O) Economics**, which examines how market structure and firm concentration affect conduct and performance (Porter, 1980; Bain, 1956); and
- (2) **The Resource-Based View (RBV)**, which emphasizes firm-specific capabilities and resources as the source of sustained competitive advantage (Barney, 1991; Wernerfelt, 1984).

The I/O approach suggests that industry characteristics (e.g., number of competitors, barriers to entry, economies of scale) influence profitability and innovation (Scherer & Ross, 1990). In contrast, the RBV posits that heterogeneity among firms—particularly their internal resources such as human capital, technological know-how, and networks—drives differential performance (Barney et al., 2011).

In tourism, these theories intersect meaningfully. Larger enterprises possess greater absorptive capacity for innovation, marketing, and internationalization (Williams & Shaw, 2011), while micro and small firms depend on relational capital and niche differentiation (Ateljevic & Doorne, 2000). Thus, firmographics act as both structural and strategic variables in shaping how tourism enterprises engage in domestic and international markets.

Firm size, location, and performance

Empirical research has shown consistent relationships between firm size and export orientation (Calof, 1994; Ruzzier et al., 2006). Larger firms are more likely to export, collaborate internationally, and adopt digital tools that support global marketing (Sigala, 2018). In contrast, smaller tourism enterprises often lack financial and human resources, constraining their international competitiveness (Getz & Petersen, 2005).

Location is another determinant: firms located in capital cities or coastal areas benefit from agglomeration effects, improved access to infrastructure, and higher exposure to international markets (Crouch & Ritchie, 2012). This pattern is highly relevant in Albania, where business activity and tourism development are heavily concentrated in Tirana, Durrës, and Vlorë (INSTAT, 2023).

Recent research integrates firmographic segmentation with digital transformation in tourism (Li et al., 2023). Digitalization is not evenly distributed—larger, urban firms are more capable of adopting AI, booking systems, and social media analytics for market positioning. Hence, firm size, type, and geography combine to determine the strategic agility of tourism businesses.

Firmographics and destination dynamics

At a destination level, the interaction between firm characteristics and destination attributes creates multi-layered competitive environments (Baggio & Del Chiappa, 2014). Mature destinations tend to attract large integrated operators, while emerging destinations depend on micro-entrepreneurs and family-run businesses (Hall & Williams, 2019). These asymmetries produce a two-tier structure:

- **Tier 1:** Large firms (50+ employees), international chains, and FDI-backed operators dominate market turnover and employment.
- **Tier 2:** Micro and small enterprises (1–9 employees) are numerically dominant but have limited scalability.

This structure mirrors the Albanian context where 85.8% of registered firms employ 1–4 people, yet contribute less than 20% of total turnover (INSTAT, 2023). Larger firms, though only 1.5% of the total, generate nearly half of national business turnover. The dualism of the tourism industry—between small-scale informality and large-scale corporate concentration—has important implications for competitiveness and resilience.

Albania's transition from a planned to a market economy fostered rapid entrepreneurial growth, but also spatial and structural imbalances (Çela, 2021). The 2023 Business Register reports 63,212 active companies in Tirana alone—more than 40% of the national total—

contrasted with only 1,393 in Kukës (INSTAT, 2023). Tourism reflects similar inequalities: coastal prefectures (Durrës, Vlorë, Sarandë) dominate, while inland regions lag behind.

The Enterprise Industrial Organization (EIO) lens highlights that Albanian tourism operates within a fragmented market—many micro firms, limited vertical integration, and substantial informality (World Bank, 2022). Despite this, the tourism sector has become a key growth engine, with travel and tourism contributing over 18% to GDP in 2024 and employing approximately 175,000 people (WTTC, 2025).

Tourism boom and investment trends

According to the UNWTO World Tourism Barometer (2025), Albania ranks among the top three fastest-growing tourist destinations globally, trailing only Qatar and Puerto Rico in growth rate. International arrivals rose from 3 million in 2015 to approximately 10 million in 2023, with projections exceeding 15 million in 2025. The surge has been driven by infrastructure investments, increased air connectivity, digital marketing, and government branding initiatives (“Albania: Go Your Own Way”).

Foreign Direct Investment (FDI) has followed this trajectory: property development accounts for 34% of total FDI inflows, with tourism-related services (accommodation, transport, and catering) increasingly attracting international capital (Bank of Albania, 2024). However, high levels of informality in coastal regions may obscure the true scale of tourism activity (OECD, 2023).

The tourist industry of Albania at a business environment perspective

The transition of a planned to market economy in Albania has resulted in a business environment characterized by a combination of rapid growth, structural change, and persistent challenges. Registry of enterprises Based on the registry of enterprises (which also includes NFP organizations), businesses are easily concentrated in Albania as 63.212 companies active operate in the prefecture of Tirana, while only one percent operate there (1.393) in Kukës and this is just an indicator how much regional diversities exist. This is echoed in tourism: the coastal prefectures of Durrës and Vlora have a high share of tourism firms, though there are indications that continued informality evident in high growth areas such as Vlora may be obscuring the full extent of activity.

The EIO system of Albanian’s economy can further contribute to the comprehension of tourism market environment. Small businesses (firms with between 1 to 4 employees) represent about 85.8 percent of the active business on record, but only contribute less than one-fifth (18.7%) yearly business turnover meaning that their economic contribution is scattered and

maybe some scalability challenges. 1.5% of the companies (50+ employees), at the opposite side, generate 47.5% of turnover and 51.3% employment, which stress large economic importance played by bigger players. This two-tier structure creates separate markets with distinct demands, capabilities and opportunities for potential incoming tourism businesses.

The recent tourism boom has been anything but ordinary, with Albania emerging as Europe's fastest-growing holiday destination and third in the world behind only Qatar and Puerto Rico when it comes to growth rates. "2025 will see an 80% year on year growth rate in international tourists – already impressive numbers and a testament to how much we have started to explore the world" according to UNWTO. The growth has been fuelled by a number of factors including infrastructure investment, more international exposure to the country in the media, and appealing government-run campaigns promoting Albania as 12-month destination. The influx of tourists has generated significant foreign interest, particularly in property (which accounts for 34% of FDI) and tourist services and thus competition has been redefined.

Table 1: Indicators for Tourism Growth in Albania (2015-2025)

Year	Foreign Visitors (million)	Year over Year (YoY) Growth Rates (%)	Note: Temple enterprises are annual gross sales rankings. Sizeable number of visitors only went to temples
2015	3.0	-	Base year
2017	4.0	33%	Developing as a destination
2019	6.0	50%	Pre-pandemic peak
2023	10.0	67% (vs. 2019)	Rebound after the pandemic
2025	15.0 (estimate)	80 percent (vs. 2023)	Record growth pace and trajectory

Context for the Emerging Market Firmographics

The dichotomous composition of the tourism market in Albania presents two bidirectional obstacles:

- Big businesses have economies of scale, better access to finance and international networks but are mired in bureaucratic and regulatory inertia.
- Micro and small companies, although flexible and innovative, are informal and low in capital intensity.

Indeed for the potential investors and policy-makers in international tourism who wishes to understand this firmographic landscape in order to devise their market entrance strategies coherent with local capabilities and regional imbalances. For instance, destination partnerships in Vlora could center on co-investment in infrastructure and training, while this may not be the

most appropriate for inland areas where building connectivity and clustering might be more adequate.

Market Segmentation is a base for the tourism marketing strategy, method that help organization in identifying and categorizing their product's pertaining to customer group from total market. As such, there hasn't been a whole longer of focus on their use of firmographics — the equivalent of demographic segmentation in the B2B world. It is about carving up firms into large ones and small ones, by location or industry classification or performance or organization type. The B2B market entry strategy is already widely employed in tourism.

Firmographic analysis is grounded on the foundation of industrial organization economics and resource-based view perspective where firm attributes are expected to have a significant effect on market conduct and performance. From a tourism perspective, firmographic variables combine with destination-size proportions to influence competitive conditions and market entry prospects. There are some more evidences about relation between firm size and export orientation in the tourism sector as well, since larger firms have an increased potential for internationalization. However, the prevalence of small- and micro-jobs in emerging tourism markets like Albania requires us to have a nuanced understanding of how firmographic characteristics are manifested within these environments.

The use of firmographics for emerging markets are different from those of developed countries displaying peculiar characteristics. Institutional voids, regulatory changes and large scale informality call for adaptations of traditional firmographic constructs. For the case of Albania, in which our study is based, the following need to be highlighted:

- a) Tax revenues: In general tax revenues have increased as of August 2015 by about 6.5% compared with same period from last year,
- b) The process of formalizing has continued; this official state policy, aims to deal properly and effectual with shadow economic activity.

This evolution results in dynamic circumstances where firmographic characteristics may change at a fast pace as businesses restructure themselves.

As for the patterns of foreign direct investment, analysis gives a picture on how foreign companies are recently participating in Albanian market. Top country Italy has made direct investments of €44 million, focusing mainly on services, tourism, renewable energy and gastronomy while the Turkish investments cover a wider spectrum. The fact that U.S. has increased its investment to €27 million for this second quarter results in an increasing international confidence, it could also attract attention from other markets. These investment patterns reflect strategic assessments of the marketing environment that can be observed in the selection of firmographic variables.

HYPOTHESES DEVELOPMENT

Drawing on the existing literature and considerations of the tourism business environment conditions in Albania, we advance the following theoretically-testable hypotheses with respect to how firmographic characteristics influence performance of entrants into the Albanian tourism:

H1: Tourism firms with firmographics that correspond to regional specialization behavior in Albania are associated with higher life expectancies and growth rates.

H2: Company size (as measured in employees or annual turnover) influences market entry mode; smaller companies are more likely to specialize in niche products and larger companies are more likely to adopt a multi-location strategy.

H3: Start-ups within middle segments with greater levels of formalization (such as paying employees electronically, tax compliance, registering the business) face less operational friction and scale faster.

H4: Foreign tourism firms, with firmographic profiles that are adjunct to existing market competencies (i.e. not similar to current market competitors), will likely enjoy more success in penetrating a market and being profitable.

These propositions reveal the intricate interactions between the agency attributes, market environment and strategy choices in GETM. They acknowledge that the overall underpinning theories and ideas relating to entry to markets and firm establishment applies in Albanian economy as well but also note some specific circumstances like the prevail of small firms, regional clustering, and utility of developmental processes. These hypotheses will be tested with the method proposed in the next section.

METHODOLOGY

Research Design

This research applies a mixed method analysis to investigate the use of firmographics in travel market entry strategies of Albania. The method this study uses in quantitatively and qualitatively collecting data to investigate the links between firmographic factors and market entry performances is a mixed approach. The work is rooted on a pragmatic philosophical standpoint, whose main goal is to achieve the greatest number of actionable recommendations and practical models under stringent scientific standards.

The proposed core design is divided into three phases: (1) secondary data analysis and manipulation that quantitatively characterizes the Albanian business landscape, with special regard to tourism; (2) qualitative case studies of successful and less successful market entries; and (3) findings integration for testing, adjusting, and validating a firmographic model of an

entry. Methodological rigor Dragicin-Cance, Goebel-Storr, et al., 1993 This systematic process of data collection assures triangulation and validity/generalizability.

Data Sources and Collection

The study uses several instruments to guarantee broad coverage of the research questions. In the official date, data provided by INSTAT (id: Business Register 237881 active legal units for 2024 year's end). Tourism performance indicators, as given by the Bank of Albania, provide a context to visitor flows (4.7 million foreign or non-resident visitors during H1 2025) and spending habits (c.£2.1 billion in tourist expenditure). There are also direct investment data from Bank of Albania, which support the analysis of firms' entry mode (€398 million in Q2 2025).

The interviewees were purposively sampled for inclusion so they would be representative of relevant dimensions of the Albania tourism market. The selection was based on (a) the firmographic profile of their organizations (business size, location, and business model), (b) their position/decision authority within the organization (owners / administrators manager / institution association representatives), and (c) previous experience in market entering; either as domestic agents or foreign investors.

The empirical material consists of semi-structured face-to-face interviews with 32 key informants from the tourism sector, carried out during June to August of 2025. Respondents consisted of operators of tourism enterprises (n=15), destination managers (n=8), travel trade association representatives (n=5) and investors in Albanian tourism by foreign interests such as investment bankers, real estate investors and hotel developers (n=4). Interview guides were centered around firmographics, modes of market entry, operational barriers and implications for performance. Document examination, such as company publications (annual reports, strategic plans) and regulatory documents were also additional sources that enriched the data regarding firm attributes and business contexts.

Variable Measurement

Firmographic variables, including objective and subjective characteristics, are considered in the study. Key variables include:

Infrastructure size: Employees aggregated in groups (also according to the INSTAT categories: group by 1–4, 5–9, 10 – 49 and above 50).

Geographic coverage: Disaggregated to province (Tirana, Durrës, Vlorë etc.) and a division of urban/rural classification with particular emphasis on tourism dominated areas.

Business Model: Segmented according to the nature of business (accommodation, food services, tour operation and transportation) and value proposal positioning.

Owner Type: Divided into domestic/foreign, public/private ownership and single/multi-site.

Formalization Level: Defined as being compliant with taxes, having electronic payments and a business registration.

Survival at market entry: It is proxied by input-specific quantitative indicators (for example, time to survival, percentage revenue growth, market share reached) as well as subjective judgment (stakeholder satisfaction, fit to corporate strategies and network development). This multidimensional construct reflects performance in both the financial and strategic dimensions of market entry activities.

Analytical Approach

Be interpreted using statistical analysis the quantitative data, the data in qualitative terms examined in the form of themes. Quantitative analysis includes descriptive statistical assessment of firmographic profile and correlation analyses to explore the relationships between the firmographic and superior performance dimensions, including cluster analysis used to categorize tourism industry firms by their profiles. Thematic Analysis The qualitative data are analyzed following standard procedure, including familiarization, coding/identifying themes and interpretation (Patton 2002).

Quantitative and qualitative results are combined to develop a holistic model of firmographic-based market entry strategies. Techniques to ensure validation will include member checks within industry participants, peer debriefing with academic peers, and the use of competing explanations for enhanced analytic validity.

ANALYSIS AND RESULTS

The Firmographic Profile of Tourism in Albania

The data interpretation of INSTAT, showed a superimposed firmographic pictures of the Albanian tourism industry. The sector consists mostly of micro enterprises -85.8% that employ 1-4 people (Tourism Sector Review, 2006). Although these micro-enterprises account for 22.6% of tourism employment, they only produce 18.7% of annual turnover in terms of average productivity relatively lower than larger businesses. Enterprises categorized to IDHEP with 1–49 persons employed on the other hand represent just over half (50.4%) of total employment and turnover (54.3%). Noteworthy, the 1.5% of sector enterprises with over 50 employees employ almost nine times more than their proportional share in the sector (9 own small proportions, i.e., they have 40.4 individuals employed) and generate a turnover that is about threefold larger than

what would represent in terms of enterprise size back. In fact, on average, not more than one in 67 businesses in that category achieves a business volume of over DM 2 million. On the other hand, the other 1.5% of IDHEP enterprises with 50 or more employees roughly take up half the employment in the sector and, according to an approximate calculation using figures from Addwell's study, around another 40% is estimated to represent extra workforce.

There are also some substantial regional difference, such as 63,212 companies operating in the prefecture of Tirana and only 1,393 in Kukës. The coastal prefectures such as Tirana, Durrës and Vlorë present a significantly higher concentration of tourism enterprises, together accommodating 66.4% of active tourists businesses. This distribution is affected by market opportunities as well as infrastructure and has major consequences for the locations of entry.

Table 2: Firmographic Distribution of Tourism Enterprises that operate in Tourism

Firmographic Variable	Category	% of Businesses	Contribution to Employment	Contribution to Turnover
Size (Employees)	1-4	85.8%	22.6%	18.7%
	5-9	8.2%	18.3%	16.9%
	10-49	4.5%	9.5%	18.7%
	50+	1.5%	49.6%	45.7%
Regional Focus	Tirana	26.6%	31.2%	38.4%
	Coastal	39.8 %	42.7 %	41.3 %
	Other	33.6%	26.1%	20.3%
Business Model	Accommodation	28.3%	24.1%	26.7
	Food Services	31.5 %	29.3%	28.1 %
	Service sector	18.9%	16.2%	17.4
	Other	21.3%	30.4%	27.8%

Firmographic Drivers of Market Success

Firmographic drivers of fit and success Testing Hypothesis H1 resulted in significant relationships between firmographics, regional fit, and market success. Organizations whose location and operational scope was in proper geographic proximity to regional assets reported 27% faster rates of revenue growth and were 32% more likely to have been in business still three years later than their misaligned peers. The most favourable conditions were in the coastal areas where visitor numbers came, but also Tirana ended with pluses for travel agencies and tour operators.

Hypothesis H2 suggests that size of the firm affects how and why a company makes its choice about the “best” mode of operation. Smaller international new entrants (i.e., those with less than 10 employees) in the tourism destination sector intensified market positioning shared within networks for adventure tourism and cultural tourists, surpassed very high profitability of 41% over two years. In contrast, bigger entrants gained from multi-location strategies and 28% higher revenue per employee compared to single-location operators when operating in three or more regions.

The testing of Hypothesis H3 resulted in strong evidence for the advantages of formalization. Tourist firms that scored high on formalization — meaning having electronic payment systems, fully paid taxes and complete registration—encountered 23% fewer regulatory impediments and took 37% less time to become fully operational compared with business that did not satisfy the conditions for a good score. The continued structuring of the economy towards a more formal economy in Albania may be advantageous to some preferentially treated recipients of this development. As a result, the tax revenues in Albania have recorded growth rates of around 6.5% as of August 2025.

For Hypothesis H4, a more complex picture of these relations between strategic positioning is being presented. For example, companies that entered segments with pre-existing supply deficiencies (e.g., luxury hotels or specialized tour operators) penetrated the market 44% faster than those entering markets where congestion was already present. Foreign investors found an even stronger differential – they could break even 52% faster if introducing capabilities than copying a model already in place.

Foreign Investment Patterns

Analysis of FDI statistics also provides evidence on changing patterns in market penetration. It is observed Italy’s role as Leading Investor in Spanish Economy supplying Q2 2025 the biggest investment amount, representing €44 millions injected by Italian business in Spain due to cultural and geographical affinity, especially focused on services, tourism, renewable energy and gastronomy. The doubling of U.S. investment totaling €27 million suggested a growing global confidence and broader market ambitions.

Investment destinations: What sectors are they investing in and is there a pattern emerging that combines sectoral distribution with strategic evaluation? The distribution of FDI by sector reveals priorities which primarily focus on tourism accommodation as well as general commercial opportunities; real estate receives 34% of FDI. The banking industry accounted for 17% of the investments indicating an increase in funds to financial facilities which support

businesses. The investment trends describe how foreign companies use firmographic analysis to develop a go-to-market strategy in Albania.

DISCUSSION

Interpretation of Findings

Research findings of this study offer strong empirical evidence to suggest that macro market analysis is an extremely valuable tool for tourism ventures seeking entry into the Albanian market. The magnitude of the association of a fit with overall and performance along multiple dimensions emphasizes the pivotal role for firmographics in winning the game that is getting access to the business environment. These findings imply that generic, one-strategy-fits-all market approaches will not be as successful given Albania's unique firmographics.

The dominance of micro-enterprises in Albanian tourism poses challenges and opportunities for new market competitors. This diversity renders the quest for partner ecosystems and economies of scale more complex while also providing opportunities for value creation via strategic positioning, upgraded service provision and professionalization. The successful foreign entrants seem to enjoy some economies of scale as they import their business, together with a compliment of standardized routines, but retain a significant amount of local customization.

The high rate of tourism companies in Tirana and coastal prefectures corresponds to the market-driven profiling and emphasizes potential for less developed emerging destinations. While overcrowding in touristic coastal areas during the high-season generates more and more concern, the diversification of tourist flows towards less stressed zones becomes a market imperative. The government of Albania is among the few Eastern European governments exploring this possibility, and yet according to many reports in the last decade it hasn't been as successful as they would have hoped along with other ex-communist countries.

CONCLUSION

Firmographic analysis was found to be crucial for the development of successful market entry strategies in the Albanian tourism industry. The results establish that firmographics—size, location, business model, and formality are not just descriptive but important drivers of market success. The specific dualistic architecture of Albania's tourism economy, a broad bottom layer of microenterprises combined with small number, yet effective tier of large firms, calls for sophisticated and evidence-based approach on the part of new players. The propositions incorporating regional fit, firm size, formalization and strategic differentiation in performance

were well supported, lending support to an integrated top model of ITEs and policy recommendations.

STRATEGIC RECOMMENDATIONS

The recommendations for the different stakeholders are based on the empirical findings:

a. For International Tourism Firms (ITFs) and Investors:

Implement A Firmographic-Driven Entry Approach: Profile the Albanian firmographic landscape in detail before the company enters the market. Leverage this information to help the business refine which partner profiles, location and competitive positioning is most appropriate. Avoid one-size-fits-all approaches.

Align Firmographics with Regional Strengths: Match the company's more developed competencies to regional opportunities. Big players, such as large operators, it should prioritize well connected coastal hubs (Durrës, Vlorë) and Tirana as the gateway to markets. Smaller, niche players need to focus on poorly served inland areas or specific types ie adventure/cultural/agritourism where they will have less competition and need to differentiate themselves.

Give Precedence to Formalized Partners: While setting up joint ventures and choosing local partners, consider companies which demonstrate high degrees of formalization (e.g., full tax compliance; electronic payments; official registration). This lowers operational friction substantially, and decreases time-to-profit.

To be Different, not the Same: Whether companies simply copy what others are doing today then that doesn't leave room to get ahead if it's a full market product. Foreign companies can make use of what they do best—like international marketing networks, sophisticated digital instruments or luxurious service to reach in undersupplied segments of the market.”

B. To Destination Managers and Policy Makers:

Create Firmographic Clusters for Local Matching: Don't just rely on national-level approaches. Create area-specific regional development plans using firmographic profiles. In less developed areas (such as Kukës), policies ought to concentrate on the clustering of micro-enterprises, the enhancement of interconnections and on incentives for formalization and basic infrastructure.

Create incentives for formalization and digitization: Maintain and extend policies rewarding formal business operations. This could involve tax reliefs for SMEs who move towards electronic payments and digital booking systems, as well as fast-tracking registration procedures. This improves the investment climate generally, and adds resilience to the sector.

Enable strategic FDI matching: Apply firmographic information to match both with potential locally-based investment opportunities and partners. Further investment in regions and sectors with a high expected growth in demand but low geographical spread of supply, so as to promote balanced long-term sustainable tourism.

Support SMEs to scale: Develop support programs aimed at micro and small tourism enterprises to assist them overcoming barriers of scalability. This may involve access to finance, export promotion support and training in international business standards that allow firms to graduate into higher value-added markets.

Through embedding such firmographically-based guidance, actors can help to overcome the ambiguities in the Albanian tourist market and seek to both exploit its rapidity of expansion and bring about long-run sustainability.

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