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Comparative Report of Tourism SMEs' Needs



The report aims to analyse common issues and differences among the partner countries, regarding the specific needs of tourism SMEs for their transition to sustainability and digitalization.

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Report on sustainable and digital needs of selected SMEs

1. Introduction

The Star Growth project, “Sustainable Tools and Activities for Rural Tourism and Ecotourism SME’s Growth”, funded by the European Union through the Single Market Programme, aims to support small and medium-sized enterprises (SMEs) in the tourism sector in their transition towards sustainability and digitalization. This report synthesizes the findings from national studies conducted in Greece, Bulgaria, Cyprus, Italy, Romania and Slovenia, each focusing on identifying the specific needs of beneficiaries tourism SMEs in the transition towards sustainable and digital growth. The insights gathered from these national reports have been summarized to create a Comparative Report that analyzes common issues and differences among the partners countries. Information have been collected through surveys distributed to selected SMEs in Greece, Bulgaria, Cyprus, Italy, Romania and Slovenia during April-May 2024. Over the 91 SMEs targeted, 80 offered their contribution by answering the survey and providing their contribution for the scope of the research. However, 11 SMEs did not respond to the survey, different factors contributed to this lack of response. Some SMEs cited operational challenges, such as limited staffing or high season workload, which prevented them from participating. A few SMEs may not have fully understood the importance of the survey. There were also instances where contact information was outdated, or survey invitations did not reach the intended recipients. Despite these non-responses, the current response rate of approximately 88% (80 out of 91) is deemed acceptable. This high level of participation suggests that the collected data accurately reflects the needs and perspectives of the supported SMEs. Nevertheless, the non-responsiveness of a small subset of SMEs might indicate an early sign of low commitment, which poses a risk to the project’s support scheme. Continuous engagement and clear communication with all SMEs are crucial to mitigate this risk and ensure their active involvement throughout the project. The current response rate highlights the necessity of addressing the reasons behind non-participation to foster full engagement and commitment from all targeted SMEs. This proactive approach will ensure that the support scheme effectively meets the needs of all participating SMEs and contributes to the overall success of the project.

The overarching goal of this research is to provide a comparative analysis of the specific needs of tourism SMEs in the partners countries regarding their transition to sustainability and digitalization. This comparison aims to identify common issues and differences, thereby enabling the development of targeted support and interventions. Understanding these needs is crucial for fostering a successful green and digital transition, which is essential for the competitiveness and resilience of tourism SMEs, particularly in rural areas.

The transition towards sustainability in tourism involves adopting practices that minimize environmental impact, promote conservation, and enhance the socio-economic benefits for local communities. For rural tourism SMEs, this means integrating sustainable practices into their daily operations, such as energy-efficient measures, waste reduction, the application for green certifications such as Ecolabel, UNI EN ISO 14001, EMAS registration and the



promotion of local culture and heritage. The research seeks to understand how SMEs in different countries are currently implementing these practices and what additional support they require to enhance their sustainability efforts

Digitalization in tourism involves leveraging digital technologies to improve operational efficiency, enhance customer experiences, and expand market reach. For rural tourism SMEs, digital tools can help overcome challenges related to remoteness and limited resources. The research aims to assess the current level of digital adoption among SMEs and identify their specific needs for further digitalization. This includes understanding their use of digital marketing, online booking systems, digital payment solutions, and data analytics.

By comparing the needs and strengths of tourism SMEs in Greece, Bulgaria, Cyprus, Italy, Romania and Slovenia, the research highlights both common and unique challenges faced by these businesses. This comparative analysis will provide insights into the varying levels of readiness for green and digital transitions across different countries and regions. It will also identify areas where targeted support and interventions are most needed, ensuring that the Star Growth project can effectively assist SMEs in their path towards sustainability and digitalization.

The findings from this research will help inform the development of capacity building, training, and cooperation activities tailored to the specific needs of tourism SMEs in each partner country. By addressing these needs, the Star Growth project aims to create a more resilient and competitive tourism sector that is well-equipped to meet the demands of the modern market and contribute to sustainable development goals.

2. Sustainability section

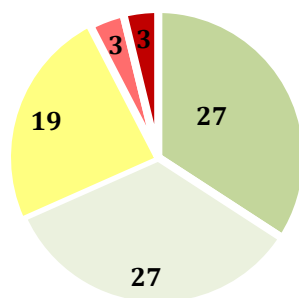
The first section of the report is dedicated to various aspects of sustainability as perceived, experienced and eventually envisaged or in some cases planned by participating SMEs.

2.1 Motivation and awareness about sustainable tourism

Concerning familiarity with sustainability, 27 respondents declare to have “very much” familiarity (33,75%), while other 27 declare to have “enough familiarity”. Overall, 54 of the interviewed SMEs (64,5%) have a satisfactory level of familiarity with the term, at least at a conceptual level. On the other hands, 19 (23,75%) amongst the surveyed entrepreneurs stand in the middle and declare to have “somewhat” familiarity with the term sustainability. Lastly, the 7,5% of them, equals to 6 respondents have little or no familiarity at all with the term, while 1 SMEs omitted the answer to this question.



How familiar are you with the concept of sustainability?



■ Very Much ■ Enough ■ Somewhat ■ Not so much ■ Not at all

In general, all positive answers have a quite homogeneous distribution, so as for the “somewhat” option. Instead, the negative responses are all coming from Bulgaria (1 of them), Greece (2 of them) and Italy (3 of them)

The motivations and expected benefits of investing in sustainability among tourism SMEs in Greece, Bulgaria, Cyprus, Italy, and Slovenia present both commonalities and distinctions shaped by unique national contexts. Across these countries, a shared recognition of sustainability as a multifaceted imperative—encompassing environmental, social, and economic dimensions—emerges as a common thread.

In Greece, the motivations for investing in sustainability are diverse, reflecting the country's dynamic tourism landscape shaped by environmental and climate changes. Greek SMEs see sustainability as a **pathway to attracting more clients**, extending the tourism season, and improving the quality of tourism that seeks harmony with nature. This is echoed by the growing demand for unspoiled areas offering experiential and thematic experiences with minimal environmental impact.

Similarly, Bulgarian SMEs are highly motivated by the anticipated benefits, which include attracting more visitors through the **promotion of local identity, innovative digital business models, and capacity building in eco-tourism and rural tourism**. They also emphasize the need for sustainable hospitality products and community-building among conscious travelers, aiming for a durable presence in the eco-tourism sector. Bulgarian SMEs recognize the importance of an integrated approach to sustainability, involving strategic planning, digital transformation, and overcoming capacity deficits.

Cypriot SMEs highlight customer satisfaction driven **by increased demand for sustainable practices** as a primary motivation. They also see market advantage and operational efficiencies (such as reduced energy, water, and waste) as significant benefits. This underscores a pragmatic approach where sustainability meets customer expectations and enhances competitiveness.



Italian SMEs are driven largely by ethical considerations and a strong sense of responsibility toward the environment and society. They recognize the growing market of **ecologically conscious customers** and the dual benefits of ethical operations and economic efficiency. By adopting sustainable practices, they aim to reduce operating costs, improve brand image, and contribute to the preservation of tourist destinations. This commitment is rooted in a strategic understanding of long-term benefits and a desire to create a virtuous model for other businesses.

In Slovenia, the motivations and expected benefits also span environmental preservation, ethical responsibilities, guest satisfaction, operational cost reduction, and long-term business viability. Slovenian SMEs like Gostilna Muller and Alpik underscore the importance of **aligning with global trends** and the necessity of sustainability, especially for those located in national parks.

While there are strong commonalities in the drive towards sustainability, such as the emphasis on environmental preservation, ethical responsibilities, and meeting the demands of a growing market of eco-conscious tourists, there are notable differences too. Greek SMEs focus on leveraging sustainability to enhance the tourism season and attract niche markets interested in experiential tourism. Bulgarian SMEs emphasize innovative business models and capacity building, especially in rural and eco-tourism, reflecting a strategic approach to integrating sustainability into business development. Cypriot SMEs prioritize operational efficiencies alongside market advantages, indicating a balanced view of sustainability's economic and environmental benefits. Italian SMEs, with their profound ethical drive, also highlight economic efficiencies and brand enhancement, showing a blend of ethical responsibility and strategic business benefits. Slovenian SMEs, operating in sensitive natural environments like national parks, focus on aligning with global sustainability trends and ensuring the viability of their businesses through sustainable practices.

To sum up, while the motivations and benefits of sustainability investments among tourism SMEs in these countries share a common foundation, the specific approaches and emphases reflect each nation's unique context and strategic priorities. This comparative analysis reveals a holistic understanding of sustainability as both a moral obligation and a strategic business advantage, tailored to the diverse landscapes and markets in which these SMEs operate.

2.2 Measures and Bottlenecks

Tourism SMEs across Greece, Bulgaria, Cyprus, Italy, Romania, and Slovenia display a variety of approaches to managing and conserving natural resources, with noticeable commonalities and differences in their methods and the challenges they face.

In Greece, SMEs are actively working to improve operations, reduce water and electricity consumption, and maintain existing structures. The adoption of new technologies is highlighted by some, while others detail specific business operations focused on resource conservation. Common struggles include the **lack of resources**, which hinders effective management, and issues related to **water quality and quantity**. Photovoltaic systems are seen as essential for low-cost energy, and waste management is a critical concern for a few.

Bulgarian SMEs, on the other hand, emphasize collaboration with local communities and authorities to protect the environment, and some have integrated **sewage treatment plants and**



efficient waste management systems. However, challenges persist, particularly in heating, water, and electricity management, especially for mountain guest houses. The need for external services due to human resource constraints and difficulties in managing local traditional practices and cultural heritage are also noted.

Cypriot SMEs mention sustainable management practices like water and energy conservation, though they do not prioritize specific issues. A unique challenge mentioned is the need for partnerships, indicating a desire for **value chain approaches** to sustainability.

Italian SMEs have implemented extensive measures to enhance sustainability, such as installing energy-efficient appliances, solar panels, and smart irrigation systems, and using eco-friendly products. Despite these efforts, they face significant economic, technical, and logistical challenges. **High upfront costs, limited regional incentives, and complex environmental regulations pose substantial barriers.** Additionally, the lack of specific technical expertise and logistical issues in rural areas hinder the adoption of sustainable practices.

Romanian SMEs strive for self-sufficiency but are hampered by **local bureaucratic restraints and resource liabilities**, which negatively impact their eco-friendly efforts.

In Slovenia, SMEs prioritize **local food sourcing, energy-efficient appliances, water-saving fixtures, and recycling.** Unique initiatives include using thermal water for energy and comprehensive waste management systems. However, they struggle with financial barriers, lack of quality personnel, and issues related to waste management and water quality. Specific challenges, such as sourcing local horse bedding and implementing cohesive sustainability strategies, are also highlighted.

Across these countries, **common measures** include the adoption of energy-efficient technologies, water conservation practices, waste management systems, and the use of local and eco-friendly products. The **primary challenges** involve financial constraints, technical expertise, regulatory compliance, and logistical issues. While each country has unique initiatives and specific struggles, the overarching theme is the need for more resources, better technical support, and streamlined regulations to facilitate the green and digital transition of tourism SMEs.

2.3 Audience demand

The shift in customer preferences towards sustainable tourism experiences is a common trend observed across various countries, albeit with some national nuances. In Greece, the interest in sustainable tourism is primarily driven by **foreign tourists**, with a significant portion of SMEs noting a preference for experiences that feel like home and allow for closer contact with nature. Greek SMEs are capitalizing on this trend through the organization of sightseeing and nature-based events, though some struggle to effectively engage with this new customer attitude.

In Bulgaria, more than half of the SMEs have recognized the shift towards sustainability, with customers seeking **healthy local food and accommodations in ecologically pristine areas.** Bulgarian SMEs have responded by offering bio food from local farms and activities that promote sustainable living practices. This suggests a strong alignment between customer preferences and the natural offerings of the country, highlighting a more integrated approach to sustainable tourism.



Cyprus presents a slightly different picture, where sustainable tourism has been a steady trend rather than a recent surge. Here, the market segment appears to play a crucial role, with high-end hotels attracting environmentally conscious customers, while lower-end options cater to those seeking cost-effective solutions. This dichotomy underscores the varying degrees of sustainability adoption based on market positioning.

In Italy, the trend towards sustainable tourism is markedly evident, with the majority of SMEs reporting a rise in customer interest. Italian tourists are particularly drawn to **experiential tourism** that emphasizes cultural and culinary traditions, environmental conservation, and local community support. Italian SMEs are proactive in adopting sustainable practices such as waste separation, water conservation, and the use of local organic food. However, challenges like inadequate public support and poor transportation infrastructure hinder their full potential. SMEs like Ruralis and eiTravel are addressing these challenges by offering experiential stays and disseminating knowledge on sustainable practices through workshops and counseling.

Romanian SMEs note a growing interest in **agro-tourism** and nature-related activities, reflecting a demand for experiences that integrate rural and environmental elements. This aligns with the broader Eastern European trend of leveraging natural landscapes and traditional practices to attract tourists.

Slovenian SMEs have also observed a shift, particularly among foreign tourists, towards eco-friendly practices and local conservation efforts. Businesses like Hotel SAVA Rogaška and Green Valley Glamping are promoting their sustainable practices through marketing and direct communication with guests, highlighting a proactive approach to addressing customer preferences.

Despite these common trends, the degree of customer interest and the strategies employed by SMEs to capitalize on these preferences vary. While Greek and Bulgarian SMEs focus on specific eco-friendly activities and local food, Italian and Slovenian SMEs emphasize comprehensive sustainable practices and experiential tourism. Cyprus demonstrates a clear market segmentation influencing sustainable tourism demand, whereas Romania's emphasis on agro-tourism showcases a niche yet growing market segment.

To sum up, the comparative analysis reveals that while the demand for sustainable tourism is a unifying trend, the responses and strategies of SMEs are influenced by local contexts, customer demographics, and market positioning.

2.4 Trainings and skills gap

In examining the training and skills gaps of tourism SMEs across Greece, Bulgaria, Cyprus, Italy, Romania, and Slovenia, several common themes and notable differences emerge.

In Greece, SMEs report varying levels of staff familiarity with sustainable tourism, with some describing it as "enough" or "somewhat," while others indicate minimal or no familiarity. Training provided ranges from basic general information to specific training sessions, with a significant portion relying on a "learning by doing" approach. Notably, gaps in knowledge are



identified in the majority of SMEs, with a general call for more unspecified training, highlighting a **lack of structured, formal training programs** in the sector.

Similarly, in Bulgaria, staff familiarity with sustainable tourism is generally low, with only a third of the SMEs' staff being well-versed in the concept. Training is often oriented towards **digital literacy, foreign languages, and local cultural heritage**, with a substantial portion of SMEs participating in municipally organized sessions. The majority of Bulgarian SMEs identify significant gaps in their staff's skills, particularly in digital marketing, management, and innovative electronic tools, signaling a clear need for targeted training initiatives to bridge these gaps.

Cyprus presents a somewhat different picture, where staff awareness of sustainable tourism is generally acknowledged, and training is conducted through seminars, manuals, and on-site instructions. However, there is a noted deficiency in proactive measures, with many SMEs not reporting specific training actions. Emphasis is placed on **energy efficiency**, but concepts like circular economy remain largely unaddressed, reflecting broader national trends in recycling and sustainability practices.

In Italy, a majority of SME staff members are familiar with sustainable tourism, yet ongoing training and skill development are insufficient. Despite high levels of initial familiarity, most SMEs do not offer regular training courses, although there are exceptions such as "L'Albero Maestro," eiTravels, and SANBARTO, which provide comprehensive training programs. Identified gaps include **waste management, resource efficiency, and sustainable supplier engagement**, with many SMEs planning future training sessions to address these areas. The Italian approach underscores the importance of structured, ongoing training to maintain and enhance sustainability practices.

Romanian SMEs focus their training primarily on **nature protection, awareness of environmental footprints, and enhancing local tourism possibilities**. This indicates a targeted approach towards environmental sustainability, although specific gaps or needs in broader sustainability practices are not extensively detailed.

Slovenia's SMEs report moderate to high familiarity with sustainable tourism, with training methods encompassing regular education sessions, practical "learning by doing," and programs aligned with certifications like Travelife. Identified gaps include the need for more comprehensive strategies and specific training in eco-friendly practices and guest communication. For instance, SICM highlights the necessity of training for organizing sustainable events with minimal environmental impact, indicating a nuanced approach towards integrating sustainability into various aspects of tourism operations.

Comparatively, while all nations recognize the importance of sustainable tourism and provide some form of training, the depth, scope, and specificity of these training programs vary widely. Greek and Bulgarian SMEs exhibit a pronounced need for more structured training programs, whereas Italian and Slovenian SMEs show a higher level of familiarity but still identify specific gaps that need addressing. Cyprus, despite general awareness, lacks proactive training measures, and Romania focuses on niche areas within sustainability. This comparative analysis



underscores the need for tailored, comprehensive training programs that address both general and specific needs within the tourism sector, facilitating a cohesive transition towards sustainability and digitalization across these diverse national contexts.

2.5 Environmental Certifications, Waste and Energy Management

A stark similarity among the countries is the generally low prevalence of environmental certifications among SMEs. In Greece, none of the 12 surveyed companies possess any environmental certification, indicating a significant gap in formal sustainability recognition. Similarly, in Slovenia, few SMEs hold certifications like **Green Key** or **Travelife**, highlighting economic barriers to further investments in sustainable practices. Italy presents a slight deviation with at least one SME, ARTUR srl, holding multiple certifications (**UNI EN ISO 14001:2015 and UNI EN ISO 9001:2015**), while others are in the process of obtaining certifications such as B-Corp. This suggests a budding but challenging effort towards formalizing sustainability standards.

The identification of challenging sustainability standards varies across the countries. In Greece, only 2 out of 12 SMEs reported specific sustainability criteria as challenging, suggesting a general unfamiliarity or lack of engagement with such standards. Contrastingly, in Italy, stringent standards like LEED certification are recognized as particularly difficult to achieve, especially in rural areas with limited technological and recycling infrastructure. Bulgaria shows a moderate challenge, with 33% of SMEs finding international standards, digital marketing, and communication skills difficult to meet. These variations point to differing levels of awareness and capability in addressing sustainability criteria.

Waste management practices exhibit both commonalities and distinctions. Greek SMEs show a strong commitment to waste management, with 10 out of 12 companies describing detailed procedures, and 9 explicitly mentioning recycling efforts. Bulgarian SMEs also prioritize waste separation, following national regulations and engaging in activities such as composting and electronic waste recycling. In Slovenia, most SMEs emphasize recycling and waste separation, though challenges remain in ensuring guest compliance and managing specific waste types. Italian SMEs, through networks and collaborations, are also adopting comprehensive waste management strategies, indicating a collective approach to addressing waste-related challenges.

Energy efficiency efforts show varied adoption rates and methods. In Greece, 7 out of 12 SMEs have implemented energy efficiency measures like **LED lighting, solar panels, and water automation systems**, reflecting a proactive stance despite economic barriers reported by 3 out of 12 companies. Bulgaria presents a lower adoption rate, with only 47% of SMEs taking steps such as using heat pumps, solar panels, and high-end energy-efficient equipment. This is juxtaposed with 53.3% of Bulgarian SMEs having not taken any energy efficiency measures, though the majority perceive no significant barriers to adopting sustainable practices. In Italy, innovative solutions and continuous training are emphasized, with SMEs exploring technologies suitable for their specific contexts and enhancing staff knowledge through programs. Slovenia follows suit, with many SMEs investing in solar panels, LED lighting, and water-saving measures despite economic constraints.



The barriers to adopting sustainable energy practices show both common economic challenges and unique national contexts. Greek SMEs predominantly cite **economic barriers**, aligning with the financial concerns noted by some Slovenian SMEs. In Bulgaria, while financial barriers are identified by 27% of SMEs, the majority report no significant obstacles, indicating a more optimistic outlook towards future sustainability investments. Italy's proactive measures and strategic approaches, including local collaborations and government support, suggest a path forward in overcoming financial and logistical barriers.

2.6 Networks and Collaboration

The examination of networks and collaborations among tourism SMEs in different countries reveals a diverse landscape of practices, challenges, and opportunities, with varying degrees of engagement and awareness.

In Greece, the question of collaboration to enhance sustainability efforts presents a mixed picture. Out of 12 surveyed SMEs, half reported no collaboration at all, while a few indicated attempts to cooperate, with one specifying cooperation with local producers and another describing a cooperative network organizing sustainability events. Despite these efforts, nine SMEs identified no challenges or opportunities for regional collaboration, two noted difficulties in exploiting opportunities, and one highlighted local mentality as a significant barrier.

Conversely, in Bulgaria, there is a broader understanding of the importance of network and collaboration for sustainable tourism. However, similar to Greece, awareness of national support programs is low, with 14 out of 15 SMEs unaware of such initiatives. Only 4 out of 15 SMEs engage in collaborations, partnering with local tourist agencies, municipalities, wineries, and producers. Challenges identified include a lack of databases connecting businesses, absence of collaboration fields, and missing mechanisms for exchanging best practices. Some SMEs see opportunities in support from local authorities and the surrounding business environment, with one mentioning a local permaculture community aiding sustainable practices.

Cyprus presents a contrasting scenario where value chain level action is suggested but not prioritized, indicating a lower emphasis on collaboration for sustainability.

In Italy, there is a significant gap in awareness of government initiatives, with nearly half of the surveyed SMEs unaware of any support programs. Those informed about such initiatives benefit from tax incentives, subsidized financing, and training programs. Noteworthy examples include SMEs in Campania accessing regional incentives for solar panels and energy efficiency improvements. Six out of 15 SMEs reported active collaboration with local businesses, with notable collaborations involving networks of accommodation facilities, universities, and industry associations. Despite the awareness of initiatives, complex procedures and geographical challenges hinder full utilization. Local sector networks play a crucial role in overcoming these challenges by facilitating discussions and fostering partnerships, although translating ideas into actionable initiatives remains a hurdle.



In Romania, collaboration among SMEs is emerging, with many participating in European projects for the first time and some networking with local businesses focused on environmental issues.

Slovenia exhibits low awareness of government support programs similar to Greece and Bulgaria. Collaboration levels vary, with some SMEs reporting no collaboration and others engaging with local producers and networks. Regional collaboration opportunities are noted, but challenges include limited local tourism offerings and infrastructure issues.

Comparatively, all countries face a significant challenge in **raising awareness about available government support programs**. Both Greece and Slovenia show a similar pattern of low awareness and minimal collaboration. In contrast, Bulgaria and Italy demonstrate a slightly higher level of engagement in collaborative efforts, though they still struggle with dissemination of information and procedural complexities. Bulgaria's SMEs highlight structural challenges such as the lack of databases and mechanisms for best practice exchange, whereas Italian SMEs benefit from robust local networks that aid in overcoming procedural barriers but face challenges in translating these into tangible actions.

Moreover, while Italy and Bulgaria show proactive efforts with some SMEs actively participating in collaborative networks, Greece, Slovenia, and Cyprus reflect a more passive stance with fewer SMEs engaging in such initiatives. Romania's scenario of first-time collaborations in European projects suggests a nascent but growing interest in networking for sustainability.

In summary, while there are commonalities such as low awareness of support programs and the need for better dissemination and easier access to information, the degree and nature of collaboration vary. Italy and Bulgaria stand out for their proactive approaches and structured networks, albeit facing their own unique challenges. Greece and Slovenia share similarities in minimal collaboration and low program awareness, while Cyprus indicates a lower priority for sustainability collaborations. Romania, meanwhile, represents an emerging field with increasing interest in collaborative efforts.



3. Digitalization section

The second part of the comparative report has the goal to analyze the digital literacy of tourism SMEs in rural areas, from basic knowledge of new technology tools to more advanced systems, investigating about the need for more tailored vocational training for the acquisition of necessary skills.

3.1 Motivation and awareness about digitalization

The motivation and awareness concerning digitalization among tourism SMEs in Greece, Bulgaria, Cyprus, Italy, Romania, and Slovenia reveal a diverse landscape of familiarity and engagement with digital tools and technologies. In Greece, there is a varied understanding of digitalization, with 5 out of 12 SMEs feeling adequately familiar, while 3 are somewhat familiar, 3 not so much, and 1 very familiar. Despite this range, all SMEs use digital tools for daily operations like **booking and invoicing**, yet challenges remain, particularly in maintaining a robust online presence due to economic constraints or lack of specialized staff.

Contrastingly, in Bulgaria, the concept of digitalization is less ingrained, with most SMEs being somewhat or not so much familiar. Only 20% report a significant digital presence, while a larger percentage are either somewhat (33.3%) or not much (40%) digitally present. Bulgarian SMEs primarily use digital tools for marketing and sales, but many lack advanced digital operating systems, often relying on phone reservations and outdated websites.

In Cyprus, SMEs demonstrate a high level of awareness and thorough engagement with digitalization. Key areas of digital usage include **booking, marketing, communication, and**



monitoring, indicating a well-rounded approach to integrating digital tools into business processes.

Italian SMEs show a high level of digital awareness and adoption, with nearly all of the 15 surveyed SMEs understanding and embracing digitalization. Eight SMEs report a strong digital presence through websites, social media, and online booking systems, while three have a moderate presence and another three are at early adoption stages. Only one SME lacks any digital presence, highlighting a significant opportunity for growth through digital strategies. The Italian SMEs' motivation to innovate is evident, and the collective familiarity with digital concepts suggests a readiness to enhance their digital capabilities.

Romanian SMEs' motivation towards digitalization stems from the necessity to attract tourists, indicating a practical approach driven by market demands rather than a comprehensive understanding of digitalization.

Slovenian SMEs present a mixed picture, with some highly familiar with digital technologies and others only somewhat acquainted. Their digital presence varies, with some SMEs effectively using basic tools while others struggle due to limited resources.

Comparing these nations reveals some common trends and significant differences. The familiarity with digital concepts and the extent of digital presence vary widely. For example, Italian SMEs display a higher overall engagement with digital tools compared to their Bulgarian counterparts, who show a notable lag in digital presence and sophistication. Both Greek and Slovenian SMEs reflect a spectrum of digital familiarity and application, indicating internal disparities within each country.

Challenges in maintaining a strong online presence are universally acknowledged but for differing reasons. Greek SMEs cite economic reasons and **lack of specialized staff**, while Bulgarian SMEs highlight outdated websites and a lack of comprehensive digital systems. In contrast, Italian SMEs, despite their relatively advanced digital presence, still see room for further development.

Cyprus stands out for its comprehensive engagement with digital tools across various operational areas, setting a benchmark for other countries. The high motivation in Italy is mirrored in the diverse stages of digital adoption within the country, suggesting a trajectory towards enhanced digital transformation.

3.2 Measures and bottlenecks

The analysis of responses from Greece, Bulgaria, Cyprus, Italy, Romania, and Slovenia reveals both shared challenges and unique national circumstances.



Booking Processes: **Digital booking systems** are a common tool among tourism SMEs, yet their adoption varies. In Greece, 80% of SMEs use digital systems, while 20% rely on handwritten methods, telephone, email, or external companies. Similarly, Slovenia reports a mix of digital and manual booking procedures. In contrast, Bulgarian SMEs predominantly use external reservation systems such as booking.com, tourist platforms, and social media, with only a few using their own systems. Italian SMEs also rely heavily on OTAs like Expedia and Trivago, though some still use manual methods, indicating a need for a broader digital transition.

Booking Process Issues: Across countries, several issues with booking processes were identified. In Greece, 75% of SMEs reported no significant problems, but those that did cited lack of control over booking mechanisms and insufficient online visibility. Bulgarian SMEs, despite not using their own reservation systems, highlighted the need for a better functioning system, virtual receptions, and unified information platforms. Italian SMEs face challenges due to outdated websites, lack of specialized staff, financial constraints, and competition in the digital market. Slovenian SMEs also mentioned control issues and visibility as key concerns.

CRM Systems: The usage of **CRM systems** is notably low across the board. In Greece, only 3 out of 12 SMEs use CRMs, while in Bulgaria, none of the SMEs use CRM systems, highlighting a significant gap. Italy shows a slightly higher adoption, with 6 out of 15 SMEs using CRM systems. The absence of CRM systems is recognized as a major area for improvement, particularly in Slovenia, where most SMEs do not utilize these systems. This lack of CRM adoption hampers the ability of these businesses to manage customer interactions efficiently and personalize services.

Customer Data Utilization: The collection and use of **customer data** for personalized services vary significantly. Greek SMEs have minimal engagement with CRM systems, resulting in limited data utilization. Bulgarian SMEs often rely on manual methods such as mail marketing and feedback forms, with only a few using their own databases. Italian SMEs, however, are gradually adopting advanced data analytics and CRM systems to gain insights into customer behaviour and personalize services. They utilize data from direct interactions, online bookings, and feedback, while ensuring GDPR compliance and data security through encryption and staff training. Slovenian SMEs, similar to their Greek counterparts, recognize the need for better data management systems to enhance personalized services.

Specific National Insights: Cyprus did not highlight significant issues but mentioned the high cost of digital solutions as a barrier. The concept of **personalized services** appears to be underdeveloped among Cypriot SMEs. Romania's approach focuses on utilizing various booking platforms and GPS track location apps for promotion, indicating a reliance on external platforms rather than internal digital solutions.

Comparative Insights: Across all nations, the transition to digital booking systems and CRM adoption remains a work in progress, with varying levels of implementation and effectiveness. Greece and Slovenia exhibit a mix of digital and manual booking methods, while Bulgaria and Italy show a stronger inclination towards external booking platforms and advanced digital tools, respectively. CRM adoption is universally low, but Italy demonstrates a relatively higher



integration of CRM systems compared to other countries. Data utilization for personalized services is most advanced in Italy, with significant gaps in Greece, Bulgaria, and Cyprus.

Challenges and Recommendations: The primary challenges include outdated digital infrastructure, financial constraints, lack of specialized staff, and competition in the digital market. To address these issues, SMEs need to invest in modern digital booking systems, comprehensive CRM solutions, and robust data analytics platforms. Training and upskilling staff in digital tools and data security practices are essential for optimizing operations and enhancing customer experiences. Moreover, leveraging government and industry support for digital transition initiatives could help overcome financial and technical barriers.

3.3 Marketing strategies and data protection

Tourism SMEs across Greece, Bulgaria, Cyprus, Italy, Romania, and Slovenia display a variety of digital marketing strategies and approaches to data protection, reflecting both common challenges and unique national contexts.

In Greece, a significant portion of SMEs lacks an organized **digital marketing strategy**, with one-third of the companies not employing any structured approach. Common strategies among those that do include general use of social media, newsletters, and online advertisements, with some relying heavily on Instagram. Improvement areas identified by Greek SMEs include promoting online sales, creating digital platforms, and enhancing visibility and promotion, although some companies believe no improvement is necessary. Data management practices in Greece are minimal, with only three out of twelve SMEs actively collecting customer data for personalized services. Many lack procedures to ensure data security, with varying methods like antivirus, firewalls, and bank systems cited sporadically. Concerns about data protection are rare, with most SMEs either not responding or indicating no significant issues.

Similarly, Bulgarian tourism SMEs also show a lack of well-developed digital marketing strategies, with many relying on basic social media presence, particularly on Facebook and Instagram, or not engaging in digital marketing at all. Identified improvement areas include using video content, enhancing SEO and SEM, and developing specialized digital tools. Bulgarian SMEs also show a lack of sophisticated **data protection measures**, with many not using specific software and only a few following national regulations to upgrade their security systems. Concerns about data protection are low, though some SMEs recognize the need for reliable systems to alleviate customer worries about data submission on booking platforms.

In Cyprus, SMEs commonly use websites, social media (Facebook, Google Ads), and press ads for marketing, with CRM technologies gaining momentum. Engagement with customers before public interaction via social media accounts, QR codes, and in-house questionnaires is also practiced. Data protection practices and concerns are not extensively detailed in the Cypriot context, suggesting a potential area for further exploration.



Italian SMEs display a more diversified approach to digital marketing. Many utilize a mix of price differentiation, content creation, social media sponsorships, and SEO strategies. Businesses like eITravels and Ruralis employ targeted Facebook Ads and Google Ads, along with collaborations with local influencers. Despite this, several SMEs lack a coherent digital marketing strategy, recognizing it as a competitive weakness. Improvement efforts focus on restructuring websites, optimizing ad targeting, and leveraging analytics for better campaign management. Data management practices in Italy are more structured compared to other countries, with efforts to integrate analytics for refined targeting and personalized communication. However, concerns about data protection remain understated.

Romanian SMEs leverage platforms like Booking.com, Airbnb, Google, Tripadvisor, and Travelminit, as well as navigation tools like Google Maps and Waze for marketing. This approach indicates a reliance on established platforms to reach potential customers but lacks detail on bespoke digital marketing strategies or improvements.

In Slovenia, digital marketing strategies vary widely, with some SMEs lacking any organized approach. Common methods include the use of social media, newsletters, and online ads. Improvement areas include promoting online sales, enhancing digital platforms, and improving visibility and promotion. Data management practices are limited, with few SMEs collecting customer data for personalized services, and several acknowledging the need for better data protection systems.

Across these countries, commonalities include a general reliance on social media and established digital platforms for marketing, with varying levels of sophistication and organization. There is a shared recognition of the need to improve online presence and marketing effectiveness. **Data protection practices are generally minimal**, with many SMEs lacking comprehensive systems to ensure customer data security, though national regulations and basic security measures are sometimes followed. Concerns about data protection are not universally significant but are acknowledged in specific cases, highlighting an area for potential development to build customer trust and comply with evolving regulations.

3.4 Trainings and skills gap

A comparative examination of the responses to the key questions—specific technologies or tools of interest, familiarity with innovation and digitalization, and gaps in digital skills—highlights both shared challenges and unique national contexts.

The analysis of the national reports on the green and digital transition of tourism SMEs reveals a diverse landscape of needs and challenges across different countries, focusing on the adoption of new technologies, staff familiarity with digital concepts, and existing skills gaps.

In Greece, responses indicate a mixed interest in adopting specific technologies to enhance efficiency. While five SMEs showed no interest or awareness of potential technologies, four were inclined towards innovative software, and three specifically mentioned web and social



media development. Familiarity with innovation and digitalization varies widely among Greek SMEs, with only one reporting strong familiarity, while a significant portion (six out of twelve) indicated weak to very weak familiarity. Moreover, eight SMEs acknowledged digital skills gaps among employees, highlighting a need for targeted skill development.

Bulgaria presents a somewhat different scenario, with a notable 60% of SMEs interested in adopting new technologies, such as **virtual reception systems and marketing automation platforms**. However, the familiarity with digital concepts remains low, with 46% of staff exhibiting weak knowledge and 20% very weak. Despite this, 60% of SMEs are satisfied with their employees' digital skills, indicating a lesser perceived need for extensive training compared to Greece. For those recognizing gaps, the focus is on improving general digital literacy and specific skills like marketing and advertising.

In Cyprus, the situation is characterized by significant variability in staff competence, with some SMEs reporting substantial problems and others indicating fully competent staff. This inconsistency underscores the need for a more tailored approach to training and skill development within the country.

Italian SMEs display a broader recognition of the need to bridge specific digital skills gaps. Among the surveyed SMEs, a majority are familiar with social media, yet there remains a desire to enhance **predictive analytics capabilities**, automate data processing, and integrate various software systems for seamless operations. These SMEs actively engage in online research, industry fairs, and webinars to stay abreast of technological advancements, although six SMEs face financial and knowledge constraints, preventing them from keeping up with trends.

Romanian SMEs approach digitalization with a focused strategy, designating specific individuals or teams to handle marketing and digital transitions. This targeted training approach contrasts with the more generalized needs identified in other countries.

In Slovenia, interest in adopting new technologies is inconsistent, with some SMEs showing no interest or lacking knowledge, while others are eager to implement new tools. The familiarity with digitalization is generally weak, similar to Greece and Bulgaria, highlighting a significant need for further training and skill development, especially in basic digital tasks and social media management.

To sum up, while the interest in adopting new technologies and the recognition of digital skills gaps vary among the partner countries, several common themes emerge. Greek, Bulgarian, and Slovenian SMEs show a general need for improved digital literacy and familiarity with digital tools. In contrast, Italian SMEs are more focused on integrating advanced digital systems and predictive analytics. Cyprus exhibits a wide range of staff competence levels, necessitating a tailored training approach, whereas Romanian SMEs employ a targeted strategy for digitalization.



3.5 CRM and further improvements needed

Collecting and analyzing customer feedback is a fundamental aspect of digital transition, yet methods vary significantly. Greek SMEs predominantly rely on **search engines and dedicated booking portals for feedback**, whereas Italian SMEs are integrating advanced reservation management software and CRM systems to streamline operations and gain customer insights. In Bulgaria, the use of moving video clips and mobile-optimized tools is emphasized, pointing to a trend toward interactive and visually engaging feedback mechanisms. In contrast, Romanian SMEs are primarily focused on modern payment methods and better operative software to enhance customer interactions.

Staying informed about emerging technologies is another crucial area where approaches differ. Greek SMEs primarily use the internet, with some relying on specialized press and email updates. Italian SMEs appear more proactive, adopting automation tools and data analytics to stay ahead. Slovenian SMEs express a need for better information on emerging technologies, highlighting a potential gap in accessible and relevant resources.

Regarding competitiveness in digital efforts, a substantial majority of Bulgarian SMEs (over 73%) and almost all Cypriot SMEs (above 93%) feel that their digital strategies could be more competitive, with a significant focus on B2B platforms, content strategy, and automated information management. Italian SMEs recognize the necessity of enhancing social media marketing, CRM, and online visibility, indicating a broad alignment with Bulgarian priorities but also emphasizing the need for specialized staff and continuous training. Greek SMEs, while aware of areas needing improvement, often cannot pinpoint specific strategies, suggesting a need for clearer guidance and actionable plans.

The tools and resources required to implement effective digitization are also diverse. Greek SMEs highlight web development and new service offerings, with financing being a critical need for a third of the respondents. Bulgarian SMEs call for a wide array of resources, including CRM systems, mobile optimization tools, and strategic development plans, alongside educational courses and training. Italian SMEs stress the importance of specialized consultancy services and public financial support, emphasizing the role of external expertise in their digital transition. Slovenian SMEs echo the need for financial support and better information, aligning closely with their Greek counterparts.

Concerns about keeping up with technological advancements vary. In Greece, half of the SMEs do not see this as an issue, while the other half either find it challenging or lack sufficient information. Bulgarian and Cypriot SMEs display a remarkable confidence in their ability to keep pace with technological changes, with only minor concerns about costs and security risks. Italian SMEs, despite advancements, acknowledge the necessity of continuous investment and training to remain competitive.

In summary, while there are shared needs and concerns among tourism SMEs across these nations, distinct differences highlight unique national contexts and priorities. Greek SMEs emphasize the need for clearer strategies and improved feedback mechanisms, whereas Bulgarian and Italian SMEs focus on advanced digital tools and comprehensive training.



Romanian SMEs prioritize operational efficiency through modern payment methods, while Slovenian SMEs seek better information and financial support for their digital initiatives.

4. Conclusions and recommendations

In Greece, the significant participation rate of 75% underscores a genuine commitment to sustainability among tourism SMEs. However, there is a pronounced lack of familiarity with advanced digital tools and insufficient digital skills among staff, indicating a critical need for training and better information dissemination regarding available financial instruments and cooperation opportunities. Similarly, Bulgarian SMEs demonstrate high motivation and awareness about sustainable tourism, yet they face substantial challenges in resource and waste management, alongside limited digital presence and understanding of innovative technologies. The urgent need for education, training, and improved information on EU and national support programs is evident to enhance both sustainability and digitalization efforts.

Bulgaria National Research reveals a high level of motivation and awareness about sustainable tourism among SMEs, with 100% participation from the surveyed businesses. These SMEs aspire to attract more visitors, improve their hospitality products, and enhance staff capacity. However, there is a notable need for more education and training in sustainable practices and resource management. The survey also highlights significant gaps in digitalization. Most SMEs lack familiarity with innovation, new technologies, and digital presence, indicating a need for improved digital skills. Surprisingly, only one SME is aware of government initiatives or support programs in rural and ecotourism, underscoring the urgent need for better dissemination of information about available EU, national, and regional programs. Enhanced networks and collaborations can help Bulgarian SMEs promote sustainable tourism more effectively.

In Cyprus, while sustainability and digitization are well-understood and practiced, there is significant potential for improvement, particularly through the adoption of circular economy concepts and enhanced multi-stakeholder engagement. The development of robust recycling schemes by local authorities and the adoption of personalized, cost-effective monitoring technologies could further drive progress. Certification approaches, ranging from high-cost ISO certifications to more accessible initiatives like the Hotel Carbon Measurement Initiative, are recommended to bolster both sustainability and digitization.

Italian tourism SMEs are actively engaged in sustainable practices such as energy efficiency and waste management, despite facing challenges related to high initial costs, technical knowledge gaps, and regulatory complexities. There is a pressing need for increased governmental and European support to facilitate their sustainability transition. On the digitalization front, Italian SMEs exhibit a wide range of adoption levels, with some fully integrating advanced digital tools while others struggle due to economic constraints and lack of expertise. Continuous investment in technology and training is necessary to address disparities and enhance digital capabilities, ultimately improving competitiveness and operational efficiency.



Romanian SMEs show a strong awareness of their needs for eco-friendly and digitalized operations, emphasizing consumer satisfaction and ecological footprint reduction. The conclusion is that all SMEs are aware of their needs on how to improve their businesses when it comes to a more eco-friendly, digitalized environment focused solely on consumer satisfaction and always taking into consideration the ecological footprint their activities leave behind.

In Slovenia, an 80% participation rate reflects a genuine interest in sustainability and digitalization, yet significant gaps in training and knowledge persist. Slovenian SMEs in rural areas demonstrate limited familiarity with new technologies, requiring more advanced digital tools and specialized training. Better information on local cooperation opportunities and existing support programs, coupled with improved digital literacy and access to financial instruments, is essential to advance the digitalization of tourism services in rural Slovenia.

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