



INTERNATIONAL CENTER FOR AGRIBUSINESS RESEARCH AND
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Knowledge and Skills Assessment of Hospitality and Tourism Sector in Armenia

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[...Armenia today is safe, with a burgeoning tourist infrastructure, largely centered around family-run B&Bs and agritourism-style homestays, designed to attract adventurous backpackers to the country's staggering and often unheralded natural and architectural beauty. The wildflower-dappled hills and valleys here ...are full of... cobblestoned "spa towns" like Dilijan, nicknamed "Armenia's Switzerland".] ¹

¹ Tara Isabella Burton, www.nationalgeographic.com/travel/features/10-places-that-deserve-more-travelers/armenia/

Executive Summary

Dynamic growth of the tourism sector in Armenia is part of a global trend. A greater influx of tourists each year opens up an excellent opportunity for service-oriented diversification of export, with a high added-value component. An increasing number of incoming tourists and the plans to invite and host more, generates a need for quality human resources at all levels of the tourism sector, ranging from service staff at HORECA, the hospitality sector, and visitor attractions, to those who need to develop and implement effective strategies and a legislative environment for tourism sector development. Among the tourism sub-sectors, wine tourism is now on the rise, creating a unique market niche that can further boost both the tourism sector and wine industry in Armenia. This study reveals specific knowledge and skill gaps which human resources in the tourism sector have. Overall, the tourism businesses lack trust towards the quality of local education, and therefore the selection of new staff is mainly based on personal characteristics of candidates. On the other hand, businesses in the tourism sector are willing to pay or cost-share for a quality academic program for their employees.

There is a wide range of skill and knowledge gaps in the tourism sector that have been identified by this study. According to experts and tourism industry representatives, people who work at specific positions in the tourism sector need to improve their general knowledge of tourism, tourism geography, and the entire range of possible tourism products. Skills in social media management and digital marketing are said to be-lacking among all respondent groups. People who work in the restaurant business need training in food preparation and food safety. Many travel agencies claim that their employees need more knowledge in operations of travel agencies, better organizational and administrative and especially improved soft skills for better customer service. A number of hotels claim that they need job candidates with knowledge in special software (Opera, Protel, Epite) to effectively manage the check in process. While mid-line management at hotels needs better knowledge in branding and marketing, events and conference organization, as well as F&B management.

The tourism and hospitality sector assumes extensive people-to-people interaction. Thus, the quality of human resources involved in the tourism sector is the key contributing factor to the quality of services provided at all levels, starting from arrivals at the airport to transfer, to hotel accommodations, and extending to local trips, meals, and other daily experiences. Education is what creates quality human resources. This study concludes that tourism and hospitality education in Armenia lacks quality, both at level of full degree programs, and at level of short-term certificate programs and trainings. The curricula of academic programs are outdated and provide very little of what graduates need in their workplace. Lack of communication skills in the tourism and hospitality sector, lack of knowledge in digital marketing, insufficient knowledge of foreign languages and special software, limited understanding of tourist behavior, tourism geography, are only a few examples. Last but not least, local academic programs do not provide hands-on experience opportunities for their students.

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List of Abbreviations

ADS - Armenian Development Strategy

CRS - Computer Reservations Systems

DMO - Destination Management Organization

EHL - Ecole hôtelière de Lausanne

F&B - food and beverage sector

GDS - Global Distribution Systems

GoA - Government of Armenia

HORECA - Hotel/Restaurant/Café

IATA - International Air Transport Association

ICOM - International Council of Museums

MICE - Meetings, Incentives, Conferences, Exhibitions

MSBA - Masters of Science in Business Administration

NGO - Non-Governmental Organization

SDGs - Sustainable Development Goals

SHTM - School of Hotel and Tourism Management

SME - small and medium enterprise

TEP - Tourism Education Programs

TVET - Technical and Vocational Education and Training

UNEVOC - International Centre for Technical and Vocational Education and Training

UNWTO - United Nations World Tourism Organization

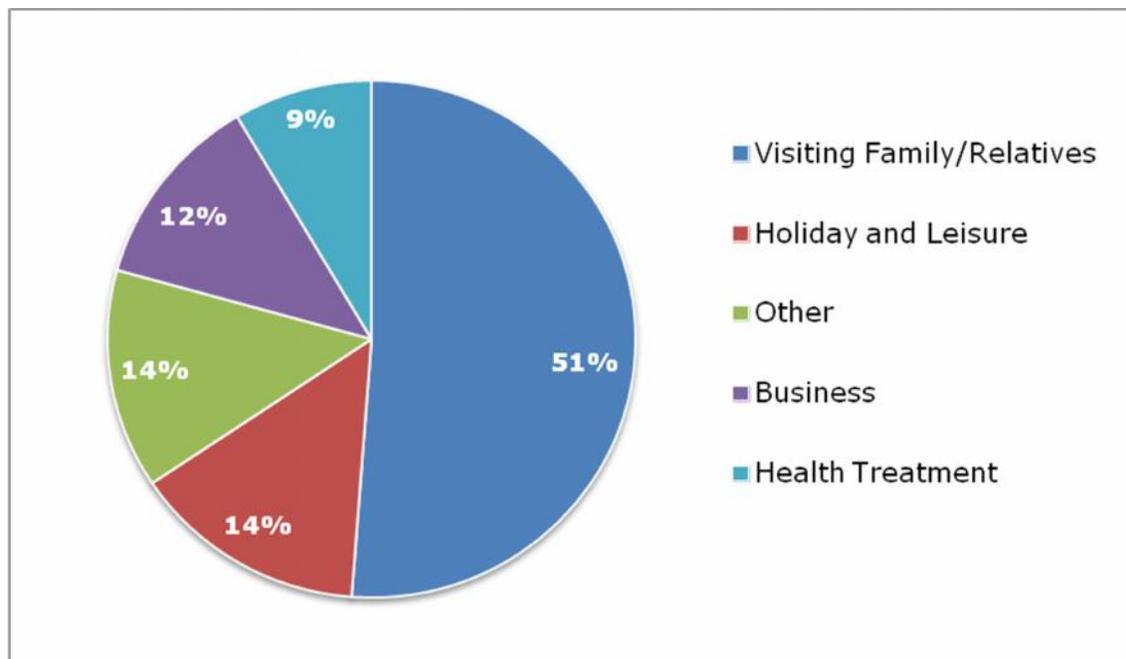
WTTC - World Travel & Tourism Council

1. Overview of Tourism and Hospitality Sector in Armenia

Compared to tourism sectors of major travel destinations globally, the tourism sector in Armenia, in terms of structure of business models, has room for development. Nevertheless, it is a growing industry in Armenia and has numerous opportunities to capitalize on. The number of international arrivals in Armenia reached 1.51 million in 2017 and is projected to rocket to 2.5 million in 2020. With the world average growth in the tourism sector at 3.3% in 2017, the average annual growth of the sector in Armenia over the past decade was at about 15%. This figure is substantially higher than the tourism sector growth in emerging destinations – 4.4% (WTTC, 2017).

Incoming tourism is one on of the top 5 industries after mining (ADS, 2014), it is the 56th in the world ranking according to its contribution to the Gross Domestic Product (WTTC, 2017) and 87th according to the growth forecast. Development of tourism is among the priorities of Armenia’s Development Strategy for 2014-2025.

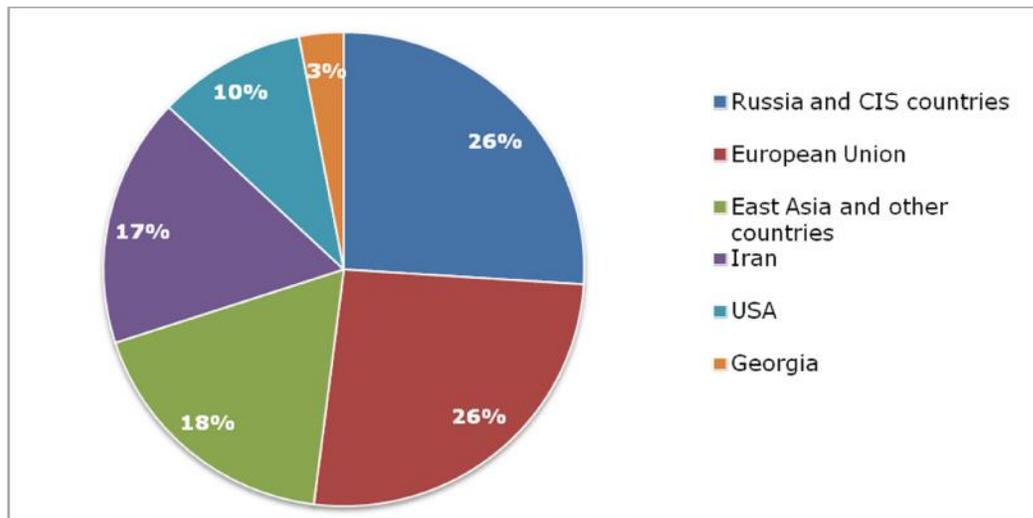
Figure 1.1: Arrivals Per Purpose of Trip, 2017



Source: State Tourism Committee of Armenia, 2017.

As per the geography of arrivals, Russia and CIS countries, along with the European Union contribute the largest number of tourists. Approximately 17% of arrivals are from Iran and 10% are from the USA.

Figure 1.2: Arrivals Geography, 2016



Source: National Statistical Service of the Republic of Armenia, 2016.

While the number of arrivals for visiting family or relatives is the major contributor to the figures, the overall tourism industry pie has been growing steadily. An important characteristic of the tourism sector, in contrast to other sectors of the economy such as mining or metal industry, is the high labor intensity. Labor intensity is not merely about the number of people employed in the industry, but it is also about the knowledge and professional skills of human resources. All aspects of the tourism sector starting from the arrival of a tourist, continuing with hospitality and F&B sectors, extending to various cultural or sporting activities, and up to the moment of departure assume active human interactions. Thus, knowledge and skills of human resources in the tourism sector is a core quality-creating factor and is what counters for turning one-time visitors to retreaters and country evangelists.

According to UNWTO, 2017 was the best touristic year of the last seven years globally². The international arrivals increased by 7% reaching 1.32 billion. Taking into account the current trends, in 2018 the increase is expected to hit 4%-5%, as UNWTO researchers claim. The forecast for Europe and America is an increase of 3.5%-4.5%, the Asia-Pacific area 5%-6%, Africa 5%-7%, and for Middle East 4%-6%. Tourism sector developments in Armenia over the last years have been in alignment with these trends. A majority of hotels in Yerevan claim that 2017 was a successful year so do the travel agencies. Overall, the vast majority of stakeholders in the Armenian tourism sector anticipate a similar or increased growth rate in the industry in 2018.

²UNWTO 2018, Thodoris Koumelis: "... 2017 was the best year for tourism in the last seven years." www.traveldailynews.gr/news/article/66534

2. Skill Assessment of Armenian Tourism and Hospitality Sector

2.1 Methodology

In framework of this study, a qualitative survey was conducted with an aim to reveal professional knowledge and skill gaps which tourism and hospitality sector employees' experience in Armenia. The survey was addressed to the following target groups: Accommodation Businesses / Hotels, Travel Services, Restaurants, and Visitor Attractions (mostly museums). The questions were addressed to decision-makers top- and mid-line management team of the mentioned target groups, mainly responsible for hiring and assessing skills of the newly hired personnel. Considering that the first contact of tourists with the local service providers is the city of Yerevan, and also considering that a substantial portion of tourists' travel experience takes place here, all the selected locations were in Yerevan. The study was conducted in November-December of 2017.

Expert interviews were conducted with tourism industry experts in Armenia, including representatives of the NGO sector, development organizations, consulting sector, and policy makers. The experts were asked questions about knowledge and skill gaps of human resources in tourism sector, and how they perceived development opportunities and challenges for tourism sector in Armenia, with specific questions related to ecotourism, agritourism, wine tourism, and other forms of tourism.

For this study, a total number of 13 hotel managers/ key decision makers, representatives of 12 travel agencies, managers of 13 restaurants, and managing personnel of 14 visitor attractions (mostly museums) have been surveyed. Expert interviews have been conducted with tourism-related experts representing 12 organizations. All surveys and expert interviews have been conducted in Yerevan.

A desk study was conducted to analyze the overall sector of education providers in Armenia and Georgia for hospitality and tourism management and related fields. In addition, an overview has been provided for top-notch universities and academic program which offer hospitality and tourism education degree programs, online courses, and certificate programs. Learning outcomes of these academic programs were analyzed to understand how they can be matched with knowledge and skill gaps in the tourism sector of human resources in Armenia.

2.2 Data Analysis

This section provides a detailed analysis for the qualitative survey conducted among top- and mid-line managers of: Accommodation Businesses / Hotels, Travel Services, Restaurants, and Visitor Attractions (mostly museums). Interviews with hotel managers in Yerevan helped deduct the following: at TEPs (Tourism Education Programs) in Armenia the courses are very theoretical and outdated, there is no solid internship program or its quality is very poor. The scope of TEP for this study is defined as non-degree and degree programs provided at universities and other academic institutions. The TEP graduates do not have adequate knowledge about how operations at various levels in hotels are carried out: functions related to lower- and mid-management, as well as waiters, bartenders, front desk, concierges, and bellboys. Graduates lack soft skills, and most importantly they lack communication skills with customers (in-person and telephone communication protocol, proper body language specific to service sector, conflict mitigation skills with customers). Some hotel managers mentioned that prospective job candidates and even some of their existing staff do not smile enough, which is the basics of hospitality. The education system does not build students' customer relations skills, neither it teaches tourism sector-specific protocol for communication and public behavior.

As many hotel managers mentioned, Armenian academic institutions in the tourism field largely focus on general theory of management and marketing, while practical implication of these subjects has major gaps. Moreover, graduates do not have an understanding of how this theoretical knowledge can be applied specifically to the Armenian tourism sector. Lack of practical knowledge creates a misperception among students about their future jobs, especially the first jobs. Graduates expect to be hired for mid-level managerial positions right after graduation. As a result, when searching for their first jobs, many graduates suffer from burnout after being rejected for mid-level managerial positions because of their lack of knowledge and experience. Afterwards, many graduates switch to other industries, including the IT sector, which completely deteriorates the concept of investing money and time into education with the expectation of a return on investment. In contrast, in developed countries, many top- and mid-line managers of hospitality sector start as receptionists to buy-into the process and understand every miniscule detail of operations. Not surprisingly, some interviewed hotel managers described many job candidates as "snobbish", since candidates were not eager to accept certain lower-level positions after graduation and expected managerial positions right away. Armenians are known for their kind hospitality when interactions occur with relatives, friends, colleagues, or complete foreigners in a casual and out-of-business format. When it comes to serving people as a job, attitudes often change dramatically. However, the stigma that serving people as part of a job is a degrading activity has changed significantly over the last years. The decision makers in the hospitality industry believe that this perception towards real job market and real industry can be changed through modern education. Responses from hotel managers indicate that education system fails to provide students with hands-on experience through mandatory internships or other forms of practical experience. Majority of hotel managers clearly identify lack of practical experience as a drawback of education system among academic programs in Armenia. Need for a

technical and vocational training program (TVET) was mentioned as a way to improve the situation.

In both U.S. and European universities there is a mandatory internship both during the study process and after graduation. One of the most distinctive examples is that of School of Hotel and Tourism Management, in Hong-Kong, where the students see the hospitality "from the inside" in the Hotel ICON³. This hotel was built for educational needs of the Department of Tourism.

According to the interviewed hotel managers, academic institutions should have contracts with hotels or other tourism-related businesses for obligatory internships after graduation or between academic semesters. This shows a gap in academia-industry partnership in tourism educational programs in Armenia. An important observation was made with regards to responses from hotel managers: the responses were different, depending on their academic backgrounds. Some managers who received education within Armenia consider internship as a 2-3 week period activity of getting-to-know the hotel and its functional units. Managers who received Western-style education in the U.S. or European universities think that internship must last for a few months and must include practical work in a real job position in a hotel. Furthermore, a majority of hotel managers responded that academic programs in Armenia do not teach specialized software needed in travel agencies and hotels for reservations. In fact, candidates are unaware of the existing Global Distribution Systems (Amadeus, Sabre, Gallileo)⁴. These software packages are taught from scratch at hotels. Building this skills gap among academic program graduates can be integrated into Reservations Management academic course.

The major travel agencies in Yerevan which were interviewed, mentioned poor infrastructure among the main challenges for tourism development. Roads, signs, public facilities were mentioned among infrastructure aspects which must be improved dramatically if Armenia is to further develop its tourism sector. Although tourists are very much eager to visit attractions outside Yerevan, these attractions are not easily accessible, especially for senior tourists. Having in mind that senior tourists are frequent visitors to Armenia, proper infrastructure is vital, considering vulnerability of this age group in terms of road quality and access to public facilities, including such basic aspects as first-aid units and toilets. Unskilled tourism industry staff outside Yerevan is yet another challenge. A tour guide is a mandatory mediator between the tourists and the locals as the latter lack skills and knowledge to offer basic customer service. Tour guides, though, have major knowledge gaps in cultural awareness. Cultural awareness must be taught in a broader perspective and extend from history and religion to

³ Hotel ICON: www.hotel-icon.com

⁴ GDS or Global Distribution System refers to the reservation tool travel agents use when making an air, hotel, car or other travel service booking. And not only do GDSs power the content of "traditional" travel agency platforms, but they also provide pricing, availability and reservation functionality to many online travel agencies.

gastronomy, wine, language, art, etc. Lack of training in cultural awareness, especially among tour guides, is a major knowledge gap of tourism academic programs in Armenia.

The role of government was mentioned as necessary to initiate and implement a regulatory legislation more dynamically. As travel agency representatives claim, there must be some reasonable level of control over travel agencies by regulators to avoid dumping and "price wars" among travel agencies. This illegitimate form of competition is rather disturbing for travel agencies around Yerevan, as they lose customers who are deceived by other agencies, which offer prices at cost level and distort market competition. Also, there are very few motives in terms of tax and other legislative incentives for businesses operating in tourism sector. The SMEs are key players of global tourism industry; therefore a greater number of small businesses should be encouraged by legislative incentives. In addition, lack of accessibility of Armenia was mentioned as a challenge: air tickets are generally expensive, with no low-cost and no-frill flights and low international connectivity. The no-frill flights can diversify tourists' profiles and also engage younger and budget tourists. Since connectivity by train is excluded (except for neighboring Georgia) air connectivity should be more affordable, as mentioned by travel agencies.

Following interviews with restaurant owners, gastro-tourism was mentioned as a key development opportunity, considering the rich variety of Armenian national cuisine. They also stressed the importance of food safety. In conjunction with general cultural attractions, Armenia has a great potential to develop gastro-tourism. Restaurant managers also stress the importance of agritourism development which can have substantial components of gastro-tourism services if staff at local B&Bs and small hotels is trained to serve food properly. Among the skill and knowledge gaps that restaurant managers mention is insufficient training that job applicants receive in food and beverage management. There is also a food safety aspect as F&B managers who must be well-aware about peculiarities of logistics and packaging of food. Another important role that F&B managers need to improve is effective planning and organization of food service during events. Academic programs in Armenia need to intensively train future tourism and hospitality specialists through modern F&B Management course.

Development of communication skills specific for restaurant management (in-person and telephone communication protocol) and intermediate- to advanced-level knowledge of foreign languages is considered to be critical by a majority of restaurant managers. Other skills valued include: teamwork, problem solving skills, and financial literacy. Restaurant managers claim that they would like to improve all knowledge areas mentioned in Question 12, perhaps, other than bartender skills, since Armenian Bartenders' Association (ARBA) is very active. Among respondents from the restaurant sector, no one has made use of university courses, MOOCs, e-Learning and online interactive tools for their training and professional development. Restaurant managers claim that there is no modern restaurant management course provided in Armenia. A course in Restaurant Management, as part of an academic curriculum, can positively contribute to filling out the skill and knowledge gaps of existing and future specialists of restaurant sector. The existing trainings are mainly internal non-

formal initiatives, sometimes conducted by a guest expert or a representative of a company (Karas Wines, Pernod Ricard Armenia, Ijevan Wine-Brandy Factory, etc). When it comes to filling the vacancies, in restaurants this is mainly related to the waiting staff, with the applicants lacking interpersonal skills and "ready-to-help" attitude. Another issue is the difficulty communicating with Generation Z⁵: they are less skilled and have more requirements.

In this study, a number of managers of visitor attraction sites were surveyed, mostly managers of museums – National Gallery of Armenia, "Erebuni" Historical-Archeological Museum-Reserve, Sergey Parajanov Museum, Yervand Kochar Museum, etc. Historical and cultural heritage and picturesque landscapes, ecotourism, extreme, cultural-historical and archaeological tourism sectors are prospective fields in Armenian tourism, as claimed by representatives of visitor attractions. The main problem in this sector was the lack of information about Armenia. As they claim, standard and non-flexible tour packages are offered to tourists. Generally, courses and certification programs in Armenia are available for museums' staff. The courses are organized by International Council of Museums (ICOM)⁶. Nevertheless, museums' representatives also mentioned the importance of international exchange programs which lacks now in Armenia for museum workers. Knowledge and skills that need to improve among the employees in museums are organization and management, problem solving, team working, multitasking, and writing skills. Main bottlenecks in filling job vacancies are low wages in museums, as well as lack of appropriate (modern) skills among applicants. Some museum directors stressed the absence of constant cooperation with travel agencies and hotels as a challenge for sector's development. Museums have limited recognition and traffic due to little advertisement and promotion. Efficient cooperation among tourism sector stakeholders can contribute to awareness raising and result in a win-win situation. Overall, museums lack local and international visibility. In the current era of the social media boom, effective social media management skills can make visitor attractions more well-known. There is clearly a skill gap among personnel in organizing effective visibility, which can be taught through a Digital Marketing or a Social Media Management course.

Among expert interviews, the survey respondents represented organizations mainly from sectors of international development, the public sector, private sector business consulting: (IDeA Foundation, Avenue Consulting Group, My Armenia Project, Center for Strategic Initiatives, Ameria Bank, State Tourism Committee, etc). All the respondents see a huge potential in the development of tourism sector in Armenia. Many claim that market in hospitality and tourism sector is saturated with standard packages, and the sector needs higher diversification in terms of services offered. Focus on agritourism can be a beneficial and inclusive model with a win-win situation: tourists can have more options to spend their time

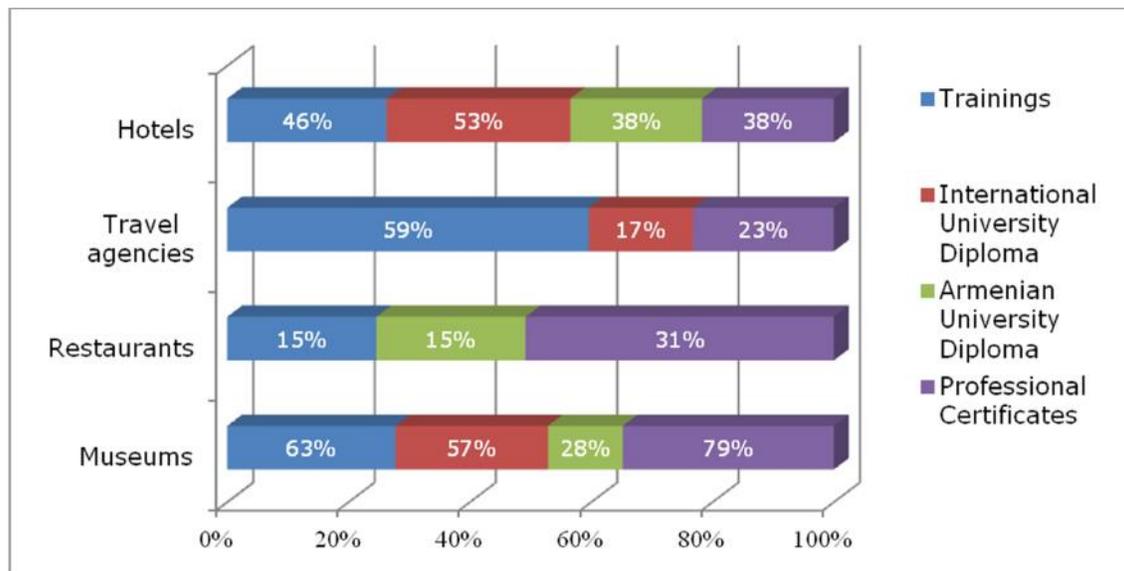
⁵ Cambridge Dictionary defines the Generation Z or Gen Z as: the group of people who were born in the US and Western Europe after 2001. <https://dictionary.cambridge.org/us/dictionary/english/generation-z>

⁶ ICOM Armenia: <http://icom.museum/the-committees/national-committees/national-committee/icom-armenia-1/print/1/>

in Armenia, while villagers can earn income by capitalizing on their local attractions and by engaging tourists in their daily lives. The role of education was emphasized in revealing and promoting entrepreneurial talent in tourism sector. Even short-term certificate programs can substantially improve knowledge in business management, budgeting and financial management, business planning, market research in tourism, as well using "work based on experience" models. As per skill gaps, experts mentioned lack of knowledge in modern approaches of business planning and marketing, especially E-marketing.

In addition to expert interviews as a source of qualitative data, a quantitative survey was conducted among representatives of 13 hotels, 12 travel agencies, 13 restaurants and 14 visitor attractions, all based in Yerevan.

Figure 2.1: The Most Important Elements in Academic Background When Hiring New Staff



More than 50% of hotel managers agreed that an international diploma⁷ in tourism and hospitality offers more valuable, complete and up-to-date knowledge than similar Armenian diploma from any of the existing academic programs. Many managers mentioned that tourism diplomas or certificates from local programs are not much appreciated, since the theoretical knowledge is outdated, very general, and usually not applicable in work. In most of the cases, classroom education is not combined with any practical knowledge or internship work. If it meets global quality standards, a technical and vocational education training can provide substantial results. Short-term trainings are considered to be essential since they combine both theoretical and practical knowledge. As hotel managers claim, it is crucial that a training be based on specific skill-boosting tools which can be applied at workplace right away. Also, trainings supply the attendants with the most innovative and current information, trends, and tendencies. Compared to certificate programs which can last up to a year,

⁷ The International Diploma was defined to hotel managers are the one from a Western-style university.

trainings are regarded as more effective, providing lots of information in a short period of time. Finally, due to absence of various certificate programs, except the one offered by American University of Armenia, respondents claim that trainings can be a good substitute to certificate or full degree programs for building specific skills. Respondents mentioned that the key for a successful training is the trainer, although most of the short-term trainings in Armenia are conducted by individuals who may not have sufficient knowledge and skills background.

In the case of travel agencies, the most important factor when hiring staff is a person's regular participation at professional trainings. Travel agencies, however, mostly agree that there are very few, if any, high quality training programs for the sector offered in Yerevan. Certificate programs can also provide sufficient knowledge, but travel agencies are skeptical about the quality of certificate programs, including the one offered by American University of Armenia. Apparently, the figures show that for managers of travel agencies who hire new staff, university education is a lower priority, while they appreciate short trainings and masterclasses to a greater extent.

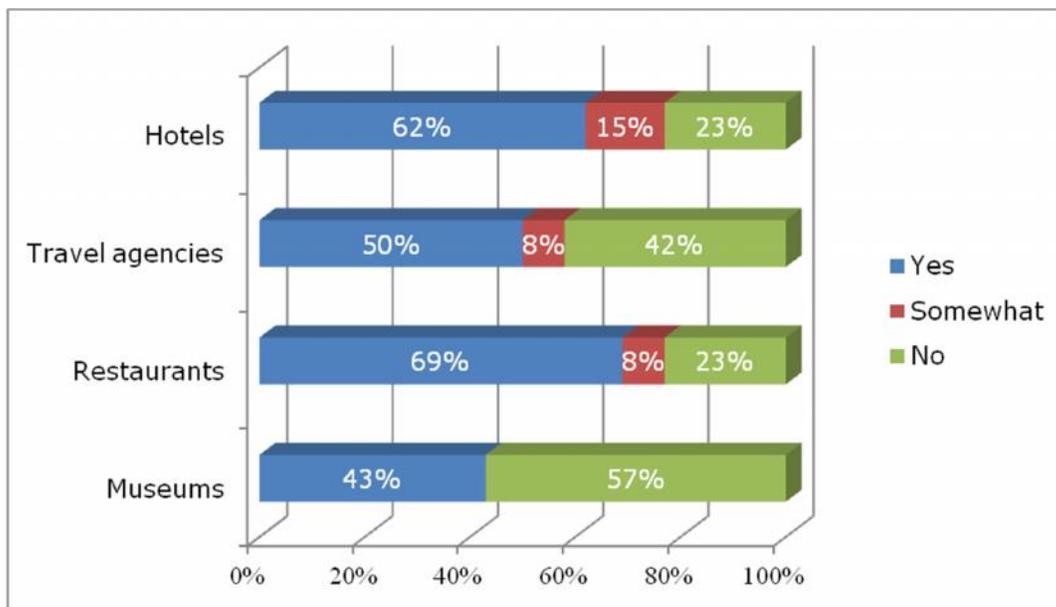
In case of restaurants, no official higher education in tourism or related sector is required for low- to medium-level positions. Managers believe that the most form of education is a certificate related to F&B. As chart above shows, about 30% of restaurant managers believe that possession of a professional certificate is the most important factor when hiring new staff. Restaurant managers explain their skepticism towards Armenian university diploma or other non-degree programs by outdated knowledge and skills (if any) these programs teach to students. The main factor they can consider and compare candidates for new jobs is personality and communication skills / customer relations. Some employees, especially wine service personnel, in both restaurants and wine bars, are graduates of the EVN Wine Academy. For example, the owner of the InVino Wine Club, an EVN Wine Academy graduate, mentioned extreme importance of modern professional certificate programs in the restaurant management sector. Proficiency in at least 2 foreign languages is considered part of the communication skills. Restaurant managers mention that if a professional program is to be conducted in English, this would have established at least a few months of direct interaction of students with the language and thus can make graduates successful job candidates.

The employees of the museums in Armenia are certified from ICOM and they are trained three or four times a year. They are generally satisfied with the knowledge provided by the organization and their only concern is the gap of knowledge they have in marketing, digital marketing, and social media. As managers of visitor attractions mention, the new hired personnel need to be skilled in new technologies and know how to apply them to organize and promote events. They claim that this can be reached through professional certificate programs, which can last for a few months. Many museums in Yerevan are now trying to diversify their income sources and organize events. For this, they need knowledgeable specialists who would plan and implement a promotional strategy.

The ultimate marketing goal for visitor attractions is to attract more locals and tourists, as museums receive very limited public funding. Most of the visitor attractions, including museums, are public entities. Graduates from Armenian universities are usually employed in museums after having passed the trainings and getting certified. The visitor attractions have very limited pool of applicants who would have a modern educational background.

All the representatives from tourism and hospitality sector agree that the most important factors for being employed in the sector are foreign language skills (nearly 65%), personality (45%), and communications skills (60%). The reason why employees are mainly looking for the aforementioned skills is that candidates who are graduates of Armenian academic programs simply lack other professional and technical skills and knowledge. The current situation is frustrating for the majority of respondents, by virtue of having a formal education or having attending training which are unsuitable for tourism and hospitality positions.

Figure 2.2: Hotels, Travel Agencies, Restaurants, and Museums that Experienced Difficulties Filling Job Vacancies in the Past Year (Yes, experienced difficulties; Somewhat experienced difficulties; No, did not experience difficulties)



About 62% of hotel managers faced difficulties in hiring new staff. Candidates lack important skills and knowledge for tourism positions as has been discussed previously. The hospitality and tourism sectors are not high-paying, so some hotel managers claim that people with higher qualifications work in international development organizations instead.

Managers of travel agencies mentioned that in 50% of the cases it was hard to find appropriate staff. Candidates lack skills of creating new travel packages or effectively selling the existing ones. There is a clear indication that travel agencies need job candidates who would have good knowledge and skills in Sales and Marketing. To this, managers of travel

agencies add the communication skills and knowledge of how to establish and implement E-Marketing promotion plans.

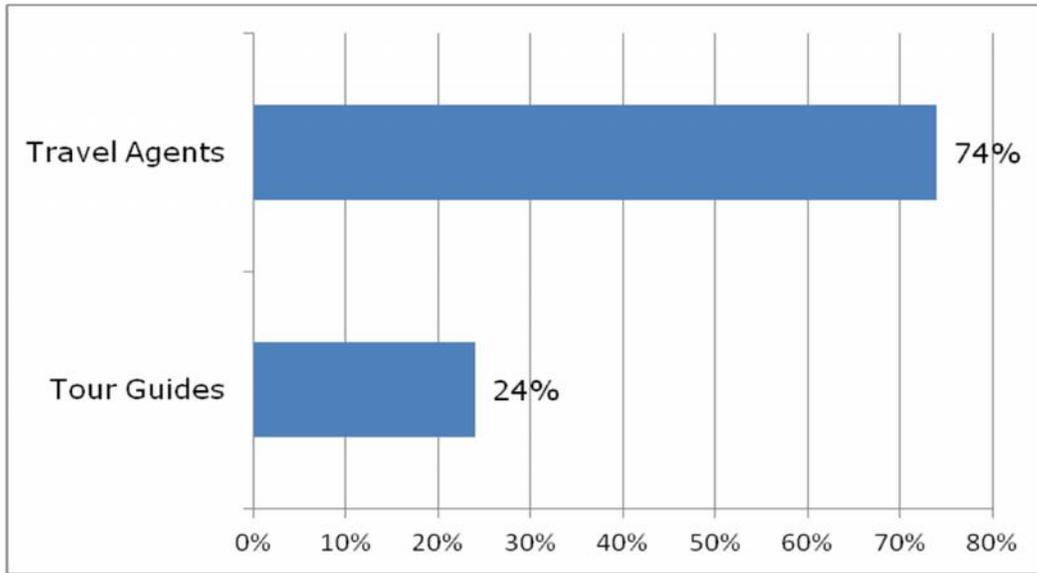
More than two-third of restaurant managers claim to have experienced difficulties in filling out job positions in the past year, and this mainly relates to waiting staff. Restaurant managers mostly look for personal qualities (attitude and enthusiasm), but relatively inexperienced candidates in order to invest in them and turn them to highly-skills employees. The reason why restaurants do not search for other professional skills is that candidates simply do not have them, i.e. theoretical and practical knowledge in Restaurant Management. In most of the cases, waiting staff in restaurants are students working part time with flexible hours. Waiters normally take their jobs as temporary positions as restaurants generally do not offer personal development opportunities. Lack of incentives for employees' personal development indicates a skills and knowledge gap among decision makers in HR Management.

In museums, the human resource turnover is slower. In contrast to other groups of respondents, only 43% of interviewed museums had difficulties filling job vacancies in the past year. However, in case of jobs related to marketing and visibility activities, museums had difficulties finding suitable candidates.

To summarize throughout all respondent groups, on average more than 50% of respondents had difficulties filling job vacancies within the last year. The main reasons for this difficulty are skills and knowledge gaps of applicants in: Tourism and Hospitality Communication, Tourism Behavior, Restaurant Management, Sales and Marketing, Digital Marketing and Social Media Management, Event Management, E-marketing, Ethics in Tourism, Innovation in Tourism. This is clearly a result of shortcomings in academic programs.

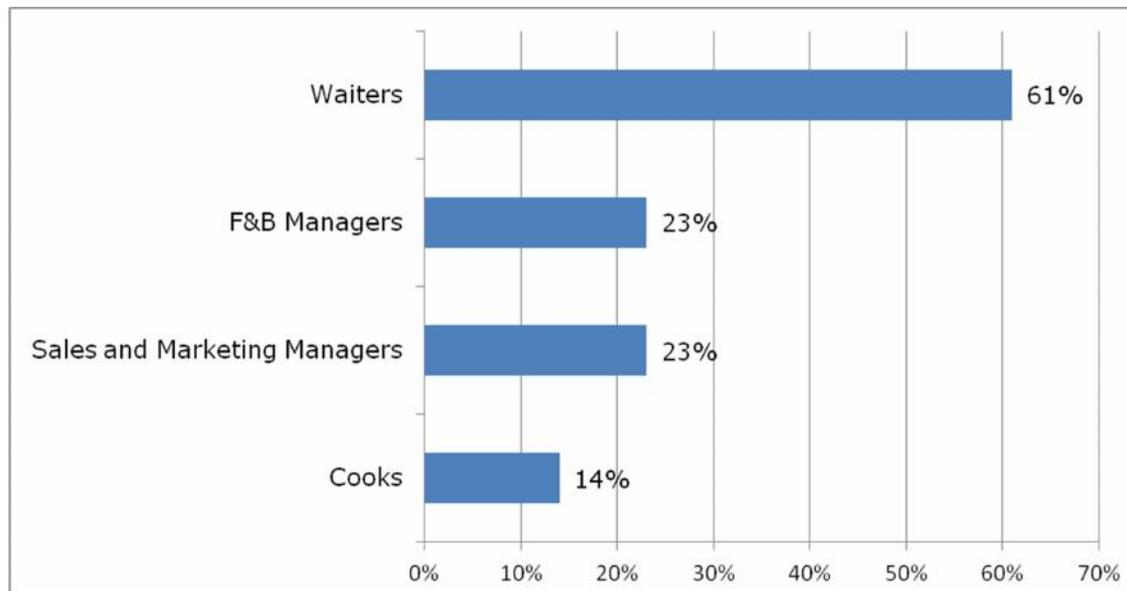
In both hotels and restaurants the positions of waiting staff are hard to fill. Although waiters are considered to be among the lowest in the organizational hierarchy at hotels and restaurants, they are the ones who directly interact with clients. Among the methods of improving effectiveness of waiting staff is creating incentives for their personal development within the company. New positions that a waiter can envision is a Head Waiter or a Supervisor, and then with more experience they can assume positions of Event or Restaurant or Catering Managers, then afterwards F&B Assistant and finally an F&B Manager. This career development path is not operating in many hotels and restaurants, which does not create incentives among job applicants to take waiters' positions. As mentioned previously, this is lack of HR Management knowledge and skills among decision makers in hotels and restaurants.

Figure 2.3: The Positions That Have Been Hard to Fill in Travel Agencies



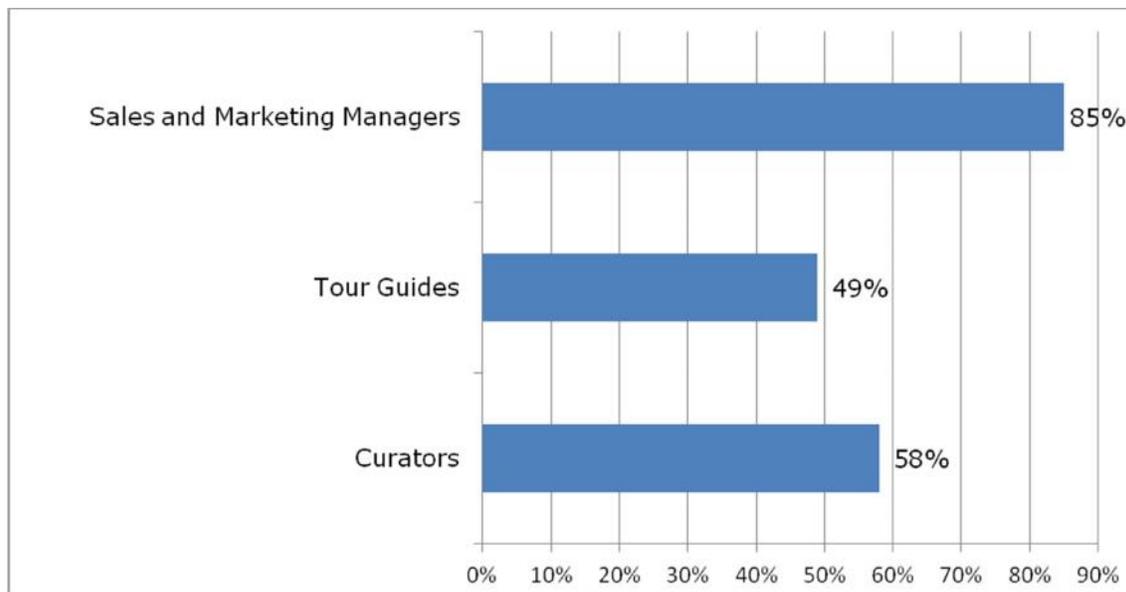
Travel agencies experience difficulties in filling positions of Travel Agents (in about 74% of the cases), and Tour Guides (in about 24% of the cases). The position of a Travel Agent assumes broad knowledge and skills, ranging from ticketing, hotel reservation, and development of new travel packages to customer relations and sales. Direct sales and marketing skills are among the most important. As travel agency managers mentions, it is extremely hard to find candidates who would have all the above skills accompanied with proficiency of one or two foreign languages.

Figure 2.4: The Positions That Have Been Hard to Fill in Restaurants



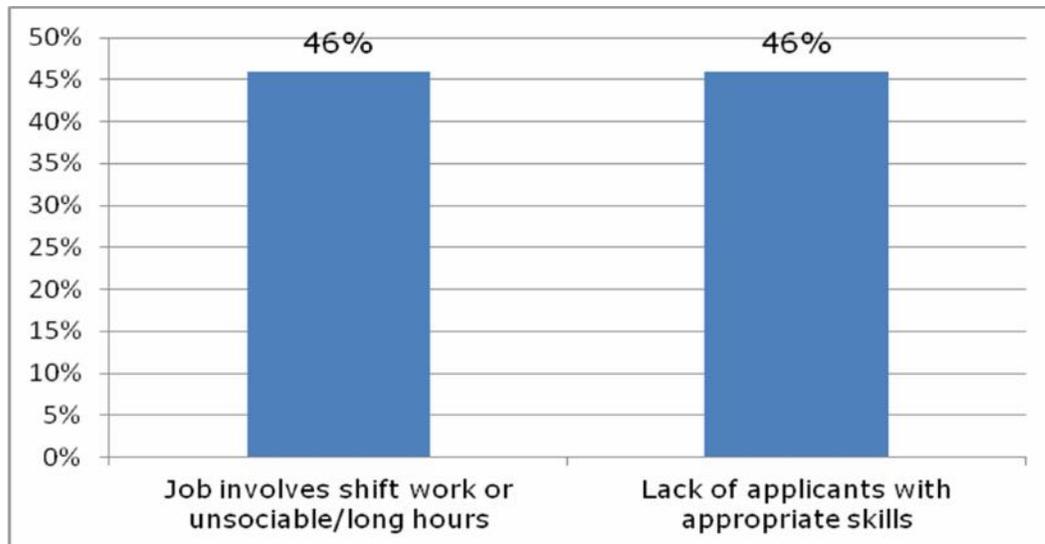
In terms of hiring quality waiting staff, restaurants experience exactly the same challenges as hotels, considering that all the hotels interviewed had restaurants. Waiting staff candidates do not have incentives for personal career development within a company, which is a result of ineffective HR Management. In restaurants, since, in most of the cases the F&B Managers are not from the F&B sector and are not used to be waiters, restaurant managers are experiencing difficulties finding proper candidates. In small and medium restaurants the F&M Manager also assumes the position of a Sales and Marketing Manager. Therefore, the restaurants interviewed were experiencing difficulties in finding candidates who would have good knowledge and skills in both F&B management and sales and marketing, which also extends to event management. Academic programs in Armenia do not provide all this knowledge and skills at sufficient level in one package.

Figure 2.5: The Positions That Have Been Hard to Fill in Museums



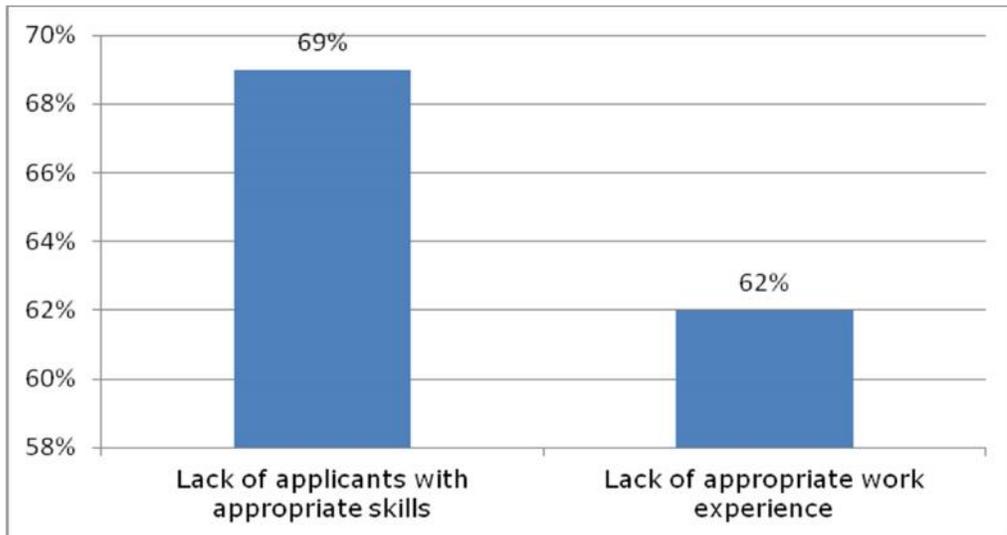
In museums in Yerevan, a Curator is also a Sales and Marketing Manager, and also the one responsible for event management. More than 80% of respondents mentioned that new job candidates lack skills and knowledge in sales and marketing, more specifically digital marketing, while this is important for financial sustainability of museums.

Figure 2.6: The Reasons for Filling the Vacancies with Difficulty in Hotels



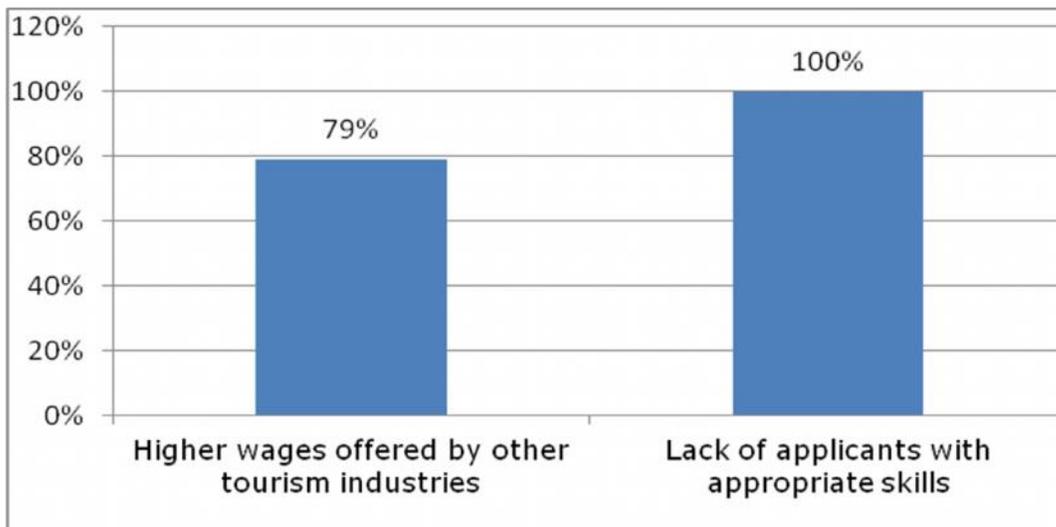
To reveal whether there is a lack of quality applicants for job vacancies, respondents were asked to explain why the vacancies are difficult to fill. Only 16% of hotel managers mentioned that they had difficulties in hiring people because of competition for human resources from other hotels. Generally speaking, in international chain hotels employees are paid better than in the local hotels. According to hotel managers, this, because academic institutions in Armenia do not prepare high quality graduates, they have to hire people not so much based on their professional knowledge, but based on their personal skills: enthusiastic people, with positive, adaptive personality, and fluency in foreign languages. The main concern for travel agencies is the lack of applicants with appropriate skills in touristic geography, specialized software for ticketing, lack of knowledge in IATA rules and regulations, cultural awareness (especially for travel agencies specializing in incoming tourism), sales and digital marketing, and travel agency management. Some 83% of the respondents mention that lack of these skills and knowledge is the reason why they cannot find appropriate staff. Some travel agency managers complained that current employees were passive and not willing to sell more tours and earn bonuses from each tour. This signals that travel agency managers either implement inefficient HR management or create inappropriate incentives for the staff to work harder. All in all, this is signaling that travel managers need some managerial training for themselves as well.

Figure 2.7: The Reasons for Filling the Vacancies with Difficulty in Restaurants



About 62% of respondents among restaurant managers mentioned that it was difficult to fill vacancies because of lack of experience among candidates. The experience is defined by the number of years a candidate spent working in full time or part-time positions in the industry after graduation. On the other hand, a higher percentage – 69% – of respondents mentioned that difficulties in filling vacancies are mainly related to lack of appropriate professional skills among candidates. They mentioned that a number of those skills can be taught during the education process. They have been stressing the fact that academic programs need to focus on skill-building.

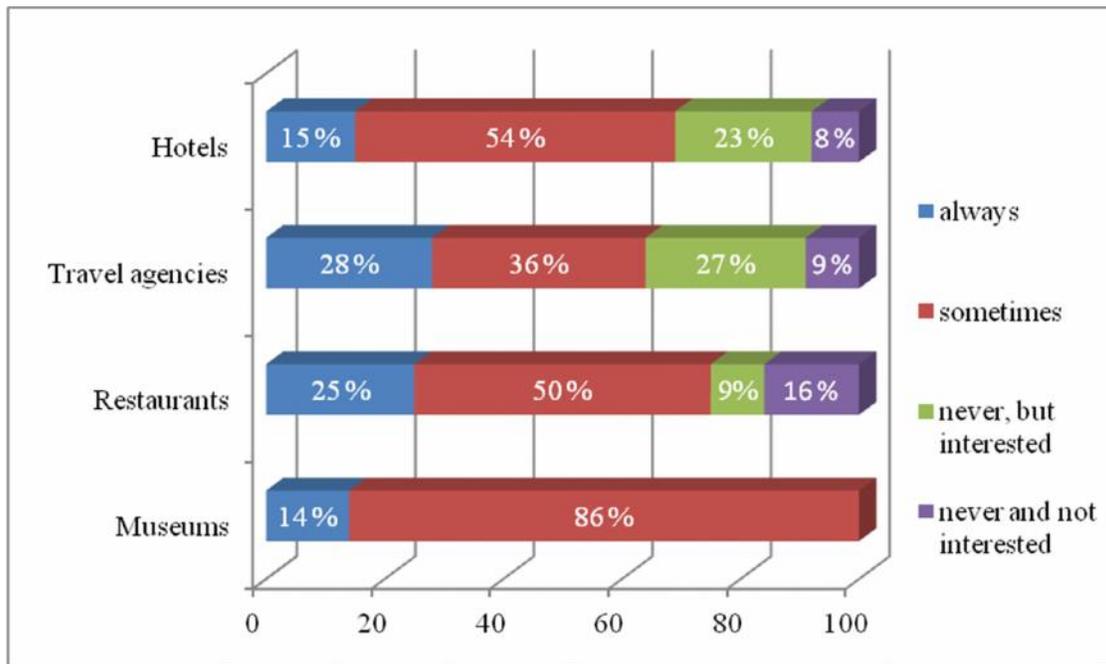
Figure 2.8: The Reasons for Filling Job Vacancies with Difficulty in Museums



The biggest challenge for museums is low salary and, therefore, it is hard for museums to attract talent with good knowledge and skills. All museums mentioned that they have lack of applicants with appropriate skills and knowledge, but as 80% of them claim, this is a result of low salaries. Museums want to generate new income streams through events and receptions. In newly hired staff, they are mostly looking for marketing and sales and social media management skills.

Of 69% (15% + 54%) of hotels which either always or sometimes organize student internships, 46% mentioned that they hire these interns after completion of the internship. The 23% replied that they do not invite students for internships. During the interviews mistrust and dissatisfaction towards the graduates of TEPs was mentioned. Many hotel managers are unwilling to invest their time and money in graduates and start building their knowledge and skills from scratch. Hotel managers mention that graduates of TEPs lack basic knowledge and skills of communications in the hospitality sector, they have a very introductory knowledge in F&B management, housekeeping management, event management and MICE tourism. Their knowledge of even 1 foreign language (usually English or Russian) is at basic level and not adjusted to the business vocabulary of hospitality sector. Graduates also lack knowledge in digital marketing and social media management.

Figure 2.9: Internships (whether companies accept interns)



Surprisingly, the hospitality sector, which is supposed to be the primary employer of TEP graduates, is not willing to accept TEP students for internships. Hotel managers mention that they are willing to accept intern only if there is specific knowledge and skills which interns can contribute to the company as well. From legislative point of view, there is no regulation

which would oblige private sector employ interns as part of their academic curriculum. In contract, some forms of such legislation exists in the European Union.

Definition of term "internship", on the other hand, is misunderstood by both interns/students and companies. Students perceive internship as a "touring-and-seeing" activity, while companies perceive interns as visitors and perceive internship as a social responsibility act. Common perception is that an internship and this "touring-and-seeing" activity must last for 2-3 weeks. However, an internship is a win-win business between a company and interns. A company can delegate its low-complexity tasks to interns and benefit by paying less than to other full time employees. An intern's schedule, roles and responsibilities must be similar to those of ordinary employees of the company.

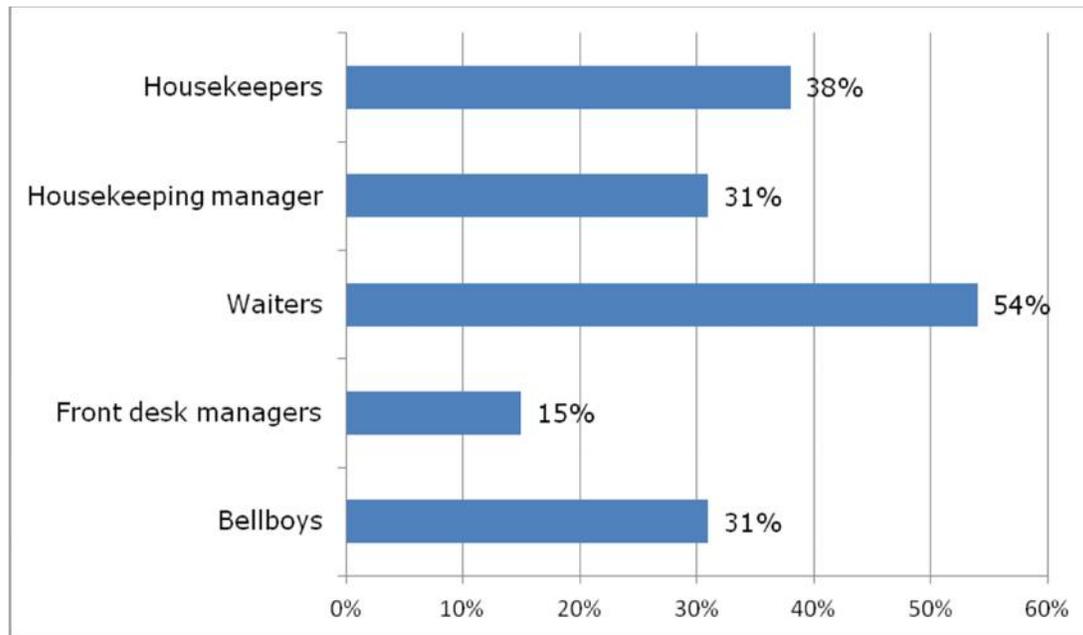
In total, 64% of travel agencies claim that they always or sometimes take interns. While the majority of travel agencies avoided answering whether or not they officially hire interns, the conclusion is that they rarely do so. As in other businesses, interns in travel agencies also take "tourism-and-seeing" roles. Some travel agency managers mentioned that it is more likely for them to accept interns from the linguistics department of a higher educational institute, rather than from a TEP, since the former will at least know a foreign language.

Small travel agencies in Yerevan are mostly run by family members. The percentage of those who neither have accepted an intern nor are interested in doing so is quite high – 36%. Travel agencies claim that in the high season they are too busy to teach them. Like with other respondent groups, travel agency managers have misconceptions about the format of internship, as they perceive interns as a big burden.

Roughly 75% of restaurant managers responded that they either always or sometimes hire interns. As they claim, there are few places for internships as they are already taken by part-time employees. Graduates from culinary schools fill some of these vacancies, and the managers are quite satisfied with them.

All museums claim that they receive interns. However, as in previous cases, internships mainly are in the form of "touring-and-seeing". Since the salaries at museums are low, it is beneficial for museums to take interns. The vast majority of interns are from Armenian State University, and many of them are hired afterwards. Respondents answered that 43% of the interns are always hired and 36% are sometimes hired.

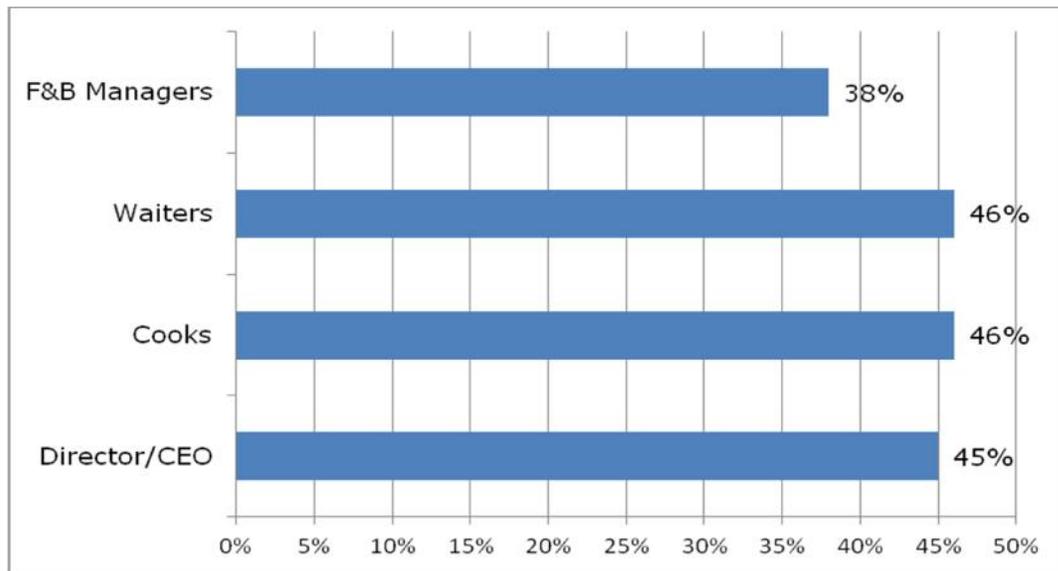
Figure 2.10: The Lowest Technical Level of Staff in Hotels



Hotel managers were asked how they generally perceived, the technical skills level of staff who work in hospitality sector in Armenia. The respondents were asked to state their opinion about the general situation in Armenia, and thus have been expected to provide more impartial answers. 31% of respondents consider housekeeping managers' skills as poor and 38% considers housekeepers' technical skills as low. Bellboys and housekeepers have high turnover ratio. Both positions are deprived of the opportunity to reach higher position in the hierarchy of the hotel in the future. Global practices show that experienced and loyal employees should be encouraged to stay in the company and should have opportunities for personal development. Hotel managers mention that, overall, management works better in chain hotels rather than in non-chain hotels and 38% of the respondents think that sales and marketing directors are good. On the other hand, 70% of respondents are assured that bartenders' technical skills are good. Also, cooks and human resources managers in Armenia are perceived as being very competent among 62% of the respondents. And finally, front desk agents, reservation agents, F&B managers together with chefs received 54% positive responses for their technical skills.

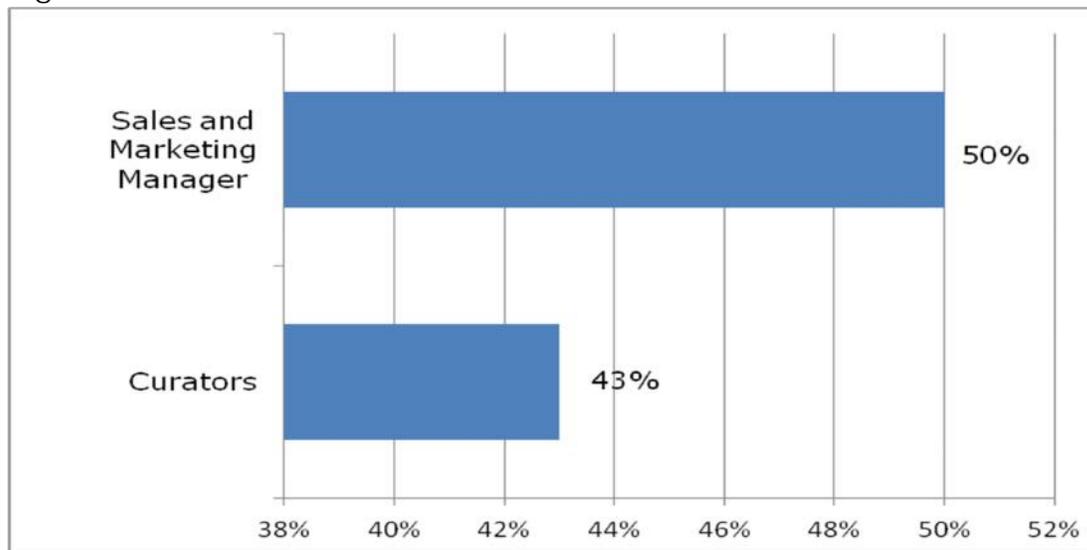
Managers of travel agencies were asked how they perceived, in general, the technical skills level of staff who work in travel agencies in Armenia. Only 31% of the responders claimed that top managers of travel agencies in Armenia have good technical skills. Around half of the travel agencies stated that tour guides are either very good and informative or are arrogant and provide incorrect information. These externalities in tour guides' qualifications were often the responses of travel agencies and experts. As travel agencies claim, there is a need for mandatory certification for tour guides for consistent quality of their services. Finally, the vast majority of respondents among travel agency managers – 75% – considers the quality of services provided by travel agencies as good.

Figure 2.11: The Lowest Technical Level of Staff in Restaurants



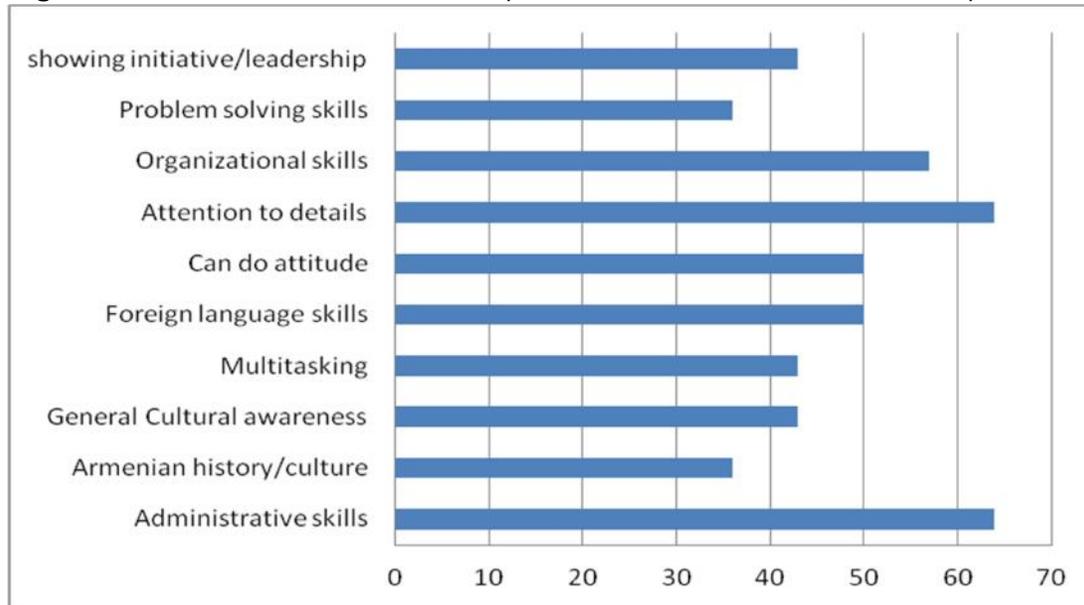
Managers of restaurants were asked how they perceived, in general, the technical skills level of staff who work in restaurants in Armenia. Only 23% consider the managerial skills of restaurant directors to be good. Food preparation and food safety, which is directly related to cooks and F&B management, are at low levels with more than 40% responding that these fields require improvement. On the other hand, 63% consider technical skills of head chefs of Armenian modern-type restaurants as good. About 46% of restaurant managers answered that bartenders in Armenia are qualified, which is due to the positive efforts of the Armenian Bartenders' Association. There is an overall positive feedback about the work of this association.

Figure 2.12: The Lowest Technical Skills of Staff in Visitor Attractions



The managers of visitor attractions were asked how they perceived, in general, the level of technical skills among the staff of visitor attractions in Armenia. Almost all representatives mentioned that CEOs are good. 64% of directors said that the tour guides are good. The majority of tour guides are staff members of the museum and they have deep knowledge of the exhibits, therefore the directors of museum attractions are satisfied with their performance. Some 45% mentioned that curators are good. As was previously described, sales and marketing managers lack technical skills.

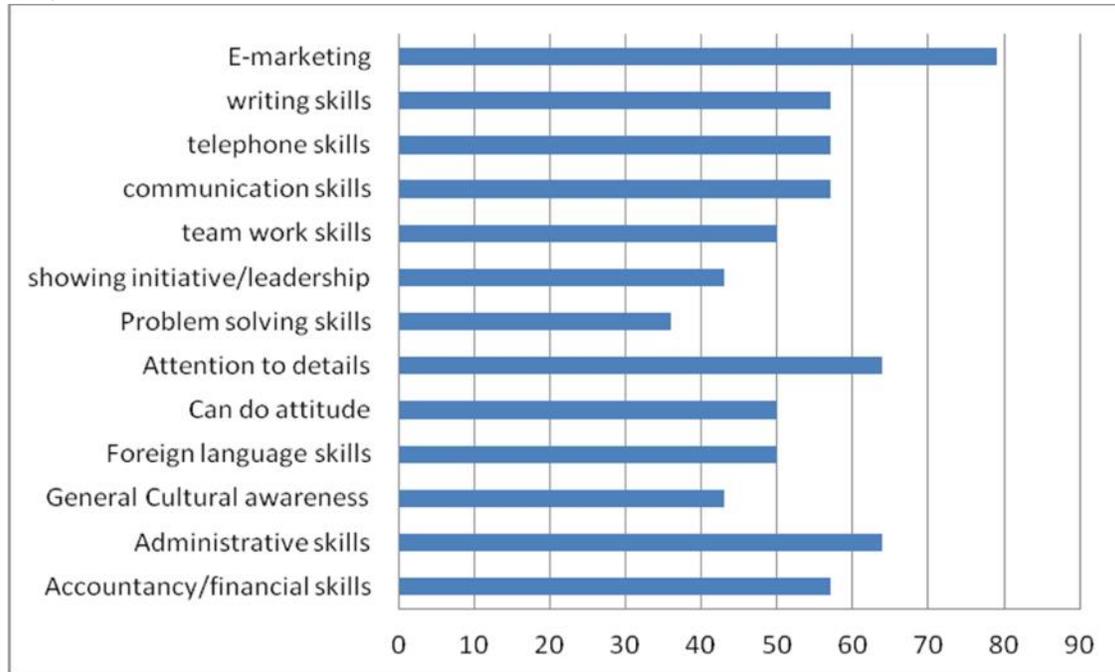
Figure 2.13: Skills That Need Improvement in Hotels, (% of respondents)



More than 60% of hotels responded that "attention to details" is an important skill that needs to be improved among staff members. A follow-up gift sent for the guest's birthday, guest's favorite flowers in their room are some examples that can make the difference and turn the client into a repeating visitor. A tourist, being in a new environment, may feel isolated or vulnerable, or be disoriented, and it is the duty of hotel employees to embrace them and ensure that their needs and desires are fulfilled. The majority of skills mentioned in the chart above can be covered in courses such as Tourism Behavior, and Communication Skills for Tourism and Hospitality Sector. It is clear that management skills need to be improved (on the chart above: administrative skills, organizational skills, multitasking, showing leadership and initiative). These skill gaps can be covered via Hotel Management or other related courses in academic programs. Also, 23% of respondents mentioned that E-Marketing skills should be improved, which can be part of Digital Marketing and Social Media Management courses in the academic programs. Hotel managers realize the importance of digital marketing. These skills enable companies-often for little or no cost-firstly, to "turn the lookers into bookers" and, secondly, to make the guests "repeaters." The vast majority of sales managers are highly involved in social media, Booking and Trip Advisor platforms by advertising, posts, answering guests' comments. The telephone, email, and in-person

communication protocol is perceived to be on a satisfactory level, though can be improved as well.

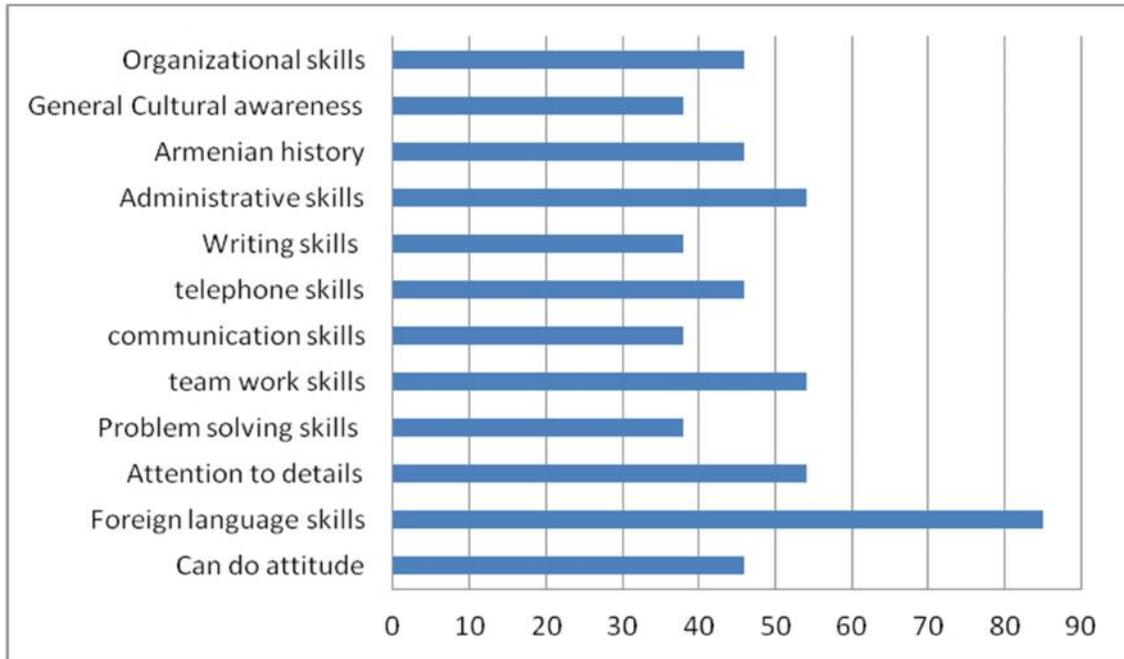
Figure 2.14: Skills That Need Improvement in Travel Agencies, (% of respondents)



In the case of travel agencies, big skill gaps in digital marketing were identified in the survey. Almost 80% of respondents claim that their staff needs to improve E-Marketing skills. A reason for this could be that many travel agencies in Armenia are promoting themselves via social media platforms. Unlike hotel managers, travel agency managers are not highly involved in E-Marketing but do realize the benefits of getting involved. Efficient E-Marketing consists of few basic elements such as: general computer literacy, excellent knowledge of at least English, implementing effective proportional strategies via social media, maintaining customer relations via email and forum-type platforms such as Trip Advisor.

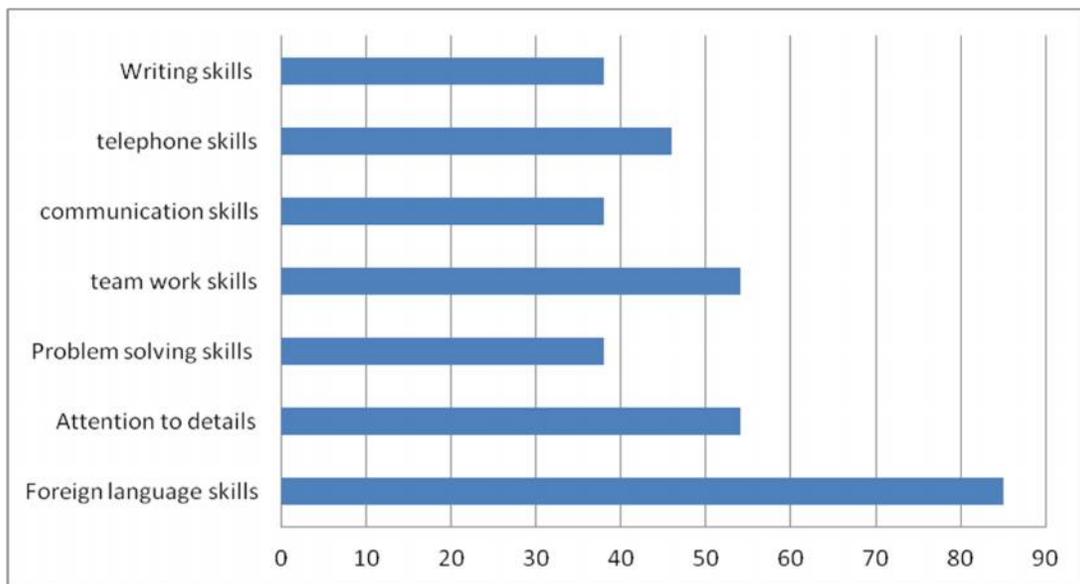
Almost 60% of respondents among travel agencies said that writing, telephone and in-person oral communication skills need to be upgraded. Just like in case of hotels, general management skills lack among the staff of travel agencies. They include many skills related to being organized, responsive to guests, colleagues and employers, also the ability to work autonomously and make certain decisions. Inadequate foreign language skills is still an issue for hotels and travel agencies, as employees should speak at least two foreign languages other than Armenian. Financial skills, which in travel agencies assume price and budget calculations for creating new packages, need to improve according to 60% of respondents. About one-third of respondents stated that the knowledge of Armenian history and culture should be improved.

Figure 2.15: Skills That Need Improvement in Restaurants, (% of respondents)



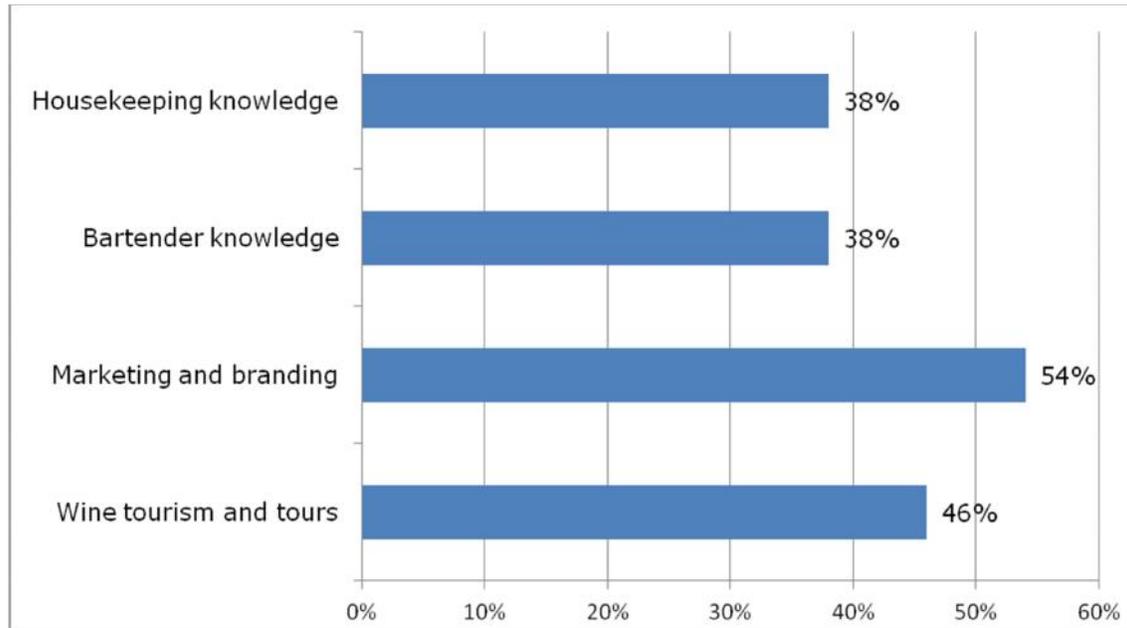
The main concern for the restaurants in terms of skills to be improved is insufficient knowledge of foreign languages (English, Russian, French, and German) that current staff and job candidates have. Considering that a great number of visitors at high-class restaurants in Yerevan are tourists, fluency in at least 2 foreign languages is imperative.

Figure 2.16: Skills That Need Improvement in Visitor Attraction, (% of respondents)



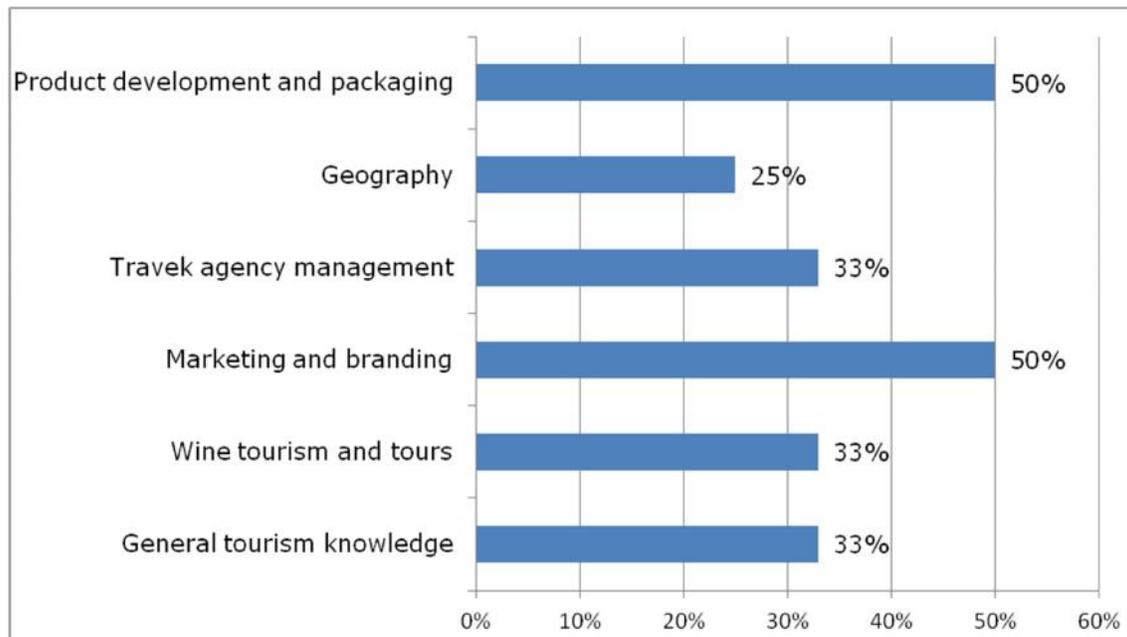
According to overall responses, foreign language knowledge of hotel staff is on sufficient level. Staff at visitor attractions lacks foreign language skills. Other skill areas that visitor attractions want to improve is communication skills specific for the tourism and hospitality sector, as well as general management skills.

Figure 2.17: Knowledge Areas That Need Improvement in Hotels



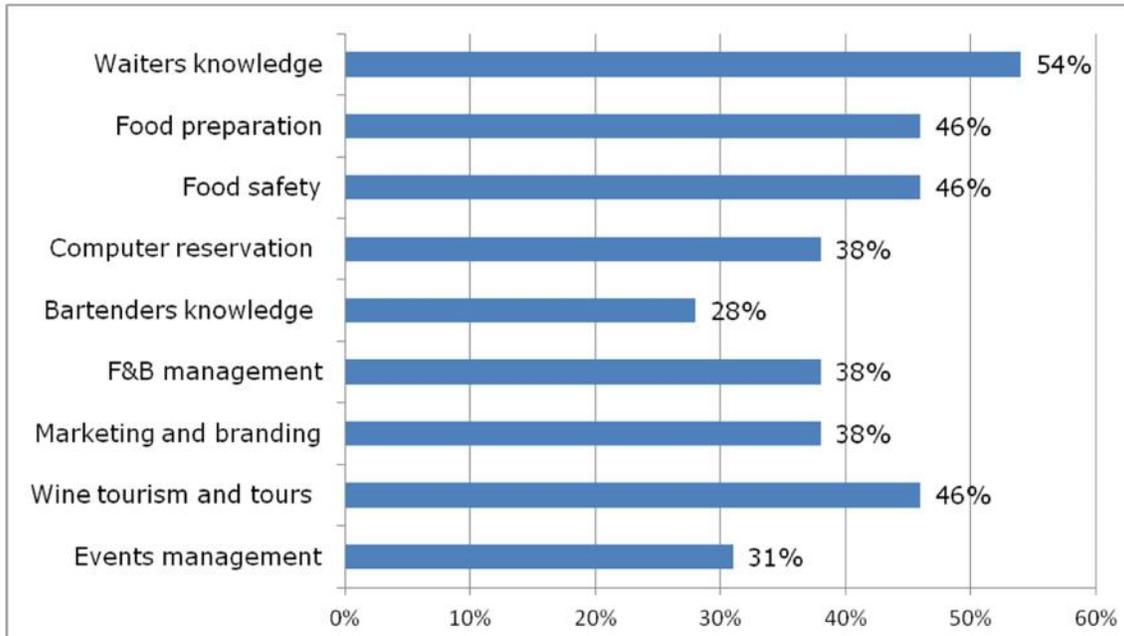
There is a growing interest in developing wine-related services, as this sector is growing rapidly in Armenia. For instance, while majority of Russian tourists prefer brandy, this creates an opportunity to introduce them to Armenian wine. It is an opportunity to inform all tourists about Armenian wine, and this needs to be done at all levels at hotels: the front desk, F&B managers, and waiters. Few hotels provide visual information about Armenian wine and wine tours, and in most of the cases, they do not directly sell the tours. According to the hotel managers, bartenders are very knowledgeable, however 21% of respondents claim that bartenders' knowledge needs to be further improved. This can be achieved through training courses in Food and Beverage Serving. As far as the marketing and branding are concerned, the managers of both sectors recognize the need for developing and implementing promotional strategies, especially online through digital marketing tools. For example, the Grand Hotel and the Tufenkian Hotel boast a modern, comfortable environment with historic and traditional elements, whereas the Marriott Hotel guarantees high quality service as being member of an international chain.

Figure 2.18: Knowledge That Need Improvement in Travel Agencies



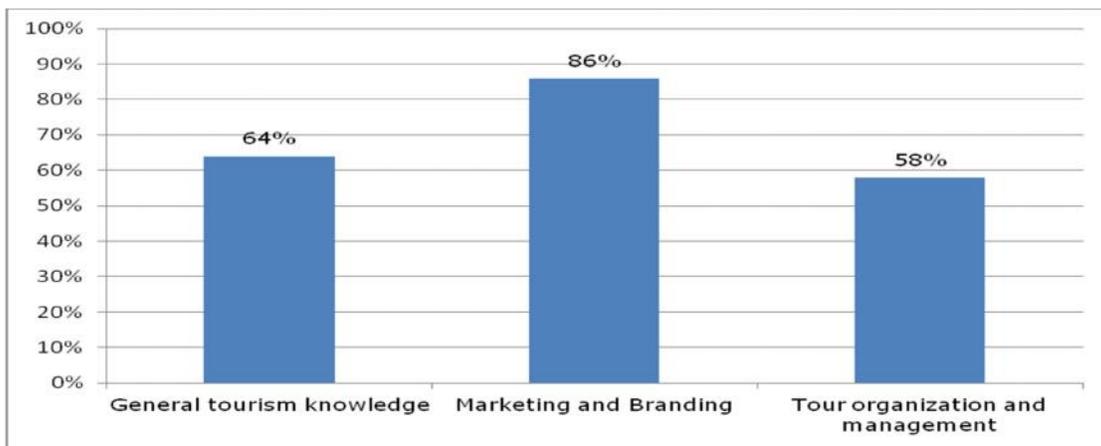
Development of tour packages is one of the major functions of travel agencies and a significant source of income. Knowledge in finance as well as sales, marketing and branding are important to increase sales of travel packages. 22% of respondents claim that their staff needs to have a better knowledge in creating travel packages. 15% of travel agency managers claim that staff's knowledge in wine needs to be improved. Travel agency managers mention that launching a travel agency business has become a "fancy activity" nowadays among entrepreneurs in Armenia. As respondents mention, there are ample travel agencies in Yerevan with supply exceeding the demand. Those agencies which capitalize on staff's increasing knowledge in travel package development, digital marketing, and wine tourism will sustain the competition. Specialization is another tool for differentiation: "specialized in ticketing", "highly experienced in tours", "the most trustworthy", etc.

Figure 2.19: Knowledge Areas That Need Improvement in Restaurants



A majority of restaurant managers believe that staff's knowledge of food preparation and food safety should be improved. The majority of the restaurants do not distinguish between a barman/bartender and a sommelier. Additionally, they have not trained current waiters to the point that they are knowledgeable about wine. About 46% of respondents mention that knowledge of wine, food pairing with wine, and wine tours in their restaurant needs to be improved.

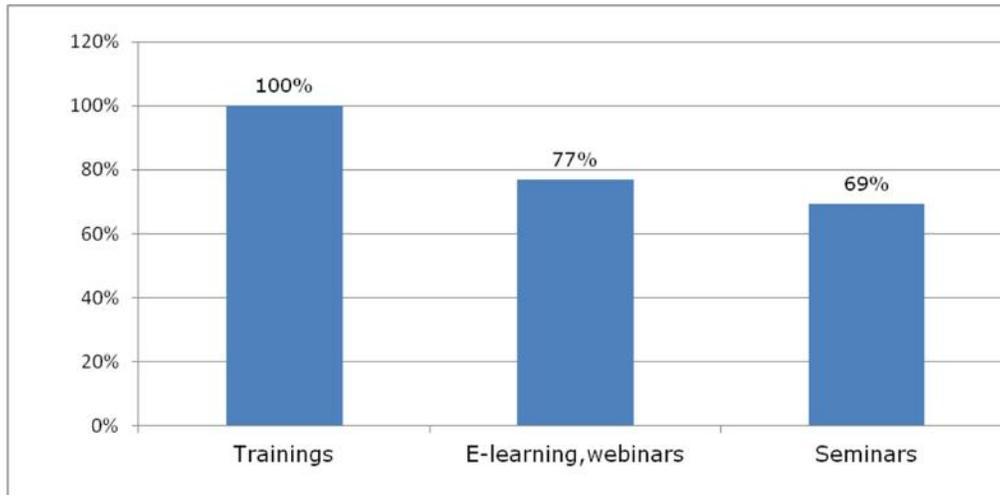
Figure 2.20: Knowledge Areas That Need Improvement in Visitor Attractions



A majority of respondents acknowledge that staff's knowledge in marketing and branding needs to be improved. Specifically, curators and event managers at museums need to develop

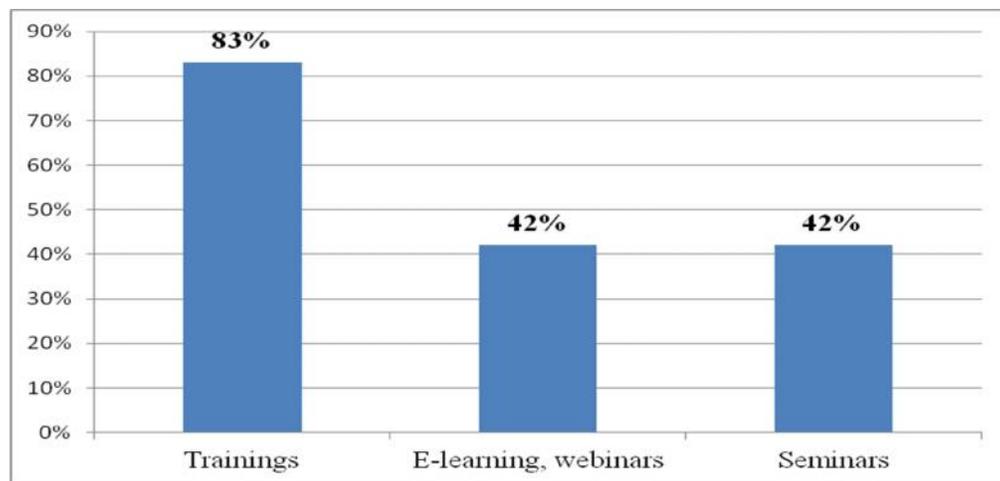
and implement effective branding strategies. Implementation needs to focus on digital marketing tools, including social media and the ways to reach out potential visitors. Most of the museums also want to extend to MICE market, but claim that their staff lacks the knowledge of how to position themselves effectively for that segment.

Figure 2.21: Methods Used for Training and Professional Development in Hotels



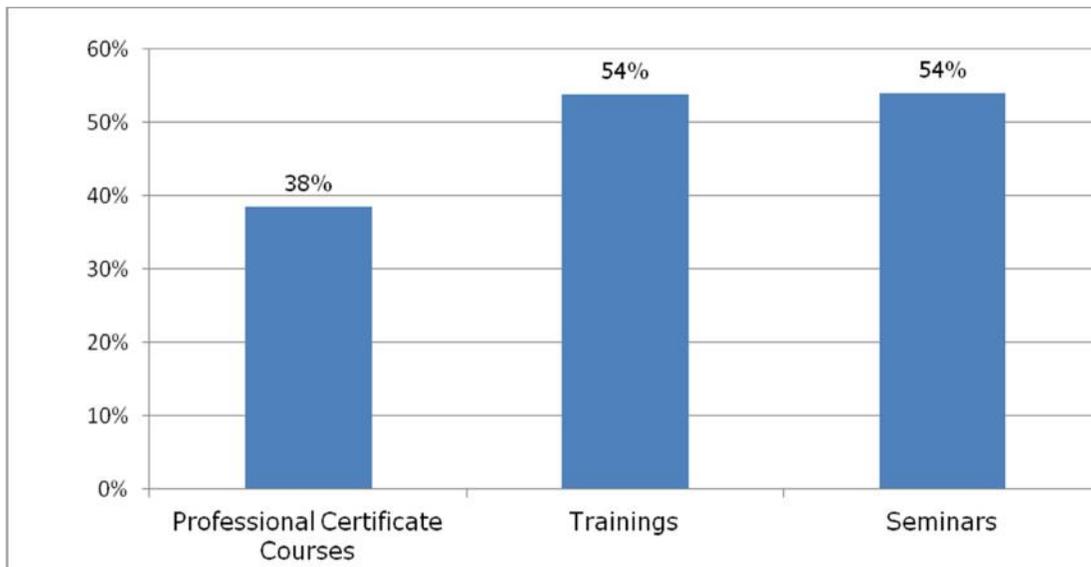
The definition of trainings covers in-house trainings, and trainings conducted externally, which are normally conducted for a few days. All hotel managers claim that their staff participated in professional development training programs. As for E-Learning and online trainings, hotel managers claim that 77% of staff participated, however the percentage may be higher when an employee attends a webinar at his/her own initiative from home. Trainings in international chain hotels take place in the hotel with certified trainees arriving from abroad, consequently, the managers see no need for trainings out of the hotel.

Figure 2.22. Methods Used for Training and Professional Development in Travel Agencies



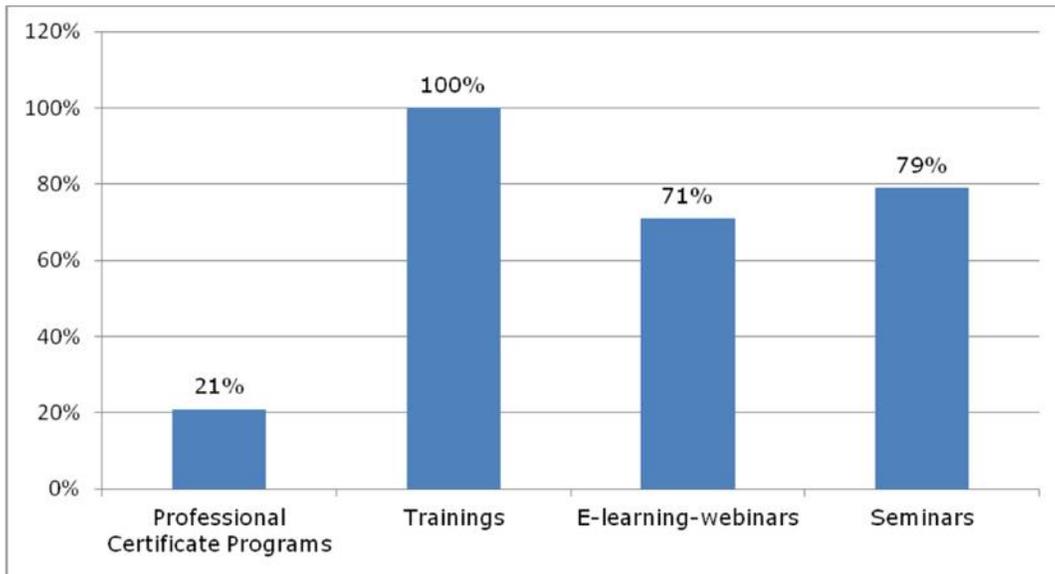
A majority – 83% – of travel agency respondents mention that their staff participates in professional development trainings. Compared to hotels, the travel agency employees are not very familiar with E-Learning. Broadly speaking, because travel agencies are mostly small and medium enterprises, they experience financial difficulties in covering the costs for staff training. For travel agency employees, professional development is mostly self-financed and self-initiated.

Figure 2.23: Methods Used for Training and Professional Development in Restaurants



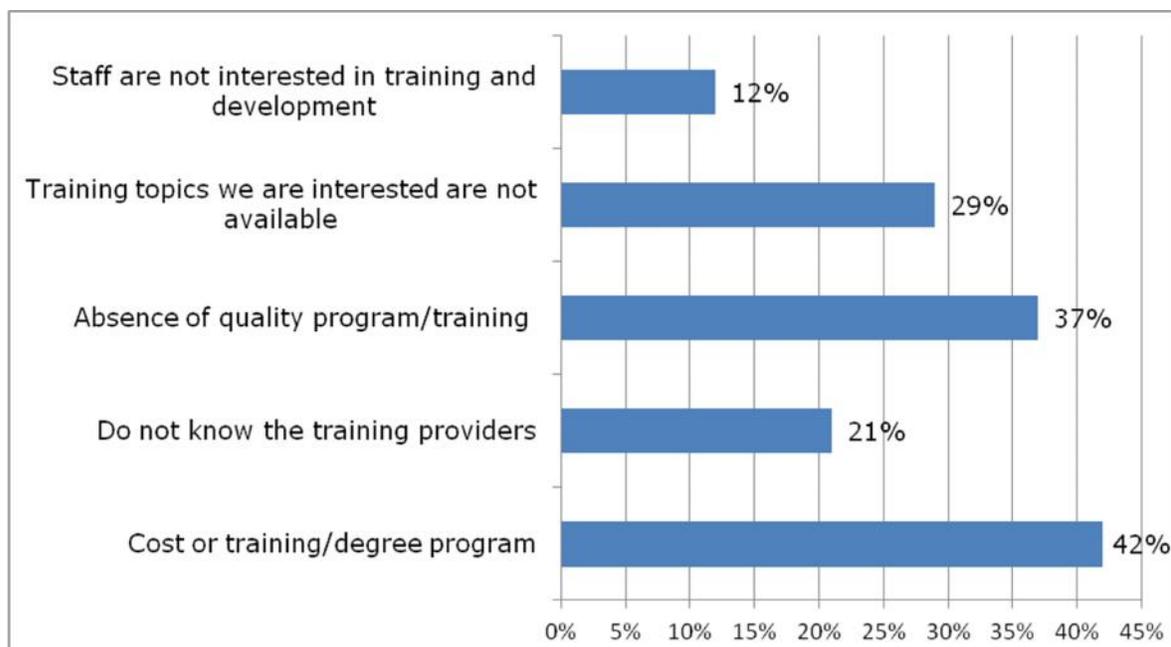
The chart outlines the reluctance of restaurant owners to get informed, trained, and qualified themselves and to encourage employees to do so. The cost is not the barrier, as there are many free video courses online. It was mentioned that wine producers themselves present their products to the restaurant managers. Restaurant-initiated trainings are rare. Some employees though, hold a certificate from related to Food and Beverage sector. Overall, restaurants are more reluctant towards development.

Figure 2.24: Methods Used for Training and Professional Development in Visitor Attractions



All museum staff attend trainings from ICOM. The low budget that museums have typically limited the employees' opportunities for training. Of all the sectors interviewed, museum directors were the most eager to participate in webinars, learn about marketing tools to create interesting events and advertise the museum, and immerse themselves in new technologies.

Figure 2.25: The Main Concerns in Relation to Trainings, Courses, Programs for Professional Development



While a majority of hotel and travel agency owners afford covering, even partially, the cost of a training, or the employees are motivated enough to cover the cost themselves, this is often not the case in restaurants and museums. Cost of the training is the hindering factor in 42% of cases when managers do not initiate staff training. On the other hand, 36% of respondents think that there are no quality professional development certificate programs or short trainings offered in Armenia. About half of hotel managers stated that they do not attend local trainings because they do not learn anything new there. As they mention, when the key trainer does not come from tourism industry, this substantially deteriorates the quality of that training.

3. Featured Opportunities and Concerns for Tourism Sector Development in Armenia

Below are some featured tourism and hospitality sector opportunities, as a summary of what has been deduced following interviews.

3.1 Agritourism

Agritourism is an inclusive business model which supports local community. Armenia has developed and is now implementing the Sustainable Development Strategy 2014–2025. In addition to positive contribution to employment figures, tourism is expected to contribute to a more balanced regional development of the country by spreading the benefits of economic activity beyond Yerevan. Tourism is specifically mentioned among SDGs by the underlying need to diversify trade towards high value-added products and services given the land-locked condition of the country. This strategy suggests including tourism as a means of diversifying the economy, given the sector's positive growth trend in recent years and its enormous potential to promote Armenia's unique nature, culture and heritage.⁸ The vast majority of interviewed tourism business managers stress the need for the sustainable development of tourism outside of the city, and particularly mentioning agritourism. There are a number of rural B&Bs which offer agritourism experience, but sophistication of business models needs to be improved. With more than 200 streams and rivers, about 100 lakes and numerous imposing mountains, Armenia promises various off-the-beaten-track experiences. Agritourism may include a wide range of activities, such as: fishing, biking, hiking, horse riding, cooking classes, wine tasting, participation in festivals, bird watching, visits to farms, animal feeding, picking fruits and vegetables, and more. The rural accommodations are usually B&Bs.

3.2 Wine and Gastronomy Tourism

There is a growing tendency towards gaining experiences rather than buying products or merely seeing things. Tourists seek experiences based on local identity and culture. Many respondents of this study are confident that Armenia is quickly becoming a popular wine tourism destination. This sustainable form of tourism applies to various age groups. Armenian wines are affordable, the indigenous varieties are plenty and can satisfy even the most demanding palate, the wineries are reachable mostly within one hour and a half, and this form of tourism can be conducted all year round, minimizing seasonal fluctuations in tourism. Gastronomy tourism is tied with wine tourism to create perfect harmony, offering multiple sensational emotions. A global report on food tourism published by UNWTO, states that: "gastronomy is a strategic element in defining the brand and image of a destination".

⁸ UNWTO, 2017. Tourism and the Sustainable Development Goals – Journey to 2030, Highlights

3.3 More Affordable and Differentiated Tour Packages

The majority of travel packages offered are Yerevan-Dilijan, Tsaghkadzor, Echmiadzin, Tatev, Noravank, Areni, Lake Sevan, Garni, and Geghard. The repeating tourists need differentiation in travel packages. Some travel agencies are being proactive by creating new packages with less popular destinations such as Sardarapat, Aruch, Talin, Gyumri, Dsegh and some others. Also there are combined tours in Artsakh and Georgia, offering multiple experiences within few days.

3.4 Adventure Tourism

Armenia has made significant effort towards the development of adventure tourism in an attempt to attract more youth to the country. There are a few zip-lines in Yerevan, Tsaghkadzor and in Yell Park (the first extreme amusement park in Armenia) in Tavush, where one can try the majority of adventure sports in one park: zip-line, a rope park, zorbing, and paintball, horse riding, off road tours, rock climbing, and paragliding probably the most breath-taking extreme sport. Trekking and hiking are all forms of exploring destination on foot, often on a budget. Like cycling, these types of activities are on the rise. With more activities available, tourists often stay at the destinations longer, thus spending more money. Their expenditures often reach the local and regional economies, helping increase the spread of tourism benefits. Both hiking and trekking are perfectly applicable in Armenia. With large numbers senior tourists visiting Armenia, adventure tourism can diversity the client base and bring younger travelers as well.

3.5 Low Budget Hotels

Despite the existing numerous hotels and some international chain hotels among them, accommodation in Yerevan is not considered affordable by many tourists. There are hostels which provide elementary services at low price and are mostly preferred by youth and backpackers. However, a shortage of budget hotels was mentioned by survey respondents as a reason limiting higher influx of tourists to Armenia. Yerevan should keep up with the trend value-for-money. Comfortable, but affordable accommodation for everyone: senior travelers, the youth, couples, families, and individuals.

3.6 MICE Market

The meetings, incentives, conferences, and exhibitions (MICE) bring high revenue and the MICE tourists are considered to be of high value as they can afford to consume more products and services when travelling. Generally speaking, Armenia's hotels have the capacity for small and medium events and conferences. After being recognized as the best MICE tourism destination at "Buying Business Travel Awards in 2017", and after the opening of some key chain hotels in Yerevan, the MICE has the potential for further development.

3.7 Infrastructure and Quality in Restaurants and Cafes

Not surprisingly, the vast majority of respondents in this study mentioned the poor condition of roads, and lack of clean public toilets among the tourism sector development challenges. The majority of Armenia's visitors are elderly people. Hence, the need for public toilets and decent roads is imperative. As far as the infrastructure outside Yerevan is concerned, F&B

sector and services provided at cultural attractions were mentioned as areas for improvement. There are few quality places to dine outside Yerevan. Tourists are usually dissatisfied with the premises, quality, and the service. The accommodation outside Yerevan is not luxurious, but quite clean.

3.8 Tourism Information Center

Despite the existence of a Visitor Information Center in Zvartnots International Airport since 2013, information centers or kiosks are also needed in the city center of Yerevan and other major tourist spots around the country. The center in airport is inadequate due to the inconvenient hours that visitors usually land. After a long overnight trip very few are interested or willing to get informed about the city or to ask some questions as they usually hurry to arrive to their hotel. In the best case scenario tourists pick a map. People are more relaxed and have more free time when they are already in the city and are willing to learn about the city and the country generally. With an information center within Yerevan, tourists are more likely to visit more attractions and to travel out of the city.

3.9 Creation of a Destination Management Organization (DMO)⁹

There is a growing need for a DMO in the country, either public or private level, or even blended. The DMO should develop and promote a long-term strategy for tourism and hospitality in the country. Many respondents of this study underlined the fact that there are some sporadic attempts to advertise and brand the country, but coordinated activities are needed. The role of a DMO can be to inspire travelers to visit Armenia, to enhance visitor satisfaction and to introduce them to the myriad of unique experiences that the country has to offer. The better informed the visitors are, the more likely they are to engage in more activities and spend more. Armenia can brand itself as a wine destination and/or an extreme sport destination. The DMO can become an important coordinating body for promotion and positioning.

3.10 Lower Prices for Airplane Tickets

There are only a few airlines that fly to Armenia, and even fewer which offer low prices. The no-fills airlines with connectivity to Europe in the second airport in Gyumri can increase the travel of young tourists to Armenia. Car is a realistic means of transport mainly for travel to Georgia. Arriving in Armenia by train is only possible from Georgia.

3.11 Taxis / Cabs

The first experience when tourists exit the airport is the following: dozens of taxi drivers offering a ride. With a high risk of being cheated or ending up with an unpleasant driver and untidy cab, this can create a really negative first impression. The situation in the city center is the same. Although there is a certified taxi service being promoted in the airport, information about quality taxi services must also be made available to travelers in Yerevan and regions.

⁹ Destination Management Organization (DMO) is the coordinated management of all the elements that make up a destination (attractions, access, marketing, human resources, image and pricing). It takes a strategic approach to link-up very separate entities for the better management of the destination. (World Tourism Organization).

3.12 Guides

The most controversial job in tourism/hospitality sector is probably the one of a tour guide. As they are not certified, almost everybody can read some information from the Internet and claim to be a guide. Almost half of the survey respondents consider tour guides in Armenia to be non-professionals.

4. GAP Analysis

Nowadays, seven tourism-oriented educational institutions exist in Armenia, as opposed to five that existed in 2007. The language of instruction in most of these programs is Armenian. Therefore, there is little opportunity for the graduates to communicate fluently in an international environment where English is the dominant language, or even to study or work abroad. Moreover, the variety of books and supplementary course materials is indeed limited and outdated. Only in few institutions is the language of instruction a combination of Russian and Armenian, or English and Armenian. Only the Yerevan State Linguistics University and the American University of Armenia are distinctive in terms of language of instruction.

4.1 Current State vs Desired State of Tourism Sector Knowledge and Skills

Current State

- There is a skill and knowledge gap in hotel and restaurant management, cultural awareness, F&B management, social media management and digital marketing, reservation management, foreign languages, communications skills in tourism and hotel management, and tourism behavior.
- Quality of both degree and non-degree academic programs for tourism, hospitality, and restaurant management is not sufficient in terms of content.
- Graduates of academic programs in Armenia lack practical experience.
- Employers do not trust the quality of local academic programs.
- Tourism products are simple often not distinctively diversified. Lack of innovative approaches and components in travel packages.

Key Factors for Change

- Academic program in Hospitality and Tourism Management or Hotel and Restaurant Management. This can be a degree or a VET format program, or both. This can be an intensive certificate program with a class schedule with hours and structure adjusted so that students can work in parallel.
- Modern curriculum jointly with a top-notch university in tourism and hospitality (curriculum including intensive hands-on experience).

Desired State

- Modern knowledge and skills in tourism and hospitality management among tourism industry workers in all areas where skill and knowledge gaps are identified.
- Proficiency in at least 2 foreign languages and some basic knowledge of 1-2 more.
- Diversified tourism products (wine tourism, agritourism, etc) which can help travel businesses switch from price competition to product differentiation competition.
- Tourists are professionally informed and guided towards specialized travel packages including wine tourism and agritourism.

5. Skills and Knowledge Gap Mitigation Mechanisms via Academic Courses

Based on skill and knowledge gaps identified in this study, the learning objectives have been identified according to curricula of existing programs in major universities. The learning outcomes have then been connected with courses that can possibly be included in the new program.

Course	Learning Outcomes	Skills/ Knowledge
Introduction to Tourism	Familiarizing with history and structure of the travel, tourism and hospitality industry, function of touristic system, the role and importance of tourism for economy and society. Learning characteristics of travel products, competitiveness of tourism globally, introduction of international organizations IATA, UNWTO.	General knowledge in tourism sector and products. International cultural awareness, psychology of a tourist, understanding tourist profiles.
F&B Management	Improved knowledge in management of F&B, finding providers, food preparation training, food safety, understanding the difference between management of services and products.	Food preparation and food safety, customer service skills and attention to details, organizational skills, innovation and creativity, bartender training, waiting staff training.
Management of Touristic Business	Improving knowledge in management, strategic and operational planning, communication. Qualitative and quantitative control in touristic business, the specific features in management of touristic business.	Management of touristic business and travel operator/agency, organizational skills, administrative skills, soft skills.
Sustainable Tourism Development	Develop knowledge in principles of sustainable development in tourism, sustainability and small businesses, features of small businesses sustainability and entrepreneurship, classification of tourists, theory of Ajzen-Fishbein (theory of reasoned action).	Company positioning and branding strategy, marketing, innovation and creativity, soft skills.
Touristic Geography	Knowledge and understanding of the basic principles of tourism in all its dimensions and areas. Identify and evaluate the elements of the tourism system and	Cultural awareness, Armenian history/culture, understand the global distribution of cultural mosaics, understand the

	its interaction with the environment and its impact.	impact of tourism in various areas in the world
Management of Tourism Operator/ Travel Agency	Function and Structure, Global Distribution Systems - GDS (Amadeus, Sabre, Gallileo), development of packages, organization and cost analysis for tours	Learn to use GDS, package development, financial skills, organization, administrative skills.
Digital Marketing and Social Media Management	Apply information technology and use information to support business processes and make decisions. Identify the theories and practices of business ethics and social responsibility. Communicate orally and in writing about business topics.	Web maintenance, social media management, e-marketing, online customer relations, IT in tourism.
Business English and Communication	Enrich vocabulary to be able to communicate efficiently in foreign business environment, able to work abroad, participate in tourism related projects, conferences. Respect to multiculturalism	Foreign language skills, creativity, cultural awareness, technical writing skills.
Tourist Behavior	Classification of tourists, maximize tourists' satisfaction accordingly, understand psychology and resolve conflicts.	Front Desk Training, reservations agents training.
Front Office Management	Knowledge in special software (Opera, Protel, Epitome) register statistical data, communication with other departments, check in -out	Telephone skills, writing skills, work with reservation software, check in-out efficiency.
Human Resources Management in Hotel Industry	Techniques and methods of HR management, analysis of vacancies, attract candidates, concept of life-long learning, stages and methods of choosing appropriate candidate, evaluation of performance and systems of payment, theories of motivation,	Human Resources Management
Beverage Management and Wine Selection	Develop knowledge in procurement procedures, brand recognition, promoting wine and food pairing	Bartender training, waiting staff training, food safety, knowledge in wine.
Event Management Introduction to the MICE/ convention Industry	Knowledge of organizing an even to be competitive in the market. Creation of innovative brand/idea for a touristic event. Difference among events and how to apply in touristic sector. Organization a conference in accordance with global examples/trends	Branding and marketing specific for tourism sector. Events and conference, management, F&B management.

Family Oriented Business	How to achieve sustainability, how to be competitive, (why and how to apply for Eco labels), learn methods to enhance communication ability and conflict resolution with family business owners, managers, and family members, examine best practices and explore emerging trends in family business management	Administrative, budgeting skills, understanding and development of sustainable forms of tourisms, SME management
Innovation in Tourism	Acknowledge the importance of innovation for being competitive, create an innovative and competitive brand	Administrative skills, managing innovation in a touristic business. Value creating and creativity, encourage enterprising behavior.
Ethics and Tourism	Gaining theoretical and practical knowledge in the field. Handle with situations involving various moral dilemmas. Introducing students the concept of manipulation which is tourism and hospitality is sometimes triggered by tourists, businesses, colleagues.	Adopt a positive attitude, meet and exceed tourists' expectations, promote ethical behavior and adopt best practices for social responsibility and environmental sustainability, soft skills

6. Tourism Education Models Globally

6.1 Degree Programs

This study collected data on a number of degree programs at top-notch universities globally, which can help draw implications for tourism education in Armenia.

Ecole hôtelière de Lausanne (EHL). In Europe, Switzerland is the leading country for high quality tourism-hospitality education. Apart from being one of the oldest institutions in the sector, founded in 1893, students of this school get to work with world-class hospitality facilities. This is one particular reason that makes EHL special and one of the best hotel management schools in Switzerland and globally. The program taught at EHL is based on the needs of the industry, as the institute boasts a long history of working with the Swiss and international hospitality related businesses. The institute offers a Bachelor's program and a Master's program in Global Hospitality Business, an MBA in Hospitality, Executive MBA, Hospitality EMBA program offering a dual degree in collaboration with CEIBS University in China, masterclasses in Culinary Arts, Online Certificates for executives, executive education program in Hospitality Management and a summer academy.

Ecole Hôtelière de Genève. This is a hotel management school for executives, which provides management courses in accounting, financial management, human resources, marketing, communication, E-marketing, web marketing, sustainable development, technical facilities, catering and accommodation. A paid internship in a company in Switzerland forms the basis of the third semester in order to test students' professional skills. This phase of the program allows students to further develop their experience and confront the reality and pace of actual working environments. The content of the program is constantly adapted to the realities of the market so that graduates can succeed in their future positions.

The Hotel School Cornell SC Johnson School of Business (SHA) is one of the best hospitality and hotel management schools in the world. Beginning in hotel operations in 1922 the school offers three undergraduate programs, and Master's of Management in Hospitality. There is also an executive education with video conferencing and blended programs, including online certificates and courses and in-class programs. Cornell is a leader in E-Learning with an exceptional web platform. It offers 10 online certificates in hospitality over the course of 3 months.

The School of Hotel and Tourism Management of the Hong Kong Polytechnic University offers various educational programs: PhD in Hotel and Tourism Management, an MS in Global Hospitality Business, in International Hospitality Management, in International Tourism and Convention Management, in International Wine Management, six BS programs, and a Higher Diploma. The extension of the SHTM, Hotel ICON is the first teaching and research hotel of its kind in the world. Although other universities have teaching hotels, the SHTM's approach is unique. Hotel ICON is a purpose-built hotel that completely integrates teaching, learning and research in a full-service environment. Located in a building complex

that also houses the SHTM campus, it is envisioned as a “hotel with a purpose”, Hotel ICON is committed to providing interactive and dynamic learning environments as well as state-of-the-art educational facilities. To fully integrate Hotel ICON into its curriculum, the SHTM has revamped a whole host of subjects that span daily hotel operations, event management, financial administration, entrepreneurship and service quality management, all of which include practical training.

Texas A&M University, the Department of Recreation, Park and Tourism Sciences offers an undergraduate program: BS in Recreation, Park and Tourism Science and two certificate programs: Professional Event Management Certificate (PEMC) with a duration of 18 months and an online Hospitality Management Certificate. Also, there are three graduate programs: Doctor of Philosophy in Recreation, Park and Tourism Sciences, Master of Science in Recreation, Park and Tourism Sciences and a graduate certificate in Community Development.

The Pamplin College of Business, Department of Hospitality and Tourism Management of Virginia Tech offers an undergraduate degree in Hospitality and Tourism Management. The university also offers two graduate degrees: Masters of Science in Business Administration (MSBA) with a concentration in Hospitality and Tourism Management. The MSBA focuses on three areas: Hospitality and Tourism Analytics and Revenue Management, International Hospitality and Tourism Strategy, and Entrepreneurship in Hospitality and Tourism Management. The second graduate degree is the Ph.D. in Business with a concentration in Hospitality and Tourism Management. There are also accelerated undergraduate/graduate programs with a concentration on Hospitality and Tourist Management with a duration of one year. Finally, there are graduate certificate online programs – Hospitality and Tourism Analytics and Revenue Management, International Hospitality and Tourism Management, and Entrepreneurship in Hospitality and Tourism Management.

Lebanese Canadian University LCU's Faculty of Business and Administration offers: an undergraduate program in Hospitality and Tourism Management with a duration of 3 years. The graduates are granted a double diploma:

- Lebanese diploma, delivered by the Lebanese Canadian University,
- Swiss diploma, granted by the Ecole Hôtelière de Genève (one of the top ten in the field).

The LCU also offers a graduate program in Tourism and Hotel Management, which lasts for 18 months and grants a double diploma:

- Lebanese diploma, delivered by the Lebanese Canadian University,
- French diploma, granted by the Institut des Professions des Affaires et du Commerce.

The instruction language is French or English

Most of the diplomas granted by LCU are offered in partnership with leading international universities, such as University of Bordeaux (UBx) – France, University of Jean Monnet Saint-Etienne (UJM) – France, École Hôtelière de Genève (EHG) – Switzerland, and Institut

des Professions des Affaires et du Commerce (IPAC) – France. It should be noted that LCU was the first to launch the Executive MBA and the Research MBA in Lebanon for all majors, in addition to the introduction of the Doctorate in Business Administration – DBA. In 2016, it was ranked at the 16th best university among the Arab Countries.

Le Monde Institution of Hotel and Tourism Studies is considered to be the best private institute in Greece. It is the only institution in Greece that is a member of UNWTO. Le Monde boasts four fields of studies: Tourism Management, Travel Agent, Hotel Management, and Pastry Chef. The duration of the program is two years and in case of Hotel Management there is a mandatory internship for six months. The institute is distinctive for its regular trainings with various topics: Food Friends, Food Professionals, Wine Friends, Intensive Culinary Program, etc. The trainers are either institute's teachers or professionals from tourism and hospitality industry, providing up-to-date information.

6.2 Technical and Vocational Education and Training (TVET)

As defined by International Centre for Technical and Vocational Education and Training (UNEVOC), "Technical and Vocational Education and Training (TVET) is concerned with the acquisition of knowledge and skills for the world of work. Throughout the course of history, various terms have been used to describe elements of the field that are now conceived as comprising TVET. These include: Apprenticeship Training, Vocational Education, Technical Education, Technical-Vocational Education (TVE), Occupational Education (OE), Vocational Education and Training (VET), Professional and Vocational Education (PVE), Career and Technical Education (CTE), Workforce Education (WE), Workplace Education (WE), etc. Several of these terms are commonly used in specific geographic areas". For instance, dual VET system is a long-standing key pillar of Germany's remarkable performance as a major industrial power. This model has two stages. The first training stage takes place at the college/ vocational school where students attend courses, and the second part, which comprises of roughly 70% of the program, takes place in the company itself. Apprentices spend one part of their education and training at a vocational school and another part in a company while being directly involved in everyday work. The close connection to work allows for the transition from apprentice to a trained employee to be smoother.

The courses in such a system adapt to the rapidly changing technological developments and market needs. The program duration is normally 2-3.5 years. With its dual-track vocational education system, Germany is setting a best-practice example. In the case of Armenia, 4 colleges in the country are currently taking part in a pilot program for the dual education: Yerevan State College of Humanities, the Tavush Regional State College, the Vayots Dzor Regional State College and the Shirak Regional State College. Indisputably, the dual education requires strong bonds and trust between the educational system and businesses, and this is a major challenge for the implementation of the system in Armenia. At the moment, many employers are reluctant to pay salaries to trainees.

7. Conclusions & Recommendations

The tourism sector of Armenia is growing dynamically, yet there is an untapped potential for growth and development. Apart from cultural tourism, which is mostly taking place in visit-and-see forms, there is the potential to further develop engage-and-experience type of touristic products: agritourism, ecotourism, wine and gastronomy tourism, adventure tourism. Development of MICE tourism is yet another profitable sector. In case of agritourism, even small funds for renovating and altering house or a few rooms. Paired with some trainings can further boost development of B&B sector.

With an increasing global trend of responsible tourism, travelers are more concerned about the local communities they visit. Tourists become more conscious about the society and the environment when travelling. One way for Armenian travel sector businesses to become distinctive is through specific certifications. For instance, there are numerous eco-certifications assuring the quality and the "green" approach in terms of accommodation or attraction. One major certification is the Green Globe, an affiliate member of UNWTO. The certified members achieve "green" practices being environmentally conscious, ensure sustainability, customer satisfaction and enjoy a mark of excellence. Armenia, as a travel destination, should appear more frequently at expos and global media.

Among the key recommendations is the elaboration of a modern academic and TVET curriculum with courses and learning outcomes which can fill the skill and knowledge gaps of tourism sector human resources as identified in this study. Another recommendation at this stage is to identify a prospective international partner academic program to engage with in the development of the curriculum. The final recommendation is to develop and launch a non-degree academic program in Hospitality and Tourism Management or Hotel and Restaurant Management similar to Dual TVET model. This program may last between 6-18 months with a mandatory hands-on internship program.

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Annex: List of Companies and Experts Interviewed

Accommodation		
Congress Hotel	Narine Simonyan	PR and Marketing Coordinator
Radisson Blu	Taline Jeghelian / Victoria Gasparyan	Director Sales and Marketing/ H.R Manager
Ani Hotel	Mariam Chitchyan	Training Manager
Paris Hotel	Manvel Arevshatyan	Director
Marriot Hotel	Sona Manycharyan	HR Manager
Grand Hotel	Ani Shahbazyan	Events and Marketing Manager
Hotel North Avenue	Tatev Badalyan	Sales and Reservation Manager
Erebuni Hotel	Liana Artamyan	Reservations Manager
Ibis Hotel	Marina	Sales and Events Executive
Republica Hotel	Bakur Grigoryan	F&B Director
National Hotel	Lilit Torosyan	Sales and Marketing Manager
Tufenkian Hotel	Armine Vardanyan/Tigran Karapetyan	HR Specialist/Director of Sales and Marketing
Park Hotel	Anna Farashyan	Front Desk Manager
Travel Agencies		
Wind Rose Travel	Gayane Tigranayn	Director
Visa Concord	Artur Babayan	Director
Hyr Service	Marianna Kosakyan	Deputy Director
One way travel	Matevos Barseghyan	Co-founder
Ararat tours	Ani Avetisyan	Sales Manager
Air Travel	Isabella Melkymyan	Director
Erevan Travel	Hmayak Manykyan	Sales Manager
Sputnik Armenia	Mary Tovmasyan	Deputy Director
Neo Armenia	Ani Muradyan	Director
Karavi Tours	Anush Gasparian	Managing Director
Magic Travel	Satenik Manukyan	Director
Aragast Travel	Varsenik Poghosyan	Director
Restaurants		
In Vino	Mariam Saghatelyan	Co-founder, Owner
Ifalian	Gayane	General Manager
Salon	Andrey	Manager
Deryan		Director
Segafredo	Yervand Sahakyan	Amiryan Branch Manager
Kaskad Royal	Emil Muradyan	Manager
Yeremyan project (Yerevan pandok, Lavash, Sherep)	Mary Melkonyan Mary Melkonyan	HR manager H.R Manager
La piazza	Edik Margaryan	Director
Black angus	Edzkeridze Grisha	Chain Director

Noyan Parpeci LLC	Aram Khachatryan	Manager
Ararat hall	Sedrak Mamulyan	Director
Marco polo	Gayane Sargsyan	Financial Director
Bureaucrat LLC		
Visitor Attractions		
H.Toumanian Museum	Narine Khachaturian	Director
Aram Khachaturyan Museum	Armine Grigoryan	Director
National Gallery	Samvel Hovhannisyan	
Parajanov Museum	Anahit Mikayelyan / Zaven Sarsyan	HR, Researcher / Director
Kochar Museum	Anna Hovhannisyan	Marketing, HR, Researcher
Yell Extreme Park	Vahe Barseghyan	Sales Manager
Saryan Museum	Janna Manukyan	Secretary, HR
A.Isahakyan house museum	Angela Khoremyan	Director
Erebuni Museum	Gohar Gevorgyan	Director of PR, Marketing
Printing Museum	Balasan Harutunyan	Director
Museum of Literature and Art	Arusyak Ghazaryan	Education Coordinator, PR
Modern Art Museum	Nune Avetisyan	Director
Folk Art Center	Evgenia Qalantarian	
Geological Museum	Gayane Grigoryan	Director
Expert Interviews with Representatives of		
State Tourism Committee of Armenia	IDEA foundation	
Areni Festival Foundation	Vine and Wine Foundation of Armenia	
My Armenia / Smithsonian	Aries Catering Service Armenia	
Ameria Bank	Ministry of Nature Protection of RA	
Avenue Consulting	Tourism Development Fund	
Business Support Center (BSC)	Center for Strategic Initiatives	