

LATVIAN THEME PARK DEVELOPMENT IN KURZEME AND VIDZEME

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ABSTRACT

The economy of Latvia is experiencing rapid development in the European Union and is an active participant of the United Nations and North Atlantic Treaty Organization. In recent years there have been several changes in both sectors and national economic policy. The total population in Latvia was estimated at 1.9 million inhabitants in 2019 and a total GDP per capita was 63% of the EU average, the lowest GDP per capita in purchasing power parity was recorded in Bulgaria - 46% of the EU average, Romania - 60% and Croatia - 62%. Lithuanian and Estonian GDP per capita in 2019 was accounted for 74% of the EU average. Latvia has more than 12 theme parks, but the amusement offer is small. Most of the theme parks are mostly located in Kurzeme and Vidzeme. Attraction Parks historically evolved near the big cities, where the infrastructure is highly developed. The aim is to increase the influx of tourists in regions where tourism products are amusement parks, thus developing more local businesses and the city's environment, increasing the demand for an active economic environment, but regional laws often hinder this development.

Keywords: *regional development, tourism, economics, economic of regional, theme park*

METHODS

The following research methods are used in this article statistical data analysis method, questionnaire and data processing method.

The result of the study helps to analyze Latvian regional economic opportunities in the regions and to assess their contribution to local development.

INTRODUCTION

Latvia is a country on the Baltic Sea with a population of 1.9 million. There are four ethnographic regions in Latvia - Kurzeme, Vidzeme, Zemgale and Latgale. Theme parks in the Baltic region have been little studied, as they have only begun to develop in the last 25 years. The parks are related to the regional economy, business, tourism, as well as local government development plans. It is a large and new research object in the Baltic Sea region.

Latvian theme parks are poorly studied and there is no much information about their importance in the regional economy, as well with a contribution to the tourism and business sector. These are objects widely used by tourists, where often there is a connection to the regional business environment, because there are both shops and

hotels and other types of service needed for visitors. Several theme parks are located in cities, such as "Lembergs Trilby" or "Livu aquapark", others near the highways - entertainment park "The Emergency Brigade" [6], [8].

Worldwide, attraction parks have been formed already for centuries, so this sector and industry have developed traditions that produce long-term results. It is a cooperation between state institutions, local authorities and entrepreneurs. Today, the world's largest attraction parks are located in the United States and are located near large cities with millions of inhabitants, thus generating millions of annual turnover for the economy and park owners. The European amusement industry is thematically more comprehensive and much closer to nature or geographical features; it is more diverse. The most famous amusement park in France is Disneyland, in Germany are number of nature and amusement parks, in Denmark is Pippi Longstocking theme park, in Finland is Santa Klaus theme park. Each region of Europe highlights its own national and geographical specifics. Baltic national theme parks have historically been formed from fairs or city festivals. Although we have a small population that influences the industrial development of the entertainment industry, compared to most major cities in Europe, however the stable climatic conditions, the secure political environment can create new growth trends for the tourism industry. English scientist D. Edgar who has researched the dynamics of global tourism and the development of strategy, says, "... no matter how big or small you are, it matters how competitive and dynamic tourism product you can offer the world".[3] There are no research institutes in the Baltic States exploring the potential of this industry. Tourists are therefore offered other products that are more related to the Baltic Sea, with the extensive placement of guesthouses in beautiful nature locations.

Latvian theme parks are not industrially developed and large as European or USA parks. Our economy and the relatively small population are unable to ensure successful development for this sector. There are more than 12 theme parks in Latvia, but their entertainment offer is small.

Since 2004, when Latvia joined the European Union, guidelines for the tourism industry have played an important role in promoting the free market movement. In the regions of the country the establishment of active recreation and theme parks has developed. Lido theme park is established in 2003, "Livu aquapark" in 2004, "Lembergs Trilby" theme park in Ventspils in 2005. Therefore, it should be noted that the recreational opportunities of Latvian regional tourism have been studied by several authors (I. Silēviča 2007; J. Gaile, 2005; 2007; Karnītis K, Karnīte R 2006; Klepers A. 2009.; I. Bērziņa; 2012, I. Jēkabsone 2017.) (U. Plumite; 2019) As the amusement sector in Latvia is a relatively new tourism sector, there is no study on Latvia's regional amusement parks. [7]

Thus, the author working in this field and researching the development of the amusement industry in Europe and Latvia, raises several questions to which the answers will be given in this article.

- Whether a tourism product such as theme park needs to be developed in Latvia, whether these parks are able to successfully attract large quantities of visitors;

- Many regional theme parks are subsidized by municipalities but often managed by entrepreneurs. The work is looking for answers if in the long run it is gainfully both for the public sector and for regional businesses, what are the losses and gains;
- Latvia's average economic and social indicators are lower than most in the European Union, with population of 1.9 million inhabitants (of which 48.9% are in Riga region), total population decreases by 18.7 thousand in the last 3 years. That shows that sustainable and competitive sector policy in the long term is threatened;
- In regions where entertainment is a tourism product, there is higher influx of tourists, resulting in development of local business and urban environments, demand for hotels, guesthouses and other public sector products increases.

Latvia's gross domestic product (GDP) in 2019 at comparable prices, according to seasonally and calendar non-aligned data, has increased by 2.2% compared to 2018, the Central Statistical Bureau (CSB) informed. [2] Latvia's GDP at comparable prices was 30.5 billion euros last year. In the 4th quarter of 2019, compared with 3rd quarter, GDP at comparable prices according to seasonally and calendar non-aligned data increased by 0.1%. [2]

Whereas, in the 4th quarter of 2019, compared with the respective period of 2018, Latvia's GDP has increased by 1%, according to seasonally and calendar non-aligned data. An increase of 5.8% was observed in the arts, entertainment and recreation sector, most notably affected by a 7.9% increase in gambling and betting Product taxes - value added tax, excise duties and customs duties – amount increased by 0.2% in 2019. In 2019, compared to the previous year, total expenditure of households increased by 4.9%. Household expenditure on transport (public transport, purchase and operation of vehicles) increased by 9.6% and 6,9 % more households spent on leisure and cultural activities. (Central Statistical Bureau of Latvia; 2019)

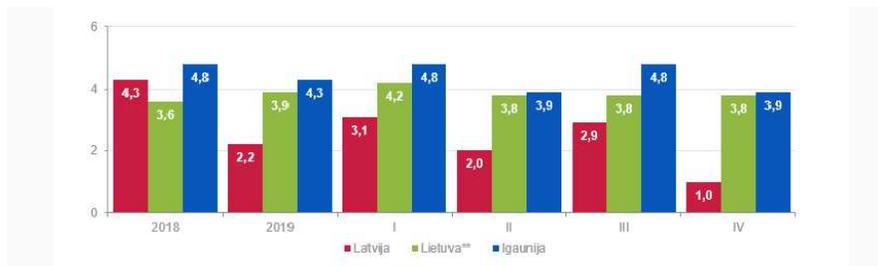


Fig. 1. Changes in Gross Domestic Product in the Baltic countries (seasonally and calendar non-aligned, at comparable prices, in percentage of the corresponding period of the previous year). Source; CST data

** For Lithuania for 4th quarter of 2019 data of first assessment

As a result, the tourism industry has been growing in recent years, influenced by the development of the Baltic and European economies. It should be noted that indicators of Latvia's economy and national economics are weaker than that of its two neighbours and we need to develop a stronger tourism strategy across the

country and work more on marketing activities at theme parks. In the author's opinion, this also depends on the fact that there is little discussion and analysis at the national level about the entertainment industry and its contribution to regional development. Certainly, we cannot compete with the more developed regions of Europe and their theme park offers, but our country, with its quality and specificity, is able to compete in several segments of the niche product range.

By analyzing the theme parks in Latvia and the Baltics, the author has developed the basic types of theme parks in Europe.



Fig. 2. Types of theme parks. Source: scheme developed by the author

These are basic types, but today they are further divided by the specific nature of park, and in the world these are technical, scientific, thematic, technological, entertainment sometimes named on according to the specific industry, such as car or aviation parks, water or underwater parks, cinema or marvel parks, etc. Each of these parks has developed its own trends and there is a process of factors that affect them both from a developmental point of view and from a supply perspective. The English scientist David Edgar (2001) refers to the following basic factors in the analysis of trends in theme parks in Europe; (1) external; (2) internal, and detailing what are under the groups of both factors.[5] (See Table Nr. 1).

Table 1. Determinants of theme park development.

External factors	Internal factors
Global organized economic system	Successful cooperation between local authorities and entrepreneurs
Development of urbanization	Organized regional policy
Use of science, technology, natural resources	Organized tourism environment and structure
National and regional authorities organized legislation	Strategically accessible location

Source: scheme developed by the author of the following study by D. Edgar: "Tourism in the 21 century"; 2001; p. 94-95.

These factors can be both historically inherited and acquired over time. If we look at Kurzeme and Vidzeme theme parks in Latvia, such as "Lemberga Trilby", located in Kurzeme in Venstpils, which is at the Baltic Sea and Vidzeme theme park, such as the "The Emergency Brigade", located at 65 km from Riga near the

Riga-Moscow highway, it should be noted that their development factors mentioned in the table above have affected the specifics of the operation. [4]

The first park offers a wide range of attractions for different age groups, including active recreation such as obstacle trails, trampolines, different types of amusement machines, sandboxes, swings and slides for the smallest ones. The park also has an active recreation area with outdoor exercise equipment and a bicycle path. The park has a wide range of dining options and there are hotels nearby. The other park - "The Emergency Brigade", has specific themed attractions, which are various types of dinosaurs, machines, labyrinths and other technical attractions for ages 12 to 70, but the rest is not as extensive as there is no city or Baltic seacoast.

Therefore, one of the main determinants of development is the geographical location of the park and the accessibility of the surrounding infrastructure. The park can develop better if its popularity and accessibility is as wide as possible and within reach to visitors. We can look at the regional factor of Latvia in picture No. 4 which represents Latvia in the context of the Baltic Sea coast. See the table below for the main questions the author included in his questionnaire. Analyzing the data by factor analysis, analyzing the existing parameters by rotation matrix principle, the following indicators characterizing the factors were obtained. Thus, 3 main components were identified which, on the numerical scale from - 5 to + 5 by the method of variation, identified the main factors.

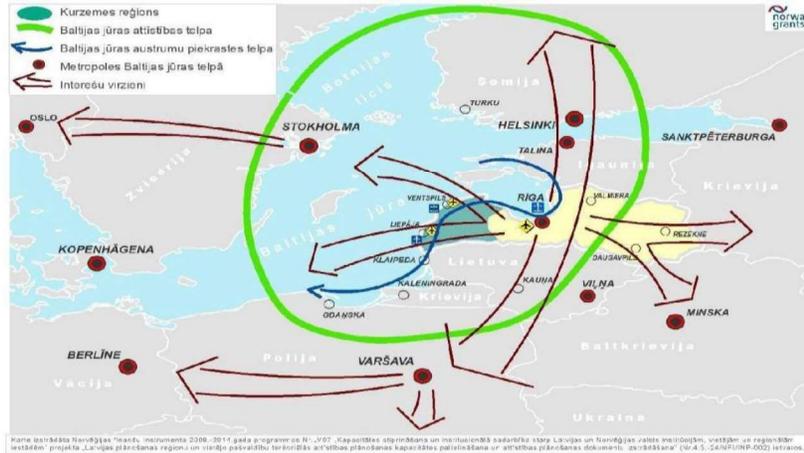
Table 2. Rotated Component Matrix

	1	2	3
Region	0,180	0,869	-0,133
Legal form of the company	0,300	0,809	-0,102
Foundation year	-0,742	-0,248	0,293
Company size	0,543	-0,562	-0,283
Size of the park	0,082	-0,290	0,789
Impact of seasonality	-0,054	-0,354	-0,650
Offering new attractions	0,01	0,202	-0,419
Offering new services	-0,449	0,227	0,544
General expert assessment of the site	0,855	0,072	0,211
Expert evaluation of object development	0,677	-0,049	-0,041
Expert assessment of the object's visibility	0,842	0,060	-0,007
Extraction Method: Principal Component Analysis.			
Rotation Method: Varimax with Kaiser Normalization.			
a. Rotation converged in 5 iterations.			

Source: scheme developed by the author

The three main factors that result from the data analysis are: 1) theme park quality factor; 2) theme park status factor; 3) theme park innovation factor.

Fig. 3. Possible directions of development of Latvian regional amusement parks in the coast of the Baltic Sea



Source: Kurzeme Planning Region Sustainable Development Strategy for years 2015-2030.

The next factor that influences the development of parks is their model of cooperation with other structures in their regions. [4] Local governments and businesses close to the parks play an important role here. Municipal companies take an active part in the biggest theme parks in Latvia, as the parks have a strong seasonality principle, so the inhabitants of local towns and regions are the main visitors [5]. In summer there is a large inflow of tourists from European countries.

Fig. 4. Regional cooperation model of theme parks in Latvia



Source: scheme developed by the author according to the collected information

The development of parks is possible through the cooperation of several structures that complement each other. Their basic development indicators are defined by location, cooperation, consumer demand and entertainment supply,

which should be as broad and comprehensive as possible for all consumer market groups. The variety of theme park types is determined by the location and how well the region is developed, both from the municipal and state infrastructure placement and from the business environment. However, while writing this article, the author concludes, as part of his doctoral thesis that theme parks in Latvia have been expanding rapidly over the past 5 years.

RESULTS AND DISCUSSION

In this article, the author has summarized and analyzed some of the theme park development factors affecting this industry in different regions of Latvia. The article is just one of a series of articles and of the author's works on theme parks in Latvia, as the industry is poorly studied and little has been discussed about theme parks in small countries for their contribution to the local economy and tourism.

CONCLUSION

European theme parks began to form at city festivals, fairs, thus the industry has a long tradition

Development of theme parks is influenced by several internal and external factors; which interaction ensures a successful development model.

Latvian theme parks have not been studied and there is a lack of data and legislation.

The sector is developing in close cooperation with municipalities and other regional economic participants.

The location of theme parks often influences their type and range of services.

Result of the study helps to analyze Latvian regional economic opportunities in the regions and to assess their contribution to local development.

In Latvia the amusement parks of the ethnographic regions Kurzeme and Vidzeme have been little studied scientifically and by several scientists in the field here and there are great opportunities to conduct various researches.

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