

MASTER IN MANAGEMENT OF TOURISM DESTINATIONS

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**A sustainable marketing plan for Prague:
Using smart solutions to advance destination management**

FINAL MASTER PROJECT

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Abstract

This master thesis develops a comprehensive marketing plan for the city of Prague with a focus on sustainable tourism practices. The main objective is to propose strategies that reposition Prague as a premium, culturally engaged, and environmentally responsible destination, while reducing its association with mass party-driven tourism. To achieve this, the research investigates how sustainable and smart city principles can support a more balanced tourism model. The study employs a mixed-method analytical approach, including a detailed situation analysis, SWOT analysis, competitive benchmarking, market segmentation, and the application of Butler's model. These methods provide an in-depth understanding of Prague's current tourism dynamics and identify key opportunities for improvement. The findings highlight the critical role of sustainable and smart practices in enhancing Prague's long-term tourism competitiveness. Territorial diversification emerges as a key strategy, encouraging visitors to explore less crowded areas beyond the historic centre and even beyond Prague, across the Czech Republic. This approach can reduce overtourism, improve visitor flow management, and enhance residents' quality of life. The implications of this study suggest that a well-designed marketing plan can contribute to both preserving Prague's cultural heritage and strengthening its global tourism brand. The proposed action plan outlines specific steps to integrate sustainability into marketing strategies, improve visitor experiences, and create a balanced coexistence between tourism development and local communities.

Key words

Marketing plan, Prague, Czech Republic, sustainable tourism, destination management, tourism strategy, territorial diversification

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Theoretical part

The theoretical part of this thesis provides an in-depth exploration of Prague and the Czech Republic as prominent tourist destinations, with a particular emphasis on the dynamics of tourism in the capital city. It begins by describing Prague's key characteristics, including its historical and cultural significance, demographic profile, and role within the national and European tourism. This section also examines the city's major attractions, its reputation as an affordable and vibrant destination, and its evolving position in relation to other European capitals.

Beyond Prague itself, the theoretical framework presents the broader context of tourism in the Czech Republic. It highlights regional tourism visit spots, natural and cultural heritage sites, and the challenges on regional level. A central theme of this chapter is the discussion of tourism's positive and negative impacts, from cultural exchange and infrastructure development to issues such as overtourism, rising housing costs, and pressure on public services.

Finally, this part introduces sustainable and smart city practices currently being implemented in Prague, including policy measures, strategic initiatives, and innovative solutions aimed at creating a more balanced, high-quality tourism model that benefits both visitors and local communities.

Prague as a tourist destination

Prague is the largest city in the Czech Republic, with approximately 1,4 million inhabitants, making it 13th most populated city in the European Union. Prague covers an area of approximately 496 square kilometres. It is the seat of the president, government, main courts and many other important ministries. Located in a temperate climate zone, Prague experiences quite hot summers (up to 35°C) and very cold winters (temperatures dropping to -10 °C) (Prague.cz, n.d.)

Figure 1 Prague



Source: Prague.cz, n.d.

It offers a unique and exceptional experience, thanks to its rich and diverse history, which dates to the 10th century when Prague first began to establish itself as an important cultural and political centre. The city's fascinating history is reflected in its many iconic landmarks, many of which are designated as UNESCO World Heritage sites. From the Old Town to Prague Castle, the city is home to some of the most extraordinary and historically significant landmarks in Europe, each telling the story of Prague's growth over centuries.

The city is widely recognized for being quite affordable, even for young travellers from all around the world (especially for Germans, Spanish, Polish and more). Prague is also an intercultural hub attracting students from the Czech Republic and from all around the world who are usually enjoying stunning and affordable night life (Smith, 2024). However, while Prague remains quite affordable for many tourists compared to other European capitals, such as Budapest, Krakow and Vienna, it is increasingly reaching a similar price level to these cities. For locals, Prague is undoubtedly the most expensive city to live in within the Czech Republic, reflecting its growing popularity and development (Numbeo, 2024).

Prague's charm lies in its blend of Gothic, Baroque, Renaissance, and Modernist architecture. Some of the iconic landmarks are Charles Bridge, Prague Castle, Old Town Square, the Astronomical Clock, Vyšehrad castle, and the Vltava River. City is also known as "The city of hundred spires". Prague is also famous for its cultural heritage, with institutions like the

National Theatre, hosting performances of opera, ballet, and drama. It hosts many wonderful festivals such as Prague Spring Music Festival, Signal Festival, and traditional Christmas markets. Prague is home to a thriving student population. In 2023, 122,000 students were enrolled in more than hundred state and private universities in the city, 30,000 of whom were international students (ČSÚ, 2024). The presence of these international students likely contributes to tourism as their family members and friends often visit in larger groups.

About Czech Republic

The Czech Republic, also known as Czechia, is a landlocked country in Central Europe with a total area of almost 80 000 square kilometres. It shares borders with Germany, Austria, Slovakia, and Poland. The country has a population of approximately 10.9 million inhabitants, making it one of the mid-sized nations within the European Union (Czech Newspaper, 2025). The capital and largest city is Prague, home to about 1.4 million residents, while other major cities include Brno, Ostrava, Plzeň, and Liberec.

Czechia is home to a growing international community, with around 680,000 foreign residents in 2024, representing more than 6 % of the total population. The largest foreign groups come from Ukraine, Slovakia, and Vietnam, followed by Russia and Germany. This multicultural presence also contributes to the country's tourism and hospitality sectors, as many foreign residents work in services, trade, or gastronomy (Czech Newspaper, 2025).

The country features diverse landscapes, including low mountains, fertile lowlands, and several major rivers, which provide opportunities for scenic walks, hiking, and nature-based tourism. Czechia has four national parks, Krkonoše, Šumava, Podyjí, and Bohemian Switzerland and 17 UNESCO World Heritage Sites, reflecting its strong cultural and natural heritage.

Figure 2 Bohemian Switzerland



Source: České Švýcarsko, n.d.

Besides nature, the biggest interest of visitors is mostly in the country's architectural heritage, which has endured throughout history. Some of the most beautiful and historically rich cities are located in the Moravia region, including Lednice and Valtice Castles, or Český Krumlov in the south, with landmarks like Hluboká Castle and many more.

Figure 3 Valtice Castle



Source: Valtice, n.d.

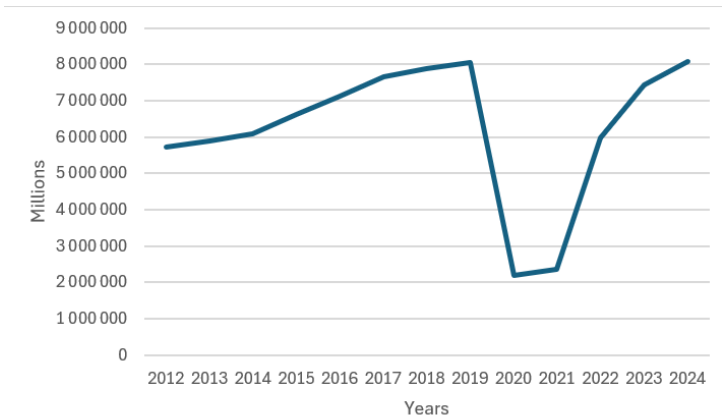
Tourism in Prague

The graph shows a steady increase in tourist arrivals from around 5.7 million in 2012 to approximately 8 million in 2019. This period reflects strong tourism growth, driven by Prague’s rising popularity as a European destination.

In 2020, there is a dramatic and unprecedented decline, with tourist numbers falling to nearly 2 million. This sharp drop corresponds to the COVID-19 pandemic, which caused global travel restrictions and significantly disrupted international tourism. A slight increase is visible in 2021, but recovery accelerates notably from 2022 onwards.

By 2024, the number of tourists reaches around 8 million again, surpassing pre-pandemic levels and indicating a robust recovery of the tourism sector. This rapid rebound highlights Prague’s enduring attractiveness and the effectiveness of post-pandemic tourism strategies and marketing efforts.

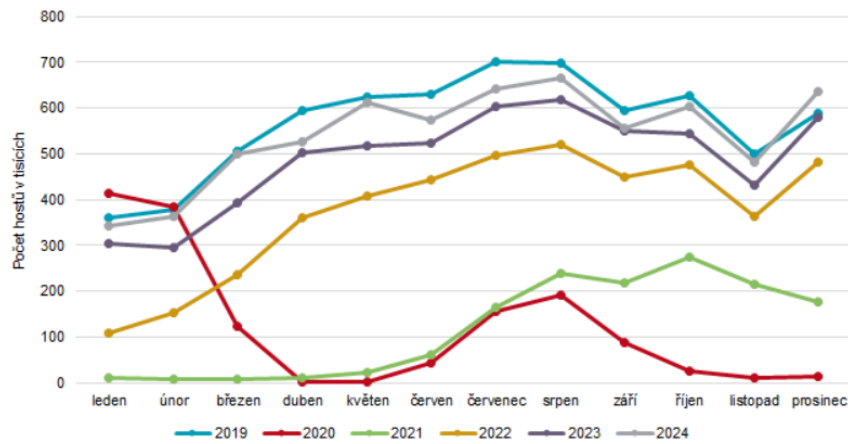
Figure 4 Number of tourists in Prague in 2012 - 2024



Source: Czech Statistical Office, 2025

What is very interesting, the tourism in Prague was very balanced throughout the year, with seasonality only showing limited effects over the long term. Seasonality is shown on the following graph, we can translate the months starting January going all the way until December. Like that we can see that January and February are months with the lowest number of tourists.

Figure 5 Seasonality throughout the months in years 2019-2024



Source: Czech Statistical Office, 2025

The volume of tourists in Prague highlights a potential issue of overtourism if not managed properly. With approximately 1.4 million residents and 8 million tourists, the city hosts around 5.77 tourists per resident annually. Despite this imbalance, Prague has not experienced significant anti-tourist protests like those seen in Barcelona, Tenerife, and other major destinations. However, this does not mean that dissatisfaction does not exist, it may simply manifest in less overt ways.

Some experts prefer not to use the term "overtourism." They say that only a few places, like Prague's historic Old Town, are affected by it. "About 1.3 million people live in Prague and about 8 million visit the city every year. So, the figures are not that bad," Karel Vyrut, a well-known Czech tourism expert, recently told the Czech national broadcaster. "Uncontrolled short-term lets are a much bigger problem. Seven out of 10 people who live in Prague's Old Town are tourists."

Tourism has both positive and negative impacts, presenting opportunities as well as challenges. On the positive side, tourism generates significant revenue, with 398 billion CZK brought to the Czech Republic in 2023. This figure already surpasses the pre-COVID revenue peak of 2019, and the final numbers for 2024 have yet to be published (Statistics, 2025).

Tourism also drives GDP (2023 - 2,36 % making it 161 billion CZK (ČSÚ,2025)), supports local businesses, and creates numerous jobs in hospitality, transportation, and service industries such as restaurants, hotels, tourism organizations, and more. Statistics (2025) declare that

around 225 000 people work in the tourism industry in the Czech Republic, 100 000 of them in Prague.

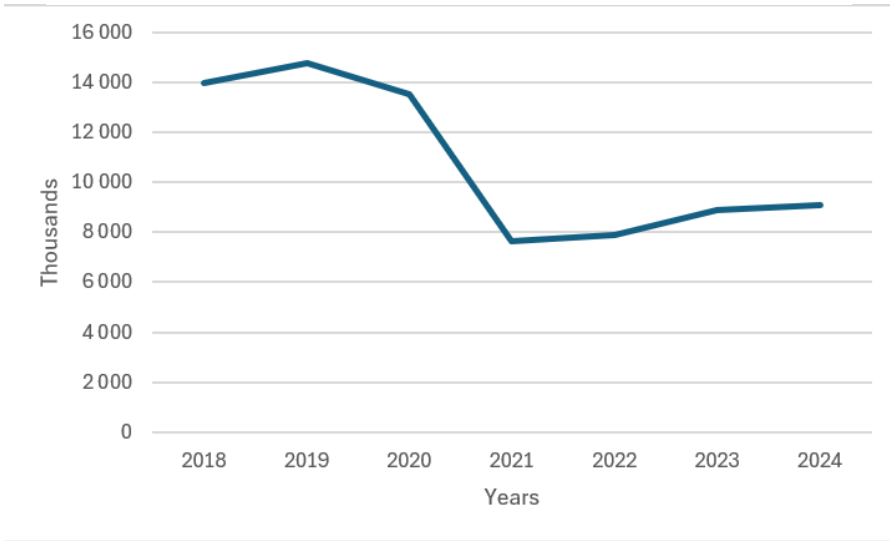
It also promotes cultural exchange, making expats in Czechia feel welcome. The influx of tourists supports local businesses, and increased tourism often results in investments in infrastructure. Additionally, it raises the level of English proficiency in the capital city.

Unfortunately, there are some negative aspects as well. Tourism can negatively affect locals' quality of life due to overcrowded places, making it difficult to move around the city, especially during the summer months.

The rising number of short-term rentals, such as Airbnb, drives up long-term housing prices, making it difficult for locals to afford housing in the city center.

In 2024, there were around 9,000 Airbnb listings in Prague. That's five times more than in 2021, when the numbers dropped due to COVID. Still, it's not as high as in 2019, when nearly 15,000 units were active. Back then, the situation raised concerns about housing affordability and locals being pushed out. We can also see a change in behavior. Before COVID, owners typically had just one property or rented out a single room in their own apartment. Nowadays, it has become a real business. On average, one owner manages three separate flats. The rent is also way higher (Seznam News, 2025).

Figure 6 Number of Airbnb's in Prague in years 2018 - 2024



Source: Seznam News, 2025

The average rent exceeds 500 CZK (20 EUR) per square meter. Rents are expected to increase by 7% this year (Prague's region, 2025). The situation is especially problematic for younger people or students who do not earn high incomes. Even though there is a law prohibiting the accommodation of tourists in apartments, the state does not prosecute those who do so. This is a notable trend in many other popular tourist destinations. The problem is even bigger because many of these rentals are illegal, meaning they don't pay taxes and don't fit into regulated systems.

Another negative consequence is vandalism, noise, and trash left by tourists, even within student communities. During the summer, the streets can be full of trash, broken glass, and even vomit after a wild night out, especially near tourist hotspots in the city center. Vandalism damages nature and historical sites, of which Prague has many.

The public transport system can become overcrowded during summer months, making it impossible for both locals and tourists to move around the city, which negatively affects locals' quality of life. In some cases, tourism also brings a higher level of petty crime, such as theft or scams targeting tourists at main tourist spots.

Destinations are not static; they are constantly reshaping themselves due to global trends, tourism development, and local adaptations. This is exactly what has happened in areas like Malá Strana or Staré Město in Prague, which have transformed due to tourist demands, and you will very rarely find locals there. The same has happened in some large student or young people communities. Where students are, there will probably be nightlife, cheap bars, restaurants, and vibrant life! It's very easy: student communities attract tourists, and local entrepreneurs notice this, so they adapt their habits for tourists by increasing prices and organizing more international events.

Tourism in Czech Republic

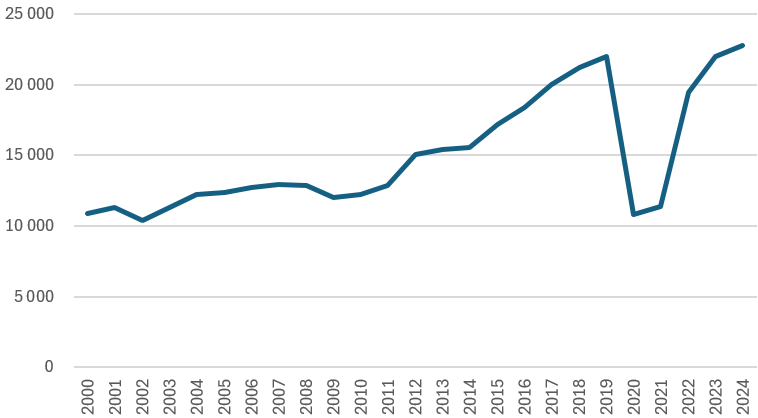
A very interesting fact about the Czech Republic is that international tourism, especially from countries outside the former Soviet bloc, only began to grow after 1989. This was the year of the Velvet Revolution, a peaceful political movement that led to the end of communist rule and opened the country to the rest of the world. Before that, travel to and from the country was

limited, and most visitors came from other socialist republics. Czechia was under communist rule since 1948 to 1989.

After 1989, the Czech Republic (then still part of Czechoslovakia) started to attract more attention from international tourists. However, detailed and continuous data from that time are not fully available. One of the first recorded numbers comes from 1990, when around 8.4 million people visited Czechoslovakia. This marked the beginning of a new era for tourism in the region.

Since then, the number of visitors has grown significantly. By 2025, the total number of international arrivals has almost doubled, showing how much the country has developed as a travel destination. This growth reflects not only better infrastructure and marketing, but also the increasing interest in Central Europe’s history, culture, and natural beauty. The peak of 2019 is followed by the year 2024, when the number outlined the records. In 2019 Czechia was visited by 21 998 millions of people, in 2024 already by 22 810. One can only guess that the trend will go on in 2025.

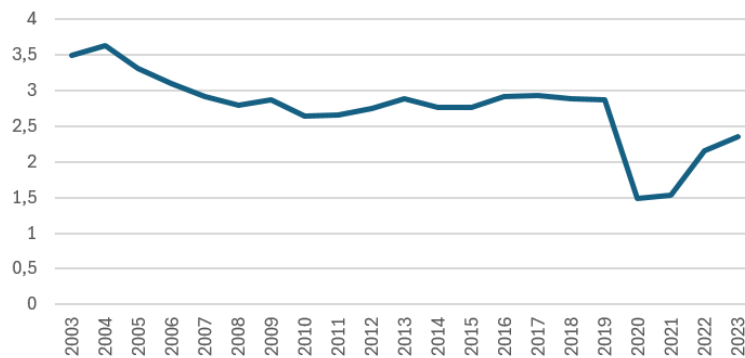
Figure 7 Number of tourists in the Czech Republic in years 2000 - 2024



Source: Czech Statistical Office, 2025

This line graph shows the percentage of tourism's contribution to the Czech Republic's GDP from 2003 to 2023. The contribution reached its highest point in 2004, at 3.6%. We can see that the significant difference when compared to Spain, where tourism's contribution to GDP is almost four times higher, exceeding 12%.

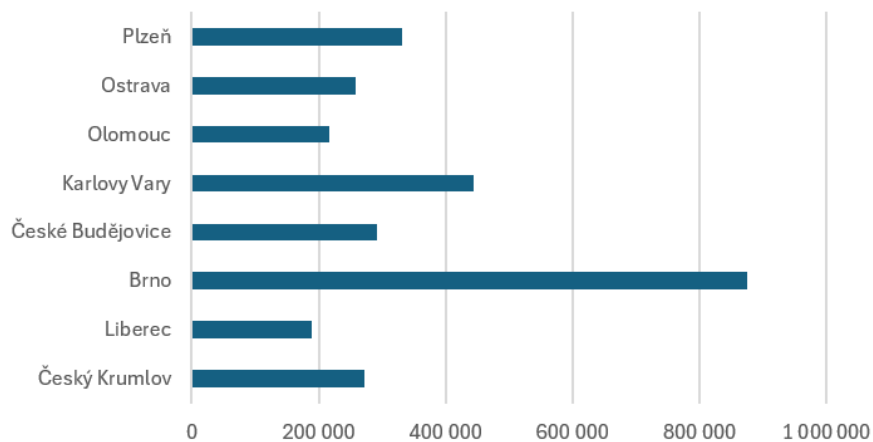
Figure 8 Contribution of tourism to the Czech Republic' GDP



Source: Czech Statistical Office, 2025

The accompanying bar chart shows the number of visitors in several larger cities in Czechia. The data is from 2019, which was a year with a very high number of visitors.

Figure 9 Number of visitors in bigger cities of the Czech Republic



Source: Czech Statistical Office, 2025

It is clear that Brno was the most visited location among those shown, exceeding 800,000 visitors. However, it is important to note that this number is still more than 500,000 less than the visitor count for Prague. Karlovy Vary follows, securing the second spot.

The data highlights a significant difference in visitor numbers between these two leading destinations and the other cities included in the chart. While it's important to remember that

Czechia is a relatively small country (it only takes about six hours to drive from east to west and even less from north to south).

One must question whether the limited visitor numbers are due to tourists' lack of awareness, especially since many of these cities are located just two to three hours from each other. This short distance makes them easily accessible, even for short trips. However, if travelers are not familiar with these destinations or if they are not well promoted internationally, people may simply not consider visiting them.

Another possible reason is that these cities might appear too similar to foreign visitors. If they share the same architectural style, cultural atmosphere, or types of attractions, tourists may feel that visiting one is enough. They might not see a clear reason to explore several cities that seem alike, especially when time or budget is limited. This can be a challenge for regional tourism, as it becomes harder to show what makes each place unique.

To improve this situation, it is important to raise awareness about the individual character of each city and highlight what sets them apart. Promoting local stories, traditions, and experiences can help visitors understand that even though the cities are close to each other, each one offers something different and worth discovering.

The positive (revenues, job places, etc) and negative effects (overtourism, housemarket pressure, vandalism, dissatisfaction of locals, etc) that tourism has on Prague are similar for the rest of the Czech Republic, just on a different scale. Cities like Plzeň, Karlovy Vary, Český Krumlov, the Krkonoše Mountains, and Brno can be very busy and crowded, especially during the summer, as it's the most popular season to visit. Visitor numbers in Czechia have already gone back to, and even surpassed, precovid levels. Over 224,000 people work in hospitality nationwide, which means about one in every 24 Czech people.

Sustainable practises

Sustainable practices are ways of doing things that help protect the environment, support social well-being, and ensure long-term economic stability. These practices aim to reduce negative impacts on the planet and promote responsible use of resources. They can be applied in many areas, such as business, agriculture, tourism, and everyday life.

The idea behind sustainability is to meet the needs of the present without compromising the ability of future generations to meet their own needs. This concept became more widely discussed in the late 20th century, especially after the publication of the Brundtland Report in 1987, which introduced the term “sustainable development” to a global audience.

Since then, sustainable practices have become more important due to growing concerns about climate change, pollution, loss of biodiversity, and social inequality. Governments, companies, and individuals are now looking for ways to act more responsibly and create systems that are both efficient and respectful to nature and society.

Interestingly, the temporary “stop” to tourism during COVID-19 allowed cities like Prague to "breathe" and provided an opportunity to rethink sustainable tourism development.

In July 2024, the government approved a new law which will allow municipalities to limit the number of Airbnb rentals. Property owners will have to register their properties on a new platform, eTurista, and a minimum space per guest will be defined, along with restrictions on the number of days a property can be rented each year. This law could bring in billions in taxes, and reduce the number of illegal beds in the city up to 40,000. But its enforcement could be challenging, especially if platforms like Airbnb refuse to cooperate (Reporting Democracy, 2024).

The Prague authorities have decided to ban these so-called pub crawls, which involve organized tours where tourists move from bar to bar. The proposed measure justifies the ban on pub crawls due to their negative effects on city life and management, such as noise disturbances, increased littering, and the need for additional security (Seznam News, 2024).

Prague is also working on reducing the number of electric scooters, particularly in the city center. While they are loved by tourists, locals have a strong dislike for them. The city is in talks with Bolt and Lime to implement a complete ban on electric scooters in the Old Town of Prague, as well as to significantly reduce their overall number in the city. Additionally, there are discussions about increasing taxes related to their operation in Prague (medium, 2024).

However, Prague is trying hard in becoming a luxury, high quality destination, using sustainable practices. “Thanks to brand campaigns and improved service quality we have attracted a cultured and creditworthy clientele,” Prague City Tourism board vice-president Jana Adamcova

said, noting that demand for luxury hotels increased by a third last year, and tourist spending rose by 40 per cent between 2019 and 2023 (Reporting Democracy, 2024).

A JUDr. Jiří Pospíšil, Deputy Mayor for Culture and Tourism in Prague, declared: 2024 was a successful year for tourism in Prague. With around 8 million tourist arrivals, the city has returned to pre-pandemic levels. At the same time, we are seeing a significant shift in the type of visitors. The proportion of travellers seeking the highest quality, whether in hotels, restaurants, or exclusive experiences, is increasing. His statement is supported by the results of the STR report (Smith Travel Research), which indicates that the occupancy rate of Prague's luxury hotels increased by almost 12% compared to 2023. This growth in tourism in Prague also surpasses other major European cities like Warsaw, Rome, and Budapest (Prague Daily News, 2024).

"Through systematic and strategic campaigns combined with targeted press trips, we have been successful in attracting affluent clientele to Prague - visitors who come to the capital with a deeper interest in the city, local culture, and its rich gastronomic scene," says František Cipro, Chairman of the Board of Prague City Tourism. "Data also show that up to 70% of visitors stay in four- or five-star hotels, and this trend continues to grow. The figures clearly reflect our three-year focus on this type of traveler, as well as the significantly improved standard of client service, which is extremely important to us," he concludes (Travel Trade Gazette, 2024).

One of the smaller programs is called The Official City Partner, launched in response to the higher demand for "luxury services." This program is designed to improve service quality and enhance hotel services. The thought behind it is also to change the view of Prague from an "affordable party destination" to a luxury and comfortable stay for everyone (Prague.EU, n.d.).

The Prague representatives align their innovative efforts with the campaign called the "With Respect to Prague" Strategy for inbound tourism 2024-2027. The main goal of this initiative is to find a balance and maximize tourism benefits while minimizing its negative effects. The strategy consists of 29 projects outlined in the implementation plan. Key efforts generally focus on sustainable development, smart city solutions, reducing inequalities, responsible consumption, and many more. They are looking for examples from bigger cities in Europe, such as Amsterdam, Stockholm, and others (Hofman, V., 2024).

Exploring smart city practices, in 2022, the complete online Prague Visitor Pass was implemented, inspired by similar smart solutions from London or Paris. Prague Visitor Pass is available in both offline (plastic card and physical map) and online (app with maps) versions. The pass serves as an unlimited transport ticket and provides a one-time entrance to more than 70 experiences and sightseeing spots in the city. It is available in various durations, from 48 to 120 hours, which corresponds to the typical tourist stay of 2-3 days, although it can be valid for one or five days as well.

But the tourist card is not the only thing. The biggest and main project, slightly beyond tourism, is the Smart Prague 2030 concept. Using the best technology worldwide, it is designed to make Prague a more pleasant place to live. This strategy is structured around several key pillars: Future Mobility, Smart Buildings and Energy, a Zero-Waste City, Attractive Tourism, People and Urban Environment, and Data Management (Smart Prague, n.d.).

In conclusion, Prague is implementing strategies that will support sustainable development. In my opinion, there could be some improvements, such as promoting more eco-friendly tourism, diversifying tourist flows to less-visited areas, introducing timed entry systems for popular sites, exploring strategies used by other major cities, and helping locals feel 'at home' in their city while ensuring a great experience for tourists. Emerging trends in tourism, such as sustainable and experiential travel, offer Prague opportunities to balance economic growth with environmental and social sustainability. These trends could attract tech-savvy travelers while preserving the city's charm.

Marketing plan for Prague

The following marketing plan represents the practical part of this master thesis. It describes the mission, vision and core values, provides a comprehensive situation analysis based on a SWOT framework, examines competitors, outlines market segmentation and the life cycle model, and concludes with a detailed action plan.

Mission, vision and values

Mission

Mission is to position Prague as a world-class and sustainable destination offering authentic experiences, while respecting local life, protecting heritage, and supporting long-term growth.

Vision

Prague is among Europe's top leaders in destination management, offering uniqueness and protecting cultural heritage.

Values

- Love for Prague

“When we love someone, we want to know them better. “ A deeper relationship with Prague is what connects the destination organization and it drives them to care for the quality of life of Prague's residents and for its cultural heritage (Prague city tourism, n.d.)

- Cultivation

Cultivation means enriching and educating. It is a path to a better, more cultural world where people feel good, act with empathy and respect, and where conflict gives way to cooperation.

- Leadership

Prague is one of the world's most beautiful and culturally rich cities – often called the “Mother of Cities.” Representing such a city requires high standards. As the largest destination management organization in the Czech Republic, Prague City Tourism embraces the responsibility to represent a global city. They lead the way by being demanding of ourselves, constantly innovating, and courageously exploring new paths. At the same time, they share responsibility for tourism development across the country by mentoring and supporting smaller organizations.

- Sustainability

Sustainability in the sense of economic, social, cultural, and environmental. Economic sustainability means managing Prague City Tourism responsibly, without burdening our founder, the City of Prague, and moving towards financial self-sufficiency. Social sustainability means supporting the local community and our tourism partners. Cultural sustainability focuses on systematically involving Prague's artisan and creative communities in our projects, offering them both economic and marketing support. We also closely monitor the environmental impact of tourism and actively participate in initiatives that respect and protect the environment (Prague City Tourism, n.d.)

Situation analysis and life cycle

For the complex situation analysis, we will use three main tools: SWOT analysis, competitive analysis, and segmentation. These tools will help us conduct a reliable- situation analysis of the tourist destination. Later, we'll move on to the life cycle, using Butler's TALC model.

SWOT Analysis of Prague as a tourism destination

A SWOT analysis is a strategic planning tool that helps tourism businesses identify and evaluate their internal factors (strengths and weaknesses) as well as external factors (opportunities and threats). It provides a structured framework for assessing various aspects of a business and its environment, which can inform strategic decision-making.

A SWOT analysis is particularly important for tourism businesses due to the dynamic nature of the industry. A well-conducted SWOT analysis aids in strategic planning, helping tourism businesses adapt to the fast-changing market and demand. It allows us to better understand our uniqueness, recognize potential threats, and identify opportunities to ensure our destination stays on track while keeping an eye on new trends (such as sustainable practices, digital marketing, and more). A destination's SWOT analysis should be revisited regularly to adapt to changing circumstances and ensure marketing efforts remain competitive (Tania Shirgwing, 2024).

Strengths:

- Cultural and historical significance
- Affordable, relatively budget-friendly destination
- Its excellent geographical location
- Really good infrastructure (metro, tram, car, airport)
- A safe city, with low crime level
- Clean city
- High brand awareness among tourists, famous and widely recognized
- Family friendly place
- Well-educated population with strong language skills and expertise in tourism

Weaknesses:

- The high number of visitors, especially during peak seasons
- Insufficient partnership, lack of effective communication between stakeholders
- Prague lacks soft mobility systems
- International investors
- Party city reputation
- Impossible biking within the city

Opportunities:

- Great conditions for territorial diversification
- Prague's strong economy
- Global popularity, good positioning

- Almost no seasonality
- Good conditions for becoming MICE location (central Europe, affordable, event places)
- Growth of social media
- Central position (Europe couple of days trip)
- Hubs for digital nomads

Threats:

- Over tourism
- Rising competition from other destinations in Europe
- Global economic and political changes
- Public and locals' dissatisfaction with tourists is higher every year
- Climate change and environmental damage
- Stakeholders prioritize tourists over residents
- High number of short-term rentals (like Airbnb)

Analyse of competitors

Prague's primary competitors include other culturally rich European cities such as Budapest, Vienna, and Kraków. These cities offer similar historical and cultural attractions, often at comparable price points, making them direct alternatives for travellers interested in Central European destinations.

Budapest, Hungary

Positioning and image:

Known as the "Paris of the East", Budapest is famous for its thermal baths, vibrant nightlife, and historic architecture along the Danube River. It has a strong brand as a romantic and

wellness destination, with iconic landmarks like Buda Castle, Parliament Building, and Széchenyi Thermal Baths.

Strengths:

Affordable compared to Western European cities

Unique spa and wellness tourism appeal

Rich history with Austro-Hungarian Empire influences

Strong cultural and gastronomic scene

Weaknesses:

Perception of political instability and corruption (Russian influence)

Lower international flight connectivity compared to Prague and Vienna

Some infrastructure limitations (eg. old public transport), no bikes lines

Kraków, Poland

Positioning and image:

Kraków is a medieval and historical city, often promoted as the cultural capital of Poland. It is famous for Wawel Castle, Main Market Square, and Jewish Quarter. Kraków is only one hour away from the former nazi camp Auschwitz-Birkenau, where many tourists are heading.

Strengths:

Well-preserved, medieval and renaissance architecture

Low cost of travel and accommodation

Rich cultural and historical heritage

Strong domestic and international tourism

Weaknesses:

Smaller in size and infrastructure compared to Prague and Vienna

Highly dependent on heritage tourism, with fewer modern attractions

Less accessible by international flights

Vienna, Austria

Positioning and image:

Vienna is seen as a luxurious and high-class cultural capital, the "City of Music" (Mozart, Beethoven, and classical opera), attracting older tourists seeking high quality standards.

Vienna is known for its imperial palaces (Schönbrunn, Hofburg), museums, and high-end shopping.

Strengths:

Strong branding as a luxury and cultural destination

Excellent transport and tourism infrastructure

High quality of life and efforts towards sustainability

Large business/conference (MICE) tourism sector

Weaknesses:

Higher cost of travel and accommodation

Perceived as a more "formal" city, less appealing for younger travellers

Can be less appealing compared to more affordable alternatives like Prague or Budapest

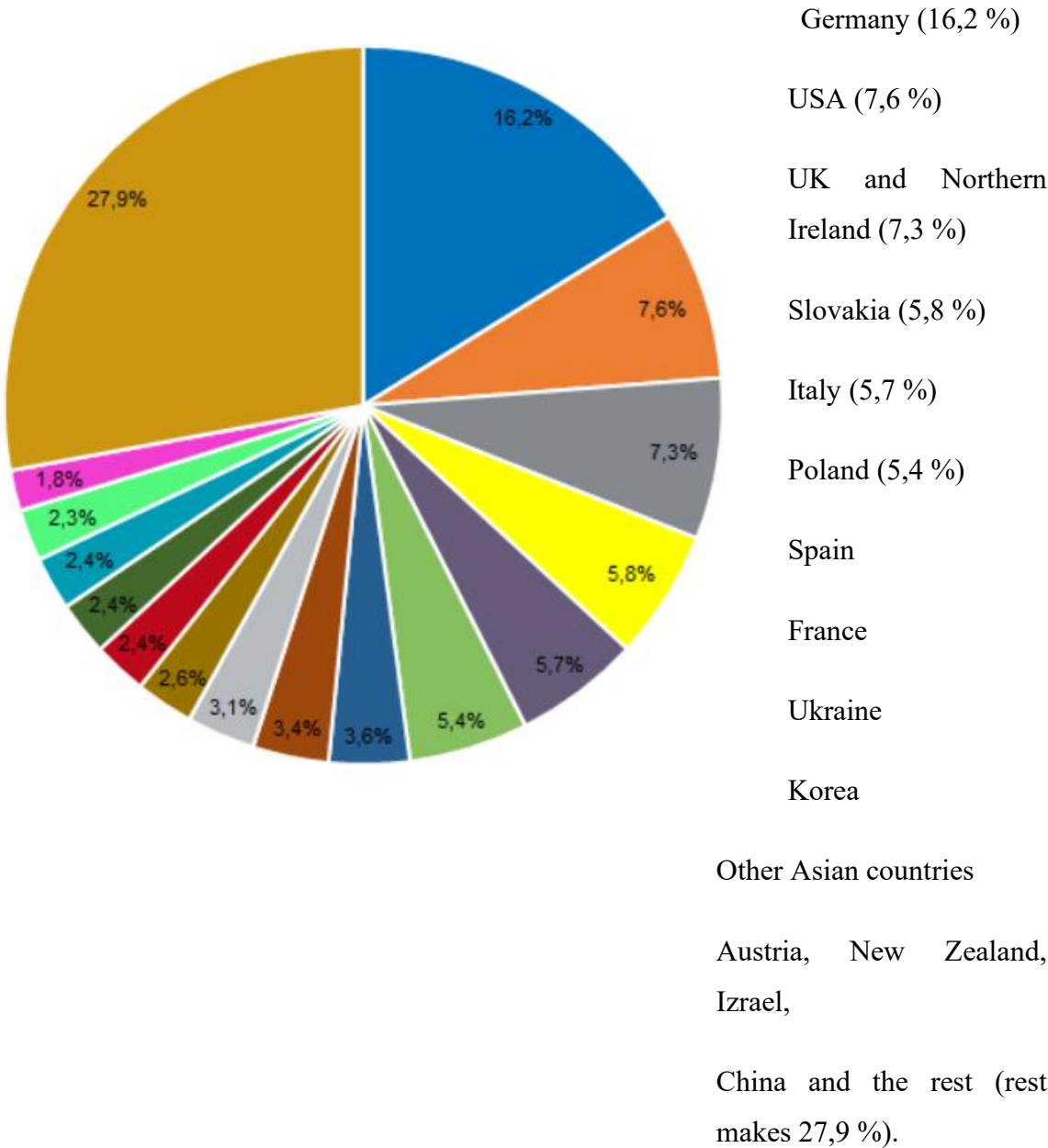
Market segmentation

For the market segmentation, we decided to divide our customers into categories. We employed geographic segmentation, using three levels of markets: the first group consists of domestic Czech tourists, second group includes European tourists from countries such as Germany, Slovakia, Poland, Italy, France, and the UK. The final group consist of international tourists from the United States, China, South Korea, Japan, and the Middle East.

Next, we delve into demographic segmentation based on factors such as age, income, and education. We also look at psychographic segmentation, which focuses on lifestyle, values, and personality. Lastly, we examine behavioral segmentation, considering factors like tourist behavior, motivation, and loyalty. This includes differentiating between first-time and repeat visitors, accommodation preferences (hotels vs. Airbnb), trip purpose (leisure, business, study, events), and spending behavior (luxury vs. budget).

All segmentations have been analysed based on the statistics from the Official Czech Statistics.

Figure 10 Distribution of tourists by nationality



Source: Czech Statistical Office, 2024

Geographic segmentation

Domestic tourists

Domestic tourists typically travel within the country for short trips. The majority are Czech residents who take weekend getaways, business trips, or family vacations. Most of these tourists

fall within the age range of 18 to 40 years old. They usually stay for 1-2 days, often choosing affordable accommodation options such as budget hotels or Airbnb, or staying by their families.

The motivation for domestic tourists includes leisure trips, festivals, cultural exploration, and business purposes. Popular attractions for domestic tourists include historic sites, local events, and family-friendly destinations within the city. Domestic tourists may visit Prague multiple times throughout the year, especially during long weekends or public holidays. They also tend to visit in off-peak seasons, making it a potential target for off-peak promotions.

European tourists

Primary markets are Germany, UK and Northern Ireland, Slovakia, Italy, Poland, France and Spain. European tourists generally stay for 2-3 days and tend to stay in mid-range to high-end hotels, but Airbnb is also a popular choice for those looking for a more local or unique experience (however as we already know Airbnb has hardly anything to do with local experience). Common motivations also include cultural tourism (e.g., history, architecture, museums). They may visit Prague for city breaks, cultural exploration, or to attend events and enjoy vibrant life (including parties, coffee shops, beer gardens and more). These tourists may visit Prague several times, as it is a short distance away and easy to reach (international airport, trains). For European tourists, Prague is seen as an affordable city for a short holiday.

International tourists

Among key markets are the USA, South Korea, Japan and some Middle East countries (Israel, EAU).

The United States of America is the biggest international market (without Europe) with almost 620 000 tourists in 2024. They are seeking cultural experiences, historical tours, and diverse travel activities in Prague, which they can not find anywhere in the USA. These tourists often stay for longer durations (4-7 days) and tend to explore the city in-depth. They are usually travelling for a longer time around Europe and so have a good image of Europe and a good comparison.

Tourists from South Korea, Japan and rest of Asia are also coming to Prague as a part of longer European tour. They are highly interested in European culture, historical sites, and the city's unique charm. International tourists, particularly from Asia and the US, tend to travel for a combination of leisure and cultural exploration. They often book packaged tours or customized itineraries that include multiple European cities. The motivation for these tourists is generally cultural immersion, sightseeing, historical exploration, and photography. They are particularly attracted to Prague's UNESCO World Heritage sites, medieval castles, and historic architecture. International tourists often travel in groups (20 - 40 people) or with tour operators. They also tend to visit Prague during the peak season (spring and summer) but may also visit in the winter for the Christmas markets and festive atmosphere.

Demographic segmentation

For demographic segmentation we decided to use categories such as age, income and education.

Age

- Students and other young travelers (18-35 years): Backpackers, party tourists, digital nomads, solo travelers
- Middle-aged travelers (35-55 years): Families, cultural tourists, business travelers, luxury seekers
- Seniors (55+): Historical and cultural tourists, guided tours, opera, museums and river cruise travelers

Income

- Budget travelers: Students, backpackers, budget-conscious tourists
- Mid-range travelers: Families, solo travelers, young couples
- Luxury travelers: High-income tourists, VIP guests, business executives

Education

- Business professionals (MICE tourism)
- University students (study abroad, Erasmus)

- Historians, artists, and academics (cultural tourism)

Psychographic segmentation

For demographic segmentation was use cultural and heritage tourists, adventure and experiential tourists, luxury and high-end tourists, nightlife and party, eco-conscious tourists.

Cultural and heritage tourists

- Interested in history, architecture, and museums (eg. Prague Castle, Old Town Square, etc.)
- Typically educated and affluent travelers
- Accommodated in hotels or Airbnbs (typically the highest portion of all tourists in Prague)

Adventure and experiential tourists

- Seek unique local experiences, hidden gems, and alternative tourism options (like sports, wellness tourism, or gastro tourism)
- Enjoy activities like urban exploration, underground tours, and nature trails

Luxury and high-end tourists

- Stay in five-star hotels, dine in Michelin-star restaurants, and attend opera or theater performances
- Value exclusivity and personalized services (a smaller portion from the overall market)

Nightlife and party tourists

- Mostly younger travelers, solo or in groups, looking for an affordable party scene (parties, pub crawls)
- Focus on bars, clubs, and nightlife districts like Dlouhá Street

Eco-conscious and sustainable tourists

- Prioritize sustainable travel, eco-hotels, and green tourism initiatives
- Prefer walking tours, cycling, and using public transport (only a small portion of the overall tourism market)

Behavioural segmentation

The categories are first-time visitors, repeater and seasonal visitors.

First-time visitors

Focus on must-see attractions and guided city tours.

Repeat visitors

Seek hidden gems, local experiences, and deeper cultural immersion. Unfortunately we could not find the exact numbers of loyalty of the visitors in Prague, but we believe usually this will be Czech tourists and tourists from close countries like Germany, Slovakia, Poland and Hungary.

Seasonal travellers

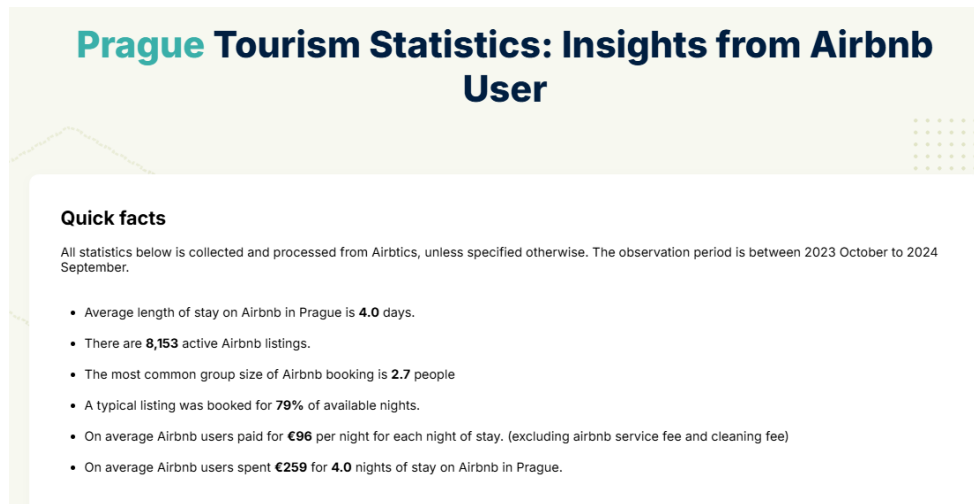
Summer tourists (June to August): High volume of European travellers due to summer holiday

Winter tourists (December): Christmas markets and other festivities

Off-season visitors: Business travellers, students, and budget-conscious travellers

The average daily expenditure in Prague is similar to Berlin, 120€/tourist in general, and there is a notable change towards more quality tourists, shown by the increase of booking in 4 and 5 stars hotels. Cultural attractions and cultural experiences (like the opera and concerts) remain attractive as popular activities to do in the city (Czech Statistical Office, 2025).

Figure 11 Insights of tourists in Prague 2024



Source: AirBnB statistics (2024)

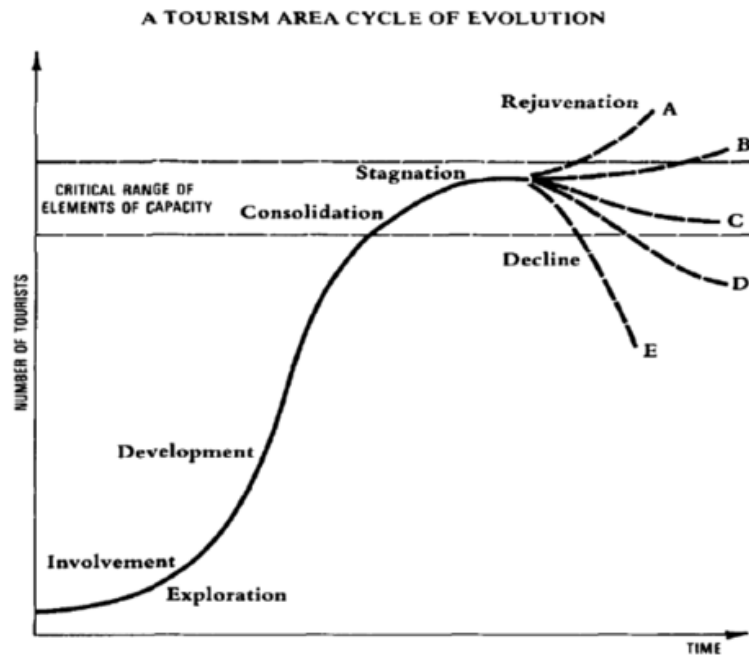
From the information in the image above we can see that the profile of tourists using AirBnB in Prague are mostly travellers who stay four nights in average. This could be due to the fact that apartments are more comfortable than hostels and hotels for stays of more than a couple of days.

The number of AirBnBs in Prague is very competitive, and according to the information retrieved by these statistics, AirBnBs are mostly used by 2,7 people, which means that they are mostly rented by couples, or by groups of 3 people (friends, or families with one child, for instance), data that matches the demographic segmentation of tourists in the city. The average price in an AirBnB does not exceed 100€/night and, in general, AirBnB is affordable for the average stay of 4 nights.

Life cycle - TALC Model

To analyse a destination according to the TALC model, firstly we need to describe what TALC model is. Developed by Richard Butler in 1980, this model is famous for exploration of evolution of a particular tourism destination. Butler suggests that each tourism destination goes through six different stages - exploration, involvement, development, consolidation, stagnation and decline or rejuvenation. This model is also similar to the general business life cycle or product life cycle.

Figure 12 Tourism life cycle of a destination



Source: Butler, 1980

The main difference that sets Prague apart from other major tourist cities, such as Paris, Barcelona, and Lisbon, is its history under a communist government until 1989. This regime made it difficult for international tourists to visit due to restrictive systems and policies. Consequently, Prague's involvement and development phases, according to the TALC model, in tourism began much later compared to other cities, starting after 1990. Maybe that could be the reason why locals are still very calm about mass tourism (no major protests have been happening). By the 2010s, Prague was welcoming approximately 8 million tourists annually and maintained this number until the COVID-19 pandemic.

Prague has reached the consolidation stage due to several factors. In 2023, Prague's tourism revenue was about 7 billion CZK, which is around 287 million EUR (Vondrouš, 2024). This wealth is equally distributed among locals. Tourism also creates numerous jobs, with around 250,000 people employed in the tourism sector in Czechia, 100 000 people in Prague (ČSÚ, 2024). Another important fact is that tourists significantly outnumber the residents, contributing to overcrowding especially in summer months or around Christmas time. Major tourism companies such as Airbnb, Booking, Bolt are settled. Prague has a very strong brand and well over all awareness.

However, as written before, tourism in Prague brings many problems which could be indicators of a stagnation phase. Among those problems could be overcrowded places like Prague Castle or Old City which is making even tourists less satisfied with the situation. The rising number of Airbnb's makes it impossible to live in the city center for locals (especially students or young families), as short-term rentals drives up the prices of long housing too. Vandalism, unbearable noise and dirtiness in the streets rising disagreement of locals with the tourists activities. And last thing, the government and DMO's organization are already taking steps to decrease the number of tourists and abandoning some typical "tourists activities" such as Pub Crawl and scooters.

Due to these problems, Prague may soon face the threat of a stagnation phase, according to the TALC model. It must be said that Prague is including new sustainable initiatives to the tourism practises. The main destination management organization in Prague, which stands behind all the innovative sustainable ideas and developments, is called Prague City Tourism. They, with the help of the local government, are adopting new practices in managing the impact of overtourism and promoting sustainable development. They handle all the key decisions that determine the future of tourism and potential innovations (Prague City Tourism, 2025).

In conclusion, we believe that Prague holds great potential for rejuvenation by repositioning itself as a destination appealing to visitors seeking high-quality, sophisticated travel experiences, rather than primarily attracting young tourists looking for cheap parties and nightlife.

With strategic planning focused on sustainable tourism, stronger integration of the local community, and the promotion of under-visited districts beyond Prague 1, the city can shift its image while easing pressure on its historic center. By investing in diverse cultural offers, smart infrastructure, and responsible tourism practices, Prague can successfully transition into a more balanced, livable, and respected European destination, maintaining its charm while ensuring long-term visitor satisfaction and resident well-being.

PIB - positioning, image, branding

Positioning

Positioning refers to how a brand and destination is perceived by target audiences in comparison to its competitors. In the context of a destination, it means creating a unique image or identity in the minds of tourists to differentiate the destination from others and make it their preferred

choice. It involves establishing a unique identity for the destination in the minds of travelers, ensuring it stands out in a competitive market.

For Prague, the best idea would be highlighting Prague as an amazing combination of historical charm, cultural richness, and modern conveniences, setting it apart from other European cities. Prague can be a special vibrant place, where young people can find affordable coffees, accommodation, while high standard clients their top tier hotel and opera.

However, if the city wants to maintain its competitiveness in the face of this ever-increasing competition between regions and cities, it is necessary to strengthen its reputation abroad and actively communicate its position as a great place to live, work, study and invest (International Portal of Prague, 2023).

With the city's stunning UNESCO-listed landmarks such as Prague Castle, Charles Bridge, and the Old Town Square, visitors have the opportunity to explore centuries of rich heritage. Numerous museums, classical music concerts, art galleries, vibrant festivals, and guided historical tours all contribute to an unforgettable cultural experience. Prague is also acity that offers vibrant nightlife, food culture, modern art, and high-quality services, which appeal to both young travelers and sophisticated tourists.

Through this approach to positioning, image, and branding, the city aims to attract travelers who value cultural depth, tradition, and meaningful exploration over mass tourism or party-focused travel. However, we acknowledge that such a shift in perception takes time and may not fully materialize. Importantly, the goal is not to exclude young people who enjoy socializing and nightlife, but rather to reduce the number of tourists who engage in excessive drinking and disruptive behavior. Ultimately, the aim is to enhance the quality of life for local residents while presenting Prague as a more sophisticated destination—without closing its doors to any group of respectful travelers. We can see this efforts already being included in Prague’s strategy (Prague City Tourism, 2024).

Image

Image refers to the overall impression or picture that people have of a destination. It is shaped by a combination of personal experiences, marketing communications, media coverage, social media content, and word-of-mouth recommendations from family and friends. A destination’s

image plays a crucial role in influencing potential visitors' decisions, as it affects their expectations and perceived value of the visit.

In the case of Prague, its image has long been associated with beautiful historic architecture, fairy-tale charm, affordable prices, and vibrant nightlife. However, this image is also influenced by increasing concerns over mass tourism in the city center from locals perspective and excessive partying (especially among stag groups).

Prague is also seen as a very approachable place thanks to international airports and trains.

We can look at the image of Prague from several different angles, Prague as a romantic getaway, but also with the idea of many great restaurants and places for a glass of wine. Prague should also reinforce the image of a very safe and very clean city, as this is becoming a rare thing in Europe.

Branding

Branding refers to how Prague is marketed, the emotions and associations it evokes, and how it stands out in the crowded global tourism market. Branding is the process of shaping and communicating a unique identity for a destination. It includes the messages, visuals, and emotions that a city or place wants to be associated with in the minds of potential visitors. A strong destination brand helps create recognition, trust, and emotional connection with travelers. It influences how the destination is perceived globally and helps it stand out from competitors.

Interesting thing to see is the branding strategy from the year 2023 of the Prague government in collaboration with Prague's DMOs. They are referring to the fact that to build a whole new successful branding strategy, first step it to "know who you are and what people think about you".

They conducted a study including residents, expat community, target groups abroad, and other city stakeholders to find out. After they study, they reinforce the communication and collaboration with key stakeholders. They linked this public, private and academic sectors, out of those efforts became the strategies such as "With respect to Prague" and many more, written above (International Prague, 2022).

We believe that Prague is a brand on a global scale, as it is considered one of the most beautiful cities in the world. But Prague is more, it is also a great place to live, a regional leader, offering many opportunities for career development but also leisure.

The goal of branding is to create and share understanding of what Prague is and how it should be communicated through all the channels.

Figure 13 Prague in the world rankings by DMO website



Source: Prague City Tourism, 2024

Action Plan

Goals and objectives of the marketing plan

- Improve Prague's brand positioning as a cultural and premium destination.
- Attract more high-value tourists (luxury, cultural and MICE travellers) who will bring more money to the city (-> less tourists, more income).
- Reduce the image of Prague as party place by promoting quality experiences (fine dining, wellness, high quality services).
- Strengthen Prague's image as a leading European city for sustainable tourism.
- Start with sustainable practises in action.

Branding and destination positioning:

Rebrand Prague beyond “cheap party tourism” by promoting its historical, cultural, and sustainable tourism experiences. Change the tourists’ perception and supply of the services by doing following: cancel and ban all drinking activities such as stand parties, pub crawls and more - instead of this offer some unique Czech wine tasting, Czech beer tasting with the nice service available in at least 4 languages.

Digital marketing and online presence:

Enhance Prague’s visibility through SEO, social media, and content marketing on Instagram and Facebook. Promote the campaigns to show the charm of Prague and activities worth better clients, families and more. Contact influencers to collaborate with the promotion of Prague (winter edition, kids edition, young people but doing something else than drinking rather museums, parks, and more). Strengthen Prague’s presence on Instagram, TikTok, and YouTube with high-quality visual storytelling. Develop multilingual campaigns targeting top visitor markets (English, German, etc.), including more languages than English and Czech. Create a parallel strategy to target top Asian markets (focus mainly on Chinese, Korean and Japan, possibly India and Middle East).

Sustainable and responsible tourism development

Promote alternative districts (beyond Old Town) to distribute tourist traffic and show “locals’ life”. Implement green tourism initiatives to attract eco-conscious travellers (urban birdwatching in the parks and gardens around Prague, tour for kids showing nature, slow tourism activities). Develop a "Green Prague" label for eco-friendly hotels, restaurants, and tours. Create self-guided walking (and use it in the app as written above) & cycling tours to promote sustainable tourism beyond Prague.

Targeted tourism segments and niche markets

Focus on attracting higher-spending visitors (luxury, business, and cultural tourists). Position Prague as a top MICE destination (Meetings, Incentives, Conferences, Exhibitions). Partner with corporations and conference organizers to host international business events. Create high-end travel packages with luxury hotels, exclusive dining, and VIP experiences. Promote themed tourism events (e.g., Prague Wine Festival, Prague Classical Music Weeks).

National collaboration

Promote cultural and national collaboration within the cities in Czech Republic for multi trips several days trip. This topic is described more deeply below.

International collaboration

Develop cross-promotions with neighbouring cities (Vienna, Budapest, Kraków) for multi-destination trips (e.g. visiting Prague, Budapest and Vienna in the same trip is very common among Spanish travellers). Launch joint marketing campaigns with Austria, Hungary, and Poland to encourage regional travel.

Event and festival promotion

Develop special holiday packages and promote it as a experience with prepared activities (Christmas, Easter, New Year). Develop Prague's rich cultural English calendar to attract visitors year-round and help deseasonalize tourism (specially for the month of January until March, when the number of tourists is the lowest). Develop new signature events or activities to differentiate Prague from competitors (One and only Prague's escape game, as you playing, you are getting to know more history, interesting and cultural facts and more)

Territorial diversification of tourism in the Czech Republic

This key recommendation is giving more strategic attention to the territorial diversification in Czechia. I analyse this strategy and goals deeper, as I believe it has the potential. Main reasons and topics are:

One of the key advantages of the Czech Republic in terms of tourism development is its relatively small geographical size. With a total area of just over 78,000 square kilometres, the country allows for efficient and convenient travel between regions. All this contributes to the territorial diversification of tourism, as visitors can easily reach various destinations within a short time frame. Whether traveling from Prague to the mountains in the north (Sněžka), the wine regions in the south (Morava), or spa towns in the west (Karlovy Vary, Mariánské Lázně), most journeys can be completed within a few hours. This geographical accessibility encourages tourists to explore beyond the capital and major cities, supporting regional tourism and helping to distribute visitor flows more evenly across the country.

Getting around the country is very easy and convenient for tourists, thanks to a well-developed and reliable public transportation system. Buses and trains are frequent, comfortable, and connect even smaller towns and tourist attractions. What makes it even better is that tickets are very affordable, allowing visitors to explore the country extensively without spending too much on travel.

The country offers a very good network of tourist attractions spread across its territory. Historical towns, UNESCO heritage sites, spa resorts, natural parks, and cultural events are not limited to one region but are distributed throughout the country. This diversity enables visitors to experience different types of tourism, for ex. cultural, wellness, nature-based, and gastronomic, without long-distance travel, which can be difference compare to other major countries around (for example Germany, when going from South to North take almost 10 hours).

Moreover, despite its small size, the Czech Republic is regionally diverse. Each area has its own unique character, traditions, and landscape, which adds to the richness of the tourist experience. From the wine regions of South Moravia to the mountain ranges of North Bohemia, every region offers something distinctive.

Finally, regional tourism development is actively supported by national and local authorities, as well as EU funding. Investments in infrastructure, marketing, and local tourism initiatives help promote lesser-known destinations and balance visitor flows across the country.

Practical steps

Achieving territorial diversification of tourism in the Czech Republic requires coordinated efforts from multiple stakeholders, each playing a specific role in the development and promotion of regional destinations.

At the governmental level, both national and regional institutions should take a proactive approach to supporting tourism development beyond the main urban centres. This involves not only revising and updating national tourism strategies on regional levels to reflect current trends (social media and online marketing) and regional needs but also allocating targeted funding for infrastructure improvements in less-visited areas. Legislative frameworks should be adapted to encourage sustainable tourism practices and ensure long-term regional benefits. Furthermore,

it is essential for public authorities to invest in systematic data collection and analysis, enabling them to monitor tourism flows, assess regional capacities, and identify areas with tourism potential (for example app which describe the high volume of tourists to avoid such a place and choose different spot).

Local governments and communities are essential in creating a welcoming and functional environment for tourists. Their responsibilities include improving local infrastructure such as transportation, signage, and tourist information services. They should also actively preserve and promote cultural heritage, organize local events, and engage residents in tourism planning to ensure that tourism benefits are shared and that negative impacts are minimized.

The private sector, including hotels, tour operators, and small businesses, should focus on diversifying their offerings by creating unique experiences tied to local culture, nature, and gastronomy. They should collaborate with DMOs and other businesses to develop regional packages and itineraries, invest in service quality and sustainability, and maintain a strong digital presence to reach wider audiences.

Destination Marketing Organizations (DMOs) play a central role in promoting territorial diversification of tourism. Their primary responsibility is to shift attention from heavily visited destinations, such as Prague or Brno, to lesser-known regions with untapped potential. To achieve this, DMOs should design targeted marketing campaigns that highlight unique regional attractions and experiences. This includes the creation of high-quality promotional materials, such as videos, articles, and suggested itineraries, that showcase authentic local culture, nature, and traditions.

Finally, academic and research institutions can support territorial diversification through research, innovation, and education. They should study tourism trends and impacts, identify regional development opportunities, and provide training for professionals in sustainable tourism and destination management.

By working together, these actors can create a more balanced and resilient tourism landscape in the Czech Republic, where benefits are distributed more evenly across regions and visitors are encouraged to explore the full diversity the country has to offer.

A great example from abroad

Croatia introduced a new Tourism Act aimed at sustainable and regionally balanced tourism development. The law empowers local authorities to manage accommodation capacities and define destination profiles based on carrying capacity calculations. This helps reduce pressure on overcrowded destinations like Dubrovnik and encourages tourism in inland regions. The act also mandates the creation of four-year destination management plans and introduces sustainability indicators for monitoring (CroatiaWeek, 2024)

Greece has established regional destination management organizations as part of its national tourism strategy. These organizations are responsible for managing and promoting tourism at the local level, developing new products, and aligning with international sustainability standards. Cities like Heraklion are using DMMOs to connect tourism with local industries and reduce seasonal pressure (Iorgos Pappas, 2025)

Product improvements areas

Product improvement refers to aspects of the tourism experience in a destination that can be enhanced to meet visitor expectations, improve satisfaction, and make the destination more unique and competitive in the global market. When discussing improvements, we can take a look at other major tourist cities and what they are doing well. Apart from territorial diversification, I also outline several additional substrategies.

Diversifying tourism attractions in Prague centre

Currently, tourism is heavily concentrated in Prague 1 (Old Town, Charles Bridge, Castle), which leads to overcrowding and "over-tourism" in these specific places. The first improvement would definitely be promoting lesser-known areas, such as Vinohrady, Žižkov, Karlín, and Holešovice. These neighbourhoods are unique and offer something special. Moreover, this is the best way to experience Prague's local life, away from the mainstream tourist areas in the city centre. This strategy can also show tourists that they can spend more than just one day in the city.

An example of this approach can be seen in Barcelona, where they promote neighbourhoods like Gracia to reduce crowds in the Gothic Quarter. Similarly, in Paris, the Canal Saint-Martin area is promoted as an alternative to the famous Champs-Élysées.

Urban mobility and more sustainable transportation

Tourists can use the highly efficient public transport system (though it can be crowded during certain times, which may be overwhelming for Asian or non-European tourists) or they can walk pretty much everywhere, as Czechs enjoy walking too. However, one major difference between developed cities like Copenhagen or Stockholm is the lack of cycling routes and bike lanes. Although some locals bike for commuting, not many do so because of this issue. The first step would be to build cycling lanes and replace scooters with shared bikes. These electric scooters from Bolt or Lime are soon to be banned due to ineffective regulation and the lack of taxes for the Czech government.

The bike lanes could even be themed, such as art trails or historical sightseeing tours. Another small but efficient adjustment could be clearer multilingual signage at metro and bus stops, as currently, most of it is only in Czech and English.

An obvious example of a city with excellent cycling infrastructure is Amsterdam, which promotes biking as part of the overall experience. This could also be a great solution for locals.

Digital tourism tools

Prague already has the “Prague Visitor Pass” available in both offline (plastic card and physical map) and online (app with maps) versions. The pass serves as an unlimited transport ticket and provides a one-time entrance to more than 70 experiences and sightseeing spots in the city. It is available in various durations, from 48 to 120 hours, which corresponds to the typical tourist stay of 2-3 days, although it can be valid for one or five days as well.

However, this pass is not perfect. It lacks an offline map in the app version, and it’s missing AR features. For example, Location-Based AR could use GPS data to offer location-specific information or interactive experiences. Walking around the city with an AR app could reveal historical facts about buildings as you point your phone at them. Additionally, 3D Models in

AR could be used to display virtual models in the real world, such as a 3D model of a new car in your driveway.

Prague could also develop a cultural calendar or feature information on where the largest crowds are currently gathering, or provide real-time queue times, allowing tourists to choose where to go at a given moment. Another great idea would be to use smart QR codes near monuments that link to multilingual content. In this guide there also can be a list of approved good quality restaurants with proper czech beer and “farm to table” dinning, to support local restaurants who truly cook the traditional czech recipes and using local ingredients.

A remarkable example of AR in tourism is Rome, which uses AR at certain ruins to show ancient reconstructions.

Sustainability and green tourism

While all the practices mentioned above are sustainable and align with green tourism, Prague can take it even further. Prague could support hotels, tour operators, agencies, and restaurants by offering an "eco certificate" for those who meet certain criteria (for example, restaurants using local ingredients as much as possible) and promote them on their website. Additionally, the city can further promote its beautiful parks, such as Stromovka, Petřín, Letná, and others, as ideal spots for families, friends, groups, or romantic dates. These parks offer a great opportunity for visitors to experience the city like locals. A great example of this approach can be seen in Ljubljana, which was awarded the European Green Capital for its ecotourism strategies.

Cultural events and promoting more off-season offerings

Peak tourist seasons (summer months) are overcrowded, and winters tend to be less attractive due to the cold weather. However, there is a way to promote this time of year (especially January, February, and March) by developing a year-round calendar filled with cultural events, museum activities, spring festivals, and art exhibitions.

Another idea would be to attract niche segments, such as wellness tourists to enjoy the quieter months in Prague during the off-peak seasons, as Prague can offer them amazing spa and wellness with high quality services.

Lastly, collaborating with influencers and utilizing influencer marketing could help. Another Czech city, Pilsen, has seen significant success with influencer press trips, inviting them year-round to show tourists that there is always something to do (VisitPlzen, 2024).

Conclusion

This master thesis has explored the development of a sustainable marketing plan for Prague, with a strong emphasis on smart solutions and territorial diversification as key strategies for future destination management. As one of the most visited cities in Europe, Prague faces the dual challenge of maintaining its global appeal while mitigating the negative impacts of overtourism. The research has shown that Prague will be reaching a stagnation phase in its tourism life cycle, with signs of stagnation emerging due to overcrowding, rising housing costs, and a party-centric image that no longer aligns with the city's long-term vision.

Through a comprehensive analysis, including SWOT, TALC model, market segmentation, and competitive benchmarking, the thesis has identified both the strengths and vulnerabilities of Prague's tourism sector. The findings support the need for a strategic shift toward attracting high value, culturally engaged, and environmentally conscious visitors. This repositioning is already underway, as evidenced by initiatives such as the "With Respect to Prague" strategy, the ban on pub crawls, and the promotion of luxury tourism experiences.

A central recommendation of this thesis is the territorial diversification of tourism across the Czech Republic. Given the country's compact size, excellent public transportation, and rich regional diversity, there is significant potential to distribute tourist flows more evenly and reduce pressure on Prague's historic centre. Practical steps for achieving this include coordinated efforts from government bodies, DMOs, local communities, the private sector, and academic institutions.

In conclusion, Prague has the opportunity to rejuvenate its tourism model by embracing sustainability, smart city practices, and strong regional collaboration. By doing so, it can enhance the quality of life for residents, improve visitor satisfaction, and position itself as a leading European destination that balances cultural heritage with modern innovation.

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