

Encourage of Sustainable Business – Approaches for Increasing of the Scale and Impact Over Natural Tourism in Shumen Municipality

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Abstract. Many companies have made their reorganisation and optimisation of the resources led by two main reasons – lowering production costs and decreasing production pollution. In this period of transition, there are still new opportunities for clear, responsible and sustainable business using natural resources. As the technological world advances, people increasingly need tranquillity and to live in sync with nature. Sustainable business practices are crucial for the long-term success of natural tourism. By prioritizing environmental protection, social responsibility, and economic viability, businesses can ensure that tourism benefits both visitors and the destinations they explore. The subject of the article is the development of a new thermal spring complex in Marash, Shumen province, Bulgaria, as an opportunity for establishing a recognisable place for health and sustainability.

Key words: sustainable business, nature tourism, circular economy, new opportunity, thermal pool

Introduction

Relevance of the article

The relevance of the article is to establish the connection between natural tourism, often synonymous with ecotourism, and its intertwining with sustainable business practices. Through the exploration of the knowledge for natural tourism as a successful business opportunity with long-term benefits for humanity, the article presents a real example of its realisation. This is the thermal pool in Marash, which is a unique opportunity for local businesses to apply tourism practices that minimise environmental impact and support local communities. Eco-lodges, organic farms and nature walks offer immersive experiences rooted in sustainability. For sustainable development, the three-pillar model – social, economic and environmental – is used, which formulates the concept of sustainable development. As a sustainable development model, the most effective framework is presented – the circular economy.

Problem investigation level

Sustainable business is a business model that integrates environmental, social, and economic considerations into its operations and decision-making processes. It aims to create long-term value for stakeholders by balancing profitability with responsible practices that minimise negative impacts and maximise positive contributions to society and the environment. Natural tourism is travel to natural areas that conserves the environment and improves the welfare of local people. It focuses on natural attractions like landscapes, wildlife, and outdoor activities. The circular economy is a model of production and consumption that involves sharing, leasing, reusing, repairing, refurbishing and recycling existing materials and products as long as possible. A wise composition from sustainable business models, thought natural tourism accents to circular economy style of management, will be presented.

Scientific problem

Why is the thermal pool in Marash, Bulgaria, the right way for the region to develop sustainable tourism with circular economic practices and encourage local businesses?

Object of the article

Representing the theoretical, practical and future concepts for a new business opportunity, considering the local environment from natural and economic aspects. Regional specifics such as mineral water indicators, local farms, geographical and historical characteristics are explored to increase the impact on local natural tourism.

Aim of the article is to explore business model advantages considering the business climate in the Republic of Bulgaria and increase the scale and impact of sustainable tourism.

Objectives of the article:

4. To analyse the roots and benefits of sustainable development.

5. To reveal the immediate local social, environmental and economic impact.
6. To give examples of circular economic benefits.
7. To evaluate the actions that positively influence the sustainability of natural tourism in terms of the circular economy.

Methods of the article

The study is based on:

- theoretical research and modelling of research approaches regarding the semantics of the concept of sustainable development; the genesis, role and importance of the circular economy; the specificity of the thermal pool in Marash, as a unique opportunity for local business, interpretation and analysis of data;
- observation as a method of diagnosis and clarification in an in-depth study of the possibilities for implementing environmentally friendly tourism practices;
- the conversation, as an important method through which information is collected on the problem under consideration. Conducting a dialogue with local people, stakeholders, and experts provides more complete and accurate information and contributes to the relevance of the study.

1. Theoretical definition of sustainable development and circular economy

Sustainability, sustainable development – before and after

While the knowledge and practice of sustainability has been adopted by humans since the beginning of human history, the formal use of the term *sustainability* is often attributed to the German, Hans Carl von Carlowitz (1713). The term *sustainable development* has a more recent history, attributed to the World Commission on Economic Development (WCED, 1987); widely referred to as the Brundlandt Commission after its chair, Gro Harlem Brundlandt. His definition for sustainable development is: “development that meets the needs of the present without compromising the ability of future generations to meet their own needs” Arguably, sustainable development is primarily a social justice project focusing on equitable development to meet human needs while still recognising that the preservation of natural resources is necessary to fulfil these needs. Johnston et al. (2007) have noted, however, that there are now literally hundreds of definitions and modifications of the original WCED (1987) definition. Along with the studies, there are “5 C’s of Sustainability” – Clean, Community, Culture, Care, and Corporate Governance – that present a comprehensive framework to guide us towards a more sustainable decade and beyond. The 3Ps of sustainability are a well-known and accepted business concept. The Ps refer to People, Planet, and Profit, also often referred to as the triple bottom line.

Furthermore, the concept for sustainable development is accepted and adopted by the European Commission, and since 2017, the conversation started with the Paris agreement. Bulgaria, as a part of the European family, has an integrated approach for implementing the UN program for sustainable development till 2030. This is a significant challenge for innovations that support the implementation of sustainable development. Bulgaria needs to strengthen its innovations, as it currently stands at the bottom of the eco-innovation index for 2024 – 58.8, ranking 27 (in comparison – Finland, ranking 1, index: 180.8) (Research and Innovation, 2024).

Circular economy

Using the statistics will help us understand that humanity uses resources equivalent to those of the Earth multiplied by 1,7. The food production continues to exercise pressure on the environment, and 20% of the food produced is thrown away (Sustainable Europe, 2019). The only reasonable solution is the circular economy and the right two-way transition from the farm to the table.

Although the term *circular economy* has only been around since the second half of the 20th century, its underlying ideas and methods are as old as mankind. It centres on (re)using whatever is to hand. For example, 30,000 years ago, people made flutes out of mammoth bones left behind after the meat had been consumed: an early case of production waste recycling. Nowadays, we approach the circular economy and its constituent mechanisms from a different perspective than in the past.

In 2022, Switzerland had already reached Overshoot Day by 13 May. That means the resources we consumed on the other 262 days of the year were on credit, which is unsustainable. These days, the idea of a circular economy is usually seen as a means of improving sustainability, i.e. not consuming more resources than the Earth can replace (Schwab, 2024).

The term *circular economy* was first explicitly introduced in a 1989 publication on environmental economics. Nevertheless, the conceptual foundations of the circular economy can be traced to earlier developments. In the mid-20th century, frameworks such as industrial ecology and the “cradle to cradle” design philosophy began to emerge, both of which emphasised the necessity of closed-loop systems and the reduction of waste. A particularly influential precursor was Kenneth Boulding’s 1966 work *The Economics of the Coming Spaceship Earth*, in which he critically examined the unsustainability of an “open economy” premised on infinite resource availability and advocated for a transition toward a “closed” economic system.

So, while the specific term *circular economy* is relatively recent, the underlying principles have been discussed and developed for decades.

In natural tourism, the circular economy is a great framework to build an eco-friendly concept for a thermal complex. There are several areas of impact – eco-design, packaging, greenwashing, the right to repair and waste management (Circular Economy in the Hotel industry: from challenges to action!, 2023).

In the context of tourism, the circular economy provides new opportunities for so-called circular tourism – tourism practices that minimise environmental impact and support local communities. Eco-lodges, organic farms and nature walks offer immersive experiences rooted in sustainability. So far, the Circular Economy discourse has predominantly focused on production industries. However, this focus on tangible product manufacturing underestimates service-dominated industries, such as travel and tourism, and their role in the global Circular Economy transition.

The circular economy offers a robust framework for making tourism more sustainable with key principles in action: reduce, reuse, recycle. The approach is minimising waste by implementing robust waste management systems, reducing single-use plastics, and composting food waste. Reusing resources by employing renewable energy sources, utilising rainwater harvesting, extending the lifespan of equipment. Finally, recycling materials involves recycling construction materials, repurposing old furniture, and promoting the use of recycled products. Next step is designing for durability and reusability with sustainable construction – building eco-friendly accommodations with energy-efficient designs and locally sourced materials; product longevity: prioritising durable and repairable equipment and furnishings; sharing economy: promoting the sharing of resources like bicycles, cars, and equipment among tourists. There is a benefit for local sourcing and value chains by supporting local businesses – sourcing food and other supplies from local producers, creating local jobs, and boosting the local economy. Another opportunity is preserving traditional crafts by supporting local artisans and promoting the use of traditional crafts in tourism products. Regenerative Practices can be applied for ecological restoration by implementing initiatives to restore damaged ecosystems, such as reforestation and habitat restoration. This would provide community engagement and involve local communities in tourism planning and decision-making.

There are three main benefits of a circular economy approach – environmental protection (reduces environmental impact, conserves resources, and mitigates climate change), economic growth (creates new business opportunities, boosts local economies, and enhances competitiveness) and social equity with provides support to local communities, promotes fair labour practices, and preserves cultural heritage.

The thermal spring in Marash

Near Shumen, in the village of Marash, nature has provided a thermal spring with therapeutic properties suitable for treating joint diseases, respiratory ailments, and digestive disorders. The temperature is 67⁰, which is one of the hottest thermal springs in Europe. Chemical composition is hyperthermal, highly mineralised, chloride, sodium-calcium, fluoride water containing boron and iodine. The borehole is 2800 m deep, 7.2 l/sec. In terms of chemical composition and healing

properties, it can be compared with the world-famous mineral waters of the spa complexes in Karlovy Vary, and the mineralisation of the spring in Marash is higher than that of the mineral waters in Karlovy Vary with the same chemical composition. The temperatures of renowned European thermal spas vary considerably. For instance, the Blue Lagoon in Iceland maintains a temperature of approximately 38.0°C, while the thermal springs in Karlovy Vary, Czech Republic, range from 38.0°C to 75.0°C. Château des Thermes in Chaudfontaine, Belgium, reports temperatures around 32.0°C. At Terme di Saturnia in Italy, the waters reach 37.7°C, whereas Hévíz Lake in Hungary ranges between 24°C and 38°C, depending on the season and location within the lake. In Bulgaria, there are many mineral springs and spa towns, led by Velingrad, and only two hotels with mineral water are marked as sustainable tourism destinations. Village Marash is in the Shumen municipality, in the northeastern part of Bulgaria. It is 3 hours from Bucharest, 4 hours from Sofia, and only one hour from Varna airport by car. Marash is famous for the pepper and tomato festival. There are many local farmers, and according to the concept, the production could be planned to fit the needs. There are several national cultural, historical and natural protected areas near Marsh – Pliska, Preslav, Madara horseman, Marash's coria, and the Memorial complex Founders of the Bulgarian State. Right next to the village, there is a Lavandula distillery and BIO products – Kallista farm. The air in the area is relatively straightforward, considering that there is no chemical or heavy industry production around. Along with the thermal complex, local farmers would be supported with new groceries – small and accessible agricultural stores with farm and animal products.

All of these conditions are good prerequisites for an investment in a new thermal complex for medical purposes.

2. Analytical part

Collaboration of sustainable business and circular economy. Business climate.

Sustainable business in a condition of circular economy provides a sequence of advantages (pros) and disadvantages (cons). In Table 1 are listed the 6 criteria for the implementation of sustainable business in a circular economy environment. One of the significant disadvantages is that the technology still does not allow all the materials to be recycled. However, this can be considered in the initial planning as mainly recyclable materials.

Table 1

Sustainable business in circular economy – pros and cons

	Sustainable business	Circular economy
	Pros	Pros
Environmental benefits	Minimise carbon impact, reduce waste, conserve resources	By recycling reduce the need for raw resources
Economic benefits	Cost reduction, higher revenue, innovation and competitive advantage	New business opportunity
Social benefits	Positive popularity, attractiveness, inspiration for the employees, building community	Strengthen local economies and communities
	Sustainable business	Circular economy
	Cons	Cons
Initial costs	New technologies and equipment	Investment in new technologies and processes
Time and complexity	Innovative solutions are time-consuming, new trainings	Supply changes and operational challenges
Customer perception, technology limitations and regulatory	More expensive for customers, lack of clear standards	Customers need to be trained; <u>not all materials can be easily recycled</u>

Source: created by the author.

Overall, the benefits of sustainable business generally outweigh the costs. While there may be initial challenges and investments, the long-term rewards in terms of environmental protection, cost savings, and improved brand reputation can be significant. Part of the concept of sustainable

tourism includes participation and implementation of various campaigns and initiatives related to environmental protection and striving to reduce the carbon footprint. A good option is to provide preferences for tourists who arrive by electric cars. As part of the idea of sustainable business, one of the priorities is to predominantly use local food products in every food and entertainment establishment, to stimulate local agriculture, winemaking and animal husbandry. The project will give an opportunity for growth to over 10 different industries of the local companies with activities in architecture, green technologies, less carbon constructions, telecommunications, electricity, cooking or culinary arts, medical therapies, SPA services, tourism, transport, etc. In this context, it can be emphasized that in contemporary socio-economic and environmental conditions, each project should be considered as a unique strategic asset (Zlateva, 2015).

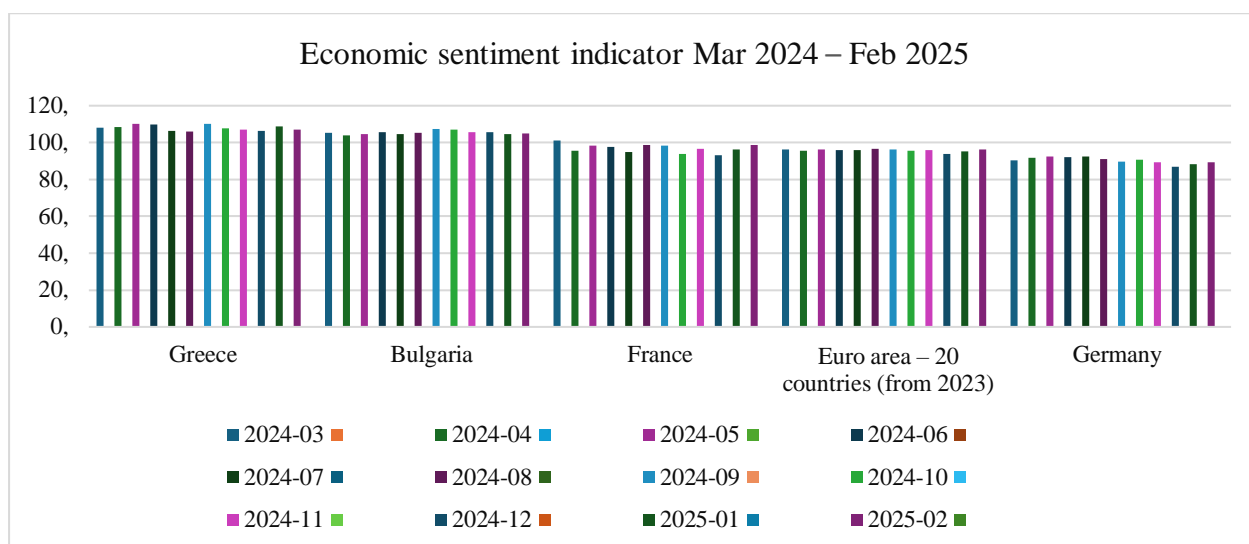
Let us consider some of the strengths of the natural tourism industry – unique natural attractions including thermal springs and diverse wildlife; strong commitment to eco-friendliness and sustainability; rich cultural heritage showcased through traditional Bulgarian cuisine and festivals; expertise in offering immersive outdoor experiences like nature walks and photography tours; opportunities for community engagement through herbal medicine workshops. On the other hand, the weaknesses are limited brand recognition in a competitive tourism market; dependence on seasonal tourism, which may lead to fluctuating revenues; possible high operational costs associated with maintaining eco-friendly practices; limited accessibility for tourists who are not familiar with the area; potential lack of amenities compared to larger resorts. There are at least five opportunities: growing market demand for eco-tourism and sustainable travel experience; opportunities to partner with local businesses for collaborative packages; increasing interest in wellness and rejuvenation tourism; potential for expansion of workshop offerings and seasonal events; development of online marketing strategies to reach a wider audience. The last factor is threats – increased competition from other eco-retreats and tourism destinations; environmental changes that may affect natural attractions and wildlife; economic downturns that could reduce discretionary travel spending; regulatory changes affecting tourism and environmental practices; the impact of global events (e.g., pandemics) on travel habits.

Innovations can be subjects for research and development companies to explore various technologies, such as collecting rainwater, using thermal water for heating, and combining solar energy and battery storage for independent and green energy buildings. Innovation management faces the challenge of integrating multiple aspects of strategy, programming, people and project management. It can be viewed in the context of many directions that relate to different functional areas, but the urge for the new and the better does not lose its value, because it has always been at the heart of development (Zlateva, 2019).

Business climate

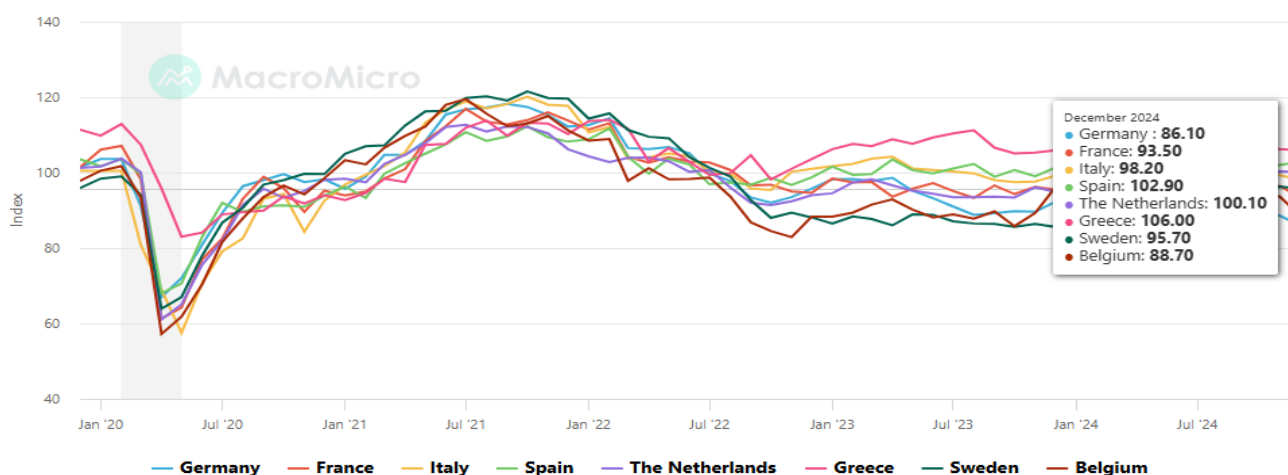
According to the National Statistics Institute of Bulgaria, under 1% of the hotel nights in 2023, in non-sea cities (over 10 km far from the sea), are in the northeastern part of the country, and around 0.6% of the hotel nights in the country are in Shumen in the same year. These numbers define Shumen and the region as a very undeveloped area despite the numerous tourist sites in the region.

Compared with major countries in the EU (Fig. 1) for ESI (Economic sentiment indicator), Bulgaria is above the average, 105, towards the Euro area, under 100 for the last 11 months (Fig. 2).



Source: Eurostat (2025).

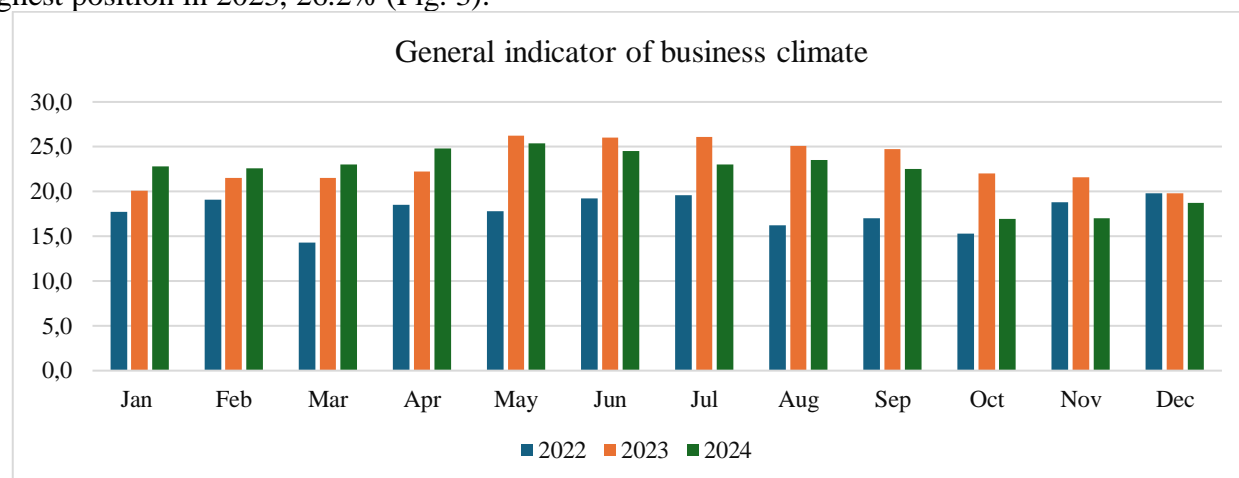
Fig. 1. ESI in the Euro area and some EU countries



Source: MarcoMicro (2025)

Fig. 2. Europe – ESI of major countries – 2020-2024

From a business perspective, the general indicator for Bulgaria of business climate had its highest position in 2023, 26.2% (Fig. 3).



Source: National Statistical Institute (2025).

Fig. 3. Monitoring business trends in industry, construction, retail and services in Bulgaria, 2022–2024

The Gross Domestic Product (GDP) in Bulgaria expanded 2.40 per cent in the third quarter of 2024 over the same quarter of the previous year. Bulgaria has made significant economic development since the transition to democracy. However, challenges remain in boosting productivity, reducing inequality, and attracting foreign investment.

Sustainable business is a real and possible destination for a new way of living with all the circular economy approaches – synergy of private, public and government.

Conclusions

Based on the above, some conclusions can be drawn related to the need to promote sustainable business and the use of approaches to increase the scale and impact of nature tourism in the municipality of Shumen in the following areas:

1. Promoting sustainable business and sustainable development, contributing to the local economy and requiring:
 - Urgency: Sustainable development is not a future aspiration, but an urgent necessity. The impacts of climate change, resource depletion, and social inequalities are already being felt, demanding immediate action at the local level.
 - Interconnectedness: Sustainable development is an interconnected challenge. Environmental, social, and economic factors are deeply intertwined. Addressing one aspect without considering the others will likely lead to unintended consequences.
 - Systemic Change: True sustainability requires systemic change. This involves transforming our economic models, consumption patterns, and social structures to prioritise long-term well-being over short-term gains.
 - Collaboration: Sustainable development cannot be achieved by governments alone. It requires collaboration among governments, businesses, civil society, and individuals at all levels.
 - Innovation: Technological innovation and the development of sustainable technologies are crucial for transitioning to a more sustainable future.
 - Equity and Justice: Sustainable development must be equitable and just. It must ensure that the benefits of sustainable development are shared fairly among all people and that the burdens of environmental and social challenges are not disproportionately borne by marginalized communities.
 - Long-term Vision: Sustainable development requires a long-term vision and commitment. It is a continuous journey of learning, adaptation, and improvement.

These conclusions highlight the complexity and urgency of the challenge of sustainable development. They emphasise the need for a holistic, collaborative, and transformative approach to create a more sustainable and equitable future for all people living in the territory of Shumen municipality.

2. Increasing the scale and impact of nature tourism in the municipality of Shumen is undoubtedly strongly linked to the circular economy. The circular economy offers a compelling vision for a more sustainable future, but its successful implementation requires careful consideration and a multi-faceted approach, which covers:
 - Systemic transformation: The circular economy necessitates a fundamental shift away from the traditional linear “take-make-dispose” model towards a cyclical system that prioritises resource efficiency, waste minimisation, and product longevity. This requires a systemic transformation across various sectors, at every level, starting and ending with the local, including manufacturing, consumption, and waste management.
 - Collaboration is key: Successful transition to a circular economy requires collaboration among various stakeholders: government, businesses, civil society organisations, and local communities. The partnerships in the territory of Shumen and cross-sectoral collaborations are crucial for developing and implementing effective policies, technologies, and business models.

- Consumer behaviour change: Shifting consumer behaviour towards more sustainable consumption patterns is crucial for the success of the circular economy. This includes promoting product durability, encouraging repair and reuse, and fostering a culture of conscious consumption.
- Economic and social benefits: The circular economy offers significant economic and social benefits for the territory of Shumen municipality, including job creation, economic growth, and improved resource security. By reducing waste and increasing resource efficiency, circular economy principles can contribute to a more sustainable and equitable future.

Encouraging sustainable business and increasing the scale and impact of the circular economy on nature tourism in the municipality of Shumen presents a significant opportunity to address pressing environmental and economic challenges of the local community. By embracing circular principles, we can create a more sustainable, resilient, and equitable future for all. However, achieving this vision requires a concerted effort from all stakeholders, a commitment to innovation, and a long-term perspective.

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