DESTINATION COMPETITIVENES: A CHALLENGING PROCESS FOR SERBIA

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Abstract: The degree to which a country can benefit from its tourism industry depends largely on this competitive position on the international tourist market. Therefore, it is very important for one destination to realise its real competitive position on the tourism market as well as to address its weaknesses comparing them to its major competitors. There are different models for measuring the competitiveness. Among all, we follow the framework of authors Dwyer, Livaic and Mellor (2003), so called Integrated model of destination competitiveness. The aim of this paper is to present the model of destination competitiveness and results of the survey, based on indicators associated with the model. The results showed that Serbia is more competitive in its natural, cultural and created resources than in destination management while, according to the Integrated model, Serbia is less competitive in demand conditions, which refer to the image and awareness of the destination itself.

Key words: Destination competitiveness, Competitive indicators, Competitive potential, Tourism, Serbia.

Introduction

The success of tourism destinations in world markets is influenced by their relative competitiveness. A competitive advantage can be achieved if the overall appeal of the destination is superior to that of an alternative destination to potential visitors (Dwye, Kim, 2003). However, it must be highlighted that the competitiveness of the tourism destination is not defined by the set of rigid natural, cultural, artistic or environmental resources, but it is seen as an overall appeal of the destination (Cracolici, Nijkamp, 2009). Moreover, destinations offer an amalgam of tourism products and services, which are consumed under the brand name of the destination (Buhalis, 2002).

Consequently, tourism will achieve a favourable position on the tourism market if destination recourses are managed properly and if destination is capable of gaining and maintaining competitive advantages (Teece, Pisano, Shuen, 1997).

In order to achieve proper matches between tourism resources and management strategies, it is necessary for the industry and government to determine and understand the weakest and strongest points of their country's competitiveness. Also, it is helpful for both the industry and government to know how competitiveness is changing and why these changes are occurring (Dwyer, Forsyth, Rao, 2000).

Increasing competitiveness and profiling on the international tourism market is currently a very attractive issue for Serbia. In order to achieve and improve competitiveness of its destinations, the following questions must be answered: What are the main weaknesses of the tourism industry? What

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effect these changes have on the competitive position of a destination and why do they occur? What is the position of the tourism management and how can competitive position be improved? In order to obtain the answers, we have applied the Integrated model of destination competitiveness.

This model has several competitiveness determinants: inherited resources, created resources, supporting factors and resources, destination management, situational conditions and demand conditions.

Based on the Integrated model, a set of indicators was developed to measure the competitiveness of any given destination. The selected set of 85 indicators was based on discussions in workshops held in Korea and Australia in 2001. Participants at these workshops identified the important indicators of destination competitiveness falling under the main elements of the destination competitiveness model (Kim, Dwyer, 2003). This model was applied to Australia and Korea by Dwyer, Livaic, Mellor in 2003 and later in Slovenia by Omerzel Gomezelj and Mihalic (2008), who had applied the same model in 2004.

The underlying idea of this paper is that competitive position of a destination on the tourism market depends on the choice and quality of the management of destination resources. As a result, two main hypotheses were created: the first main hypothesis claims that the weakest point in Serbian tourism competitiveness is destination management. Serbia is more competitive in the attractiveness of its created, inherited and supporting resources than in its destination management. The second main hypothesis refers to destination management and destination conditions (situation and demand condition) and claims that management again represents the weakest factor of competitiveness.

The paper is organised as follows. In section two, we describe the rationale and context of our study, where we use the Integrated model of competitiveness (Dwyer et al., 2003) as our main reference framework. Section three is devoted to the description of the previous studies on competitiveness of Serbian tourism, while section four outlines the statistical methodology employed in this study and presents and interprets the empirical results. Section five introduces some concluding remarks.

The competitiveness of a tourism destination

Destination competitiveness is the ability of one country to create additional values and thus increase the national wealth by managing assets and processes, attractiveness, aggressiveness and proximity and by integrating these relationships within an economic and social model that takes into account a destination's natural capital and its preservation for future generations (Ritchie, Crouch, 2003). A large number of authors have given their contribution to the understanding and practical research of competitiveness of tourist destinations (De Keyser, Vanhove, 1994; Evans, Johnson, 1995; Pearce, 1997; Hassan, 2000; Kozak, 2001; Mihalic, 2000; Ritchie, Crouch, 1993; Thomas, Long, 2000; Alavi, Yasin, 2000; Enright, Newton, 2004; Ruhanen, 2007; Cracolici, Nijkamp, 2009).

However, how complex the term competitiveness is becomes apparent only when we try to define and measure competitiveness. Thus, there are many models created in an attempt to measure competitiveness as a unique phenomenon. Models differ according to the defined factors that determine competitiveness and their grouping. However, the authors have decided to use the Integrated model of competitiveness (Kim, Dwyer, 2003) which has developed from a Conceptual model of competitiveness from the well known competitive researchers Ritchie and Crouch (1993).

The most detailed work undertaken by tourism researchers on overall tourism competitiveness is that of Crouch and Ritchie (1994, 1995, 1999) and Ritchie and Crouch (1993, 2000). They examined the applicability to tourism destinations of competitiveness research and models in other contexts spanning companies and products, national industries, and national economies as well as

competitiveness related to service industries. Crouch and Ritchie claim that, in absolute terms, the most competitive destination is one which brings greatest success; that is, the greatest wellbeing for its residents on a sustainable basis. Thus the most competitive destination is that which most effectively creates sustainable well-being for its residents. In 2003 tourism competitiveness researcher, Crouch and Ritchie tested and presented the new improved version of their competitiveness model: the Conceptual Model of Destination Competitiveness.

Ritchie and Crouch stated that competitiveness is illusory without sustainability. To be competitive, a destination's development for tourism must be sustainable, not only economically and ecologically, but socially, culturally and politically as well (2000). Major elements of the model are: destination policy, planning and development, destination management, core resources and attractors and supporting factors and resources.

Some of the variables identified by Ritchie and Crouch have been included in the so-called Integrated model by researchers in Korea and Australia (Dwyer, Livaic, Mellor, 2003). A model of destination competitiveness has been suggested by the authors. This model is displayed schematically in Figure 1. The model brings together the main elements of national and firm competitiveness as proposed in related literature (Cho, 1998; Moon, Peery, 1995; Narashima, 2000; Porter 1990; Waheeduzzan, Ryans, 1996) and the main elements of destination competitiveness as proposed by various tourism researchers (Crouch, Ritchie, 1995, 1999; Dwyer, Forsyth, Rao 1999, 2000a, b, 2002; Hassan, 2000; Ritchie, Crouch, 2000).

Integrated model retains much of Crouch-Ritchies model, but differs from it in some important details (Dwyer et al., 2001). It seeks a more realistic picture of the connections between different parts of the model opposite to Crouch and Ritchie model. Their model is linear, dependence between different groups of factors are shown in only one direction. Integrated model assumes mutual dependence between the individual elements. While Crouch-Ritchie models

sources are considered as one group factors, the Integrated model explicitly separates the primary sources (especially distinguishes natural from cultural and historical) from the expanded.

Integrated model underlines the importance of demand factors. Awareness of alternative tourist destinations, their tourism offers and tourists perception of differences between destinations are critical factors of a tourist flow. Destination must develop such tourism products, that will provoke tourism demand. Crouch-Ritchies model unduly neglected competition factors on the demand side. It focuses only on the supply side and the provides an incomplete picture of the competitiveness of tourist destinations (Omerzel Gomezelj, Michalic, 2008).

Integrated model includes a tourist policy, planning and destinations development (Crouch and Ritchie are classified in a separate category) as group factors under the common name of the management. The Integrative model classifies the determinants of destination competitiveness under several main headings. Its main, so called competitiveness determinants are inherited resources, created resources, supporting factors and resources, destination management, situational conditions and demand conditions. The model has been empirically tested in Korea and Australia in 2001, in Slovenia in 2004 (Omerzel Gomezelj, Michalic, 2008) while in 2009 the methodology was adopted and applied to Serbia as a tourism destination in 2009.

The competitiveness of Serbian tourism

Serbia is a country that covers an area of 88 361 km², with a population of about 7 milion (excl. Kosovo). The Serbian climate varies between continental climates in the north, to a more Adriatic climate in the south. South and South-west Serbia is subjected to Mediterranean influences. However, the Dinaric Alps and other mountain ranges contribute to the cooling down of most of the warm air masses. Dinaric Alps of Serbia follow

the flow of the Drina River, overlooking Dinaric peaks on the opposite banks in Bosnia and Herzegovina.

Due to political instability and wars that took place in the region, from the dissolution of Socialist Yugoslavia to the Kosovo war (1991-1999), Serbia has since registered a slow recovery and the numbers of domestic and foreign tourists are still below the best results seen in the period between 1982 through 1991 (Djuric, 2001; Simic, 1997; Weber, 1989, John, 1985, Mikic, 1988; Bakic, 1988).

After 2006, with the dissolution of "Serbia and Montenegro, Serbia became an independent Republic. After the independence and the loss of Adriatic Sea, Serbia has developed urban, business, rural, mountain and spa tourism.

A foreign currency inflow from tourism in Serbia is an important item in the budget of the Republic. In the period between the 1989th and 2008 years, the income generated from foreign tourists, varied widely according to political and economic developments in Serbia (Table 1).

Table 1. Foreign currency inflow, arrivals and overnight stays of foreign tourists in the Republic of Serbia in the period from 1989 to 2008

Year	Foreign income (in million US dollars)	Arrivals	Nights
1989	500	941,000	1,473,400
1990	414	881,100	1,368,900
1991	134	347,267	716,174
1992	86.7	146,713	348,191
1993	22.8	70,143	182,941
1994	30.7	82,040	202,239
1995	40.3	91,029	252,240
1996	39.9	139,934	352,251
1997	44.6*	139,935	341,995
1998	40.3	143,330	379,286
1999	17.9	123,764	342,186
2000	28.3	165,398	430,655
2001	42.7	242,525	592,600
2002	77.3	312,063	738,261
2003	159.7	339,283	791,702
2004	220.7	391,826	851,059
2005	304.1	452,679	991,748
2006	409	468,842	1,015,312
2007	529	696,045	1,475,675
2008	865	646,342	1,164,340

Source: Statistical office of Republic of Serbia, 2008.

Serbian tourism accounts for around 3,5 % of Serbian GDP in 2008 (direct and indirect effects), 9% of Serbian exports and employs about 23.644 people. Foreign currency inflow from tourism in 2008 was 865.373.000 $. In 2008 Serbia had about 2.3 million domestic and foreign visitors. The number of overnight stays in 2008 was 7.3 million, of which foreign tourists made 19%.

In 2008 some of the most important target countries, apart from ex Jugoslavian countries Croatia, Bosnia and Hercegovina, Montenegro and Slovenia, were Italy, Germany, Austria.

The first study on the competitiveness of Serbian tourism was carried out in 2005 as a part of the Strategy of tourism development (Economic Faculty, Horwath Consulting, 2006). In order to measure the competitiveness of Serbia, 12 different parameters of competitiveness were taken into consideration. However, the selected attributes do not appear to be based on any model of competitiveness. According to the mentioned study, the following elements were highly rated: social elements, human resources, restaurants, and natural and cultural resources. The worst rated tourist elements were river tourism, tourist signalisation including the existence of information boards and tourist signs in the destination, availability of tourism information and presentations, travel laws and legislative basis, the availability and transportation and infrastructure.

Moreover, the political competitiveness does not give sufficiently positive contribution to the shaping of an adequate competitive position that Serbia has on the international tourist market (Popescu, 2008). After the period between 1989 and 2000, Serbia is still unable to reach the level of political stability that is required to achieve the desired competitive position. Due to the negative political developments, Serbia has acquired a negative image as a tourist destination (Howard, Allen, 2008). The change of this image could contribute to the development of new products or branding existing ones, especially in the field of tourism as the most profitable field (Ivanović, Milićević, 2009). In modern conditions of tourist business, many

new destinations considered perspective within the development of brands (Vesić, 2007). Branding is perhaps the most powerful marketing weapon available to contemporary destination marketers confronted by tourists who are increasingly seeking lifestyle fulfilment and experience rather than recognizing differentiation in the more tangible elements of the destination product such as accommodation and attractions (Morgan et al., 2007).

The current position of Serbia on the international tourist market and the level of tourism development in particular are expressed through the scope and structure of tourist traffic which is extremely low. Therefore, tourism should be focused on increasing the volume of the tourist traffic through a greater supply of qualitative and quantitative variables - the better development of different types of tourism through the selective affirmation of natural, anthropogenic and cultural content, and better management of these resources and creating of clear brand of destination (Jovicic, 2008; Besermenji, Pivac, Wallrabenstein, 2009; Stetic, Simicevic, 2008; Stojanovic, Stamenkovic, 2008; Ivkov-Dzigurski, Kovacevic, Zakic, 2008; Ivkov and others, 2007; Dragin and others, 2007; Besermenji, Pivac, Wallrabenstein, 2010).

Research methodology

In order to carry out the research on competitiveness of Serbia, a research model was adopted from the authors Omerzel Gomezelj and Mihalic (2008) who have applied the same Intergrated competitiveness model in Slovenia.

From the perspective of our study, this model was the most relevant. It brings together the main elements of destination competitiveness, it provides a realistic display of linkages between various elements, the useful distinction between inherited and created resources, and the category management –an important issue of our research – which includes all relevant determinants that shape and influence a destination.

Some of the connections developed by Dwyer et al. (2003) have been retained but part of the original model, which linked competitive determinants to indicators, and economic prosperity were eliminated (Figure 1). Economic prosperity of the destination is not taken into study because it refers to a long-term maintenance of competitiveness on the international tourist market and on that basis achieving economic prosperity of a destination. However, since the goal of this study was to identify the weakest and strongest points of a country's tourism industry at the moment and not to follow long term effect of competitive position on the tourism market, economic prosperity of the destination was eliminated.

Inherited (INHRES), created (CRERES) and supporting Resources (SUPRES) encompass the various characteristics of a destination that make it attractive to visit (Omerzel Gomezelj and Mihalic, 2008).

Destination management (DESTMNGM) covers factors that enhance the attractiveness of the inherited and created resources, strengthen the quality of the supporting factors and those which best adapt to the situational conditions (Crouch, Ritchie, 1999).
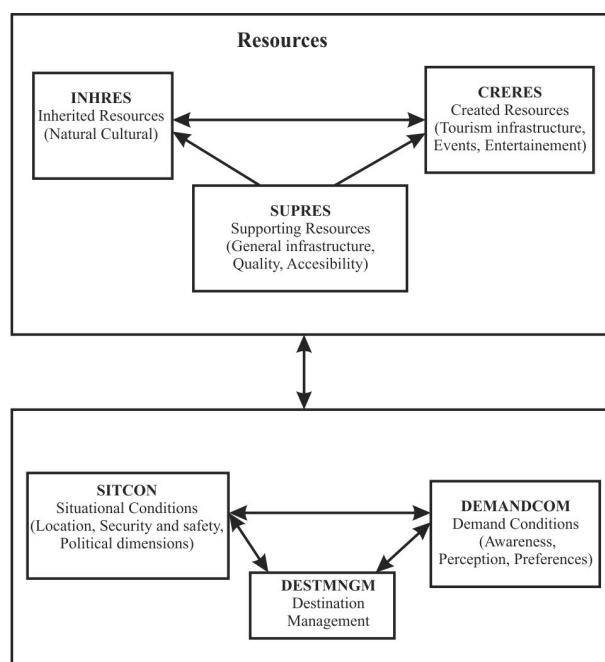

Figure 1. Destination competitiveness model- the main determinants
Sources: adopted from Dwyer et al., 2003.

Although in understanding the elements of destination management the Integrated model follows the Ritchie and Crouch model (Crouch, Ritchie, 1999), the Integrated model also developed a separate box on demand conditions. These (DEMANDCON) comprise the three main elements of tourism demand: awareness, perception and preferences (Kim, Dwyer, 2003). The factors of situational conditions (SITCOM) can moderate, modify or even mitigate a destination's competitiveness. There seem to be many types of such factors, e.g. location, micro and macro environment, security and safety, and price competitiveness (Omerzel Gomezelj and Mihalic, 2008).

The study was conducted during summer and autumn 2009. Data were gathered by a questionnaire. Based on the Integrated model (Dwyer et al., 2003), 85 competitive indicators were created in the form of 85 statements. The statements were grouped into six categories of the Integrated model of destination competitiveness: inherited (INHRES), created (CRERES) and supporting resources (SUPRES), destination management (DESTMNGM), situational conditions (SITCON), demand conditions (DEMANCON). The SPSS standard package for personal computers was used for data processing.

The authors decided that research should be conducted among experts and practitioners and not among tourists, because it is considered that tourists are capable of evaluating those components of destination attractiveness among the services they consume. However, they are less likely to know about, and hence be able to evaluate, those factors that underlie and influence the competitive production of those services, especially because of their status as visitors (Enright, Newton, 2004).

Therefore, the research sample was made out of tourism stakeholders on the supply side, namely the tourism industry, government, schools of tourism and postgraduate students of tourism management with some work experience. The use of tourism experts as tourism stakeholders hase some benefits and advantages. Their knowledge about the entire portfolio of destination competitive resources can help to discover the tourist destination more appropriately.

When comparing destinations, it is necessary to establish which destinations (or countries) represent direct competitors. A specific tourism destination is not competitive or uncompetitive in the abstract, but versus competing destinations and it is important to establish which destinations comprise the competitive set (Kozak, Rimmington, 1999). Therefore, interviewees were asked to indicate their own group of the most competitive destinations. The majority (90%) created their own group of the following countries: the neighbouring Hungary, FYR Macedonia, Bosnia and Herzegovina, Montenegro, Croatia, as well as Slovenia. As it can be concluded, Serbia's biggest competitors are surrounding countries which offer similar tourist product, the fact which is primarily the result of similar natural resources. Given that Serbia is a continental country with no possibility of the development of coastal tourism, it is considered improper to compare it to coastal tourist destinations such as Croatia, Montenegro and Slovenia. Consequently, the most competitive are those destinations that have similar natural characteristics and which have therefore developed the same types of tourism such as city tourism, business tourism, event tourism, spa tourism and rural tourism. Secondly, interviewees were asked to rate each of the 85 competitive indicators on a five-point Likert scale comparing Serbia to, in their opinion, the most competitive destination. The options ranged from 1 (the competitiveness level in Serbia is well below the same level in the competitive destination) to 5 (the competitiveness level in Serbia is much above the same level in the competitive destination).

All of 140 questionnaires were obtained. The research sample included 5% government officials, 22.9% managers in travel agencies, 9.3% managers in hospitality sector, 10.7% tourism academic staff, 7.9% tourism service managers, 29.9% postgraduate students of tourism, 14.3% employees in local tourist organisations. The research sample consisted of 73.6% of tourism stakeholders who had been employed within the tourism industry

for less than 10 years, 13.6% from 11 to 20 years, 10% from 21 to 30 years and 2.8% for more than 30 years. The majority of participants were young, between 19 and 28 years of age (50%), while 22.9% of participants were up to 38 years of age. 52.9% respondents were female and 47.1% male. The majority (70.7%) of participants had completed college or university studies. Sample characteristics are shown in Table 2.

Given that the majority of respondents had less than 10 years of experience in the tourism industry, it was necessary to check their validity to participate in the study and discussed the competitiveness of Serbia as a tourist destination. Regarding their work experience in tourism industry, the respondents were divided into four groups: work experience in tourism industry of less

than 10 years, work experience in tourism industry from 11 to 20 years, from 21 to 30 years and more than 30 years. In order to examine if respondents` answers differ according to their work experience while measuring the competitive factors an analyses of variance One Way Anova was performed (Table 3).

Using the One-Way ANOVA method for investigation of significance of mean value differences it may be concluded there are no

Table 2. Sample characteristics

Sample characteristics	
Number of responses	140
Age	
19-28	50.0%
29-38	22.9%
39-48	10.0%
49-58	16.4%
59-68	0.7%
Work position	
Government officials	5.0%
Tourist agency managers	22.9%
Tourism school academics	10.7%
Hospitality sector managers	9.3%
Tourism service managers	7.9%
Postgraduate students on tourism courses	29.9%
Employers in local tourist organisations	14.3%
Work experience in tourism industry	
Linked with tourism industry for less than 10 years	73.6%
Linked with tourism industry from 11 to 20 years	13.6%
Linked with tourism industry from 21 to 30 years	10.0%
Linked with tourism industry more than 30 years	2.9%
Gender	
Female	52.9%
Male	47.1%

Source: Data obtained by survey research

Table 3. Compare Means - One-Way ANOVA. Dependent List: INHRES, CRERES, SUPRES, DESTMNG, SITCON, DEMANDCON. Factor: length of working in the tourism industry

		df	F	Sig.
INHRES	Between Groups	3	1,481	,222
	Within Groups	136		
	Total	139		
CRERES	Between Groups	3	1,490	,220
	Within Groups	135		
	Total	138		
SUPRES	Between Groups	3	1,174	,322
	Within Groups	136		
	Total	139		
DESTMNG	Between Groups	3	,646	,587
	Within Groups	136		
	Total	139		
SITCON	Between Groups	3	1,115	,346
	Within Groups	136		
	Total	139		
DEMANDCON	Between Groups	3	,368	,776
	Within Groups	136		
	Total	139		

Source: Data obtained by survey research

statistically significant dissimilarities between the factors of competitiveness (INHRES, CRERES, SUPRES, DESTMNG, SITCON, DEMANCON) compared to the length of work experience of respondents in the tourism industry.

Competitiveness according to individual competitiveness indicator

In the following section, competitiveness is analysed according to individual competitiveness indicators, grouped in the six main determinants as it was suggested by the Integrated model. This is followed by an attempt to evaluate the weakest points of Serbian tourism competitiveness.

Inherited resources

Serbia is, when compared to its competitive destinations, regarded as being more *competitive* than its competitors in most *attributes of the Inherited Resources* (Table 4).

Table 4. Mean values and standard deviations (SD) for individual competitiveness indicators of inherited resources (INHRES)

	Mean	SD
Historic sites	3,6571	1,0019
Heritage	3,5786	0,9526
Traditional arts	3,5214	0,9480
Flora and fauna	3,3643	0,8993
Artistic and architec. features	3,2071	1,0695
Unspoiled nature	3,0143	,085651
National parks	3,0000	1,16915
Attractiveness of climate for tourism	2,7357	1,0079
Cleanliness	2,1071	1,0227

Source: Data obtained by survey research

Interviewees suggested that cleanliness was the most incompetent factor compared to the competitive destinations. Additionally, Serbia as a continental country has less attractive climate for tourists. The highest rating was assigned to the historic sites, heritage and traditional art.

The smallest standard deviation in this group was assigned to unspoiled nature, which with a value of 0.85 indicates quite a high level of agreement between the respondents. The relatively high standard deviation is found in national parks, artistic and architectural features and historic sites, which indicates that the respondents hold different perceptions of these attributes.

Created resources

Nightlife (bars, discos, dancing), variety of different cuisines, special events/festivals, food service facilities, health resorts and spa, winter-based activities and diversity of shopping experience are highly rated created resources. However, more than half of 24 of these indicators are rated rather low. Water-based activities, visitors' accessibility to natural areas, amusement/theme parks, airport efficiency/quality and existence of tourism programmes for visitors, tourism guidance, recreation facilities, accommodation, adventure activities, casino, transport efficiency, sport facilities, congress tourism, nature-based activities, entertainment as well as rural tourism are rated low and according to interviewees considered not to be competent (Table 5).

Supporting factors

Only two out of 12 supporting factors are rated as being more competitive in comparison to the chosen set of competitive destinations: hospitality and financial institutions and currency exchange facilities. Other competitiveness indicator values are not regarded as competitive. Serbia fails to meet visitor needs in terms of tourism animation that includes organisation of different amusing activities and entertainment facilities for visitors in the destination, visa requirements, accessibility of destination, efficiency of customs/immigration, health/medical facilities for tourists, quality of tourism sector, attitudes of custom/immigration officials, and destination linkage with major origin markets (Table 6).

Overall, ratings for indicators of supporting factors were considerably lower than for Inherited resources and Created resources.

Table 5. Mean values and standard deviations (SD) for individual competitiveness indicators of created resources (CRERES)

	Mean	SD
Nightlife	3,7929	1,11560
Variety of cuisine	3,6929	0,93606
Special events/festivals	3,2143	1,03733
Food service facilities	3,2071	0,90955
Health resorts, spa	3,1429	1,24410
Winter based activities	3,0714	1,20337
Diversity of shopping experience	3,0571	0,99474
Rural tourism	2,9786	1,10244
Entertainment	2,9214	0,98235
Nature based activities	2,8571	1,11608
Congress tourism	2,8214	1,07468
Community support for special event	2,8071	1,07219
Sport facilities	2,6714	1,01388
Local tourism transportation efficiency/quality	2,6214	1,04205
Casino	2,6143	0,99340
Adventure activities	2,6143	1,06336
Accomodation	2,6071	1,05050
Recreation facilities	2,4748	1,03091
Tourism guidance and information	2,4643	0,94763
Existence of tourism programs for visitors	2,3643	0,79757
Airport efficiency/quality	2,3429	1,08470
Amusement/Theme parks	2,3071	1,03114
Visitors accessibility to natural areas	2,2786	0,87382
Water based activities	1,8857	1,01843

Source: Data obtained by survey research

Destination management

According to the applied model, Serbia is less competitive in all indicators of the Inherited model. The highest rated was the existence of an adequate educational programme while the lowest rated was the destination policy regarding social tourism. Overall, indicators for the destination management were rated lowest and considered to be below the level of same indicators in competitive destinations (Table 7).

Table 6. Mean values and standard deviations (SD) for individual competitiveness indicators of supporting resources (SUPRER)

	Mean	SD
Hospitality of residents towards tourists	3,3143	1,0532
Financial institutions and currency exchange- facilities	3,1714	0,9131
Telecommunication system for tourists	2,9929	0,8353
Communition and trust between tourists and residents	2,7786	1,0800
Destination links with major origin markets	2,6857	0,9298
Attitudes of custom/immigration officials	2,6500	0,9739
Quality of tourism sector	2,6143	0,9490
Health/medical facilities to serve tourists	2,5857	0,9890
Efficiency of customs/imigration	2,5643	0,9687
Accessibility of destination	2,5500	0,9470
Visa requirement as impediment to visitation	2,4571	1,3377
Animation	2,4000	0,8549

Source: Data obtained by survey research

Situational conditions

Value for money in shopping items and security/safety of visitors are among highly rated condition factors. According to interviewees, value for money in shopping items mainly refers to low prices of food and beverage. Relatively low cost of goods and services could be attractive to tourists and thus make Serbia a favourable tourist destination (Armenski, Zakic, Dragin, 2009).

For a destination to be favoured in the minds of potential visitors, it is necessary to provide more information and better marketing on the international tourist market.

The lowest rated are access to venture capital, cooperation between public and private sector, investment environment and political stability. A low standard deviation for the cooperation between private and public sector indicates a high level of agreement in ratings of this indicator (Table 8).

Table 7. Mean values and standard deviations (SD) for individual competitiveness indicators of destination management (DESTMNGM)

	Mean	SD
Appreciation of service quality importance	2,5429	0,84284
Destination has clear policies in social tourism	2,1214	0,96312
Destination vision reflecting community values	2,4714	0,77220
Destination vision reflecting tourists values	2,5286	0,82621
Destination vision reflecting resident values	2,4429	0,83340
Destination vision reflecting stakeholder values	2,5786	1,07334
Developing and promoting new tourism prodacts	2,4571	0,93970
Development of effective destination branding	2,3500	0,92078
Educational structure/profile of employees in tourism	2,6714	1,88307
Efficiency of tourism/hospitality firms	2,5071	0,92524
Enterpreneurial qualities of local tourism businesses	2,6929	0,85576
Existence of adequate tourism education programs	2,8000	0,96857
Extend of foreign investment in destination tourism industry	2,1357	1,01223
Government co-operation in development of tourism policy	2,1929	0,92056
Level of co-operation between firms	2,5786	0,89818
NTO reputation	2,4286	1,06036
Private sector commitment to tourism/hospitality education	2,4500	0,87594
Private sector recognition of importance of sustainable tourism divelopment	2,4214	0,95260
Public sector commitment to tourism/hospitality education	2,5571	0,97650
Public sector recognition of importance of sustainable tourism divelopment	2,4214	0,91406
Quality in performing tourism services	2,6071	0,88713
Quality of research input to tourism policy, planning, development	2,3786	0,95562
Resident support for tourism development	2,6571	0,95790
Tourism development integrated with overall industry development	2,3786	0,96312
Tourism/hospitality training responsive to visitors needs	2,4286	0,89878

Source: Data obtained by survey research

Demand conditions

Positive images of destinations help decision makers to construct an "awareness" and "evoked" sets that can thus serve as differentiating factors among competing destinations (De Jager, 2010; Dumbrăveanu a, 2010). Destination image affects tourist's subjective perception, consequent behaviour and destination choice (Woodside, Lysonski, 1989; Baloglu, McCleary, 1999; Castro, Armario, Ruiz, 2007; Chon, 1990; Echtner, Ritchie, 1991; Milman, Pizam, 1995). In addition, destination image exercises a positive influence on the perceived quality and satisfaction (Sæþórsdóttir, 2010). More favourable image will lead to a higher tourist satisfaction. In turn, the evaluation of the destination experience will influence the image and modify it (Chon, 1991; Echtner, Ritchie, 1991; Fakeye, Crompton, 1991; Ross, 1993), which is of an utmost importance for Serbian touristic development. According to the applied model, demand conditions are those concerning destination's international awareness and image.

Serbia is less competitive in all of the integrated model demand condition indicators compared to those of the competitors (Table 9).

Table 8. Mean values and standard deviations (SD) for individual indicators of situational conditions (SITCON)

	Mean	SD
Access to venture capital	2,2429	0,86392
Co-operation between public and private sector	2,3286	0,79062
Investment environment	2,4071	0,99565
Manageres capabilitie	2,6929	0,92834
Political stability	2,4500	1,02012
Securety/safety of visitors	2,8643	0,93847
Use of e-commerce	2,7071	0,90955
Use of IT by firms	2,7071	1,00714
Value for money in accomodation	2,7500	0,89864
Value for money in shopping items	3,0429	0,91251
Value for money in tourism destination experience	2,7500	0,85768

Source: Data obtained by survey research

Table 9. Mean values and standard deviations (SD) for individual competitiveness indicators of demand conditions (DEMANDCON)

	Mean	SD
"Fit" between destination products and tourists preferences	2,4714	0,84345
International awareness of destination products	2,3357	0,93386
Overall destination image	2,2786	0,95260
International awareness of destination	2,2357	0,95669

Source: Data obtained by survey research

Each of these items is important or generating high and stable tourism flows in the future. The lowest rating given to international awareness should alarm tourism stakeholders.

Relation between the main competitiveness determinants

In order to study the relations between the main competitiveness elements, mean values were calculated for each of the competitiveness categories from the individual competitive statements in each category (methodology adopted from Omerzel Gomezelj, Mihalic, 2008). Main competitiveness elements are presented in Figure 1: Inherited (INHRES), Created (CRERES) and Supporting Resources (SUPRES), Destination Management (DESTMNGM), Situational conditions (SITCON), Demand conditions (DEMANCON).

The first main hypothesis claims that the weakest point in Serbian tourism's competitiveness is Destination Management. Serbia is more competitive in the attractiveness of its Created, Inherited and Supporting Resources than in its Destination Management. A sub-hypothesis of the first hypothesis claims that, among the resources, inherited resources are more competitive than created resources and are at the same time more competitive than supporting resources.

The second main hypothesis refers to Management and Conditions, and claims that Management is again the weakest competitiveness factor. A sub-hypothesis relates Management to Situational and Demand Conditions and assumes that Serbia is less competitive in Management than in Situational and Demand Conditions.

In order to check whether there is a statistical significance among the grouped factors, the analysis of pared samples t-tests was conducted. The results in Table 10 indicate statistically significant differences between variables in all cases referring to the first main hypothesis and the two sub-hypotheses. However, the first hypothesis and the two sub-hypothesis were not completely proven. According to Serbian tourism experts,

Table 10. Results of competitiveness hypothesis testing—t-tests

		Paired Samples Test					
		Paired Differences					
				95% Confidence Interval of the Difference			
		Mean	Std. Deviation	Lower	Upper	t	Sig. (2-tailed)
1.	RESOURSES-DESTMNG	0.58897	0.40261	0.52145	0.65649	17.247	0.000
1.1.	INHRES-DESTMNG	0.96086	0.70803	0.84254	1.07917	16.057	0.000
1.2.	CRERES-DESTMNG	0.55300	0.42004	0.48255	0.62344	15.522	0.000
1.3.	SUPRES-DESTMNG	0.25550	0.43741	0.18241	0.32859	6.911	0.000
1.4.	INHRES-CRERES	0.40528	0.70544	0.28696	0.52359	6.773	0.000
1.5.	INHRES-SUPRES	0.70536	0.68851	0.59031	0.82041	12.122	0.000
2.	CONDITIONS-DESTMNG						
2.1.	SITCON-DESTMNG	0.15631	0.36384	0.09551	0.21711	5.083	0.000
2.2.	DEMANDCON-DESTMNG	-0.14450	0.48904	-0.22622	-0.06278	-3.496	0.001

Source: Data obtained by survey research

Serbia is more competitive in its Resources than in Destination Management, especially concerning its natural resources (INHRES). On the other hand, Inherited and Supporting resources are less competitive than Destination Management. Additionally, a sub-hypothesis of the first hypothesis was statistically proven: among resources, inherited resources are more competitive than the created resources and are at the same time more competitive than supporting resources.

Regarding the second hypothesis, situational conditions in the destination are considered, by travel experts, more competitive than Destination management, and this was statistically proven as well.

However, comparing Destination management and Demand conditions, it turned out that Demand conditions are less competitive than Destination management. Consequently, it can be concluded that Demand conditions are the weakest part of Serbian competitiveness. This means that demand conditions referring to the awareness and the image of a destination, have to be improved in order to raise tourism industry competitiveness.

Discussion and Conclusion

Continuous development of new tourist destinations and the growth of the existing ones impose the need for continuous and responsible destination management in order to achieve and maintain an appropriate level of competitiveness.

To think of Serbia as a tourist destination firstly requires understanding the factors that influence competitiveness as well as their analysis and empirical application in order to measure the advantages and disadvantages of Serbian tourism and determine its real competitive position in the world tourist market.

Thus, the aim of this study was to determine the weakest area of Serbian tourism competitiveness by applying the Integrated model of competitiveness.

In the light of these results, we could state that natural and created resources of the destination are necessary for tourism development, but are not the only and key drivers of destination tourism development. Therefore, achieving a good performance and position in the tourism market depends on the capability of a destination area to manage and organise its resources according to the economic logic driven by competitive strategies (Cracolici, Nijkamp, 2009). Competitive strategies should be aimed at increasing the competitiveness of the weakest elements of Serbian tourism, which are, as research shows, demand conditions and destination management.

According to the Integrated model (Dweyer et. set., 2003), demand conditions consist of destination image and the existence of awareness of the destination. The very low rating given to international awareness should alarm tourism stakeholders. This tourism stakeholders includes all subjects involved in the tourism development and planning, expecially tourism organisations on the national, regional and local levels. These organisations should act as Serbian representatives on the internation tourism market and thus are directly involved in the creation of image and destination brend. The tourism organisations of Serbia should undertake a stronger promotional activities on the international market and some of the brand strategies to create clear visual identity of Serbian as a tourism destination.

Secondly, low competitivness of demand conditions could be a consequence of low qoverment involvment and support to the planned development of the destination, so the marketing effort doesn't work in the desired direction. According to respondents, government cooperation in the development of tourism policy is not satisfactory. However, ensuring an appropriate and dynamic organisational structure to manage the destination tourism process is a vital element of the destination competitiveness. Government should be involved in the promotion, regulation, presentation, planning, monitoring, co-ordination and organisation of tourism resources.

Moreover, improvement should be made in the cooperation between public and private sector. A strong spirit of partnership and collaboration is required among all

stakeholders to realise the potential of the destination, to maximise available resources and effects of their marketing activities. The cooperation between stakeholders could be improved by organising the educational courses where these subjects could meet and gather knowledge and awareness of importance of their cooperation in creating the destination brand and image that will be comunicated to the interational tourism market. Serbia as a tourist destination must take special care of the image and destination brand that it wants to create on the world tourism market.

Destination management should through adequate management of natural and created resources, provide the basis for differentiation from competitive countries. Destinations have to face the challenge of managing and organising their resources efficiently in order to supply a holiday experience that must outperform alternative destination experiences.

Results of the research have practical implication on destination management and marketing and on entities that drive the destinations development. However, this research presents only one single step in the analysis of the competitiveness of Serbia as a tourist destination. More research needs to be done on the importance of different attributes of destination competitiveness. Additionaly, The model of destination competitiveness should be applied periodically and monitored over time. This can provide a moving picture of the destination competitiveness at different points in time.

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