

Integrated Model of Destination Competitiveness

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Abstract

The aim of this paper is to determine the weakest point of Serbian destination competitiveness as a tourist destination in comparison with its main competitors. The paper is organised as follows. The short introduction of the previous research on the destination competitiveness is followed by description of the Integrated model of destination competitiveness [Dwyer et al, 2003] that was used as the 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. 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 that refer to the image and awareness of the destination itself.

Keywords: integrated model, destination competitiveness; 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 (Dwyer, 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). Consequently, tourism will achieve a favourable position on the tourism market if destination resources are managed properly and if a destination is capable of gaining and maintaining competitive advantages (Teece et al, 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, thus we have applied the Integrated model of destination competitiveness on Serbia as a tourism destination.

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 and 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, one main hypothesis was created: the weakest point of Serbian destination competitiveness is destination management. Additionally, three sub-hypotheses were established. The first sub-hypothesis claims that Serbia is more competitive in the attractiveness of its created, inherited and supporting resources than in its destination man-

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agement and that among the resources inherited resources are more competitive than created resources and at the same time are more competitive than supporting resources.

The second sub-hypothesis was created based on the previous research finding on Serbian competitiveness and claims that destination conditions, in the destination are more competitive comparing to the destination management. The destination condition according to the applied model, comprise the three main elements of tourism demand: awareness of destination on the international tourism market, perception of destination and tourism preferences. The third sub-hypothesis tests the relation between situation and demand condition comparing to the destination management.

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.

Literature review

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 was developed from a Conceptual model of competitiveness (Ritchie and Crouch, 1993).

The most detailed work undertaken by tourism researchers on overall tourism competitiveness is that of Ritchie and Crouch (1993, 2000) and Crouch and Ritchie (1994, 1995, 1999). 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 well-being 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 Dwyer, Livaic and 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 et al, 1999, 2000a, 2000b, 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 (1999). 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. It's 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 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 tourism inbound is an important item and indicator of tourism prosperity. In the period between the 2001 and 2010 years, there has

been a steady rise in the number of foreign tourists (Table 1).

Table 1. Foreign tourists arrivals and overnight stays in the Republic of Serbia in the period from 2001 to 2010.

Year	Arrivals	Nights
2001.	446.373	908.982
2002.	503.038	1.044.566
2003.	509.100	1.076.156
2004.	539.293	1.082.994
2005.	578.272	1.204.301
2006.	585.559	1.200.709
2007.	696.045	1.475.675
2008.	646.494	1.398.887
2009.	645.022	1.469.102
2010.	682.681	1.452.156

Source: Statistical office of the Republic of Serbia, 2010.

In order to improve foreign inbound and its competitiveness in the region, the Republic of Serbia has carried out the first study on its competitiveness in 2005 as a part of the Strategy of tourism development (Horwath Consulting Zagreb, Economic Faculty Belgrade, 2005). 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, 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 (Popesku, 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). Therefore, tourism should be focused on creating a positive image and strive to increase 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 (Jovicic, 2008; Besermenji et al, 2009; Stetic, Simicevic, 2008; Stojanovic, Stamenkovic, 2008; Ivkov-Dzigurski

et al, 2008; Ivkov et al, 2007; Dragin et al, 2007; Besermenji et al, 2010).

Research Methodology

In order to carry out the research on competitiveness of Serbia, a research model was adopted from the authors Omerzel- Gomezelj, 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 competitive-

ness 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, 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).

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

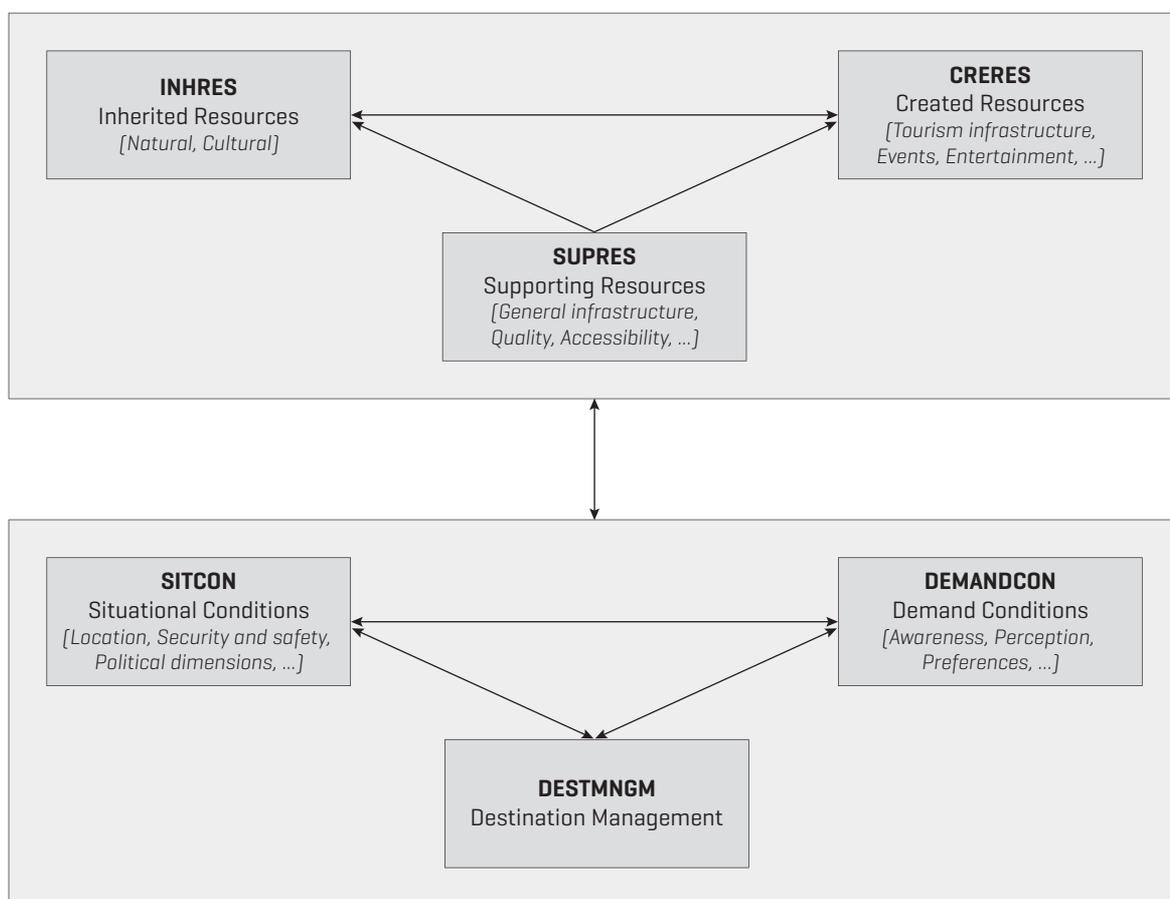


Figure 1. Integrated model of destination competitiveness - the main determinants

Sources: adopted from Dwyer et al, 2003.

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 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 has 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, respondents 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. According to the respondents' opinion, the strongest Serbian competitors are surrounding countries which offer similar tourist products due to their historical, cultural and natural similarities. However, given that Serbia is a continental country with no possibility of the development of coastal tourism, it is considered improper to com-

pare it to coastal tourist destinations such as Croatia, Montenegro and Slovenia. Consequently, the most competitive are those destinations that have very 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, respondents 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). The competitive indicators are those rated with the mark higher than 3. The SPSS standard package for personal computers was used for data processing.

Research Findings

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.

Limitation in the research process

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 analyses of variance One Way Anova was performed (Table 3).

Using One-Way ANOVA method for investigation of significance of mean value differ-

Table 2. Sample characteristics

Number of respondents	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	0,222
	Within Groups	136		
	Total	139		
CRERES	Between Groups	3	1,490	0,220
	Within Groups	135		
	Total	138		
SUPRES	Between Groups	3	1,174	0,322
	Within Groups	136		
	Total	139		
DESTMNG	Between Groups	3	0,646	0,587
	Within Groups	136		
	Total	139		
SITCON	Between Groups	3	1,115	0,346
	Within Groups	136		
	Total	139		
DEMANDCON	Between Groups	3	0,368	0,776
	Within Groups	136		
	Total	139		

Source: Data obtained by survey research

ences it may be concluded there are no 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, meaning that all respondents can be taken into research without probability of influencing the research validity.

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). Interviewees suggested that *cleanliness* (AM=2,1071; SD=1,0227) 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* (AM=3,6571; SD=1,0019), heritage and traditional art.

The smallest standard deviation in this group was assigned to *unspoiled nature and flora and fauna*, which with a value of SD= 0.85 and SD= 0.89 indicates quite a high level of agreement between the respondents. The relatively high standard deviation is found in *national parks* (SD=1,1691), artistic and architectural features and historic sites, which indicate that the respondents hold different perceptions of these attributes.

Table 4. Mean values [AM] 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	0,8565
National parks	3,0000	1,1691
Attractiveness of climate for tourism	2,7357	1,0079
Cleanliness	2,1071	1,0227

Source: Data obtained by survey research

Created resources

Nightlife (AM=3,7929; SD=1,1156), 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* (AM=1,8857; SD=1,0184), 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 have value higher than 3, thus are rated as being more competitive in comparison to the chosen set of competitive destinations: hospitality (AM=3,3143; SD=1,0532) and financial institutions and currency exchange facilities (AM=3,1714; SD=0,9131). Other competitiveness indicator values are not regarded as competitive. Serbia fails to meet visitor needs, especially in the *tourism animation* (AM=2,4000; SD=0,8549) and visa requirements as impediment to visitation (AM= 2,4571; SD= 1,3377) (Table 6). Overall, ratings for indicators of Supporting factors were considerably lower than for Inherited resources and Created resources.

Destination management

According to the applied model, Serbia is less competitive in all indicators of the Inherited model comparing to its competitors. The highest was rated the *existence of an adequate tourism educational programme* (AM=2,8000; SD=0,9685) while the lowest was rated the *destination policy regarding social tourism* (AM=2,1214; SD=0,9631). Overall, indicators for the destination management were rated lowest and considered to be below the level of same indicators in competitive destinations (Table 7).

Situational conditions

Value for money in shopping items (AM= 3,0429; SD= 0,9125) is the only indicator consider to be competitive . According to respondents, 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 et al, 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.

Table 5. Mean values [AM] and standard deviations [SD] for individual competitiveness indicators of created resources [CRERES]

	Mean	SD
Nightlife	3,7929	1,1156
Variety of cuisine	3,6929	0,9360
Special events/festivals	3,2143	1,0373
Food service facilities	3,2071	0,9095
Health resorts, spa	3,1429	1,2441
Winter based activities	3,0714	1,2033
Diversity of shopping experience	3,0571	0,9947
Rural tourism	2,9786	1,1024
Entertainment	2,9214	0,9823
Nature based activities	2,8571	1,1160
Congress tourism	2,8214	1,0746
Community support for special event	2,8071	1,0721
Sport facilities	2,6714	1,0138
Local tourism transportation efficiency/quality	2,6214	1,0420
Casino	2,6143	0,9934
Adventure activities	2,6143	1,0633
Accommodation	2,6071	1,0505
Recreation facilities	2,4748	1,0309
Tourism guidance and information	2,4643	0,9476
Existence of tourism programs for visitors	2,3643	0,7975
Airport efficiency/quality	2,3429	1,0847
Amusement/Theme parks	2,3071	1,0311
Visitors accessibility to natural areas	2,2786	0,8738
Water based activities	1,8857	1,0184

Source: Data obtained by survey research

Table 6. Mean values [AM] 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
Communication 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/immigration	2,5643	0,9687
Accessibility of destination	2,5500	0,9470
Visa requirement as impediment to visitation	2,4571	1,3377
Tourism animation	2,4000	0,8549

Source: Data obtained by survey research

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

	Mean	SD
Appreciation of service quality importance	2,5429	0,8428
Destination has clear policies in social tourism	2,1214	0,9631
Destination vision reflecting community values	2,4714	0,7722
Destination vision reflecting tourists values	2,5286	0,8262
Destination vision reflecting resident values	2,4429	0,8334
Destination vision reflecting stakeholder values	2,5786	1,0733
Developing and promoting new tourism products	2,4571	0,9397
Development of effective destination branding	2,3500	0,9207
Educational structure/profile of employees in tourism	2,6714	1,8830
Efficiency of tourism/hospitality firms	2,5071	0,9252
Enterpreneurial qualities of local tourism businesses	2,6929	0,8557
Existence of adequate tourism education programs	2,8000	0,9685
Extend of foreign investment in destination tourism industry	2,1357	1,0122
Government co-operation in development of tourism policy	2,1929	0,9205
Level of co-operation between firms	2,5786	0,8981
NTD reputation	2,4286	1,0603
Private sector commitment to tourism/hospitality education	2,4500	0,8759
Private sector recognition of importance of sustainable tourism development	2,4214	0,9526
Public sector commitment to tourism/hospitality education	2,5571	0,9765
Public sector recognition of importance of sustainable tourism development	2,4214	0,9140
Quality in performing tourism services	2,6071	0,8871
Quality of research input to tourism policy, planning, development	2,3786	0,9556
Resident support for tourism development	2,6571	0,9579
Tourism development integrated with overall industry development	2,3786	0,9631
Tourism/hospitality training responsive to visitors needs	2,4286	0,8987

Source: Data obtained by survey research

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

	Mean	SD
Access to venture capital	2,2429	0,8639
Co-operation between public and private sector	2,3286	0,7906
Investment environment	2,4071	0,9956
Managers capabilities	2,6929	0,9283
Political stability	2,4500	1,0201
Security/safety of visitors	2,8643	0,9384
Use of e-commerce	2,7071	0,9095
Use of IT by firms	2,7071	1,0071
Value for money in accommodation	2,7500	0,8986
Value for money in shopping items	3,0429	0,9125
Value for money in tourism destination experience	2,7500	0,8576

Source: Data obtained by survey research

Access to venture capital (AM=2,2429; SD=0,8639), cooperation between public and private sector, investment environment and political stability are the least competitive comparing to Serbian competitors. A low standard deviation for the *cooperation between private and public sector* (SD=0,7906) indicates a high level of agreement in respondents opinion while rating this indicator (Table 8).

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). Destination image affects tourist's subjective perception, consequent behaviour and destination choice (Woodside, Lysonski, 1989; Baloglu, McCleary, 1999; Castro et al, 2007; Chon, 1990; Echtner, Ritchie, 1991; Milman, Pizam, 1995). In addition, destination image exercises a positive influence on the perceived quality and satisfac-

tion (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). Each of these items is important for 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).

Than in order to check whether there is a statistical significance among the grouped factors, the analysis of paired samples t-tests was conducted.

The results in Table 10 indicate statistically significant differences between variables in all cases referring to the main hypothesis and sub-hypotheses. However, the main hypothesis and sub-hypotheses were not completely proven. Ac-

Table 9. Mean values [AM] and standard deviations [SD] for individual competitiveness indicators of demand conditions [DEMANDCON]

	Mean	SD
"Fit" between destination products and tourists preferences	2,4714	0,8434
International awareness of destination products	2,3357	0,9338
Overall destination image	2,2786	0,9526
International awareness of destination	2,2357	0,9566

Source: Data obtained by survey research

ording to Serbian tourism experts, 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 first sub-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 sub-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, meaning that main hypothesis and third sub-hypothesis were not proven. Consequently it can be concluded that Demand conditions are the weakest point 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.

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

		Paired Differences				t	Sig. [2-tailed]
		Mean	Std. Deviation	95% Confidence Interval of the Difference			
				Lower	Upper		
1.	RESOURCES-DESTMNG	0,5889	0,4026	0,5214	0,6564	17,247	0,000
1.1.	INHRES-DESTMNG	0,9608	0,7080	0,8425	1,0791	16,057	0,000
1.2.	CRERES-DESTMNG	0,5530	0,4200	0,4825	0,6234	15,522	0,000
1.3.	SUPRES-DESTMNG	0,2555	0,4374	0,1824	0,3285	6,911	0,000
1.4.	INHRES-CRERES	0,4052	0,7054	0,2869	0,5235	6,773	0,000
1.5.	INHRES-SUPRES	0,7053	0,6885	0,5903	0,8204	12,122	0,000
2.	CONDITIONS-DESTMNG						
2.1.	SITCON-DESTMNG	0,1563	0,3638	0,0955	0,2171	5,083	0,000
2.2.	DEMANDCON-DESTMNG	-0,1445	0,4890	-0,2262	-0,0627	-3,496	0,001

Source: Data obtained by survey research

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 point 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. What could be found interesting is the fact that Slovenian researchers who applied the same Integrated model of destination competitiveness gain almost the same results. The main hypothesis which claims that the destination management is the least competitive was not proven. It turns out in both cases for Slovenia and Serbia that demand condition is concern to be the least competitive. However, while Serbian respondents perceived inherited resources as the most competitive, Slovenian respondents perceived situational conditions as the most competitive elements of their destination. Thus, it is recommended for further research to investigate the possible reasons for the similarities gained in the researches of Slovenia and Serbia.

But in order to upgrade their competitive position both countries must improve their demand conditions which according to the Integrated model, consist of destination image, the existence of awareness of the destination on the international market and „fit“ between destination products and tourism preferences.

Low competitiveness of demand conditions could be a consequence of low government involvement and support to the planned development of the destination, so the marketing effort doesn't

work in the desired direction. The very low rating given to international awareness should alarm tourism stakeholders and stronger promotional activities on the international market are required.

Secondly, 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.

Third, government co-operation in the development of tourism policy is not satisfactory. 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.

Finally, 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.

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