TOURISM IN FUNCTION OF DEVELOPMENT OF THE REPUBLIC OF SERBIA

Tourism product as a factor of competitiveness of the Serbian economy and experiences of other countries

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Abstract

When observing the sustainability of the tourism product, it is necessary to identify all forms of tourism that can be an integral part of tourism offer. The involvement and better positioning of cultural tourism will be emphasized, primarily due to the fact that the cultural and natural resources represent a key segment of the tourism product of the observed destinations in this the case of Kotor. The paper will present EU experiences on this issue, present in details a part of an integrated tourism product that relates to cultural resources, reflection of cultural events in the development of tourist destinations, as well as further measures to incorporate the above type of tourism, identify market niches, the said categories as an indicator of potentials in terms of developing the said markets, as well as branding of destinations on this basis.

Keywords: sustainability, cultural tourism, tourist destination, branding

JEL classification: Z38, Z32

Experience at the level of the European union in the area of sustainable tourism development and the development of cultural tourism

Tourism development of the European Union is based on the number of physical-geographical, cultural and historical attractions, some of which have a certain attractiveness and worldwide reputation. Most of the revenue from EU tourism is realized in France, Spain and Italy, and the reason for this is that they have developed seaside recreational tourism. It is important to note that 1/3 of foreign tourists visit Italy in order to get informed on the country's cultural heritage. Italy and France have in

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recent years carried out changes in their tourism policies, as well as state authorities in order to adapt to the situation in the tourist market in the world and economic development strategies. EU countries are increasingly working to adapt the objectives in the development of tourism.

In EU countries, the trend is that sustainable development is achieved by integrating environmental aspects into all forms of planning and sectoral policies. Striving for the implementation of an integrated approach and the establishment of an integrated strategic planning is present today in all European countries and in countries with developed planning systems (Maksin M., Pucar M., Korać M., Milijić S., 2009:6).

Countries that are not EU members have fewer regulations than countries involved in the European Union, resulting in greater pressure on the environment and contributing to the social irregularities of those countries.

Most countries have, one might say, become the victim of the resources at their disposal because they suffered a lot of pressure and exceeded their own mounting capacities. The World Tourism Organization is supporting a capacity defined as the maximum number of people that may visit a tourist destination at the same time, for it does not cause destruction of the physical, economic, socio-cultural environment and the reduction does not affect the satisfaction of visitors.

Tourism (within the EU) is the most suitable homogenizing factor in achieving the broader goals of economic and social development of the EU in general (Bakić O., 2005: 236).

The overarching challenge for the tourism in the EU is to remain competitive, but certainly in the long run, the very competitiveness depends on sustainability, since the intention of the European Union to affect the sustainability of tourism refers to the policy of economic support to countries that are in development. The central challenge for the EU and its tourism business is: how can we manage growth, which is expected in tourism over the next decade, and take into account the limitations of its resource base and which carries a capacity of recovery of these resources, while at the same time sector is commercially successful through a competitive quality development that takes into account the divergent developments in the various types of tourism and the creation of broader social and economic benefits? (http://epp.eurostat.cec.eu.int)
Sustainability aims to influence further business, encouraging the development of economic, social and environmental benefits, while ensuring sustainability and competitiveness. The key challenges are to ensure the quality of jobs, reducing the use of resources, support the campaign for sustainable tourism in the European Union, promoting sustainable transport and improving accessibility, all of which depend on the tourism sector (Action for More Sustainable European Tourism, Report of the Tourism Sustainability Group: 2007).

When we talk about the field of cultural tourism development, specific to the EU level, ICOMOS -International Council of Monuments and sites of cultural significance as a non-governmental organization of professionals in 1999 defined the International Cultural Tourism Charter, entitled "Management of tourism in places of significance for cultural inheritance. Accordingly, the cultural tourism (domestic and international) is seen as the main driving force of cultural exchange, which offers not only personal experience on the subject of inheritance from the past, but also of modern life. Target command is to attract conservators and those involved in culture to highlight elements of the cultural heritage of importance for both the local population and the tourist consumers, boost the tourism officials and promote and manage tourism in a way that does not damage the heritage and living cultures, and facilitate dialogue between these two categories. (http://www.icomos.org/tourism/)

Then, the goal in this dialogue includes the planners and those who formulate local development, which should develop measurable goals and strategies relating to the presentation and interpretation of cultural goods. Furthermore, the Charter stresses the need for heritage interpretation programs to explain the significance of a particular object / location, traditions or cultural practices both in their historical and contemporary context, and so in the context of life of local communities, including minorities or language groups (Nikočević L., 2008:12-13). Such thinking is built on the UNESCO Declaration on Cultural Diversity, adopted in 2001. Its goal is "to preserve cultural diversity as a living and therefore renewable value that cannot be seen as unchanging heritage but as a process guaranteeing the survival of humanity." Cultural differences and their dominant stereotypes often prevent tourists to truly understand the hosts, and organize a sort of "sentimental education" of future tourists, as mentioned in the Action Plan of the Declaration on Cultural Diversity indeed makes it necessary. This declaration received its elaboration in the Convention on the Protection of discrepancy.
Types of funds to finance cultural tourism at EU level

Structural funds:
- geographical focus
- does not require partners
- based on the local decision-making
- open access to large financial resources
- focus on major works or activity

Transnational funds:
- pan-European focus
- partners from different countries
- decision that is not on the local level
- open access to small or medium-sized funds
- focus on projects (mostly 1-3 years)


In the beginning, it is not possible to find a fund that is dedicated exclusively to cultural tourism and that would be easy to apply and seek funds for your own project. Thus, in the first place, you must become familiar with the culture and tourism sectors, bearing in mind the above two types of funds.

The fundamental fund for financing culture within the European Union's Culture 2000 is in force from 2000, 2006, with the overall budget of 236.5 million euros. This is a transnational fund because it deals with the EU, rather than national projects. National projects are not funded, but national authorities can be involved in the implementation of projects at national or regional level. Funding is provided for cultural cooperation projects in the fields of art (visual arts, literature, heritage, cultural historiography etc.). In addition to Culture 2000, transnational funds are provided also for Media Plus, Leonardo da Vinci, Socrates, Youth, Life III (environment), New Technologies and Research and some other programs such as the program of minority languages and programs that support linking with non-member countries. However, in some Member States the greatest part of funding for culture coming from EU funds often come precisely from the Structural Funds (it is evident that some of these programs do not have the name or, according to orientation, are not related to culture, not to tourism, following certain criteria it is still possible to apply for them with that theme):
1. The European Fund for Guidance and Guarantee agriculture;
2. The European Regional Development Fund;
3. The European Social Fund;

When we talk about programs that are financed from EU structural funds from 2000, 2006, serious space received initiatives related to cultural heritage and tourism. How projects that have explicit cultural and tourist character help create jobs, have a special potential for competing companies and are integrated into regional or local development strategy, such funding is directed precisely on the programs of this nature. Such projects are channeled through the structural funds over the following instruments:
5. On the basis of the so-called Mainstream national program
6. On the basis of the so-called Commission Community Initiative programs
7. On the basis of the so-called innovative measures by the European Regional Development Fund (ERDF) and European Social Fund (ESF), which is administered directly by the European Commission.

Within Mainstream national program funding is channeled through the so-called Operational Programs (OP), which were developed under the support of the community or the so-called unique programming documents negotiated with the Member States on the basis of their national or regional strategy.

Cultural resources as a basis for sustainable development of tourism

Cultural resources of a tourist destination consist of movable and immovable objects as well as objects and objects of historical, archaeological, artistic, aesthetic, ethnological or cultural values (Županović I., 2011:152). Cultural resources are the folklore of a nation as well as its tangible or intangible identity, and form part of the world cultural heritage (Reisenger Y., 2009:70). What cultural resources to be promoted as a tourist destination is primarily a comparative advantage, in the form of its authenticity, because the cultures are different and we can never talk about the cultural competition but only about the tastes of tourists are trying to draw on this basis. At the level of Kotor tourist destinations, the priority should be the cultural and historical heritage and cultural events. The fact that the threat of cultural property in the urban core of Kotor testifies to the necessity of expulsion to the forefront of the
product development and integrated product basing on the mentioned. Observed monuments represent a continuity of the civilization of Greco-Roman to the modern times. There are Greek and Roman antiquities in Kotor, Risan and the Prevlaka, a Illyrian Risan. The administration of the above, Bakić and others describe as tourist products of the future. It is indicated that national and local tourist organizations need to pay attention and focus on (Unković S., Čačić K., Bakić O., Popesku J., 1991: 235-236):
- The abundant inclusion in the offer of museums, galleries and monuments;
- The promotion of old cities;
- Various cultural and historical diversity, specificity and uniqueness (language, traditions, gastronomy, folklore, etc.).
- A variety of cultural and historical monuments (cathedrals, castles, etc.).

The main motive for initiating travel codes of consumers of tourism services is to introduce unfamiliar cultures and traditions (Swarbroke J., Beard C., Leckie S., Pomfret G., 2003: 63). All these may form the basis for the "so-called built attraction" at the site of Kotor. Since the listed tourist destination is abundant with the above-mentioned elements, it is necessary to define the strategy conceptualized basics marketing appeal, and the rarity of these neglected to create a competitive advantage compared to other regions. In accordance with the cultural motivation of tourists travel, typology of cultural tourism could be developed according to the degree of motivation (Županović I., 2011: 87):
- Primary: if tourists are visiting a particular destination exclusively with the sole intention to participate in its cultural life, we talk about the primary motivations.
- Casual: a casual motivation of consumers of travel to a particular destination points from another primary motive, and cultural life has only secondary importance. This customer has no intention of visiting cultural events, but this was not the primary motive.
- Random: accidental motivation called the situation where tourists generally have no intention of getting to know the culture of the place, but during their stay in contact with local people and their culture.

Robert Mc Kercher, talks about the mutual benefits of economic development and tourism development on the basis of cultural and historical heritage. Author emphasizes the sustainable development of tourist regions based on a genuine partnership in these two areas and
integrative approach in theory and practice. How to enable practitioners to cultural and historical heritage tourism to grow into potential? Primarily, the following are necessary (Mc Kercher R., 2002.: 29 - 38):

- to position, or create a brand image built on the opportunity to meet and educate tourists with the culture of a region;
- travel consumers are properly informed about the existing attractiveness;
- to point out the availability of the site in this case and possibly Kotor Bay of Kotor, to create properly the remaining range of tourist attractions.

Cultural tourism respectively, based on incorporating the aforementioned cultural tourism offer can be defined as:

- cultural tourism means the movement of people caused by the cultural attractions outside their usual place of residence with the intention of gathering new information and experiences to satisfy their cultural needs;
- cultural tourism is a genre of special interest tourism which is based on looking to participate in new and significant cultural experiences, whether aesthetic, intellectual, emotional or psychological;
- cultural tourism is a form of tourism whose purpose is, among other things, the discovery of monuments and sites. Therefore, it has positive effects on the same extent that contributes to their maintenance and preservation. This form of tourism justifies in fact the efforts that the said maintenance and preservation require human community because of the socio-cultural and economic benefits that they bring to the population. (ICOMOS's Charter on Cultural Tourism, 1976).

In the context of competitiveness, cultural tourism is one of the largest and fastest growing tourist markets. Culture and creative industries are increasingly used for promotion of their destinations and increasing the competitiveness and attractiveness. Many destinations are actively developing opus tangible and intangible cultural assets as a means of developing competitive advantage in an increasingly competitive tourism market, or to create an authentic, no image in the global tourism market. The importance of insightful and inclusive cultural policy that acknowledges such legitimisation of difference is crucial in spaces of contested identity and multiple heritage(s) (Robinson M.,Smith M., 2005:48). It should be noted that the development of this type of tourism
at the level of tourist destinations Kotor was founded on the basis of the Strategic Development Plan of the Municipality of Kotor 2013-2017, and as part of this document:
- strategic priority 2: improving economic activity,
- action 3: Development of excursion, marine, event and sports tourism and
- Segment 2.3.3: Creating a new concept of cultural facilities and programs for tourism purposes.

Table 2: *Natural and cultural-historical region of Kotor*

![Map of Natural and Cultural-Historical Region of Kotor](image1)

Source: *Ministarstvo kulture Vlade Crne Gore, Menadžment plan prirodnog i kulturno-istorijskog područja Kotora, Cetinje, 2011., strana 51.*

Table 3: *Natural and cultural-historical region of Kotor-distribution of settlements*

![Map of Settlement Distribution](image2)

Source: *Ministarstvo kulture Vlade Crne Gore, Menadžment plan prirodnog i kulturno-istorijskog područja Kotora, Cetinje, 2011., strana 65.*
The Convention on the Protection of Cultural and Natural Heritage of 1974, which was ratified by Yugoslavia, specifies the procedure, methodology, criteria and verification, for the detection of world importance of cultural and natural heritage which is confirmed by registration on the UNESCO World Cultural and Natural Heritage (Pasinović M., 2001: 48-50). The International Committee for entry into the world and cultural heritage of UNESCO, at its session in Cairo and Luxor from 22 to 26 October 1979, accepted the proposal of the Bureau for registration of Kotor and its cultural and natural assets in the world natural and cultural heritage. The main reasons why the Kotor was added to the world cultural heritage of UNESCO include:

a) the fact that this area was exposed to catastrophic earthquakes in the past and there is also a danger of the future natural disasters that would irreversibly damage a large fund of cultural and historical heritage, it is crucial to have influenced the making of that decision; 
b) dilapidation of monuments by time, has necessitated a complete repair, restoration, reconstruction and conservation. By the acceptance of Kotor as a monument of World Heritage the real material and financial conditions of these works to be carried out were acquired.

Scheyvens indicates a complete set of benefits arising from the formation of protected destinations (areas that are indigenous, unique, rare and universal whole, that because of these reasons require material and financial protection, regular repair, restoration, etc.) (Scheyvnes R., 1998: 90):

1. Global benefits:
   - The global benefits lead to a healthier planet for all;
   - Biological diversity stimulates understanding of the benefits of natural resources.

2. Use at the national level:
   - Financial salaries for management of parks and reserves;
   - regarding the arrival of foreign consumers with "deeper pockets";
   - The thing constructive benefiting from land that is not provided for agriculture;
   - Keeps to a positive image of the country.

3. Use at the local level:
   - stimulates local entrepreneurship such as utility systems, travel agencies, handicrafts;
   - Generates employment in tourism, associative services and resource management;
- improves local infrastructure including roads and telecommunications;
- stimulates the economy;
- keeps towards diversification in the local economy, finding alternative options, such as in agriculture.

Based on the analysis of the benefits of having a protected place that Scheyvens presents, but also from the analyzis of the criteria required by UNESCO when entering the world and cultural heritage, we can conclude that a protected place, exploiting their specificities, enables financial and other benefits from the local population to the national economy. Also, the title of "protected destinations" enables the creation of material and financial preconditions for the renewal and modernization of those cultural and historic buildings.

**Reflections of cultural events of the development of tourist destinations for further measures proposed in corporation into the tourist offer of Kotor**

When we talk about the reflections of cultural events in the development of tourism the following advantages should be emphasized:
- Cultural events and music festivals are well in time and space, especially the carnivals that begin in the spring and thus stimulate the preseason, with a wealth of cultural events during the summer that enrich tourist offer, and various celebrations during the autumn.
- The characteristic of cultural events are well-designed and with quality programs.
- The festivals have become a kind of brand;
- Cultural and entertainment events are relatively well attended, where most of the major market locally and regionally, and with respect to existing programs and infrastructure, there is a tendency to increase the number of visitors.
- Business is relatively better oriented to the museums and galleries, which is partly a reflection of the way of financing, with the more recent festivals becoming more successful in finding sponsors, so they are less dependent on budgetary resources.
- Cultural events and festivals are the second most popular form of cultural activities of domestic tourists during the one-day trip.
- Availability of cultural events and manifestations.
There are also certain negative reflections, and issues affecting the tourism potential of cultural events and systemic involvement in cultural offer destinations:

- Lack of supporting facilities and services that achieves visitors consumption.
- Focus on the program of events whereby neglecting other facilities.
- Lack of continuous training of the organizers of those events.
- The lack of involvement in the packages.
- A focus on local and regional markets.
- Unstable funding, which leads to a condition that a program of cultural events is known shortly before the events beginning.
- Due to the lack of general orientation on the development of cultural tourism and its transformation into a cultural tourism product, individual marketing and promotional activities remain poorly supported.

Integration of cultural events in the integrated tourist product destination is very difficult to achieve without a good organization at both local and regional, and national level, which would give guidelines for the development of cultural tourism product and encouraged the said development through technical and financial support. The OECD case studies indicate that regional cultural tourism products are usually developed to create a focus for collaboration between the tourism and cultural sectors, to improve the image of the region or to spread tourists across the region. The main strategies that have been utilised for these ends are the creation of cultural routes, creation of themed products and cultural events (OECD, 2009:54-55).

**Measures and priorities in the field of cultural development of the integrated product of Kotor**

The measures or priorities that would contribute to the development of an integrated cultural tourism product should be (www.croatia.hr/strategija razvoja kulturnog turizma):

- To create a positive environment which initiates the development of cultural tourism products;
- To establish a system of organization and mechanisms of intersectional cooperation;
- To raise the level of knowledge and skills necessary for the development of quality tourism products;
- To raise the level of interpretation, equipment and quality cultural tourism products;
- To improve the system of information flow, promotion and distribution of cultural tourism products.

However, with the involvement of cultural content in the tourist offer where the total should be cautious in terms of maximum possible negative connotations, Vrtiprah defines the following (Vrtiprah V., 2006: 290):
- Using culture in the promotion of tourist destinations needs to be careful, especially in the context of growing global interest in typical national and regional culture in many areas (which can be a reaction to the increasing globalization of product markets).
- The commercialization of cultural life in an area can lead to disempowerment and alienation of people, who have a depth and a greater right to produce and express their culture, but visitors and tourism marketers that serve their needs. This problem is especially evident in small historic towns with narrow streets and compact old buildings, surrounded by walls (such as Kotor).

In terms of market focus, Kotor tourist destination in terms of cultural tourism development should be on (identified at the level of Kvarner tourist destination, due to the compatibility of tourism products can absolutely be transposed to a tourist destination Kotor) (Turistička zajednica Kvarnera i Institut za turizam, 2009:5-6):

a. Factors in the area of provision of services:

- Offer interactive content: The objective is the design of such products, (example: tours, sightseeing, events, gastronomy) to the visitors “drawn into the story”, and that will allow guests not only to “watch”, but also “the participating”. In a sense there is an urgent need to revitalize the city walls of Kotor. Arranging this unique fortification system with walls 4.5 km long, which completely surround the city, should be that capital investment at local and national level. As in the neighboring Dubrovnik, in 2010 with sold 760,000 tickets priced at 70 kunas (approx. 9.3 million) (Horwath HTL., 2011:111), which implies that the realization of a more serious level of income, such as that, created space for the reinvestment of these funds in other tourist development projects. Afterwards revitalization of the St. Ivan Fortress, as well as the rehabilitation and revitalization of the structures within it, the
construction of hospitality and tourism and communication infrastructure, as well as wider zone cavers as a potential cultural center, as well as rural tourism.

- Offer educational content: It is the educational elements that can vary from information (billboards, printed flyers) to “do it yourself” activities (for example: courses, tastings). Binding of the local heritage contributes to the feeling of authenticity which is an advantage.

- Meeting multiple needs: Developing cultural tourism products to meet different customer motives, for example education, but also entertainment. In this regard, serious market niche should be the hosts in the domain of cruise industry (cca.314,961 passengers annually in 2013, which is 29% more than in 2012).

- Availability of information: covering interpretation facilities (plates, panels), through the code in museums to creative guides accompanying tours, trips or tours. Possible availability of the various media (print, electronic).

- Innovation: Continuing to innovate ways of presentation, originality, an interesting view or interpretation of the theme. It is expected, for example, that a given event every year gets better (bigger, more exciting, with famous guests) than in the previous period. This primarily refers to cultural events, which must be subjected to the process of branding in order to profile Kotor as a manifestation of cultural tourism destinations.

- Offer an integrated package: attractions to visit, but also transport, accommodation, food, management, scheduling of content and other organizational aspects shall function as a package. In this area special emphasis is on the further development of a model urban tourist cards in the function of the involvement of cultural tourism. Copenhagen card allows free admission to over 60 museums and other sights of Copenhagen, and free public transport by bus and rail, with a discount for entry into other museums. Special focus should be on engaging visit the Roman mosaics in Risan, primarily due to the fact that this is the site outside the inner core of the city, where activities in the field of cultural tourism are mainly performed. It should be reminded that as a part of the cultural heritage of the municipality, "Roman mosaics" are interesting in a number of tourists, in 2013 were visited by approximately 19.5 thousand tourists.
Adequate promotion of integrated cultural products, primarily by using ICT technology, to illustrate: National Tourist Office of Spain offer of cultural tourism products stand out in the following manner (Institut za turizam, 2009:93-94):

- in the main menu on the front page under the heading 'What to do' there is a shared menu where you can select 'events and festivals' and 'arts and culture';
- under the heading 'events and festivals' highlighted are the city / destination that celebrates;
- anniversary (Tarragona city which is protected by UNESCO);
- in the same section there is possibility to search for events with a selection of places, activities, themes and sub-themes of this date;
- the board's “art and culture” menu is divided into: museums, monuments, monumental cities, cities under the world protection, parks and gardens. For each topic there is offered the ability to search by name or location (except for the cities under the protection where it offers List) and the possibility of a location on the map.

b. Factors in the area of market segmentation and targeting emitting groups:

Sociological analysis of cultural participation has identified a number of key variables which can to a large extent explain differences in cultural consumption between individuals. The basic variables identified include education, income, occupation and age (Richards G., 2005:39). As per TOMAS research (Marušić Z., Tomljanović R., 2008:12-29), a key source markets in terms of age are:

- ‘CULTURAL’:
- MATURE AGE:
- YOUNG COUPLE (25-35):
- THIRD AGE (65+)

Education structure of consumers in the field of cultural tourism is following:

- Primary school = 1.8%
- High school = 34.8%
- College = 24.4%
- Faculty and master level = 38.1%

Conclusion

The development of an integrated cultural product should go in several directions on the basis of interconnection and marketing activities in the construction/infrastructure revitalization. So, this primarily refers to the revitalization of fortification facilities, adequate promotion of the same, and ultimately revenue aspects. In parallel, with those working on the branding of cultural and entertainment events, with the aim of positioning Kotor as a place of high-quality cultural and event tourism. Then, take advantage of maximum quantum of guests from cruise industry and create an integrated tourism product, which would include all the elements of cultural tourism and entertainment events.

In all of the aforementioned segments the key age groups are accounted for, which should be directed towards the integrated tourist offer. This high in the field of cultural tourism to promote maximum by ICT technologies, either through a specific module on the portal of the local tourist organization, or through the presence on sites of global importance in the field of marketing activities associated with cultural tourism.

In the area of financing projects in the range of cultural tourism at the level of Kotor, it is important to consider the cluster market approach to neighboring countries, EU member states, in order to facilitate their access to structural funds and transnational.

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