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**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



**THEMATIC
PROCEEDINGS**

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**UNIVERSITY OF KRAGUJEVAC
FACULTY OF HOTEL MANAGEMENT
AND TOURISM IN VRNJAČKA BANJA**



TOURIST VISITS TO SPAS OF SERBIA - GUIDELINES FOR IMPROVING THE OPPORTUNITIES FOR DEVELOPMENT OF TOURISM PRODUCTS

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Abstract

Tourism is the most adequate human activity to create economic property out of attractive natural and cultural resources by applying the sustainable development principles. The spas in Serbia and their environment testify to the deep and turbulent history of civilization and the rich cultural and historical heritage. Serbia has a great potential for tourism development. This research is directed towards the development and tasks to be performed in respect of spa tourism of the Republic of Serbia. The paper presents an overview of visitors to the spas of Serbia. The aim of this paper is to identify the development prospects of spa tourism and through analysis of the number of visits systematize the main spa destinations and perceive the possibilities of tourism product development. The active participation of tourists in the tourist traffic is the main factor of implementation of the tourism product.

Keywords: *tourism, spas of Serbia, number of visits, overnight stays, development, tourism product*

JEL classification: *Z31*

Introduction

Modern tourism had its beginnings in the 19th century, and is associated with organized visits to spa, health resorts. Complex geological reliefs in Serbia, deep fissures of the earth's crust and shallow and deep aquifers are the basis of the spas of Serbia. Particular spas and climatic health resortshave been known since the ancient Roman time (Vrnjačka,

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Gamzigradska, Slankamenačka, Brestovačka, Vranjska, etc.). Later, they were used by the Turks as well, however, due to the lack of doctors, treatments provided in them were unprofessional, and the very spas were not organized by plans. Building-up spa resorts primarily requires mineral water examinations to complete their categorization by types of diseases to be treated. The first analysis was performed in Vienna in 1834, the second was conducted by Baron Herder in Belgrade in 1835, and after that the analysis was done by Serbian experts in 1863. Along with chemical analyses, other activities were undertaken, such as refurbishing the accommodation capacities, organizing medical control with the engagement of physicians, opening new springs and adopting administrative regulations in order to introduce rules and order in spas. Thus, on the 30 May, 1888 the regulation "Rules of keeping order in the mineral waters" was adopted, and at the beginning of the 20th century, the Law on Spas, Mineral and Warm Waters was also adopted (Bukovička, Brestovačka, Jošanička, Vranjska, Ribarska, Soko Banja and Mataruska spas were the first spas with a large number of visitors). The contemporary trends of tourism development indicate that tourism of the 21st century, i.e. of the modern age, is an essential activity and need of a modern man (Vučković & Trmčić, 2011). The basic role of tourism is the fact that this industry has managed to coordinate man's essential functions, such as: relief of boredom and stress, relaxation, recreation, versatile development of personality in cultural and psychophysical terms. Today, tourism is an economic, social, political, technological and cultural phenomenon. We can quite reasonably say that tourism is a cultural need, which is created and cherished from birth to the old age (Čerović, 2003). Tourism is the most appropriate human activity that may create a public property out of attractive natural and cultural goods without their degradation by application of the sustainable development principles.

The aim of this paper is to identify development prospects of spa tourism, and through analyses of visits to tourist destinations, observed in this study, systematize the main spa destinations and study the possibilities of tourist product development. Our initial hypothesis is that spa tourism can be one of the most important guidelines for economic development of the spas based on the following hypothetical statements: the favorable geographic position of the spas is an important factor of development of cultural functions of the spas in Serbia; accommodation of all categories is provided; the standardized quality of tourist offers is of great importance; spa places have significant cultural resources; there is a wide range of cultural events organized; development of spa tourism in cultural and

economic aspects strengthens its sustainability by creating tourism product. Tourist organizations in spas are of great importance for further development of spa tourism, as well as spa tourism products are, in terms of achieving competitiveness in relation to other destinations.

Research methods

The paper uses the following methods:

- The method of content analysis and literature review in the print and electronic form;
- The deductive method, which will be the subject of the research to explain the variables;
- The inductive method, which will provide a comprehensive overview of the research subject;
- SWOT analysis.

Perspectives and possibilities of development of spa tourism - development guidelines

Natural properties of thermal mineral water and range of accommodation capacities have not had a crucial influence on size of the tourist traffic to individual spas in Serbia, but their geographical location and distance from urban areas have. According to the size of traffic in spas in Serbia, they can be divided in several groups. The first group consists of the most visited spas: Vrnjacka Banja and Sokobanja. Vrnjacka Banja is the most advanced Serbian spa with a share of about 20% of total overnight stays in spas, which is far ahead of all other spas in Serbia. The best results in Vrnjacka Banja, like in other major tourist centers in Serbia, were achieved during the 1980s. Later tourist results, during the "crisis of the 1990s", were much more modest. However, Vrnjacka Banja has always dominated over other spas in the country. It is the most developed Serbian spa, with the longest tradition, lying at the foot of breathtaking mountain Goc and showing the most homogenous traffic distribution by months of the year, which indicates very favorable prospects for its future development, thus deserving a special place in tourism growth in Serbia. Right behind Vrnjacka Banja, the largest traffic is realized in Sokobanja (18% of the overall overnight spa stays in Serbia in 2005), with a solid base of accommodation and medical facilities and long tradition and which, together with mountain Ozren, at the foot of which it is situated, creates a unique tourist and functional whole. The second group includes spas with more than 100,000 overnight stays per year each - Niska Banja,

Banja Koviljaca, Bukovicka Banja and Mataruska Banja, which belong to a group of the most developed spas in the country (Vićentijević, 2015). They are characterized by a relatively developed healing function, solid material base and a favorable geographical position (vicinity to lines of communication, urban areas and other motives). The third group includes spas with over 50,000 overnight stays, such as: Gornja Trepca, Gamzigradska, Sijarinska and Prolom Banja. Other spas to be mentioned are Vranjska (excellent position, the most famous hypertherma in our country, with water temperatures higher than 90°C) Bogutovacka, Kursumlijska (near Kopaonik) and Ribarska Banja, which has accomplished a significant growth over the past few years, using the advantages of its location, as being situated on the slopes of Jastrebac, near Krusevac, and which has also developed a medical treatment function and improved the material base. All other spas do not keep pace with the above mentioned and cannot be expected to achieve significant results in the short and medium term (Jovičić, 2009). Spa tourism treats culture as the appropriate basis, presenting it through tourist brochures without designed and organized tourist and cultural products. The relation of cultural heritage within the spa tourism provides conditions for better promotion and preservation. Of all the analyzed spa tourist destinations in this paper, Vrnjacka Banja is the most visited spa in Serbia.

Cultural aspects of spa tourism in the function of tourist product development

Culture and development of an area can be viewed as a process and as a product. Culture as the process would be linked with the community as anthropological and social entity with its system of values and customs. The fact is that culture can be attractive to tourists as an entity of a local social community, the above mentioned spas, as well as regions, even of the whole country, broadly speaking. In the process tourists always require specific feature, authenticity and character. Culture as a product is associated with individual culture and its ability to create. Thus we get to know individual works of art expressed through the entire artistic creation (architecture, painting, sculpture, literature, music, film, etc.). Therefore, cultural offer of a region involves a complex whole of the culture of groups and individuals, connected into one system of values (Djukić-Dojčinović, 2005). Cultural spa tourism is defined by several different aspects. From an economic point of view, it also implies presence of cultural products on the tourist market with artistic values that bring profit and, above all, general benefit; from tourism aspect, it is defined as the

movement of individuals motivated by cultural needs and refers to places that are not touristically developed and culturally affirmed enough (Jelinčić, 2008). Tourists should spend at least one day in such a place actively exploring the potential and realizing consumption, which is a precondition of cultural spa tourism; from the cultural point of view, it is all the hidden cultural potential that a city or a region possesses bringing cultural and artistic experience to local audiences and visitors; from the educational point of view, this is a tourist trip out of desire to explore, discover and learn about national and local cultural values of the region visited, as well as needs for the purpose of treatments offered in spas. Within tourist and cultural offer, there are increasingly organized schools, courses and other educational contents, functioning at the same time as marketing guidelines.

Resources of spa tourism

Resources represent tangible and intangible values of a social community that can be used to implement different types of programs and production. Cultural resources are defined as the collective evidence of past activities and achievements of people. Buildings, facilities, locations, functions and structures with scientific, historical and cultural significance are examples of cultural resources. In order to develop spa tourism in a particular area, the quality and potential of the existing resources must be assessed. This assessment contributes to perceiving the current and potential tourism development in particular areas. In addition, management mechanisms should be established to ensure wise and rational utilization and protection of the existing resources (Živković, 2012). Cultural resources can be: archaeological sites, architecture (ruins, famous buildings, entire cities), museums, art, sculpture, crafts, galleries, festivals, various events, music and dance (classical, folk and modern), drama, theater and film, language and literature, religious feasts, pilgrimages, the entire folk culture and subculture. According to the second type of classification they are based on the analysis of the actual and potential tourism development in given areas.

Tourism product in terms of spa tourism- In order to explain what tourism product exactly means, as viewed from the aspect of spa tourism, general definitions of the tourism market should be considered. The most widely accepted definition that puts together specificities of trade in tourism is that the tourism market is a place where tourist demand and supply meet, and that this is a set of relations and the emergence of supply

and demand in the area of services and goods, which are used for providing tourist services in a particular area, and they occur under the influence of tourism trends. The subject of exchange on the tourist market thus defined is a tourist service, i.e. the tourism product. Basic characteristics of tourism products (services) are intangibility (there is no possibility of seeing, tasting or touching the service before buying), indivisibility (the moment of providing service cannot be separated from the time of using it), volatility (conditioned by the mobility of tourism demand), impossibility of storage (the services by their nature cannot be stored). The fact is that tourism is an activity which combines a number of other activities that can affect forming tourist offer by their products and services. Some of the activities have the character of services (transport, catering, commerce, tourist agency), although there are activities that have a clear commodity character (e.g. craftsmanship). It means that the product is a result of a synthesis of all these activities, and unified with tourism, it has an integral character, i.e. it is an integral part of manufacturers on the side of the tourist offer (Cook, & Marquardt, 2005). Cultural resources of spa tourism become tourism resources by a planned design, and they become cultural products through the processes of presentation and interpretation. No city, landmark or event is tourism resource in itself. They become tourism resources only when the tourism system marks, establishes and elevates them to the status of cultural attraction. Transformation of cultural heritage in the product initiates a cumulative process, due to the increasing number of tourists, a growing number of travel agencies oriented to the same product and its constant presentations in brochures of tour operators appearing on the tourism market. The tourist product in cultural spa tourism is very complex because of a number of attractions that are of interest to cultured tourists. Options for creation of a product (service) to be traded in the cultural spa tourism are diverse, which can be concluded by the quantity of cultural goods potentially interesting to tourists, such as the spa Vrnjačka Banja. Under the current conditions cultural resources must be offered on the market as a cultural 'product'. The cultural product is becoming increasingly important; customers are tourists and must be treated as such. Middleton and Clark highlight the complexity of the cultural 'product' and state that the main components of such products are: quality of promotional materials and information on web pages that affect the expectations tourists may have concerning their first visit to a particular attraction, then the first visual impressions, access to attraction, physical appearance, ambience, attractive entrance to the attraction, hospitality of staff, management, presentation and interpretation of cultural resources,

audiovisual materials and any additional events and activities, exhibitions, presentations and interpretations of secondary attractions, etc. Urban places offer a range of tours of historical sites, museums, buildings with interesting architectural style, monuments, theater performances, night clubs and major sporting events, etc. In practice, it is possible that a tourist destination with less quality resources achieves better results in the tourism market (Popesku, 2009). Such a situation may arise from a destination compensating for the lack of natural, cultural and historical resources with knowledge - the human factor, capital or the level of development of infrastructure and superstructure.

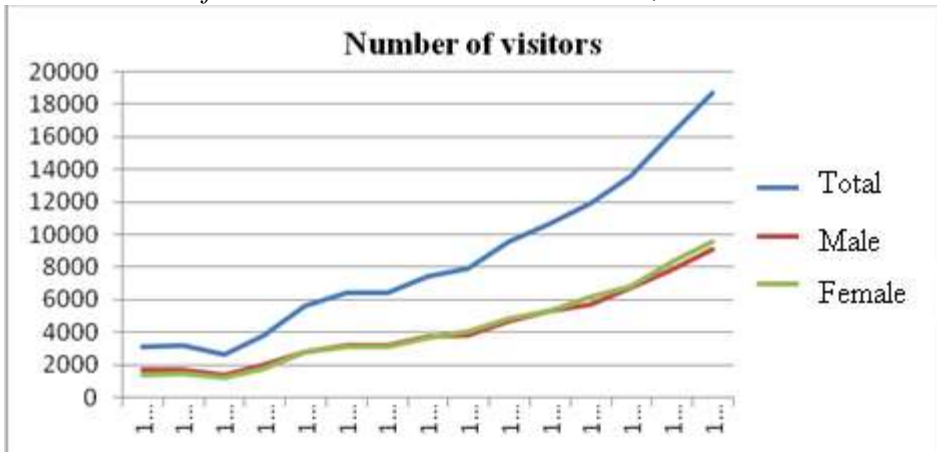
From all the above stated, it can be concluded that a tourist product is a coherence of products and services of various economic activities which participate together in creation of a specific experience a tourist, as a participant in cultural tourism developments, takes home in form of memories. In order to make the experience as complete as possible, these forms of tourist movement involve to a great extent active participation of tourists in the implementation of the tourism product. History, culture, architecture are frequently one of the main motives for the arrival in a tourist destination. A need for new experiences motivates tourists to visit cultural heritage and cultural sights, especially in spas in Serbia.

Inclusion in tourist flows is the reason not only for visits to famous cultural sights, but also to new attractions and events. To achieve a successful placement of a certain destination on the tourism market of spas in Serbia, it is necessary to discover motives for arrival in the destination and motives for visits to cultural sights, as well as to obtain the information on tourists' satisfaction with the offered cultural 'product'. It is important to learn about the interaction between cultural resources, such as monuments, events and the like, on the one hand, and the expected experiences of tourists on the other hand. Even a passive vacation requires certain comfort, goods or services and a certain degree of experience (Djukić-Dojčinović, 2005). Cultural 'product' should be formed as attraction 'product' offered to tourists who want to become more familiar with the past and present heritage of a destination. Very important is a way of interpretation of a place, history, people, art, etc., it is what can create a memorable experience.

Characteristics of tourist demand of the spas of Serbia

The following charts show the original data on visiting tourist destinations of the spas in Serbia and their evolutionary flow of tourist visits from the First World War to 2016, as a guideline for consideration of stability, sustainability and development prospects of the tourist product.

Chart 1: *Visits of tourists until the First World War, 1894-1908*



An overview of the number of visitors during the period from 1894 to 1908 is given, which includes summer period (5 months are included—May, June, July, August and September for each year and in some spas there is a number of visitors beyond this period, but it is relatively insignificant). For some years of the period there is no explanation of the lack of data on individual months for some spas, while according to the number of visitors in terms of gender, it can be concluded that there was a relatively equal participation of both genders in the total number of visitors in the researched period.

Chart 2: *Tourist visits before the Second World War – arrivals, stays 1929-1939*

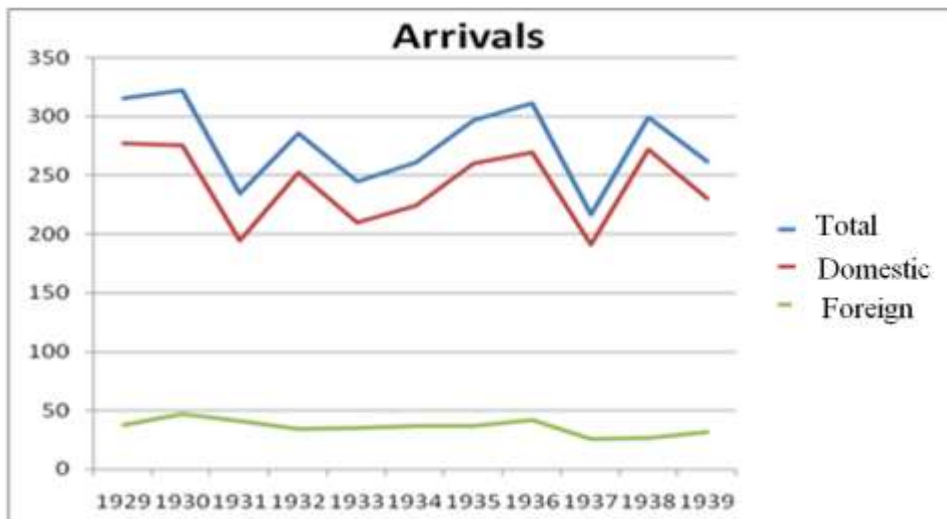
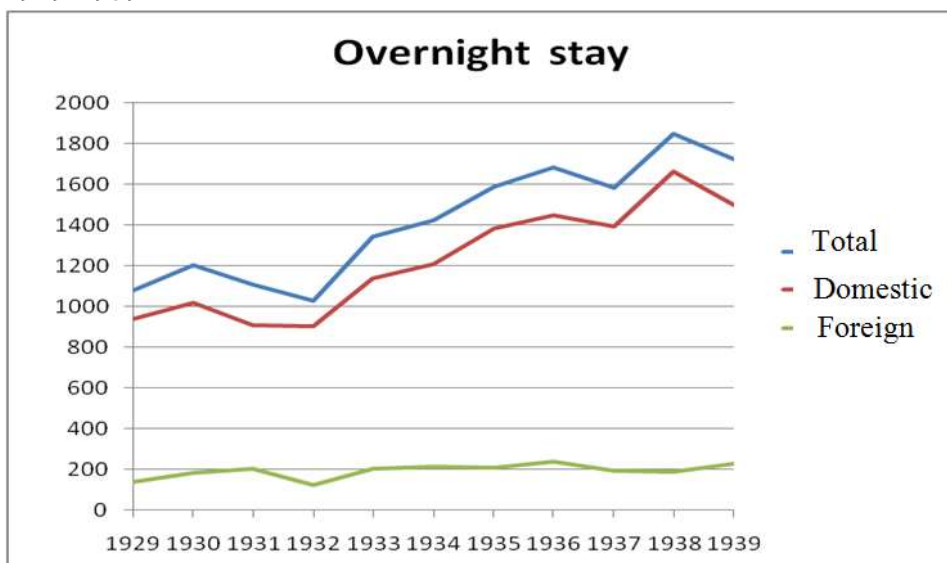


Chart 3: *Tourist visits before the Second World War – overnight stays, 1929-1939*



Data on tourist visits in the period from 1929 to 1940 was analyzed on the basis of the complete data on the Danube and Morava banovina (administrative unit), the city of Belgrade, as well as data on certain tourist places within the Drina and Vardar banovina. They do not represent the current territory of Serbia, but they include its greater part.

The number of overnight stays was estimated according to the available data on the total overnight stays at the level of banovina for the available years and according to the number of arrivals of domestic and foreign tourists calculated as a multiple of the average number of arrivals and overnight stays.

Chart 4: *Tourist visits in spas after the Second World War*

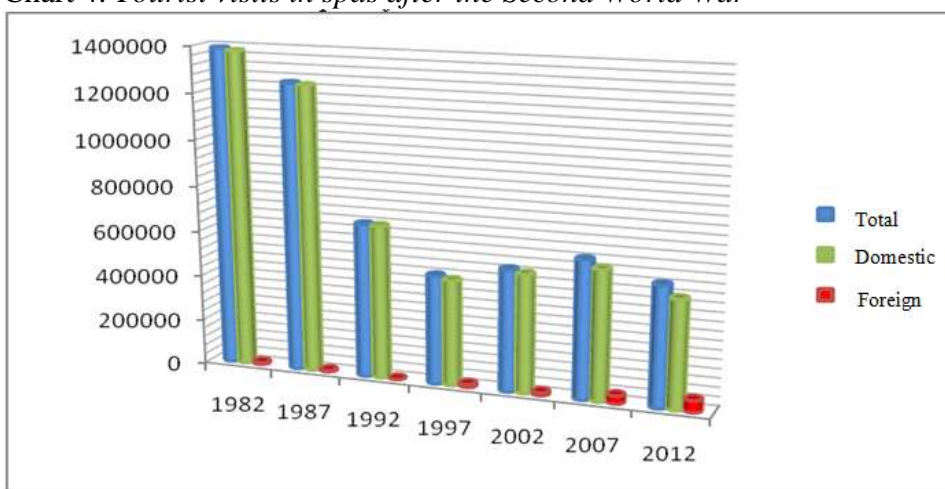


Chart 5: *Tourist visits in spas of Serbia after the Second World War (%)*

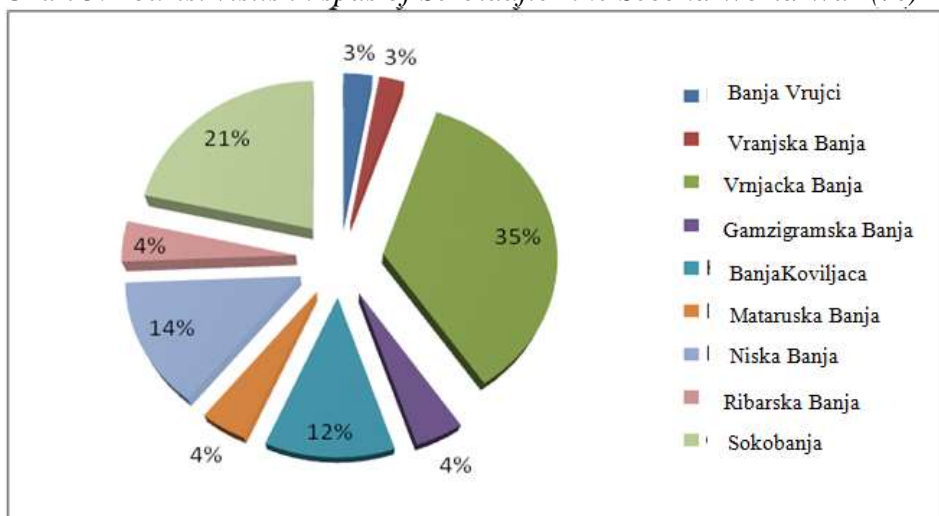


Chart 6: *Different choices of tourist accommodation in spas in 2012*

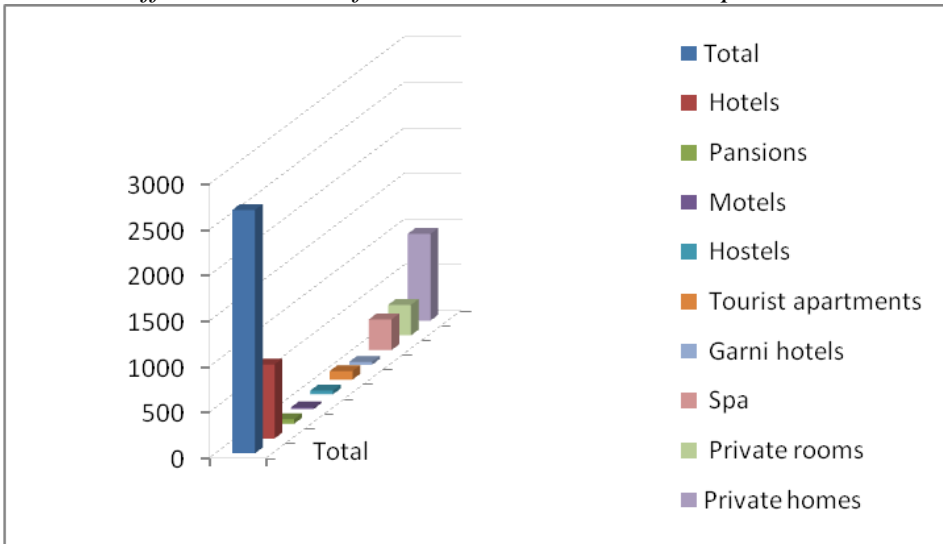


Chart 7: *Different preferences of tourist accommodation in spas in 2012(%)*

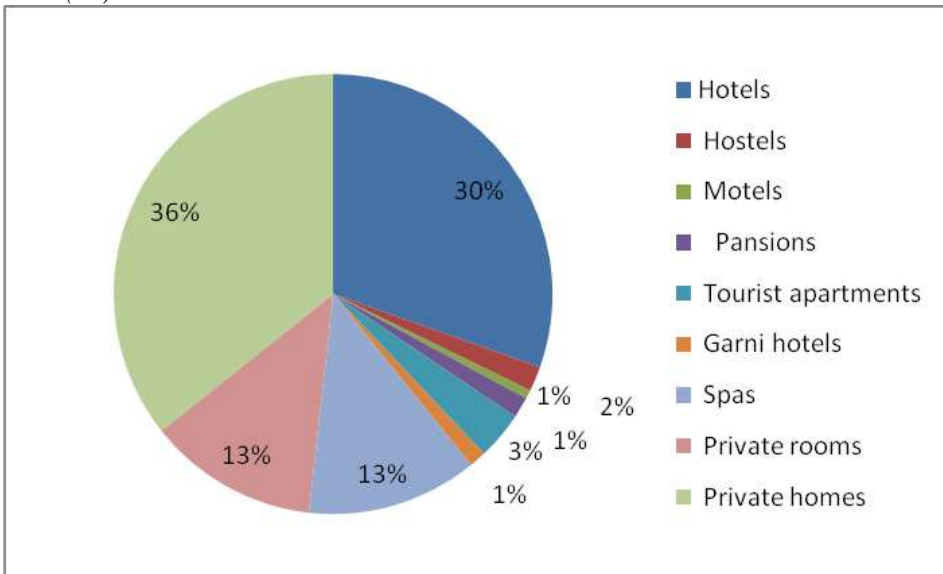


Chart 8: Arrivals and overnight stays of domestic and foreign tourists in 2014

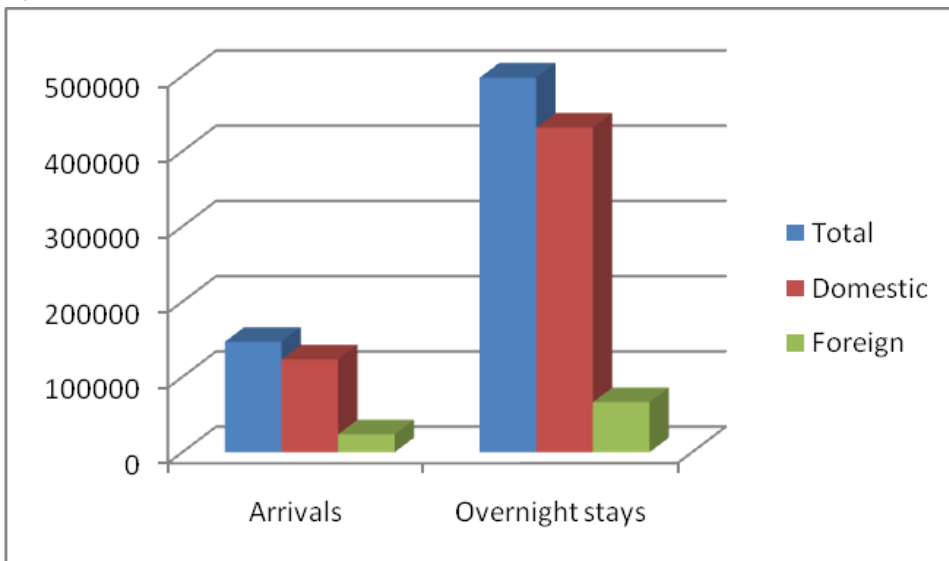


Chart 9: Total arrivals of domestic and foreign tourists in percentage in 2014 (%)

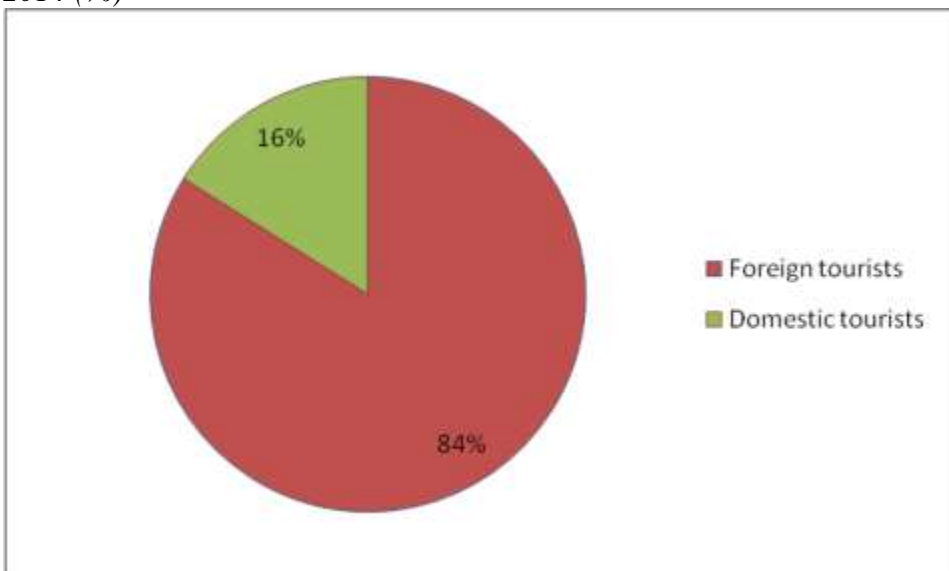


Chart 10: Arrivals and overnight stays of domestic and foreign tourists in 2015

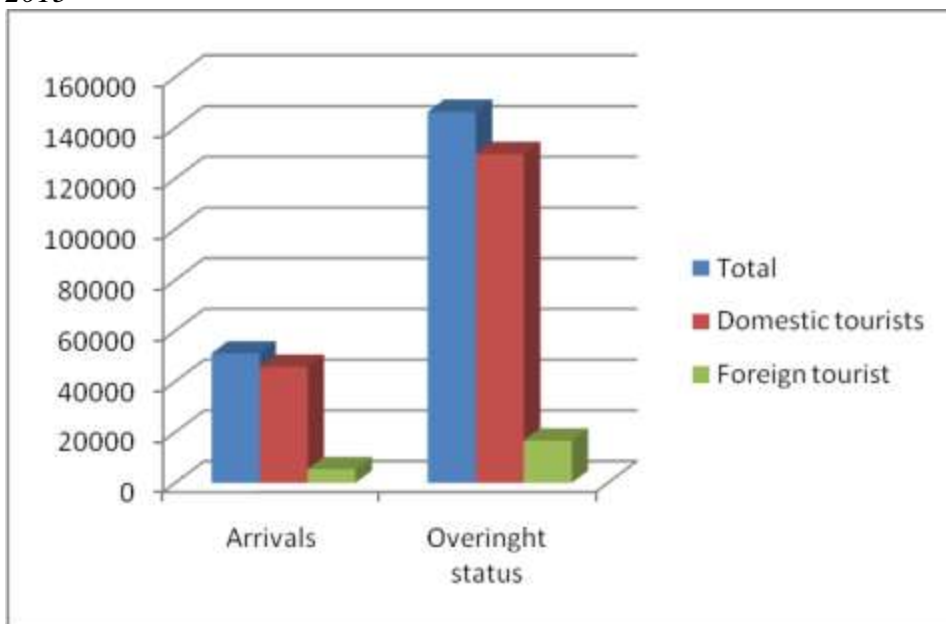
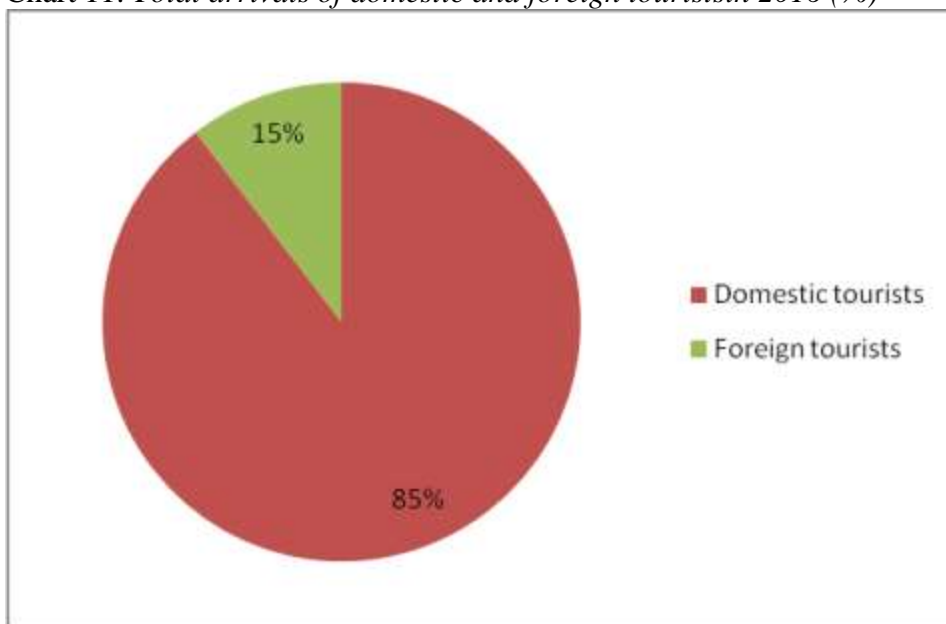


Chart 11: Total arrivals of domestic and foreign tourists in 2016 (%)



From chronological point of view, as shown in the graphs in this paper, visits to spas in Serbia have their own evolutionary flow. The greatest

number of tourists comes to the spas in spring (May and June) and in autumn (from September to December), with certain fluctuations. We assume that the motives are different, which is reasonable considering business activities and other obligations (institutions, conventions, conferences, seminars, meetings and trade shows). Tourist demand in July and August is low due to the lack of high-quality products for holidays and package tours. Spas are among the leading tourist destinations in Serbia with a share of over 45% in the total number of visitors and of about 30% in the total number of overnight stays. Tourist travel in the area of spas had a positive dynamics in the period 2000 -2007 in all observed years, with the exception of 2006, when there was a decline in the number of overnight stays compared to the previous year, and also in 2003, when negative indicators in the trend of the number of tourists and overnight stays appeared. Basic indicators of the tourist travel structures suggest participation of foreign tourists: in the total number of visitors in 2012 the number of foreign tourists is significantly greater than the number of domestic. The same phenomenon occurred in 2010 and 2011, while in 2015 there was an opposite trend of considerable number of domestic tourists (85%) compared to foreign tourists (15%). As for the period January-May in 2016, we can conclude the following according to the data shown in the chart:

- There are no characteristic season variations in demand typical of the tourist spa destinations (summer or winter season), and the lowest volume of the total number of overnight stays occurs during winter months;
- Spring and autumn period observed together have a greater share in the total number of overnight stays, while as far as foreign tourists are concerned, this ratio is even more favorable in comparison with the scope of overnight stays in winter and summer months;
- The largest volume of overnight stays in 2012 was achieved in May, while in 2014, it was in September; these and similar fluctuations indicate that the so-called event tourism, the tourist product, plays a significant part in directing tourism demand oriented to the spas of the Republic of Serbia as tourist destinations.

SWOT analysis of spa tourism of the Republic of Serbia

ADVANTAGES	WEAKNESSES
<ul style="list-style-type: none"> - Constant increase in overall economic activity in the spas of Serbia; - Adequate level of development of network and wholesale supply activities; - New trends in the distribution of network and the presence of almost all relevant brands in the domain of wholesale offer of vehicles and spare parts; - Good basis for further development of market activities and entering some form of PPP cooperation; - Performances in the production of water and waste material disposal; - Adequate level of development of the financial sector, with the presence of almost all forms of banking services. 	<ul style="list-style-type: none"> - A small percentage of participation of broader and narrower tourism industry in the 'making' of social product; - Inadequate level of development of the commercial network, particularly in the retail trade, as well as a higher degree of concentration in the field of daily shopping; - Low quality organization of communal activities and potential problems with the lack of facilities for waste materials recycling; - Relatively low level of investment in public utilities from the budget of the local community and tying of co-financing and special investment in these activities only from the central source
CHANCES	THREATS
<ul style="list-style-type: none"> - Further convergence of spas to the European integrations and infrastructure binding for Russian raw material supply; - Increase of investments by foreign investors in the trade and in particular in the communal area of the economy of the spas of Serbia (concessions to foreign companies for managing communal issues, production and distribution of water, public parking services, etc.). - Greater infrastructure investment from the state budget. 	<ul style="list-style-type: none"> - Slowdown of economic and political integrations of the Republic Serbia; - Closure of the Republic of Serbia, spa places for faster entry of foreign investors, particularly in the public utilities. ➤Prevention of the development of competition in the trade sector and further concentration of market share in the hands of a small number of chains; - Not investing in construction of wholesale markets, as well as commercial and communal

	institution that is missing in the channels of distribution of perishable products; - Slowdown of the development of utilities.
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SWOT analysis of the spa tourism of the Republic of Serbia from the cultural aspect

SWOT analysis of the spa cultural tourism should facilitate drawing conclusions, based on which actual measures are directed to further development of cultural tourism of the spas. Naturally, the increase of the opportunities for the development of tourism on the whole, attracting foreign investment and increasing the number of the appropriate structure of hotels, as well as better regulation of traffic in tourist spa destinations in Serbia contribute to the competitiveness of the cultural aspects of spa tourism in creation of the stable tourist product of the spas.

ADVANTAGES	DISADVANTAGES
<ul style="list-style-type: none"> - Existence of a large number of cultural resources - Various entertainment and nightlife - Positive attitude of the society towards tourists. 	<ul style="list-style-type: none"> - undeveloped cultural product and infrastructure - insufficient intra-sector cooperation, lack of awareness of the importance and possibilities of cultural heritage in tourism - incompatibility of the calendar and term-time of events and working hours of institutions.
CHANCES	THREATS
<ul style="list-style-type: none"> - world trends of the increased demand for cultural heritage of the spas of Serbia, as tourism of special interests - previous modest presence on the cultural tourist market makes them undiscovered destinations - education of potential coordinators of cultural tourism projects of the spas of Serbia. 	<ul style="list-style-type: none"> - great competition in visits to the spas of Slovenia, Croatia, Switzerland and other European spa destinations.

Conclusion

It is evident that the Serbian spas, with their natural beauty and healing properties, have always attracted tourists, both domestic and foreign, as well as all the above mentioned has its evolutionary development, as confirmed in this paper. Through visits to different tourist spa destinations, a tourist feels, sees and discovers their cultural wealth by means of sightseeing in the spas, as in the case of the most visited spa of Serbia-Vrnjačka Banja. This form of tourism, in addition to static cultural resources, emphasizes festivals and special happenings that include music, theater performances, literature, general culture, folklore, competitions, traditions and the like, so that tourists with their experiences and impressions affect the fundamental creation of the tourism product.

Cultural heritage is important in the process of cultural comprehension as an aspect of tourist attraction. In the analysis of tourist valorization of the cultural heritage of Vrnjačka Banja, as the most visited spa, as well as other spas considered in this paper, it is confirmed that there is a promotion of the total spa tourism and increase of its competitiveness in foreign markets.

Tourists, who visit the spas, visit them mainly because of their cultural and historical values and healing properties. This trend should continue, as well as the efforts to create such a tourist product that will allow tourists to enjoy the cultural beauties of the spas and thus make them desirable tourist destinations on the competitive foreign market. Having analyzed the above mentioned spas in Serbia, it is necessary to create marketing campaign for each segment referring to a tourism brand of the spas of Serbia, which undoubtedly leads to progress. In order to make foreign tourists continue visiting the spas of the Republic of Serbia in large numbers, it is necessary to focus more on discovering tourists' wishes and needs, as well as to improve promotion of the elements of the tourist offer of attractive tourist destinations of the spas.

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