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TOURIST DEVELOPMENT PARAMETERS OF SERBIA ON THE WORLD TOURIST MARKET

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Abstract

Mass tourism has never been characteristic of Serbia, even though it is the branch of the economy which could help solve many economic problems. It is known that the amount of tourist visits to Serbia is not proportional to its anthropogenic and natural resources. There are all prerequisites for the massive development of tourist activity, but also a large number of obstacles to this development. Serbia has comparative advantages due to diversified tourist offer and proximity to already affirmed offers on the tourism market. In this paper, an analysis of the existing market position of Serbia as a tourist destination on the international tourist market was made, using the parameters from the T & T Competitiveness Index for 2017. The aim of the research is to indicate that Serbia has still not taken an adequate competitive position in relation to other tourist destinations in the region and the world.

Key Words: *quality parameters, development, tourist market, Serbia.*

JEL classification: *L83, Z32*

Introduction

In the last decades Serbia has been going through a very turbulent period and a difficult political and economic crisis, which certainly has negative impact on the entire economy, including tourism. However, before the break-up of former Yugoslavia, which included Serbia, the state of tourism development was at a satisfactory level. After the break-up of the state and war events in the region, Serbia alone does not take a prominent position on the tourist market. It loses a significant part of the space, and therefore of what it has to offer on that market. Today, there are all the

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preconditions for a massive development of tourism in Serbia, but Serbia has not built the image of a recognizable destination in the world (Gajić et al, 2017).

The Republic of Serbia has a very important and favorable geographic, geostrategic and macro-regional position that provides it with a transit and intermediary role in relation to its closer and further environment. Serbia has other advantages: a specific relief and climate, the flora and fauna, rivers and lakes, spas, protected areas of nature, valuable cultural and historical monuments. The problem lies in the insufficient building up of the image as an important segment of the positioning of the destination on the tourist market (Bagozzi et al, 2002).

The image of a tourist destination is of universal importance if a tourist destination wants to be competitive on the local or global market (Kim et al, 2001). In the modern international tourism market, from year to year, there is a growing competition among the main actors of the tourist offer. In order for Serbia to take a better position, it is necessary to offer existing and potential consumers something that is different, better and more attractive than competitors. The authors of the paper, with the help of data from the T & T Competitiveness Index for 2017, tried to point out the current position of Serbia with the quality of tourist services on the world tourist market. In addition to these data, all available literature and secondary documentation were used.

Literature review

Serbia slowly started on the road to branding its tourist offer, but there is still a lot of work left in that area. Branding in tourism is a process that separates a particular destination according to its characteristics, creating a destination identity. At the same time, the greatest success is achieved by emphasizing authenticity, and Serbia has a lot of potential in this. The goal is to create a unique perception about Serbia as a tourist country in the international market, that is, a unique promise of fundamental values that should then be delivered, visible in all segments of tourism business and at all levels: national, regional, local (Dutton et al, 1994, Baggio et al, 2007; Hudson et al, 2008).

Also, it is often neglected that communicators of the tourism brand are of different structures, from the country's foreign policy, sporting success

through culture, celebrities in the diaspora and all other actors that connect to a country (Petrović et al, 2017).

One of the tasks in the future is to transform Serbia into a high-end lifestyle destination. This means that Serbia should have a communication with the market based on the authenticity of nature and cultural and historical heritage, and tourism marketing based on experiences and emotions. They need to be highlighted through marketing Serbia's natural beauty, cultural heritage, relaxed atmosphere and kindness of the hosts, original local specialties, top quality wine (Vujko et al, 2014).

So, the brand should be embedded with values that draw tourists' attention. The power of branding is well documented in tourism and hospitality. Brand attractiveness is a consumer's positive assessment of the brand's identity in relation to how it helps consumers meet their self-definitional needs.

The tourism and hospitality industry has extensively adopted branding strategies to set products and services apart from competitors (Choi et al, 2001; Baggio, 2014). Globalization leads to the need to create a unique brand, countries, regions, destinations and cities (Farell et al, 2014; Cerina et al, 2007). Namely, the ubiquitous process of globalization has resulted in significant changes in tourism trends, tourism consumption, supply and demand, as well as greater differences in the degree of development of tourist regions and destinations.

By branding, tourist destinations tend to create recognition and differentiation in relation to other regions (MCKinnon, 1964; So et al, 2013). It is necessary to create a unique web of offers of tourism products and services that will be recognizable and characteristic of a particular destination, which will differentiate that destination from other competitors, and contribute to a more successful development management. Under positioning and branding, it means a systematic process of analyzing and making decisions in order to find the most suitable and profitable position of a particular product, service, destination, object and other, in the consumer's awareness of the competition (Nam et al, 2001; Urde et al, 2013; Zrantonello et al, 2013).

At the core of the positioning process, at the same time, analysis of consumers and competitors is contained. The brand makes it easy to make a decision to purchase a particular product or service quality (Lozano et

al, 2008). First of all, it means identification, convenience, optimization, characterization, continuity, hedonism and product ethics, or the combination of these different factors that give the product or service identity and make it different from other products or services. Today, cities, regions and countries are seeking to bring their services closer to consumers and users in such a way that they differentiate themselves from their competitors with their brand.

The brand represents the sum of all tangible and intangible product characteristics. From all of the above said, it can be concluded that the brand is the name and symbol that identifies: the source of the relationship and the relationship between the producer and the buyer, the source of promise to the buyer and the uniqueness of a product or service and a set of all positive or negative experiences that customers had the opportunity to have with some product or service.

In this way, it is easier for a tourist destination to find channels to sell its products to a greater number of tourists, to find the best workforce and to attract a greater number of investments. This makes the destination easier to position on the global and national level. It can be said that by branding the destination and creating a successful destination brand, it prevents the loss of its attractiveness even in the times of crisis. Today, many destinations in the world have the advantage of being recognized globally by their specific characteristics, but it is certainly necessary to invest in branding to increase their competitiveness on the world market.

Although a tourist destination may offer very good tourist products and unforgettable experiences to its visitors, if it is not able to make the potential tourists aware of the fact that its offer is better and more attractive compared to other destinations, it will not be able to persuade potential tourists to visit it. The goal of every business is to create the stability of the need to improve products and services in order to achieve competitiveness, job survival (enterprises) and jobs. This is achieved by quality service. The assessment of the quality of the services provided is certainly the best criterion for maintaining the position on the market.

The strategy of positioning tourist destinations is aimed at aligning their position with the needs of the target market. Tourist spending is triggered by many industries for the purpose of providing tourist services. The particular economic value of tourism is precisely in connecting the economy. As a result, many countries are turning tourism into

development priorities. When it comes to tourism in Serbia, it is possible to have high multiplicative effects on income and employment. It is the economy of preserved natural values.

Analysis of Serbia's position on the tourism market in the World and Region

The Republic of Serbia has an excellent geographical and strategic position in the region, which can be seen on the map.

Map 1: *Position of Republic of Serbia in Europe*



Source: www.serbia.maps.com

The table shows the realized tourist traffic for the period from 2011 to 2015. It can be noticed that there is an increase in the number of tourist arrivals and overnight stays, but it is still not an expansive phenomenon,

which would contribute to the overall development of the economy and a better position on the market.

In this part of the paper, there are tables showing data that point to the position of Serbia on the world tourist market. A total of 134 countries were taken for a comparative analysis, and a total of 13 parameters were determined, which determine the quality of the service, and at the same time the possible brand.

Table 1: *The number of tourist arrivals realized (2011-2015).*

Year	Total	Domestic	Foreign
2011	2068610	1130443	764167
2012	2079643	1269676	809967
2013	2192435	1270667	921768
2014	2192269	1163536	1028732
2015	2437165	1304944	1132221

Source: *Statistical Office of the Republic of Serbia*

Table 2: *Realized number of overnights (2011-2015)*

Year	Total	Domestic	Foreign
2011	6644738	5001684	1643054
2012	6484702	4688485	1796271
2013	6567460	4579067	1988393
2014	6086275	3925221	2161054
2015	6651852	4242172	2409680

Source: *Statistical Yearbook of the Republic of Serbia*

Table 3: *Accommodation facilities in Serbia*

Year	Rooms	Beds
2011	50755	127664
2012	46020	113385
2013	43657	107256
2014	43603	102940
2015	45396	106102

Source: *Statistical Yearbook of the Republic of Serbia*

Table 4 shows the position of Serbia from 2008 to 2015. The variance is noticeable, and it is noticeable that the index is the lowest in 2015, when Serbia ranks 95th in the world (out of 141 countries surveyed) and 35th in Europe (out of the 37 countries surveyed).

Table 4: *Competitiveness of Serbia (2008-2015)*

<i>Items</i>	<i>2008.</i>	<i>2009.</i>	<i>2011.</i>	<i>2013.</i>	<i>2015.</i>
<i>Index value</i>	3,76	3,71	3,85	3,78	3,34
<i>World rank</i>	78/130	88/133	82/133	89/140	95/141
<i>European rank</i>	37/42	38/42	38/42	40/42	35/37

Source: *The Travel & Tourism Competitiveness report, 2017*

Table 5: *The position of Serbian tourism in the world tourism market and the ratings for research subjects*

	World Rank /134	Score
Business Environment	95	3.38
Safety	72	5.41
Health and Hygiene	42	6.04
Human Resources and Labour Market	82	4.43
Prioritization of Travel and Tourism	116	3.60
International Openness	106	2.41
Price Competitiveness	76	4.82
Environmental Sustainability	61	4.18
Transport Infrastructure	84	2.35
Ground and Port Infrastructure	94	2.77
Tourist Service Infrastructure	76	3.92
Natural Resources	130	2.01
Cultural Resources	71	1.65

Source: *The Travel & Tourism Competitiveness report, 2017*

The quality of evaluated services can be seen in table 5. Of 134 countries surveyed, Serbia takes the most unsatisfactory positions. The exception is the estimated value of hygiene that places Serbia at 42nd place in the world.

If there is a large number of cultural and natural values, there is an assessment of the quality of these services, but they are still insufficiently presented on the market. Although the prejudices about the bad situation in Serbia still persist, security is not so badly assessed. Unfortunately, the changes in the last decade have brought some negative effects.

We have already mentioned that this region has never been characterized by mass tourism, but its inherent values put it in a high position of correlating increasing trends of individual foreign and domestic demand. Tourism, as a branch of economic activity, is becoming more and more relevant factor in the global economy. Other branches of economy can be

directly or indirectly influenced by it. This is why it is somewhat difficult to precisely define the real contribution in social and economic development.

The revenue increases every year and it shares the destiny of the whole Serbian economy. But the inadequate valorization of natural and anthropogenic values and sources, bad economic structure and infrastructure, hinders the growth. The best way of defining tourism is to understand it as a part of the national economy which supplies tourists who are visiting places outside their permanent residence area.

This branch, undoubtedly, contributes to national economic development and eliminating the negative image about Serbia. In 1999, the revenue was 17.9 million dollars; in 2002. about 77 million dollars. The period between the 80's and the 90's is not relevant in determining the conditions of tourist industry because of numerous political events which were a real obstacle for this type of activity.

The successful long-term tourism development of Serbia and its adequate position in the selected target markets are influenced above all by the following three key factors: objective interpretation of the central elements of the offer in the field of resources and attractions, or defined strategic potentials for success in tourism; analysis and assessment of the value of current and expected trends in global tourism and assessment of realistic opportunities for market penetration and development of Serbia; competition analysis, which implies structural and process knowledge of the situation in a real competitive circle.

Table 6 gives an insight into the position of Serbian tourism in the region. It is noticed that the position is not at an enviable level. Namely, most of Slovenia and Croatia get the best estimates for most of the services. When it comes to business environment, Serbia occupies the 112th position in the world and scores 4.02. In this category, Slovenia and Macedonia were best rated. Security and safety are estimated at 5.41, followed by Slovenia and Croatia. Price competitiveness and tourism infrastructure as well as cultural resources take a good position.

Tables 7 and 8 give an overview of Serbian tourism in Eastern Europe and the Balkans. Certain services are divided into categories and are given estimates for them. Item 1 - T&T policy and enabling conditions: 1a Prioritization of Travel and Tourism, 1b *International Openness*, 1c *Price*

Competitiveness, 1d Environmental Sustainability. Item 2 - Infrastructure: 2a Air Transport Infrastructure, 2b Ground and Port Infrastructure. Item 3 - Natural and Cultural resources: 3a Tourist Service Infrastructure, 3b Natural Resources, 3c Cultural Resources.

Table 6: *The position of Serbian tourism in the region*

	Serbia	Slovenia	Bosnia and Herzegovina	Montenegro	Croatia	Macedonia
Business Environment	112/4.02	80/4.33	127/3.55	77/4.36	114/4.01	40/4.82
Safety and Security	72/5.41	17/6.20	76/5.37	75/5.41	24/6.09	56/5.57
Health and Hygiene	42/6.04	43/6.03	58/5.66	52/5.80	19/6.38	44/5.99
Human Resources and Labour Market	82/4.43	38/4.91	100/4.17	79/4.46	85/4.39	83/4.42
Prioritization of Travel and Tourism	116/3.60	47/4.83	111/3.68	62/4.64	77/4.50	85/4.34
International Openness	106/2.41	54/3.72	108/2.39	105/2.44	26/4.16	93/2.64
Price Competitiveness	76/4.82	92/4.63	110/4.33	77/4.82	100/4.45	44/5.20
Environmental Sustainability	61/4.18	10/5.07	94/3.89	49/4.33	21/4.73	105/3.74
Air Transport Infrastructure	84/2.35	76/2.46	123/1.76	54/3.01	52/3.00	93/2.18
Ground and Port Infrastructure	94/2.77	20/4.76	106/2.48	65/3.30	46/3.89	62/3.30
Tourist Service Infrastructure	76/3.92	25/5.40	78/3.89	28/5.36	5/6.24	72/3.99
Natural Resources	130/2.01	42/4.50	134/1.81	90/2.58	20/4.50	125/2.14
Cultural Resources	71/1.65	92/1.46	102/1.37	132/1.11	39/2.77	105/1.35

Source: *The Travel & Tourism Competitiveness report, 2017.*

Table 7: *The position of Serbia in Eastern Europe and the Balkans*

Country	Item 1				Item 2			Item3	
	1a	1b	1c	1d	2a	2b	2c	3a	3b
Slovenia	4.8	3.7	4.6	5.1	2.5	4.8	5.4	3.8	1.5
Bulgaria	4.3	3.9	5.3	5.0	2.4	3.1	5.8	3.8	2.1
Poland	4.1	4.1	5.5	4.6	2.6	4.3	4.2	3.0	2.8
Hungary	4.9	4.2	4.7	4.7	3.0	4.4	4.4	2.6	2.3
Slovak R.	4.1	3.9	5.0	4.8	1.7	4.2	4.3	3.4	1.5
Romania	3.8	3.9	4.7	4.4	2.4	2.8	4.4	3.0	2.3
Montenegro	4.6	2.4	4.8	4.3	3.0	3.2	5.4	2.6	1.1
Macedonia	4.3	2.6	5.2	3.7	2.2	3.3	4.0	2.1	1.4
Serbia	3.6	2.4	4.8	4.2	2.4	2.8	3.9	2.0	1.7

Albania	4.6	2.4	4.7	4.1	2.0	3.1	3.9	2.2	1.1
Bosnia and Herzegovina	3.7	2.4	4.3	3.9	1.8	2.5	3.9	1.8	1.4
Moldova	3.4	2.1	5.4	4.1	2.0	2.5	2.8	1.6	1.2
Average	4.2	3.2	4.9	4.4	2.3	3.4	4.4	2.7	1.7

Source: *The Travel & Tourism Competitiveness report, 2017.*

Item 4 - enabling environment: Business environment, Safety and security, Health and Hygiene, Human resources.

Table 8: *The position of Serbia in Eastern Europe and the Balkans*

Country	Global rank	Business environment	Safety and security	Health and hygiene	Human resource
Slovenia	41	4.3	6.2	6.0	4.9
Bulgaria	45	4.5	5.1	6.6	4.7
Poland	46	4.5	5.7	6.2	4.9
Hungary	49	4.2	5.7	6.6	4.7
Slovak R.	59	4.0	5.6	6.5	4.7
Romania	68	4.4	5.8	6.1	4.4
Montenegro	72	4.4	5.4	5.8	4.5
Macedonia	89	4.8	5.6	6.0	4.4
Serbia	95	4.0	5.4	6.0	4.4
Albania	98	4.1	5.7	5.2	4.9
Bosnia and Herzegovina	113	3.5	5.4	5.7	4.2
Moldova	117	3.8	5.4	6.1	4.3
Average		4.2	5.6	6.1	4.6

Source: *The Travel & Tourism Competitiveness report, 2017.*

As the main trends in international tourism that can be of importance for the development of tourism in Serbia, we can mention: development in a safer environment; the impact of technology on tourism development; a trend towards shorter breaks; more demanding and more informed tourists; increase of participation for elderly people in the total tourist demand, etc.

Measures that can contribute to the improvement of the tourist offer in Serbia are related to: introduction of a full quality system in all tourist institutions and companies, acceleration of the privatization process, establishment of a clear development strategy, tourism and tourism policy that will stimulate entrepreneurship, stimulate work, creativity and motivation of tourist staff. The use of all natural potentials and cultural

heritage, enriching the tourist offer with various products and services that will make tourism in Serbia recognizable and attractive.

A special value is a contribution to balanced regional development. Nothing like tourism is capable of contributing to the acceleration of the development of less developed areas. Tourism is export at home. Goods and services are not shipped abroad. According to them, tourists come from abroad. There is a particular value and special economic importance of tourism for the development of less developed ones.

The economic functions of tourism constitute a complete subsystem of the economic system. Stronger tourism functions are fundamental to a sustainable economic system. At the same time, they encourage other subsystems by making them sustainable: agriculture, crafts, transport, culture, food and beverage industry.

A special development aspect of tourism is reflected in the external effects that tourism has on a range of activities in the economy and society. Tourism has a high impact on the following economic sectors: agriculture, food and beverage production, construction, real estate, road transport, air transport, telecommunications, catering, hotel industry, entertainment industry, sports events, education (secondary and university), employment, balance of payments, investments and living standards.

There is a somewhat lower impact of tourism on the following economic sectors: electricity, auto industry, railways, retail chain trade, banking services, insurance services, other financial services, marketing agencies, culture and art, development of small and medium enterprises.

In this context, tourism is imposed as an unavoidable complex with unused growing potential. Due to the high participation of the gray economy and unsettled statistics of the tourism sector, there is a problem of objective presentation of today's macroeconomic effects of tourism on the economy of the Republic of Serbia. According to the existing statistics, the tourism sector participates with 2.5% in the national gross product and from 5-6% in the total employment in the Republic of Serbia. Goals of the development of mass tourism in Serbia: stimulating economic growth, employment and quality of life of inhabitants through the development of foreign tourism; ensuring the development of their own positive international image; providing long-term protection and

integrated management of natural and cultural resources, which is in the interest of sustainable tourism development; provision of international quality standards for the protection of tourist consumers in accordance with modern European practice.

Bearing all things in mind, the key words for defining the general brand of the Republic of Serbia should be: Serbian culture; people tend to party; Serbian art and literature; the hospitality of people of an open heart; passion and pride; a blend of traditional and modern.

Conclusion

Serbian tourism potentials have not been sufficiently valued until now, because tourism has never been a serious topic of development policy of the Republic of Serbia. Today, the Republic of Serbia has only comparative advantages in tourism, because it has a diverse structure of tourist offer, it is located near traditional and new tourist markets, has a long history and general recognition, preserved natural resources, relatively good communication and possesses great human potential.

For many years the Republic of Serbia has been in a difficult political and economic situation, which certainly affects the overall economic development and survival on the market. When it comes to tourism, it is certain that Serbia is still to be recognizable in the world, having in mind the quality of the branded brand. However, there are increasing challenges to achieve a better position and place Serbian products among foreign competitors.

Since only the integration into world tourism trends can achieve a strategy of sustainable tourism development, the issue of the competitiveness of the tourism industry is one of the most important issues among the economic policy makers. Since this is a very complex concept, there has never been a generally accepted theory or the definition of national competitiveness. Simply put, the competitiveness of the national economy is reflected in its ability to respond to the demands of the international tourist market in terms of the quantity and quality of tourism products and services.

There is much that Serbia has to offer, but so far the right way to get out of the crisis and invest more funds in the promotion of Serbian tourism has not been found. The paper presents the position of Serbia on the

international market and in the region. It is noted that this position is not at an enviable level, and that the services with their quality do not come first in the rankings which comprise a total of 134 countries in the region and the world.

In order to accelerate the process of tourist development it is necessary to have a better organization in all areas and sectors (equipment, quality, and service, overall organization of tourist and hotel establishments). Tourism has become an important source of income for many regions. It is thought that international tourism can be compared to the international trade. The main reasons for such a trend were not only due to external environment, but also due to internal factors such as organization and government politics which failed to include tourism as a branch of economy which can be capable to pull the country out of difficult economic situation.

It should be considered that the overall effects of tourism are significantly larger because those results are expressed as a statistical data of lodging, restaurant and hotel industry. The aforementioned activities also include travel, retail, which, thanks to the tourist industry, increase their revenue and beneficial export effects. The indispensable role of the state and its institutions is also reflected in the establishment of adequate and stable legal regulations and normative regulation of numerous relationships between different subjects in the field of tourism business, in order to provide a more favorable environment for domestic and foreign investors. Priority in tourism development should be given to those types of tourism and those tourism products through which the most likely tourist potentials of Serbia can be valued.

The problem of determining the level of tourism competitiveness, as well as the competitiveness of the national economy and the ways of its increase has been especially acute since the global financial and economic crisis and significant changes that have taken place in the dynamics of the global economy and the economic development of many countries, Serbia among them, which affect significantly the world economic trends.

Improving the tourist competitiveness of Serbia is one of the priorities of its economy, as this is crucial for achieving dynamic economic and tourism growth rates and sustainable development. Increasing the level of tourism competitiveness is most directly achieved by encouraging entrepreneurship and innovation of tourist companies, raising the level of knowledge and accelerated technological development, which increases

the economic and technical possibilities. At the same time, it is necessary to improve the general factors of tourism competitiveness such as: the macroeconomic environment, the quality of the rule of law and the economic and tourism policies, and the quality of legislation that creates a business tourism environment, which implies the implementation of radical reforms.

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