



SiTCon

Singidunum Tourism
Conference - 2023

BOOK OF PROCEEDINGS

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MANAGING THE FUTURE BY LEARNING FROM THE PAST - CONTEMPORARY TRENDS IN TOURISM & HOSPITALITY

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TOURISM DESTINATION COMPETITIVENESS - CURRENT CHALLENGES AND FUTURE PERSPECTIVES

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ABOUT THE CONFERENCE SITCON 2023

The 8th International Scientific Conference in the field of Tourism and Hospitality SITCON 2023 (Singidunum International Tourism Conference) was held at Singidunum University in Belgrade on October 19, 2023.

The main topic of this year's conference was:

Managing the Future by Learning from the Past - Contemporary Trends in Tourism & Hospitality

SITCON 2023 conference was organized for the eighth time with the aim of providing a continuous contribution to the development of scientific aspirations in tourism, especially in Serbia, relying on the experience and scientific contribution to the realization of the previous seven conferences.

The SITCON 2023 conference's aim was to contribute substantially to the field of tourism and hospitality management worldwide. The global approach to tourism and hospitality industries has changed significantly over the past decades – especially as a result of rapid globalization, owing to the emergence of new technologies, as well as due to the pandemic period which caused many changes in everyday operations. Singidunum University is completely prepared to contribute significantly to the distribution of the foundation for greater awareness about present and future tourism trends. In this context, it is critical to explore and expose the most current developments in many domains that contribute to modern hospitality and tourism management and have a direct influence on the future performance of these industries. Even though certain breakthroughs in the field have been made, tourism and hospitality research trends remain relevant and are gaining attention in a changing world. As a result, it is critical to carry on doing research on specific tourism topics in order to gain a greater understanding and vital perspectives.

Introductory speakers at the plenary session were:

- Prof. Goranka Knežević, Ph.D., the Rector of Singidunum University
- Mr. Nikola Selaković, Minister of Labour, Employment, Veteran and Social Affairs
- Prof. Miroslav Knežević, Ph.D., Acting Dean of the Faculty of Tourism and Hospitality Management, Singidunum University
- Mr. Uroš Kandić, State Secretary in the Ministry of Tourism and Youth

Key plenary speaker at the conference was:

- Prof. Jasmina Gržinić, Ph.D., Faculty of Economics and Tourism “Dr. Mijo Mirkovic”, Pula, Croatia

“Stakeholders in Tourism – from development plans to recovery strategies”

The conference was organized in three plenary sessions, as well as in one scientific session. Scheduled sessions:

1. A new impetus to the development of tourism in the Republic of Serbia: Specialized world exhibition EXPO 2027
2. Human resources as the carrier of tourism development: Knowledge and skills necessary for the growth and development of tourism
3. Sustainable development and green transformation of tourism
4. Scientific session

Within the first three panels, the attendees had the opportunity to hear presentations from the most important names in the field of tourism and hotel industry in Serbia.

With regard to the SITCON 2023 topics, the conference offered a great opportunity for the exchange of ideas and the dissemination of best practices among scientists and experts from various fields (travel agencies, tour operators, hotel enterprises, and other segments of the accommodation offer, transportation companies, and companies related to other complementary activities).



SITCON 2023 extensive team of reviewers has rather successfully handled the entire review process. The Scientific Committee, which consists of 28 professors from Singidunum University and 28 professors from the same number of reputable universities, scientific and professional institutions both from the country and the world, were involved in reviewing scientific papers.

The overall statistics on the conference are the following:

- The total number of submitted papers/abstracts: 28
- The total number of accepted papers/abstracts for presentation at the Conference: 25
- The total number of rejected papers: 6
- The total number of accepted papers/extended abstracts for publication in the Conference Proceedings: 22

As in previous years, the sixth SITCON conference attracted many participants. The conference was attended by more than 300 authors and participants from the country and abroad, including university professors and scientists, tourism experts, industry representatives, but also numerous students who expressed great interest in attending the conference.

All papers are written in **English**, which is the conference's official language. All accepted manuscripts are published in **the Conference Proceedings**. The most innovative papers presented at SITCON 2023 conference will be recommended for publication in the *European Journal of Applied Economics (M51)*. Each paper, excluding Extended Abstracts, is assigned its DOI number and a reference on Google Scholar.

TOPICS:

- Tourism Management
- Tourism Policy, Planning, and Development
- Crisis Management in Tourism & Hospitality
- Innovations and creativity in Tourism and Hospitality Management
- Sustainable & Responsible Tourism Development
- Green Technology in Tourism & Hospitality
- Information Technologies and Systems in Tourism & Hospitality
- The Use of Modern Technologies in Gastronomy
- Robotics in Tourism and Intelligent Systems in Tourism
- Smart Destination, eTourism and Tourism 2.0
- Tourism and Hospitality in Rural Areas
- Digital Marketing Applied to Tourism & Hospitality
- Tourism Branding
- Consumer Behaviour & Tourist Experience
- Human Resource Management in Tourism & Hospitality
- Tourism Industry Competitiveness
- Health and Safety in Tourism & Hospitality
- Alternative and Innovative Product Development in Tourism & Hospitality Industry
- Entrepreneurship and SMEs in Tourism
- Recent Developments in MICE Tourism
- Creative Industries and Events in Tourism
- Contemporary Trends in F&B Management
- Tourism and Financial Management
- Public-private partnership in tourism

Belgrade, December 2023

Organizing Committee of the International Scientific Conference SITCON 2023



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CONFERENCE PAPERS



DIGITAL SERVICES IN RESTAURANTS - DIGITAL WINE LIST

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Abstract:

In the era of the fifth industrial revolution and constant technological innovations, restaurants are placing a major emphasis on incorporating digital services into their business models. This paper highlights the importance of a digital wine list in the process of developing and maintaining a positive customer experience in restaurants. The key findings of narrative literature review indicate that, in situations where consumers lack prior experience, wish to try something new, or aim to find the perfect pairing with their food, and the sommelier has limited knowledge and experience, the digital wine list becomes an increasingly crucial factor in deciding which wine to order. Digital wine lists provide valuable and detailed information about wines such as their origin, brand and producer, grape varieties/vintage, flavor description (light, fruity, robust), and price. These lists are interactive, providing multiple filtering options based on the guests' interests. They can be easily updated in real-time with a few mouse clicks, and never appear damaged, old, or in poor condition. Furthermore, artificial intelligence algorithms enable the provision of highly personalized wine recommendations to clients, based on their preferences and hidden patterns in their behaviour.

Keywords:

digital business, digital menu, digital wine list, customer experience, decision-making.

INTRODUCTION

Digitalization has permeated every aspect of life and business. No industries or sectors are immune to the process of digital transformation. Any business that wishes to thrive in today's digital world must focus on the digital transformation of their operations (Jaganjac & Lukić Nikolić, 2023). Restaurants are not exempt from the adoption of digital technologies and innovative business practices (Yepes, 2014; Klein *et al.*, 2020; Yim & Yoo, 2020; Grewal *et al.*, 2022). On the contrary, restaurants are digitalizing various aspects of their business, including menus and wine lists, so as to maintain their attractiveness in the digital age and improve overall customer experience.

The menu and wine list are typically among the first elements that individuals notice upon entering a restaurant. Traditional menus possess various features that influence guests and their decisions. These attributes range from tangible aspects such as paper texture, color, font style, font size, to the content-based elements including

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photographs, shape and the strategic placement of items (Beldona *et al.*, 2014). However, regardless of the style and design employed, one of the inherent limitations of traditional menus is the restricted space for providing detailed information and descriptions for each item. In this regard, the advent of modern technological solutions and tools has acted as a catalyst, promoting and accelerating the wide-scale adoption of digital menus (Oronsky & Chatoth, 2006).

Digital menus provide an array of additional ways for guests to interact and engage with restaurants. The relentless advancements in digital technologies have opened up a wealth of opportunities for restaurants to improve their operations and, as a direct consequence, increase guest satisfaction (Beldona *et al.*, 2014). The financial health of restaurants is heavily contingent on wine sales (Hammond *et al.*, 2013). However, the decision-making process regarding which wine to purchase can be a challenging task for consumers (Olsen *et al.*, 2003). With traditional menus, consumers are deprived of the opportunity to view basic information about the wine and its unique characteristics. They are unable to see the wine bottle and label, along with other critical information. Consequently, consumers are left in a state of uncertainty regarding whether the wine will meet their expectations in terms of quality and food pairing compatibility (Hammond *et al.*, 2013).

The objective of this paper is to underscore the pivotal role and significance of digital wine lists in elevating the customer experience within restaurants, while also highlighting the essential content and design considerations inherent to these digital services.

The structure of the paper unfolds as follows: The initial section explores the realm of digital technologies within restaurants, emphasizing the critical need for the digitalization of restaurant services. The subsequent section delves into the key characteristics of digital menus in restaurant settings, followed by the third section, which revolves around digital wine lists and their associated attributes, greatly influencing the wine selection process. Finally, the fourth section focuses on the application of artificial intelligence to provide highly personalized wine recommendations.

THE IMPACT OF DIGITAL TECHNOLOGIES ON RESTAURANTS - DIGITAL SERVICES

Contemporary digital technologies are crucial strategic assets that provide a competitive edge in the hospitality and tourism industries (Kim *et al.*, 2008). The digitalization process has profoundly influenced the hospitality industry (Chen *et al.*, 2021) and has transformed service delivery at an accelerated pace (Parasuraman & Colby, 2015). Many people associate the term “digital” exclusively with marketing, using it to refer to digital marketing, electronic business, online shopping, customer experience, and so on. The actual definition of “digital” encompasses the entire business process, business models, organizational culture, and the transformation of how businesses function and operate (Stone, 2019). Customers connect the term “digital” with everything that occurs on the Internet (websites, social networks, online advertising), and everything that can be seen and done with smartphones, TVs, laptops, and sensor-enabled devices (smart refrigerators, smart washing machines). From an organizational standpoint, “digital” refers to any organization segment enabled by current digital technologies: inventories and fixed assets, suppliers, marketing, communication, human resources, sales, and procurement (Herbert, 2017). Digital technologies offer several benefits, including the introduction of new business models, increased efficiency, productivity, flexibility, diversity, automation of organizational procedures and activities, better and faster decisions, and improved frequency and quality of communication and cooperation (Foerster-Metz *et al.*, 2018).

In today’s highly competitive climate, every restaurant seeking to retain existing or attract prospective customers must set themselves apart from competitors. Restaurant owners are changing their previous business methods and adopting relevant technological tools to broaden the scope of their operations and stay ahead of the competition (Yim & Yoo, 2020). Customers can pay for their order online, reducing waiting time and providing numerous benefits such as improved user experience, cost savings, and smooth operation planning (Jiang & Stylos, 2021). Modern technology-driven concepts are all present in the restaurant industry today. According to Grewal *et al.* (2022), hospitality can flourish by utilizing digital technology, including online ordering, interactive social media, various tools for self-service, cloud kitchens, and restaurants. Restaurants are increasingly utilizing digital technologies for reservations, payment, queue management, and digital menus (Yepes, 2014). At the digital age, online ordering is becoming increasingly common at restaurants. Customers prefer online ordering since it is convenient and results in significant time savings; while simultaneously, offering online service provides a restaurant with a new source of revenue (Klein *et al.*, 2020).



There is a growing interest in leveraging digital technology to enhance the consumer's gastronomic and beverage journey (Spence, 2023). The following are the essential questions that must be addressed in the pursuit of creating an exceptional customer experience (Beckford, 2020):

- (1) Who are the clients? What are their distinctive characteristics and expectations?
- (2) What type of experience do they desire?
- (3) Which procedures should be employed?
- (4) What values and behaviors are pertinent?
- (5) How should an organization be managed, adapted, and evolved to meet these objectives?

To craft a favorable customer experience, a plethora of digital technologies are imperative (McKinsey & Company, 2022):

1. Automated mechanisms are essential to meet customer experience expectations.
2. Proactive personalization entails the utilization of customer information for tailoring products, services, and platforms.
3. Contextual interaction involves leveraging knowledge of the customer's position in their journey to deliver them to the next level of interactions.
4. Data-driven innovations benefit both the customer and the brand, encompassing data gathering and customer insights to identify additional services that would be appreciated.

Digital technologies and services hold immense significance in cultivating and nurturing the customer experience. Throughout the entire process of information-seeking, exploring alternative products and services, and engaging in shopping and consumption experiences, consumers traverse a multifaceted terrain encompassing cognitive, affective, emotional, social, and sensory dimensions (McColl-Kennedy *et al.*, 2019).

THE ROLE AND IMPORTANCE OF DIGITAL MENU IN RESTAURANTS

Historically, a restaurant's menu has been an essential component of its marketing strategy (Pavesic, 2005; Yim & Yoo, 2020), but restaurants are progressively digitizing their menus through websites, smartphone applications, and other digital display devices. Digital menus have digital displays - computer screens, smartphone screens, and touchscreens - that allow customers to search for food and get detailed descriptions with interactive images (Yim & Yoo, 2020). Digital menus are also known in literature as electronic menus and e-menus (Şahin, 2020). According to Beldona *et al.* (2014) research, respondents who used e-tablet menus appreciated the following factors: (1) order information quality, (2) menu usability, (3) ordering experience satisfaction, (4) novelty, and (5) relative satisfaction. Respondents were particularly pleased with the visualization of their orders, information regarding ingredients and order preparation, the easy retrieval of well-arranged information, and the ability to customize the font size and level of contrast. Overall, respondents reported feeling more confident about their orders and expressed higher satisfaction levels. Various search possibilities for food and drinks through an interactive display, based on various criteria, assist customers in making better choices. Customers can input different search criteria depending on their priorities, sorting food by type (vegetarian or vegan), allergens, price, calories, ingredients, and other factors. Research has shown that all these options lead to increased cross-selling opportunities (Kasavana, 2011).

Beldona, Buchanan, and Miller (2014) conducted a study in which they compared traditional paper menus to digital menus based on a number of criteria, including quality of descriptions, ease of menu access, guest satisfaction, and overall guest experience. According to their research, digital menus are preferred over traditional menus, as they may include more detailed explanations and thus increase their value in the restaurant's sales activity.

According to Yim and Yoo (2020), restaurants should offer both digital and traditional menus. The authors conducted two separate studies on guest reactions to interactive media in restaurants - digital menus. They started with a conceptual model, examining customer reactions to the digital menu published online.



The findings reveal that the way the customer interacts with the digital menu has a significant impact on perceived interaction, influencing the customer's perception and enjoyment of food. The second study built on the first by conducting an experiment in a laboratory comparing the need for digital versus traditional menus based on how customers order food. The respondents were divided into two groups: those who had already tried the food and those who had not. Generally, the results showed that the digital menu generated better satisfaction responses and increased the guest's intention to place more orders in a shorter period of time. This was preferred when respondents had limited prior familiarity with the foods being considered. Based on the obtained results, the authors could not confirm the superiority of digital menus. In fact, when used to expose customers to well-known dishes or food they had a lot of prior familiarity with, digital menus were viewed as being on par with or even better than traditional print menus (Yim & Yoo, 2020).

THE ROLE AND IMPORTANCE OF DIGITAL WINE LISTS IN RESTAURANTS

Restaurants rely significantly on their personnel to verbally offer food and beverage to customers due to the limitations of space on traditional, paper menus (Zulkifly *et al.*, 2016). Regular modifications to traditional paper menus demand a lot of time and money, which makes them rigid and prevents restaurants from quickly updating their offers (Lessel *et al.*, 2012). On the other hand, research has shown that higher interactivity in the digital menu results in a favorable consumer experience and satisfaction. Interactive options in digital menus, such as image rotations, image enlargements, 3D views and virtual reality, have the potential to improve communication effectiveness and decision making (Yim & Yoo, 2020).

A digital wine list is a unique tool that can influence customers' wine selections (Labus & Lukić Nikolić, 2023). Digital wine lists should include enough information to allow buyers to decide whether or not to order particular wine. They are the primary written source of wine information (Hammond *et al.*, 2013). The goal of an optimal digital wine list is to increase customer satisfaction while also positively impacting a restaurant's overall image and status (Ruiz-Molina *et al.*, 2010).

Table 1. WinePad – Digital Wine List and Digital Sommelier.

WinePad was created in response to technological advancements and the scarcity of well-trained salespeople and sommeliers. WinePad has progressed from version 1.0 to version 3.0 over the years.

As of 2021, the WinePad team is supporting 500 customers from Austria, Italy, Switzerland, and Germany in the hotel, gastronomy, beverage trade, and wine business. The fundamental concept of WinePad is that a guest can access a restaurant's wine list by scanning a QR code or taking a photo of a label, purchase wine digitally, and order bottles for home delivery straight from the winegrower.

Source: <https://www.winepad.eu/about>

Companies must pay attention to verbal features in order to successfully develop their online presence. They include written words, linguistic style, the number of bulleted features, and information about return policies. In addition to verbal aspects, visual elements play an important part in the online environment, and this includes all content given in images or illustrations that has a symbolic significance for clients (Bleier *et al.*, 2019). Some of the most important and useful facts in wine lists are as follows (Staub & Siegrist, 2021; Ruiz-Molina *et al.*, 2010; Yang & Lynn, 2009):

- The wine's origin;
- The brand and producer;
- The grape varieties/vintage;
- A description of the flavor (light, fruity, robust);
- The price of the wine.



Apart from the wine's name, color, quantity, price, origin, vineyard, and year of production, the wine list may also include the following information: alcohol content, acidity, tannin content, flavor characteristics, and the overall level of quality (Barth, 2011). The process of creating a digital wine list can be challenging and requires a methodical and systematic approach. Here are some recommendations to consider while creating a digital wine list (Uncorkd, n.d.):

1. Choose a clear and understandable template for the wine list.
2. Categorize the wine list from easy to complex, familiar to unique. In this manner, guests are simply able to identify what they are searching for.
3. Arrange the wines alphabetically, by region, and by flavor. Wines should not be listed by price.
4. Introduce several types of wines in the menu, such as dessert, fortified, and so on.
5. Provide specific details of the wine (including the wine's name, grape variety, region, vintage date, and producer).
6. Include food pairings to highlight which foods and wines go well together.
7. Provide a variety of serving sizes (glasses, bottles).
8. Motivate guests to purchase bottles rather than glasses (multiply the price of a glass by four and deduct one dollar for the cost of the bottle).
9. Include an additional menu section to motivate guests to spend more money and feel more special about their choice.
10. Make the wine list available online so that guests can have access to it before visiting the restaurant.

When created properly, digital wine lists offer significant advantages to both restaurants and guests. The primary advantages of a digital wine list are as follows (<https://alfredtechnologies.com/solution/intelligent-wine-list>):

- Improving the consumer experience with simple search choices based on consumer preferences and varied filters (by region, country, price, vintage, flavor, etc.).
- Simplifying the task of service personnel by displaying the precise location of each bottle.
- Assisting those personnel with no prior or limited experience.
- Providing real-time updates on the quantity of each product.
- Avoiding product losses and enhancing earnings - higher profits through efficient rotation of high-turnover and specialty wines in inventory.

Digital wine lists allow for real-time modifications of offerings. They are easy to change with a few mouse clicks, and they never appear damaged, old, or in poor condition as a result of long-term use or lack of care. In contrast, making changes to traditional, paper-based wine lists can be time-consuming and expensive, with added environmental consequences (needed paper and ink).

THE IMPACT OF ARTIFICIAL INTELLIGENCE IN THE WINE SELECTION PROCESS

Contemporary consumers seek positive experiences from the products they consume, with a growing demand for personalized offerings that align seamlessly with their needs and desires. This evolving consumer landscape has prompted restaurants to prioritize delivering an exceptional wine selection experience through the utilization of artificial intelligence (AI) systems.

AI, broadly defined as the application of theories, methods, and technologies to enhance and extend human intelligence (Jiang *et al.*, 2022), encompasses modern technologies such as robots, autonomous vehicles, facial recognition, natural language processing and virtual agents, as well as various applications across industries (Berente *et al.*, 2021).



AI has also made significant inroads into the realm of wine selection decision-making. Employing machine learning, AI can effectively discern the preferences and tastes of customers, subsequently providing wine recommendations that align closely with their individual preferences and budget. Furthermore, natural language processing enables the analysis of expert reviews, consumer comments, and wine producer descriptions. By applying modern techniques, AI can even scrutinize wine bottle labels, bottle design and geographical origins, providing consumers with comprehensive data that is pertinent to their decision-making process. These data are notably precise and dependable, thereby reducing the likelihood of making an ill-suited choice and disappointment, while increasing the likelihood that the chosen wine will fully meet consumer expectations (Senevirathne, 2023).

In the context of the digitization wave sweeping through modern restaurants, AI systems have found widespread adoption, with AI algorithms being hailed as the “Sommeliers” of the digital age, possessing extraordinary capabilities (Ndlovu, 2023). AI algorithms surpass reliance on historical customer orders, uncovering hidden patterns in customer tastes and preferences. This leads to highly personalized wine recommendations (Ndlovu, 2023).

Indeed, digital Sommeliers with impressive features and capabilities are already available in the market. One such example is “sommelier.bot,” which provides swift, highly personalized wine recommendations, checks wine availability, facilitates food pairing, and incorporates ChatGPT functionality (<https://sommelier.bot/>).

It is undeniable that the future holds promise for innovative applications of artificial intelligence in personalizing products and services, thereby enhancing the overall user experience.

CONCLUSION

The objective of this paper was to underscore the pivotal role and significance of digital wine lists in elevating the customer experience within restaurants, while also describing the essential content and design considerations inherent to these digital services. The findings derived from a narrative literature review illuminated the critical role of the wine list, particularly in guiding wine selection decisions when customers lack prior experience, seek novelty, aspire to achieve ideal food pairings, or when the sommelier’s expertise is limited. Due to these factors, a digital wine list is becoming increasingly important for restaurants, as well as for consumers and their overall experience.

Research results have unequivocally demonstrated that digital wine lists play a pivotal role in enhancing the overall customer experience and facilitating informed wine selection decisions. Digital wine lists can comprehensively present information such as the wine’s origin, brand and producer, grape varieties/vintage, a flavor description (light, fruity, robust), and the price. Moreover, these lists are interactive, providing a variety of filtering options based on guests’ interests (search wines by region, country, price, vintage, flavor, and more). With the continuous evolution of digital technologies and tools, it is anticipated that more restaurants will embrace digital menus and wine lists in the future. Younger generations, born and raised with smart technologies, will gravitate towards digitally oriented restaurants. Moreover, the integration of artificial intelligence solutions empowers the creation of digital or virtual sommeliers, providing highly personalized wine recommendations tailored to individual preferences and hidden patterns. With the ongoing process of technological advancements, the overall customer satisfaction and experience in restaurants are expected to witness significant enhancements.



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EXAMINING MOTIVES AND PERCEPTION OF DOMESTIC VISITORS TO GASTRONOMY MANIFESTATIONS IN THE REPUBLIC OF SERBIA

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Abstract:

Contemporary trends in the tourist market indicate that today's tourists do not only expect the satisfaction of their needs for rest and recreation from travel but also a unique and unforgettable experience. In this sense, gastronomy is one of the elements of the tourist offer, which can provide tourists with a quality experience through the presentation and consumption of authentic local cuisine. Tourist destinations most often promote their gastronomic offer through the organization of events, which, in addition to presenting local cuisine, include various entertainment for visitors. The subject of research in this paper is the motivation and perception of domestic visitors to gastronomic events in the Republic of Serbia, on whose territory a large number of food and beverage festivals are organized every year. The primary goal of the research relates to the examination of key factors that influence the decision to visit gastronomic events in Serbia, as well as the importance of certain elements of the event. The results of the research indicated that local gastronomic specialties, the diversity of the gastronomic offer, the venue, and the atmosphere are the main factors that influence the decision of domestic visitors to attend gastronomic events in the Republic of Serbia. When it comes to the importance of certain elements of gastronomic events, the views of the visitors indicate that the most important is the quality of the engaged staff, the quality of the food, the variety and organization of the event program, and the taste and variety of the food. Based on the results of the research, the limitations of the research as well as the guidelines for future research on this topic are defined.

Keywords:

gastronomic events, motivation, perceptions, domestic visitors, Republic of Serbia.

INTRODUCTION

Gastronomy implies food recognition of a certain area as well as the way of preparation, presentation, and consumption of food (Kivela & Scott, 2006). Gastronomy represents not only the culture of food and the satisfaction of one of the basic needs of every person (Božić & Milošević, 2021) but also in recent times an integral part of the destination's tourist offer. This segment of the offer, in addition to providing one of the basic services for tourists during their stay in a certain destination, can also influence the creation of a new experience for tourists, especially in the case of those who are looking for something new and unique. Therefore, when it comes to tourists, food consumption is interpreted in two ways, in terms of satisfying basic needs but also as

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an attraction that makes tourists decide to visit a certain place (Rabotić, 2013). From a cultural aspect, food is a part of the cultural identity of a nation, and gastronomic regionality contributes to the diversity that makes a country or place richer and more interesting (Žuvela, 2019). This term is a relatively complex term because it is linked to several different forms of tourism such as rural and/or cultural. In addition, the gastronomy of a destination is not only part of the offer of various facilities and activities for tourists, but also represents a way of presenting the culture, traditions, and customs of a place. According to Correia *et al.* (2008), gastronomy represents an opportunity for diversification of the tourist offer, local economic development, the inclusion of different sectors of food production in the development, and contribution to the overall economic development of a certain place. Such an interpretation of gastronomy indicates that the offer of food and beverages is much more than the process of production and consumption, as it includes various segments of the inclusion of gastronomy in providing a tourist experience. Therefore, the combination of tourism and gastronomy is interpreted as a trip to a place rich in gastronomic resources, which makes it possible not only to satisfy the need for food and beverages but also to create a gastronomic experience for tourists through visiting food producers, buying local specialties and products, visiting gastronomic events, fairs, tastings food, local food preparation courses, etc. (Hall & Mitchell, 2005; Lee *et al.*, 2015). In relation to other forms of tourism, gastronomic tourism is a specific form of tourism, which is based on using existing resources to provide experience and knowledge for a new generation of tourists, who expect to experience something new during their journey, respectively to experience new and exotic cuisines characteristic for particular destinations. Gastronomic tourism has a significant potential for development at the global level, bearing in mind that it provides one of the basic services necessary for tourists, but it also represents one of the primary motives for travel in recent times. Also, gastronomic tourism can strengthen attractiveness of the destination through the introduction of new gastronomic products and facilities (Zrnić *et al.*, 2023). The specificity of this form of tourism is reflected in the fact that during the journey, tourists get to know different ways of life, and cultures, based on which they gain new experiences and knowledge (Chang *et al.*, 2010; Filiposki *et al.*, 2017). According to statistical data, the importance of the development of gastronomic tourism is reflected in the creation of additional economic value for destinations, which in 2020 at the global level amounted to 25%. Also, as many as 53% of leisure tourists are food travellers at the same time, while the newer generations of tourists, for example, millennials, expect different services when it comes to food and drinks compared to traditional ones such as socially responsible restaurants (World Food Travel Association, 2020). Gastronomy is an increasingly prevalent motive for travel, considering that 15% of tourists on a global level travel to a certain destination precisely for the gastronomic experience (Berbel-Pineda *et al.*, 2019). Gastronomic tourism has multiple benefits for the destination, which uses its local cuisine in order to diversify itself compared to competition, which relates to economic development, strengthening of cultural identity, involvement of the local population in the development of tourism, branding of the destination, revitalization of underdeveloped areas, etc

One of the presentation forms of a certain destination's local cuisine is the organization of events, where authentic gastronomic specialties and products are promoted to a wider audience with the aim of attracting tourists to the destination and achieving economic benefits through the consumption and sale of food. Gastronomic manifestations are focused on agriculture, cooking, and gastronomy with the presentation and preparation of specific products for a certain area (cheeses, wines, desserts, cooked dishes, etc.) (Banjac *et al.*, 2016). From the experience aspect, this type of event aims to impress visitors with a special gastronomic offer, excite their senses and leave them with unforgettable memories (Topole *et al.*, 2021). Gastronomic manifestations connect local cuisine and travel in a very special way, which further implies that a large number of people gather in the same place with the aim of consuming, enjoying food, or observing the process of preparing traditional dishes, but also using various entertainment facilities (Čavić & Mandarić, 2021). In this sense, this type of event can contribute to the extension of the tourist season, attracting more tourists, but also branding the destination with the aim of achieving long-term effects from tourism development. Bearing in mind all of the above, this paper analyzes the motivation and perceptions of domestic visitors to gastronomic events in the Republic of Serbia. The location of the research was chosen based on the fact that the Republic of Serbia has developed gastronomy with a large number of traditional dishes and products, which can be placed on the wider market through tourism. The comparative advantage of Serbia when it comes to gastronomy is reflected in the wealth of autochthonous varieties of fruits and vegetables, wine and brandy, traditional dishes, and other products, while the combination of gastronomic offer with cultural, historical, and ethnographic heritage is



also an important advantage (Stojanović, 2017; Janković *et al.*, 2020). The food culture in Serbia, including traditional dishes and preparation techniques, is part of the intangible cultural heritage and is characterized by numerous specificities, which originate from historical trends and events in the past, and are conditioned by the geographical position that Serbia occupies (Kilibarda *et al.*, 2018).

An important segment of gastronomic tourism in the Republic of Serbia are precisely gastronomic manifestations, which are organized throughout the year in different parts of the country. According to the data presented in the Calendar of Events for 2023 (Tourist Organization of Serbia, 2023), more than 150 different food and drink festivals, food fairs, bazaars, fairs, culinary competitions, etc. are held in Serbia. Despite the existence of a wide range of gastronomic manifestations, a large number of them are of a local character and are not the object of interest of tourists, as a result of which almost all the positive effects of the organization of this type of event are absent. Therefore, it is important to consider and define the directions of further development with the aim of better positioning the Republic of Serbia as a gastronomic tourism destination at the international level.

LITERATURE REVIEW

Given that almost every tourist destination has certain specific characteristics of local cuisine, today events related to food are very popular among tourists, where they can consume certain dishes, observe the preparation process of these dishes, and also buy products that are characteristic of that particular destination. Events are an integral element of gastronomic tourism, which is generally known to represent a journey motivated by the consumption of food and beverages (Kanjeluk *et al.*, 2012). Therefore, gastronomic manifestations include all events that are connected with food and beverages, but also with the sale of food prepared according to local and traditional recipes, which in this way present local tradition to tourists (Stanišić, *et al.*, 2018). Gastronomic manifestations include a wide range of different events, which can be classified as fairs, festivals, and cultural and industrial events with frequent or sporadic organizational dynamics (Zrnić *et al.*, 2021). The tradition of preparing local food, which has been represented for a long time in a certain place, can be used to organize events, which will be part of the tourist offer and organized continuously, which gives the gastronomic heritage its economic valorization. In addition to food and beverages, which are the basic element according to which the concept of the manifestation is created, an important factor of gastronomic manifestations is also the venue, that is, an environment that has a pleasant character and allows tourists to feel and experience the spirit of the local community (Wu *et al.*, 2013; Duvnjak *et al.*, 2014). The organization of food festivals, as well as other forms of presentation of local cuisine, can influence the strengthening of the pride and attachment of the local community, given that this type of manifestation is part of the cultural heritage of a certain place. In recent times, gastronomic events are a useful instrument for improving the existing tourist offer and attracting tourists, whose primary motive for traveling is precisely related to gastronomy. Also, they can influence the development of awareness among tourists about certain products with which they were not familiar, which can further influence the preference for certain gastronomic manifestations (Čavić *et al.*, 2021). Food festivals as a form of food tourism can play an important role in presenting new tastes to tourists as well as introducing them to different customs (Vukić *et al.*, 2015). One of the primary purposes of gastronomic manifestations is the presentation of local products with the aim of providing a market for producers, enabling participants to establish cooperation with other producers (Lesić, 2019). In addition to tourists, an important group of stakeholders consists of food and beverage exhibitors, who promote local values and cuisine, thus encouraging economic development and building an image. Gastronomic manifestations also contribute to the revitalization of various economic activities, which develop at the local level, influence the launch of new sectors, and represent a significant source of income for food producers (Gómez *et al.*, 2023). In addition, these events can influence the more intensive development of entrepreneurship, innovation, and the involvement of the population in the production and sale of food and beverages. The economic aspect of gastronomic manifestations is particularly prominent when it comes to rural areas, whose local cuisine is very often the basic element of creating the concept of gastronomic manifestations (Banjac *et al.*, 2020; Stojanović *et al.*, 2020). The growing interest of tourists in visiting gastronomic events indicates the necessity of researching the motivation of tourists and the way of making decisions about visiting gastronomic events. Understanding the motivation of visitors



is very useful for event organizers because based on the analysis of visitor profiles, they will be able to define more efficient marketing strategies and promotional campaigns (Chang, 2011). Investigating the motivation and attitudes of visitors to food festivals in the Republic of Serbia, Gagić *et al.*, (2013) concluded that the primary motives are the products, which are presented and sold at the events, entertainment, and the possibility of temporarily not being occupied with everyday duties. According to Jung *et al.* (2015), the quality of food and accompanying content are key reasons that influence the decision about visiting gastronomic events. Important aspects of the motivation for visiting gastronomic events refer to traveling with the family, enjoying gastronomy; getting to know the local cultural heritage; resting and relaxing, new acquaintances, (Park, *et al.*, 2008; Chang, 2011; Ramukumba, 2017; Krajíčková & Šauer, 2018; Folgado-Fernández *et al.*, 2019; Stojanović *et al.*, 2020). According to the study by Carvache-Franco *et al.* (2023), the key dimensions of motivation when it comes to food and drink festivals are fun and novelty, especially in the case of those visitors who want to enjoy a pleasant atmosphere and discover new places that serve food. Lee (2000) compared the motivation of domestic and foreign visitors to the festival and determined the following motives: getting to know the culture, family togetherness, escape, novelty, event attractions, external group socialization, and known group socialization. The author came to the conclusion that domestic visitors are motivated to a lesser extent by learning about culture, searching for something new, and attractions. People who visit gastronomic events are motivated by multiple motives for visiting this type of event, where the focus is certainly on gastronomy and entertainment, which further provides tourists with an appropriate experience. Gastronomic manifestations represent an opportunity for tourists to achieve social interaction in a pleasant environment, satisfying the primary motives of the visit. In addition to the motivation of visitors, an important dimension of the quality of gastronomic events is related to the unification of all elements, which are important and necessary for the organization of event, as well as the satisfaction of visitors themselves. Analyzing the variables that affect the satisfaction and loyalty of festival visitors, Anil (2012), based on the conducted research, concluded that the key elements of the event are: the venue, staff, quality of information, and quality of food. Several studies have confirmed that the most important elements of the event are: the quality and variety of food, the event program, the quality of the staff, the atmosphere during the event, promotional activities, additional content, the location of the event, etc. (Son & Lee, 2011; Lee *et al.*, 2011; Cole & Illum, 2006; Tanford & Jung, 2017). The mentioned elements can have a significant impact on the satisfaction of event visitors as well as on their future intentions. According to Wan & Chan (2013), the satisfaction and loyalty of Macau food festival visitors are influenced by accessibility, food, space, ambiance, service quality, entertainment, time of event and event size. Jung *et al.* (2015) highlighted the program of events, food, and entertainment as the key slow food attributes of the festival as factors that have a direct impact on the experience and satisfaction of visitors. In the example of the Punggi Ginseng Festival (Republic of Korea), Yoon *et al.* (2010) found that the event program, the availability of souvenirs, food, and activities that provide added value have the greatest influence on the satisfaction and loyalty of visitors. On the other hand, Pai *et al.* (2021) concluded that essential component qualities of food festivals are also hospitality, venue, products, benefits, and event programs. Several different studies have pointed to the importance of the quality of food, the event program, the quality of engaged staff, the quality of services, as well as the space for events as important dimensions of the quality of gastronomic events (Lee & Arcodia, 2011; Mason & Paggiaro, 2012; Jung *et al.*, 2015; Folgado-Fernández *et al.*, 2019; Pizzichini *et al.*, 2022).

METHODOLOGY

The primary goal of the research is to examine the motivations and perceptions of local visitors to gastronomic events in the Republic of Serbia in order to examine the key components of this type of event, as well as the way in which visitors experience them. Therefore, the authors constructed a questionnaire and collected electronically 110 valid responses from domestic visitors to gastronomic events in Serbia. The survey questionnaire was formed based on the theoretical analysis of studies on this topic. The questions in the questionnaire are primarily based on the study by Çekiç (2023), in which the influence and role of gastronomic events on the motivation and perceptions of visitors was examined, using the example of the international Gastro Festival in Gaziantep (Turkey). The part of the questionnaire, which refers to the importance of individual elements of the event, was defined based on the study conducted by Marković *et al.* (2015) on the impact of food and beverage



festival quality dimensions on visitor satisfaction. The first group of questions related to their basic data, such as the type of environment they live in (urban/rural) and the number of past visits to gastronomic events in the Republic of Serbia. The next group of questions refers to specific aspects of the analysis of the research subject. The question, which refers to the key advantages of destinations that organize gastronomic events in Serbia, contains seven offered answers, of which respondents need to choose only one. The next question refers to the identification of key factors that influence the decision to visit gastronomic events, where the respondents were able to rate each of the ten defined factors using a Likert scale (1- does not affect at all to 5- completely affects). Respondents were also asked to rate fourteen elements of gastronomic events, i.e., their importance on a scale from 1- completely irrelevant to 5- completely relevant. The collected data were processed with the use of the statistical package SPSS25. Descriptive statistical analysis was used in order to calculate the average scores of all analyzed variables.

RESULTS AND DISCUSSION

Following, research results and discussion will be presented. The following table represents the sociodemographic characteristics of the respondents (Table 1).

Table 1. Sociodemographic characteristics of the respondents (n=110).

<i>Characteristics</i>	<i>n</i>	<i>%</i>
Gender		
Male	56	50.9
Female	54	49.1
Age		
18-29	72	65.5
30-39	24	21.8
40-49	8	7.3
50-59	6	5.5
Level of education		
High School	23	20.9
University	52	47.3
Masters	22	20.0
Doctorate	13	11.8
Type of place where respondents live		
Urban area	80	72.7
Rural area	30	27.3
Total	110	100,0

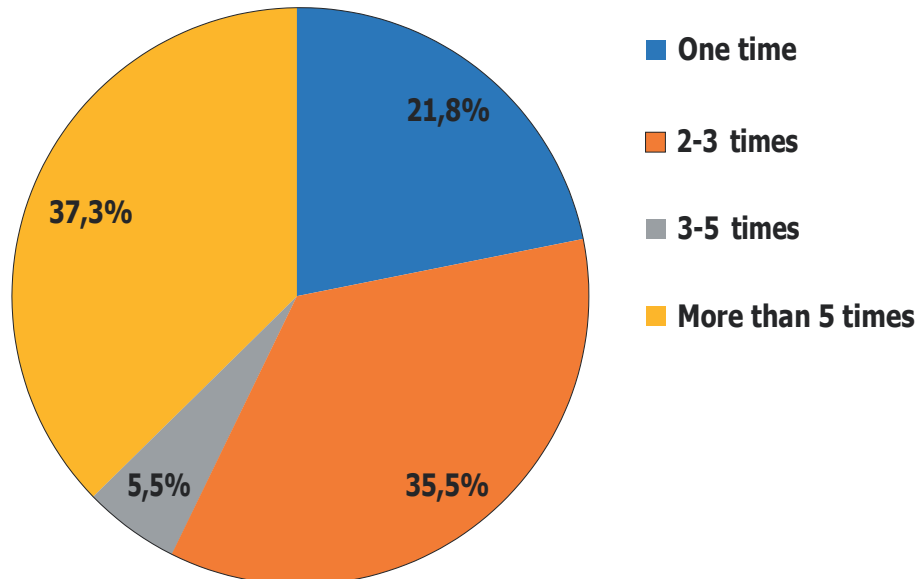
Source: Author's.

The total number of respondents is 110, of which 50,9% are male and 49,1% are female. According to age, the majority of the respondents (65.5%) belong to the age group 18-29 years of age, followed by the age group 30-39 (21.8%). Respondents aged 40-49 participated with 7.3% and 50-59 years of age with 5.5% in the total sample. In terms of the level of education, 47.3% of the respondents stated that they had graduated from university, while 11.8% have the title of Doctor of Science. When asked about the type of environment in which they live, 72.7% of respondents stated that they live in an urban environment, and 27.3% of respondents in a rural environment.



Following, the respondents were asked how many times they attended gastronomic events in the Republic of Serbia (Figure 1). According to the results, 37.3% of respondents visited them more than five times, 35.5% of respondents visited them two to three times, and 21.8% visited them once. A low 5.5% of the respondents visited gastronomic events three to five times.

Figure 1. Number of visits by domestic visitors to gastronomic events in the Republic of Serbia.



Source: Author's according to SPSS25 output.

The respondents were offered a list of ten advantages of organizing gastronomic events for destinations in the Republic of Serbia and asked to choose one they consider to be the most important for destinations (Table 2). As the most relevant the respondents chose *Destination branding and positioning on the tourist market* (29.1%) followed by the *Development of gastronomic tourism and other related forms of tourism* (22.7%) and *Promotion of tourist potential* (20.9%) and *Regional development* (11.8%). The lowest result was registered for the *Preservation of natural values and cultural heritage* (3.6%) and *Increasing economic benefits and employment of the local population* (3.6%).

Table 2. Advantages of organizing gastronomic events for destinations in the Republic of Serbia.

Advantages	Frequency	Share
Promotion of tourist potential	23	20.9
Regional development	9	8.2
Destination branding and positioning on the tourist market	32	29.1
Preservation of natural values and cultural heritage	4	3.6
Increasing economic benefits and employment of the local population	4	3.6
Creating a sense of pride among members of the local community	13	11.8
Development of gastronomic tourism and other forms of tourism related to the same	25	22.7

Source: Author's.

Following, the respondents were asked to evaluate the effect of the factors that influence their decision to visit gastronomic events in the Republic of Serbia (Table 3).



Table 3. Factors influencing the decision to visit gastronomic events.

Factors influencing the decision to visit gastronomic events	Mean	Std. Deviation
Organic food	2.78	1.266
Local gastronomic specialties	4.52	.896
A diverse gastronomic offer	4.25	1.024
Presence of products with geographical origin	3.88	1.262
Venue of the event	4.25	.921
Street food	3.00	1.157
The desire to get to know other cultures	4.12	.821
The presence of well-known chefs	3.08	1.389
Atmosphere during the event	4.22	.747
The desire to socialize with people	4.07	.945

Source: Author's.

By ranking the answers offered, the respondents rated certain factors with high average scores, which indicates that these factors have the greatest influence on the decision to visit gastronomic events in Serbia (Table 4). Local gastronomic specialties (M=4.52), Varied gastronomic offers (M=4.25), Venue of the event (M=4.25), and Atmosphere during the event (M=4.22) are, according to respondents, factors that influence the decision to visit gastronomic events in the Republic of Serbia. On the other hand, the factors that respondents consider to be less relevant refer to Organic food (M=2.78), Street food (M=3.00), and Presence of products with geographical origin (M=3.08). It is evident that the most important factors are those that have a direct connection with gastronomy.

Table 4. Importance of elements of gastronomic manifestations in the Republic of Serbia.

Element of gastronomic events	Mean	Std. Deviation
Promotional material is well prepared and provides enough information for visitors.	4.25	.795
Places where gastronomic events are held have appropriate signage with adequate and sufficient information for visitors.	4.34	.639
The program of gastronomic events is varied and well organized.	4.54	.686
The food offered and sold at gastronomic events is of very high quality.	4.61	.705
The food is tasty and very varied.	4.51	.701
Food prices, which are offered at gastronomic events, are at a reasonable level.	4.41	.758
The staff is friendly, informed and ready to provide services to visitors.	4.64	.646
The size of the area where the gastronomic events are held is generally adequate in relation to the number of visitors.	4.14	.784
Parking and toilets are provided.	4.15	.822
Mostly at gastronomic events, I get adequate value in relation to the amount of money I spend.	3.77	1.055
I generally feel good during the gastronomic events and plan my next visit.	4.01	.862
I will recommend my friends to visit gastronomic events in Serbia.	4.20	.833
In the future, I will attend various gastronomic events in Serbia.	3.83	1.057
I will pass on my positive experiences to other people.	4.34	.901

Source: Author's.



The respondents were asked to evaluate the relevance of key elements of gastronomic events in the Republic of Serbia. As the most important elements, they marked the elements related to the quality of engaged staff (M=4.64), the quality of food, which is sold at gastronomic events (M=4.61), the variety and organization of the event program (M=4.54), and the taste and variety of food (M=4.51). As for the previous question, respondents mostly identified the most important elements as those that are directly related to the concept of the event. On the other hand, the least important elements were marked the elements in relation to the amount of money spent by visitors (M=3.77) as well as future visits to gastronomic events (M=3.83).

CONCLUSION

The authors analyzed the motivation and perceptions of domestic visitors to gastronomic events in the Republic of Serbia with the aim of identifying the key motives for visiting events as well as the importance of certain elements of this type of event. In order to contribute to the achievement of the research goal, a survey was conducted on a sample of 110 domestic visitors who attended gastronomic events in Serbia. By analyzing the collected responses, it was determined that the primary factors that influence the decision to visit gastronomic events in the Republic of Serbia are gastronomic specialties, gastronomic offer, venue, and atmosphere. The obtained results of the research are compatible with the results of the studies, which are analyzed in this paper. The key elements of gastronomic events in the Republic of Serbia that domestic visitors consider to be important and affect the quality of food and drink festivals have also been identified, namely: the quality of engaged staff, the quality of food, the variety and organization of the event program, and the taste and variety of food, which is thus in accordance with previous researches, which were analyzed in the paper. With this research, the authors highlighted the importance of organizing gastronomic events in Serbia as a way of presenting authentic gastronomic heritage, but also the development of tourism in tourist destinations and attracting tourists. In addition, this paper shows the significant interest of researchers in this topic. The study has certain limitations, which relate to a very small number of respondents as well as the interest of potential respondents to participate in the research as well as insufficient information about their experience when it comes to visiting gastronomic events in the Republic of Serbia. Therefore, in the future, this methodology should be applied to a specific gastronomic event in order to test the accuracy of generalized conclusions. One of the guidelines refers to examining the attitudes of foreign visitors to gastronomic events and conducting comparative analyses.

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DETERMINANTS OF CAPITAL STRUCTURE AND LEVERAGE IN THE HOTEL INDUSTRY: A CASE STUDY OF THE REPUBLIC OF SERBIA

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Abstract:

The paper examines the determinants of capital structure, i.e. level of the leverage of hotels operating in the Republic of Serbia. The study investigates the influence of six determinants that have been identified as significant according to the pecking order hypothesis and the static trade-off model. The research was conducted on a sample of 37 hotels from 2012 to 2022. The findings indicate that all determinants, except non-debt tax shields, have a statistically significant impact on the capital structure of hotels.

Keywords:

structure capital, leverage, hotel industry, determinants, Republic of Serbia.

INTRODUCTION

Numerous empirical studies show that the capital structure is a significant factor in the hotel business (Agiomirgianakis *et al.*, 2012, 2013; Skuflić and Mlinarić, 2015; Tan, 2017; Dimitrić *et al.*, 2019; Pimic *et al.*, 2023). However, among these researches, there is no unified position regarding the direction of the influence of the capital structure on the success of business in the hotel industry. The dominant view is that leverage has a negative impact. The authors find justification for this finding in the fact that the increase in leverage leads to an increase in operating costs due to higher interest rates paid for borrowed capital. This attitude is consistent with the theory of the hierarchy of financial choice (Sheel, 1994), according to which firms do not try to find an optimal capital structure, only turning to debt when internal finance is insufficient. On the other hand, these findings contradict the agency theory of capital structure (Jensen, 1986) and the trade-off theory of capital structure. The first theory points out that higher leverage influences company management to invest in projects that have added value. Another theory also indicates that there is a positive relationship between leverage and business success. Researches that indicate that the relationship between leverage and business success changes over time are not rare either. Thus, the research results of Tang and Yang (2009) show that the relationship between leverage and hotel profitability changes over time, that is, there are periods in which leverage has a positive impact on hotel profitability, but periods in which leverage has a negative impact on hotel profitability.

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However, all of such findings are not consistent with the capital structure theory presented by Modigliani and Miller (Modigliani and Miller, 1958). According to this theory, the capital structure is irrelevant to the value of the company. The value of the company depends only on the quality of the company's assets that create additional value (Nunes and Serrasqueiro, 2015), and not on the ratio between equity and borrowed capital.

In the context of capital scarcity, particularly due to the seasonal nature of business in the tourism and hotel industry, the formation of an optimal capital structure and its impact on the success of hotel businesses becomes of utmost importance (Pimic *et al.*, 2023). This is especially true in the Republic of Serbia, where limited access to financing sources is prevalent, mainly due to the dominance of the bank-centric system and the scarcity of hotels listed on the stock exchange. Understanding the determinants that affect the level of leverage in the hotel industry is crucial under such conditions. For this reason, it is important to examine the determinants that affect the level of leverage in the hotel industry. Namely, in the Republic of Serbia, it is anticipated that leverage would have a negative impact on hotel business success. The high interest rates associated with the bank-centric system result in elevated borrowing costs, negatively affecting hotel profitability. On the other hand, the relatively small number of hotels that are listed on the stock market means that hotels do not have the opportunity to obtain fresh capital through the issue of securities. They are forced to borrow from banks. Hence, the limited availability of fresh capital through the issuance of securities forces hotels to rely on borrowing from banks, further supporting the expectation of a negative impact of leverage. This perspective aligns with the theory of the hierarchy of financial choice, which suggests that, in the absence of sufficient internal funds, hotel management is more likely to seek short-term financing sources (Myers, 1977). However, excessive reliance on short-term financing for investments can lead to an increased financial burden (Fagiolo & Luzzi, 2006), elevating the risk of bankruptcy and liquidation.

Under these circumstances, it is very important to understand the factors that affect the level of leverage. Given the competing theoretical frameworks dominating the literature on capital structure decisions—the pecking order hypothesis and the static trade-off model—the research will focus on the determinants of capital structure identified by these theories. Specifically, the study will explore the impact of profitability, liquidity, hotel size, non-debt tax shields, and earnings volatility, as these factors have shown conflicting findings in their influence on capital structure decisions.

LITERATURE REVIEW

Since the appearance of Modigliani and Miller's theory of capital structure (Modigliani & Miller, 1958) in professional and academic circles, the focus has been on two theoretical frameworks that are used to explain decisions related to capital structure. The first framework is known as the pecking order hypothesis. The Pecking Order Hypothesis suggests that companies have a preferred order for financing their investments and projects. According to this hypothesis, companies prioritize internal financing (retained earnings) as the first choice for funding their investments, followed by debt financing, and as a last resort, equity financing (issuing new shares). The main idea behind the Pecking Order Hypothesis is that companies face information asymmetry between managers and outside investors. Managers have better information about the true value and prospects of the company than the market. As a result, when a company needs to raise funds, it will prefer to use internal funds rather than external financing, as issuing new equity might signal to the market that the company's shares are undervalued. Moreover, the Pecking Order Hypothesis emphasizes the aversion of managers to issue new equity because it can lead to a dilution of existing shareholders' ownership and reduce their control over the company. Hence, companies tend to rely on debt financing if internal funds are insufficient, as debt does not dilute ownership and allows companies to maintain control.

The Static Trade-off Model is a theory of capital structure that complements the Pecking Order Hypothesis. This model suggests that a company's optimal capital structure is determined by balancing the tax benefits of debt with the costs of financial distress. In other words, the model proposes that there exists an optimal capital structure resulting from trade-offs between the tax advantages gained from interest and the costs associated with financial distress.



Numerous empirical studies have been conducted to investigate the effectiveness of two competing hypotheses, namely the trade-off theory and the pecking order theory, in explaining firms' financing decisions (Sheel, 1994; Tang and Jang, 2009; Deari and Deari, 2010; Sarlija and Harc 2012; Malinic *et al.*, 2013; Nunes and Serrasqueiro, 2015; Tan, 2017; Valentina, 2021). The findings of these studies indicate that profitability, liquidity, hotel size, non-debt tax shields, and earnings volatility are significant determinants of the level of leverage. However, depending on whether these studies are based on the Pecking Order Hypothesis or the Static Trade-off Model, their results regarding the direction or sign of the impact of these determinants differ. Important are the researches have pointed out that Eastern European firms' capital structure behaves differently from Western European firms, as the level of financial leverage is lower in Eastern firms compared to Western firms (Malinic *et al.*, 2013). In the context of the research subject of the paper, as well as the necessity of this research, it is important to mention the conclusions of the research conducted by Jõeveer (2006) and Delcours (2007). Jõeveer (2006) finds that capital structure choices in small and unlisted companies are primarily influenced by country-specific factors. However, in the case of listed and large unlisted companies, decisions on firms' leverage are more significantly driven by firm-specific factors. Delcours (2007) also highlights specific factors that influence firms' leverage decisions in CEE (Central and Eastern European) countries, including financial constraints of banking systems, differences in legal systems governing firms' operations, protection of shareholders' and bondholders' rights, the sophistication of equity and bond markets, and corporate governance practices. That the specific business conditions in a national economy influence the choice of capital structure is also evidenced by the results of the survey conducted by Mosnja-Skare & Skare (2002), Klapper and Tzioumis (2008), Deari and Deari (2010), and Sarlija and Harc (2012).

All the above points to the impossibility of drawing a universal conclusion regarding the influence of certain determinants on the level of leverage in the hotel industry, as well as the necessity to examine this issue on a case-by-case basis.

METHODOLOGY AND RESEARCH VARIABLES

The study was conducted on a sample of 37 hotels, with a capacity ranging from 20 to 225 accommodation units, categorized from 1 to 5 stars, operating in the Republic of Serbia. The research period spans from 2012 to 2022. Data was collected from the Amadeus database and chambers of commerce. The selected duration of the observation period covers a sufficient time interval to capture all heterogeneities in the structure of the observed units and their changes over time using a dynamic panel analysis model (Radivojević *et al.*, 2019). The choice of indicators used to describe the determinants of the level of leverage in the hotel industry is in line with the previously analyzed literature (Table 1).

Table 1. The determinants of the level of leverage.

Name of the determinante	Indicator
Leverage (Lev)	Total debt/total assets
Profitability of the hotel (ROE)	Return on equity
Liquidity of the hotel (Lq)	Cash ratio = cash/current liabilities
Hotel size (Size)	Natural logarithm of total sales
Non-debt tax shields (NDST)	NDST = (operating income - interest - taxes)/tax rate
Earnings volatility (EV)	Standard deviation of profitability

Source: Author's.

A panel data approach is used to examine the results. Panel data analysis deals with data in which behaviour of entities is observed over time. Using panel data techniques enables the control of the bias generated by potential heterogeneity (Radivojevic and Jovovic, 2017). A static panel estimation is used in the paper, which mathematically may be expressed by following the linear model for panel data:



$$\begin{aligned}
 Lev_{i,t} &= \alpha_i + \beta X_{i,t} + \varepsilon_{i,t} & ROE_{i,t} &= \alpha_i + \beta X_{i,t} + \varepsilon_{i,t} \\
 ROE_{i,t} &= \alpha_i + \beta_1 ROE_{i,t} + \beta_2 X_{i,t} + \beta_3 unr_{i,t} + \beta_4 inf_{i,t} + \beta_5 ennr_{i,t} + \beta_6 hip_{i,t} + \beta_7 roa_{i,t} + \beta_8 roe_{i,t} + \beta_9 car_{i,t} + \\
 &+ \beta_{10} llp_{i,t} + \beta_{11} nimr_{i,t} + \beta_{12} nimr_{i,t-1} + \beta_{13} nimr_{i,t-2} + \varepsilon_{i,t}
 \end{aligned} \tag{1}^1$$

Where $Lev_{i,t}$, $ROE_{i,t}$ is the observation on the dependent variable for cross-sectional unit i in period t , $X_{i,t}$ is a $1 \times k$ vector of independent variables (ROE, Lq, Size, NDST and EV) observed for unit i in period t , β is a $k \times 1$ vector of parameters. The α_i is a unit-specific and time-invariant component and $\varepsilon_{i,t}$ an observation specific error to unit i in period t . The α_i are then treated as fixed parameters (in effect, unit-specific y-intercepts). For this reason, the model is estimated by static panel data estimator. Precisely, the Fixed effects estimator was used.

DATA ANALYSIS

Table 2 gives a summary of the descriptive statistics of the data set. As can be seen from Table 2, the level of leverage is around 0.51. This implies that they mostly finance their operations through debt. An ROE value of 0.513 can be considered decent, but the rating depends on the industry in which the company operates and the standards in that industry. It is important to keep in mind that the hotel industry is sensitive to seasonal changes and changes in the tourism industry, which affects profitability and ROE values. This can be considered relatively low liquidity, as it indicates that hotels face a challenge in quickly settling their short-term obligations. The cash ratio is around 0.5. A low liquidity ratio indicates the need to improve cash management. Also, it can be a signal for analyzing financial health and assessing possible risks that may affect the company's ability to meet its short-term obligations. Data for hotel size indicate a relatively large range in terms of hotel size. The value of the indicator describing non-debt tax shields of about 0.007 indicates that the hotels very rarely use various tax benefits and methods to reduce their tax liability. In other words, they underutilize non-debt tax shields. A high value of the EV variable indicates that hotels face large fluctuations in income and are therefore exposed to high operational risk.

Table 2. Descriptive Statistics of collected data.

	LEV	REO	Lq	Size	NDST	EV
Mean	0.510	0.513	0.493	3.481	0.007	0.497
Standard Deviation	0.280	0.284	0.294	0.285	0.281	0.282
Minimum	0.002	0.004	0.001	0.002	0.001	0.002
Maximum	0.994	1.405	5.988	12.070	1.000	0.999
Count	370	370	370	370	370	370

Source: Author's.

The first step in dealing with time series is to check the panel stationary by using a unit root test for stationary. For that purpose, in the paper, were used the ADF test. The results indicate that all variables, except the level of leverage and hotel size, suffer from non-stationarity. Due to this reason, a differencing technique was applied. All variables became stationary after the first differencing. Due to the extensive data, the results of the ADF test are not shown. The next step in dealing with panel data is analyzing the correlation matrix, which is given in Table 3.

¹ The formula is result of the authors' research.



Table 3. The Correlation Matrix.

	LEV	REO	Lq	Size	NDST	EV
LEV	1.000					
REO	0.030	1.000				
Lq	-0.110	-0.119	1.000			
Size	-0.017	-0.094	0.018	1.000		
NDST	-0.002	0.049	-0.037	-0.014	1.000	
EV	0.071	-0.026	0.022	-0.001	0.090	1.000

Source: Author's.

Since there is no significant correlation between the variables, the research was continued with all variables because there is no danger of multicollinearity. The results of the FE panel data estimation are presented in Table 4.

Table 4. The results of the FE panel data estimation.

	Coefficient	St. error	t-ratio	p-value
Const.	0.511	0.062	8.253	0.000
REO	-0.525	0.060	-8.690	0.000
Lq	-0.122	0.051	-2.351	0.019
Size	-0.107	0.041	-2.591	0.009
NDST	0.007	0.054	0.129	0.897
EV	0.095	0.055	1.746	0.081
Log-likelihood: 127.986			Akaike kriterijum: -149.972	
Joint test on named regressors: $F(5, 323) = 10.11 (0.072)$				
Hausman-ov test: $H = 16.988 (0.004)$				

Source: Author's.

The p-value of the Joint test on named regressors is less than 10%, which means that the beta coefficients are not equal to zero, but they have an impact on the dependent variable. In other words, this means that the right variables are selected in the model. The Hausman test justifies the application of this estimator. The research results indicate the following:

- ROE has a statistically significant and negative impact on the level of leverage. This is because companies with higher profitability may rely more on retained earnings and equity financing, resulting in lower leverage.
- Hotel liquidity has a statistically significant and negative impact on the level of leverage. The availability of liquid funds provides a cushion against unforeseen financial challenges, reducing the need for external financing through debt.
- Hotel size has a statistically significant and negative impact on the level of leverage. The justification for this finding lies in the fact that larger companies may have better access to capital markets, which in turn influences their capital structure choices.
- Non-debt tax shields do not have a statistically significant and negative impact on the level of leverage. This finding indicates that hotels underutilize these non-debt tax shields. It is expected that other tax shields, such as depreciation, investment tax credits, or tax-loss carry-forwards, can influence the utilization of debt.



- Earnings volatility has a statistically significant and positive impact on the level of leverage. Several reasons can account for this result, but two stand out in particular: seasonal nature and intense competition. Hotels experience seasonal patterns in revenue due to variations in tourism and travel demand. During high seasons, they generate significant revenue, making them comfortable with leveraging their operations to finance expansion or investment projects. Hotels facing intense market competition may utilize debt to fund renovations, upgrades, or marketing campaigns to maintain or improve their market position during periods of revenue volatility.

CONCLUSION

The paper examined the influence of capital structure determinants on hotels operating in the Republic of Serbia. The research was based on the theoretical foundations of the Pecking Order Hypothesis and the Static Trade-off Model. The study was conducted on a sample of 37 hotels operating in the Republic of Serbia from 2012 to 2022. The findings are consistent with expectations, with one exception related to the impact of non-debt tax shields. This finding suggests that hotels underutilize these tax benefits. Therefore, it is essential to highlight the potential for their application. Tax-loss carry-forwards allow hotels, to offset current or future taxable income with past losses. When a hotel incurs losses in one year, it can carry those losses forward to offset future profits, thereby reducing its tax liability in profitable years. This reduced tax burden leaves more funds available for debt service or other operational needs. Utilizing tax-loss carry-forwards can improve a hotel's financial position, making it more creditworthy in the eyes of lenders. When a hotel has the ability to carry forward tax losses and reduce taxable income, it enhances its cash flow and financial stability. This improved financial standing can lead to increased borrowing capacity and access to debt financing on favourable terms. Tax-loss carry-forwards can positively impact a hotel's cash flow by reducing its tax expenses. With lower tax obligations, the hotel has more funds available for investment, debt repayment, or other growth initiatives. The availability of tax-loss carry-forwards may incentivize hotels to make long-term investments and undertake projects that may initially result in losses. Knowing that these losses can be carried forward and used to offset future taxable income encourages hotels to take on riskier but potentially rewarding ventures. Tax-loss carry-forwards act as a risk management tool by providing a financial cushion during challenging times.

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THE IMPACT OF DYSFUNCTIONAL GUEST BEHAVIOR ON HOTEL BUSINESS EFFICIENCY: A CASE STUDY OF THE REPUBLIC OF SERBIA

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Abstract:

This research investigates the influence of dysfunctional guest behaviour on the operational efficiency of hotels, with a specific focus on the Republic of Serbia. Dysfunctional guest behaviour refers to disruptive actions and conduct exhibited by guests during their stay, which can adversely affect hotel staff, other guests, and the overall hotel experience. This case study explores various forms of dysfunctional behaviour and its implications for hotel operations and profitability. By analyzing data from hotels in the Republic of Serbia, this study aims to provide valuable insights and practical recommendations for managing and mitigating the effects of such behaviour to enhance business efficiency and guest satisfaction. The results show that verbal aggression, illegitimate complaints and behaviour causing material and immaterial damages to hotels have a negative impact on the efficiency of hotel operations in the Republic of Serbia.

Keywords:

dysfunctional behavior, hotel business efficiency, verbal aggression, illegitimate complaints, material and immaterial damages.

INTRODUCTION

The findings from prior investigations (Grandey *et al.*, 2007; Yue *et al.*, 2017; Kang and Gong, 2019; Shams *et al.*, 2020a) indicate that the costs arising from dysfunctional guest behaviour significantly contribute to the overall business expenses of hotels. Additionally, over 82% of hotel employees face some form of dysfunctional guest behaviour, leading to burnout in their job roles (Yue *et al.*, 2017) and absenteeism (Grandey *et al.*, 2004). These findings highlight the substantial impact of such consumer behaviour on the efficiency of hotel operations. This impact is particularly crucial for hotel businesses due to the nature of services, where maintaining constant service quality is challenging (Zrnic *et al.*, 2023; Knezevic *et al.*, 2017), resulting in inevitable fluctuations in service quality and service delivery errors. Furthermore, service delivery errors can significantly affect a hotel's rating through electronic word of mouth. The lack of a standardized rating process allows comments and reviews on social media to strongly influence consumer attitudes (Josimovic *et al.*, 2023). Critiques shape consumers' beliefs, expectations, and perceptions of the value offered by hotels for their money (Rajaguru and Hassanli, 2017).

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The significance of word of mouth and comments on social media left by hotel guests is underscored by the findings of Levy *et al.* (2013), which indicate that consumers view critiques and comments as the most sincere source of information. Moreover, Proserpio and Zervas (2017) suggest that negative comments on social media are the most critical signal of a hotel's reputation, influencing hotel selection. It is crucial to acknowledge that unfavorable remarks expressed on social media platforms can swiftly transform into the dominant viewpoint held by users of a particular service (Litvin *et al.*, 2008).

Unlike discretionary consumer behaviour, which represents voluntary and positive actions contributing to the improvement of the guest-hotel relationship and, therefore, having a significant positive impact on hotel business outcomes, dysfunctional behaviour encompasses undesirable, negative, and unethical actions by customers, such as verbal aggression, unjustified complaints, and more (Zoghbi-Manrique-de-Lara *et al.*, 2014). This behaviour manifests in intentional acts of damaging hotel property, excessive energy consumption, food wastage, and the like. Such consumer behaviour often arises from negative experiences with the hotel (Bagherzadeh *et al.*, 2020). According to Folger's theory (2001), people behave in a manner they believe to be correct. As a result of negative experiences with the hotel, consumers may engage in dysfunctional behaviour as they perceive it to be the appropriate response to inadequate or poor hotel activities. A lack of emotional attachment to the hotel may intensify the display of dysfunctional behaviour, leading to stronger negative impacts on hotel business efficiency. In the absence of emotional attachment (loyalty) to the hotel, guests may not feel a moral obligation to assist the hotel and may not find valid cognitive arguments to justify such behaviour, instead resorting to dysfunctional behaviour to protect their personal interests. In the literature, three common forms of dysfunctional behaviour by hotel guests are often cited: verbal aggression, unjustified complaints, and behaviour that causes material and immaterial damage to the hotel. Importantly, all three forms of dysfunctional behaviour, either directly or indirectly, influence costs and thereby impact the hotel's efficiency. For instance, engaging in verbal aggression affects the hotel's efficiency indirectly by causing employee burnout or frequent absences from work, while damaging hotel property directly affects the hotel's operating costs. Additionally, since writing negative reviews on social media also constitutes dysfunctional behaviour, it affects potential guests' attitudes and, ultimately, the hotel's revenues, thus influencing business efficiency. For this reason, it is essential to examine the simultaneous impact of all three forms of dysfunctional behaviour, which is the main objective of this study. Specifically, the primary goal of the study is to explore the impact of these three dominant forms of dysfunctional guest behaviour on the efficiency of hotel operations in the Republic of Serbia.

LITERATURE REVIEW

In professional literature, consumer dysfunctional behaviour can be found under various names, such as deviant customer behaviour (customer misbehaviour, jay-customer behaviour problem customers, inappropriate customer behaviour (Strutton *et al.*, 1994), and customer badness behaviour (Yi and Gong, 2006; Harris and Daunt, 2011; Daunt and Greer, 2015; Lovelock and Wirtz, 2016).

The first researchers to examine the impact of such behaviour on business success were Strutton *et al.*, (1994). They investigated the influence of theft on business performance. Theft remains the most commonly studied form of consumer dysfunctional behaviour. In one particular study conducted by Lin *et al.* in 1994, it was discovered that retailers experience a sense of exasperation when they are compelled to increase prices for consumers as a result of shoplifting incidents. Additionally, Wirtz and McColl-Kennedy (2010) highlight various forms of customer theft such as fraudulent claims, which encompass inflated and false insurance claims, coupon misuse, and violations of service guarantees.

However, although theft has been extensively studied, three forms of consumer dysfunctional behaviour dominate academic and professional circles today: verbal aggression by customers, illegitimate complaints and behaviour causing material and immaterial damages to hotels. Theft and various other frauds can be classified as forms of behaviour resulting in material and immaterial damages to hotels. Additionally, vandalism also falls within this category of dysfunctional behaviour exhibited by hotel guests. According to Harris and Reynolds (2004), individuals partake in acts of vandalism towards organizational assets for various reasons, spanning from seeking monetary benefits to indulging in personal excitement. Verbal abuse is characterized



by customers expressing anger through verbal means that violate social norms, such as using profanity, yelling, making threats, making condescending remarks, and employing sarcasm (Karatepe *et al.*, 2009, p. 714). The act entails inducing unease and anguish in an employee through the utilization of discourteous, belittling, impatient, and impolite verbal utterances (Li and Zhou, 2013). Illegitimate complaints refer to situations where hotel guests make complaints about hotel services without valid reasons. These customers tend to complain regardless of the circumstances, using complaints as a bargaining tool to achieve their desired outcomes. Unfounded complaints can have various repercussions, impacting employees' ability to handle both valid and invalid grievances. It can diminish their patience and understanding towards complaints in general. Moreover, it can create a ripple effect, where customers engage in a competition of baseless complaints, aiming to garner greater sympathy and compensation from the service provider. This contagious phenomenon can lead to an unhealthy environment where groundless complaints become the norm. Moreover, adhering to the conventional belief that 'the customer is always right' can generate imbalanced power dynamics during customer-employee interactions in service environments (Grandey *et al.*, 2004). Additionally, this approach may incentivize customers to make unreasonable requests that employees cannot fulfill (Yagil, 2008). As a result, it is crucial to take this type of dysfunctional behaviour seriously. Following the existing literature, we define dysfunctional customer behaviour based on three key dimensions: verbal abuse, illegitimate complaint and behaviour causing material and immaterial damages to hotels. In accordance with the aforementioned, the paper starts from the following hypothesis: H1: verbal aggression by guests of the hotel has a negative impact on the efficiency of hotel operations in the Republic of Serbia; H2: Illegitimate complaints by guests of the hotel has a negative impact on the efficiency of hotel operations in the Republic of Serbia and H3: behaviour causing material and immaterial damages to hotels has a negative impact on the efficiency of hotel operations in the Republic of Serbia.

METHODOLOGY AND RESEARCH VARIABLES

The study was conducted on a sample of 26 hotels, with a capacity ranging from 20 to 450 accommodation units, categorized from 1 to 5 stars, operating in the Republic of Serbia. The data was collected during 2023. based on a structured questionnaire, which was compiled based on appropriate claims proposed in the literature. More precisely, the items from the questionnaire were defined taking into account theoretical and empirical research related to dysfunctional behaviour of consumers, i.e. hotel guests (Lara *et al.*, 2014; Kang and Gong, 2019) More precisely, the items related to verbal aggression and Illegitimate complaint by customers were taken from Kang and Gong (2019). The items related to behaviour causing material and immaterial damage to hotels were taken from Lara *et al.*, (2014). Since a high Cronbach alpha value does not necessarily indicate high reliability as it may simply be the result of a large number of items included in the analysis, the validity of the questionnaire was tested using principal component analysis (PCA). Sample adequacy was tested using the Kaiser-Meier-Okin test of sample adequacy (test value = 0.831). Also, Bartlett's test of sphericity was performed ($\chi^2(91) = 1802.6$). The results of the questionnaire's validity test are shown in Table 1, noting that the Promax rotation curve was used. The respondents assessed the statements from the questionnaire using the 5-point Likert scale, with ratings from (1), "completely disagree", to (5), "completely agree". It is important to point out that business efficiency is expressed through technical efficiency which represents a comprehensive measure of hotel business success as it takes into account all inputs and outputs (Assaf *et al.*, 2015), and mathematically it can be expressed as follows:

$$\delta_i = \max\{\delta > 0 | \delta_i y_i \leq \sum_{i=1} y_i \lambda; x_i \geq \sum_{i=1} x_i \lambda; \sum_{i=1} \lambda = 1; \lambda \geq 0\} \quad i \quad (1)$$

where δ_i is the technical efficiency indicator of the i th hotel, y_i the output vector of the i th hotel, x_i the input vector of the i th hotel and λ is the $n \times 1$ vector of model constants.

The research utilized a technique called data envelopment analysis (DEA) to determine the parameter values of the model. In particular, the study employed the DEA double bootstrapping procedure introduced by Simar and Wilson (2007). This method, as suggested by Pimic *et al.* (2023b), involved substituting the bootstrap estimators from the regression phase to calculate the standard errors of the estimates. By considering the potential bias in the parameter estimates, this procedure produced more dependable estimates in the second phase of the regression analysis.



To summarize, the algorithm encompasses the following steps:

Once the efficiency scores have been derived using Equation (1), we utilize the maximum likelihood method to estimate the truncated regression of δ_i on z_i . This estimation process allows us to obtain the values β and $\sigma\epsilon$;

To obtain a set of bootstrap estimates $\{\delta_{i,b}, b = 1, \dots, B\}$, the following four steps (a-d) need to be repeated multiple times for each hotel $i = 1, \dots, n$:

Derive ϵ_i from the $N(0, \sigma\epsilon)$ distribution with left truncation at $(1 - \beta z_i)$; Derive ϵ_i from the $N(0, \sigma\epsilon)$ distribution with left truncation at $(1 - \beta z_i)$; Compute $\delta_i = \beta z_i + \epsilon_i$

Construct a pseudo data set (x^*, y^*) , where $x_i = x_i$ and $y_i^* = y_i - \delta_i$; Compute a new DEA estimate d^* on the set of pseudo data (x_i, y_i^*) .

For each hotel, compute the bias-corrected estimate $d_i = d_i - (B \sum_{b=1}^B \delta_{i,b} - \delta_i)$;

Use the maximum likelihood method to estimate the truncated regression $\hat{\delta}_i$ on z_i , providing estimates $(\hat{\beta}, \hat{\sigma})$ of $(\beta, \sigma\epsilon)$;

Repeat the next three steps (a-c) a number of times to obtain a set of bootstrap estimates $\{(\beta_b, \sigma_b, 1, \dots, B)\}$: For $i = 1, \dots, n$, ϵ_i is drawn from $N(0, \hat{\sigma})$, with left truncation at $(1 - \beta z_i)$;

For $i = 1, \dots, n$, compute $\delta_{i,b} = \beta z_i + \epsilon_i$;

The maximum likelihood method is again used to estimate the truncated regression of $\delta_{i,b}$ on z_i providing estimates (β^*, σ^*) .

Utilize the bootstrap outcomes to construct confidence intervals.

Table 1. The questionnaire.

Item	Factor loadings		
	VA	IC	BD
Verbal abuse (VA)			
Customers yelled at me	0.762		
Customers threatened me	0.673		
Customers insulted me	0.701		
Customers got into arguments with me	0.779		
Illegitimate complaint (IC)			
Customers blamed me for a problem I did not cause		0.649	
Customers got angry at me even over minor matters		0.543	
Customers complained without reason		0.743	
Customers continued to complain despite my efforts to assist them		0.349	
Customers complained to me about the value of goods and services		0.522	
Behaviour causing material and immaterial damage to hotels (BD)			
I recognize that I have misused some of the hotel's services			0.852
I have refused to follow instructions from the hotel staff Sometimes, I have broken the rules of the hotel			0.905
I tend to dirty the hotel more than I should			0.761
I put little effort into my duties as a customer in this hotel			0.638
I recognize that I consume more resources than acceptable at this hotel			0.742

Note: VA - Verbal abuse, IC - Illegitimate complaint, BD - Behaviour causing material and immaterial damage to hotels.

Source: Author's.



The results of the PCA analysis indicate that the questions are grouped according to expectations, respectively, so that the questionnaire can be confidently used in further analysis. The analysis involved processing the gathered data using the statistical software package called Gretl for statistical analysis, and the statistical software AMOS for constructing structural equation models (SEM).

ANALYSIS AND DISCUSSION OF THE OBTAINED RESULTS

Before the AMOS model parameters were assessed, a correlation analysis of the indicators was conducted. The first condition for the valid application of factor and structural analysis is that indicators are highly correlated and mutually replaceable (Čavić *et al.*, 2023). Table 2 shows the correlation matrix of indicators (variables that are measured in the model), the average variance extracted (AVE), Cronbach’s alpha for estimating the reliability of the multi-item sections, and the goodness-of-fit indices for the SEM model.

Table 2. Shows the correlation matrix of indicators.

	VA	IC	BD
VA	1		
IC	0.491	1	
BD	0.448	0.599	1
AVE	0.613	0.502	0.603
Reliability	0.713	0.728	0.791
RMSEA (root mean square error of approximation)	0.047		
RMSR (root mean square residual)	0.055		
NNFI (non-normed fit index)	0.993		
AGFI (adjusted GFI)	0.986		

All correlations are significant at $p < .05$.

Source: Author’s.

Table 3 indicates that the variables are highly correlated with each other. AVE for each construct surpassed the square of the correlation coefficient between the corresponding inter-constructs. This finding solidifies the evidence supporting discriminant validity. Additionally, the outcomes of the measures also contribute to the overall convergent validity. These insights were reported by Radivojevic *et al.* (2023) and Pimic *et al.* (2023a). Values of Cronbach’s alpha in all cases are above 0.7, expressing a satisfactory degree of dependability for every component. Furthermore, the reliability of the construct was additionally reinforced by the fact that all average variance extracted (AVE) values surpassed the threshold of 0.50. The findings obtained from the goodness-of-fit indices indicated that the proposed structural model fit the data excellently.

The results of the confirmatory factor analysis are shown below.



Figure 1. Structural model testing.

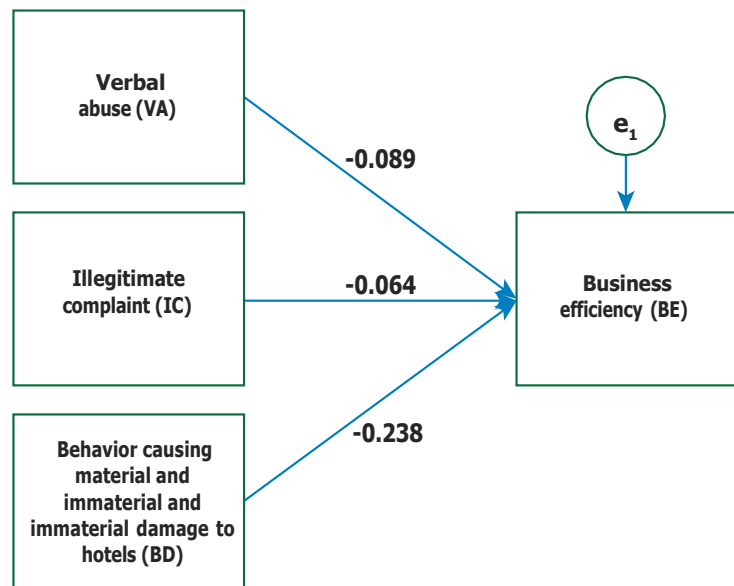


Table 3. Results of hypothesis testing.

Variables	Coeff.	Stand. error	Critical value	P value	Results
BE ← VA	-0.089	0.013	-6.85	0.003	H1 accept
BE ← IC	-0.064	0.018	-3.56	0.018	H2 accept
BE ← BD	-0.238	0.016	-14.88	0.000	H3 accept

Source: Author's.

From the perspective of econometric analysis, the results presented in Fig. 1 indicate that the stated hypotheses can be accepted as confirmed, as all regression coefficients are statistically significant at a confidence level of 0.05. From Figure 1, it is clear that the greatest influence has behaviour causing material and immaterial damage to hotels. This outcome was expected, considering that the impact of this type of dysfunctional behaviour is easily observable, measurable, and stands out prominently. Next, the impact of verbal aggression emerges, and it exerts the most significant influence on the burnout of hotel employees. The frequent absences from work due to emotional exhaustion have a dual effect on the hotel's business efficiency. On one hand, it incurs additional costs for hiring and training new personnel, who may not match the efficiency of experienced staff. On the other hand, the hotel often bears the cost of employee absences. Given the shortage of adequately skilled personnel in the hotel industry, this issue represents a substantial challenge.

The impact of illegitimate complaints has the least impact on the efficiency of hotel operations. This finding suggests that the presence of unfounded complaints has a relatively minor influence on the efficiency of hotel operations. In other words, these complaints, which lack a valid basis or justification, do not significantly disrupt the overall functioning and productivity of the hotel. Such complaints may be either infrequent or have minimal consequences on the hotel's ability to deliver services effectively. Other factors, such as verbal aggression and behaviour causing material and immaterial damage, may have more substantial effects on the hotel's efficiency, overshadowing the impact of unfounded complaints in the overall analysis.

Further investigation and exploration of the reasons behind this observation could provide valuable insights into improving hotel operations and customer satisfaction.



CONCLUSION

The research findings indicate that dysfunctional guest behaviour, encompassing verbal aggression, illegitimate complaints, and behaviour causing material and immaterial damages to hotels, negatively impacts the operational efficiency of hotels in the Republic of Serbia. These disruptive actions can lead to adverse effects on hotel staff, other guests, and the overall hotel experience, potentially affecting guest satisfaction and profitability. As a result, managing and mitigating dysfunctional guest behaviour becomes essential for enhancing business efficiency and ensuring a positive guest experience. The study provides valuable insights and practical recommendations to help hoteliers in the Republic of Serbia address and minimize the negative effects of such behaviour, thereby improving overall operational performance and guest satisfaction levels.

The findings of this study show that behaviour that causes material and non-material damage to hotels has the greatest impact on business efficiency. Then follows verbal aggression and then unfounded complaints from hotel guests. The study findings indicate that behaviour causing material and non-material damage to hotels has the greatest impact on business efficiency. This could be due to several reasons: **Direct Costs:** Actions that cause material and non-material damage to hotels can lead to direct costs, such as repairs, replacements, or compensations, which directly affect the hotel's financial performance and operational efficiency. **Negative Guest Experience:** Guests who experience damage or witness such behaviour are likely to have a significantly negative experience, leading to reduced satisfaction and potential negative word-of-mouth, impacting the hotel's reputation and future business. **Employee Productivity:** Dealing with the aftermath of damage or addressing such behaviour may consume a considerable amount of staff time and resources, diverting them from core tasks, thus affecting overall employee productivity and efficiency. **Safety Concerns:** Behavior causing material damage may also pose safety risks to guests and staff, requiring immediate attention and further impacting the hotel's efficiency and reputation.

On the other hand, verbal aggression, though significant, may have a lesser impact on business efficiency compared to material and non-material damage due to its potential to be managed more effectively through staff training and guest communication protocols. Lastly, unfounded complaints from hotel guests, though still relevant, may have a lower impact on business efficiency as they are less likely to result in direct costs or safety concerns. While they may affect staff morale and require attention, their effects are comparatively milder compared to the other forms of dysfunctional behaviour.

Overall, the order of impact observed in the study suggests that addressing behaviour causing material and non-material damage to hotels should be a priority for hotel management in their efforts to enhance business efficiency and ensure a positive guest experience.

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APPLICATION OF AGILE MANAGEMENT IN THE HOTEL BUSINESS IN SERBIA

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Abstract:

The modern business environment is characterized by pronounced complexity, frequent and rapid changes, accelerated development of information technology, high expectations of end users and other factors. Hotels, as business systems, must follow changes and apply the latest achievements in the field of technology and management, in order to preserve competitiveness. Agile management provides certain advantages because it follows changes in the environment, promotes the exchange of information, helps to identify risks early and make decisions in a timely manner. For the purposes of this paper, a survey was conducted with the aim of exploring the application of agile management in the hotel industry. The survey consists of 22 questions, utilizing the Likert scale, and covers inquiries about demographic information, hotel description, and the implementation of agile management in hotel business. It is primarily intended for general hotel managers in Serbia and was distributed through email contact addresses. The obtained results showed that the hotel management is aware of the advantages of agile management and applies it in its business activities. The research also pointed out certain deficiencies that exist in the hotel business. Future directions of research should be aimed at discovering the causes of these deficiencies and finding ways to overcome them.

Keywords:

agile management, agile methods, hotel management, project management.

INTRODUCTION

There are certain similarities between traditional and agile project management, but also significant differences. The traditional project management approach operates under the assumption that all user requirements, expectations, durations, activities, and outcomes can be predicted and planned in advance. The user is not involved in the project execution process until the final result is obtained and the testing phase begins. At that point, there is a potential risk that the product may not meet the desired expectations. Agile project management, on the other hand, is a method that delivers value to the user through continuous adaptation of planning, rapid feedback, timely decision-making, continuous improvement, and intense collaboration among all stakeholders. The user is involved in the product or service development process from the very beginning of planning.

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The hotel industry represents a complex management approach that encompasses a wide range of diverse processes, participants, and activities, with customer satisfaction at its core. The development of information technology has had a significant impact on the frequent changes in the behavior of all stakeholders in the tourism market. Monitoring environmental changes and timely adaptation to their influence has become of paramount importance for both sustaining operations and achieving business objectives.

In their scientific study, the group of authors (Turginbayeva *et al.*, 2020) presents the possibilities of applying flexible project management methods in the hotel industry. They identify three main reasons that limit the application of flexible methods and occur in cases when:

1. Hotel management is primarily focused on operational activities.
2. A multidimensional organizational structure imposes certain constraints.
3. There are barriers to close collaboration with clients.

By comparing the fundamental characteristics of traditional and flexible management, it is possible to identify several criteria for selecting the most suitable model. These criteria include: core factors (whether the focus is on the project itself or customer satisfaction), project content, complexity of changes, sales methods, external factors' impact on the project, change management approach, organizational structure of the company, project management methodology and stakeholder influence level. Each of these criteria influences the choice of an appropriate project management model.

The implementation of a software solution for hotel inventory system through agile methodology is described by another group of authors (Diaz *et al.*, 2021). This example illustrates that monitoring environmental changes and timely responses to them are crucial for the successful execution of a project. Thanks to the agile approach, the project consistently considered newly arising changes and made continuous adaptations during its duration, contributing to its successful realization.

Employee satisfaction and retention have been the focus of numerous researchers. In one study (Issa *et al.*, 2019), the possibilities offered by agile management methods for this purpose are described. The study lists the key factors that employees consider when deciding whether to stay in an organization or not. These factors include salary, performance evaluation and rewards system, career development, decision-making opportunities, work-life balance, work environment, and workplace safety. It is explained how the application of agile principles creates opportunities and positively affects employee satisfaction. Several agile techniques are discussed: SCRUM, Agile Alliance Manifesto, Extreme Programming, Dynamic Systems Development Method (DSDM), and Feature Driven Development. Each of these techniques outlines principles and practices that create a satisfying environment for employees to achieve more, work more efficiently, and feel comfortable enough not to leave the organization, without significant efforts from the HR (Human Resources) department.

The role of organizational agility in achieving competitive advantage in the hotel industry is depicted by a group of authors (Alsubaihi *et al.*, 2020). They examine the impact of three factors that significantly contribute to uncertainty in the business environment: market changes, technological changes, and competition. As such, these factors directly influence the competitive advantage and performance of hotel businesses. The relationship between the uncertain environment and the competitive advantage of the hotel itself is considered, highlighting the positive role of organizational agility as a moderator.

The impact of Information Technology (IT) on the organizational agility of hotels and to what extent they contribute to hotels being agile in responding to changes in the environment is best described by a group of authors (Melián-Alzola *et al.*, 2020) in their study. An important contribution of this research is the empirical validation of a scale for IT usage in hotel business, which identifies four types of usage, or four dimensions: external agents, human resources, products/services, and processes.

Starting from the research problem, the initial research questions were formulated as follows:

1. Does hotel management recognize the benefits of agile management and implement it in their business activities to facilitate faster information exchange, early detection of environmental changes, and timely decision-making toward achieving desired business goals?
2. Does hotel management recognize the possibilities of applying agile management in their business activities?



3. Is agile management applied in hotel operations, and which method is most commonly used?
4. Does agile management assist hotel management in faster communication and decision-making in line with the changing environment?
5. Does the implementation of agile management help team members execute their tasks more quickly and easily?

Therefore, the main objectives to be achieved by this study are to ascertain whether and to what extent agile management is applied in the hotel industry as a business approach for monitoring changes and to identify the possibilities for its broader implementation. Regarding the structure of this paper, after the introductory section with an overview of the existing literature, the first part presents the managing hotel business with agile methodologies. The second part focuses on the research of the application of agile methodologies in the hotel business and an analysis of research results. The third part constitutes the research conclusion regarding the application of agile methodologies in hotel business.

TRADITIONAL VS AGILE METHODOLOGIES

Unlike traditional methodologies, which are characterized by a series of key project development phases that are chronologically aligned, where each subsequent phase begins only after the previous one is completed, agile methodologies are more focused on collaboration with users rather than emphasizing strict adherence to agreed-upon procedures. The first methodologies were developed for the software industry, with the most well-known being the Waterfall model. In general, phases in traditional methodologies are divided into: user requirements specification, analysis, design, development, testing, and maintenance. The duration of projects managed using traditional methodologies could take up to a year or more, with each individual phase lasting several months. The primary drawback that emerged from the application of traditional methods was the failure to recognize risks in the early stages of the project. Identifying them at the end of the project required significant delays, tenfold increased costs for defect resolution and/or mitigation, and sometimes even resulted in complete project failure.

In response to the mentioned shortcomings, an iterative methodology was developed, based on an iterative-incremental approach. The project would be divided into several sequential iterations, with new functionalities added to each iteration, allowing potential risks to be identified at the very beginning. Each iteration produces an executable version and includes integration and testing. The primary goal of completing each iteration is to obtain an integrated, stable, and tested part of the overall project under development. However, despite the development of other traditional methods, the percentage of failed projects did not significantly decrease. Users remained dissatisfied and software engineers attached more importance to procedures and project development than changes in the environment and emerging user requirements.

In 2001, leading experts in the software industry convened in Utah, USA, and established the Agile Alliance, a non-profit organization aimed at promoting the flexible project development concept and assisting organizations in its implementation. On this occasion, the Agile Manifesto was adopted, defining better ways of software development and comprising 12 agile principles. By combining these principles, four fundamental agile philosophical concepts are highlighted:

1. Individuals and their interactions are more important than processes and tools.
2. Working software is more valuable than comprehensive documentation.
3. Collaboration with users is more important than contractual agreements.
4. Responding to change is more important than strict adherence to a plan.



Agile project management necessitates a significant shift in the mindset and thinking of all participants, primarily employees within a company. While traditional management involves strict adherence to approved plans and schedules, agile management relies on adaptability to change, openness to innovation, product flexibility, employee flexibility, and work processes. Participants are encouraged to freely express their opinions, observations, and ideas, to consider their tasks and how they contribute to common goals, thus being fully engaged in the project development process. The desire for innovation has become an integral part of the corporate culture in agile organizations. There are several agile management methods, among which Kanban, Scrum, and Design Thinking, or their combinations, are commonly used today.

Scrum is a process framework that enables individuals, teams, and organizations to address complex problems and deliver products with the highest possible value, achieving high productivity and creativity in decision-making. It has proven to be particularly effective in iterative and incremental knowledge transfer. Today, it is widely used for product development, services, and organizational management. The essence of Scrum is a small, self-organizing, and adaptable team whose activities are based on sprints. The core values are commitment, focus, openness, respect, and courage among all participants. Scrum roles are divided into the Product Owner, Scrum Master, and the Development Team.

Design Thinking is an analytical and creative process that enables designers to experiment, create, and prototype models while collecting feedback and redesigning (Razzouk & Shute, 2012). A good designer should possess visualization skills and creativity, among other qualities. The framework of Design Thinking is an iterative process aimed at understanding user needs and reframing the problem to identify different strategies and problem-solving approaches. The final solution may differ from the initial problem understanding. Design Thinking allows an approach based on finding various ways to address the same problem, encompassing a particular mindset and working method, along with the application of appropriate work methods. According to the Hasso-Plattner Institute of Design at Stanford University, Design Thinking consists of the following five phases: Empathy - creating empathy with end users; Define - defining user needs, their problems, and one's insights; Ideate - making assumptions and generating ideas for innovative solutions; Prototype - creating and developing solutions; Test - testing solutions.

HOTEL INDUSTRY AND COMPETENCIES OF HOTEL MANAGERS

Hotel industry is an economic activity that takes place within the hospitality industry and primarily refers to accommodation and food services. In the academic sphere, the prevailing approach to defining hotel industry is centered on describing the business and management aspects, with a focus on service provision. According to one definition (Brotherton, 1999), hotel industry is "simultaneous human exchange, entered into voluntarily and designed to enhance mutual well-being, through the provision of accommodation and/or food and/or drink." According to another definition (Kosar, 2015), "Hotel industry is an economic activity within the hospitality industry that spatially and functionally combines accommodation services with food services, including related services that are associated with them."

Hemington (Hemington, 2007) suggests in his work that by redefining hotel industry as a way of behavior and acquiring experiences, a new perspective for managing hotel business opens up because hotel guests are not buying a service, but they are purchasing an experience; they are not buying the quality of service, but they are buying memories; they are not buying food and drinks, but they are buying the experience of a meal. Hemington proposes that hotel industry should be viewed more as hosting, where hospitality, a sense of theatricality, and generosity take center stage.

The hotel industry is constantly and rapidly changing under the influence of various factors in the global business environment. It is essential to continuously assess which leadership competencies are of paramount importance. Sison and Adams (Sisson, L. G., & Adams, A. R., 2013) identify a total of 33 key leadership competencies for hotel managers, which can be divided into three groups: hard competencies (13 in total), soft competencies (16 in total), and mixed competencies (4 in total). Hard competencies include skills such as financial statement analysis, cost control, budget planning, crisis management, knowledge of sales techniques, computer literacy, and more. Soft competencies encompass skills like written communication, employee development, building positive customer relationships, delegation, leadership abilities, presentation skills, negotiation



techniques, personal stress management, and others. Mixed competencies involve tasks like conducting interviews during hiring, critically using information in decision-making, employee training, and resolving guest complaints. Interestingly, research has shown that even 86% of competencies that hotel managers consider crucial belong to the category of soft competencies.

The General Manager is a leading managerial figure because they oversee their employees and team, guiding them towards the implementation of the business strategy and the achievement of business objectives. The General Manager of a hotel has various roles within their position, including strategic activities (planning, implementing, and adapting the business strategy), operational control (addressing operational issues and interacting with subordinates), organizational tasks (monitoring internal and external information, improving operational efficiency, enhancing hotel services), and business activities (developing managerial skills). To be effective in their roles, the General Manager needs to possess various skills and competencies. In exploring the key leadership competencies for the role of General Managers in hotels, Tavitijaman and colleagues (Tavitijaman *et al.*, 2014) have identified eight leadership competencies. They also conducted an analysis of how certain factors, such as the characteristics of General Managers and hotel characteristics, can influence the prioritization of leadership competencies. The following eight leadership competencies stand out:

1. Team Building and Ethics.
2. Leadership.
3. Communication Skills.
4. Planning and Implementation.
5. Employee Motivation and Interpersonal Skills.
6. Strategic Orientation.
7. Flexibility.
8. Community Engagement.

The significance of specialized education for managers in the hotel industry is best illustrated by Teus and colleagues (Tews *et al.*, 2011), who highlight the arguments for adapting the education of future hotel managers to the specific requirements posed by this field. While business programs focus on the fundamentals of management, specially tailored hotel management programs equip graduates not only with general management principles but also with the management of guest experiences and employees in the service sector. These reasons pertain to the following:

1. The Specificity of Hotel Management.
2. Small Hotel Enterprises.
3. Hospitality Is Primarily a Service Industry.
4. People Management.
5. Food and Beverage Management in Hospitality.
6. Application of Knowledge in Other Service Industries.

RESEARCH ON THE APPLICATION OF AGILE METHODOLOGIES IN HOTEL BUSINESS

Research Procedure and Data Collection

For the purpose of studying the extent of agile management implementation in the hotel business, a survey technique was utilized. A questionnaire consisting of 22 questions was prepared, covering inquiries related to demographic information, hotel characteristics, and the application of agile management in hotel business. The questionnaire structure also included the use of a Likert scale to obtain a more detailed insight into the response analysis. The survey was prepared using the Google Forms application.



Data collection based on the survey was carried out by distributing the questionnaire via email addresses of the respondents. Six participants took part in the survey, primarily in the positions of general managers. It was conducted from November 2022 to January 2023, on the territory of the Republic of Serbia. General managers were certainly the target group for the research, considering that they, in their positions, make decisions and choose the appropriate management style.

The challenges we encountered during the research were related to the questionnaire and contacting general managers. General managers, by the nature of their work, do not have much free time, so the questionnaire had to be sufficiently concise not to take up too much of their time, yet informative enough to obtain the desired responses. Additionally, their contacts were not publicly available, and a personal recommendation was necessary to establish contact with them.

Analysis of Research Results

There were six respondents, predominantly male, in the positions of general managers, with the most work experience in the field of management and a length of work experience from 16 to 20 years. All of them are highly educated, with even half of the respondents holding a doctoral degree. It is important to emphasize here that managers in high positions are aware of the benefits of further education and give equal attention to both the development of their professional careers and their academic education.

In response to the question about their current positions and years of experience, the respondents indicated the following: Director, General Manager, Hotel GM, and Chief Executive Officer. Considering that job position systematization can vary, we can assume that General Manager, Hotel GM, and Chief Executive Officer belong to the same category.

Job satisfaction is a topic that is increasingly capturing public attention in today's world. Our respondents expressed very positive views on this matter, with four of them stating that they are completely satisfied with their working conditions. None of the respondents reported being dissatisfied. The main reasons for not being completely satisfied with their job were cited as working conditions and job-related stress (e.g., tight deadlines). What is particularly interesting in their responses is that salary, interpersonal relationships, motivation in the work environment, and fulfilling work were not listed among their reasons. Characteristics of the general managers are presented in Table 1.

Table 1. Characteristics of hotel general managers.

Characteristics	Characteristics of Hotel General Managers		
		n	%
Age	25-34	1	16,7%
	35-44	2	33,3%
	45-54	1	16,7%
	55 and more	2	33,3%
Gender	Male	1	16,7%
	Female	5	83,3%
Education	Undergraduate	1	16,7%
	Postgraduate / Master	2	33,3%
	PhD	3	50%
Years of work experience	6-10	1	16,7%
	16-20	3	50%
	25 and more	2	33,3%
The area with the most experience	Human resource	1	16,7%
	Management (Director, General manager, GM Hotel, General director)	5	83,3%
Job satisfaction	Satisfied	2	33,3%
	Completely satisfied	4	66,7%
The main reason why you are not completely satisfied at work	Conditions on workplace	1	16,7%
	Stress (short deadlines)	1	16,7%
	Salary. Interpersonal relationships. Work environment.	-	-
	Motivation. Clients. Business partners.	-	-



Taking into account the categorization of the hotels where our respondents work, all the hotels are of high classification, with 4 and 5 stars, predominantly of a business and classic type, medium-sized, with a number of rooms ranging from 100 to 200, and employing more than 70 staff members. All of them offer a range of additional services including a pool, spa, gym, cafe, sports facilities, and a nightclub. High-class hotels were the target group for this research because they value their reputation and it is important for them that the environment recognizes their efforts in implementing current trends such as sustainable development, community care, data protection, and more. Agile management certainly falls within this group of trends. Characteristics of the hotels where the respondents work are presented in Table 2.

Table 2. The hotel characteristics.

Characteristics	The hotel characteristics		
	Feature's domains	n	%
Star rating	5 star	1	16,7%
	4 star	5	83,3%
Type of hotel	Business hotel	2	33,3%
	Classic hotel	2	33,3%
	Resort	1	16,7%
	Boutique	1	16,7%
The size of the hotel	Little	1	16,7%
	Middle	3	50%
	Large	1	16,7%
Number of rooms	25-50	1	16,7%
	100-200	5	83,3%
Number of employees	50-70	1	16,7%
	70 and more	5	83,3%

In the following analysis, the research results on the application of agile management in hotel business will be presented. Respondents were first asked about the key management issues in the hotel and the factors influencing poor team organization. By identifying these elements, areas that could be improved by applying an agile management approach are revealed.

As key management issues in hotels, the following were listed: employees, external factors, and a volatile market. What is particularly encouraging is the fact that their responses do not include guests, business partners, and competition, indicating good business practices and that business results align with business goals. Employees are certainly a challenge because being a manager primarily means effectively leading the workforce. It involves ensuring that employees are aware of the business goals, promoting free and open communication among them, recognizing their unique qualities, making fair decisions, and organizing work, all of which collectively contribute to higher employee motivation and, consequently, better business results.

External factors are something that cannot be controlled but, to a greater or lesser extent, directly impact operations. Events such as natural disasters or new legal regulations can necessitate drastic changes in management and organizational activities in relatively short timeframes. A volatile market, like external factors, is also beyond one's control. Changes in supply or demand certainly influence decision-making that must adapt business operations to newly emerging situations.

According to our respondents, factors contributing to poor team organization include: poor communication among team members, team members' egos, directive management, poorly defined roles, and insufficient knowledge and experience among certain team members. What we can observe is that communication, management, and job organization, i.e., work organization and business processes, can certainly be enhanced and improved through the application of some agile management methods.



The analysis of research results has also shown that there are certain positive and negative outcomes. Among the positive research outcomes, we can highlight:

- The current team organization is very good and/or excellent.
- Employees freely participate in setting daily tasks.
- Team members freely share their opinions.
- If one team member encounters a problem, there is a willingness from other team members to help.
- The team is efficient in carrying out agreed-upon activities.
- Agile methods are being applied in hotel management, and currently, the Design Thinking method has been recognized as a method finding application in the field of hotel management.

Among the negatively obtained research results, we can highlight:

- Not all employees share a common project goal. The obtained results may indicate that there is no clear feedback from employees or that there is no communication method through which a clear insight can be gained.
- Employees do not freely participate in setting job priorities.
- Daily meetings for information exchange (what they have been doing, what problems they are solving, and what they plan to do) are not organized. The obtained results may suggest that information exchange does not occur formally in the form of daily meetings but informally during everyday communication.

In terms of the importance of certain factors relevant to agile management, it is interesting to note that all the mentioned factors were rated as important or very important by the respondents. There were no other responses. Therefore, we can observe that, for the successful execution of business tasks and achieving business goals, the following factors are of great importance: communication among team members, adaptability to changes, self-organizing teams, and visibility of information sharing among team members. Additionally, most respondents emphasized the importance of and rated highly: the engagement of each team member and continuous improvement of processes and people.

Table 3 presents the results of the analysis regarding the implementation of agile management in hotel business.

Table 3. Agile management in hotel business.

Characteristics	Agile management in hotel business		
	Feature's domains	n	%
Key management issues	Employees	2	25%
	External factors	3	37,5%
	Changing market	3	37,5%
	Guests. Business partners. Competition	0	-
Current team organization	Poor communication between team members	1	9%
	Vanity of team members	2	18%
	Command management	2	18%
	Poorly placed job	2	18%
	Insufficient knowledge and experience on the part of individual team members.	2	18%
		4	18%
Is agile management applied in your hotel?	Strongly agree	1	20%
	Agree	1	20%
	Neither agree nor disagree	2	40%
	Disagree	-	-
Do employees participate freely in setting daily tasks?	Strongly disagree	1	20%
	Strongly agree	1	16,7%
	Agree	2	33,3%
	Neither agree nor disagree	1	16,7%
	Disagree	2	33,3%
	Strongly disagree	-	-



Characteristics	Agile management in hotel business		
	Feature's domains	n	%
Do all employees share the common goal of the project?	Strongly agree	1	16,7%
	Agree	1	16,7%
	Neither agree nor disagree	3	50%
	Disagree	1	16,7%
	Strongly disagree	-	-
Do employees freely participate in setting priorities, jobs that need to be done?	Strongly agree	-	-
	Agree	2	33,3%
	Neither agree nor disagree	1	16,7%
	Disagree	2	33,3%
	Strongly disagree	1	16,7%
Are daily meetings organized to exchange information?	Strongly agree	2	40%
	Agree	-	-
	Neither agree nor disagree	3	60%
	Disagree	-	-
	Strongly disagree	-	-
Do all team members freely share their opinions?	Strongly agree	1	16,7%
	Agree	3	50%
	Neither agree nor disagree	1	16,7%
	Disagree	-	-
	Strongly disagree	1	16,7%
If a team member encounters a problem, is there a will from the side other team members to help him?	Strongly agree	1	16,7%
	Agree	3	50%
	Neither agree nor disagree	1	16,7%
	Disagree	1	16,7%
	Strongly disagree	-	-
Is the team efficient in the realization of the agreed activities?	Strongly agree	1	16,7%
	Agree	2	33,3%
	Neither agree nor disagree	2	33,3%
	Disagree	-	-
	Strongly disagree	1	16,7%
If you do, which agile method do you use?	Scrum	-	-
	Kanban	-	-
	Scrumban	-	-
	Design Thinking	2	33,3%
	Other	-	-
How important is more communication among team members to you?	They don't matter at all	-	-
	They don't matter	-	-
	Mediocre	-	-
	They are important	3	50%
	They are very important	3	50%
How important is the participation/engagement of each team member to you?	They don't matter at all	-	-
	They don't matter	-	-
	Mediocre	-	-
	They are important	2	33,3%
	They are very important	4	66,7%
How important is adaptability/adaptability to changes to you?	They don't matter at all	-	-
	They don't matter	-	-
	Mediocre	-	-
	They are important	3	50%
	They are very important	3	50%
How important is continuous improvement of processes and people to you?	They don't matter at all	-	-
	They don't matter	-	-
	Mediocre	-	-
	They are important	2	33,3%
	They are very important	4	66,7%
How important is a self-managed team to you?	They don't matter at all	-	-
	They don't matter	-	-
	Mediocre	-	-
	They are important	5	83,3%
	They are very important	1	16,7%
How important is the visibility of information sharing between team members to you?	They don't matter at all	-	-
	They don't matter	-	-
	Mediocre	-	-
	They are important	3	50%
	They are very important	3	50%



CONCLUSION

The contemporary business environment is characterized by pronounced complexity, unpredictability, frequent and rapid changes, as well as a large number of market participants. This is further complicated by the accelerated development of information technology, widespread use of the Internet, and high expectations of end-users. Hotels, as business systems, must also keep up with and apply the latest advancements in technology and management methods.

Agile management provides certain additional advantages because by monitoring changes in the environment and obtaining feedback from users, it helps to identify risks in a timely manner, reducing project costs, and adapting the product or service to the needs of end-users during the development process. Furthermore, agile management facilitates the creation of a favorable work environment and contributes to increased employee satisfaction, thereby increasing employee retention rates without significant efforts from the HR department.

The data obtained from the conducted research have provided a more detailed insight into the subject of the study. The research has shown that hotel management is aware of the advantages of agile management and applies it in their business activities. However, it is not yet prevalent to a sufficient extent, considering that external factors and a changing environment have been identified as key management issues in the hotel. Factors such as increased communication among team members, information exchange, self-organizing teams, engagement of each team member, adaptability to changes, continuous process and people improvement are of great importance in hotel management and are also activities that belong to the core principles of agile management. Among the agile methods applied, the use of Design Thinking is mentioned.

On the other hand, the research has also identified certain shortcomings in hotel management, including the fact that not all employees share a common goal, they do not freely participate in setting daily tasks and priorities, regular daily meetings are not held. Future research directions should be focused on identifying the causes of these shortcomings and finding ways to overcome or minimize them.

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COMPARATIVE ANALYSIS OF PUBLIC-PRIVATE PARTNERSHIP LEGAL FRAMEWORKS IN THE TOURISM SECTOR: A CASE STUDY OF ALBANIA AND SERBIA

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Abstract:

This paper offers a novel and critical comparative analysis of the Public-Private Partnership (PPP) legal frameworks in the tourism sector of Albania and Serbia. It not only dissects the intricacies of each framework but also provides a unique comparative perspective, highlighting the divergences and synergies between these two Balkan nations. This analysis is pivotal for policymakers and stakeholders in the tourism industry, offering actionable insights for refining PPP strategies in a regional context.

Keywords:

public-private partnerships, comparative analysis, tourism PPP, policy recommendations, risk allocation.

INTRODUCTION

The tourism sector is a pivotal contributor to economic development in many countries, including those in the Balkans like Albania and Serbia. Public-Private Partnerships (PPPs) have increasingly become a key mechanism for boosting tourism infrastructure and services. Globally, PPPs in tourism have been recognized for their potential to leverage private investment and expertise while serving public interests. However, the effectiveness of these partnerships is greatly influenced by the underlying legal frameworks, which govern their formation, operation, and regulation.

Previous research on PPPs in the tourism sector has predominantly focused on their economic impacts and governance structures (Smith & Jones, 2018;¹ Doe, 2019²). Studies specific to the Balkan region have highlighted the role of PPPs in post-conflict economic recovery and development (Ivanov & Petrov, 2017)³. However, there remains a significant gap in the literature regarding a detailed comparative analysis of the legal frameworks of PPPs in the tourism sector, particularly between Albania and Serbia. This study aims to fill this gap by examining the intricacies and implications of PPP laws in these countries.

- 1 Smith, A., & Jones, B. (2018). The Economic Impact of PPPs in Tourism. *Journal of Tourism Studies*, 12(3), 45-59.
- 2 Doe, R. (2019). Governance Structures in Tourism PPPs. *International Journal of Public Sector Management*, 22(4), 350-365.
- 3 Ivanov, S., & Petrov, P. (2017). PPPs in Post-Conflict Economic Recovery: The Balkan Experience. *Balkan Economic Review*, 15(2), 234-249.

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By conducting a comparative analysis of the PPP legal frameworks in Albania's and Serbia's tourism sector, this research contributes novel insights into how these frameworks facilitate or hinder effective partnership formation and execution. The findings of this study are vital for policymakers and stakeholders in the tourism industry, as they provide a foundation for enhancing legal structures to maximize the benefits of PPPs.

This study's comparative approach is particularly relevant for countries in the Balkan region and beyond, considering the increasing reliance on PPPs for tourism development. The insights gained from the Albanian and Serbian experiences can provide information on the design and implementation of more effective PPP policies and frameworks in similar contexts.

METHODOLOGY

Data Sources

The analysis employs a comparative legal methodology, dissecting each country's PPP laws to illuminate the variances in legal constructs, governance approaches, and regulatory environments. This methodical scrutiny provides a foundation for a nuanced understanding of how these legal frameworks shape PPP outcomes in the tourism sector. These laws serve as the foundation for the comparative analysis, providing detailed insights into the regulatory frameworks that shape PPPs in each country.

Maintaining the Integrity of the Specifications

This comparative analysis of Public-Private Partnership (PPP) legal frameworks in the tourism sector of Albania and Serbia adopts a qualitative methodology. This approach is particularly suited for legal research as it allows for an in-depth and nuanced examination of complex legal texts and frameworks. According to Denzin and Lincoln (2011)⁴, qualitative methods enable researchers to explore the depths and multi-layered nature of legal systems. By focusing on the interpretive analysis of legal documents, qualitative research offers valuable insights into the intricacies of legal and regulatory environments.

The qualitative analysis in this study involved a systematic examination of legal texts, regulatory documents, and policy papers related to PPPs in the tourism sector. Each document was critically analyzed with a focus on key aspects such as governance mechanisms, legal stipulations, financial arrangements, and oversight provisions. This granular approach allowed for a comprehensive comparison of the PPP frameworks in Albania and Serbia, highlighting both the shared features and divergences in their respective legal landscapes.

To ensure a balanced and thorough analysis, the study followed a structured approach as suggested by Maxwell (2013)⁵. This involved creating a detailed analysis framework, which guided the examination of each legal document. The framework helped maintain consistency in the analysis, ensuring that each legal framework was assessed against the same criteria.

The qualitative methodology was instrumental in achieving the objectives of this study. By facilitating a detailed and contextual analysis of PPP laws, it allowed for the identification of specific legal provisions that are conducive to or hindering the effective implementation of PPPs in the tourism sector. This approach is essential for generating actionable insights and policy recommendations, as emphasized by Yin (2014)⁶ in his work on qualitative research in social sciences.

In conclusion, the qualitative methodology adopted in this study ensures a rigorous, detailed, and context-sensitive analysis of the PPP legal frameworks in Albania and Serbia. By maintaining a focus on the interpretive and comparative analysis of legal texts, this methodology provides a solid foundation for understanding the strengths and weaknesses of each country's approach to PPPs in tourism, thereby offering valuable insights for policymakers and stakeholders in the sector.

4 Denzin, N. K., & Lincoln, Y. S. (2011). *The SAGE Handbook of Qualitative Research*. Sage.

5 Maxwell, J. A. (2013). *Qualitative Research Design: An Interactive Approach*. Sage Publications.

6 Yin, R. K. (2014). *Case Study Research: Design and Methods*. Sage Publications.



LEGAL FRAMEWORKS IN ALBANIA AND SERBIA

Albanian Legal Framework⁷

In Albania, the legal framework for PPPs is primarily governed by Law No. 125/2013 on Concessions and Public-Private Partnerships.⁸ This law outlines the procedures for initiating, implementing, and overseeing PPP projects. It covers a range of aspects, from project proposal content to financial considerations and dispute resolution. The law aims to create a conducive environment for both domestic and foreign investors, emphasizing flexibility and adaptability to the specific needs of individual projects.

Serbian Legal Framework⁹

Serbia's legal framework for PPPs is set forth in the Law on Public-Private Partnership and Concessions "Off. Herald of RS", Nos. 88/2011, 15/2016 and 104/2016"¹⁰. Unlike the Albanian law, the Serbian law does not specify a centralized agency for monitoring and oversight but places this responsibility on the contracting authorities involved in each project. The law covers various aspects similar to its Albanian counterpart but adopts a more decentralized approach, particularly in areas like monitoring and oversight.

COMPARATIVE ANALYSIS

The comparative analysis aims to dissect the legal frameworks governing Public-Private Partnerships (PPPs) in Albania and Serbia. By examining each law through the lens of key aspects, this section provides a nuanced understanding of the strengths and weaknesses inherent in each country's approach.

Scope and Objectives in Tourism

Both Albania and Serbia place significant importance on Public-Private Partnerships (PPPs) in the tourism sector. Albania's law is designed to offer a flexible yet structured framework that encourages tourism-related projects. It aims to create a conducive environment for investments, particularly in concessions and PPPs. The primary objective is to foster collaboration between the public and private sectors, providing clear guidelines for project preparation, proposal, and approval.

On the other hand, Serbia's law shares a similar scope but goes a step further by incorporating legal protections. These additional safeguards aim to secure the interests of all parties involved in a PPP. The Serbian law also focuses on creating a favorable investment climate, but it adds layers of legal security to make the process more transparent and accountable. It not only governs the conditions for project preparation but also outlines the legal ramifications of these processes.

Both countries aim to streamline the PPP process, but they differ in their approaches to safeguarding the interests of the entities involved. Serbia's law appears to offer a more holistic approach by incorporating these legal protections. While the Albanian law is comprehensive, it could stand to gain from incorporating such additional layers of security. Overall, both nations recognize the critical role those well-defined legal frameworks play in enhancing PPPs in the tourism sector.

7 Official Gazette of Albania. (2013). Law No. 125/2013 on Concessions and Public-Private Partnerships.

8 http://atrako.gov.al/transparenca/kuadri_ligjor_rregullator/Law_no_125_2013_On_concessions_and_public_private_partnership_English.pdf

9 Off. Herald of RS. (2011, 2016). Law on Public-Private Partnership and Concessions, Nos. 88/2011, 15/2016, and 104/2016.

10 <https://www.paragraf.rs/propisi/law-on-public-private-partnership-and-concessions.html#:~:text=This%20Law%20governs%3A%20conditions%20and,and%20content%20of%20the%20contract>



Types of PPP

Albania's PPP law offers flexibility by not categorizing types of Public-Private Partnerships, allowing for a broad range of projects. However, this lack of categorization can lead to inconsistencies in project evaluation and implementation. In contrast, Serbia's law explicitly defines two types of PPPs: Contractual and Institutional, providing a structured approach. This categorization clarifies roles and responsibilities, aiding in governance and financial planning. Contractual PPPs are short-term, while Institutional PPPs create a separate legal entity for management. Serbia's structured approach could serve as a model for Albania, reducing legal ambiguities and streamlining approvals. It also aids in risk assessment by clarifying the distribution of financial and operational risks. While Albania's flexibility is advantageous for unconventional projects, it poses challenges in standardization. Serbia's approach, though less adaptable to unconventional projects, offers a clear pathway for implementation.

Entities Involved

In Albania, the Concessions Treatment Agency (ATRAKO) centralizes PPP oversight, aiming for transparency and standardization. Serbia, however, employs a decentralized approach, involving various government bodies in PPP projects. ATRAKO's centralized model is designed to streamline procedures and ensure compliance, offering the advantage of uniformity. Serbia's decentralized model allows for adaptability, as different sectors can tailor projects to their needs. However, Albania's centralized approach may lack sector-specific nuance, while Serbia's model could lead to inconsistencies. The contrast between centralized and decentralized models presents a dichotomy in control versus customization. Albania's model could speed up decision-making but may also create bottlenecks if overwhelmed. Serbia's approach allows for localized decision-making, potentially being more responsive to community needs. However, Serbia's model could result in slower, fragmented decisions due to multiple entities involved.

Project Proposal Content

The Albanian law on PPPs is less prescriptive about the content required for project proposals, offering flexibility for unique project needs. In contrast, Serbian law mandates a detailed approach, requiring comprehensive business plans and financial assessments. While Albania's flexibility can be advantageous for innovative or pilot projects, it may lead to inconsistencies in proposal quality. Serbia's structured approach aims to thoroughly vet each proposal, reducing ambiguities and enhancing transparency. However, its rigidity could be limiting for smaller or unconventional projects. Albania's lack of detailed requirements could compromise the quality of PPP projects, making evaluations challenging. Serbia's detailed criteria could serve as a benchmark for Albania to improve its evaluation process. A well-defined set of criteria can streamline evaluations and increase the likelihood of selecting valuable projects. However, Serbia's rigid framework may not accommodate all types of projects, limiting its adaptability. Overall, each country's approach has its merits and drawbacks, with Albania prioritizing flexibility and Serbia focusing on thoroughness and transparency.

Legal and Regulatory Framework

The Albanian law on PPPs focuses on the powers of contracting authorities, aiming for a balance between robust governance and project-specific flexibility. In contrast, Serbian law introduces the concept of a Special Purpose Vehicle (SPV), a separate entity for each PPP project. The SPV adds an extra layer of regulation, aiming to clarify roles and isolate risks. While Albania's approach emphasizes centralized control and alignment with public policy, Serbia's model focuses on comprehensive governance through SPVs. The Serbian approach could offer better risk management and accountability but may be more cumbersome. Albania's simpler framework is easier to navigate but may lack Serbia's safeguards. The Albanian law could benefit from incorporating elements of Serbia's SPV concept to improve governance. However, adding such complexities could deter smaller entities from participating in PPPs. Overall, Albania's approach prioritizes simplicity and centralized control, while Serbia aims for comprehensive governance and risk isolation. Each approach has its own merits and challenges, making them suited for different types of PPP projects.



Transparency and Fair Treatment

The Albanian law on PPPs adopts provisions from the Public Procurement Law to protect confidentiality but lacks explicit guidelines on transparency. In contrast, Serbian law emphasizes transparency, outlining specific requirements for public disclosure and fair competition. While Albania's approach suggests an implicit commitment to open processes, Serbia's law aims to build public trust and attract diverse private sector partners. The Serbian model could serve as a governance benchmark for Albania, particularly in promoting transparency and merit-based project awards. However, Serbia's strong focus on transparency could pose challenges for complex projects requiring confidentiality. Albania's less prescriptive approach offers flexibility in information management but could be seen as lacking in transparency. The Albanian law could benefit from specific provisions that balance confidentiality with public disclosure. Both laws aim to protect sensitive information, but their approaches to transparency differ significantly. Serbia's explicit guidelines could offer a more comprehensive governance model, while Albania's law might gain from incorporating similar provisions. Overall, each law has its own merits and drawbacks, making them suited for different governance needs.

Financial Aspects

The Albanian law on PPPs states that concession fees contribute to state or local budgets, highlighting the financial significance of PPPs in Albania. However, it lacks specifics on how these fees are calculated, offering flexibility but also creating potential ambiguity. This vagueness could lead to inconsistencies in the financial structuring of projects, affecting their viability. On the other hand, Serbian law provides a detailed framework for financial aspects, including criteria for determining concession fees. This aims to bring transparency and predictability to financial arrangements, making PPPs more attractive to potential partners. Serbia's detailed approach could serve as a model for Albania, offering more effective oversight and ensuring value for money. However, this detailed framework could be seen as limiting, especially for projects requiring financial flexibility. Albania's less specific approach could be beneficial for innovative projects but poses risks in terms of financial accountability. Overall, while Serbia's law offers a structured financial framework, Albania's law could benefit from more explicit financial guidelines to enhance accountability and attract a broader range of partners.

Dispute Resolution

The Albanian law on PPPs provides for dispute resolution through mutually agreed mechanisms, including the option of international arbitration. This aims to create a flexible framework tailored to each project's needs and is particularly inviting for foreign investors. Serbian law, however, does not explicitly mention dispute resolution, generally adhering to standard Serbian legal procedures. This absence could create uncertainties during disputes and may deter foreign investors wary of local courts. Albania's approach offers flexibility beneficial for complex projects, allowing parties to choose the most suitable dispute resolution forum. This could make Albania appealing to a wide range of investors. However, this flexibility could also lead to lengthy initial negotiations over dispute mechanisms. Serbia's lack of detail could simplify initial talks but may cause complications if disputes occur later. The Serbian law's omission on this matter could be viewed as a gap that, if filled, could provide clarity and attract more foreign investment. Overall, while Albania's law offers structured flexibility in dispute resolution, Serbia could benefit from more explicit provisions to enhance investor confidence.

Termination and Exit Strategy

The Albanian law offers a detailed framework for terminating PPP agreements, specifying conditions for termination and outlining financial implications like compensation and penalties. This thorough approach aims to provide clarity and predictability for both public and private entities, minimizing risks associated with premature project termination. On the other hand, Serbian law is less explicit about termination procedures, stating only that agreements can be terminated based on contract terms. This vagueness could lead



to uncertainties and disputes, potentially affecting both investor confidence and project viability. Albania's comprehensive approach could serve as a model for Serbia, offering a well-defined framework that enhances transparency and attracts a broader range of potential partners. However, Albania's detailed framework could be seen as overly prescriptive, limiting the ability to adapt termination procedures to specific project needs. Serbia's more flexible approach could be beneficial for unconventional projects but lacks a standardized framework. The absence of detailed termination guidelines in Serbian law poses a risk in terms of accountability and oversight, potentially leading to financial mismanagement or disputes that could erode public trust in PPPs.

Monitoring and Oversight

The Albanian law creates a centralized agency, ATRAKO, for monitoring and overseeing PPP projects, aiming for consistent oversight and compliance. ATRAKO is also responsible for maintaining a centralized database for all PPP projects, enhancing transparency and accountability. In contrast, Serbian law does not specify a centralized agency for oversight, leaving this task to the contracting authorities involved in each project. This decentralized approach allows for tailored oversight but could result in inconsistencies in monitoring and evaluation. It also puts the burden on individual contracting authorities to maintain records and ensure compliance, which could be challenging for smaller entities. Albania's centralized approach could serve as a model for Serbia, offering more consistent and effective oversight and reducing the risk of non-compliance. However, a centralized model could create bottlenecks if the agency is not adequately resourced. Serbia's decentralized approach allows for localized oversight but could lead to a lack of uniformity in practices. The absence of a centralized oversight mechanism in Serbian law could compromise the effectiveness and accountability of PPP projects, potentially affecting public trust.

ADVANTAGES AND DISADVANTAGES

Advantages of the Albanian Approach

The Albanian legal framework for PPPs stands out for its structured and comprehensive nature. It provides a clear roadmap for both public and private entities, thereby reducing uncertainties that often plague such partnerships. The law's emphasis on transparency and fair treatment also enhances public trust, a crucial factor for the success of PPPs. Moreover, the detailed financial provisions in the Albanian law offer a robust framework for risk allocation and revenue sharing, which are critical elements in the long-term sustainability of PPP projects.

Disadvantages of the Albanian Approach

However, the Albanian approach is not without its drawbacks. The detailed nature of the law, while providing clarity, could also be seen as overly prescriptive. This could limit the flexibility needed for unique or innovative projects that do not fit neatly into predefined categories. Additionally, the centralized approach to monitoring and oversight, while effective for standardization, could create bottlenecks, especially if the overseeing agency is not adequately resourced. This could slow down the implementation of projects and increase costs.

Advantages of the Serbian Approach

On the other hand, the Serbian legal framework for PPPs offers a level of flexibility that can be highly advantageous. This flexibility allows for a more tailored approach to project proposals and financial structuring, making it easier to adapt to the specific needs and challenges of individual projects. The decentralized model for oversight also allows for more localized control, which could be more responsive to the unique circumstances and needs of individual projects.



Disadvantages of the Serbian Approach

However, the Serbian law’s less explicit nature could lead to ambiguities that complicate project implementation. This lack of detail could result in inconsistencies in how projects are proposed, evaluated, and implemented. Furthermore, the decentralized approach to monitoring and oversight, while allowing for localized control, could result in a lack of consistency in project quality and accountability. This could undermine public trust in PPPs and deter potential investors, particularly those from abroad who may seek a more predictable regulatory environment.

The comparative analysis reveals significant differences and similarities in the PPP legal frameworks of Albania and Serbia. For instance, Albania’s framework offers a structured and comprehensive approach, which provides clarity and predictability but may lack the flexibility needed for unique projects. On the other hand, Serbia’s framework allows for adaptability but could benefit from greater detail and stronger oversight mechanisms. (Table 1.)

Table 1. Comparative Table of PPP Legal Frameworks in Albania and Serbia.

Aspect	Albania	Serbia
Legal and Regulatory Framework	Advantages: Well-structured laws providing clear guidelines for PPP projects. Disadvantages: Limited flexibility for project-specific adjustments.	Advantages: Flexible framework allowing for adaptability to various project needs. Disadvantages: Less comprehensive regulations leading to potential ambiguities.
Transparency and Fair Treatment	Advantages: Strong provisions for transparency and equal opportunity in bidding processes. Disadvantages: Occasional bureaucratic delays impacting project timelines.	Advantages: Streamlined processes for quick decision-making. Disadvantages: Concerns over fair treatment and equal opportunities in project awards.
Financial Aspects	Advantages: Favorable tax incentives for PPP investments. Disadvantages: Complexity in financial reporting requirements.	Advantages: Simplified financial structures for PPPs. Disadvantages: Limited financial support mechanisms for PPP projects.
Dispute Resolution	Advantages: Efficient arbitration processes for PPP-related disputes. Disadvantages: Limited scope for international arbitration.	Advantages: Inclusion of international arbitration options. Disadvantages: Slower dispute resolution processes.

The strengths and weaknesses identified in each framework have direct implications for the implementation and success of PPPs in the tourism sector. For policymakers and stakeholders, these insights are crucial for refining strategies and policies to enhance the effectiveness of PPPs. For potential investors, understanding these nuances is key to making informed decisions about engaging in PPP projects in these countries.

RECOMMENDATIONS

For Albania

Albania’s structured framework for PPPs, while beneficial, could be further improved by introducing provisions for greater flexibility. This would allow the legal framework to accommodate unique or innovative projects that may not fit into predefined categories. Such flexibility could be introduced through amendments that allow for project-specific variations in financial structuring, risk allocation, and oversight mechanisms.

Another critical area for improvement is the resourcing of the centralized agency responsible for monitoring and oversight. Adequate financial investment is essential, but it should be complemented by capacity-building measures. Training programs could be introduced to enhance the agency’s ability to manage complex PPP projects effectively. This would prevent bottlenecks and ensure smoother project implementation.



Given the law's emphasis on transparency, introducing public engagement initiatives could further enhance accountability. Public consultations during the project proposal stage could provide valuable insights and improve the quality of projects.

For Serbia

Serbia's PPP law could benefit from amendments that add clarity and detail to its provisions. Clear guidelines could be introduced to standardize the proposal, evaluation, and implementation processes. This would not only reduce ambiguities but also make the legal framework more investor friendly.

The decentralized approach to monitoring and oversight has its merits, but it could be strengthened by introducing standardized guidelines. These guidelines could ensure a minimum level of consistency and quality across projects, thereby enhancing public trust and attracting more investors.

Given the law's less explicit nature, introducing detailed financial transparency measures could be beneficial. This could include mandatory disclosure of financial arrangements, risk assessments, and revenue-sharing plans.

For Both Countries

Both Albania and Serbia could significantly benefit from enhanced transparency measures. A public disclosure platform that provides real-time information on ongoing projects could be a valuable addition. This would not only enhance public trust but also attract more foreign investment by showcasing the countries' commitment to transparency.

Both countries should refine their laws to include detailed provisions for risk allocation and mitigation. This is particularly crucial for the financial aspects of PPP projects, which often involve complex arrangements and long-term commitments. Clear guidelines on risk sharing between public and private entities could provide a more solid foundation for long-term project sustainability.

Given the rapidly evolving nature of PPPs, both countries could benefit from a periodic legislative review mechanism. This would allow for timely updates to the legal framework, ensuring that it remains aligned with best practices and emerging trends in the field of PPPs.

Given the similarities and differences in their approaches, Albania and Serbia could explore opportunities for cross-border PPP projects. Such collaboration could offer unique advantages, such as access to broader pools of expertise and funding.

CONCLUSION

This paper has undertaken a comprehensive comparative analysis of the legal frameworks governing Public-Private Partnerships (PPPs) in the tourism sector in Albania and Serbia. The analysis revealed distinct advantages and disadvantages inherent in each country's approach. Albania's structured and transparent framework offers predictability and fosters public trust but may lack the flexibility needed for unique or innovative projects. On the other hand, Serbia's more flexible approach allows for adaptability but could benefit from greater clarity and stronger oversight mechanisms.

The "Advantages and Disadvantages" section synthesized these findings, providing a balanced view of each country's strengths and weaknesses. This was followed by an extensive "Recommendations" section, which offered actionable suggestions aimed at improving the PPP frameworks in both countries. These recommendations ranged from enhancing legislative flexibility and strengthening oversight mechanisms to introducing transparency initiatives and risk mitigation strategies.

The comparative analysis and subsequent recommendations are timely and relevant, given the increasing importance of PPPs as a tool for economic development in both Albania and Serbia. Policymakers in both countries would do well to consider these findings and recommendations as they seek to refine their legal



frameworks for PPPs. Implementing these recommendations could lead to more effective, transparent, and successful PPP projects, benefiting not just the public and private sectors but also the broader communities they serve.

By shedding light on the complexities and nuances of each country's approach to PPPs, this paper contributes to a deeper understanding of the subject. It offers a foundation upon which future research can build and provides policymakers with a roadmap for actionable change.

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DECODING THE PANDEMIC'S IMPACT ON TRAVEL AND TOURISM: A DATA-DRIVEN APPROACH

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Abstract:

The global travel and tourism industry has experienced significant adverse impacts stemming from the COVID-19 pandemic. To effectively formulate recovery strategies and ensure sustainable long-term planning, it is crucial to develop a deep understanding of the full extent and scale of this impact, particularly given the ongoing ramifications that the industry is dealing with. In this paper, a data-driven approach is introduced for assessing the pandemic's influence on travel and tourism. Valuable insights into the profound effects of the pandemic on the industry encompassing declining revenues, extensive job displacements, and significant shifts in consumer behavior are uncovered through the analysis of travel statistics, trends in consumer behavior and economic indicators. The potential implications of these findings for industry stakeholders and policymakers are extensively explored, with an emphasis on the importance of making decisions based on evidence and proactive planning in the post-pandemic context. Moreover, the paper highlights the efficacy of a data-driven approach in comprehending and addressing intricate industry challenges, underscoring the pivotal role of robust data collection and analysis in shaping the future of travel and tourism.

Keywords:

covid-19 pandemic, travel and tourism industry, data-driven approach, impact analysis, recovery strategies.

INTRODUCTION

The travel and tourism industry has always been a vital part of the global economy, providing jobs and contributing significantly to GDP (UNWTO, 2022). However, this industry is also one of the most dynamic and complex systems, constantly evolving and changing. It is influenced by a variety of factors, including technological advances, changing consumer preferences and geopolitical events. In recent years, the industry has faced unprecedented challenges due to external events such as the global economic crisis, natural disasters and pandemics. The COVID-19 outbreak, which began in December 2019, has had a significant impact on the travel and tourism industry worldwide, with far-reaching consequences that continue to unfold. As industry works to recover from the pandemic's impact, it is crucial to have a deep understanding of the scope and magnitude of these consequences.

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In response, this paper introduces a data-driven methodology for elucidating the industry's response to the pandemic, employing a diverse range of quantitative and qualitative analyses to unveil the character and scale of the crisis. The analysis incorporates a multitude of sources, encompassing travel statistics, consumer behavior trends and economic indicators. The integration of these various data sources affords a holistic comprehension of the pandemic's influence on the industry, allowing for the identification of pivotal trends and patterns steering shifts in consumer behavior, travel demand and economic activity. This approach also furnishes invaluable insights into the nature and scope of the crisis, facilitating the formulation of effective strategies for recuperation and advancement. It is posited that this methodology holds promise for addressing other intricate industry challenges, rendering it a potent tool for policymakers, businesses and stakeholders alike.

A NARRATIVE OF THE COVID-19 PANDEMIC: UNDERSTANDING THE PANDEMIC'S IMPACT ON TRAVEL AND TOURISM

The travel and tourism industry has been greatly impacted by the COVID-19 pandemic, with global travel restrictions, lockdowns and social distancing measures leading to a significant decline in travel demand which has had a knock-on effect throughout the industry, with businesses struggling to stay afloat and many people losing their jobs. Furthermore, consumer behavior has shifted, with many people preferring domestic travel, shorter trips, and alternative accommodation such as vacation rentals over hotels. Overall, the pandemic had a far-reaching and long-lasting impact on travel and tourism, with significant implications for the industry's recovery and future growth.

Understanding the full scope and magnitude of the pandemic's impact is considered critical for the development of effective recovery strategies and planning as the industry faces the long-term consequences of the pandemic. The significance of comprehending the pandemic's impact on the industry is underscored through a data-driven approach that analyzes travel and tourism statistics, consumer behavior patterns and economic indicators. This approach is valuable not only for understanding the industry's current state but also for the development of effective strategies for recovery and growth. Opportunities for innovation and collaboration are identified using data, and targeted interventions are created to address the complex challenges faced by the industry. In this manner, proactive planning for a successful post-pandemic recovery can be carried out by decision-makers.

The power of data: unlocking the significance of travel and tourism statistics

Statistics on travel and tourism are a powerful tool that can assist businesses and stakeholders in making informed decisions, developing effective strategies and responding to market changes. The industry can better understand the complex challenges it faces and develop innovative solutions to drive growth and success by harnessing the power of data.

Examining statistical data on international tourist arrivals in specific years and regions worldwide serves as the fundamental basis for conducting a comprehensive analysis of the dynamic changes characterizing the global tourist market. This approach enables us to draw conclusions regarding the adaptability and resilience of tourism, as well as its capacity to withstand global events, underscoring the efficacy of a data-driven strategy in addressing global challenges. According to the World Tourism Organization (UNWTO), the total number of international tourist arrivals exhibited a steady increase from 2010 to 2015 compared to the preceding five-year period. In 2019, the global count reached 1465.70 million international arrivals, with Africa contributing 68.8 million, the Americas (North, Central, and South America) 219.3 million, Asia and Pacific 360.1 million, Europe 744.5 million, and the Middle East 84.1 million.

However, the travel and tourism industry experienced a significant setback due to the COVID-19 pandemic, resulting in a drastic decline in international arrivals. According to the Tourism Statistics from the World Tourism Organization (UNWTO), the global count in 2020 reached only 409.0 million international arrivals, reflecting a substantial 72.1% decrease from the preceding year. This reduction is clearly illustrated in the ultimate column of Table 1, which compares international tourist arrivals by region in 2020 to those in 2019. This underscores the unprecedented impact of the pandemic on the industry, emphasizing the imperative need for innovative solutions to facilitate its recovery.



Further in line with data from the World Tourism Organization (UNWTO), total international arrivals rebounded to 455 million in 2021, distributed regionally as follows (in million): 19.4 in Africa, 81.4 in the Americas, 24.8 in Asia and Pacific, 304.7 in Europe and 24.7 in the Middle East. Despite this recovery, it still represented a 69% decrease on a global level. Total international arrivals reached 917.0 million in 2022, with regional shares (in millions) of 45.0 in Africa, 142.4 in the Americas, 84.4 in Asia and Pacific, 584.9 in Europe and 60.3 in the Middle East, signifying a 37.4% decrease from 2019 (“Tourism Statistics,” 2022).

Table 1. International tourist arrivals by regions (in million).

Year	2005	2010	2015	2020	2020/2019
Africa	36.7	50.5	53.9	18.4	-50.4
Americas	133.1	151.8	194.1	69.8	-149.5
Asia & Pacific	156.2	208.0	284.4	59.1	-302.0
Europe	443.9	490.8	612.1	241.9	-502.6
Middle East	38.4	56.1	64.5	19.8	-53.2
World	808.3	957.2	1209.0	409.0	-1056.7

Source: Data for this table is from the United Nations World Tourism Organization’s “Tourism Statistics 2022.”

According to the results of the analysis, the COVID-19 outbreak has highlighted the fragility and complexity of the travel and tourism industry. However, it has also demonstrated the industry’s adaptability and flexibility; the sector is expected to gradually recover as vaccination programs are implemented and travel restrictions are reduced. However, as the world navigates the pandemic aftermath, it is critical to note that the travel and tourism market will continue to experience changes and disruptions, which is why stakeholders and policymakers must remain agile and responsive to these changes for the industry to continue to evolve and innovate to meet the changing needs and expectations of consumers.

Shifting sands: consumer behavior patterns during and after the COVID-19 pandemic

Consumer behavior patterns are another key area of data that can be analyzed to gain insights into travel and tourism. Understanding consumer preferences, motivations and behaviors can assist businesses and stakeholders in tailoring their products and services better to meet the needs of their target market, identifying emerging trends, and developing new products and services that align with the consumer demand.

The COVID-19 pandemic has had a profound impact on consumer behavior patterns, particularly within the travel and tourism industry (European Travel Commission, n.d.). One of the earliest responses to the pandemic was the implementation of widespread travel restrictions and border closures, which led to a dramatic drop in travel demand. As a result, many businesses in the industry have been forced to close permanently, leading to significant job losses. Aside from the economic impact, the pandemic has caused a shift in consumer preferences, with a focus on short trips and alternative accommodations that are mostly domestic in nature. Consumer confidence in travel has decreased, leading to greater emphasis on safety and hygiene measures in the industry. As the industry looks towards recovery, understanding these shifts in consumer behavior patterns is crucial. Businesses and policymakers must adapt to these changes by developing innovative products and services that align with consumer demand, while also addressing safety concerns. By doing so, industry can emerge stronger and more resilient in the post-pandemic world.



Real-time economic impact indicators: tools for rapid response and recovery in the travel and tourism industry

Real-time economic impact indicators are useful tools for monitoring and assessing the travel and tourism industry’s rapid response and recovery. These indicators provide up-to-date information on key economic variables and trends, allowing policymakers, businesses and industry stakeholders to make informed decisions and respond promptly. In addition to tourist arrivals and consumer behaviour patterns, real-time economic impact indicators such as airline ticket sales, hotel occupancy rates, online search trends and social media monitoring are very useful indicators for the travel and tourism industry; however, our research will focus on economic indicators such as GDP growth and employment rates, as indicators that can provide us with insights into the overall economic health and resilience of the industry.

Table 2 illustrates the overall influence of the travel and tourism sector on GDP as a percentage of the total economy in 2015, revealing a noteworthy increase compared to 2010. Exceptions are noted in Africa, where a marginal decrease of -0.2% occurred, and in Asia and the Pacific, where the contribution of travel and tourism remained constant at 4.3%, as per United Nations World Tourism Organization (UNWTO) (n.d.). According to the same source, preceding the pandemic, the travel and tourism sector represented 10.4% of global GDP, reaching an impressive 10 trillion USD. Moreover, international visitor spending amounted to a substantial USD 1.9 trillion, with the industry supporting employment for approximately 10.3% of all jobs, totaling 334 million in 2019. These figures underscore the significant role played by the travel and tourism sector in the global economy.

Table 2. Total contribution of travel and tourism to gdp (percentage).

Year	2010	2015	2020	2020/2019
Africa	4.8	4.6	1.6	-9.7
Americas	2.8	3.3	1.6	-7.4
Asia & Pacific	4.3	4.3	1.8	-49.7
Europe	3.9	4.1	2.2	-7.2
Middle East	3.5	3.9	1.7	-25.3

Source: Data for this table is from the United Nations World Tourism Organization’s “International Tourism Highlights 2022.”

However, the evident consequences of the pandemic on this industry are apparent. The apparent global downturn in 2020 underscores the substantial challenges faced by the sector due to the pandemic. Despite observing positive developments in 2022 characterized by an almost 1.3 trillion USD increase in GDP, with travel and tourism contributing 7.6%, marking a 22% rise from 2021, and the creation of approximately 22 million new jobs, reflecting a 7.9% increase over 2021, the industry remains distant from its pre-pandemic level of global contribution. In comparison to 2019, a significant gap of 23% in GDP and 11.4% in new jobs persists (“International Tourism Highlights,” 2022). The challenges faced by travel and tourism underscore the enduring impacts of the pandemic. While some recovery has been achieved, the industry has not fully regained its former strength and influence. Achieving complete recovery and restoring its previous global contribution will require persistent efforts and adaptations to the new realities of the post-pandemic world.

Navigating the economic significance of travel and tourism: assessing the pandemic impact

By examining the economic indicators highlighted in the preceding chapter, it becomes evident that travel and tourism possess immense economic significance on a global level. To underscore the importance of these indicators, it is crucial to compare the industry with other sectors within each region. Such a comparative analysis serves to emphasize the significance of monitoring these indicators for policymakers and stakeholders, as they seek to assess the overall impact of tourism and develop policies that promote sustainable growth.



Between 2010 and 2018, the travel and tourism sector experienced remarkable growth, averaging 4.4% annually. It emerged as the second fastest-growing sector in terms of GDP contribution, surpassed only by automotive manufacturing, which grew by 4.9%. This growth was supported by a substantial increase in international arrivals, with the number of people crossing borders rising from 952 million in 2010 to 1.4 billion in 2018 (World Travel Tourism Council (WTTC), n.d.).

Notably, in 2018, travel and tourism outpaced other industries in terms of growth. Expanding by 3.9%, it surpassed automotive manufacturing (3.7%) and health (3.3%), consistently maintaining a growth rate higher than that of the global economy for eight consecutive years. The strong growth in this sector can be attributed to multiple factors, including the rise of middle-class households, robust global consumer spending, low unemployment rates, recovery from security threats, currency depreciation, and visa relaxation in many countries worldwide. Highlighting its economic significance, travel and tourism accounted for 10.4% of the total global GDP in 2018, equivalent to 8.8 trillion USD (World Travel Tourism Council (WTTC), n.d.). This contribution was 1.7 times higher than mining, 1.5 times higher than banking and automotive manufacturing and 1.4 times higher than agriculture. Furthermore, according to the World Travel Tourism Council (WTTC), the sector supported a staggering 319 million direct, indirect, and induced jobs worldwide in 2018, amounting to 10% of all jobs. This employment impact surpassed that of financial services, health, banking, automotive manufacturing and mining.

Regionally, travel and tourism displayed varying degrees of prominence. Within the Asia-Pacific region, it held the position of the fifth-largest sector in both GDP contribution (9.9%) and employment (9.3%), as reported by the WTTC in 2018. Notably, the Philippines and Thailand identified it as their largest sector, while in China, it occupied the fourth position (WTTC Report, 2018). In Europe, travel and tourism surpassed construction and banking, emerging as the sector with the highest growth rate in 2018 at 3.1%, compared to the overall economy's growth rate of 2.0% (WTTC Report, 2018). According to the same report, travel and tourism ranked as the second fastest-growing sector in Africa in 2018, registering a growth rate of 5.6%, following only automotive manufacturing. This growth was attributed in part to the recovery of North Africa from security crises and the implementation of policies conducive to travel. In the Americas, the sector secured the sixth position in terms of GDP contribution and employment, sustaining 44 million jobs (9.7% of all jobs), surpassing the contribution of banking by more than twofold (WTTC Report, 2018). In the Middle East, travel and tourism made a substantial impact, ranking fourth in 2018 with a contribution of 8.7% to total GDP, surpassing health, retail, and banking (WTTC Report, 2018).

These figures underscore the economic importance of travel and tourism on a global scale. The sector's growth, GDP contribution, employment generation, and its ability to outpace other industries highlight its significance in fostering economic development and creating opportunities for diverse economies worldwide. Understanding the implications of travel and tourism on a regional scale allows for a comprehensive evaluation of its contributions and potential. By comparing the industry with other sectors in various regions, policymakers and stakeholders gain valuable insights into the relative importance and impact of travel and tourism within specific contexts. This analysis serves as a vital tool in shaping policies and strategies that effectively harness the economic potential of the industry while addressing the unique challenges and opportunities presented by each region.

In conclusion, the economic significance of travel and tourism on a global scale necessitates a thorough examination of industry indicators, including comparative analyses with other sectors in each region. Policymakers and stakeholders must closely monitor these indicators to assess the overall impact of tourism and formulate policies that foster sustainable growth. Furthermore, in the aftermath of the pandemic, embracing adaptive change is crucial for navigating the implications of post-pandemic travel and tourism trends and predictions. By doing so, the industry can position itself for resilient and prosperous growth in the future.



EMBRACING ADAPTIVE CHANGE: EXPLORING POST-PANDEMIC TRAVEL AND TOURISM TRENDS AND PREDICTIONS

In order to ensure the continued success and sustainability of the travel and tourism sector, the imperative becomes the close monitoring of trends. By actively staying informed about the latest developments, the industry is better prepared to effectively assess its overall impact, evaluate its performance and identify emerging trends. To ensure the continued success and sustainability of the travel and tourism sector, close monitoring of trends becomes imperative.

Understanding current and projected travel and tourism trends provides valuable insights that serve as a solid foundation for developing policies and strategies, as these insights are extremely beneficial in developing frameworks that foster sustainable growth, capitalize on economic benefits and mitigate potential risks. The need for adaptive change in the travel and tourism industry becomes even more pronounced in the post-pandemic landscape. Consumer behavior, safety protocols and market dynamics have all changed dramatically in the sector, which is why stakeholders must understand and anticipate emerging predictions and trends in this dynamic sector to effectively navigate these implications and remain competitive. This entails staying current on trends and predictions, understanding changing traveler needs and preferences and innovating to meet the new demands of a transformed tourism landscape. The following are recognized travel and tourism trends and forecasts.

- The rise of sustainable and responsible tourism is a trend that has emerged in response to growing environmental concerns, and travelers are increasingly seeking sustainable and responsible tourism options. Demand for eco-friendly accommodations, carbon-neutral travel experiences and ethical practices is expected to rise in destinations. Many industry stakeholders are focusing on embracing sustainable practices and incorporating them into their offerings to attract eco-conscious travelers.
- The trend of digital transformation and personalization emerged because of the digital revolution, which transformed the way people plan, book, and experience their travel journeys. Personalization through artificial intelligence, big data and machine learning is becoming more popular, allowing travel companies to provide tailored recommendations, personalized itineraries, and seamless booking experiences. Mobile apps and virtual reality are also expected to improve the overall travel experience.
- The digital nomadism and remote work trend emerged because of the COVID-19 pandemic, which has accelerated the adoption of remote work, resulting in the rise of digital nomadism. As more people can work remotely, they are choosing to combine work and travel, resulting in an increase in long-term stays in various locations. As flexible work arrangements become more common, this trend is expected to continue.
- Wellness and Health Tourism centered on health and wellness has become increasingly important in recent years. Travelers are looking for destinations that provide opportunities for rejuvenation, relaxation, and wellness. Spa retreats, yoga retreats, wellness resorts and eco-friendly wellness practices are becoming increasingly popular as travelers prioritize their well-being and self-care while traveling.
- Exploring diverse cultures, traditions and historical heritage remains a significant motivator for many travelers, according to the Cultural Tourism and Heritage Travel trend. Cultural tourism, which includes visits to museums, archaeological sites and heritage cities, as well as interaction with local communities, is expected to grow. Travelers are looking for authentic cultural experiences that provide insights into a destination's rich history and traditions.
- Experiential travel is a trend that has emerged because of modern travelers' desire for authentic and immersive experiences rather than just sightseeing. Experiential travel, which includes connecting with local cultures, taking part in meaningful activities, and engaging with the community, is becoming more popular. Unique and off-the-beaten-path destinations, culinary adventures, wellness retreats, and cultural exchanges are increasingly appealing to travelers.



- Slow travel and mindful tourism place a high value on immersing oneself in a destination, savoring the experiences, and connecting with the local community. Mindful tourism emphasizes being present and aware of the effects of travel on oneself and the environment. Both trends encourage travelers to slow down, value quality over quantity and reduce their environmental impact.

By keeping focused on predictions and trends, industry players will be able to stay competitive and deliver exceptional experiences that resonate with modern travelers by embracing sustainability, personalization, experiential travel and digital advancements. Recognizing the growing demand for sustainable and responsible tourism, for example, policymakers can implement regulations and incentives that encourage eco-friendly practices within the industry. Similarly, stakeholders can create unique and immersive experiences that cater to the desires of modern travelers by being aware of the growing interest in experiential travel.

As a result, industry stakeholders will need to develop novel strategies for attracting and retaining customers in the post-pandemic era, such as providing more personalized and authentic experiences that align with shifting consumer preferences and investing in new technologies that improve travelers' safety and security.

Policymakers must be proactive in assisting the industry's recovery by providing financial and other forms of assistance to affected businesses and workers, as well as working closely with industry stakeholders to develop and implement new policies and regulations that promote sustainable and responsible tourism practices.

To summarize, policymakers and stakeholders must keep up with the latest trends in the travel and tourism industry to assess the industry's overall impact, identify emerging trends and anticipate future changes. This proactive approach allows the industry to quickly adapt and minimize disruptions. By leveraging the power of data-driven insights, industry stakeholders and policymakers can collaborate to create a more resilient and sustainable future for travel and tourism.

Reimagining travel and tourism: post-pandemic policy recommendations and recovery strategies

In the post-COVID-19 pandemic landscape, the recovery phase of the travel and tourism industry is characterized by the pivotal role that policymakers and stakeholders play in shaping policies and implementing strategies to facilitate a resilient and sustained rebound. The ensuing recommendations and recovery strategies have been meticulously considered:

- Health and safety policies should be further enhanced, with an unwavering focus on traveler well-being and the implementation of stringent regulations. This includes the enforcement of rigorous sanitation standards, the orchestration of vaccination campaigns and the incorporation of contactless technologies to minimize physical interactions. To rebuild the trust of travelers, it is imperative to ensure the transparent and unequivocal communication of safety measures and certifications.
- Domestic and regional travel should be actively promoted to bolster industry recovery. Marketing initiatives should spotlight local attractions, encourage staycations and foster collaborative partnerships among tourism stakeholders. Introducing incentives, such as discounts or vouchers, can serve as a compelling strategy to entice residents to explore their own countries or nearby regions.
- The restoration of international travel should be approached prudently, involving a gradual reopening of borders while maintaining a cautious stance. The implementation of risk-based protocols, such as vaccination prerequisites and testing procedures, is essential to ensure safe cross-border travel. Collaborative efforts with other nations to establish travel corridors and bilateral agreements should be pursued to facilitate smoother international travel.
- The introduction of flexible cancellation policies is recommended, recognizing that many travelers remain apprehensive about making travel arrangements due to the prevailing uncertainty stemming from the pandemic. Offering such flexibility can assuage these concerns and stimulate bookings.
- Collaboration should be fostered among a spectrum of stakeholders, including government agencies, tourism boards, industry associations and private enterprises. International organizations can be engaged to consolidate recovery endeavors, leveraging their expertise and accessing potential funding avenues.



- Prioritizing crisis preparedness and resilience is paramount, necessitating the formulation of comprehensive crisis management frameworks and contingency plans to effectively address forthcoming disruptions. This encompasses the refinement of early warning systems, the establishment of robust communication channels, and the conduct of routine drills to ensure a swift and coordinated response to crises, fostering a culture of resilience within the industry.
- Provision of financial assistance to industry entities is encouraged, with a view to stimulating travel demand and promoting international cooperation. Emphasis should also be placed on fostering innovation, particularly in the realms of digital technologies and sustainable tourism, to facilitate the navigation of recovery and long-term growth.
- Rigorous monitoring and evaluation mechanisms should be established to continually assess recovery efforts and the efficacy of implemented policies and strategies. Regular feedback should be gathered from industry stakeholders, and adjustments made as necessary to optimize outcomes.

The travel and tourism industry stands poised to reconstruct, adapt and flourish in the emerging normalcy by refining existing recovery strategies and embracing new policy recommendations and approaches to recovery. A collaborative and forward-thinking ethos, underpinned by a resolute commitment to health, sustainability, and innovation, is poised to position the industry for enduring growth and resilience while affording travelers across the globe indelible and transformative experiences.

Unlocking insights: the implications of a data-driven approach for future research and data collection in the travel and tourism industry

The research was undertaken to ascertain the extent and gravity of the pandemic's influence on the travel and tourism sector, with a concurrent examination of the prospective consequences of employing data-driven methodologies in subsequent research endeavours and data acquisition in this domain. Through the analysis of travel statistics, consumer behaviour patterns and economic indicators, encompassing factors like declining revenues, widespread job losses and substantial reductions in travel and tourism, the significant and widespread effects of the pandemic became evident.

The findings of the study underscore the vital role of comprehensive data collection and analysis in shaping the future of the travel and tourism industry. This valuable information can aid industry stakeholders and policymakers in addressing the challenges brought about by the pandemic and working toward a more sustainable and resilient travel and tourism sector, underpinned by evidence-based decision-making and initiative-taking planning. The study also advocates for the need to refine data collection methods to better understand consumer behaviour and preferences, especially in the post-pandemic era.

Furthermore, addressing potential biases and limitations in data collection methodologies is essential to ensure the accuracy and reliability of future research. In summary, the research highlights the ongoing significance of data collection and analysis in shaping the future of the travel and tourism industry. While a data-driven approach has yielded valuable insights into the pandemic's impact on the sector, it is imperative to stress the importance of analysing and presenting results specific to each mode of transportation, top tourist destinations and developing tourism locations. This tailored approach ensures a more precise understanding of the pandemic's impact on the travel and tourism industry and better prepares us for the future.

CONCLUSION

The COVID-19 pandemic has had a profound impact on the travel and tourism industry, causing unprecedented challenges and disruptions. Plummeting revenues and widespread job losses became the new reality, compelling industry stakeholders and policymakers to make tough decisions regarding travel restrictions, border closures and quarantine measures. To adapt to this new landscape, the industry had to re-evaluate strategies and implement innovative solutions.



Both domestic and international travel experienced a significant decline, with leisure travel being particularly affected. Consumer behavior shifted towards prioritizing safety, hygiene and flexibility in travel plans. Moreover, there is a growing trend towards environmentally friendly and sustainable tourism, as travelers become more aware of the impact of their choices. Despite these challenges, the travel and tourism industry has displayed remarkable resilience, showcased its adaptability, and recognized the need for innovative solutions. Businesses have shifted their focus to provide new products and services, such as virtual tours and experiences. However, continued success and growth require close monitoring of trends, setting policies and strategies that mitigate risks, and maximize economic benefits. The travel and tourism industry must remain agile and responsive to market changes, as it will continue to face disruptions. Stakeholders and policymakers need to be adaptable and receptive to these changes. A data-driven approach, focusing on key industry indicators, can help prepare the industry for future challenges and ensure long-term growth and sustainability.

In summary, the travel and tourism industry has been profoundly affected by the pandemic, leading to significant changes in consumer behavior and industry practices. Adaptability, innovation, and a data-driven approach will be essential for the industry to evolve and thrive in a rapidly changing global landscape. Policymakers and stakeholders must closely monitor trends, implement strategies to mitigate risks and foster sustainable growth to ensure the industry's long-term success.

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EMPLOYER BRANDING - A NEW APPROACH TO THE HOTEL INDUSTRY

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Abstract:

In the hotel industry, HR management is increasingly using Employer Branding as a very effective way of retaining and recruiting employees. In these activities, hoteliers use modern information and communication technology and creative experiences from the past. The goal is to create the best possible Employer Branding on that basis. In creating the employer brand, it is necessary to conduct more detailed research on the external and internal employer brand as well as this segment of the labour market. Therefore, it was necessary to research Employer Branding trends and take into account the current world practice in this domain. Concrete research was based on the experiences of several high-class Belgrade hotels (Sent Ten, Nine Square, Hilton) based on the scientific methodology used in internal and external environment research.

The findings of a short survey indicate the behaviour of employees, based on previous experience, their satisfaction with the work they perform and their strive to improve. Such a transformation of the experience of the employees leads to an increase in the level of competitiveness of the hotel company, higher occupancy of capacities, and thus an increase in the level of business profitability, all with the aim of a higher level of quality of the specific hotel product and services.

Keywords:

hotel, employer brand, employees; experience, recruitment, image.

INTRODUCTION

Employees in every hotel represent the most valuable resource. It is necessary to constantly train them and work on improving general and specific knowledge to effectively manage future innovations. Due to the achievement of a more competitive position in the hotel market, this process of learning and selection represents the most effective management of human resources. The motive as well as the basic goal of the work is to assess the expectations of the hotel employees in terms of satisfaction with their position and the achieved level of material and non-material compensations. New trends in the hotel industry (Anjunar *et al.*, 2021), after a worrying decline during the years of the pandemic (Backhaus & Tikoo, 2004), the hotel industry has positioned itself as the fastest-growing industry in the world economy (Bathon *et al.*, 2005) with realistic expectations for faster growth in the future (Canhoto & Wei, 2021). In the period of the general crisis, the hotel

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industry experienced new solutions in the management of human resources in the hotel industry [x], because hotels and hospitality professionals demanded better treatment and higher salaries (Anjunar *et al.*, 2021). At the same time, inflation led to higher prices after the sudden increase in travel after the end of the pandemic (Arasanmi & Krishna, 2019). The basic hypothesis in these short researches is that the acquisition of a richer experience for hotel employees leads to an increase in guest satisfaction (Gilani & Cunningham, 2017) and better occupancy of hotel capacities, and thus more efficient and profitable hotel operations (Babuna *et al.*, 2020). An additional hypothesis refers to the fact that the experience and satisfaction of hotel employees increase the level of loyalty (Bradić-Martinović & Kovačević, 2022), which contributes to faster growth and expansion of the hotel industry (Arasanmi & Krishna, 2019). At the beginning of this century, in the hotel industry, management is increasingly directed towards Employer Branding as an effective way of retaining employees in a particular hotel (Cascio, WF, 2014). In these activities, hoteliers use modern information and communication technology and creative experience (Gilani & Cunningham, 2017), intending to create the best possible Employer Branding (Arasanmi & Krishna, 2019).

LITERATURE REVIEW

This short research paper aims to extend employer branding research by investigating the role of job satisfaction and organizational identification as predictors of employee retention and their mediating role between employer branding and employee retention (Backhaus & Tikoo, 2004). In research, three out of five dimensions of employer and employee branding, namely the work environment, company reputation, and corporate vision, have a positive and significant impact on the interest of a talented local worker in a career (Babuna *et al.*, 2020; Backhaus & Tikoo, 2004; Barlow, 2022; Bathon *et al.*, 2005; Bradić-Martinović & Kovačević 2022; Cvijanović *et al.*, 2017). More productive employees mean business growth. When employee morale is happy, they feel proud to be part of the hotel company (Bharadwaj *et al.*, 2022). A strong brand image is not only attractive to employees but also increases the level of job satisfaction of existing employees and they also develop a sustainable relationship with hotel companies (Hair, *et al.*, 2022). On the other hand, a strong brand can improve the overall value of a hotel company, attract specific and top talent, and create a sense of unity among all employees (Isagani, 2021). The branding process motivates employees and they can become emotionally attached to brands enabling strong loyalty and even a sense of ownership (Barlow, 2022). This can help maintain employee motivation and increase sales of hotel capacity (Cvijanović *et al.*, 2017). Given that employees spend most of their future hours in a random place, creating something they like is essential (Barlow, 2022).

METHODOLOGY

For this research, according to the research methodology field, three high-categorized hotels in Belgrade (Sent Ten, Square Nine, and Hilton) were focused on selecting 40 employees in different positions in the hotel according to the target sample method. A total of 120 employees (in a defined sample, with different working positions) were surveyed via e-mail, telephone, or direct contact, where they expressed their opinions based on their own experience. A total of five questionnaires were filled out: (1) What is important to candidates when choosing employers?, (2) What is most important for getting a job?, (3) In your opinion, what should be the monthly net salary for your workplace?, (4) Do you plan to change your job in the next year? (5) Fear of losing your job - Are you afraid of losing your job in the next year? The survey, which included a total of 120 employees in the three hotels mentioned above, was conducted in the period from 01.03.2023. to 31.05.2023. Important data were collected via the Internet and social networks (Facebook and Instagram), Newsletter, and questionnaires were sent and collected via e-mail. Sent questionnaires, with five groups of questions that were divided into predicted answers, were collected in three months. To determine those variables that best describe employee satisfaction, the partial correlation method was used. Then, the hierarchical regression technique was used to fulfil the objective of this analysis and the importance of the obtained answers according to the predicted scale. Grading the ocean based on higher credibility had a greater impact on the construction of the model.



RESULTS

Research results show a significant impact of Employer Brand on workforce performance, and vice versa. Employee branding affects more productive hotel operations and increased guest satisfaction. In practice, there are significant differences in the level of performance of the workforce in different hotels. Questionnaires used in the research were related to the position of employees and their attitude towards employers' loyalty, and employers' attitudes. Employees of three highly categorized hotels: Saint Ten, Square None, and Hilton with a sample of 40 employees expressed their views. In the first questionnaire that was filled out by employees out of 120 respondents, 77 of them declared that interpersonal relations (good working atmosphere) were the most important reason why they chose that particular hotel. The second place, why exactly those surveyed chose that employer, i.e. the hotel, is the attractiveness of the work they perform (64% or a total of 76 employees in various positions, excluding tactical and operational level managers). For the candidates who got a job in the surveyed hotels, the salary is in the third place (63% of the respondents, or a total of 75 of them put this position in an important place in terms of importance). This data from the research process indicates that every employee cares much more about having a good reference or a well-profiled personal brand, rather than some other categories that attracted him to find a job with a specific employer (in this case, highly categorized hotels in the strictest centre of Belgrade). In order of importance, as the candidates ranked the indicators that attracted them to the hotel for that job, the fourth place is the working time, which is important even for 67 respondents in those hotels, i.e. the category of flexible working time. The factor of social responsibility holds a very significant position for the employer in question. It is interesting that before the category of the possibility of learning and advancement (40 respondents or 34%) there is the category of the location of the company, i.e. the hotel (Table 1.).

Table 1. Questionnaire No. 1: What is important to candidates when choosing employers?

- Good interpersonal relations	65%
- Nature/content of work	64%
- Salary	63%
- Working time	61%
- Flexible working time/place	60%
- Social responsibility of employers	56%
- Location of the company (hotel)	49%
- Ability to learn and progress	34%
- Mentoring	37%
- Job security	26%
- Something else (specify)	12%

Source: Conducted employee survey, May 2023.

From the perspective of the hypothesis in the work, the question related to what (in the opinion of the surveyed employees) is most important for getting a job is very important. The majority of all 41 employees (over 30%) believe that the knowledge and skills possessed by an individual are a decisive factor in getting a job. Motivation and desire for that particular job is important for 24% of the interviewees, and only then the acquired work experience for 16% of the respondents. In this turbulent period, 12 or 10% of them declared that they were good contacts and acquaintances, and the category of party affiliation (12 of them or 10% of employees) was in the same ratio if it was an honest (albeit anonymous) declaration (Table 2.).



Table 2. Questionnaire No. 2: What is the most important thing for getting a job?

- Knowledge and skills possessed	30%
- Motivation and willingness to work	24%
- Work experience	16%
- Good contacts and acquaintances	16%
- Party affiliation	10%
- Luck	6%
- Recommendations of influential people from the profession (colleagues, superiors)	5%
- Formal education	3%
- Something else	2%

Source: Conducted employee survey, May 2023.

According to many managers for human resources in the hotel industry, an important determinant for employer branding that refers to its performance is the level of income. The research that has just been carried out refutes that common opinion, because new employees in high-ranking hotels consider it an important issue (in terms of the importance of the indicator in the third place), but not a decisive one when choosing employers, that is, in the last instance, they do not have a decisive influence when choosing an employer, and on the other hand, on employer branding, which is a continuous indicator that is upgraded over time. In the given period, when the research was conducted, the largest number of newly employed people declared that the monthly 700 to 1000 euro salary is quite satisfactory for the work they do, and that was a total of 42 or 30.2% of the employees who were surveyed in these three hotels that were chosen for this specific research. It is interesting that only 4.9% of those surveyed, or only 6 of them, believe that the acceptable amount of salary is the range from 1,300 euros to 2,000 euros. It is particularly interesting, from the perspective of the motive and subject of the research, that only 2% of them (only 2 newly employed) believe that a decent salary for a specific job should be over 2% at the present moment (Table 3.).

This leads to the conclusion, taking into account the goal and motive of the research, that the monthly net salary, for a specific job, on the contrary, is not a decisive factor. The whole process of OK research refers to a wide range of factors that affect employer branding and its creation from different value categories. A very important factor that was emphasized by the newly hired employees in the observed hotels was related to the experiences that came from engagements and arrangements during the pandemic. Certainly, it represents a special type of work engagement and the creation of elements of employer branding (experiences from the past) that can be used in future times. At the given time, the period 2020-2022, the monthly net salary, for a specific position, did not have any priority over other elements and criteria that related not only to the choice of employer but also to the loyalty of employees in that hotel.

Table 3. Questionnaire No. 3: In your opinion, what should be the monthly net salary for your position?

- up to 500 euros	30%
- 501-750 euros	24%
- 751 -1000 euros	16%
- 1001 - 1300 euros	16%
- 1300 - 2000 euros	10%
- over 2000 euros	6%

Source: Conducted employee survey, May 2023.



In terms of loyalty to the hotel where he works, i.e. to the employer, a question was asked about the possibility of changing the workplace in the coming year. A total of 82 respondents or 68.5 % think they will change jobs next year. On the other hand, only 14 or 10.8% of them do not plan to change their workplace, i.e. their job, while 23.4 or 28 of them believe that they will change their job only if they are forced to and this change would potentially occur in the coming year (Table 4.).

Table 4. Questionnaire No. 4: Do you plan to change your job during the next year?

- Plan to change a job during that time	68.5%
- No, I don't plan to change a job yet	10.8%
- Only if I have to	28.0 %

Source: Conducted employee survey, May 2023.

A separate question was about the fear of losing a job at the current random place in the hotel. Approximately 1/3 of the employees had three different answers: (1) I am afraid 38 workers or 31.2%, and 41, or 31.8% stated that they are not afraid, while 41 workers or 30.8% do not think about it (Table 5.).

Table 5. Questionnaire No. 5: Are you afraid of losing your job in the next year?

- Yes, I am	31.2%
- No, I'm not	31.8%
- I don't think about it	30.8%

Source: Conducted employee survey, May 2023.

CONCLUSIONS AND DISCUSSION

Employee satisfaction and their satisfaction with the work and the stimulation they receive in hotels when performing operational tasks is a driving motive in modern human resource management in the hotel industry (Arasanmi & Krishna, 2019). In this way, the rich experience and reputation of the employees are effectively exploited. Research conducted in three highly categorized hotels in Belgrade leads to conclusions that are important to all employees. Ultimately, satisfaction with the work they perform leads to greater profitability and profitability of the hotel business. Branding of hotel employees represents a specific transformation of the experience of employees who contribute to the image of the specific hotel with their reputation (Bharadwaj *et al.*, 2022). From the aspect of human resource management in the future management of the hotel business, specific participation based on experience is gaining importance (Gilani & Cunningham, 2017). These accepted modern trends in the tourism and hotel industry will also contribute to raising the level of training of employees in hotels operating in Serbia (Cvijanović *et al.*, 2017). The branding strategy of employers and employees in hotels primarily refers to the plan that companies have to influence how their employees and the labour market, in general, perceive their brand (Cascio, WF, 2014). The main goal of an effective branding strategy is to enable the company to control the dialogue about its practices and help to acquire and retain top talent (Itam *et al.*, 2020). HR managers who deal with talent acquisition accept the importance of employee branding, but still, many hotels haven't adopted this modern trend yet, which is based on rich experience from the past, i.e. the rising business success of the hotel company (Riajur Rahman, 2023). While there are some universal ways to create and improve strategy, tactics, and operations in employee branding, there are, however, some best practices to a specific segment of the labour market that should be kept in mind. Having that in mind, it was necessary to conduct research Employer Branding trends and have a comprehensive insight into current world practices in this domain (Riajur Rahman, 2023). In the future, effective branding as a transformation of their previous experience could represent a significant direction in the effective management of human resources in the hotel industry.



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THE CREATIVE INDUSTRY, AN IMPORTANT FACTOR IN THE COMPETITIVENESS OF THE CITY OF NOVI SAD

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Abstract:

In recent decades, tourist destinations have increasingly faced intense competition in the world market. The process of globalization in tourism has become one of the biggest challenges for most tourist destinations and cities, requiring a unique strategic approach in the process of creating a tourist experience. Special attention to carriers of touristic policies and offers is aimed at a better understanding of the factors that will differentiate touristic offers more effectively compared to the competition and contribute to the increased market share. The creative economy is one of the fastest-growing sectors of the world economy today, a significant element of the profitability of most tourist countries. In essence, cultural and creative industries relate to different fields of activity. They are very multidisciplinary and affect the local and economic development of the country.

Keywords:

creative industry, tourist destinations, competitiveness, culture, Novi Sad.

INTRODUCTION

The development and implementation of new technologies, the intensive process of digitization and urbanization is established on creativity and imaginativeness. The expansion of the so-called modern economy, the knowledge-established economy as well as the growing demand for the economy of entertainment and free time caused an increase in the social importance of products whose cultural and creative elements represent the main content. Creativity is closely related to originality, innovation and imagination and as such is integrated into every segment of modern society. Contemporary economic development implies the synergy of numerous cultural activities and industrial sectors, with special reference to new ideas and their successful implementation in generated economic development. It was this realization, as well as numerous political and sociological changes, that led to the emergence of new terms such as “creative industry” and “creative economy”, which were modified and interpreted differently over time. These terms are often used as synonyms, although they have different connotations.

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The first author who defined the term “creative economy” was the British analyst and theorist John Hawkins in his book “Creative economy - how people make money from their ideas”, published at the beginning of this century. Hawkins pointed out the three most important elements of creative economy: creativity as an idea has the possibility to be economically valorised; the results of creative work and creative activity are creative products. In his work, Hawkins points out that only those activities that can be economically valorised can be considered part of creative economy (Mikić, 2008). In the UNESCO report, creative economy is established on the combination of science, technology and art with the formation of creative industries within it (UNESCO, Report, 2013).

The phrase “creative industries” was first mentioned in 1994 in the Australian Department report entitled “Creative Nation: A Common Cultural Policy” (Moore, 2014). Creative industries are based on the synergy of economy, technology and culture and represent a great potential for cultural and economic development at the local and international level. They include those activities that do not have the primary function of increasing GDP (Veličković & Veličković, 2014). The American economist and professor Richard Caves advocated the opinion that the creative industry includes a service and goods that represent a certain entertainment, cultural or artistic value (Caves, 2000). The first European country to define the term “creative industry” was Great Britain: “Creative industries are considered to be industries that do not originate in individual creativity, skills and talent and have the potential to create wealth and jobs through the generation and exploitation of intellectual property” (Classifying and Measuring the Creative Industries, 2013).

The United National Conference on Trade and Development (UNCTAD) defined the creative industry as a concept that connects human imagination, originality and creativity in synergy with modern information technologies (UNCTAD, 2008).

Creative industries are by nature interdisciplinary and include various fields of activity and as such, represent one of the main drivers of economic development for most countries. They have numerous economic and non-economic effects on the economic development of a country, with special reference to countries which own a great cultural and historical wealth, such as Serbia. They represent a significant element of the profitability of most tourist countries and to a large extent influence the positioning of the city’s culture as an attractive destination on the tourism market. The Government of the Republic of Serbia recognized the economic importance of the mentioned sector as well as the importance of its development in the future. In the period 2017-2021, the creative industry sector achieved a greater share in the GDP of our country, which is one of the most important indicators of the importance of the mentioned sector in the economy of our country. Investing and stimulating the development of the mentioned sector, additionally motivating young, highly educated, creative, talented, imaginative citizens to get involved will provide numerous economic and non-economic benefits (Vasić & Filipović, 2022).

One of the main producers and consumers of creativity are cities - be it culture, technology or other cultural activities. People, as social beings, constantly have a need for association, for belonging, for communication, and as a result of that continuous historical process, cities are created. Today, at the beginning of the third millennium, more than half of the world’s population lives in cities. From the former cities that had a few thousand inhabitants in a few years, we have come to large megacities with several million inhabitants, occupying an area of several thousand square kilometres. Urban population growth is faster than global population growth and predictions are that by 2050, more than 80% of the world’s total population will live in urban areas (Affairs, n.d.). The accelerated process of urbanization has led to major changes in the way cities are planned, built and the way they function. Economic planning and the development of cities increasingly rely on creativity and innovation, that is, on the search for new, unique ideas that will allow the environment to exude creativity and sustainability. Finding unique, unusual solutions is a major challenge that humanity is facing in the modern world, and creativity and imagination have become key to the successful growth and development of cities.

Tourism, a complex system made up of a number of economic and non-economic activities, is one of the key and more important indicators of the city’s economic development. Novi Sad, as the largest city of the Autonomous Province of Vojvodina and the second largest city by number of inhabitants in the Republic of Serbia, pays special attention to this sector. Historical data indicate that the city was founded in 1694 and that for a long time it was the centre of Serbian culture, which is why it was often called Serbian Athens. Thanks to the diverse cultural heritage of many peoples who have lived in it for centuries, Novi Sad exudes



creative energy and an interactive network of numerous scientific and cultural institutions. The high degree of multicultural and multinational environment influenced Novi Sad to win two prestigious titles in the field of culture - European Capital of Culture in 2022 and European Youth Capital in 2019. The subject of this work is the analysis of the connection between the creative and cultural industry and the overall development of tourism in the city of Novi Sad.

THE CONCEPT OF THE CREATIVE CITY

The founder of the concept of creative cities as a new paradigm for city planning was Charles Landry. In the 80s of the last century, Landry used the mentioned term for the first time, and his works "The Creative City" (1995) and "The Creative City: A toolkit for urban innovators" (2000) are taken as a starting point in planning and defining creative cities. He advocated the opinion that cities that decide to implement the mentioned concept must think differently, i.e. they must be creative and imaginative and open to experimentation while maintaining established patterns of management and thinking. It was also emphasized that being creative does not mean just making something new - but seeing things from a different perspective and being open to new ideas (Landry, 2012).

Based on the available literature on creative cities, which is listed in the list of literature, it is observed that there is no universal, generally accepted definition of a creative city. Authors like Vickery and Florida start from the Landry concept and look at the creative city as an idea that, with the help of innovation and creativity, numerous urbanization problems that cities in the modern world face every day can be solved. Thanks to accelerated urbanization, the concept of creative cities is becoming an increasingly important factor when planning city development and revitalization.

Numerous indicators that make a city creative are integral elements of the concept "creative cities". A large number of authors in the mentioned field have different ideas about the order and importance of creativity indicators, which is shown in Table 1.

Table 1. Indicators of creativity of cities.

Authors	Indicator
<i>Charles Landry</i>	Culture, communication, cooperation
<i>Richard Florida</i>	Talent, technology, tolerance
<i>Verhagen</i>	Safe, clean, green
<i>Hawkins</i>	Collaboration, innovation, learning,
<i>Kageyama</i>	Functional, safe, cheerful, comfortable
<i>Fonseca and Urani</i>	Connections, culture, innovation
<i>Strickland</i>	Diversity, equality, justice
<i>Lerner</i>	Mobility, solidarity, sustainability
<i>Sorry</i>	Practice of "free" citizenship, socially complex environment, culturally dynamic areas, security

Source: Oliveira & Paulino, 2017.

The data from the table show that certain indicators are repeated, that is, that the opinions of the mentioned authors are somewhat similar and related. The increasingly intense process of globalization will lead to the development and change of cities, but also to a change in the very concept of a creative city and the aforementioned indicators. From the above, it can be concluded that creativity will be an indispensable element of adapting to the modern world.



One of the most frequently used methods for evaluating the creative possibilities and potential of cities is the index of creative cities developed by Charles Landry in collaboration with Jonathan Hyams (Creative Cities Index, 2023). In the modern world, many cities use the mentioned index and concept in their development plans and strategies in order to increase their attractiveness, competitiveness on the market, improve their traffic and tourist infrastructure and sustainability.

According to Jaime Lerner, former mayor of the Brazilian city of Curitiba, "A city will be attractive to tourists only when it is attractive to its residents. The city should not be prepared for tourists, but serve the residents and offer a better way of life, and then it will attract tourists" (Kliček & Vanić, 2015). The concept of a creative city indicates that cities should be unique, innovative, distinctive, attractive, healthy, sustainable, authentic, attractive to tourists, investors and local residents. A creative city is "a city that manages to tell a story about itself" (Verhagen, 2009).

In 2004, UNESCO founded the Network of Creative Cities with the aim of strengthening cooperation and interconnection between cities of different countries that recognized creativity and innovation as the most important factors in urban development and achieving a competitive advantage. The network includes 295 creative cities and covers seven creative fields such as design, film, crafts and folk art, literature, music and media arts (UNESCO, 2023).

Tourism in a creative city is primarily sustainable urban tourism with a certain degree of creativity and innovation. According to the World Tourism Organization (UNWTO), sustainable tourism is: "Any type of tourism that contributes to the protection of the environment, social and economic unity and the promotion of natural and cultural values on a sustainable basis" (UNWTO, 2023).

Tourism today is one of the fastest growing and the most profitable industries in the world, whose progress is expected in the coming years. As such, it can greatly influence and help communities to be sustainable and find a balance between intensive urbanization and environmental protection. Unfortunately, in recent years, the so-called over tourism has been increasingly mentioned - a synonym for "mass tourism, which is often characterized by environmental degradation due to an excessive number of tourists, destruction of cultural and historical heritage, noise and the like." Cities that implement the concept of a creative city can develop and improve the environment, preserve cultural community and improve social conditions within it. Creativity is a key element in stopping over-tourism.

THE CONCEPT OF THE CREATIVE CITY OF NOVI SAD IN THE DEVELOPMENT OF TOURISM

The European Strategy - Development of European Tourism 2030 indicates the importance of including medium-sized and small cities in order to avoid rural depopulation and enable balanced territorial development both in Europe and in the world. The European Capital of Culture project is a project of the European Commission for Culture. The project was launched in 1985 thanks to the initiative of the Greek actress and Minister of Culture, Melina Merken. The goal of the project is to highlight the European cultural wealth so that people from different European countries can connect, cooperate and develop a sense of belonging to the European cultural heritage. Additional research has shown that the project realized additional positive economic effects such as an increase in the number of visitors, strengthening the image and brand of the destination on the domestic and international tourism market, as well as additional investments in traffic and tourist infrastructure. In recent years, obtaining the status of the European Capital of Culture has become increasingly prestigious because of a chance for rapid economic development of the chosen city (Union, 2023).

Candidate cities have the obligation to submit their proposals and plans related to the implementation of projects in the form of an application book six years before the official year of the title, while the European Commission, based on the submitted documentation, makes a decision on which cities become European Capitals of Culture. The submitted planned projects should meet certain criteria such as fostering European values, affirming young artists, raising the city's infrastructural capacities and modernizing the city's cultural heritage (Commission, 2022).



In 2017, Novi Sad started implementing the project under the slogan "For new bridges". What makes Novi Sad even more special is that it is one of the few cities of candidate countries for the European Union that has received this title. The success of the city can be seen in the report of the European Commission from 2019, which declared Novi Sad one of the most successful European capitals of culture in the preparation phase, while the famous British travel portal Lonely Planet declared the city one of the top three world tourist destinations. Awards and accolades followed, so in a very short time Novi Sad was declared the best European trend brand in culture. The COVID-19 virus pandemic has disrupted the entire world, causing a series of negative effects on the global economy and cultural events around the world. Although Novi Sad, together with other capitals of culture at the time (Efelim - Greece and Timisoara - Romania), was originally declared the capital of culture in 2021, the titular year had to be postponed to a year later, in 2022. The pandemic did not prevent Novi Sad from being the first in the region to manage to hold certain events online, adapting to the only way of communication at the time. The online presentations proved to be very successful and interesting both for the local population and foreign visitors.

Thanks to its favourable geographical position, Novi Sad has good traffic connections with the rest of Europe, which enables it to have significant comparative advantages on the tourism market. Thanks to its location in this part of Europe, Novi Sad has been an enigma for people from different geographical areas for centuries. The city on the banks of the Danube, also known as Gibraltar on the Danube, represents an oasis of cultural creativity of Serbs and many other peoples. It represents the centre of Serbian culture with Matica Serbian, the oldest Serbian cultural, literary and scientific institution. An ideal combination of old and new, modern and ancient - a city of turbulent past and rich future.

The largest infrastructural investment in culture, both at the level of the city of Novi Sad and the entire country, are the so-called legacy spaces, a unique example in this part of Europe. The famous network of eight cultural stations created with the aim of redirecting events from the city centre to the outskirts of the city and its surroundings - Svilara, Edšeg, Barka, Mlin, Rumenka, Bukovac, Liman and Karavan. The goal of including these locations in cultural flows is greater cultural engagement of citizens and improvement of social interaction.

Another legacy to the city that continues to develop even after the year of the European Capital of Culture title is the Kaleidoscope of Culture. During the five weeks of duration, programs from five areas of art (performers, applied, visual arts, architecture and literature) alternate in order to promote a culture of togetherness.

The tourist traffic of the city of Novi Sad achieved in 2022 was the most favourable of the tourist traffic for the observed period. In 2020, a drastic decrease in the number of tourists and the number of overnight stays caused by unfavourable trends in the world (the COVID 19 pandemic) can be observed. Growth in the number of tourists and the number of overnight stays was recorded in 2021, but not enough to achieve the results from 2019. In the year of the title, tourist traffic was the highest for the observed period, which indicates that Novi Sad is an increasingly attractive destination on the tourism market. The average length of stay of tourists ranged from 1.9 to 2.6 days. The structure of total tourist traffic can be seen in Table 2.

Table 2. Volume and dynamics of tourist traffic in novi sad from 2017 to 2022.

year	The number of tourist in 000	Unaim index	Number of nights in 000	Unaim index	Average length of stay
2017.	195	-	368	-	1,9
2018.	214	109,7	453	123,1	2,1
2019.	222	103,7	425	93,8	1,9
2020.	76	34,2	179	42,1	2,4
2021.	134	176,31	336	187,7	2,5
2022.	219	163,4	561	166,9	2,6

Source: Author's calculations based on Reports of Statistical Office of the Republic of Serbia, UT10, 2017,2018,2019, 2020,2021, 2022.



In the structure of total tourist traffic in 2022, domestic tourists participated with 38.5% of the total number of arrivals and 30.5% of the total number of overnight stays, while the participation of foreign tourist traffic amounted to 61.5% of the total number of tourists and 69, 5% of the total number of overnight stays. During the observed period, the deviation was recorded during 2020, when domestic tourists absorbed the majority of the total number of tourists and the total number of overnight stays. This difference is a consequence of the COVID-19 virus pandemic and the ban on movement outside the country (Table 3).

Table 3. Structure of tourist traffic for novi sad in %.

Year	Domestic tourists		Foreign tourists	
	Number of tourist	Number of nights	Number of tourist	Number of nights
2017.	38,5	33,4	61,5	66,6
2018.	35,4	34,8	64,6	65,2
2019.	35,5	34,3	64,5	65,7
2020.	54,4	54,0	45,6	46,0
2021.	47,9	45,6	52,1	54,4
2022.	38,5	30,5	61,5	69,5

Source: Author's calculations based on Reports of Statistical Office of the Republic of Serbia, UT10, 2017,2018,2019, 2020, 2021, 2022

Numerous promotions, events, manifestations, guest appearances and awards certainly contributed to 2022 being one of the most prosperous years when it comes to tourism in this city in the north of Vojvodina. The cooperation between the Tourism Organization of the city of Novi Sad and numerous other cultural institutions enabled more intensive promotion of the city on the domestic and international tourism market.

CONCLUSION

Culture and creativity are the basis of regeneration and revitalization of cities. The creative economy represents a significant factor in the profitability of a destination and affects its competitiveness on the tourism market. Based on all of the above, it can be concluded that Novi Sad has all the predispositions for the intensive development of the creative and cultural industry. The priceless cultural wealth of the city, the presence of a large number of creative creators from various fields of the creative industry are only part of what can make the city the centre of the creative and cultural economy of this part of Serbia and Europe.

The creative cities programs of the European capitals of culture and the UNESCO Creative Cities Network influence the development of tourist destinations, increasing the number of tourists and income. The connection between creativity and economy is necessary and indicates that tourism of the 21st century is impossible to imagine without creativity and innovation. The city of Novi Sad is on the right path of creative and cultural development, which is confirmed by the title of European Capital of Culture, but continuous improvement and the introduction of certain innovations in the management of the creative industry are necessary.

In the coming period, it is necessary to work on additional networking, that is, on strengthening cooperation between the creative sector and other stakeholders, as well as on marketing. For the most successful promotion of the creative industry, more intensive marketing campaigns are necessary, which, in addition to promoting the creative sectors, will also promote all the advantages of the city of Novi Sad and its surroundings, thus influencing the increase in the number of tourists and income.



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CAPTIVATING HEARTS AND MINDS: HOW EMOTIONAL MARKETING TRANSFORMS TOURIST EXPERIENCES?

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Abstract:

This article explores the transformative power of emotional marketing in shaping tourist experiences. It investigates the impact of emotional marketing campaigns on travelers and examines the long-term implications for consumer travel experiences in the tourism industry. Emotions play a vital role in the decision-making process of tourists, and the tourism industry has recognized the significance of leveraging emotional connections to create meaningful and memorable journeys. Through an analysis of emotional marketing strategies, storytelling techniques, and brand identity, this study investigates how destinations and travel businesses can forge strong emotional bonds with their target audience. By evoking positive emotions, emotional marketing can enhance tourists' satisfaction, loyalty, and advocacy. Moreover, this article highlights the implications of emotional marketing and the responsibility of stakeholders to promote authentic, responsible, and culturally sensitive experiences. Additionally, it presents potential implications and practical guidelines for the strategic application of emotional marketing, empowering tourism companies and destinations to establish a stronger connection with travelers and gain competitive advantages in the dynamic travel market.

Keywords:

emotional marketing, tourism industry, tourist experience, emotions.

INTRODUCTION

The tourism industry is a vast and dynamic sector that encompasses various businesses and organizations involved in facilitating travel and tourism activities (Živković and Brdar, 2015). The industry plays a significant role in the global economy, generating substantial revenue and employment opportunities in many countries (Čerović *et al.*, 2015; Čerović *et al.*, 2022). As an ever-evolving sector, the tourism industry continually adapts to changing trends, technologies, and consumer preferences to offer unique and enriching experiences to travelers worldwide (Živković *et al.*, 2014; Živković *et al.*, 2015; Živković and Brdar, 2018; Brdar and Gajić, 2019).

Tourism experiences are the heart of every tourist's journey, encompassing a diverse array of activities, emotions, and encounters (Tung and Ritchie, 2011; Li *et al.*, 2023). From exploring historical landmarks and immersing in local cultures to engaging in adventurous pursuits and savoring culinary delights, tourism experiences offer a

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tapestry of opportunities for discovery and enjoyment. These transformative encounters create lasting memories, foster personal growth, and deepen travelers' appreciation for the world's diverse beauty and heritage, making them an essential aspect of every travel adventure (Chen *et al.*, 2020; Anaya and Lehto, 2023).

Emotions play a pivotal role in the context of tourism, shaping every aspect of the traveler's journey (Cohen *et al.*, 2008; Rezaei *et al.* 2023). From the initial inspiration to travel, emotions drive the decision-making process, influencing destination choices and itinerary selection. During the trip, emotions are evoked through awe-inspiring landscapes, cultural interactions, and novel experiences, enriching the tourism experience (Pelegrín-Borondo *et al.*, 2015). Positive emotions, such as joy, excitement, and a sense of wonder, contribute to increased satisfaction and the creation of cherished memories, fostering a deep emotional connection between travelers and the destinations they visit (Bosangit *et al.*, 2015). Tourism and emotions are intricately connected, as travel experiences often evoke a wide range of feelings in travelers. Emotional engagement plays a vital role in creating memorable journeys, fostering connections between travelers and destinations, and influencing travel decisions (Nawijn and Biran, 2019). Positive emotions enrich the tourism experience, leading to increased satisfaction, loyalty, and word-of-mouth promotion, making emotions a powerful factor in shaping the success and reputation of tourism destinations and businesses (Cohen *et al.*, 2014). Whether it's the awe of natural wonders, the joy of cultural immersion, or the sense of fulfillment from personal growth, emotions are a driving force that enhances the overall journey and creates lasting memories for travelers.

Emotional marketing in the context of tourism involves leveraging emotions to create powerful and engaging promotional strategies (Li, 2019). By crafting compelling narratives and evoking positive feelings such as joy, excitement, and a sense of adventure, destinations and travel businesses can resonate with their target audience on a deeper level (Hapairai *et al.*, 2018). Emotional marketing allows tourists to envision themselves experiencing the destination, fostering a sense of anticipation and desire to visit. When executed effectively, emotional marketing can transform mere travel plans into transformative and memorable journeys, ultimately driving increased engagement, loyalty, and advocacy for the destination or travel brand (Su *et al.*, 2014).

The purpose and aim of this manuscript are to investigate the role of emotional marketing in shaping the tourist experience within the dynamic and influential tourism industry. The research aims to explore the impact of emotions on travelers' decision-making processes and how emotional marketing campaigns can effectively resonate with travelers, ultimately enhancing their satisfaction, loyalty, and overall experience. Additionally, the paper seeks to provide insights into the responsible and ethical use of emotional marketing strategies in the tourism sector. Lastly, it aims to showcase real-world examples of emotional marketing campaigns within the tourism industry to illustrate the practical application of these concepts.

EMOTIONAL MARKETING

Emotional marketing taps into the understanding that human decision-making is heavily influenced by emotions, rather than purely rational reasoning (Consoli, 2010). Brands utilize emotional appeals to elicit positive responses from their target audience, aiming to create a bond that goes beyond mere product features. By associating their brand with relatable and emotionally charged content, marketers can build trust, credibility, and a sense of authenticity, which are essential for long-term customer loyalty (Pribadi *et al.*, 2020).

One of the key objectives of emotional marketing is to resonate with consumers' values and beliefs, connecting with them on a personal level. Emotions can be powerful motivators that influence consumer behavior, leading to increased brand recall and a higher likelihood of consumers choosing the emotionally connected brand over competitors (Mandina *et al.*, 2014; Likarchuk *et al.*, 2022).

Emotional marketing is widely used across various industries, including tourism, where experiences and emotions are intimately linked. However, emotional marketing must be approached with care and authenticity. Misusing emotions or employing manipulative tactics can lead to a loss of trust and damage a brand's reputation. Ethical considerations should always be taken into account, ensuring that emotional marketing campaigns genuinely align with the brand's values and deliver on their promises to consumers (Geuens *et al.*, 2011; Khuong and Tram, 2015).



In the digital age, emotional marketing has found new avenues through social media, where brands can connect with their audience in real time, engage in conversations, and address consumer needs and emotions directly. Social media platforms offer opportunities for brands to humanize themselves and establish meaningful relationships with their followers, fostering a loyal and engaged online community (Lee, 2023).

Key aspects of emotional marketing include:

- **Storytelling:** Central to emotional marketing is the use of storytelling. Brands tell compelling narratives that resonate with their audience, evoking emotions and drawing them into the brand's world. These stories often revolve around real people, situations, or causes, making the brand more relatable and human (Hoyo and Molano, 2020).
- **Emotional Triggers:** Emotional marketing leverages various emotional triggers to connect with consumers. These triggers can be joy, nostalgia, empathy, fear, humor, or even a sense of belonging. The goal is to evoke emotions that align with the brand's identity and values, forging a stronger emotional tie (Likarchuk *et al.*, 2022).
- **Brand Personality:** Brands that excel at emotional marketing often develop a distinct brand personality that aligns with their target audience. This personality helps consumers relate to the brand as if it were a person, making the emotional connection more authentic and compelling (Valette-Florence and Valette-Florence, 2020).
- **Building Trust and Loyalty:** Emotional marketing nurtures trust and loyalty because consumers feel understood and valued by the brand. When consumers have a positive emotional association with a brand, they are more likely to remain loyal over the long term, even when faced with competing alternatives (Hallberg, 2003; Ghorbanzadeh and Rahehagh, 2020).
- **Shared Values:** Emotional marketing often revolves around shared values between the brand and its audience. By aligning with consumers' beliefs and causes, the brand positions itself as more than just a product or service provider – it becomes an ally, leading to increased brand advocacy (Rai and Nayak, 2019).
- **Positive Customer Experience:** Emotional marketing extends beyond advertising and communication. It also influences the entire customer experience, from the way a brand's employees interact with customers to the packaging of products. Positive emotional experiences throughout the customer journey reinforce the emotional bond with the brand (Yuan and Wu, 2008).

EMOTIONS IN THE CONTEXT OF TOURISM AND TOURIST EXPERIENCE

Emotions play a profound and intricate role in the context of tourism and the overall tourist experience. As travelers embark on journeys to explore new destinations, their emotions become intrinsically intertwined with the various stages of their trips, from pre-planning and anticipation to on-site experiences and post-travel reflections (Knobloch *et al.*, 2016). Understanding and effectively managing emotions is crucial for tourism stakeholders, including destinations, travel companies, and hospitality providers, as it can significantly impact the satisfaction, loyalty, and overall perception of a travel destination. The following should be considered:

Pre-Trip Emotions: The process of travel begins well before the actual journey commences. During the pre-trip phase, travelers experience a range of emotions, such as excitement, anticipation, and curiosity. These emotions are often fueled by expectations, perceived benefits of the destination, and the desire for novel experiences. Tourism marketers leverage these pre-trip emotions through emotional marketing campaigns that showcase enticing visuals, captivating narratives, and inspirational stories to evoke wanderlust and encourage travelers to choose their destination. (Mitas *et al.*, 2020).

On-Site Emotions: Once travelers arrive at their destination, emotions play a central role in shaping their experiences. Positive emotions, such as awe, happiness, and delight, can arise from breathtaking landscapes, engaging cultural encounters, and memorable activities. Conversely, negative emotions, like frustration or disappointment, can emerge from unexpected challenges, cultural misunderstandings, or subpar service. Hospitality providers, tour operators, and local businesses play a vital role in managing on-site emotions by delivering excellent service, creating immersive experiences, and addressing travelers' needs (Isaac and Budryte-Ausiejene, 2015; Nawijn and Biran, 2019).



Emotional Engagement: Emotionally engaging experiences have a lasting impact on travelers. When tourists feel emotionally connected to a destination, they are more likely to have a positive overall experience and form long-lasting memories. Emotions contribute to the richness of the travel experience, making it meaningful and transformative. Elements like friendly interactions with locals, cultural immersion, and personalized service can foster emotional engagement, creating a sense of attachment and loyalty to the destination (Servidio and Ruffolo, 2016).

Post-Trip Emotions: The emotional journey does not end with the return from a trip. Post-trip emotions can be influenced by the memories and souvenirs collected during the journey. Travelers may experience feelings of nostalgia, joy, or even a desire to return. Effective destination branding and ongoing engagement through social media or email campaigns can keep the emotional connection alive, encouraging repeat visits or word-of-mouth recommendations to others (Güzel, 2014).

Managing Negative Emotions: Handling negative emotions is equally important in the context of tourism. Unforeseen circumstances, like flight delays, overcrowded tourist attractions, or language barriers, can lead to frustration or disappointment. Promptly addressing and resolving these issues can turn a negative experience into a positive one and prevent potential damage to a destination's reputation (Nawijn and Biran, 2019).

Emotions and evoking emotions play a crucial role in the tourism experience for several reasons:

- **Memorable Experiences:** Emotions are closely linked to memory. When travelers have emotionally enriching experiences during their trips, they are more likely to remember them vividly for a long time. Positive emotions can turn a regular vacation into a cherished memory that travelers fondly recall and share with others (Servidio and Ruffolo, 2016).
- **Enhanced Enjoyment:** Positive emotions enhance the overall enjoyment of the tourism experience. Whether it's the awe of witnessing a breathtaking natural wonder, the excitement of trying new activities, or the joy of connecting with local culture, emotions enrich the journey, making it more rewarding and fulfilling (Mitas and Bastiaansen, 2018).
- **Building Connections:** Emotions foster connections between travelers and the destination. When travelers feel emotionally connected, they are more likely to develop a genuine appreciation for the local culture, traditions, and people. This emotional bond can lead to a desire to return to the destination or even advocate for it among friends and family (Silva and Correia, 2017).
- **Increased Satisfaction and Loyalty:** Emotional experiences contribute to higher levels of traveler satisfaction. When tourists have positive emotional interactions with a destination, they are more likely to rate their overall trip as successful and fulfilling, which can positively impact their perception of the destination and influence future travel decisions. Also, travelers are more likely to return to a destination where they felt emotionally connected and had a positive experience. Moreover, they may become loyal advocates, recommending the destination to others and promoting it through word-of-mouth or social media (Lee and Kim, 2009; Carneiro *et al.*, 2019).
- **Differentiation and Branding:** In a competitive tourism industry, destinations and travel companies seek ways to stand out. Emotions can be a powerful tool for differentiation and branding. Destinations that evoke unique emotional experiences can carve a distinctive identity in the minds of travelers, making them more memorable and appealing (Klabi, 2014).
- **Positive Reviews and Word-of-Mouth:** Emotions drive word-of-mouth marketing. Satisfied and emotionally engaged travelers are more likely to share their experiences with friends, family, and online communities. Positive reviews and recommendations can significantly impact the reputation and success of a tourism destination or travel business (Carneiro *et al.*, 2019).
- **Impact on Decision-making:** Emotions influence travel decision-making. When travelers see emotionally compelling content or hear heartwarming stories about a destination, they are more inclined to choose it over other options. Emotionally resonant marketing campaigns can sway travel choices and lead to increased bookings (Santos *et al.*, 2021).



- **Sense of Fulfillment:** Emotions contribute to a sense of fulfillment and personal growth in travelers. Experiencing new cultures, meeting diverse people, and engaging in immersive activities can evoke a range of emotions, leaving travelers with a deeper sense of fulfillment and personal enrichment (Santos *et al.*, 2021).

THE ROLE OF EMOTIONAL MARKETING IN SHAPING TOURIST EXPERIENCES

Emotional marketing, as a pivotal factor influencing travel decisions, holds increasing importance in today's tourism landscape. The tourism industry acknowledges the potency of emotions in captivating consumers and forging strong connections between travelers and destinations. When travelers contemplate planning a trip, their decisions extend beyond rational factors like price, location, and amenities. Emotions play a decisive role in this process, with travel often associated with sentiments of happiness, excitement, adventure, and relaxation. Emotional marketing adeptly revitalizes these emotions, compelling travelers to form an emotional bond with the destination (Hosany, 2012).

Also, emotional marketing for tourism often highlights aspirational experiences that travelers desire. By portraying travel destinations as places of adventure, relaxation, or cultural exploration, marketers create a desire for those experiences in the minds of potential travelers. Moreover, it empowers travel companies to stand out amidst the deluge of information and advertisements that inundate travelers. By establishing a personal connection and fostering emotional engagement, tourist destinations and brands emerge as authentic, distinctive, and meaningful choices (Su *et al.*, 2014; Khuong and Tram, 2015).

The emotional marketing approach permeates various channels, including social media, blogs, videos, and traveler anecdotes. Captivating imagery of picturesque destinations, emotionally resonant travel narratives, and authentic accounts of local residents evoke positive sentiments and an eagerness to explore such places. This approach enables travel companies and destinations to attract new travelers, foster loyalty among existing customers, and enrich travel experiences (Richard and Zhang, 2012). By connecting with travelers on an emotional plane, the tourism sector can secure competitive advantages and achieve sustained success amidst the ever-evolving world of travel. Emotional marketing often leverages user-generated content (UGC), such as photos and testimonials from satisfied travelers. UGC adds authenticity to marketing efforts and provides social proof of the positive emotions experienced by real people during their travels (Xiong *et al.*, 2022).

A central role of emotional marketing lies in fostering travelers' emotional attachment to their destinations. Marketing campaigns frequently employ inspirational stories, visuals, and videos to evoke positive emotions in travelers. By eliciting feelings of happiness, excitement, wonder, and adventure—emotions sought after by many travelers during their journeys—an emotional marketing approach engenders a distinct and meaningful travel experience. A trip ceases to be a mere voyage from point A to point B; instead, travelers seek to forge indelible memories and encounter the extraordinary. Emotional marketing precisely accentuates these aspects of travel. Through campaigns that emphasize emotions and personal narratives, travelers are persuaded that their journeys will be distinctive and imbued with significance (Scuttari and Pechlaner, 2017).

Additionally, emotional marketing has the potency to cultivate a sense of connection and identification with the destination. The promotion of local culture, traditions, and stories of local residents fosters a feeling of closeness between travelers and the destination and its people. This emotional connection enriches the travel experience profoundly, engendering meaningful memories and an intimate sense of belonging. Furthermore, emotional marketing holds the potential for enduring effects on passenger loyalty. Travelers who have undergone positive and emotionally gratifying experiences at a particular destination are more inclined to return in the future. Through emotional narratives, genuine interactions, and personal engagement, tourism companies and destinations can secure competitive advantages and foster long-term success in the dynamic travel realm. Establishing emotional connections with travelers culminates in loyalty and referrals, which are pivotal for maintaining a competitive edge within the travel industry (Cohen *et al.*, 2014).

While emotional marketing can be powerful, it must be used responsibly. Brands should be mindful of the emotions they evoke and ensure that their messaging aligns with ethical standards. Transparency and authenticity are crucial in building trust with consumers (Khuong and Tram, 2015).



Below are some examples of emotional marketing campaigns in the tourism industry:

1. Travel Oregon – ‘Only Slightly (More) Exaggerated’: The campaign utilizes animation to capture the emotional essence of a visit to Oregon. ‘Only Slightly (More) Exaggerated’ portrays Oregon as a place of enchantment and surreal beauty. The two-minute advertisement showcases mythical creatures like a furry beast indulging in doughnuts and giant cloud people drifting through the skies. Remarkably, the campaign adeptly incorporates genuine elements of Oregon into the fantastical narrative (Gilliand, 2019).
2. China Airlines – ‘What Travel Brings You’: The advertisement builds upon the concept that travel can be transformative, offering individuals the opportunity to create remarkable and enduring memories. However, there is a twist, adding a touch of dark and amusing surprise. Instead of portraying typical scenes of enjoyment and positivity, the ad showcases travelers returning home with an assortment of unexpected consequences, such as regrettable tattoos, spontaneous weddings, and even unplanned pregnancies. With its use of dark and unexpected humor, the advertisement clearly targets a younger generation that values experiences over material souvenirs when they travel. The ad’s resonance is evident, as the Chinese version has garnered more than six million views on YouTube since its release (Gilliand, 2019).
3. Thomas Cook – ‘The Man Who Wakes Up in a Different Bed’: An inventive and clever marketing campaign is launched to promote the delight and extravagance offered by their hotels. The concept, often described as somewhat ‘sci-fi,’ revolves around a man waking up in a different bed each day. These scenarios range from highly distressing situations, like waking up beside a prisoner in the middle of the sea, to incredibly enjoyable experiences, such as waking up in a luxurious Thomas Cook hotel. While the campaign may not be the most meticulously planned, as any standard hotel would seem luxurious compared to such perilous situations, it still stands as an imaginative and polished piece of marketing, amplified by its movie-like storytelling. Additionally, it serves as a reminder that even prominent and well-established companies require more than just decent marketing to thrive in today’s fiercely competitive travel industry (Gilliand, 2019).
4. Faroe Islands – ‘Closed for Maintenance’: An initiative has been created with the dual purpose of promoting tourism while also prioritizing sustainability. Visit Faroe Islands has taken significant steps to address the potential environmental impact of tourism. They introduced a campaign to close the Faroe Islands during the weekend of April 26th and 27th 2019. However, the islands would remain open to approximately 100 volunteer tourists eager to participate in environmental maintenance projects alongside the locals. In exchange for their efforts, these volunteers would receive complimentary food and lodging, catering to the growing trend among travelers seeking authentic experiences. The ‘Closed for Maintenance’ campaign not only works towards a positive outcome but also effectively showcases the Faroe Islands’ dedication to sustainability. It highlights the challenging balance between maintaining environmental responsibility and promoting destination tourism—a topic that will undoubtedly become increasingly relevant for travel and tourism brands in the future (Gilliand, 2019).
5. Disney Parks - ‘Restore the Magic’: This emotional marketing campaign aims to evoke nostalgia and a sense of wonder among past visitors to Disney parks. The ads feature heartwarming family moments, beloved characters, and iconic attractions, reminding travelers of the magical memories they can create at the parks (Bricker, 2023).
6. Airbnb - ‘Live Like a Local’: Airbnb’s marketing campaign focuses on emotions of belonging and authenticity. It showcases real people’s homes and experiences, encouraging travelers to immerse themselves in local culture and forge genuine connections with the places they visit (Airbnb, 2016).
7. Airbnb - ‘Your Home Away From Home’: Airbnb’s emotional marketing campaign focuses on creating a sense of belonging and comfort for travelers. It highlights the unique and personalized accommodations offered by hosts, appealing to emotions of warmth, authenticity, and a feeling of being at home while away (Sage, 2020).



8. The Tourism Organization of Serbia - 'Lifestyle Serbia': In 2014, Serbia's tourism promotion focused on the youth, with the "Lifestyle Serbia" campaign being a part of the annual campaign by the Serbian Tourist Organization. This 10-month campaign captured the essence of 120 young Serbians who stayed connected with global trends while respecting their cultural heritage. This online campaign leveraged social media platforms like Facebook, Instagram, and Twitter to make Serbia's tourism offerings more accessible to the youth, encouraging them to participate and use these platforms to promote Serbia's beauty and attract tourists. The "Lifestyle Serbia" campaign emphasized emotions by highlighting the country's creativity, innovation, entertainment, gastronomy, and active leisure opportunities (Serbiatravel, 2023).
9. The Tourism Organization of Serbia - 'My Serbia': The Tourism Organization of Serbia's promotional campaign, titled "My Serbia," aimed at domestic guests to showcase Serbia's tourism offerings during the summer season, continued this year. The campaign emphasized online channels, especially social media, to promote Serbia's summer destinations and encourage domestic guests to spend their summer vacations within the country. The "My Serbia" campaign sought to evoke a sense of pride, nostalgia, and excitement among domestic guests, emphasizing the emotional connection people have with their homeland (Serbiatravel, 2023).

CONCLUSION

In conclusion, the profound impact of emotional marketing on transforming tourist experiences cannot be overstated. Throughout this exploration, it has become evident that emotional marketing plays a pivotal role in the entire spectrum of travel, from pre-planning and anticipation to on-site experiences and post-trip reflections. By leveraging emotions through evocative storytelling, captivating visuals, and personalized narratives, tourism stakeholders have the power to create powerful connections with travelers. Emotional marketing campaigns can ignite wanderlust, inspire dreams, and evoke a sense of excitement, ultimately influencing travel decisions and destination choices. When travelers form emotional connections with a destination, their journeys become more meaningful, and the memories forged become lasting and transformative. The emotional aspect of travel enhances the overall satisfaction of tourists, leaving a profound impact on their perceptions and loyalty to a destination. In the dynamic and competitive landscape of the tourism industry, emotional marketing emerges as a potent tool to differentiate destinations and travel offerings. By crafting experiences that evoke positive emotions and cater to the desires of travelers, tourism companies can gain a distinct competitive advantage, attracting more visitors and fostering brand loyalty. Nevertheless, the responsible application of emotional marketing is essential. Transparency, authenticity, and ethical considerations should underpin all marketing efforts to ensure that the emotions evoked align with the actual travel experience. As the tourism industry continues to evolve, emotional marketing will remain a driving force, reshaping the way travelers perceive, engage with, and cherish their journeys. By embracing the potential of emotional marketing, tourism stakeholders can create truly transformative experiences that leave a lasting imprint on the hearts and minds of travelers, fostering a shared journey of emotion and exploration.



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FUSING GASTRONOMY AND RURAL DEVELOPMENT WITHIN SUSTAINABLE FOOD SYSTEMS

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Abstract:

The concept of food systems has a significant role in achieving sustainable development goals, particularly in rural areas. Some of the challenges faced by rural areas include population decline, educational issues, unemployment, and infrastructure deficiencies. The role of gastronomy and innovative approaches in addressing these challenges is emphasized. Innovative gastronomy, which combines tradition and modernity, is seen to promote sustainable rural development. It involves promoting local cuisine, organic farming, and indigenous breeds of animals and plants. The text also discusses the use of modern food technology, such as cold pressing and lyophilization, to enhance product quality and sustainability. Education and training are identified as crucial factors in achieving sustainable rural development, with an emphasis on educating rural inhabitants about responsible behaviour and practices. Rural tourism is seen as a way of actively involving tourists in agricultural activities, providing opportunities for them to preserve seasonal produce and strengthen the connection between tourists and local agriculture. In conclusion, the text underscores the significance of sustainable rural development for overall societal sustainability in the Balkan countries and emphasizes the need for collaboration between various sectors to achieve this goal.

Keywords:

innovative gastronomy, tourism, sustainability, rural development.

INTRODUCTION

The Food and Agricultural Organization (FAO) defines food systems as comprehensive networks of interconnected actors engaged in various value-adding activities across the entire lifecycle of food products, spanning production, aggregation, processing, distribution, consumption, and disposal. These activities are rooted in agriculture, forestry, or fisheries and are embedded in broader economic, societal, and natural contexts. The food system comprises sub-systems (e.g. farming system, waste management system, input supply system) and interacts with key systems such as energy, trade, and health. FAO characterizes a sustainable food system as one that ensures food security and nutrition for all, without compromising the economic, social, and environmental foundations essential for future generations (Nguyen, 2018). Food systems worldwide are confronted with a triple challenge: ensuring food security and nutrition for a growing population, supporting the

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livelihoods of millions of individuals within the food chain, and accomplishing this in an environmentally sustainable manner (International Fund for Agricultural Development, IFAD, 2021) At the core of the United Nations' Sustainable Development Goals (SDGs) lies the pursuit of a sustainable food system. These SDGs demand substantial transformations in agriculture and food systems to eradicate hunger, achieve food security, and enhance nutrition by 2030. To accomplish these goals, the global food system must undergo significant changes to become more productive, inclusive of disadvantaged communities, environmentally sustainable, resilient, and capable of providing nutritious diets to everyone (FAO, 2017).

The progress in food systems has brought many positive outcomes, particularly in developing nations. Nonetheless, the global food system has become less effective in its primary mission - providing sustainable and nutritious food. A strong emphasis on producing high-calorie grains has boosted yields and lowered prices of staple foods. But the cost has been substantial: increased food waste, malnutrition, obesity, and environmental degradation (FAO, 2017).

Several global trends are impacting food security, poverty, and the overall sustainability of food and agricultural systems. These trends include population growth (the growth in both population and economic activity is driving fundamental changes in economies); climate change (climate change disproportionately affects regions already grappling with food insecurity, posing threats to crop and livestock production, fish stocks, and fisheries); loss of biodiversity (critical components of food systems are becoming more capital-intensive, vertically integrated, and concentrated in fewer hands); conflicts, crises, and natural disasters: health concerns - a significant issue is the lack of dietary diversity, with a limited number of foods dominating people's diets (FAO, 2017). For instance, 75% of the world's food production comes from just 12 plants and 5 animal species (FAO, 1999). Nearly 60% of calorie intake from plants is derived from three key crops: rice, corn, and wheat (Rouhani *et al.*, 2016). This dietary monotony negatively impacts health. While the middle- and upper class may consume enough calories, energy-dense diets often lead to obesity, and monotonous diets fail to provide adequate vitamins and minerals (Romieu *et al.*, 2017). One way to address this issue and offer dietary diversity is by increasing the consumption of plant-based proteins and other food sources. This dietary shift could be a pathway to achieving the Sustainable Development Goal (SDG) for food systems, with positive outcomes for both health and the environment (FAO, 2017). For undernourished populations, it would entail diversifying the range of foods consumed, alongside a moderate increase in the consumption of animal-source foods, especially for children. Meanwhile, in developed countries, it would involve reducing energy intake and transitioning towards a more plant-centric diet (Dengerink *et al.*, 2022).

GASTRONOMY AND RURAL DEVELOPMENT

Innovation is the introduction of new ideas, methods, or technologies that lead to significant improvements or advancements in a specific field (OECD/Eurostat, 2005). Gastronomy, traditionally defined as "the art of preparing and eating good food" Rojas-Rivas *et al.*, 2020) is a reflection of culture, heritage, traditions, and community identity among different peoples (Kilibarda *et al.*, 2018). Innovative gastronomy represents a fusion of tradition and modernity. This fusion of tradition and innovation can have a profound impact on the sustainable development of rural areas.

Rural areas are primarily dedicated to food production and, from a sociological perspective, often lag behind urban areas in terms of technological and cultural development (Gebre & Gebremedhin, 2019). Sustainable rural development encompasses three key dimensions: economic, social, and ecological. Its main objective is to achieve stable and long-term improvements in the socio-economic conditions of rural areas while effectively utilizing local resources. This objective includes the preservation and enhancement of cultural heritage, which extends to gastronomy (IFAD, 2021).



However, several factors negatively impact sustainable rural development in Serbia:

- **Population Decline:** There is a reduction in the rural population, particularly among young people, as they migrate to urban areas in search of better opportunities.
- **Educational Challenges:** The educational structure of the rural population is unfavourable, making it reluctant to accept new technological solutions.
- **Unemployment and Poverty:** Rural areas in the Republic of Serbia face high unemployment rates and poverty levels. Many households must combine farming with other income sources to make ends meet.
- **Infrastructure and Investment:** Rural areas often suffer from underdeveloped infrastructure and inadequate investment.
- **Market Orientation:** Small agricultural farms may lack a market-oriented approach.
- **Limited Visibility:** Small producers often struggle to make their products part of the tourist market of a destination (Veličković & Jovanović, 2021).

CAN INNOVATIVE GASTRONOMY CONTRIBUTE TO ACHIEVING SUSTAINABLE GOALS IN RURAL AREAS?

The development of tourism, including gastronomy, in rural areas plays a crucial role in achieving sustainable rural development objectives (Pato & Duque, 2023; Ristić, 2013). As tourism development is a part of rural development, gastronomy serves as a vital link between tourism and agriculture, particularly in Serbia, where rural tourism has gained recognition in Europe (Bugarčić *et al.*, 2023).

Local cuisine is an integral part of the tourist experience, leading to increased efforts to enhance local gastronomy. The gastronomic offerings serve as a cornerstone for attracting tourists while catering to their preferences, aligning with contemporary trends, and preserving authenticity and uniqueness. Tourists are increasingly drawn to local, traditional, and minimally processed foods because they prioritize safety and quality over heavily processed and industrialized options (Bugarčić *et al.*, 2023; Kilibarda *et al.*, 2018a).

Research indicates that agriculture rooted in knowledge, the production of high-quality foods, organic farming practices, products with protected geographical indications, traditional dishes, and functional foods can stimulate the growth of various industry sectors in rural areas. This growth extends to industry, transportation, storage, trade, services, and other segments of the economy (Kilibarda *et al.*, 2018a; FAO, 2017). In essence, rural gastronomy, coupled with sustainable tourism practices, not only enriches the tourist experience but also fosters economic development, preserves cultural heritage, and contributes to the overall sustainability of rural regions (IFAD, 2021).

Supporting and encouraging local farmers to produce organic food and products with protected geographical indications while promoting the cultivation of indigenous plant varieties and native animal breeds is of paramount importance. This approach ensures that tourists are offered local, seasonal food of exceptional quality.

Organic agriculture is a key driver of sustainable rural development, as it has demonstrated economic, social, and ecological viability. Organic farming methods prioritize natural substances and processes, resulting in minimal environmental impact. Key benefits of organic farming include responsible energy and resource use, biodiversity conservation, regional ecological balance preservation, enhanced soil fertility, and maintenance of water quality. Additionally, organic farming adheres to high standards of animal welfare (Kilibarda, 2019). To fully harness the potential of organic agriculture, local populations must be educated and provided with expert support. The rising demand for organic food in recent years underscores the importance of emphasizing organic food production (FAO, 2017).

In Serbia, gastronomy, including traditional dishes and preparation techniques, is an integral part of intangible cultural heritage. The rich culinary diversity in the Western Balkans, stemming from its multiethnic population and complex history, contributes to its vibrant cultural identity, enhancing its appeal as a tourism destination (Kilibarda *et al.*, 2018a). Food often serves as a symbol of the region where it is produced, reflecting the authenticity of a destination. This association between food and place is commonly expressed through geographical indications, which signify high-quality products. As consumers increasingly seek value for their money and higher quality, geographical indications become valuable tools for promoting tourism in specific destinations (Kilibarda *et al.*, 2018b).



Small-scale food producers in rural areas face significant challenges in marketing their products (FAO, 2017). To address this issue, Geographic Information (GI) systems can be employed as the best practice in achieving sustainable rural development (Kurowska *et al.*, 2020). GI systems can create digital maps highlighting the locations of organic farms, farmers' markets, organic food stores, and restaurants offering organic dishes within rural tourism destinations (Kurowska *et al.*, 2020). These maps can be accessible to tourists through websites, mobile apps, or physical brochures, facilitating their ability to find and support local organic producers and businesses (Muca *et al.*, 2021). Effective networking and collaboration at the local community level, along with cooperation between relevant ministries, such as the Ministry of Tourism and the Ministry of Agriculture, are vital components of this effort.

Offering autochthonous (indigenous or native) dishes in a rural setting is an exemplary form of innovative gastronomy that aligns with the goals of sustainable rural development and caters to tourists' preferences (Vukolić *et al.*, 2023). These dishes utilize native varieties or breeds of plants and animals, emphasizing quality over intensive production (Ovaska *et al.*, 2021). As a result, such dishes offered in rural households are something that tourists prefer and recognize as a special quality when they decide to go to rural tourism destinations (Obradović *et al.*, 2023).

Indigenous breeds of domesticated animals, while potentially less productive in terms of quantity, offer higher-quality products and greater resilience to local environmental conditions. For instance, cows of indigenous breeds like Buša may yield smaller quantities of milk, but it is notably rich in milk fat (Popović *et al.*, 2023). An illustrative example of this concept can be found at the Ivanov agricultural farm in Stara Planina, where Balkan donkeys, an indigenous breed, are raised using organic farming practices. Donkey milk is renowned for its positive health effects, and there has been an increasing demand for it in response to dietary trends. Visitors to the farm can witness the milking process, ensure milk quality, and immerse themselves in a unique atmosphere (Ivanov, 2016). In recent years, there has been a growing demand for meat from the indigenous Mangulica pig breed, known for its meat positive influence on human body cholesterol and its LDL: HDL ratio (Nikolić *et al.*, 2018). This increased demand has led to the establishment of more farms and tourism destinations, particularly in Vojvodina, offering dishes prepared from Mangulica meat and related products.

Indigenous varieties of fruits, vegetables, and grains are also pivotal in the human food chain due to their role as energy sources and sources of protective factors. Indigenous varieties of fruits contain significantly higher nutrient levels, including various vitamins, antioxidants, and minerals. Their tolerance to adverse conditions, such as low winter temperatures and drought, often means they require fewer pesticide treatments (Bvenura *et al.*, 2017; Keserović *et al.*, 2017).

A noteworthy example is the old Herzegovinian bean variety known as "poljak," which thrives in regions with limited, rocky, and barren land. "Poljak" beans are both highly nutritious, containing 28% protein and an abundance of minerals, and medicinal, with potential benefits for regulating blood sugar levels. Traditionally, they were used as a coffee substitute, and their unique characteristics, including a lack of bloating after consumption and a neutral taste, make them versatile for various culinary applications, including desserts (Milić *et al.*, 2022; Crnobarac, 2021).

Leveraging modern food technology can significantly enhance product quality and innovation in gastronomy. One such example is the application of cold processing technology, which involves using a hydraulic press to extract juice or oil from fruits, vegetables, seeds, or nuts without the use of heat (Čavić *et al.*, 2020). Cold press processing minimizes exposure to heat and oxygen during production, resulting in high retention of taste and nutrients, including enzymes, fatty acids, and antioxidants like vitamins A, C, and E. Combining cold pressing techniques with fruits of protected geographical origin, such as Arilje raspberries in Serbia, can add value and enhance product quality by creating cold-pressed juices that preserve the integrity of these fruits.

Lyophilization, or freeze-drying, is another advanced drying process conducted in a vacuum that removes water from materials while preserving their nutritional value, taste, and texture. In rural settings, lyophilization offers several advantages. It allows the preservation of perishable foods like fruits, vegetables, and herbs, enabling them to be stored for extended periods without quality loss. This is particularly beneficial in regions with seasonal or surplus harvests, ensuring that tourists have access to a broader range of authentic, high-quality, and locally sourced products with longer shelf lives (Čavić *et al.*, 2020; Kilibarda, 2019).



Moreover, lyophilization reduces the risk of food spoilage and waste, contributing to improved food security and sustainability in rural areas. The production and offering of functional foods, such as traditional fermented sausages with added fibers, represent innovative gastronomy that combines tradition with scientific advancements to meet the expectations of tourists.

To fully capitalize on these opportunities, education, and training play a crucial role. Training local producers and culinary experts in these advanced food technologies can enable them to create unique and high-quality gastronomic experiences that attract tourists while supporting sustainable rural development.

Education is a pivotal factor in achieving sustainable rural development. As rural development involves a wide range of skills and disciplines, providing education is essential for spreading awareness about responsible behavior and practices that ensure the long-term development of rural areas. It is crucial to educate rural inhabitants about the consequences of irresponsible actions that could jeopardize future development (IFAD, 2021).

One emerging area of concern in the context of changing diets is the growing interest in the environmental, ethical, and health impacts of food choices. There is a slight global increase in the number of vegetarians and vegans, driven by various factors such as health concerns, climate change, and animal welfare considerations. (Dorgbetor *et al.*, 2022). However, traditional rural diets often rely heavily on animal products, which may not align with the dietary preferences of tourists who follow vegan or vegetarian diets.

To address this challenge, initiatives like the project in western Serbia, supported by the U.S. Embassy, are working to educate rural housewives about adapting their cuisine to cater to the needs of tourists, particularly those with vegan and vegetarian dietary preferences. This type of education is vital, especially considering the prevalence of food allergies and intolerances in today's population (Pejović, 2017).

Furthermore, in many developing rural areas, women play a central role in managing households and contribute significantly to agricultural production (Davis *et al.*, 2022). However, gender inequalities often hinder women from realizing their full potential. Education and training initiatives, such as the one mentioned, offer a pathway to create a more equal and empowering position for women in rural areas, ultimately contributing to sustainable rural development (IFAD, 2021).

Active holidays and rural tourism have become increasingly popular, offering unique experiences for visitors. To further enhance these experiences, it's beneficial to provide options that allow tourists to actively participate in agricultural activities. For example, tourists can engage in activities like preserving seasonal produce, which they can later purchase at a reduced price. This type of tourism product not only adds value to the visitor's experience but also strengthens the connection between tourists and local agriculture (Susila *et al.*, 2023).

Rural tourism households play a pivotal role in providing such experiences. These facilities, which offer accommodation, food, and beverage services in a rural setting, often reflect the local characteristics and heritage of the area. Serbia has a significant number of registered rural households, indicating the potential for tourists to enjoy a holistic experience that includes accommodation, local cuisine, and rural hospitality. Engaging in rural tourism also benefits local hosts by providing a direct channel to sell agricultural products to visitors. This eliminates the need to travel to urban markets, rent stalls, or incur transportation costs. Producing and selling goods on-site while guests are present is more convenient and profitable. However, there may be a lack of data on how many hosts produce their food versus buying it from nearby sources, which underscores the importance of collaboration between relevant authorities, institutions, and the local community (Chroneos Krasavac *et al.*, 2018)

CONCLUSION

In conclusion, sustainable rural development is a crucial component of overall societal sustainability in the Balkan countries. To achieve this, it's essential to slow down or halt the process of intensive migration from rural to urban areas. This migration disrupts the rational utilization of resources and comparative advantages in both urban and rural environments. Initiating economic activities in rural areas that leverage local resources, both human and material, is vital for the sustainable development of these regions and society as a whole. While gastronomic innovations may not be a priority for major food industry players, smaller economic entities, such as family-owned businesses and cooperatives prevalent in rural areas, can benefit from innovative technologies to foster their development. Institutional support and collaboration across sectors, including government, business, civil society, rural organizations, and the scientific community, are essential to promote sustainable rural development effectively.



Sustainable rural development can only be fully realized when residents are equipped with the necessary knowledge and skills to engage in innovative economic activities. It includes, among other things, new insights and skills about current trends and requirements for gastronomic offerings, but also all the possibilities to find new market channels for their agricultural products through rural tourism. Investing in education and vocational training programs tailored to the specific needs of rural communities can empower individuals and enhance their capacity to contribute to the local economy. Moreover, these initiatives can help bridge the urban-rural development gap by creating opportunities for entrepreneurship and innovation within rural areas. By promoting practices that emphasize local, organic, and environmentally friendly food production, rural areas can not only meet their own nutritional needs but also tap into the growing global demand for sustainably sourced products. This approach not only supports economic growth but also ensures the long-term viability of rural ecosystems.

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SPA TOURISM AS A DEVELOPMENT DRIVER OF RURAL DESTINATION

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Abstract:

Looking at rural destinations as places that have the potential for tourism development, it is necessary to see in which direction they can be developed and what advantages the destination has from such development. Particularly highlighted are the potentials for the development of spa tourism, as it has been shown that health care has become a primary need, and the health motive is one of the primary factors of attraction. The paper is based on research on the Vrdnik health resort and their visitors' opinions. Respondents from five countries, 322 of them, participated in the research. The conclusion was reached that the respondents very well distinguish wellness and spas as a part of health tourism from medical places where sick people go, and that together wellness and spa tourism represent a sustainable product of rural destinations. In other words, prevention is much more important than rehabilitation.

Keywords:

wellness and spa, tourism, prevention, rural destination development, Vrdnik.

INTRODUCTION

If we look at rural areas as attractive, sustainable tourist destinations, then it is clear that tourism must contribute to rural development. As a holistic (integral) discipline, sustainable rural development must include tourism and recreation as one of the key components of self-sustainability (Perić et al., 2020). For development to be sustainable, it must include in its integral part those types of services that enable sustainability, namely tourism and recreation (wellness and spa) (Dryglas & Salamanga, 2018). Self-sustainability is a state of existence in which no interaction with others is required. In the context of rural development, self-sustainability would imply the offer of those types of tourism that could be fully implemented in the rural environment (Wu et al., 2023). Tourists must be attracted to certain attractions offered by rural areas, and if there are no natural attractions, then the offer is based on anthropogenic, created ones (tradition, gastronomy, and the like). However, the greatest advantage is in rural areas, which represent a combination of the two (Vujko et al., 2019). Thermo-mineral springs are a natural treasure that can be used for the development of spa tourism, which, lately, has not only been a place for rehabilitation and

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recovery and for visiting tourists of the third age, but a place for prevention, enjoyment and relaxation with plenty of cultural contents. This means that in such rural areas, the tourist offer could be enriched with different cultural contents that would attract tourists and have the “power” to extend the tourist season. These are manifestations, concerts, exhibitions, colonies, camps and the like. Everything that can be organized in a rural environment and that can help tourists make decision to stay a few nights longer at the destination (Chen *et al.*, 2023). Rural areas cover about 90% of Serbia and about 43% of the total population lives in them. Rural tourism in Serbia is a significant factor of multifunctional rural development, which is confirmed by numerous theoretical and empirical studies. Serbia has great potential in the offer of rural tourism, due to preserved nature, and traditional and autochthonous values (Petrović *et al.*, 2017). Indigenous values represent such tourist attractions that can independently attract tourists because people from all over the world come to destinations that offer something unique, different, and locally oriented. Rural destinations in Serbia abound with such attractions. From gastronomy, music, folk customs and traditions, to the charisma and hospitality of the people, the offer that can be experienced in the rural destinations of Serbia is something that cannot be experienced anywhere else in the world.

With over 350 potential spa destinations, the rural areas of Serbia have the potential to develop this form of tourism as an integral part of it. So, the potential exists, but it is necessary to change people’s awareness that spa places are places of rest and enjoyment where the rural landscape contributes to a richer and better atmosphere. Going one step further, it is necessary to show the importance of the natural environment on health. Nature has the “power” to have a beneficial effect on human health through various forms of relaxation (Gustavo, 2010). Therefore, the combination of wellness and spa tourism in a rural environment has a win-win effect. Sustainable development, viewed in the context of the development of destinations intended for health tourism, can be defined as something that allows continuous duration and that proves to help people. This proved to be especially significant in the wake of the last Covid pandemic.

One way is through research to show the benefit from such a determination of the destination to the local population because the local population must have a basic interest in the sustainability of development so that future generations can benefit (Vujko *et al.*, 2021). The local population must opt for a certain direction of development. Without this commitment, we cannot talk about the sustainable development of tourism. For this to happen, the local population must be familiar with all the factors of sustainable development, and above all the economic indicators of sustainability. First of all, this includes various positive economic aspects of that development, such as investments, jobs, female entrepreneurship, and the like. All of these are sustainable forms of tourism development that directly empower the local population and the rural destination and through economic benefits are visible and tangible (Chen *et al.*, 2023).

Bearing in mind the needs of modern man and the speed of life, which implies permanent exposure to stress, the so-called “health resorts” where those who visit such places can find the necessary peace and restore balance are of exceptional importance (Deery *et al.*, 2014). One such place is Vrdnik. Vrdnik (Serbian Cyrillic: Врдник; pronounced [vr̩d̩ni:k]) is a village located in the municipality of Irig, northern Srem (Syrmia), in the Serbian province of Vojvodina. It is located at the southern slopes of Fruška Gora, at the border of the national park (Jocić, 2013). The thermal waters in the Vrdnik spa with a temperature of around 32 degrees are extremely healing, especially for heart and rheumatic diseases. Thanks to the thermal waters in the spa, there are several centers for treatment and rehabilitation, as well as for analysis and intervention by doctors to determine therapy. On the other hand, in recent years, Vrdnik has been known for having exceptional service, when it comes to prevention, i.e. the wellness and spa program (Jocić, 2013).

Some scientists claim that the concept of wellness is more than a movement, it is a way of life. Wellness helps people to maintain balance and “be well” (Huijbens, 2011) in today’s time where stress and various other obstructive conditions prevail. Although wellness has only recently been discussed from a scientific perspective, human efforts to live in harmony with oneself and the environment have long been known (Hallab, 2003). The contemporary understanding of wellness came into being in 1959, when an American doctor, H. Dunn, created the definition of wellness used today. According to Dunn, wellness is a lifestyle that promotes a positive mood and brings harmony to body, spirit and mind; these three elements holistically define man (Mak *et al.*, 2009). Today’s view of wellness is made up of two most important aspects of life: one is what we consume, and the other is how we feel. Food greatly affects a person’s health, and so, in addition to promoting a balanced diet, wellness also promotes an active life (Smith & Kelly, 2006). Correctly understood, wellness affects the senses



of taste, touch, smell, sight and hearing (Lehto *et al.*, 2006). In addition to all that, wellness also promotes the way someone rests, what kind of environment they have, what music they listen to, etc. In fact, “being good” is the essence of life, and wellness helps someone feel good and positive, which is the key to success in the fight against stress and everyday problems. According to Marvel (2002), it is precisely this way of thinking that allows a person to be in a good mood and positive, regardless of everyday life.

The research was part of a wider research project carried out during 2022 (March-June), and this paper started from the hypothesis that visitors to the Vrđnik spa distinguish prevention from rehabilitation, that is, they are familiar with the term “wellness”. Such an offer represents the backbone of the development of rural areas because tourists who come to such destinations are first and foremost healthy people. Healthy people spend more, can eat well and enjoy gourmet restaurants, which in rural areas are permeated with tradition and represent independent motives for tourist arrivals (Vujko *et al.*, 2020). Also, people who care about their health are looking for additional, complementary tourist motives, so different manifestations on the topic of gastronomy, tradition and ethnic value are also welcome. All in all, the spa offer is and should be one of the most important tourist products of rural areas, at least for those destinations where there are conditions for such development.

METHODOLOGY

The research was a combination of quantitative (statistics and web analysis) and qualitative methods (questionnaire, discussion and written documents). Bibliographic speculative was used in the phase of defining the theoretical framework, and descriptive method for data processing and results interpretation. The data was collected by the survey method. Namely, it must be noted that the results are only a part of the study conducted in the period from March to June 2022. The first part of the work was research in the field and data collection through direct survey, conducted among the visitors of the Vrđnik Spa. The questionnaire was composed of several groups of variables. One group of variables had open-ended questions, while the other had answers offered on a Likert scale of 1-3 (yes, no and I don't know) and 1-5 (very important, important, I don't know, not important and not important at all).

The obtained data were processed with appropriate statistical methods of a descriptive and comparative nature, which enabled the explanation of the research results and the drawing of certain conclusions. One form of the analysis of the data was the chi-square test (Pearson Chi-Square Test). It was used to determine whether a received (observed) frequency (responses) deviated from the frequencies that were expected. Practice is to always start from the premise that there are certain values of the difference in responses. In order to detect differences in the responses measured on the basis of statistically significant differences in the distribution of the dependent variable in relation to independent, and statistically significant differences are taken of those for which $p < 0.05$.

RESULTS AND DISCUSSIONS

By examining Table 1, it can be seen that the majority of participants was from Italy, followed by visitors from Croatia and Slovenia. This is not surprising, considering that during the Covid pandemic, EU countries had a large number of infected people.

Table 1. Country of origin.

		Frequency	Percent
Valid	BiH	59	18,3
	Croatia	72	22,4
	Slovenia	72	22,4
	Italy	82	25,5
	Montenegro	37	11,5
	Total	322	100,0

Source: Author's.



Table 2 shows the respondents' familiarity with the term "wellness and spa", in relation to the country from which the visitors come. Respondents answered in the form of free answers, and the answers were grouped by similarity. Some of the most frequent answers are: Relaxation and relaxation through massages and other treatments (62), Anti-stress programs (42), Being healthy (41).

Table 2. Familiarity with the terms of Wellness and spa.

	Country of origin					Total
	BiH	Croatia	Slovenia	Italy	Montenegro	
Being healthy and happy	7	11	14	7	2	41
Work on yourself	5	1	19	1	1	27
Disease prevention	4	11	10	6	6	37
Being fit	1	14	11	12	0	38
Feeling good in your own skin	16	2	4	13	0	35
Relaxation and relaxation through massages and other treatments	21	2	2	29	8	62
Anti-stress programs	2	23	1	6	10	42
Escape from everyday life	1	3	8	4	6	22
Socializing and having fun	2	5	3	4	4	18
Total	59	72	72	82	37	322

Source: Author's.

When it comes to the Pearson Chi-Square Test, comparisons are made depending on the country from which tourists come. Referring to the data from Table 3, it can be concluded that there is a statistically significant difference in participants' responses depending on the country they come from, since $p = 0.000$.

The respondents' familiarity with the term "wellness and spa" tells us that this form of tourism has good potential for development. Also, this fact indicates that people have a need to spend their free time in such destinations that offer a wide range of activities related to relaxation, "escape from everyday life" and the like. People need peace, quiet, relaxation, and nature. Such people travel to destinations that provide them with treatments that they enjoy as healthy people. Observing the experiences of some destinations from the environment (Vujko *et al.*, 2019), it can be seen that the largest percentage of guests of such destinations are healthy people for whom prevention is very important. They travel, enjoy the heterogeneity of the offers, and spend their free money funds in a wide variety of ways.

Table 3. Pearson Chi-Square test.

	Value	df	Statistical significance (p)
Pearson Chi-Square	181,011	32	0,000

Source: Author's.

The data from Table 4 tell us how recognizable Vrdnik is as a wellness and spa center. Namely, all respondents answered that it is a recognizable place and that they would be happy to recommend it. In recent years, several very luxurious hotels have been built in the town, which offer their guests a very rich wellness and spa program. From treatments with mud, chocolate, and aromatic oils, through various massages, saunas, baths, treatments etc. Also, wellness and spa centers organize consultations on nutrition, exercise and health. It can be said that the Vrdnik already stands out on the wellness and spa tourist map of Serbia.



Table 4. Opinion about Vrdnik.

		Country of origin					Total
		BiH	Croatia	Slovenia	Italy	Montenegro	
Is Vrdnik a recognizable place of wellness and spa tourism?	Yes	59	72	72	82	37	322
Total		59	72	72	82	37	322

The question related to whether respondents distinguish wellness and spa tourism from rehabilitation and health-healing tourism can be found in Table 5. It is interesting that the vast majority of respondents (305) answered that there are no sick people in the hotel where they stayed. This means proportionally that people who want balance in life come to Vrdnik, that is, people who recognize the true meaning of the terms ‘wellness’ and ‘spa’. Wellness and spa centers have stood out in a time known as the Covid-19 time. Namely, it has been medically confirmed that strong immunity helps in the fight against this vicious disease. Centers that offer wellness and spa programs have stood out as highly recognized destinations in which people have to wait a long time for confirmation of the reservation. People from all over the world go to wellness and spa centers in the hope that they will strengthen their immunity (Connell, 2013).

Table 5. Observations.

		Country of origin					Total
		BiH	Croatia	Slovenia	Italy	Montenegro	
Do you see sick people in your hotel/guesthouse where you are staying?	No	57	69	72	72	35	305
	I don't know	2	3	0	10	2	17
Total		59	72	72	82	37	322

Source: Author's.

Table 6. Pearson Chi-Square test.

	Value	df	Statistical significance (p)
Pearson Chi-Square	12,456	4	0,014

Source: Author's.

Referring to the data from Table 6, it can be concluded that there are no statistically significant differences in respondents' answers since $p = 0,014$ (Tabela 6).

Based on the previous questions, we wanted to hear opinions about the importance of prevention for health. The vast majority of respondents (317) answered that prevention is “very important”, while 4 respondents said that prevention is “important”. This confirmed the initial hypothesis of the work that visitors of the Vrdnik Spa distinguish prevention from rehabilitation, that is, it was shown that they are familiar with the term of “wellness”.

Table 7. Respondents' opinion about importance of prevention.

		Country of origin					Total
		BiH	Croatia	Slovenia	Italy	Montenegro	
Do you see sick people in your hotel/guesthouse where you are staying?	Very Important	56	72	70	82	37	317
	Important	2	0	2	0	0	4
Total		58	72	72	82	37	321

Source: Author's.



There was no statistically significant difference in the next question Table 8), but it is a logical sequence considering that some respondents did not answer this question.

Table 8. Pearson Chi-Square test.

	Value	df	Statistical significance (p)
Pearson Chi-Square	6,068	4	0,194

Source: Author's.

CONCLUSION

The terms “rural tourism” and “sustainable tourism” have become essentially synonymous, indicating the close and mutual dependence of tourism and the rural environment and cultures within which they occur. People who pay attention to themselves and their health, come to spa and wellness tourism destinations, but also choose rural areas and stay in them. Greenery and healthy food, tradition and gastronomy represent the basis of quality and the concept of integral management of rural destinations (Vujko and Delić-Jović, 2021).

Improving the quality of traditional, local food and handicrafts provides opportunities not only to provide the guest with a special, rural and locally recognizable experience, but also to support the rural economy and tradition. Strengthening the links between food production, agriculture and maintenance of the landscape of rural areas provides opportunities for integral quality management. The main reason why guests choose certain rural destinations is that they want to enjoy the quality of natural landscapes and man-made facilities. Maintaining the quality of the environment is important both for the recognition of the destination and for sustainability. The provision of transport and other local services should meet the needs of guests and the local population and reflect the environmental protection policy (Vujko and Delić-Jović, 2021).

On the other hand, certain rural destinations have predispositions for the development of wellness and spa tourism. Wellness and spa tourism markets are experiencing a growing trend year after year. The growing tendency of these markets comes as a result of a change in the attitudes of the population, which is increasingly focused on improving health and quality of life, which is manifested, among other things, through the use of the services of these centers (Hadzik *et al.*, 2014). Wellness, as a lifestyle, represents the aspiration of each individual towards achieving a perfect balance between spirit and body (Gustavo, 2010). On the other hand, spas, as traditional places for recovery and rehabilitation, are increasingly turning to prevention and precisely wellness as a business concept. The visitors are the ones who dictate the the market rules, and there are more and more of them who are aware that prevention is more important than rehabilitation. Vrdnik presents an example of good practice in how the traditional transitions into the modern and contemporary.

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CITTASLOW - NEW POSSIBILITY FOR THE DEVELOPMENT OF SMALL CITIES IN SERBIA

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Abstract:

The aim of this paper is to present the significance of the innovative tourism product development, the so-called cittaslow or the slow cities. The paper also aims to show that it is possible to develop such a tourism product in Serbia, which, at the same time, would be a pioneer attempt in Southeastern Europe.

The inclusion of a city into the Cittaslow association offers numerous advantages and provides possibilities for the formation of a new tourism product and an entirely new image of a specific tourism destination, whereby the increase in the travel demand for such a place, inevitably ensues.

The research subject of this paper is to explore the possibilities of forming a completely new tourism product on the territory of Serbia, the so-called slow cities. Serbia has both places and cities of rich history, culture, customs, and this poses a good way to form a travel destination included in a world association of slow cities, using the existing tourism resources.

The research methods to be used in this paper are data analysis and synthesis, statistical data and mapping methods. It is expected that the results acquired through the SWOT analysis and case analysis shall ascertain the possibility of a cittaslow "creation" in Serbia.

Keywords:

cittaslow, slow food, slow life, slow tourism, sustainable tourism, Serbia.

INTRODUCTION

The development of a country's economy is influenced by several factors and elements. In the contemporary world, tourism represents one of the key development factors of certain countries and tourism destinations, as well as of the global economy (Holloway & Humphreyes, 2012). It is considered that many countries turn to the development of tourism, bearing in mind its economic influence on the development of the entire economy (Bakić, 2010). With the changes in social environment, as well as with the advancement of modern technology and the changes in the manner of operation and business, so have the changes of a contemporary tourist emerged and tourism itself has thus changed. Mass tourism was typical for the end of the 20th century and later gave way to thematic tourism, as one of the forms of alternative tourism which marked the beginning of the 21st century.

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Earlier, the term “tourist destination” implied entire areas, regions and even countries. Nowadays, an entire region or a state can hold a whole range of smaller tourist destinations each of which has its own characteristics, culture, customs, and promotion strategy, as well as its own brand and particular tourism product which represents them thus creating a specific form of thematic tourism (Jovanović, 2013). Not rarely do tourism products overlap in one place and such overlaps are desirable so as to satisfy the needs of modern tourists.

The movement of slow cities – Cittaslow – was founded in Italy in 1999 with the intention of confronting the current pace and manner of life. The idea of this, now, International Association of Cities, is to support the sustainable development of certain cities or places by expressing their own characteristics, cultural-historic heritage, customs, local food, etc. (Slow City Association, 2013). By including cities or urban areas in this international association, the increase in the tourist demand and its recognisability inevitably occurs, both in Europe and around the world.

This paper displays a case study which refers to a city in Serbia in order to see how possible it is to form slow cities in Serbia and to include them in the international association. Through analysis and synthesis of the obtained data, the benefits which a city would derive from becoming a part of the Cittaslow association, would then emerge.

Before continuing with the analysis and concluding whether it is possible to develop a Cittaslow in Serbia, it is necessary to point to some of the experiences from Europe and around the world. One should also bear in mind that the tourism market of Southeastern Europe should be considered as a tourist destination which has not been sufficiently researched, and that speedy development of tourism in this region is yet to be expected (Unković, Čačić, & Bakić, 2002)..

LITERATURE REVIEW

Cittaslow concept

Due to the development of modern technology and the fast way of living and business in general, the contemporary tourist becomes overwhelmed and again, starts resorting to nature, the intact one, starts visiting spas, smaller places, and areas, thus escaping the crowds, noise, and the fast way of living (Popesku, 2011). It is exactly at this point, when rural tourism, ethno villages, wine tours, and health tourism start its rapid development that the ideal circumstances for the slow cities emerge so as to develop a different form of tourism – slow tourism.

The idea of the Cittaslow was born in 1999 as devised by Paolo Saturini, who at that time was the mayor of the Greve municipality in Chianti, and the founders of the movement were Francesco Guida, mayor of the Bra municipality and Stefano Cimicchi, the Orvieta Mayor and Positano Mayor – Domenico Marrone. The idea was also adopted by the president of the Slow Food Association, Carlin Petrini (www.cittaslow.org). These four municipalities were at the same time the first members of the Cittaslow Association. The primary goal of this association was to promote and develop the idea of a better way of living by applying a range of various solutions for a better work organisation. “Maintaining the identity, memories, protecting the environment, justice and social inclusion, the community and citizens’ activities are the values that the association represents.” (Cittaslow, Nuovo statuto) In order for a city to become part of this international association, a range of criteria from the Manifest needs to be fulfilled, which contains 6 key areas, i.e., 52 criteria.

It should also be emphasized that the Slow food movement emerged more than two decades ago, also in Italy, in Bra, the role of which was crucial in the formation of an entirely new form of tourism – Slow tourism. Slow tourism supports staying in sustainable, rural, cultural, or eco-tourism destinations, where the social, economic, and environmental components of a destination’s sustainability have the same impact and should all be considered equally (Božović *et al.*, 2022).

The primary goal and idea to create such a movement speaks volumes of the protest against the spreading and invasion of the fast-food industry. The basic principle of the Slow Food Association is “for everyone to have the right to enjoy quality food, and thus be responsible for the protection of heritage, tradition and food culture, without which this pleasure would not exist as such” (Slow Food International, 2014). In other words,



the food has to be good, i.e., local and fresh, produced in an ecologically sustainable and healthy manner. The primary aim of the Cittaslow movement is to spread the philosophy of the Slow Food association to local communities and city administration, by applying the concept of eco-gastronomy in everyday life.

Cittaslow manner of life and the sustainable development of tourism

The life in a cittaslow city is one that is slow, safe, with no rush, nor productive, and at the same time undoubtedly more humane and ecological. The idea is to have the society focus more on villages, mountains as well as smaller islands, rather than on districts of bigger cities. In a way, the cittaslow represents the protection of food products as well as the protection of the traditional cuisine and local tastes. The cittaslow as the new and unique form of existence does not solely refer to food, culture, and society, but to town planning, surroundings, energy, transport, tourism, and agriculture as well. (Lowry & Maisoon, 2011). The local society should accept the modern concept of “quality life” and be able to consciously accept the modern tourist. “To live in a cittaslow as well as to govern it, implies being in the centre of slowness, as the basic value which provides a complete and specific meaning to the time revolution, of the one who due to history, culture and the surroundings has succeeded in resisting and continues to resist the acceleration brought about by the twenty-first century...” (Cittaslow international, 2014).

The cittaslow criteria

The municipalities which belong to this association are primarily led by the idea that a man is a protagonist of a slow and easy way of life, respecting the health of its citizens, regularity of food products and quality cuisine. The admirers of the unpolluted regions, old, forgotten trade, stores, restaurants, good homemade food and coffee, art lovers and theatre goers can be found in such municipalities. They are also characterized by spontaneity when it comes to religious customs, respecting tradition and joy of the peaceful and easy way of living (www.cittaslow.org). The key idea is life in harmony with nature, which leads to prevention of unconscientious use of space for tourism purposes and further prevents unplanned construction which may destroy entire regions and ecosystems.

Pursuant to the statute of the Cittaslow Association, 54 criteria exist, 24 of which are mandatory and grouped into six different categories:

1. Ecological surroundings
2. Infrastructure
3. Technology and facilities which refer to the urban planning quality
4. The protection of the original production
5. Hospitality
6. Conscientiousness

The criteria and categories are part of the accession process to the Cittaslow movement, and they are all equally important.

“In order to acquire the cittaslow status, a city must entirely comply with and adopt the principles of the Slow Food Association and to work on the improvement of hospitality and to cherish the local, ecological surroundings” (Cittaslow International, 2010b, para. 1). Also, it should not count more than 50 000 inhabitants. (Cittaslow International, 2009, pp. 23-24).

Pursuant to the Articles 25 and 26, nations and territories with at least three cities which are Cittaslow members, may establish the National Coordination Group which is directly involved with the International Coordination Group and is responsible for all activities, projects and events regarding the cittaslow in the subject country as well as the verification of the new application of all cities which are beyond their territory (Cittaslow International, 2009, p. 17). This state-level committee helps reduce the time necessary for a city to be acknowledged and to increase the awareness of the Cittaslow movement on state level.



Other cities have followed the first four which have joined the Cittaslow association and have been subjected to the rigorous and typically slow process of acknowledgment, such as the condition to be placed on the World Heritage Site.

The international network of slow cities

Today, the Cittaslow association comprises of 192 acknowledged slow cities in a total of 33 states (Figure 1): Australia (3), Austria (3), Belgium (6), Brazil (1), Canada (4), China (2), Columbia (1), Croatia (1), Denmark (2), Finland (1), France (8), Germany (23), Great Britain (5), Hungary (1), Iceland (1), Ireland (1), Italy (75), Japan (1), Luxembourg (1), Netherlands (7), New Zealand (1), North Cyprus (5), Norway (3), Poland (36), Portugal (6), South Africa (1), South Korea (11), Spain (6), Sweden (1), Switzerland (1), Taiwan (5), Turkey (21), United Kingdom (5), USA (3) (Cittaslow list, 2023).

By comparing the aforementioned data with the data from January 2011, significant changes in the number of slow cities may be observed. In January 2011, 141 cities joined the cittaslow association, from a total of 23 states. Some states have increased the number of members, such as Italy from 69 to 75, whereas Great Britain has had 9 member cities and now has 5, which means that 4 of the cities have lost the status, and the United States of America have remained on total of 3 member cities. It is also interesting that on the territory of Eastern and Southeastern Europe, there is not one city, i.e., a Cittaslow association member, except in Croatia which has one city, and, on the other hand, Europe is a continent with the greatest number of cities to obtain the cittaslow status.

Serbia is a country which has many natural resources, monuments, rich history, wonderful landscapes, and recognizable gastronomy. It can therefore be assumed that the adequate use and sustainable development of tourism of specific cities and places could create a good foundation for the development of slow cities and a new form of tourism on our territory, the so-called slow tourism.

Figure 1. Cittaslow in the world.



Source: Google Maps.



METHODOLOGY

The research subject of this paper is to research the possibilities of forming a new tourism product in Serbia, i.e., the slow cities. There are places and towns in Serbia which have a rich history, culture, and customs and this would pose an excellent way to form a tourist destination which would be included in the world association of slow cities, by using the current tourism resources (Koutoulas, 2004). Apart from promoting a slow and calm life and a slow and healthy diet, this association promotes the sustainable development of tourism of certain places and life in harmony with nature, and not against it. One should have in mind that the tourism product, around which the entire association of cities has been formed, is not a separate one, but is related to other tourism products stemming from a specific destination, whereby cities are further related to cultural tourism, nature tourism, rural tourism, gastronomy, mountaineering, health tourism, and other (Hall, Kirkpatric, & Mitchell, 2005).

This paper aims to show how a new tourism product can be formed from the existing tourism resources and how such product combined with other tourism products can form a new sort of tourism. A case study conducted for the purpose of this paper represents the urban area of Mačvanska Mitrovica and the analysis of criteria shows whether slow cities are possible to be formed on the territory of Serbia. Also, the aim of this paper is to show how development of a new form of tourism, the so-called slow tourism, has influenced development, employment, visit and generally the economic development of the places that have been made part of the cittaslow organisation (Datzira Masip, 2006).

The paper poses a hypothesis that the development of slow cities in Serbia as well as their accession into the world association distinctly recognized under the name of cittaslow would significantly influence the development of tourism both of the less distinctive places and areas and of the whole country. The scientific research methods used in this paper, primarily refer to the analysis of the existing documents, scientific papers and research that deal with the creation of slow cities and the development of new form of tourism – the slow tourism. The Italian Manifest is analysed in particular, including the key points and criteria which need to be met for the location where a cittaslow is planned. Also, the paper displays the synthesis of the obtained results, together with the statistical data and mapping methods.

RESULTS

The results of this research are presented in Table 1.

Table 1. Tourist visits to Serbia and Sremska Mitrovica in August 2023.

Region – city	Tourists			Tourist overnights			Average number of tourist overnights	
	Total	Domestic	Foreign	Total	Domestic	Foreign	Domestic	Foreign
Serbia	486298	233570	252728	1558431	954647	603784	3,6	2,2
Sremska Mitrovica	1571	595	976	4432	2368	2064	2,5	1,4

Source: Republic Institute for Statistics.

Mačvanska Mitrovica as a tourist destination

Mačvanska Mitrovica, a not very well-known destination, is an urban area of the Sremska Mitrovica Municipality in the county of Srem. According to the data of the Republic Institute for Statistics from 2022, this place has a population of 3896, which suits the cittaslow criteria.

For a place to develop its tourism, it needs to have and develop specific tourism resources which influence the creation of the image of the tourist destination. In modern tourism, one could say that authenticity and uniqueness are the key factors for the promotion, development, and dedication of a specific tourist destination to tourism (Cowan, 2010). Following the criteria and the classification of the tourism resources in line with the World Travel Organisation, the paper represents the urban habitat of Mačvanska Mitrovica (Figure 2.).



Figure 2. Mačvanska Mitrovica.



Source: www.sremskamitrovica.org.rs.

1. Of the natural tourism resources, Mačvanska Mitrovica has a special natural reserve – Zasavica. Zasavica is a reserve rich in rare plant and animal life, and the intact nature of the reserve is a true tourist attraction. The area of the reserve covers 1825 ha, and 675 of it is under the first category of protection. Native breeds of domestic animals can be found within the reserve, such as the Podolian cattle and the Mangalitsa pig. The reserve is the only place in Serbia where beavers can be found, which were hard to find in these areas for a long time, and this year marks 10 years from their successful recolonisation on the territory of Serbia. Also, the largest donkey farm in Europe is located here. The reserve possesses a huge tourism potential given that it can become an ideal place for admirers of intact nature, who can find just the right place for relaxation. It can also provide educational programmes for pupils and students by researching and getting acquainted with the rich plant and animal world. Specially designed locations have been provided for sports fishermen who can catch a carp, spike, or crucian carp. For those in love with photography, a photo safari can be organised within the reserve on a boat ride. Of course, there is an abundance of gastronomical specialities. The Mangalitsa meat as well as the donkey milk, which the locals use to prepare true culinary specialities, are well known for their top quality. The reserve also organises numerous interesting events such as the “Dani mangulice” (Mangalitsa days) or “Štukijada” (Pike days), a competition in preparing a donkey stew and many other specialities. When visiting the reserve, tourists can buy various products, which are 100% organic and produced in the reserve itself, such as cheese and cosmetic products made of donkey milk, bearing in mind that donkey milk is deemed to be the healthiest in the world. (www.zasavica.org.rs) The river Sava flows through Mačvanska Mitrovica, separating it from Sremska Mitrovica. The Shipyard Sava is in Mačvanska Mitrovica, as well.
2. Rich cultural-historic heritage can be experienced, primarily by visiting Sirmium, which was the capital of the Roman Empire and is situated in the area of today’s Sremska Mitrovica. Tourists can also visit the remains of the imperial palace, which represents an exceptional archaeological deposit. The Municipality of Sremska Mitrovica is the territory where several churches and monasteries are located. In Mačvanska Mitrovica itself the Church of St. Irinej was built way back in the 2nd century. The church was demolished and rebuilt four times. At the beginning of the 20th century, the Church of St. Father Nikolaj was built and in 1939 it was sanctified by Bishop Simeon Stanković.
3. Climate, just like in the rest of Serbia, is moderate continental and characterised by warm and dry summers, and moderate winters and rainy changes of the seasons.
4. The infrastructure of Mačvanska Mitrovica poses its greatest advantage. It is located in the north-western part of Serbia and the south-western part of Vojvodina. Mačvanska Mitrovica is situated at the meeting point of three plains: the plain of Srem, the plain of Mačva and Fruška Gora foothills. It is 75km far from Belgrade, or more precisely, the airport Nikola Tesla and it is connected to Belgrade via the E-70 European route. It is situated 50km from Novi Sad and 35km from the national border with Croatia.



5. As far as the accommodation capacities are concerned, numerous lodges can be found, as well as ethno houses and farms where one can stay and feel the authentic atmosphere of the old times and taste the gastronomical specialities of Srem, prepared according to the old recipes and from the ingredients grown by locals. Accommodation can be found in numerous village households and farms, which cherish the spirit of old times. Also, there is a completely organised car camp with 42 pitches in the Zasavica reserve itself (Travel Organisation of Sremska Mitrovica).

The lack of heavy industry, and modern industry in general, the intact nature, the numerous indigenous types, a small number of inhabitants, ethno households – these are all the characteristics that Mačvanska Mitrovica with its Zasavica reserve possesses and fulfils in order to apply for the cittaslow title. Of course, a lot more needs to be done so as to improve the potential of this place. Other criteria necessary for acquiring this important status also need to be met.

Mačvanska Mitrovica as cittaslow - the SWOT analysis

The entire paper was based on research aiming to find out whether some cities in Serbia, in this case, Mačvanska Mitrovica, could become members of the association and what sort of influence it would have on the development of tourism. This section pays special attention to the SWOT analysis of Mačvanska Mitrovica (Table 2), i.e., the analysis of criteria and whether it fulfils them in order to become a cittaslow. Also, a proposal of measures to be taken in order for Mačvanska Mitrovica to fulfil the conditions for becoming a member of the association of slow cities are provided, and those are primarily based on the sustainable development of tourism (Ryan, 2001).

The SWOT analysis is “a situation analysis in which internal strengths and weaknesses of an organization, and external opportunities and threats faced by it are closely examined to chart a strategy”.

Applying this situational analysis should help us determine strengths, weaknesses, opportunities, and threats that Mačvanska Mitrovica faces as a tourist destination.

Strengths - Mačvanska Mitrovica has a favourable geographical position. It is located in the vicinity of E70 highway and in between two big cities and cultural centres – Belgrade and Novi Sad. Its position could influence the increase of the number of tourists, both foreigners who are in transit and this could be the perfect spot for a short break and local ones coming from bigger cities looking for relaxation. Mačvanska Mitrovica could become the first oasis of peaceful and slow way of living. The moderate continental climate, the intact nature and the Zasavica reserve, the ethno edifice “Zmaj od Noćaja” and the river Sava, all represent the tourist attractions which are developed in line with nature and the local tradition.

Weaknesses – Mačvanska Mitrovica is a completely unknown place (Weiermair, 2004). This could be its advantage, but its weakness as well. As was already mentioned, Mačvanska Mitrovica is an urban settlement in the Municipality of Sremska Mitrovica. It does not have its website, nor a travel agency, and thus is not media promoted. It is not even certain whether its population is aware of the tourism potential of this place and how ready it is to actively participate in its tourism development. The local population needs to be trained and educated in regard to tourism so as to use the potential of this place.

Opportunities – In the vicinity is Sremska Mitrovica, rich in archaeological deposit dating from Roman periods, as well as the most famous imperial palace. The other possibility is the visit to the monasteries of Fruška Gora and the Fruška Gora National Park which offers numerous sport and recreational activities and the opportunity to spend time in nature. Not far from Mačvanska Mitrovica is the famous wine tour Erdevik-Šid-Morović which attracts numerous oenologists and wine lovers. Mačvanska Mitrovica is also specific for its authentic gastronomy which forms good basis for the development of slow food and domestic restaurants.

Threats – The fact that Sremska Mitrovica is near could be an advantage, but also a drawback, given that Mačvanska Mitrovica does not have a developed image of a tourist destination, but the numerous attractions of Mačvanska Mitrovica itself are often connected to Sremska Mitrovica and the surrounding places. Insufficient engagement in the tourism sector both of local population and local self-government could be a threat to the tourism development of this place. Mačvanska Mitrovica is not a well-known place, not even for the inhabitants of Serbia, and its promotion would be a prerequisite for further activities

**Table 2.** The SWOT analysis of Mačvanska Mitrovica as a slow city destination.

Strengths	Weakness
<ul style="list-style-type: none"> • geographical position • location (vicinity of E 70 highway) • the moderate continental climate • the intact nature 	<ul style="list-style-type: none"> • a completely unknown place • it does not have its website, a travel agency, not media promoted • insufficiently trained local population
Opportunities	Threats
<ul style="list-style-type: none"> • rich archaeological deposit • the monasteries of Fruška Gora • the Fruška Gora National Park • the famous wine tour Erdevik-Šid-Morović • authentic gastronomy and domestic restaurants 	<ul style="list-style-type: none"> • insufficient engagement in the tourism sector • insufficiently developed image of a tourist destination • Mačvanska Mitrovica is not a well-known place

CONCLUSION AND DISCUSSION

According to the research, a modern tourist becomes overwhelmed and starts searching for new and undiscovered places. The fast way of living has driven the tourists to search for a peaceful place to rest. That is why slow cities are the ideal place to escape the fast city life. The tourism sector envisages the expansion in development of tourism of Southeastern Europe, and a greater number of tourists can be expected in our country in the years to follow. Given that Mačvanska Mitrovica has tourism resources and potential to become a cittaslow, it is concluded that it could be included in the cittaslow world association thus automatically being promoted on the world tourism market. For all of the aforementioned to realise, the local self-government needs to take part and the locals need to invest, both for the purpose of creating a new image of the tourist destination of Mačvanska Mitrovica, and the image of a slow city which would be the first of its kind on the territory of Southeastern Europe (Ferreira Lopes, 2011).

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ETHNO MUSEUMS - WITNESSES OF THE PAST, TOURIST RESOURCES FOR THE FUTURE

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Abstract:

The authenticity and attraction of a tourist destination are dependent upon various factors in the spatial framework. Among them, tourist resources are singled out for their significant potential for tourist development. Tourist resources can be natural and cultural and they can be represented homogeneously or heterogeneously. Furthermore, various manners exist to shape a variety of tourist products at a single destination. These characteristics are timeless, and for some groups of tourists, the focus itself is on cultural resources, wherein they pay special attention to museums. The focus of this paper is to highlight museums as cultural resources for tourism. The goal is to underline their significance, given the wide range of opportunities for creating and managing museums, alongside the vast potential to become attractive as tourist destinations in the future, as well as recommendations for implementing innovations, all in the interest of growing cultural tourism.

Keywords:

cultural tourism, museums, ethno-museums.

INTRODUCTION

Cultural heritage in and of itself is not a relic of the past, but rather an increasingly important field for managing sustainable development and the wellness of a society, which is frequently experienced through tourism (Dragičević-Šešić & Rogač-Mijatović, 2014). According to Domazet *et al.* (2018), tourism based on cultural heritage represents the main field of cultural tourism, while elements of this type of tourism can be found in nearly all other categories. Cultural tourism is becoming an ever-more important kind of tourism, which has multiple positive effects on the economy and society. It offers financial support for the preservation, revitalization, and promotion of cultural heritage goods of particular spaces (Krivošejev, 2014). The growth in interest in cultural tourism offers the opportunity for cultural heritage to become sustainable as a resource, bringing with it benefits to the local and wider community, under the condition that it must be preserved (Filipović, 2018).

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The potential of cultural tourist attractions, cultural heritage, and cultural resources are classified into two main categories: material (i.e. tangible), and immaterial (intangible) resources (Petković, 2019, p. 16). Material resources include the cultural heritage of the region, cultural landscapes, complexes and routes, museums, galleries, archaeological sites, historical buildings and spaces, historical entities (cities, monasteries, holy sites), and ethno-sites (villages, settlements, infrastructure). Intangible resources encompass performance arts (theatre, music, dance), traditional songs and games (folklore, performing music on traditional instruments), religion, mythology, beliefs, customs and rituals, oral traditions (stories, poetry, and similar), the traditional preparation of food and drink, traditional crafts.

In addition to material heritage, the last few decades have demonstrated that immaterial heritage has become immensely popular among tourists who seek to witness authentic and traditional ways of life (Domazet *et al.*, 2018). It must be underlined, however, that the development of a tourist destination, without the significance of intangible heritage and adequate promotion of it, cannot subsist (Gajić *et al.*, 2021). With that in mind, tourism grounded in immaterial culture and heritage is invaluable for the development of tourist destinations (Filipović, 2018).

The cultural tourist seeks to satisfy his needs, which depends on the presence of cultural heritage and other cultural elements, for which it is necessary to transform them into a suitable, cultural, touristic product (McKercher & Du Cros, 2002).

According to Đukić-Dojčinović (2005), the shaping of a cultural, tourist product enriches the basic tourist offer of the destination, shapes its image, the length of the stay and the satisfaction of the service's user, while its result implies greater spending, that is, a growth of revenue for the site, as well as continued demand, with the option of developing new market segments. Bearing in mind that the attractiveness of the destination is one of the major factors that dictate the position in the tourism market, the development of cultural resources can significantly improve the tourist offer of the destination (Ranković *et al.*, 2022). According to Domazet *et al.* (2018), museum tourism has become one of the leading forms of cultural tourism in the world today. Museum activities hold an important spot in cultural tourism, and it should be highlighted that tourism and museum activities as its products offer insight into a cultural reality, national identity, and tradition that is particular to the local population (Radović *et al.*, 2017).

This paper presents a type of museum as a significant resource of cultural tourism, which attracts (depending upon its theme) large numbers of visitors to various destinations, with the potential for continued growth. Furthermore, its goal is to draw attention to the need for advancement in business activities and plans so that these resources, thanks to their specificities, might be better positioned in the tourist market.

MUSEUMS

In 2022, the international organization ICOM held a conference in Prague, wherein they defined the concept of a museum as follows: "A museum is a not-for-profit, permanent institution in the service of society that researches, collects, conserves, interprets and exhibits tangible and intangible heritage. Open to the public, accessible and inclusive, museums foster diversity and sustainability. They operate and communicate ethically, professionally and with the participation of communities, offering varied experiences for education, enjoyment, reflection and knowledge sharing" (International Council of Museums, 2023).

Museums in Serbia are institutions that are operated both publicly and privately, whose role is to protect the museum building and cultural heritage, which implies specialized and scientific work in research, collection, logging, adding, documentary processing, preservation, conservation, restoration, care, exhibition, interpretation, presentation and digitalization of civilian and cultural tangible and intangible goods in physical and digital format to study, education, enjoy and developing society (Law on Museum Activity, 2021).

We classify museums according to their attraction and, as such, according to the tourism market, the following stand out: the Louvre, the Guggenheim, MoMA, the Hermitage, and the British Museum. Based on the category of museum activities, according to Jovanović (2015), the following stand out natural science museums, history museums, museums dedicated to science, technology, archaeology, ethno-museums, contemporary art museums, applied art museums, museums dedicated to iconography, painting, the military, agriculture, old crafts, and similar.



Bearing in mind that the basis of ethno-heritage, as well as touristic potential, represent resources of intangible cultural heritage, it is important to underline their synergy and the manner of valorization, through exhibitions located within material resources, such as museums, galleries, spaces of ethno-cultural heritage-complexes and cultural routes. One of the concrete ways to promote cultural heritage, all the while in the function of a tourist attraction, is the shaping of the building in the form of museum exhibition spaces, with particular leitmotifs when it comes to spaces/destination, through the opening of an ethno-museum. Ethno-museums are cultural institutions which, in a specific way, gather, process, preserve and present the museum building of immaterial heritage. This attracts lovers of culture, ethnology, antiquities, and folklore - it unites those who are interested in learning about the way of life of a particular area.

ETHNO MUSEUMS ON THE TERRITORY OF SERBIA

The rich cultural-historical and intangible heritage of Serbia is reflected in the oral traditions, religion, customs, celebrations, artistic expressions and traditional crafts, which represent a significant aspect of the national and cultural identity of Serbia (Bjeljac *et al.*, 2015), and Serbia's offer as a tourist destination. Keeping in mind the national medleys on Serbia's territory, it becomes evident how much wealth and diversity there is of intangible heritage from the various national communities that live in our country, from its northernmost to its southernmost locations, and which is one of the key attractions of our tourist offer. A museum known for being a leader in the protection and promotion of intangible heritage in Serbia is the Ethnographic Museum in Belgrade. Beyond a great number of museums which can be found in settled places and the heritage of local culture and tradition, many small privately owned museums with their unique collections can be found in Serbia, which significantly contribute to the preservation of particular buildings from neglect.

The Wine Museum in Malča - is located not far from the city of Niš, in the village of Malča. The museum's collection dates back to 1903 and hosts four wine cellars from four historical eras, which demonstrate a unique manner of preservation and care of wines dating back to the Roman era, the Middle Ages, the time of Yugoslavia, as well the contemporary era. (Vinski Podrum Malča, 2022).

In the "Roman Winery" area, it is traditional to leave the wine to rest and nurture it in the same manner that the ancient Romans did, in amphorae which are buried into the ground. It is believed to be the most efficient way to care for wine since it is preserved naturally. Moreover, this area of the museum's exhibition space is created with items gathered from that era, which fit adequately into the ambience, whereby the tourists may boast an authentic experience (Vinski Podrum Malča, 2022).

In the "Middle Ages" area, all has been arranged in the spirit of the Orthodox heritage imported by the Nemanjić dynasty into Serbia. The wine is made in barrels dating back to 1953 (Vinski Podrum Malča, 2022).

The exhibition space of the "Yugoslav Winery" dates back to the beginning and middle half of the 20th century. It includes a distillery and concrete tanks, which can hold up to 1,000,000 litres of wine. What's unique about this winery is that its cellars are dug halfway into the ground to maintain a stable temperature for the wine (Vinski Podrum Malča, 2022).

An area of the contemporary winery is rich with technological innovations for the production of wine, as well as digital observation of the production. This system aims to preserve all relevant characteristics of the grapes to ensure their unique flavour (Vinski Podrum Malča, 2022). The museum's mission is to preserve the cultural and historical heritage, as well as to display the unique manner of caring for tradition in wine production.

Ethno-Museum, Priboj - Based on the interview that we conducted with the owner, this museum's collection dates back to 1995, which is when its first exhibition items were acquired. The objects pertain to various historical periods that authentically illustrate the lives of the people from this region. Within the museum's exhibition space, one can come across garments, household objects, musical instruments, tools, etc. The museum creator's idea is to create a collection that will illustrate how our forefathers lived. The museum is unique in that its creator collected the display items in their original states, which contributes to the museum's authenticity.



The museum's space is still being prepared, and adequate measures must be taken for its protection and the preservation of its objects. Moreover, a registry should be created with insight into information on the exhibits, which includes the correct number of items, their correct names, the period they date from, etc. Additionally, work should be done to promote the museum's activities, as well as education so that the museum might have a suitable curator. With the right realization of these and other activities, the museum could greatly enhance the tourism supply of the region of Western Serbia.

Serbian Museum of Bread, Pećinci – it was founded in 1995. The museum's installations contain an oven for baking bread, a hearth, a souvenir shop, as well as a church dedicated to the concept of the Serbian patron saint. The museum's exhibition includes over 2,000 items, and its goal is to demonstrate how life was once lived in Serbia, through the detailed process of making bread. The exhibition items are separated into three thematic collections, which are: artistic, archaeological, and ethnographic. (Srpski Muzej Hleba Jeremija, n.d.).

The ethnographic collection is represented by tools for working the land, transportation devices, objects for the processing of wheat and corn, those for kneading and baking bread, as well as those for food preparation and a collection of ceremonial bread. The archaeological collection consists of a prehistoric and antique collection. The prehistoric collection consists of tools for the tillage of land and ways to preserve wheat, while the antique collection contains tools from the Roman era. The illustrations collection consists of pictures and drawings of the museum's creator (Srpski Muzej Hleba Jeremija, n.d.).

Furthermore, the specificity of this museum is reflected in that tourists can be given a demonstration of how some of the exhibition items work, which contributes to the authenticity of their experience. The museum's mission is to educate and raise awareness of the historical heritage that Serbia possesses. The museum has a library with over 1,550 distinct titles, amongst which one might find cookbooks, and occasionally organizes various gatherings, promotional activities, artistic workshops, and concerts, in addition to a variety of programs for children of all ages. The children's programs are conceived to contribute to their learning of different cultures and values, accept differences, as well as develop creativity (Srpski Muzej Hleba Jeremija, n.d.). This museum is of great significance for the tourist offer of Vojvodina, which is why measures for protecting and caring for its resources must be taken for specific items on display to be presentable for demonstration.

Homeland Ethno-Museum Rautovo - is located not far from Niška Banja. It is another museum of authentic ambience, whose goal is to demonstrate how people once lived. The museum is represented by the old house of the museum's creator, in which display items can be found, illustrating various historical periods. Amongst the items, one can find garments, instruments for work, crockery, tools, etc. The museum consists of five spaces, of which one is dedicated to the bombing of Serbia in 1999. Based on the interview that we conducted with the owner, the museum's exhibition space dates to 2011, and consists of over 1,000 authentic exhibition displays included in the registry of the museum. The museum's aim is to discourage the neglect of the traditional ways of life in the area of southeastern Serbia. Given its space, the museum ought to consider upgrading its exhibition spaces in terms of shelves or cabinets, as well as take measures to protect its items so that they do not get damaged and lose their value.

Ethno-museum of Debeljača – was created with the desire to preserve the ethnographic features of the Hungarians as a minority who, whilst living in the district of Kovačica, can be found only in Debeljača. The museum, as well as its display items, contains objects for everyday use from the 17th century. It consists of four spaces in which the following are preserved: the oldest preserved items for display of Hungarian traditional garments, a variety of woven items (kerchiefs, blouses, skirts, boots, fur coats). One can also view the hand-crafts decorated by the famous Hungarian embroidery with red detailing. Then there are objects that were used by everyday individuals. One can find ceramic dishes for preserving winter food, for the distillation of brandy, as well as retired household objects. It includes display items that can enrich the period of extensive agriculture and husbandry, and the know-how of artisans from the past when creating objects that were of daily usage (yoke, ratchet, bundler, first plow, harness). This space was also famous for having one of the very first pharmacies, owned by Ambrose Šandor, who had attended school and was educated in Budapest, from where he brought over the equipment necessary to open a pharmacy in Debeljača. The pharmacist was the first to make his own cosmetic preparations and perfumes according to the recipes of pharmacists from Vienna and Budapest. The supplies for the first biochemical laboratory in Vojvodina are lovingly preserved and displayed. A member of the city's upper class, this pharmacist gifted his own home furniture for the



ethnographic exhibition. The hallway of the museum's building has served to represent yet another important detail in the lives of the older residents of Debeljača. It is the Debeljača market, which continues to this day, and takes place on the last Friday of May and August. Photographs conveying the ambience of markets from the past draw attention to the important market benefit to Debeljača from its inception to today (Etnografski Muzej u Debeljači, n.d.-b).

A situational analysis of the aforementioned museums, along with multiple others, indicates several problems that they have in common, including poor visibility, a small number of visitors, even with the survival of these significant 'cultural stations.' A potential solution to current problems, with the aim of advancing the existence and work of ethno-museums, includes the following advice:

- to promote touristic signaling in cooperation with the local government
- for ethno-museums to be included in the touristic offer of the destination
- museums on their own, that is, their managers/owners should be innovative to promote their activities, as well as implement interaction content, workshops, and similar
- digitalization of the museum's content is recommended, as is the creation of virtual tours, which would contribute to greater positioning, recognition, and would attract new tourists, as would a better marketing strategy for the museum.

The realization of these activities would allow museums to gain importance and contribute to the preservation of history and culture of local people. Furthermore, the recommendation is to shape a kind of cluster, a museum collective, particularly when it comes to private museums and privately owned museum buildings. Thus, a collective, stronger functioning would be enabled, alongside the formation of specific strategies and plans, all with the goal of advancing and raising the quality of work of ethno-museums, the growth of their 'visibility' which, in perspective, results in the growth of revenue and the potential for new investment.

The implementation of technological innovations would improve the visibility and operations of the museum, and would contribute to the attractiveness of the tourist destination and the development of cultural tourism. According to Čigoja, Radović (2014), widespread technologies, today valued among the young as well as the old, seem to be saving for the preservation of civilizational goods, historical facts, local cultural and artistic heritage and practices.

CONCLUSION

The wealth and authenticity of intangible heritage and museum building will see the light of day and contribute to the popularization of cultural/museum-based tourism on the territory of Serbia with the implementation of innovation when applying various tools of technological innovations. Given that this type of resource is counted among those of complementary resources, it would be helpful to point out the possibility of a public-private partnership when it comes to promoting the content and activities of ethno-museums at specific sites. Granted, negative impact can show up in addition to positive, but with the appropriate programs and development strategies, we can be aware of the problems of damage to the building, museum exhibitions and objects, or an over commercialization of the content, and which represent significant intangible heritage of Serbia.

The inclusion of ethno-museums as representatives for fostering intangible, living heritage, indicates that, along with the incorporation of promoting cultural differences and the specificities of the regions, opens up the possibility of reaching a wider audience, thanks to the people who pass on knowledge of traditional skills and artifacts. Thus, they will carry this knowledge on to future generations.



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THE FUTURE DEVELOPMENT OF RURAL AREAS THROUGH THE APPLICATION OF SLOW TOURISM - A CASE STUDY OF WESTERN SERBIA

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Abstract:

Western Serbia, as a crossroad of different cultures and an area of rich material and cultural heritage imbued with exceptional natural values, has rich potential and developed rural tourism. However, rural tourism can be significantly improved and used in a more adequate way. The chance for the possible development of rural areas can be reflected in changes in the way of thinking and habits of modern tourists, who pay more and more attention to authenticity. Also, there is a chance to define a new horizon for tourism based on the discovery of traditional food and rural communities. This type of tourism can represent slow tourism. The main goal of the paper was to show the link between rural and slow tourism, as well as the possibility of applying the concept of slow tourism in the rural areas of Western Serbia.

Keywords:

slow tourism, rural tourism, Western Serbia, SWOT analysis.

INTRODUCTION

Rural tourism represents one of the alternative forms of tourism which generates an increasing number of tourists (Košić, 2009). As Serbia has an exceptional potential for the development of rural tourism, which has not been adequately utilized (Bratić *et al.*, 2021), it is necessary to define new horizons for tourism that will be based on traditional food and discoveries in rural communities. The potential for rural development can be observed in the changing mindsets and behaviors of modern travelers, who value authenticity more and increasingly—particularly when choosing food for consumption by tourists. The idea of slow tourism, which has emerged as a response to the fast-paced lifestyle of today, is one of these solutions. It can be understood as a new travel niche or as an approach of traveling in general. Slow tourism is characterized as a type of tourism that emphasizes slowness, unhurriedness, simplicity, but also disconnection from the hustle and bustle of everyday life (Serdane, 2020). In this connection, there are destinations that can be called “slow”, which highlights their character that makes them suitable for slow tourism (Noor *et al.*, 2015). A rural area can have certain characteristics of a “slow” destination because it belongs entirely to the natural environment, with the presence of a traditional community structure that is reflected in a lifestyle that fascinates tourists and drives them to participate in it (Kastenholz & Lima, 2013).

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Western Serbia is a vast region that includes a few geographical and traditional micro-regions, which represent a geographical and natural-anthropogenic complex, i.e. a space of intertwined actions of nature, people, and a rich inventory (Markovic, Pavlovic, 1995). It is a predominantly rural region that uses its potential in the development of rural tourism (Perić *et al.*, 2020). Western Serbia is important for the development of tourism in Serbia in general, because 43.7% of the total number of tourists who spent the night in Serbia in 2021 stayed in Western Serbia and Šumadija (Statistical Office of the Republic of Serbia, 2022). Therefore, it is very important to research the topic of the possibility of further development of tourism in this region, primarily in literature, so that planners in the tourism industry can be guided by it.

While numerous studies have been done on the relatively new concept of slow tourism (Mavrić *et al.*, 2022), not much has been done on the relationship between slow and rural tourism (Farhadi Uonaki *et al.*, 2022) or how slow tourism is perceived in rural areas and destinations. In a similar manner, slow tourism is a relatively new concept in Serbia, and our study contributes significantly to the repository of knowledge on this topic. Therefore, the goal of this paper is to investigate the possibility of applying the concept of slow tourism in the rural areas of Western Serbia, as well as to show all the benefits of this development.

LITERATURE REVIEW

Slow tourism is a type of tourism in which travelers who want to experience quality travel experiences through getting to know the culture, history, tradition, and gastronomy of the local population participate. Through slow tourism, tourists explore destinations at their own pace without a predetermined schedule or imposed time limits. Slow tourism supports staying in sustainable rural, cultural, or eco-destinations, where the social, economic, and environmental components of a destination's sustainability have the same impact and should all be considered equally. Therefore, slow tourism takes place predominantly in rural, less populated areas, which are rich both in natural and cultural values (Božović *et al.*, 2022).

It is possible that rural areas are the most effective places to implement slow tourism because of the socially constructed perception of them as having lower levels of consumption than urban locations (Noor *et al.*, 2011). A rural destination, with a slow way of life, could potentially be considered an "avenue for slow tourism" (Noor *et al.*, 2015), given that rural tourism fosters the preservation of the environment, culture, as well as a slow way of life (Joffe *et al.*, 2004). The style of rural areas is characterized by a slower pace of life that presents tourists in rural destinations with experiences that are closer to the natural environment and traditional heritage (Liu, 2006). It is the "slow" experiences that reflect the unique characteristics of the local community, highlighting the importance of heritage and community lifestyle (Lumsdon & McGrath, 2011). In addition to the preservation of tradition and culture, the ecological characteristics of the rural area and green practices that can be enabled through the implementation of slow tourism, the characteristics of the rural area in the service of slow tourism are important (Noor *et al.*, 2011).

In their research, Noor and colleagues (2015) state the similarities between rural and slow tourism (Table 1), considering the relevant literature on the mentioned forms of tourism. Seeing the similarities between both types of tourism, they introduce a working definition of slow tourism in a rural destination: "Slow tourism is a type of tourism in a rural environment that is small-scale and consists of a psychological approach to travel emphasizing authentic experiences, ecological sustainability opposed to the consumption of modern society" (Noor *et al.*, 2015, p. 4). Therefore, rural destinations represent an ideal place for implementing slow tourism.



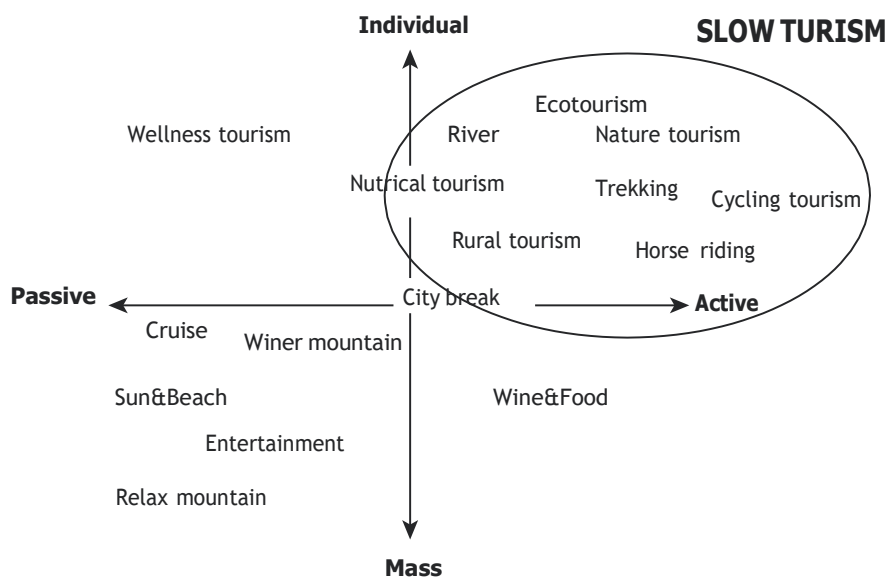
Table 1. Similarities in the concepts of slow tourism and rural tourism.

Slow tourism	Rural tourism
Small scale (Markwell <i>et al.</i> , 2012)	Small scale (Blanco, 1996)
Authentic (Markwell <i>et al.</i> 2012)	Authentic (Marie & Vilard, 1977)
Environmental sustainability (Lipman & Murphy, 2012)	Environmental sustainability (Mansfield & Jonas, 2006)
Against modern consumption (Conway & Timms, 2012)	Against modern consumption (Sharpley, 2002)
Psychological (Gardner, 2009)	Psychological (Voase, 1995)

Source: Noor *et al.*, 2015.

As slow tourism overlaps with different types of tourism, the spectrum of activities associated with slow tourism is very wide and depends only on the imagination of the offer and the wishes of the consumer, i.e. tourist. Thus, a comprehensive framework was created, and unique criteria were established for distinguishing the activities that most fully describe slow tourism (Figure 1). As shown in Figure 1, the authors established two axes to classify tourism activities. These are the “passive-active” and “individual-mass” axes. Slow tourism activities appear when “active” activities meet “individual” activities. It should be noted that “individual” activities refer not only to individual travelling but also to travelling in small groups. The activities advocated by slow tourism are characterized as all those activities that are in line with eco-tourism, rural tourism, staying in nature, trekking and the like.

Figure 1. Activities included in slow tourism.



Source: Dall’Aglío, 2011, p. 6.

Although the topic of rural tourism has been researched both in Serbia (Bratić *et al.*, 2021; Demirović *et al.*, 2020) and in Western Serbia (Perić *et al.*, 2020; Vesić *et al.*, 2022), the topic of slow tourism is still in the beginning (Božović *et al.*, 2021; Božović *et al.*, 2022; Marić *et al.*, 2021; Lunić *et al.*, 2020). On the other hand, only one research was conducted that connects slow and rural tourism in Western Serbia (Božović, 2023). Therefore, this paper makes a significant contribution to fill the gap in the scientific literature on this developing topic.



METHODOLOGY

The paper is aimed at building a theoretical basis based on which it is possible to see the possibilities of linking rural and slow tourism, as well as the implementation of slow tourism in rural areas. For this reason, through qualitative criteria, a framework was built that will check whether slow tourism has the characteristic elements of a rural destination. To that end, the authors, after a detailed review of the literature, singled out the elements characteristic of slow tourism and which are associated with rural tourism. To determine which human, natural, cultural, and social resources are most involved in slow tourism, as well as what predominates in tourism activities and services in the destination, various local values were analyzed (Nunes & Cooke, 2021). For this reason, a SWOT analysis of the application of slow tourism in the rural areas of Western Serbia was conducted.

RESULTS

After a detailed review of the literature on rural, slow tourism and their linking, priority tourism products common to all destinations in the territory of Western Serbia were investigated, to gain knowledge about the potential and future direction of tourism development. Also, current models of tourism management in destinations were investigated, and examples of good practice that can be used as an example for further tourism development were listed.

The priority tourist product of Western Serbia

The tourism development strategy of the Republic of Serbia for the period from 2016 to 2025 defines 18 priority tourist destinations that are important for completing the tourist product of Serbia. Tourist destinations are defined according to the infrastructure and superstructure developed so far, accessibility and realized traffic. In the territory of Western Serbia, rural tourism is a type of tourism that is common to all priority tourist destinations. The interest in rural tourism in Western Serbia is constantly increasing, given the existence of still attractive and “unspoiled” rural areas. To an increasing extent, the interests of tourists in staying in nature are highlighted. More and more visitors show interest in getting to know the culture, customs and living conditions of the place and surroundings where they stay during their vacation. Motives for coming to the countryside, such as peace, pure nature, interaction with new people (hosts), healthy food, “slow food” (enjoying food), easy pace, physical activity, are responsible for the emergence and survival of rural tourism as tourism oriented to the individual guest and his needs. Western Serbia has great tourist potential for the development of this type of tourism, however, despite the exceptional perspective in the region of Podrinje and Valjevo, it is still modest in scope. Both tourism regions in their tourism development strategies state plans to support the development of rural tourism as an important potential of the regions. Therefore, the possibility of opening new tourist facilities, improvement of tourist infrastructure, opening of local handicraft facilities, branding of rural products, etc. is mentioned (Bozovic, 2023). On the other hand, the tourist region of Western Serbia has many households on its territory that meet the high standards and requirements for the provision of catering services prescribed by current regulations (Table 2).

**Table 2.** Accommodation capacities in the villages of the Western Serbia region.

Municipality/city	Number of facilities	Number of rooms	Number of beds
Prijepolje	13	35	77
Arilje	14	40	90
Bajina Bašta	7	27	76
Čajetina	46	74	258
Kosjerić	13	44	117
Ivanjica	49	119	312
Lučani	7	41	108
Nova Varoš	51	167	758
Požega	9	31	84
Užice	32	71	168
Sjenica	4	15	60
In total	245	664	2.108

Source: Author- based on the tourism development program of the Western Serbia tourist region from 2020 to 2025.

Many households in this region own buildings of characteristic traditional architecture, such as sculptures, dairies, mills, and the like. There are many marked cycling routes in the region, and routes that link several destinations are of special quality. Most accommodation providers offer hiking trails. Some households own family workshops for woodworking, making souvenirs, pottery workshops, workshops for making traditional folk costumes, tasting centers, which can only be improved in terms of a better-quality offer within the wider local community. As for other contents in accommodation facilities in the territory covered by the tourist organization of the region of Western Serbia, most households are engaged in the production of organic/healthy and high-quality food (gardens, greenhouses, fields). Therefore, the link between agriculture and rural tourism is significant. In this manner, the placement of domestic products through the preparation and serving of meals is greatly facilitated. Many households process agricultural products (sweets, juices, jams, ajvar...), some of them even organize the preparation of winter food, but not cooking schools. The processing of these products provides insignificant additional household income. Production of meat, meat products and dairy products on farms is limited, which is compensated by other agricultural farms in the local community, producers of the same (Tourism Development Strategy of the Republic of Serbia, 2016).

Tourism management authorities

For tourism to develop in an adequate way and to follow modern trends in tourism, it is necessary to have permanent tourism management bodies that will monitor this development. An example of good domestic practice is the existence and successful work of the tourist organization of the region of Western Serbia, which has existed since 2006 and is the only regional tourism organization in the Republic of Serbia, formed in accordance with the Law on Tourism as a DMO (Destination Management Organization) in the process of establishment. In the management structures, in addition to representatives of the public sector - local tourist organizations, there are TOS (Tourist Organization of Serbia), the association of hoteliers, associations of travel agencies, representatives of the Regional Development Agency Zlatibor and the Regional Chamber of Commerce of Užice. Such an organization should stimulate the formation of Regional Tourism Organizations in other parts of the Republic of Serbia, which would eventually grow into regional DMOs (Tourism Development Strategy of the Republic of Serbia, 2016). Cities and municipalities in the tourist region of Western Serbia are characterized by different levels of tourism development. The municipality of Čajetina is a dominant destination that participates with more than 50% in tourist traffic. It is followed by Bajina Bašta, Užice and Nova Varoš, while other destinations in the region have tourist potential, but little tourist traffic is realized in them.



This step improved the management of the destination, created a new tourism product at the regional level, contributed to better marketing, visibility, and positioning of the destination on the tourist map of Serbia and the region (Bozovic, 2023).

SWOT ANALYSIS

SWOT analysis is intended as a set of the most interesting suggestions, proposals and ideas that can be found in scientific papers or obtained based on an overview of the researched area of Western Serbia. Based on the previous studies conducted in Western Serbia (Bozovic, 2023; Ivanovic, 2013) as well as based on field research and study of the region, the conclusions presented in the SWOT analysis were reached.

Table 3. Swot analysis of the application of slow tourism in rural areas of Western Serbia.

Strengths	Weaknesses
<ul style="list-style-type: none"> • geographical position, • great cultural potential, • great natural potential, • many rural tourist households, • authentic architecture, • authentic gastronomy 	<ul style="list-style-type: none"> • insufficiently developed infrastructure (roads, connectivity...), • insufficient education about modern forms of tourism
Opportunities	Threats
<ul style="list-style-type: none"> • networking of destinations • creating a unique tourist product, • attracting new segments of tourists, • desire of the local population to get involved and support the further development of tourism 	<ul style="list-style-type: none"> • focusing only on individual attractions in the area • lack of financial resources • departure of young people from rural areas, • lack of support staff • slow administration at the state level • absence of a clear strategy for further sustainable development

Source: Author's.

The main strengths of Western Serbia are reflected in its favorable geographical position. Important roads and tourist routes pass through the territory of Western Serbia, which represent a necessary condition for the survival and development of a tourist region (Romelić, 2008). Western Serbia has a favorable geographical and touristic position because it is located at the intersection of roads that connect Western and Southern Europe, Vojvodina, and Belgrade with the coast (Montenegro and southern Dalmatia). Also, a great strength is reflected in the fact that Western Serbia is characterized by a high complementarity of natural and anthropogenic values that have a favorable effect on its tourism position. Natural geographical units that influence the favorable tourist position of Western Serbia are certainly mountains and rivers, which are suitable for rural and slow tourism. Authentic architecture and recognizable gastronomy that can be seen in many rural tourist households is a factor that attracts many tourists (Bratić, 2021).

The potential for collaboration areas and developing a distinctive tourism offering that would draw in new tourist demographics represents the opportunity for future growth. International travel trends highlight the need and motivation of contemporary individuals to return to tradition, the natural world, and an unspoiled environment, with a focus on rural areas. Slow tourism has the potential to become one of the most important and strategic avenues for the future development of rural areas when it complies to sustainable development principles, preserves local customs and culture, and occupies an important part of the market. Eventually, improved cooperation is required between all communities within the Western Serbian area. Collaboration is essential to building a name for slow tourism and promoting it as a distinct travel option for Western Serbia and all of Serbia (Bozovic, 2023).

Weaknesses and threats for future development are insufficiently developed infrastructure that makes life difficult for the local population, as well as access to tourist destinations, as well as the increasing migration of young people from rural to urban areas. Also, insufficient education in tourism can be a threat, as well as focusing on only individual attractions in Western Serbia, thereby neglecting lesser-known destinations with a lot of potential.



DISCUSSION AND CONCLUSION

Worldwide tourism trends highlight the need and desire of modern society to return to tradition, the natural world, and an unspoiled environment, with a focus on rural places. Slow tourism has a propensity to take up a sizeable portion of the market. By adhering to sustainable development principles and fostering the local way of life, slow tourism emerges as one of the most important and practical avenues for the long-term development of rural areas.

The territory of Western Serbia is a predominantly rural area that uses its potential to the greatest extent for the development of rural tourism, which is also the priority type of tourism in this region. It is also important to note that rural destinations such as Western Serbia, with a slow lifestyle, could potentially be considered an ideal place for the development of slow tourism based on the characteristics of this type of tourism.

There is also a need for better cooperation between all communities in the territory of Western Serbia. Cooperation is necessary to create a brand and to better market the products of slow tourism as a unique tourist product of Western Serbia and the whole of Serbia. Such a united region, apart from representing a space for building competitiveness, would have a greater chance of being recognized as key to cooperation with European funds that would contribute to the further development of tourism. The creation of a unique tourist product can be implemented through networking and education aimed at raising the quality and competitiveness of the entire region of Western Serbia.

Based on the creation of a unique tourist product and the development of slow tourism, a new business model can be developed. Namely, personalized trips, due to their value and acquired experiences, often lead tourists to spend more (Valls *et al.*, 2019). As emotions increase and material value decreases, consumption undoubtedly increases (Kazeminia *et al.*, 2016). This may mean that a higher quality service rich in experiences could enable better profitability. As stated by Lowry and Back, if we are what we eat, the same could be said: we are represented by the choices of our travels (Lowry & Back, 2015).

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THE IMPACT OF INFORMATION TECHNOLOGIES DEVELOPMENT ON TOURISM INDUSTRY

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Abstract:

Tourism has been a significant part of many people's lives for centuries. From the first trips, the first organized tours, and the development of the scientific concept of tourism, the importance of the tourism industry has stood out. The industry is rapidly changing, and keeping up with all the latest information and innovations is necessary. The highest impact on tourism changes has been brought by technological development. Hence, the subject of this paper is to determine significant moments of change in tourism influenced by new technological achievements, with special emphasis on the artificial intelligence development. The research is based on the secondary data analysis of various academic publications related to information technology usage in tourism. Research results indicate that technological changes have affected both offer and demand. Information is more available, and nowadays, it is easier to travel than ever before. On the other hand, demand influences constant changes in tourist offers. If the tourism industry does not listen to tourists' needs, many problems can arise. With this in mind, it is necessary to observe all changes in the market to ensure sustainability.

Keywords:

tourism industry, information technology, technological development, tourism, SWOT analysis.

INTRODUCTION

Technology represented both an opportunity and a challenge for the tourism industry from the beginning of development. The tourism industry was, and still is, part of a rapidly changing world, and it needs to adapt constantly to satisfy the demand and to remain competitive (Buhalis, 2000). For more than 25 years, the tourism industry cannot exist without technology, considering that all operational, structural, and marketing levels depend on the Internet and information technologies, connecting suppliers, consumers, and intermediaries (Lie *et al.*, 2023). The vital question for authors in the past was what future brought for the tourism industry, especially with technological advancement (Lewis *et al.*, 1998; Morgan *et al.*, 2001; Kubiak, 2002; Fodor & Werthner, 2005). The tourism industry is vulnerable, and it depends on the changing environment, hence, it needs to be ready to take timely actions to respond to the challenges (Chen & Ling, 2023).

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Kubiak (2002) emphasized that the main problem for the tourism industry at the beginning of the 21st century was that the product was intangible, unlike for most manufacturing industries. With that in mind, many decision-makers did not invest considerable financial resources, which gradually changed with the increasing number of international travelers. The Internet development significantly impacted the number growth, with the ease of obtaining information and online bookings without needing an intermediary. This advantage was also significant for the providers of tourist services, such as airlines and hotels, who were among the first to use Computerized Reservation Systems, depending on third parties (travel agencies and other suppliers). Excluding intermediaries reduced the fixed costs of service providers, enabling them to lower the price of their services to end users (Lewis *et al.*, 1998). With technological development, the international tourism system has become dependent on it for its future growth, competitiveness, and sustainable operation. The tourism industry had to embrace technology to create and sustain a competitive advantage, as it provided consumers with direct and easy access to information (Morgan *et al.*, 2001).

All the improvements in tourism are possible thanks to Information and Communication Technologies (ICTs) development, among which the importance of artificial intelligence (AI) stands out (Zsarnoczky, 2017; Zlatanov & Popesku, 2019; Kirtil & Aşkun, 2021; Solakis *et al.*, 2022; Wang & Uysal, 2023). The travel decision-making process as a complex one has become less complicated with AI development. The value of AI is reflected in fulfilling user requests and delivering responses almost immediately, at a pace practically impossible for human employees (Zlatanov & Popesku, 2019).

The view of technology relating to tourism management has changed a lot in the past years. From the decade of “digitization” to the decade known as “age of acceleration” (Xiang, 2018), information technology is now connected to tourism in many ways, giving people room for imagination. E-tourism represents an integration of Information and Communication Technologies in the tourism sector, meaning tourists can choose their travel destination, compare prices online and buy tickets at low prices. Furthermore, service providers can improve their marketing strategies according to the tourist demand (Koliouška & Andreopoulou, 2023). Consumers have become powerful, as they can easily determine elements of their tourism product. With the increased sophistication and experience, satisfying their expectations became much more difficult (Buhalis & Law, 2008).

The subject of this paper is to determine, through a review of the existing literature, the development process of the tourism industry under the influence of information technology and AI development.

The task of the paper is to explore the thinking process of the authors during the last decades and how they presented new technological innovations and imagined the future while comparing their work with the latest papers on the same topic.

LITERATURE REVIEW

The beginning of the twenty-first century was marked by AI development, which led to the question of its role in various industries (Filiari *et al.*, 2021). With the improvement of people’s living standards, tourism has become one of the fastest-growing industries in the world, which requires responding to numerous users quickly, emphasizing the importance of AI in this industry. It is considered that AI is one of the most important innovations, and in a short period, many significant results have been achieved in various fields (Zsarnoczky, 2021). Implementation of AI in the tourism industry can be seen in the form of applications such as smart travel agents, predictions, translation applications, personalization systems and user behavior prediction, which are constantly improving (Bulchand-Gidumal, 2022). The potential of AI in the tourism industry exceeds the capabilities of humans and traditional data searches, thanks to the ability to quickly review larger amounts of data, adapt them to a potential user and fulfill their requirements efficiently (Kazak *et al.*, 2020). Tsaih and Hsu (2018) point out that AI refers to human intelligence represented through computer programs. The problem in using AI applications focused on automating work and improving transactions is considered less acceptable in the tourism industry due to potential privacy issues (Huang *et al.*, 2022) causing negative psychological impressions as a result of reduced interpersonal interaction (Tussyadiah, 2020). Today, AI is used both by consumers and providers of tourism services (Tourism Organizations, DMOs, travel agencies, etc.) and everyone uses it to get the maximum benefit from new technologies (Ivanov & Umbrello, 2021).



Consumers use technology for various reasons. They use social networks, search for information, share opinions and experiences, and shop online. For travel, social networks play a crucial part, i.e., they are used at all stages of the holiday cycle: before, during and after the trip, seeing that people access travel information before and during their trip and share travel experiences during and after the trip (Cohen *et al.*, 2014). Customers share their thoughts and opinions online about the products and services they used during their trip by connecting directly with the service providers or by writing them on blogs (Jeong & Jang, 2011), which with social media today represent the primary sources of information (Dhiman, 2023). This way of getting information is known as Electronic Word-of-Mouth (eWOM), the common name for online reviews and recommendations, which has gained importance with new technology tools. EWOM led to new methods of communication and changes in companies' marketing strategies, as well as consumer behavior (Cantalops & Salvi, 2014).

For years, the tourism consumer market was focused on travel agencies, which today have limited service options and cannot fully meet the individual needs of tourists (Wang, 2020). However, users still place more trust in agencies and travel agents choosing personal contact and advice with the chance of getting answers to all potential questions, whereas many agencies still consider the printed catalogs the most effective on-site sales tool (Dini *et al.*, 2022). What particularly stands out in the technological development in travel agencies business is the emergence of an increasing number of Online Travel Agencies, which do not have a physical place of business like traditional travel agencies (Wicaksono & Maharani, 2020). Although online travel agencies represent a novelty in the tourism industry, technology development has allowed hotels to create a possibility to directly contact and make reservations, leaving out intermediaries (Lv *et al.*, 2020). It is the same when it comes to booking transportation directly, with the chance of buying cheap tickets several months before the actual trip (Gabor *et al.*, 2022). If consumers decide to travel a few days before the trip, travel agencies have an advantage thanks to numerous last-minute offers (Bunghez, 2020).

Hays *et al.* (2014) focused on to what extent Destination Marketing Organizations (DMOs) use social networks to interact with consumers, and that social media is still not widely recognized as a significant tool in marketing strategies. With technological advancement, DMOs are required to find the most effective communication strategies to connect with potential tourists, provide information, and promote service providers at the destination. Primary communication channels used are national and local destination websites, social networks, and TV ads, with printed brochures and postcards widely used in the past (Park & Stepchenkova, 2023). Consumers rely heavily on social media reviews and content. With this in mind, DMOs must monitor what content appears on networks related to their destination to react in time if there is a difference between what they promote and what visitors see (Unnikrishnan & Sibi, 2023).

However, the world changed in 2020 when the beginning of the COVID-19 pandemic was officially declared. With the pandemic outbreak, borders were closed, and cities were blocked. The tourism industry in 2020 declined by more than 70% compared to 2019, regressing to the size from 30 years ago, whereby the pandemic has increased the significance of information technology people use from the safety of their homes while enjoying attractions that they cannot visit in person (Lee, 2022). The author notes that virtual reality (VR) can help recover the tourism industry by bracing the travel desire and improving destination promotion. During the COVID-19 pandemic, tourism service providers had to find ways to stand out and control their resources. Through the information technology investment, applications could improve service quality and reduce operational costs while achieving efficiency and flexibility for service providers and customers (Choi *et al.*, 2023). Authors emphasize that this investment was profitable during the pandemic, considering people felt safer with a reduced level of interpersonal contact, but also remind that tourism is a human-oriented industry that should not rely overly on advanced technologies. Even though VR can help tourism recover, the tourism industry needs to explore practical ways to attract potential tourists before any significant financial investments. The problem is that tourists may not want to pay for it and may not accept virtual technology and adapt to virtual tourism (Li *et al.*, 2022).

As information technologies have become part of people's daily lives today, it is necessary to pay special attention to the safe use of technology. It is available to all age groups, which requires special attention, mainly when used by children. In this regard, while technology is very useful, it is necessary to use it in a safe way.



METHODOLOGY

The authors conducted desk research with an extensive literature review, to explore technological development's influence on tourism. To gather data, academic literature related to the tourism industry and technological development was analyzed. Extensive secondary data was collected from journals and conference papers to achieve this analysis's aim.

Search results were limited only to papers written in English. The main focus was to chronologically observe the changes in tourism development from the past to the present, particularly considering technology's impact on tourism and travel.

The reviews started with the definition of the research question that, for this study, is defined as follows:

RQ: How has information technology development affected the tourism industry?

The answer to this question allows a better understanding of the technological innovations used in the tourism industry, with an awareness of the advantages and disadvantages that could arise.

RESULTS AND DISCUSSION

By reviewing the available literature, one can get an insight into all the changes that accompanied the development of the tourism industry under the influence of the technology development. Therefore, literature review is one of the best ways to acquire information, considering that scientists have been analyzing the advantages and problems caused by new technologies for decades.

The development of technology and AI has contributed to the advancement of the tourism industry to a great extent. People have the opportunity to visit museums and destinations from the comfort of their homes (Sousa *et al.*, 2023), to simultaneously translate into a foreign language during their travel (Bulchand-Gidumal, 2022), which removes barriers between locals and tourists, and to share their experiences with other people in real-time (Cohen *et al.*, 2014). Grundner and Neuhofer (2021) assume that many tourist destinations would be operated by a combination of destination-operated and AI solutions, leading to a distracting experience environment and reduced authentic experiences. With that in mind, it is necessary to address the ethical issues adequately regarding AI usage in the tourism industry by involving relevant stakeholders in the development to decrease the resistance against them (Ivanov & Umbrello, 2021). The authors point out that it is necessary to pay attention both to direct and indirect stakeholders, referring to those who are under the direct and indirect influence of the AI development in the tourism industry, such as tourism-related organizations (travel agencies, tourism organizations, DMOs), the local population, media, financial institutions, and many others, as they can influence the resolution of ethical issues when using AI in the industry.

Information technology has deep social and economic development implications. The crucial benefit is associated with access to information available to wider audiences through new technologies (Jadhav & Mundhe, 2011), while the decision-making process is risky and requires extensive information during the search phase. To reduce risk, travelers use various sources of information. However, tourists may not find reliable information on the Internet, hence they search for information from other travelers who have already visited their destination of interest (Paul *et al.*, 2019). The issue is that due to the massive amount of information, people fear that they will make wrong decisions (Wang, 2020). Accordingly, very present emotion today is the Fear of Missing Out (FoMO), whereby people are dissatisfied due to the belief that they cannot experience the same activities as people on social media, along with dissatisfaction with their personal activities (Bui *et al.*, 2022).

Changes in technology have contributed to the development of new generations of tourists. Pricope Vancia *et al.* (2023) point out that Generation Z heavily relies on social media as their primary search engine. This generation can be a connection between previous and future generations. Moreover, with the technology development and the creation of websites and applications, it is important to think about older users of tourist services, mainly pensioners, who today represent a considerable search area. These consumers appreciate functionality, quality and convenience concerning tourism information technology (Pesonen *et al.*, 2015). Authors emphasize that throughout the years, older consumers' focus shifted from traditional information channels, such as travel agents, to secure users of information and communication technologies.



The tourist offer can be promoted faster than before, attracting potential users and hoping to gain loyal consumers after the provided service (Gubíniová *et al.*, 2023). Consumers can effortlessly find the wanted information, check all doubts, and decide on the trip. After decision-making and while travelling, a person uses social networks to post pictures and videos and leave reviews for the services used. This supports the fact that social networks are threaded into all moments of travel - before, during and after (Damanik *et al.*, 2019). The effects of rapid technological change have been noticeable even before the COVID-19 pandemic. Technology development has contributed to the preservation of cultural heritage through the process of digitization, thus making it available to numerous people. Nowadays, digital technology is used to preserve cultural heritage, with a unique opportunity to create a virtual copy of the material objects that would enable its use for future generations (Paschalidou *et al.*, 2022). Digitalization opens up new possibilities for the promotion of cultural heritage, as well as some new challenges. Cultural heritage is distributed throughout the different states and managed by hundreds of institutions, representing a challenge for them. Institutions such as museums and libraries should be able to participate in the digital display of cultural heritage to add valuable and authentic information (Preuss, 2016).

Not only can technology help preserve existing heritage, but it can offer new experiences in a simulated environment using VR, as a part of online reality. It is possible to visit new places without physical travel, which blurs the boundary between the real world and VR (Pratisto *et al.*, 2022). People increasingly talk about the “Metaverse”, as a part of the new Internet generation known as “Web 3.0”, representing the new way of online reality - sharing experiences simulated in realistic, unrealistic and mixed environments. “Metaverse” represents online reality accessible via the internet, in which users can move around, share information, socialize with other avatars, travel, go to events and more (Monaco & Sacchi, 2023). In addition, VR can be of great importance to vulnerable groups who cannot physically travel, enabling them to visit places they would otherwise never be able to. At the end of the COVID-19 pandemic, managers had to decide whether they would implement VR in their organizations in the future, as for them VR was a way to stay competitive during the pandemic. It is noted that VR can provide personalized experiences for customers as an alternative to travel live, with reduced costs and carbon footprint, leading to a more sustainable tourism sector (Sousa *et al.*, 2023). The problem emerging with VR technology is the insufficiency of personal contact with locals, the impossibility of touching a product, smelling nature, and trying the food. Sensory aspects of the tourist experience can never be compensated for when using VR technology. VR technology could have a negative impact on the tourism industry by income reduction, resulting in job losses and business liquidation (Atsiz, 2021).

After the COVID-19 pandemic, the tourism industry needed innovative solutions to achieve sustainable recovery and restore people’s travel desire. Technology allows people to visit a location, even if they do not have the means to do it or they physically cannot travel (Xia, 2023). Virtual tours can provide certain benefits that authentic tours lack. The term used nowadays is “virtual tourism”, focusing on the use of VR applications in tourism. VR allows users to feel like they are in a real-world environment as an interpretation of an existing place or event (Polishchuk *et al.*, 2023).



SWOT analysis

The SWOT analysis is presented as an overview of the available literature on the development of information technologies and its impact on the tourism industry.

Table 1. SWOT analysis of the technology development impact on the tourism industry.

Strengths	Weaknesses
<ul style="list-style-type: none"> • Easier and faster information access • Employees in the tourism industry can complete tasks faster • No need for intermediaries • Cost reduction • Safety during use in times of crisis (e.g., COVID-19). • AI forms and recommends tourist experiences to potential service users more efficiently 	<ul style="list-style-type: none"> • It is necessary to verify information by searching more sources • Digital applications show everyone identical information - no personalization regarding age, place of origin, level of education, etc. • Unequal (and sometimes insufficient) technology familiarity by employees in the tourism industry • Fear of Missing Out (FoMO)
Opportunities	Threats
<ul style="list-style-type: none"> • Better promotion of tourism businesses • VR technology allows people to visit a place even though they do not have the physical ability to do so (poor mobility, inability to travel, etc.) • Digitization of cultural heritage • Information available in different languages 	<ul style="list-style-type: none"> • Information overload • Possible job losses • Confidence in available information • Information safety

Source: Author's.

Among the strengths of the information technologies development influence in the tourism industry, reducing costs and faster access to available information are possibly the most significant ones (Shanker, 2008). With the development of technology, employees have been allowed to access information faster and book accommodation or transportation more efficiently without using intermediaries. Furthermore, travelers also got the opportunity to book transportation and accommodation services (Verma & Shukla, 2019) themselves. The importance of technology was particularly highlighted during the COVID-19 virus pandemic, which has given people the necessary physical distance and the ability to work and communicate without significant issues in the safety of their homes (Kaur *et al.*, 2020).

With faster and easier obtaining of information, one of the main threats is the necessity of multiple checks of the quality of the available information so that it is the closest to reality (Buhalis & O'Connor, 2005). Digital applications have advanced enough to algorithmically offer people personalized experiences (Kokkalis *et al.*, 2022). However, the problem is that information about places is identical to every user to whom that experience is offered.

Tourism employs people of different age, education levels, and technology knowledge. Therefore, another threat is the varying degree of technology use by employees, which can cause various problems. With this in mind, it is necessary to organize training for employees in order to standardize business operations and avoid significant differences between employees (Kršák *et al.*, 2014). One of the threats occurring increasingly nowadays, affecting both the tourism industry and the psychological state of travelers, is FoMO (Fear of Missing out), whereby users of tourist services find it difficult to make travel decisions, fear of missing something potentially better, possibly still unknown to them (Wang, 2020).

Technology development has given the tourism industry great chances, and specific threats arise from it. A significant opportunity is the accelerated development of VR technology, thanks to which many people who do not have the possibilities to travel or are physically unable to, can experience a destination (Marasco & Balbi, 2019). In this way, better promotion of different destinations is achieved. Indeed, although the chances are noticeable, the existing threats must not be ignored. This especially applies to information security and trust in information, as well as the effect of information overload, which is assumed to be even more noticeable in the future (Sheng *et al.*, 2023).



CONCLUSION

Upon review of a significant body of literature on technological development's impact on the tourism industry, it is clear that technology has a significant role in tourism advancement, which answers our research question. Easier access to information and lower service prices are positive things technology has brought. The development of AI is considered among the most significant achievements of technological progress. Although AI has certain drawbacks in the tourism industry, the benefits cannot be overlooked. Among the most important advantages are economic benefits, as AI can work 24 hours a day, and a reduced percentage of errors lowers company costs (Tuo *et al.*, 2021). The authors point out that AI enables easier technical research of available tourist experiences, personalizing potential tourist wishes and contributing to the increased tourist satisfaction. Even though AI is considered an excellent tool to improve business in the tourism industry, it is recommended to conduct more detailed research on the types of AI used in different stages of the travel process to determine its impact on the overall experience (Grundner & Neuhofer, 2021). Tourism has functioned well for centuries without technology. However, its development has dramatically relieved the tourism industry's stakeholders, which, with wise implementation, can optimize their operation efficiency thanks to the new digital advancements (Ozdemir *et al.*, 2023). Considering that information is so easily available, travel service providers must do their best to satisfy their customers, as their business can decline due to bad online reviews. Consumers must carefully check the information available online, and the problem today is information overload, which will increase in the future (Sheng *et al.*, 2023). Information technologies have brought many improvements to the tourism industry, but information overload can make the decision-making process more complicated, with the occurrence of negative emotions (Bui *et al.*, 2022). With this in mind, service users should devote more time to check available information. At the same time, providers must work continuously to improve their services to stand out from the competition.

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CHARACTERISTICS OF TOURISTS AND FREQUENCY OF TRAVEL IN SERBIA

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Abstract:

Tourism can be seen as one of the leading and most promising economic branches, so it is necessary to continuously research ways to satisfy the increasingly demanding tourist's needs in order to enlarge the frequency and quality of travel. The subject of the paper refers to the examination of the general frequency with which people from Serbia go on journeys. Also, it is examined to what extent travel is limited to Serbia and to what extent to abroad. In addition, differences between male and female respondents, as well as those of different ages and financial status, were determined. The sample consisted of 200 respondents of different gender, age and income. The data were processed in the SPSS program, version 26. The results indicate that, in general, people from Serbia travel often, on average 2-3 times a year, and mostly choose foreign destinations. When it comes to the frequency of travel there are no differences in the scores between men and women, while certain differences were found between groups of respondents of different ages and material status.

Keywords:

characteristics of tourists, frequency of travel, destinations, gender, age, income.

INTRODUCTION

Tourism is one of the essential industries considering that it represents a significant source of income and economic stability (Cvijanović *et al.*, 2021). Besides, tourism improves the balance of payments with foreign countries due to the inflow of foreign currency and enables the design and opening of new jobs, primarily in countries and regions that have considered their potential in this area (Papić *et al.*, 2018). Based on this, it can be said that tourism greatly affects the growth of employment, growth of domestic demand, the inflow of foreign currency from abroad, the growth of wages, promotes the development of less developed regions and has a positive effect on the industries connected with it (Đorđević *et al.*, 2021; Milićević *et al.*, 2013; Selimi *et al.*, 2017). At the global level, tourism is one of the fastest-growing industries (Alkier *et al.*, 2020) and it contributes to accelerated economic growth as it generates exports worth 1.7 trillion dollars, and in addition, one in ten jobs is related to tourism (UNWTO, 2019). Also, a large number of business entities are connected with tourism, such as hotels, restaurants, and carriers, but also individuals who generate income from accommodation and the like.

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Considering the fast lifestyle and high-stress level, both in the family and in the business environment (Čolović *et al.*, 2022), people more often choose different ways of relaxation, where travel also plays a significant role. Traveling can be one of the optimal ways to overcome a midlife crisis (Čolović, 2017; Čolović and Stojković, 2017; Milošević and Čolović, 2019), so people, who do not try to deny the crisis with various activities, or those who do not fall into depression due to the changes that life carries with it, decide to accept their age and find a new meaning in life despite the awareness of its transience and finitude (Čolović and Mitić, 2023).

In one study conducted on a sample of 320 elderly respondents in Serbia, it was shown that the favorite travel destinations are spas and mountains and that the main motive is rest and improving health, while proximity to the destination and travel costs are the most important factors in the process of choosing a destination (Spasojević and Božić, 2016). When it comes to domestic tourists, the most visited destinations are Šumadija and Western Serbia, while the most visited destination for foreign tourists is the Belgrade city (Počuča and Matijašević, 2020). Certainly, the pandemic of Covid-19 had a meaningful influence when it comes to choosing destinations because the large number of tourists from Serbia turned to domestic destinations due to the uncertainty of the situation. Even the interest in rural tourism increased in that period of time. In the line of the same study, due to the impact of the pandemic, a large number of tourists as much as 37.3%, from Serbia gave up their journey.

Rural tourism is becoming more and more relevant, as shown by another research results, according to which tourists from Serbia visit rural destinations once or twice a year, about 36%, while about 40% of tourists visit them at least three or more times per year (Tomić *et al.*, 2020). In addition to untouched nature, the advantages of rural destinations are also traditional meals, which are often much healthier than conventional, due to their organic origin (Mitić and Čolović, 2023a; Mitić and Čolović, 2023b). Therefore, agritourism should be included as one of the main tourist offers, especially since it enables the development of rural areas and agriculture primarily and then the entire tourist offer of Serbia (Wojcieszak-Zbierska *et al.*, 2020).

A more recent research conducted in Serbia in June 2021 on a sample of 569 respondents showed that about 70% of tourists from Serbia choose abroad as a destination, mostly neighboring countries (Zeljковиć, 2022). As for the age categories, as many as 55% of tourists who travel abroad, are working age population from 19 to 60 years old, 22% are high school students, 17% of tourists are students, while only 6% of retired people travel abroad (Stojiljković *et al.*, 2019).

Some other socio-demographic characteristics of tourists seem to have an impact on the frequency of trips by tourists from Serbia, so people with higher income travel more often than those with lower income (Božović *et al.*, 2022; Djeri *et al.*, 2014; Mijatov *et al.*, 2016; Stojiljković *et al.*, 2019; Vuksanović *et al.*, 2017). When it comes to gender, no statistically significant difference was obtained among tourists from Serbia in a sample of 673 respondents (Vuksanović, *et al.*, 2017).

The aim of this paper is to examine the general frequency with which people from Serbia go on journeys. Also, it is examined to what extent travel is limited to Serbia and to what extent to abroad. In addition, differences between male and female respondents, as well as those of different ages and material status, were determined. The major problem and goals of the research were tested through the next hypotheses: People from Serbia travel often, on average 2-3 times a year (H1); Usually a foreign destination (H2) is chosen for the journeys; Women travel more often than men (H3); Middle-aged people travel most often (H4); People with higher income travel more often (H5). The sample consisted of 200 respondents of different gender, age and financial status. The data was collected online through a Google Form questionnaire, which was specially constructed for this research purpose. The respondents were informed that the obtained data would be used exclusively for scientific purposes, they were guaranteed anonymity and only after giving their consent on understanding and accepting the above ethical norms they could continue their work. The SPSS program, version 26, was used for the processing of data. In addition to descriptive statistics, Mann-Whitney U was applied to determine the differences in scores between 2 groups of subjects, as well as the Kruskal-Wallis test to determine the significance of the differences in scores between more groups of subjects.



RESULTS AND DISCUSSION

In order to test the first hypothesis, the travel frequency realized by tourists from Serbia was observed (Table 1).

Table 1. Travel frequency.

Travel frequency	Frequency	%
I don't travel at all	18	9
I travel once a year	63	31.5
I travel 2-3 times a year	95	47.5
I travel more than 3 times a year	24	12
Total	200	100

Source: Author's.

On the basis of the obtained results, the first hypothesis can be confirmed. It was revealed that even half of the respondents travel 2-3 times a year (47.5%). They are followed by people who go on journeys once a year (31.5%), while there are fewer people who travel more than 3 times a year (12%), that is, those who do not travel at all (9%). The current results are not in line with those by Spasojević and Božić, 2016, according to which almost 38% of people do not travel at all. In the current research, that number is significantly smaller. However, it should be kept in mind that compared to the period when that survey was conducted (2016), nowadays is easier to get visas and travel documents so it is much easier for tourists from Serbia to travel. Besides, the offer of available tourist destinations has been enriched by domestic travel agencies, so now domestic tourists have more possibilities to choose from. Also, the investment of the private sector has improved and increased the accommodation capacities and enriched the accompanying content at the tourist destinations, although this is still not at a satisfying level as it should be. The results of this study are consistent with another research (Tomić *et al.*, 2020), according to which even 40% of tourists visit at least three tourist destinations during the year.

Table 2. Tourist destination.

Destination	Frequency	%
Serbia	67	33.5
Abroad	133	66.5
Total	200	100

Source: Author's.

Based on the obtained data, the second hypothesis (H2) can be also confirmed. The largest number of tourists from Serbia decide on a destination outside the country, as many as 133 respondents (66.5%), while 67 of them (33.5%) declare that they choose one of the destinations in Serbia for their journeys (Table 2). The largest number of tourists from Serbia travel to foreign destinations, which is in line with research (Zeljko, 2022) according to which around 70% of Serbian tourists choose foreign destinations as their destination. A potential reason for this could be the fact that the majority of tourists travel to the sea for vacation or for health reasons, which itself implies a foreign destination. In addition to that, there is a much greater offer of cultural content, tourist attractions, historical monuments, types of food and the like abroad, so Serbian tourists who want to experience new things, as their main preference, often choose foreign destinations.

When it comes to the frequency of travel in order to determine the gender differences, the Mann-Whitney U test was applied.



Table 3. Gender differences in travel frequency.

	Travel frequency
Mann-Whitney U	31570.000
Sig.....	361

Source: Author's.

The results show that there are no statistically significant differences between male and female respondents when we talk about the travel frequency, so the 3rd research hypothesis was not confirmed, which means that men and women have approximately the same frequency of travel. The results are in line with another research (Vuksanović *et al.*, 2017) according to which gender is not statistically significant when it comes to the frequency of travel, i.e. that men and women travel approximately equally.

In order to determine the differences that exist in the scores of respondents of different ages, that is, to test the 4th hypothesis that middle-aged people travel most often, the Kruskal-Wallis test was applied.

Table 4. Result of Kruskal-Wallis test – significance of obtained differences.

	Travel frequency
χ^2	11.892
df	2
Sig.....	000

Group variable: age

From the table above, it could be seen that when the frequency of travel is taken into account, differences in scores between respondents of different ages exist.

Table 5. Result of Kruskal-Wallis test – significance of obtained differences.

	Age	N	MR
Travel frequency	18 – 24 years	56	312.96
	25 – 39 years	54	271.81
	40 – 64 years	67	345.79
	Over 65 years	23	192.12
	Total	200	

Source: Author's.

This means that middle-aged respondents really travel the most compared to the remaining categories of respondents (MR=345.79). They are followed by young respondents, aged 18 to 24 years (MR=312.96), then those aged 25 to 39 years (MR=271.81), while by far the fewest journeys were recorded by older respondents, over 65 years old (MR=192.12). The results of current research are in accordance with the research of Stojiljković, *et al.*, 2019, according to which people aged 19 to 60, travel more often than older people. Possible reasons why older people travel less compared to younger people can be problems with health and lower mobility, then lower income compared to the working-age population, and a certain number of them were left alone due to the death of their spouse, so they are not motivated in that measure for traveling as a younger person. In addition, we could assume that there are many elderly who have probably already visited almost all the tourist destinations they want, gotten to know different cultures and locations they were interested in, as well as everything else that is available in the tourist offer, so they don't have as much desire to travel as younger people.



To test the 5th hypothesis, the Kruskal-Wallis test was applied, which is used to investigate the difference in scores among more groups of respondents, in this case between respondents of different financial statuses (income).

Table 6. Result of Kruskal-Wallis test – significance of obtained differences.

	Travel frequency
χ^2	17.254
df	2
Sig.000

Group variable: income.

The results obtained using the Kruskal-Wallis test showed that there are statistically significant differences in the scores of respondents with different income when it comes to travel frequency ($\chi^2=17.254$; $p<0.001$).

Table 7. Result of Kruskal-Wallis test – significance of obtained differences.

	Income	N	MR
Travel frequency	Below average	43	202.66
	Average	93	351.23
	Above average	64	291.74
	Total	200	

Based on the obtained results, it can be seen that people with average income travel most often, which is to a certain extent contrary to the 5th hypothesis. This is followed by people with above-average income, while people with below-average income are least likely to decide to travel. The results are partially in accordance with the group of research (Božović *et al.*, 2022; Djeri *et al.*, 2014; Stojiljković *et al.*, 2019; Vuksanović *et al.*, 2017) according to which people with the highest income travel most often because current research has shown that people with average income travel most often, more than those with below-average income, but still less than those with high income. It can be assumed that the reason for this is the fact that people with the highest income cannot allocate so much time for traveling and visiting tourist destinations due to business obligations, while people with below-average income do not have the conditions, that is, their finances prevent them from traveling.

CONCLUSION

Tourism is one of the leading and most promising economic branches, which is growing more and more. With the opening of the world, and the availability of an increasing number of destinations, it seems that tourists have become increasingly demanding. They strive to get the most possible enjoyment for their money. This forced hoteliers, catering facilities, transporters and travel agencies to comply with ever-increasing standards and fulfill various criteria and preferences of tourists. Only a satisfied customer returns and uses the hotel's services and the entire tourist offer, so in the competition for a position on the market, the stakes are increasing when it comes to nature, destination, but also when it comes to providing accommodation, food, transportation, travel services organization.

In the current research, a cross-section of some main preferences was obtained from a relatively small sample from Serbia, so the data of this paper must be taken with a grain of salt. However, its value and importance is scientifically and practically justified. Numerous implications arise from these results. Based on this research, certain socio-demographic characteristics of tourists from Serbia can be considered, so all those entities that are directly or indirectly associated with tourism could better design their offer and create adequate strategies



for attracting tourists. In addition, it can be concluded that the majority of tourists decide to travel abroad, so the state could be more actively involved in promoting tourism and animating the large number of beautiful tourist destinations that our country has.

In this research, it has been shown that people from Serbia travel often, on average 2-3 times a year, and for that purpose mostly choose foreign destinations. There are no differences in travel frequency between men and women, but age has been shown to play a role. So, in Serbia, we have a situation where middle-aged people – between the ages of 40 and 64 travel most often, followed by young respondents between the ages of 18 and 24, and those between the ages of 25 and 39, while the oldest respondents are the least likely to decide to travel. When it comes to financial status, it can be seen that people with average income travel the most, then those with above-average income, while those with below-average income travel the least.

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FACTORS INFLUENCING THE SELECTION OF TRAVEL AGENCIES AND TOUR OPERATORS BY GENERATION Z TRAVELERS IN CHINA

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Abstract:

The abstract explores Generation Z's preferences in selecting travel agencies and tour operators for their travel needs. This demographic, which consists of the first digital generation, significantly values technology and online presence. This study delves into the factors influencing Generation Z's choice, such as personalization, price, sustainability, authenticity, convenience, reputation, and social media impact. Encompassing 26% of the global population, Generation Z places high importance on work-life balance and life happiness. They rely on social media for product discovery (97%), communicating through smart phones, and consuming digital content extensively. The paper focuses on discerning how these preferences impact their choice of travel services, given their unique characteristics. The study employs quantitative data collection through questionnaires, involving descriptive statistics and mathematical-statistical methods for analysis. The results contribute to understanding the nuanced factors affecting Generation Z's choices, culminating in a conclusion that highlights the most influential determinants and their implications for the travel industry. As the first fully digital generation, Generation Z's distinctive preferences are poised to reshape the landscape of travel agency and tour operator services.

Keywords:

Generation Z, travel agencies, tour operators, online presence, social media impact.

INTRODUCTION

In the tapestry of generational evolution, the emergence of Generation Z, often simply referred to as Gen Z, marks a remarkable and transformative chapter. Born between the mid-1990s and the early 2010s, Generation Z, however, represents the first generation to grow up entirely in the digital age (Seymour, 2019). Gen Z is now the second youngest generation (Figure 1), behind Millennials and Generation Alpha (Pew Research, 2020). This cohort's conduct, like that of previous generations, is influenced by their upbringing.

This unique upbringing has indelibly imprinted Gen Z with a set of values, behaviors, and expectations that set them apart from their predecessors. As they mature into adulthood and embark on their journeys around the globe, their choices in travel agencies and tour operators have emerged as a focal point of interest for the travel and tourism industry. Understanding the factors that steer the compass of

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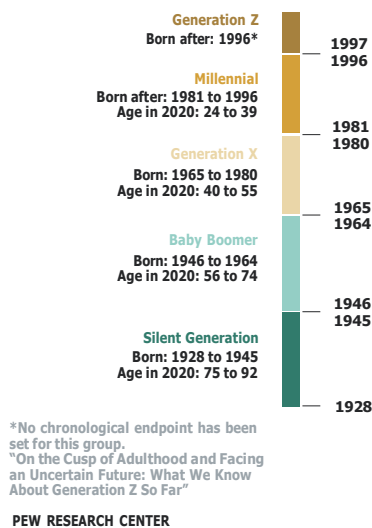


Gen Z's travel decisions is not merely a matter of curiosity; it is a critical imperative for businesses aiming to capture the allegiance of this burgeoning market segment.

Generation Z travelers are a dynamic and influential force in the travel industry. Their preferences are shaped by their digital upbringing, characterized by technology reliance, personalization expectations, price sensitivity, sustainability consciousness, a thirst for authenticity, convenience, and a keen eye for reputation (Azzumi *et al.*, 2023, Ohvo, 2023). Travel agencies and tour operators that understand and cater to these factors are poised to thrive in a market where Gen Z's influence continues to grow. As the travel industry continues to evolve, adapting to the unique needs and desires of this generation, it is the key to success for businesses aiming to capture the hearts and wallets of Generation Z travelers.

Figure 1. The generations defined.

The generations defined



Source: Pew Research Center, 2020.

This study focuses on Generation Z and their preferences for selecting a travel agency and/or tour operator to arrange services required for traveling and staying in a destination. The aim of this paper is to explore and gain comprehensive insights into the preferences, behaviors, and motivations of Generation Z (Gen Z) travelers in China regarding their choices of travel agencies and tour operators. By conducting a survey among Gen Z representatives in China, we seek to address several key research questions:

Factors Influencing Choice: To identify and analyze the factors that significantly impact the selection of travel agencies and tour operators by Gen Z travelers in China. This includes understanding the weightage given to factors such as technology, personalization, pricing, sustainability, authenticity, and convenience.

Travel Preferences: To uncover the types of travel experiences that resonate with Gen Z in China. This involves examining their preferences for different travel styles, destinations, and activities.

Booking Behaviors: To investigate the methods and platforms through which Gen Z travelers in China book their travel experiences. This includes exploring the role of technology and online platforms in the booking process.

Social Media Engagement: To determine which social media platforms Gen Z in China primarily use to gather information and insights related to travel. This encompasses understanding the influence of social media on their travel decisions.

Reasons for Switching: To identify the reasons behind Gen Z travelers in China changing their travel agency or tour operator. This involves exploring any instances of dissatisfaction or changing preferences.



Sustainable Travel: To assess whether sustainability considerations impact the travel plans and choices of Gen Z in China. This includes understanding if they have altered their travel plans due to sustainability concerns and whether they are willing to pay more for sustainable and responsible travel experiences.

By addressing these research questions, this paper aims to provide a comprehensive understanding of how Gen Z travelers in China navigate the world of travel agencies and tour operators. In other words, what factors influence the choice of intermediaries when planning and realizing a tourist trip. The findings of this research will not only contribute to a deeper comprehension of this influential demographic but also offer valuable insights for businesses in the travel and tourism industry seeking to cater to the unique preferences and priorities of Gen Z travelers in China.

LITERATURE REVIEW

In the rapidly evolving landscape of the travel industry, the selection of travel agencies and tour operators is a decision that carries considerable weight. In the early 1970s, studies were conducted on the personality of travelers, their choice of destinations (Plog, 1974), and the character of visitor planning (Getz, 1986). Among the various segments of travelers, Generation Z, often referred to as Gen Z, stands out as a distinct cohort with unique preferences and priorities when it comes to planning and booking their journeys. Because of growing up with technology, the Internet, and social media, Dimock (2019) highlights the fact that it has led to stereotypes of them as tech-addicted. This defining characteristic has had a profound impact on their attitudes towards technology, communication, and information consumption. As such, understanding the factors that influence the choices of Generation Z travelers in selecting travel agencies and tour operators has become a critical area of study within the travel and tourism industry.

According to Madden (2019), each generation is impacted by the social dynamics, global advances, technology, and demographics of their time, and each generation brings with them abilities, personalities, and insights that can benefit society as a whole. Haddouche and Salomone (2018) define Gen Z as a generation of a new sociological category nourished by information technologies, the Internet, and social networks. One of the most prominent factors shaping the preferences of Generation Z travelers is their unwavering embrace of technology. Growing up in an era where smartphones, social media platforms, and instant access to information are the norm, Gen Z individuals have a high level of digital literacy. This has meant Gen Z is very aware of real-world realities from a young age (Witt & Baird, 2018).

They are well-versed in using technology not only for communication but also for researching, planning, and booking their travel experiences. This tech-savvy generation expects travel agencies and tour operators to have a strong online presence, user-friendly websites, and responsive mobile apps. Convenience remains a universal factor in travel choices (Xiang and Gretzel, 2010). They seek efficiency in the booking process, from comparing options to making secure online payments. Ensuring these elements are in place is crucial for travel businesses targeting this tech-savvy generation. Therefore, travel businesses that excel in providing seamless digital experiences are more likely to capture the attention and loyalty of Gen Z travelers.

In the opinion of researchers, Gen Z desires more individualized micro experiences and believes that anything is possible (Merriman, 2015). Furthermore, they expect their purchasing experience to be simple, smooth, and error-free. According to the center's continuous study of Gen Z, they are "self-aware, self-reliant, innovative, and purpose-oriented." They also stated that Gen Zers are particularly proficient at studying on their own through the use of "web-based" research tools. Kim and Park (2020) agreed that younger generations, like Gen-Z, should play an active part in transitioning traditional real-time tourism to technology-based digital tourism.

Beyond technology, personalization is another key determinant (McKee *et al.*, 2023) influencing the choices of Generation Z when it comes to travel agencies and tour operators. This generation has grown up in an era of hyper-personalization, where online platforms tailor content, advertisements, and recommendations based on individual preferences and behavior. As a result, Gen Z travelers have come to expect a high degree of personalization in their travel experiences. As per Han *et al.* (2018), a substantial majority of global customers exhibit a keen interest in embracing virtual reality (VR) or augmented reality (AR) for their travel adventures,



while a significant portion perceives VR and AR as the future of tourism. They appreciate it when travel agencies offer customized itineraries, suggest destinations aligned with their interests, and provide personalized recommendations for activities and accommodations. Tailoring travel experiences to meet Gen Z individuals' specific needs and desires not only enhances customer satisfaction but also fosters brand loyalty in a market characterized by an abundance of choices. It is important to note that Gen Z travelers want to meet their requirements while also sharing their experiences with their social network (Buhalis & Karatay, 2022). They view travel not only as a personal experience but also as an opportunity to curate and showcase their journeys to friends, family, and a broader online audience. As a result, they seek travel experiences that not only cater to their preferences and needs but also offer unique and shareable moments that enhance their online presence and facilitate meaningful connections with others who share similar interests or have similar travel aspirations.

Price sensitivity is another influential factor when it comes to Gen Z's choice of travel agencies and tour operators (Naruetharadhol *et al.*, 2022). This generation has witnessed economic uncertainties and has often faced student loans and financial pressures, which have made them more price-conscious than some of their predecessors. While they value experiences, Gen Z travelers are keen on finding value for their money (Danneo *et al.*, 2020). They are likely to compare prices across different platforms, use price comparison websites, and seek out discounts and deals (Roberti, 2017). Travel agencies and tour operators that can offer competitive pricing without compromising on quality are more likely to attract and retain Gen Z customers.

Sustainability and environmental consciousness are increasingly significant factors influencing Gen Z's travel choices. This generation is deeply concerned about climate change and environmental sustainability (Seyfi *et al.*, 2023). They seek out travel agencies and tour operators that demonstrate a commitment to responsible and sustainable tourism practices. Gen Z is widely recognized for their active involvement in pro-sustainability initiatives, indicating their strong commitment to promoting positive ethical actions and making sustainability a crucial factor in their decision-making processes (Salinero *et al.*, 2022; Prayang *et al.*, 2022; Djafarova & Foots, 2022). Gen Z travelers are interested in eco-friendly accommodations, carbon-neutral travel options, and experiences that allow them to engage with and contribute positively to local communities and ecosystems (Pryang *et al.*, 2022). Travel businesses that integrate sustainability into their offerings and actively communicate their efforts in this regard are more likely to resonate with the values of Gen Z travelers and earn their patronage. They adapt the offer to adjust to reshaped consumers' views on sustainability and eco-friendly products, influencing their attitudes towards adopting a greener and more sustainable approach (Yilmaz & Ilter, 2017).

Authenticity is a value held dear by Generation Z when it comes to travel (Swanson, 2022, Živković, 2021). This generation craves genuine and immersive experiences that enable them to connect with local cultures, traditions, and people. They are less interested in cookie-cutter, mass-market tourism and more inclined towards authentic, off-the-beaten-path adventures (Tanase *et al.*, 2023). Travel agencies and tour operators that can offer unique, culturally enriching experiences are more likely to capture the interest of Gen Z travelers. This often involves curating itineraries that go beyond typical tourist attractions and embrace a destination's local spirit and authenticity.

Convenience remains a timeless factor that influences travel choices, and Gen Z is no exception (Wood, 2013). However, what defines convenience for this generation has evolved with the digital age. Gen Z travelers value hassle-free experiences, from easy and transparent booking processes to seamless navigation in unfamiliar destinations (Ozdemir-Guzel & Bas, 2021). They appreciate travel agencies and tour operators that provide real-time updates, mobile ticketing, and 24/7 customer support. The ability to address any issues or concerns promptly through digital channels is vital in ensuring a smooth and convenient travel experience for Gen Z (Hwang *et al.*, 2021).

Reputation, both online and offline, plays a crucial role in the decision-making process of Generation Z travelers (Dimitriou & AbouElgheit, 2019). With a penchant for online research and social media, this generation relies heavily on reviews, ratings, and recommendations from fellow travelers or travel influencers when evaluating travel agencies and tour operators (Kamenidou *et al.*, 2021). A positive online presence, a strong social media following, and a track record of customer satisfaction are all factors that contribute to building trust and credibility among Gen Z travelers. Travel businesses that actively engage with their customers, respond to reviews, and showcase their strengths on digital platforms are more likely to earn the trust and business of this discerning generation.



METHODOLOGY

This research is dedicated to gaining profound insights into the travel preferences and behaviors of Generation Z in China, encompassing individuals born between 1997 and 2012. To capture rich and firsthand data, a comprehensive survey approach was adopted. The survey instrument was meticulously crafted to target and engage Generation Z respondents effectively. This descriptive analysis was conducted through surveys administered from January 2023 to March 2023, offering a comprehensive view of the travel preferences and behaviors of Generation Z in China. The questionnaire was submitted to Instagram and WeChat, China’s most popular social media platforms; as of March 27, 2023, a total of 84 replies were received from which 76 were valid.

To ensure precise targeting, the survey gathered demographic data, particularly the ages of the respondents. Additionally, recognizing the potential influence of educational and cultural backgrounds on their travel choices, the survey delved into these aspects.

To get a clear picture of their travel behaviors, the survey inquired about the average number of trips taken annually and the specific types of travel experiences that resonate most with this generation. Significantly, the survey probed into the factors guiding the selection of travel agencies and tour operators, with a focus on the core question of why Generation Z chooses particular service providers. This paper aimed to provide an intuitive understanding of the factors shaping their perceptions of travel agencies and tour operators.

Given Generation Z’s digital upbringing, it was crucial to assess the online platforms they use for travel-related activities, such as information gathering and booking. This insight is invaluable for understanding which social media channels or platforms effectively capture the attention of Generation Z. Lastly, the survey delved into sustainable tourism considerations, investigating whether Generation Z is willing to allocate more financial resources to support sustainable development in tourism and whether they have considered sustainability in previous travel experiences.

RESULTS

Participants aged 11-26 (Gen Z) made up the majority of the sample of 74 valid replies, while Gen Y participated with only 2 responses (Table 1). This also indicates that Generation Z is particularly engaged in social media. The majority of them (29%) were with high school diplomas, with the remaining 7 percent being with junior high school diplomas. More than half have undergraduate credentials, 26% have bachelor’s degrees, two have PhDs, and 12 have master’s degrees.

Table 1. Socio demographic characteristics of the respondents.

Characteristics	Absolute Frequencies	Share (%)
Cohort		
Gen Z (11-26 years old)	74	94.4
Gen Y (27-42 years old)	2	2.6
Gen X (43-58 years old)	0	0
Above 59 years old	0	0
Education		
Bachelor’s degree	26	34.2
High School Diploma	29	38.2
Junior High School Diploma	7	9.2
Master’s degree	12	15.8
PhD	2	2.6
Total	76	100

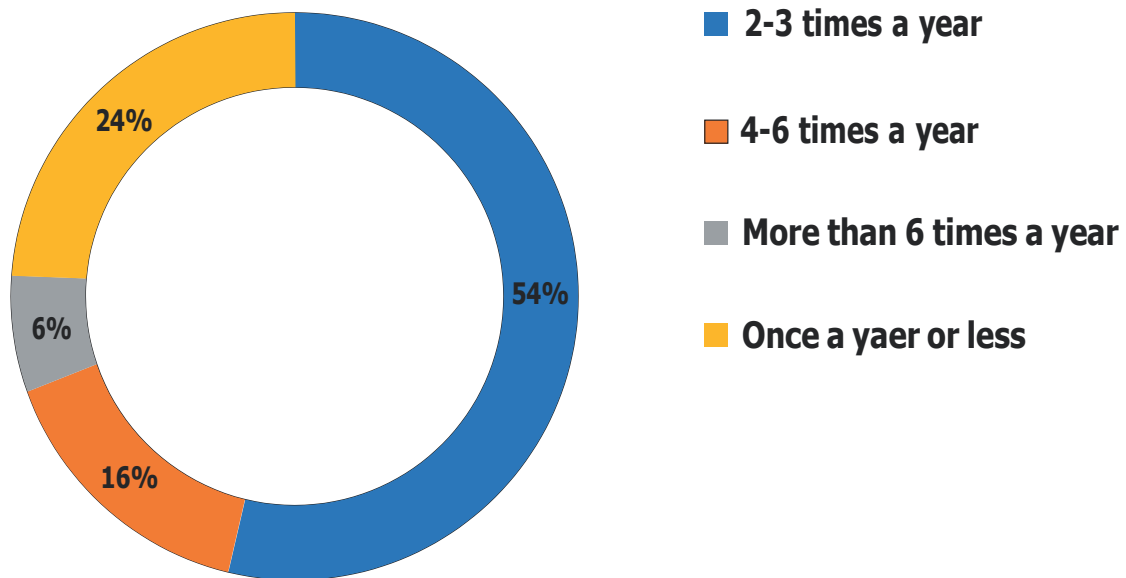
Source: Author’s.



Approximately half of them hold a bachelor’s degree or above. And the majority of these students begin part-time work, which allows them to supplement their income. And, once they have a portion of their own cash, Generation Z may plan their own ideal travels, and they are not required to totally follow their parents’ wishes.

In terms of travel frequency (Figure 2), more than half of the participants travel 2-3 times each year. Those who travel once a year or less make for 24% of the population. It is clear that Generation Z prefers to travel, with more than 80% of them traveling twice or more every year. There are also those who travel more than six times a year, although they are in the minority, accounting for only 6% of the population.

Figure 2. Travel frequency.



Source: Author’s.

The way Generation Z visitors schedule their trips confirms the notion that they are extremely autonomous and accept responsibility for their choices. More than 60% of respondents make a decision and book a trip without using an intermediary, while just 6.6 percent use intermediaries such as travel agencies and tour operators (Table 2). It should also be noted that almost one-third of respondents employ a combination of intermediary support and autonomous trip booking, most likely depending on the kind of travel, destination, complexity of travel organizing, and so on.

Table 2. Independence when booking a trip.

	Frequency	%	
Independence when booking a trip	I do it all myself	48	63.2
	I use a combination of both	23	30.3
	I use travel agents or tour operators	5	6.6
Total	76	100.0	

Source: Author’s.

Respondents evaluated the offered statements in a range from 1 to 5 (Likert scale from 1 to 5), according to which 1 represents the lowest degree of agreement while 5 represents the highest degree of agreement with the offered statement. According to the variables influencing the choice of an intermediary when booking a vacation, Chinese travelers consider the price of the arrangement that they are prepared to pay first (Table 3). Furthermore, the reputation of the travel agency, as well as the convenience provided by the agency via



its website, plays an important part. The sustainability of the travel agency’s business has the least impact, demonstrating that tourists of this generation, despite their highly developed awareness of the importance of sustainability, still put it on the back burner when the reputation of the intermediary as well as the price of the arrangement are considered when choosing a travel agency.

Table 3. Factors influencing Travelers choice of a travel agent or tour operator.

Factor	N	Mean	St. deviation
Online presence		3.618	1.0452
Price		3.829	1.1592
Sustainability		2.882	1.1427
Authenticity		3.342	1.1950
Convenience		3.789	1.0239
Reputation		3.803	1.0459
Valid N	76		

Source: Author’s.

According to the research findings (Table4), the vast majority of Generation Z prefers booking their vacations online. Conversely, a mere 5.3% of respondents expressed a preference for physically visiting a travel agency for trip bookings. This low percentage reflects the diminishing relevance of traditional, in-person booking methods among Generation Z, further emphasizing their digital-first orientation. An additional 25% of respondents indicated a willingness to explore both online and in-person options, highlighting the flexibility and pragmatism that often characterize this generation’s approach to travel planning.

The strong preference for online booking aligns with the shared development of Generation Z and the Internet. This generation has grown up with digital technology as an integral part of their lives, making online bookings not just a convenience but a natural choice. Social media, in particular, plays a pivotal role in their travel planning process, enabling them to gather information, seek recommendations, and formulate travel plans.

Table 4. Means of booking the travel.

		Frequency	%
Means	Both	19	25.0
	In-person (e.g., travel agencies, tour operators)	4	5.3
	Online (e.g., travel booking websites, mobile apps)	53	69.7
	Total	76	100.0

Source: Author’s.

Undoubtedly, the standout factor among the surveyed Generation Z respondents is the pivotal role of customer service in their decision-making process. Over 80% of respondents indicated a strong likelihood of changing their travel agency choice due to poor customer service (Figure 3). This underscores the critical importance of exceptional service delivery in attracting and retaining this generation as customers. It emphasizes the profound impact that customer-centric approaches can have on their loyalty.

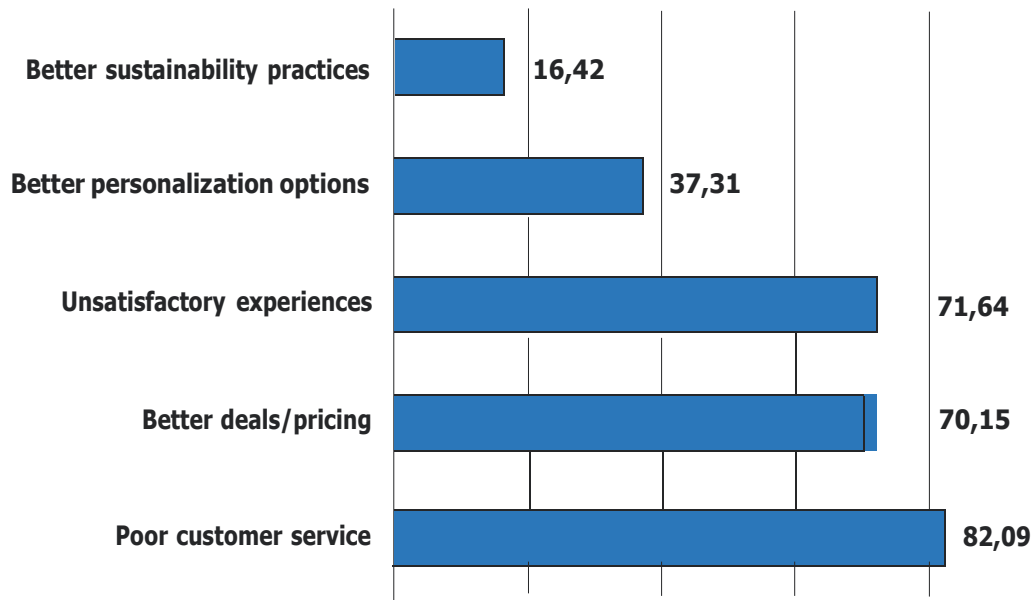
Intriguingly, pricing emerges as the second most influential factor. A substantial number of respondents (70,1%) expressed a willingness to change their travel agency based on the promise of better pricing options. This suggests that Generation Z travelers are highly cost-conscious and will actively seek value for their money when making travel decisions.



Surprisingly, personalization, often touted as a significant driver in the modern travel industry, was less influential than expected. Only 37.31% of respondents indicated a potential agency switch due to improved personalization. This implies that while personalization is valued, other factors like customer service and pricing hold greater sway in their choices.

The data also revealed that sustainability practices, although garnering attention in the travel industry had a relatively minor influence on Generation Z's agency selection. A mere 16.42% of respondents considered sustainability as a reason to change their travel agency. This suggests that, despite their awareness of sustainability issues, other factors currently take precedence in their decision-making.

Figure 3. Factors influencing changing the tour operator/travel agent.



Source: Author's.

DISCUSSION AND CONCLUSION

The comprehensive exploration of Generation Z's travel trends and preferences yields valuable insights into the dynamics of this influential demographic. These findings collectively paint a vivid picture of a generation that is digitally native, price-conscious, and decidedly self-reliant in their travel endeavors. Their preferences for travel agents and tour operators differ from those of previous generations, as well as their demands for specific travel experience. However, travel companies and tour operators are modernizing as well, implementing new tactics such as online business models and collaborating with social media. Generation Z, being the world's most populous generation, will have a significant effect on the future development of all aspects of living.

To start with, the study results reveal that the research was properly selected and dispersed in terms of targeting the appropriate set of respondents since more than 90 respondents are members of Generation Z, which was intended to be covered. Given that the questionnaire was distributed online, it is not unexpected that the vast majority of respondents are members of this generation, which has been indicated to utilize social media and other forms of digital media the most. This is additionally supported by the distribution of respondents based on education, which reveals that more than half of the respondents were the youngest, that is, those who use the Internet's benefits the most.

The travel preferences and behaviors of Generation Z, as revealed through this study, provide a compelling glimpse into the dynamics of this influential demographic. One striking revelation is the strong inclination of Generation Z towards travel, with over 80% of the surveyed individuals embarking on journeys twice or more each year. This substantial majority not only reflects a generation eager to explore the world but also underscores the potential for growth and innovation within the travel and tourism industry.



Furthermore, the data highlights the significance of travel frequency among Generation Z. A noteworthy majority, comprising more than half of the participants, engage in travel 2-3 times annually. This pattern of frequent travel suggests that Generation Z seeks not just occasional getaways but values consistent and diverse travel experiences. Conversely, while the majority exhibits a preference for moderate travel frequency, it is essential to acknowledge the presence of a small yet significant minority within Generation Z. Approximately 6% of the surveyed population exceeds the norm, embarking on more than six trips per year. This segment demonstrates a profound passion for exploration and adventure, presenting opportunities for travel businesses to cater to their specific needs and desires. The results suggest that Generation Z in China is an active and enthusiastic cohort of travelers. The majority's proclivity for frequent travel presents an enticing market for the travel industry to tap into. Additionally, recognizing the existence of travel enthusiasts who exceed conventional travel frequencies allows for the development of niche services to cater to their unique demands. As Generation Z continues to shape the future of travel, businesses must adapt and innovate to meet their evolving preferences and expectations.

The findings pertaining to how Generation Z plans and schedules their trips offer intriguing insights into the autonomy and self-reliance that characterize this generation's approach to travel. These results affirm the perception that Generation Z is exceptionally independent and willing to take responsibility for their travel choices. Remarkably, over 60% of the surveyed respondents demonstrated a remarkable level of self-sufficiency by making their travel decisions and booking trips without the involvement of intermediaries such as travel agencies and tour operators. This majority's preference for direct, hands-on involvement in trip planning underscores their confidence and comfort in navigating the complexities of the modern travel landscape independently.

In contrast, a mere 6.6 percent of respondents opted for the services of intermediaries, suggesting that this generation tends to eschew traditional travel planning methods that rely on third-party assistance. This marked preference for self-reliance is indicative of Generation Z's desire for more control over their travel experiences. It is worth noting that a significant portion, nearly one-third of the respondents, embraced a blended approach to trip planning. They combined intermediary support with autonomous booking, demonstrating a pragmatic approach to travel decisions. This group likely adjusts their planning strategies based on the specific nature of the trip, destination, or the complexities involved in organizing travel. The data paints a vivid picture of Generation Z as highly autonomous and responsible travelers. Their propensity for self-guided trip planning challenges traditional travel paradigms, emphasizing the importance of user-friendly, digital platforms and tools that empower them to curate their own travel experiences. As Generation Z continues to redefine travel norms, the travel industry must adapt to meet their demand for autonomy while offering flexible options for those who prefer intermediary assistance, ensuring a dynamic and responsive landscape for the travelers of tomorrow.

The analysis of variables influencing the choice of intermediaries when booking vacations among Chinese Generation Z travelers offers valuable insights into their decision-making processes. These results shed light on the priorities and considerations that shape their choices, providing important implications for the travel industry. First and foremost, it is evident that the price of the vacation package holds paramount significance for Chinese Generation Z travelers. This factor emerges as the primary consideration when selecting an intermediary, underscoring the importance of competitive pricing and affordability in attracting this generation. It is apparent that cost-consciousness plays a pivotal role in their decision-making, aligning with the economic challenges they have grown up with.

In addition to pricing, the reputation of the travel agency also exerts a substantial influence on intermediary selection. The reputation factor signifies that Chinese Generation Z travelers place a premium on trustworthiness and reliability when choosing an intermediary. The positive image and track record of the travel agency weigh significantly in their decision-making process. Convenience, particularly via the agency's website, emerges as another pivotal factor affecting intermediary choices. This highlights the importance of user-friendly online platforms and seamless digital experiences. Generation Z's preference for convenience in the digital realm resonates with their tech-savvy upbringing. Surprisingly, the sustainability aspect of the travel agency's business emerges as the least influential variable. Despite the heightened awareness of sustainability issues among this generation, it appears that other considerations, particularly price and reputation, take



precedence when selecting a travel agency. This suggests that while sustainability is acknowledged, it may not yet be a primary driving force in their decision-making, highlighting potential opportunities for education and engagement on sustainable travel practices. These findings offer valuable insights for travel agencies targeting Chinese Generation Z travelers. Competitive pricing, a strong reputation, user-friendly digital platforms, and convenient services are pivotal in attracting this demographic. While sustainability awareness is present, it is currently a secondary consideration. To effectively engage and cater to this generation, travel businesses should align their strategies with these preferences while also actively promoting sustainable practices to create a more balanced and holistic approach to travel decision-making among Generation Z.

The research results regarding how Generation Z prefers to book their trips offer a revealing glimpse into the digital-first mindset that characterizes this demographic. This data underscores the profound impact of the Internet and social media on their travel decisions, shedding light on their preferred booking methods. Remarkably, a substantial majority of Generation Z, as indicated by the research findings, favor booking their trips online. This generation is predisposed to leveraging digital resources for trip planning and reservations through dedicated online booking platforms or via social media channels. This finding underscores the profound influence of the Internet on shaping their travel behaviors. To better understand Generation Z's travel planning approach, it is crucial to delve into the specific social media platforms they rely on. These platforms serve as valuable channels for learning about travel opportunities and shaping their travel experiences. As Generation Z continues to exert its influence on the travel landscape, travel businesses must strategically leverage these digital platforms to engage and connect with this tech-savvy and socially connected generation effectively.

The data analysis offers illuminating insights into the factors that significantly influence Generation Z's decisions when choosing travel agencies. These findings provide a valuable glimpse into the priorities and motivations that steer their choices. The research findings illuminate the critical role of customer service and pricing in shaping Generation Z's travel agency choices. While personalization is valued, it is not the primary driver of their decisions. Surprisingly, sustainability practices, while important, are not the primary reason for changing agencies. These insights provide essential guidance for travel agencies aiming to appeal to Generation Z travelers, highlighting the need for exceptional customer service and competitive pricing as the cornerstone of their strategies.

Generation Z travelers are a dynamic and multifaceted demographic, shaped by their digital upbringing, economic realities, and a unique set of priorities. To effectively engage and cater to Generation Z, travel businesses must adapt to their preferences for digital self-reliance, prioritize exceptional customer service, offer competitive pricing, and incorporate sustainability practices as an important but not dominant factor in their offerings. These insights position the travel industry to meet the evolving needs of Generation Z and foster lasting connections with this influential generation of travelers.

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ANALYSIS OF TOURIST ATTRACTIVENESS FACTORS OF THE DJERDAP NATIONAL PARK WITH A FOCUS ON THE HOTEL INDUSTRY

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Abstract:

Protected areas are an important component of the tourism offerings for those who want to spend part of their vacation in areas with preserved natural and cultural heritage. Djerdap National Park (DJNP) boasts a rich, diverse, well-conserved environment alongside cultural treasures. DJNP represents a distinctive and well-rounded tourist entity that is, in many respects, unique and unparalleled in Europe and the world. DJNP has always attracted a large number of visitors due to its favorable conditions for various types of tourism throughout the year. The purpose of the paper is to analyze the factors that motivate tourists to visit DJNP, with a focus on the hotel industry. The survey collected data, and content analysis and descriptive statistics methods processed it. The research presented factors that influence the tourist attractiveness of DJNP. The analysis of the research results made it possible to discern the characteristics of tourist visits and the reasons for a visit, as well as to recognize the value of the visited area. The recommendation is to ensure continuous yearly monitoring of the visitor's needs and to plan activities and hotel accommodations that maintain serenity and preserve the natural environment.

Keywords:

cultural heritage, preserved nature, tourist motivation, tourist offer, visitor needs.

INTRODUCTION

One of the modern directions in tourism development is the visit and stay of tourists in protected areas such as national parks and nature parks. This type of active vacation allows tourists to enjoy a unique cultural and historical heritage, an authentic gastronomic experience, relaxation, and mental rehabilitation from the urban lifestyle.

DJNP is the largest national park in Serbia, boasting diverse and rich natural and cultural heritage, with favorable conditions for organizing numerous forms of tourism throughout the year. The purpose of this research is to determine and analyze the factors that motivate tourists to visit DJNP, with a special emphasis on the analysis of the accommodation capacity of this protected area and the participation of the hotel industry in supply and demand.

The survey technique was used to collect data, which were subsequently processed and analyzed using the method of descriptive statistics with the help of the SPSS program.

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Using the content analysis method and the SWOT analysis technique, the authors presented the factors that influence the tourist attractiveness of DJNP. The characteristics of tourist visits, the reasons for a visit, and the value of the visited area were reviewed. Continuous monitoring of visitor needs throughout the year, planning of tourist activities that will contribute to the preservation of peace and the natural environment, the use of modern distribution channels and promotion in the hotel industry, and the synergy of public and private partnership are recommended in order to improve the tourist competitiveness of the national park.

LITERATURE REVIEW

Protected areas form the basis of national and international nature protection strategies due to their role in protecting biodiversity and natural and cultural heritage (Marić *et al.*, 2014; Isabel & Antonio, 2022; Trišić *et al.*, 2023a). Nature is a type of strategic business area within the national strategy for the development of tourism, encompassing national parks and nature parks (Government of the Republic of Serbia, 2016). From a long-term perspective, protected areas represent the obligation of all generations, on the one hand, to prevent excessive exploitation of natural resources and, on the other hand, to enable people to stay in nature giving them a sense of freedom, health, authenticity, and peace (Trišić *et al.*, 2023b; Trišić *et al.* 2023c). Nature parks are created for the preservation and valorization of natural and cultural heritage in rural areas. However, due to their tourist appeal, these parks often include recreational and tourist activities that not infrequently pose threats to sustainability (Javier & Šadeikaitė, 2022) while simultaneously contributing to the local socio-economic development (Milojković, 2023a). To increase the awareness of tourists and the local community (Bookbinder, 1998; Valentine, 1992), environmental education plays a crucial role in preserving nature in its original form (Widawski, 2018) and promoting cultural values for the protection of cultural heritage (Milojković, 2023b). To maintain ecological integrity in protected areas, accommodations must have environmentally dedicated and knowledgeable management. Erdogan and Tosun (2009, p. 406) found “that tourism accommodations have low performance on energy efficiency, water conservation, responsible waste management, communication, environmental training, the environmental awareness, necessary knowledge about and interest in the environmental protection and environmental policy”. According to the research conveyed by Mandić and Petrić (2021), hotels that gravitate to the location of the national park charge premium prices; conversely, as the distance from the national park increases, there is a downward trend in prices. Therefore, protected areas are part of an integrated tourist product that affects the price of complementary tourist services, visitor satisfaction and destination competitiveness.

Half a century ago, precisely in 1974, the DJNP was proclaimed as the largest nature museum in Serbia, covering an area of 63,786.48 ha in the north-eastern part of Serbia, bordering Romania (PLC Djerdap National Park. 2021). It represents a unique natural, cultural-historical and archaeological phenomenon in both Europe and the world with over 50 types of forest communities, 35 of which are relict, with six developmental vegetation series, which is an exceptional case in Europe (PLC Djerdap National Park. 2021; The Parks Dinarides network, 2023). Within the Djerdap area, 62 immovable cultural assets are protected or planned for protection, comprising 9 categorized, 27 registered, 15 recorded, and 11 identified assets (Biosfond, 2017). The following immovable cultural assets are categorized: cultural assets of exceptional importance (7) – Lepenski Vir, Trajanova Tabla, Pontes (Trajan’s Bridge), Golubac Fortress, Diana - Karataš, Kraku Lu Jordan and Rudna Glava; a cultural asset of great importance - Fetislam; and protected cultural heritage - the remains of the Kastel fortification on Miroč (Biosfond, 2017). Research conducted by Brankov *et al.* (2015) showed that the population DJNP recognizes tourism as a driver of development and has a positive attitude towards it, in addition to the fact that approximately 40% of the surveyed residents benefit from tourism. The residents emphasized the need for enriching the tourist offer, greater involvement of the local population and enhancements in the management of the protected area, through a focus on educating young people in the field of sustainable tourism. The researchers Pavlović *et al.* (2020) observed motivational factors for tourists to visit DJNP such as new experiences and events, relaxation, the acquisition of new knowledge related to cultural and educational motivation, and the creation and realization of tourist products. They concluded that local self-government, residents and relevant institutions should be integrated so that the basic principles of sustainability are applied in practice. DJNP provides various forms of tourist activities, ranging from hiking,



organized and marked walking trails through beautiful landscapes and nature reserves ending at viewpoints, to 110 km cycling routes along the Danube river that connect the Atlantic coast with the Black Sea. Additionally, visitors can take a tour of the Djerdap Gorge by boat or ship, engage in bird watching, hunting and fishing tourism (The Parks Dinarides network, 2023). Djerdap is the first area in Serbia nominated to join the UNESCO Global Network of Geoparks, which contributes to the global promotion of DJNP through promotional programs and activities of the national and local tourist organizations, as well as other stakeholders in the country and the surrounding area (Ekolist, 2023). Since 1989, the national park has been managed by the Public Enterprise "Djerdap National Park", which, in addition to the mission of protecting nature and cultural heritage, also includes activities within the national park, related to tourism, sports, and recreation, as well as the development of educational and scientific research activities (PE "Djerdap National Park", 2023). From the aspect of cultural heritage promotion, the Public Enterprise "Djerdap National Park" highlights the following sites: Golubac Fortress, Lepenski Vir, Trajan's Table, Diana Karataš, and National Architecture (PE "Djerdap National Park", 2023). This company organizes, coordinates, and plans all kinds of visits and tours within the National Park through its guard service or the educated guide service of other organizations, whereas the tourist organizations and tourist centers of three municipalities - Golubac, Majdanpek, and Kladovo - are responsible for the tourist promotion of the DJNP (PE "Djerdap National Park", 2023).

According to the information from the Tourist Organization of the Golubac municipality, there are various types of accommodation in this area. This includes: 29 apartments (*1 apartment categorized with one star, 12 apartments categorized with two stars, 10 with three stars, and 6 with four stars*) with a total of 116 accommodation units; 1 lodging with 5 accommodation units; 6 vacation homes (*1 with one star, 3 with two stars, 1 each with three and four stars*) with 23 accommodation units; 3 rooms (*2 with one star, 1 with three stars*) with 8 accommodation units; 1 rural tourist household categorized with three stars and 2 accommodation units; 1 camping site with 4 accommodation units; and 1 two-star hotel with 120 accommodation units (Turistička organizacija Golubac, 2023). Based on information from the Tourism Organization of the Municipality of Majdanpek, there are 2 hotels, 1 of which is categorized with two stars and has 465 accommodation units and 1 with three stars and 120 accommodation units. In the municipality of Majdanpek, there are 25 private accommodation facilities, with 8 facilities categorized with two stars and 50 accommodation units, 14 with three stars and 95 accommodation units, and 3 with four stars and 13 accommodation units (Turistička organizacija Majdanpek, 2023). According to data from the Tourism Organization of the Municipality of Kladovo, there are two high-category hotels in the area with a total of 189 rooms, 9 apartments, and 6 suites. In the municipality of Kladovo, there are also 27 private accommodations, including 14 apartments (*1 with one star, 2 with two stars, 3 with three stars, and 8 with four stars*), 4 vacation homes (*one each with two and three stars, and 2 with four stars*), 6 rooms (*one each with one and three stars and 4 with two stars*), and 3 rural tourist households (*one with two stars and 2 with four stars*) (Turistička organizacija Kladovo, 2023).

METHODOLOGY

To assess factors that motivate tourists to visit DJNP, the authors set up four hypotheses:

- H1: The leading reasons for visitors to visit DJNP are visiting natural and cultural attractions in the protected area.
- H2: Hotels are the main choice of tourists during their stay in DJNP.
- H3: The most attractive locality for visitors to DJNP is "Golubački Grad".
- H4: The preservation of nature protection, cultural heritage, and spreading information about activities and attractions require the most attention.

In pursuit of the research goal, which involves the analysis of factors that motivate tourists to visit DJNP, the authors employed a survey technique and secondary data. A simple random sample was used for the research, ensuring that all members of the population had an equal chance of being selected. One of the advantages of a simple random sample is precisely that it does not require extensive knowledge of the population, while one of the disadvantages is that the sample does not have to be entirely representative of all properties (sample size, population homogeneity, etc.), especially if it is not sufficiently large.



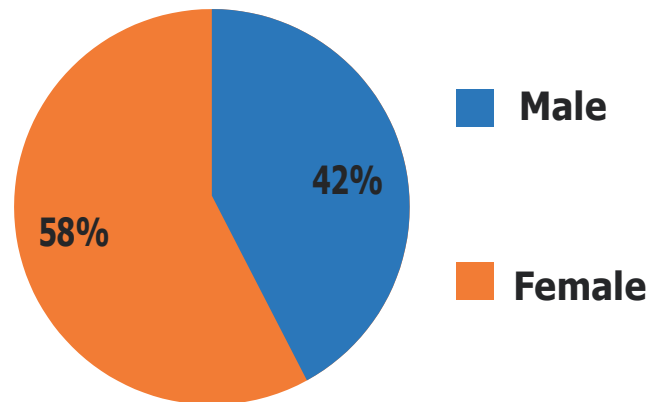
Despite this limitation, the research sample was suitable and used for its intended purposes, providing valuable insights into the current state of mining, and accordingly, the research results hold significance.

An anonymous questionnaire consisting of close-ended questions used for collecting data. The first two questions in the questionnaire were related to demographic attributes such as gender and the level of education. The third, fourth, and fifth questions delved into the reasons for the visit, the localities visited, and the accommodation facilities where the respondents stayed if they came for more than one day. The last question of the questionnaire focused on their opinions regarding the need to improve the DJNP itself. The survey, conducted in August 2022, included 60 respondents. The collected data were processed using the descriptive statistics method. Additionally, the content analysis method was employed to develop a SWOT matrix, outlining the factors that influence the tourist attractiveness of DJNP. The discussion of the research results was enriched with secondary data obtained from relevant tourist organizations in the DJNP area.

RESULTS AND DISCUSSION

Applying the descriptive statistical analysis, the authors observed that the majority of respondents were female 35 (58%), compared to male 25 (42%) (Figure 1).

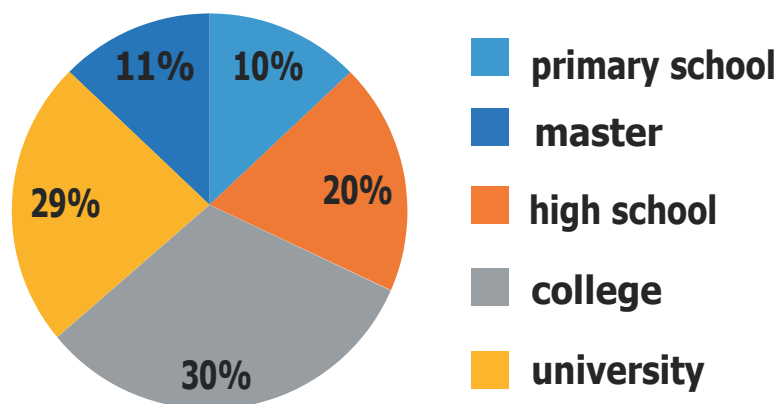
Figure 1. The analysis of respondents according to the grouping variable gender.



Source: Author's calculation.

Figure 2. presents the results of the research that indicate the educational structure of the respondents, 18 (30%) of the respondents completed college, 17 (29%) university, 12 (20%) high school, 7 (11%) master, and 6 (10%) primary school.

Figure 2. The analysis of respondents according to the grouping variable education.



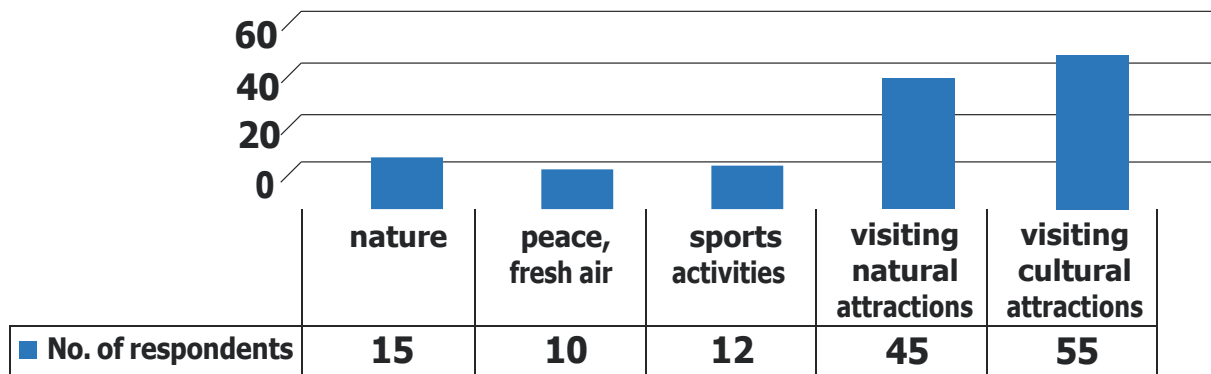
Source: Author's calculation.



Seventy percent of respondents have an education higher than high school level, indicating a prominence of educated individuals in the sample and enhancing the validity of the collected data.

Figure 3. presents the results of the analysis of respondents' motives for visiting DJNP. Respondents could choose more than one answer to this question. The majority decided to visit DJNP for cultural attractions 55 (92%) and natural attractions 45 (75%). This confirms the H1 hypothesis. Other motives included nature, sports activities, peace, and fresh air, with 15 (25%), 12 (20%), and 10 (17%) respondents respectively. The motives of the visit indicate the level of perception of the different values of the protected area. All recognized values are the potential space for future development, but of course, their development role depends on environmental factors such as political, economic, sociocultural, technological, as well as legal and environmental factors (Botti, 2022). Awareness of the heterogeneity and interconnected values of the natural and social environment of protected areas significantly contributes to their recognition.

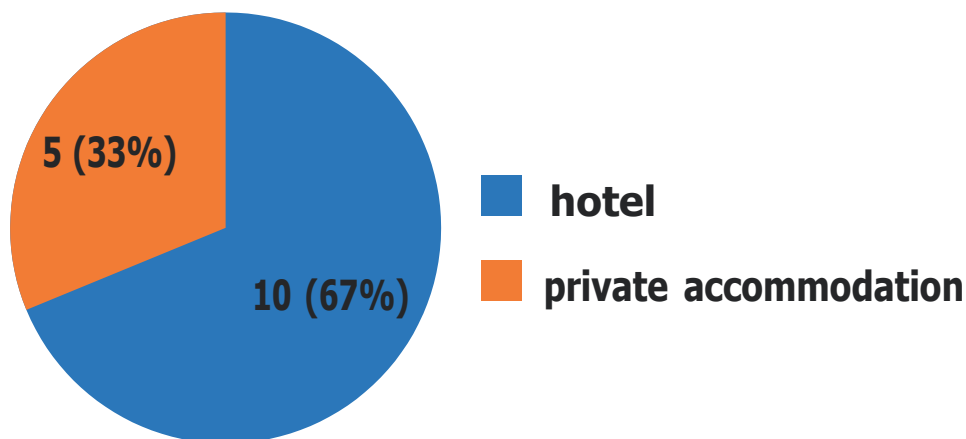
Figure 3. The analysis of respondents according to the grouping variable visitor motives.



Source: Author's calculation.

Figure 4. presents the analysis of the results regarding the choice of accommodation facilities by tourists in DJNP. Out of 60 respondents, 15 (25%) stayed more than one day in DJNP, where 10 (67%) respondents chose private accommodation, and 5 (33%) opted for a hotel. This did not confirm the H2 hypothesis.

Figure 4. The analysis of respondents according to the grouping variable accommodation.



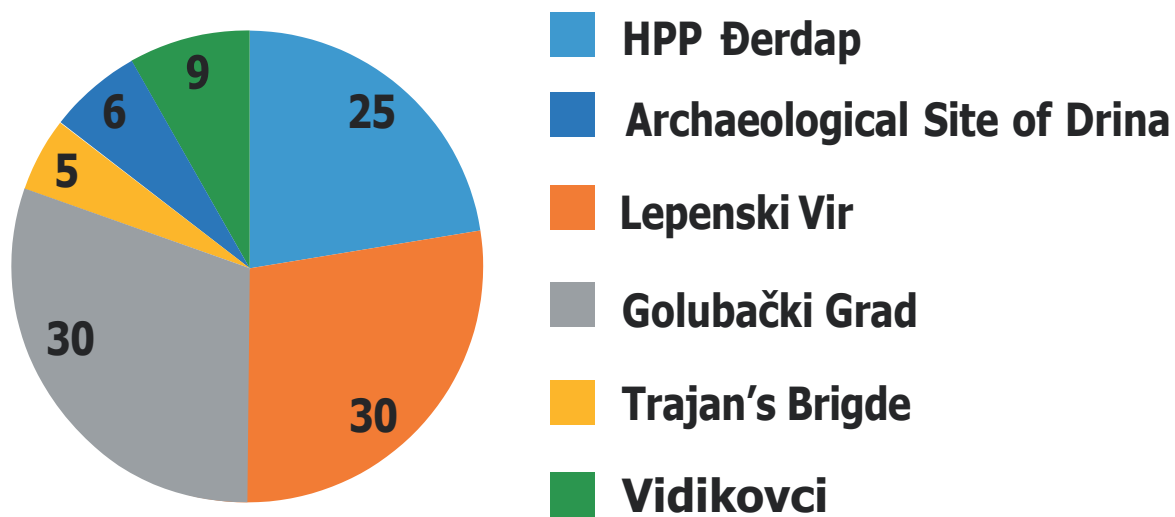
Source: Author's calculation.



The structure of accommodation in the DJNP area is dominated by private accommodation, with more than 90 facilities (apartments, lodgings, holiday homes, rural tourist households, rooms, and camping) and about 400 accommodation units of the following accommodation categories: 6% with one star, 34% with two stars, 35% with three stars and 24% with four stars.¹ There are 5 hotels in the area of the national park, 2 having two stars, 2 with four stars and 1 with three stars.² Two-star hotels offer 585 accommodation units, three-star hotels provide 120 accommodation units, while high-category hotels boast around 500 accommodation units.³ In total, the hotel industry in the area of the national park offers more than 1,200 accommodation units, which is three times more than the capacity of private accommodation.⁴ Understanding why the respondents favoured private accommodation over hotels requires a more extensive investigation of visitor needs and preferences, on the one hand, and the hotels' business policy, on the other.

Figure 5. indicates that the Lepenski Vir locality, visited by 30 (50%) respondents, Golubački Grad, visited by 30 (50%), and Djerdap Hydroelectric Power Plant (HPP Djerdap), visited by 25 (42%), attracted the greatest attention of respondents. This confirmed the H3 hypothesis. Less frequented were the viewpoints of DJNP, visited by 9 (15%) respondents, the Archaeological Site of Diana by 6 (10%), and Trajan's Bridge by 5 (8%). Respondents could provide multiple answers to this question.

Figure 5. The analysis of respondents according to the grouping variable attractive locality.



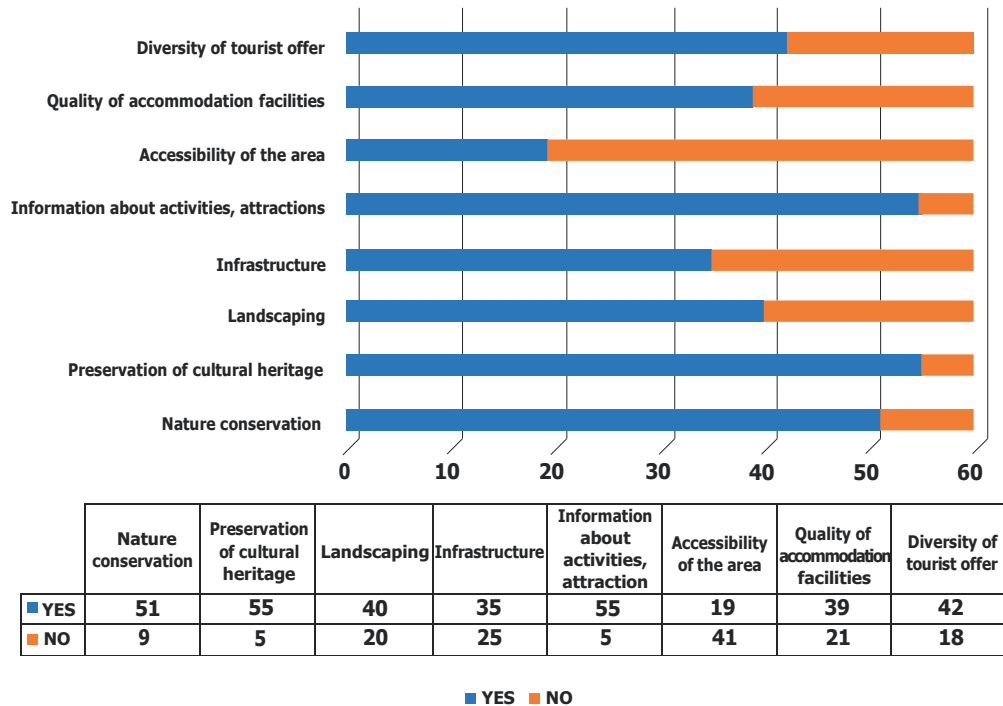
Source: Author's calculation.

An important section of the questionnaire addressed opinions on the improvement of the DJNP area, which would positively contribute to the development of tourism. Responses in Figure 6. showed that, according to the respondents, the highest priority should be given to the preservation of cultural heritage, 55 (92%), information about activities and attractions, 55 (92%), and nature protection, 51 (85%). This confirmed the H4 hypothesis. Following these priorities are the need to enhance the diversity of the tourist offer, 42 (70%), improve the space, 40 (67%), enhance the quality of accommodation facilities, 39 (65%), address infrastructure, 35 (58%), and finally, improve the accessibility of area, 19 (32%).

1 Authors' calculation according to (Turistička organizacija Golubac , 2023), (Turistička organizacija Kladovo, 2023) & (Turistička organizacija Majdanpek, 2023).
 2 Authors' calculation according to (Turistička organizacija Golubac , 2023), (Turistička organizacija Kladovo, 2023) & (Turistička organizacija Majdanpek, 2023).
 3 Authors' calculation according to (Turistička organizacija Golubac , 2023), (Turistička organizacija Kladovo, 2023) & (Turistička organizacija Majdanpek, 2023).
 4 Authors' calculation according to (Turistička organizacija Golubac , 2023), (Turistička organizacija Kladovo, 2023) & (Turistička organizacija Majdanpek, 2023).



Figure 6. The analysis of respondents according to the grouping variable DJNP area improvement.



Source: Author's calculation.

Taking into consideration the results of the research and using the content analysis method, the authors prepared the SWOT matrix illustrating the factors that influence the tourist attractiveness of DJNP (Figure 7.).

Figure 7. The SWOT matrix of factors that influence the tourist attractiveness of DJNP.

Strengths	Weaknesses
<ul style="list-style-type: none"> • Favorable geographical position • Existing tourist facilities • Unique ecosystem • International importance • Protection of bio and geodiversity • Cultural and historical heritage • Sports and recreational content • Favorable conditions for organic production • Untouched nature 	<ul style="list-style-type: none"> • Inadequate treatment of wastewater • Insufficient infrastructure investments • Lack of major manifestations • Weak promotion • Bad demographic situation • Weak cooperation between actors of the tourism industry (between the public and private sectors and within the private sector)
Opportunities	Threats
<ul style="list-style-type: none"> • Creation of a unique tourist product • Branding of the tourist destination • International cooperation and the possibility of using pre-accession EU funds • The potential of the Danube • Expanding the offer and improving quality • Improved cooperation of the local community, • Products of local character • Development of renewable resources 	<ul style="list-style-type: none"> • Increasing pressure on the environment due to mass tourism • Climate changes • Serbia is not yet a member of the EU • Economy in transition • Competition in the Balkan Region and globally • Failure to comply with environmental protection regulations • Illegal construction • Unplanned use of DJNP resources

Source: Author's calculation.

To enhance the tourist attraction of DJNP, it is necessary to systemically and systematically address the factors that represent weaknesses and threats and turn them into strengths and opportunities. Simultaneously, efforts should be intensified in areas already identified as strengths and opportunities of this tourist destination.



CONCLUSIONS

The rich historical and cultural heritage, along with the traditions and customs of the DJNP area, in synergy with its exceptional natural environment, are leading factors in the attractiveness of visitors and carrying capacity of this protected area. Regarding accommodation preferences in DJNP, tourists predominantly prefer complementary accommodation capacities over less represented basic ones. Taking into consideration that the number of accommodation units in hotels in this area is more dominant than the number of accommodation units in private accommodation, as well as that the respondents opted to stay in private accommodation, there is a need for further research and detailed studies of tourist needs, opportunities and hotel business policies. Given the greater interest of visitors in exploring key localities such as Lepenski Vir, Golubački Grad, and HPP Djerdap, it is imperative for stakeholders in the tourism industry - both at the national park and at the national levels - to prioritize the creation of innovative tourist programs and promotional activities centered on the aforementioned localities. Aligning with the respondents' suggestions for the development of the national park, particular emphasis should be placed on the preservation of cultural heritage, information on activities and attractions, and measures for nature protection. Moreover, considering that more than half of the respondents emphasized the need to work on improving the diversity of the tourist offerings, spatial enhancement, quality upgrades in accommodation facilities, and infrastructure development, these aspects demand focused attention.

Only a quarter of the visitors to DJNP participated in the survey, which represents a notable limitation of the research. Further research, with a larger respondent pool at the DJNP site, is recommended. Furthermore, it was observed that the official websites of the companies that manage the national park and local tourist organizations, which promote the park's tourist offerings, are mostly in the Serbian language. For better promotion of natural and cultural heritage, as well as accommodation, events, recreation, and sports, the authors recommend that the official Internet pages should be available in several foreign languages, featuring up-to-date content. Additionally, they suggest more intensive promotion on social networks, aligning with global trends in tourism and hospitality. Collaboration with key stakeholders for the development of tourism in the area of the national park is also recommended for hotel companies.

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EXTENDED ABSTRACTS



IMPACT OF LEADING HOTEL CHAINS ON HOTEL INDUSTRY

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Abstract:

The global hotel industry has witnessed profound transformations in recent decades, largely driven by the expansion and consolidation of corporate hotel chains. This study examines the multifaceted impact of corporate hotel chains on the global hotel industry landscape, with a specific emphasis on the Asia-Pacific (APAC) region, where growth has been particularly pronounced. This research delves into the complex dynamics of supply and demand shifts from the traditionally well-developed markets such as the USA and Mediterranean to the APAC and Middle East region. Corporate hotel chains have significantly reshaped the global hotel landscape, influencing market concentration, pricing strategies, and service standards. This study employs a comprehensive analysis of industry data and case studies to elucidate the mechanisms through which these chains have exerted their influence. It evaluates the advantages and drawbacks of their presence, considering factors such as economies of scale, brand recognition, and their ability to cater to diverse customer segments.

Keywords:

market dynamics, market concentration, APAC region, market segmentation, hotel branding.

INTRODUCTION

In the landscape of the global hotel industry, the pervasive influence of corporate hotel chains has been a defining force in recent decades. This academic study delves into the multifaceted impact of these chains on the industry, with a particular focus on the remarkable growth experienced in the Asia-Pacific (APAC) region. Against the backdrop of evolving market dynamics, this research scrutinizes the complex interplay between corporate hotel brands and the traditional hospitality sector. This study serves as a gateway to understanding how corporate hotel chains have transformed market structures, pricing strategies, and service standards on a global scale, while also illuminating the distinct shifts in supply and demand patterns from the Western world to the burgeoning APAC region.

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LITERATURE REVIEW

Strategies of hotel chains

Hotel management companies (hotel chains) are dominant players in the hotel market. Their business model is based on corporate agreements enabling them to open new hotels all over the world with minimal capital investments. Through these contracts, they offer knowledge and experience to investors along with exclusive right to use their name in exchange for fees that are regulated by contracts. These fees are the main source of income for the hotel chain that has been lately invested in further development.

The main goal of hotel chains is to gain as much market cover as possible. Market segmentation is the main strategy used in the purpose of putting (grouping) in clearly defined subsets with similar characteristics (Popesku, J., Gajić, J., 2020). For a market segment to be profitable, it has to fulfill the following conditions: internal homogeneity, external heterogeneity, operability and availability. The main variables for segmentation are psychological, demographic, behavioral and geographical.

Each market segmentation consists of 3 main steps:

- identification of different profiles of consumers and grouping them into segments,
- evaluation and choice of specific market segment, and
- forming marketing strategy.

Branding of hotel service

Branding is a direct result of market segmentation. As hotel service is intangible, branding contributes to overcoming this component. There are 3 conditions for every brand: it has to be recognizable, has to have some significance for customers and expected quality and they have to be loyal. Loyalty is key that makes a difference on the market (Dulawat, S.S. 2010). By giving a name, colors and visuals to service, hotels are creating a bond with their guests, and bring their offer closer to them.

This is the sole reason why the biggest hotel chains are investing most of their funds in creating different brands that will target different market segments with the sole purpose of providing them with unique services created especially to meet their needs.

METHODOLOGY

The article aims to identify key business models of hotel chains that enabled their international development with minimal investments. In order to collect data, we analyzed academic literature and research reports related to the hotel industry, international hotel chains, their strategies and market structure. The research was conducted on the ten biggest hotel corporations based on their market share. The main method was the comparison of collected data for the purpose of presenting results and conclusions reached during the research.

The main goal of the research is to determine whether or not (and in which way) the changes on the market structure of the ten biggest hotel chains occurred in the last 10 years.



RESULTS

Figures and Tables

Figure 1. 10 largest hotel corporations. (figure caption).

10 largest hotel corporations				
Rank 2021 (2011)	Hotel corporation	No. of rooms (2021)	No. of rooms (2011)	Change in % 2011-2021
1 (2)	Mriott Int. (SAD)	1.446.600	643.196	124,80%
2 (9)	Jin Jiang Int. (Kina)	1.239.274	193.334	541%
3 (3)	Hilton (SAD)	1.065.413	633.238	68,25%
4 (1)	IHG (Velika Britanija)	885.706	658.348	34,53%
5 (4)	Wyndham (SAD)	810.051	613.126	32,12%
6 (5)	Accor (Francuska)	777.714	531.714	46,27%
7 (20)	Huazhu Group (Kina)	753.296	73.600	923,50%
8 (6)	Choise (SAD)	575.735	497.205	15,79%
9 (46)	BTG Hotels (Kina)	475.124	22.767	1.986,90%
10 (8)	Best Western (SAD)	348.070	311.894	11,60%

Source: Hotels 225, (link: <https://library.hotelsmag.com/july-august-2022/page-32>)

Figure 1 shows the ranking of the ten largest hotel corporations measured by number of rooms. In the last 10 years half of them, mainly originating from the USA, managed to retain their market position. However, there is an evident increase in the presence of corporations from China. This proves that a rapid growth of China's economy is directly infecting the hotel market.

The estimated number of guests rooms in 2021 was around 17.5 million (Statista, 2023), which means that almost half of all hotel rooms in the world were operated by the ten largest hotel chains. Global hotel corporations are for sure dominant in the hotel market. They are spreading their network all over the world, secluding their presence in different markets. Security guaranteed by strict standards is what makes hotel chains and their brand stand out in the hotel market.

CONCLUSIONS AND DISCUSSION

Global economic and technological advancements have exerted a direct and substantial influence on the burgeoning demand for tourism, consequently propelling the expansion of the hotel industry. Before the Covid-19 pandemic, the tourism and hotel industry accounted for 10% of global GDP (International Monetary Fund, 2020). Its worth was estimated at 1,52 trillion \$. Although this number dropped due to restrictions during the lockdown, the hotel industry keeps showing signs of fast recovery.

Over the past two decades, the confluence of social and industrial prosperity has catalyzed a discernible shift in global power dynamics from the Western hemisphere to the Eastern regions. Notably, while the concept of hotel chains originated in the United States, recent years have witnessed the rapid ascent of numerous Chinese hotel corporations (UNWTO, 2023), many of which now occupy esteemed positions within the Top 10 hotel corporations globally.

Evidently, the APAC region is progressively ascending to a preeminent position within the world market. The United States has encountered challenges in keeping pace with the growth of the Chinese economy, underscoring the inexorable emergence of Asia and the Pacific as new pivotal global markets.



Recognizing this transformative trend, numerous corporations have strategically redirected their developmental endeavors toward these burgeoning regions. A striking illustration of this burgeoning potential is exemplified by China's largest hotel corporation, Jin Jiang International, which has achieved a remarkable growth rate exceeding 500% in the number of rooms within a span of fewer than ten years, now ranking as the second-largest hotel chain globally.

Drawing from meticulously collected data and the outcomes of this comprehensive research, it is judicious to assert that China is actively orchestrating the formation of a new economic epicenter poised to challenge the dominance of the United States on the global stage. This profound transformation is underscored by the increasing alignment of hotels with the preferences of Chinese guests, epitomized by the tailored service offerings of IHG's Hualuxe brand. Consequently, European corporations are increasingly gravitating toward Eastern investors, thereby recalibrating their global connections away from the West and channeling their energies toward the burgeoning markets of Asia and the Pacific. If this trajectory persists, it is conceivable that future collaborations between Europe and China will burgeon, reshaping the global economic landscape.

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SOCIAL MEDIA MARKETING OF GASTRONOMY: CHEESE BRANDING IN SPAIN

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Abstract:

We analyse the role of social media as a marketing strategy used by local food producers to promote their brands and associated meanings. With a qualitative approach (visual, content, and semiotic analysis of 2,229 pictures posted in Instagram in the period 2014-2020), we identify six visual categories (product (38.6%), natural heritage (10.1%), socialization and status (9.1%), cultural heritage (8.3%), experiential events (6.0%), and miscellanea (28%)) and twenty-four sub-categories. Results show that Spanish cheeses are mainly promoted as products, followed by other implicit food meanings. For the brands with a greater number of visual posts, solidarity-related elements were also identified. Findings add evidence to the capacity of social media and food-based visual narratives to promote cultures and identities. Food brands are an effective vehicle for transmitting symbolic meanings, contributing to increase local destinations' awareness and to create value for local stakeholders and visitors through food marketing.

Keywords:

culinary heritage, food tourism, gastronomy marketing, social media.

INTRODUCTION

Research evidence shows that food encompasses a wide range of meanings, such as identity, culture, production and consumption (Hall and Mitchel, 2000), food as a symbol of social status (Bourdieu, 1984; Poole, 2012; Frochot, 2013), food as an experiential tourism and leisure resource (García Henche, 2018), food as an expression of brands' personality and values (Ginsberg, 2015), and sustainability (Everett and Aitchison, 2008; Hall and Mitchel, 2000), among others.

Previous research has scarcely explored the relationships between local products and social media, which were mostly focused on the case of wine (Canovi and Pucciarelli, 2019), inviting both public and private stakeholders to further explore this potential and engage with customers through social media marketing (Li *et al.*, 2021). Furthermore, the use of social media to communicate and market food heritages and practices is crucial to protect and promote the tangible and intangible meanings attached to cuisine (Choi and Bleviss, 2011; Lee *et al.*, 2014). In the same line, Platania and Spadoni (2018) advocate on the contribution of social media (e.g., Twitter) to the evolution of food

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cultures as facilitators and accelerators of information and knowledge exchanges about food. This research aims to further understand how cheese brands and culture are marketed online. Social media, Instagram in this case, becomes a vehicle for communicating brand meanings, stimulating food-based cultural identity and, ultimately, creating value for the cheese brands' stakeholders, within a marketing framework.

LITERATURE REVIEW

To analyse and quantify the importance of food's meanings, a significant bulk of research chooses to focus on visual images (Frochot, 2013; Ingrassia *et al.*, 2022; Philip *et al.*, 2022), those provided by social media platforms being relevant resources for the promotion of objects and subjects (Carson, 2005). In this line, TripAdvisor (Park *et al.*, 2021; Sangkaew and Zhu, 2022, etc.), Facebook (Antoniadis *et al.*, 2020), Twitter (Samoggia *et al.*, 2020; Platania and Spadoni, 2018; Zhou *et al.*, 2018) or YouTube (Castonguay and Messina, 2022; Liew and Hassan, 2021) are frequently used by researchers.

Instagram, the fourth most popular social network worldwide (Statista, 2022), is also a significant example of social media usage for marketing purposes (Fatanti and Suyadnya, 2015), gastronomy occupying a special place (Vila *et al.*, 2020). According to key statistics for 2022, published by Sprout Social (Chen, 2022), brands choose Instagram, in the first place, to post their images (75% of the content published represents single images), followed by Facebook (images account for 61% of the content published) and Twitter (only 47% of the brand contents are single images).

Among the categories most present in the images published in Instagram, research evidence shows, for example, that while 'product' category is present in many cases (Ginsberg, 2015), brands' differentiation comes from other categories, such as, the social dimension of the food ('people and product'), the consumer-food individual interaction ('person and product'), consumer entertained engagement with the brand ('humour and product') or the identity ('lifestyle') (Ginsberg, 2015). García Heche (2018) found that cultural values and leisure experiences are among the most promoted categories by Spanish food markets' images, and the food markets which are more active in social media are also the ones better ranked in TripAdvisor.

This research has a two-fold objective: to identify which 'cheese meanings' are most visualised in social media (e.g., Instagram) and how is the positioning of cheese manifested; and to understand how 'cheese meanings', as a non-human actor and, by extension, the marketing communication strategies based on food experiences, contribute to the construction of a destination (Ren, 2011), by enhancing a 'sense of place' focused on cheese.

METHODOLOGY

The method is focused on a content (Gillian, 2007) and semiotic analysis focused on the process of category development (Constas, 1992), in the context of a visual research design (Spencer, 2010). At a first stage, a content analysis is carried out to define the categories that inform the pictures published in Instagram pages of Spanish quality cheese labels. At a second stage, we perform a semiotic analysis to identify the meanings attached to 'signs' (Peirce, 1991) in the context of social media visual materials. The sample included 10 (out of 28) official Spanish cheese quality labels with active Instagram accounts, and data collection included the posts from the creation of each Instagram account until June 2020 (N=2,229 total posts). A preliminary test was performed, with the case of Manchego cheese, to identify the attributes and pre-define the categories, to ensure that all elements illustrated in the posts were included. As a result, six main categories were identified: 'product', 'natural heritage', 'people', 'cultural heritage', 'events', and 'miscellaneous'. In addition, twenty-four mutually exclusive sub-categories were also defined.



RESULTS AND CONCLUSIONS

Results show that 'product' (38.6%) representation takes the lead, confirming existing evidence (Ginsberg, 2015), followed by 'natural heritage' (10.1%), 'people' (9.1%), 'cultural heritage' (8.3%) and events (6.0%). Thus, the marketing of cheese brands promotes both the consumption of cheese and the desire to visit its place of origin. Moreover, the analysis of the 'miscellaneous' category (28.0%) shows that brands rely mostly on their 'own promotion' efforts (19.8%), rather than the promotion made by others (1.1%). Data also show that, except for one cheese label, all exhibit the awards and prizes won (2.6%) to increase brand value and reputation. Solidarity items (0.5%) have a scarce presence indicating that sustainability and social issues need more visibility in social media. Overall, data show that an enormous potential exists to better reflect cheese as a local identity factor and enhancer of a destination's attraction. From this perspective, the results could expand the understanding of cheese-based social media marketing by intertwining it with food (cheese)-based tourism as a factor of destination marketing.

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PRAY, EAT AND DRINK. THE ART OF SLOW HOSPITALITY AND TOURISM IN PANNONHALMA

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Abstract:

This paper investigates the possibility of developing religious tourism in the context of slow tourism. Religion has always been a motivation for travel and is more popular than ever, showing signs of hypertourism. However, this issue related to religious tourism has yet to be addressed in scholarly work. This research presents the case of the Benedictine Monastery in Pannonhalma, Hungary, which has a well-functioning monk community managing a school, running a publishing house and a winery, as well as producing quality food and cultural products. They also organize cultural and natural events and tours to attract visitors to the area. This paper examines the hospitality and tourism offerings of this Christian order using the four-pillar slow tourism model prepared by the author. It aims to show a viable option for other religious orders to stay relevant in our society today by embracing the entrepreneurial spirit while maintaining the core activity of spiritual guidance and faith education intact.

Keywords:

religious tourism, slow tourism, voluntary simplicity, entrepreneurial spirit.

INTRODUCTION

Today's society is accelerating at an unprecedented pace with no evident signs of slowing down. However, when there is a mega trend, there is always a micro trend that can be a niche, a special interest, or an alternative perspective within the realm of tourism. As an antidote to the speed culture, the concept of slow has gained widespread recognition, popularized by Honoré (2005), as well as the Slow Food and the Città Slow movements established in Italy in the 1980s. In the field of tourism, slow tourism has been defined by various scholars, including Dickinson & Lumsdon (2010), Lumsdon & McGrath, (2011) Caffyn (2012), Fullagar *et. al.*, (2012), Pécssek, (2014, 2018) and Clancy, (2017) among others. However, the slow concept has not previously been associated with religious tourism. While it is true that religious travels such as pilgrimages have naturally been slow, the acceleration of modern life has also impacted our spiritual needs and preferences. Alongside traditional long walking pilgrimages, alternative mini pilgrimages have emerged, incorporating mixed types of transportation and shorter journeys. Some religious attractions have become so

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popular that they are struggling to manage the tourist influx. Using the example of Pannonhalma, this paper illustrates how a religious order can get relevant today by reverting to traditions such as manufacturing food products, organizing programs and enhancing the tourism potential of their hometown.

LITERATURE REVIEW

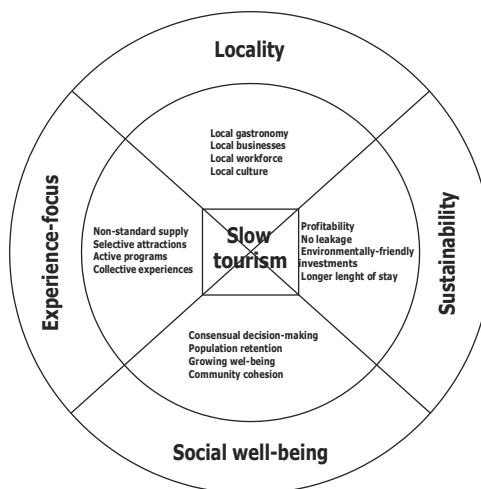
Trends and countertrends in society

The acceleration of modern society has been a focal point in contemporary academic discourse for decades, resulting in a wealth of literature connected to overwork, which in turn, has led to social ailments, including overconsumption. This phenomenon has given rise to the McDonaldization of society, where uniqueness disappears (Ritzer, 1993). Unfortunately, the technological acceleration has not provided more leisure time, resulting in more depression, burnout and alienation (Harmut, 2013). Simultaneously, a countertrend called downsizing (Hamilton and Mail, 2003) has emerged. It involves accepting a lower income and a reduced level of consumption, in exchange for more time and freedom to pursue other life goals, such as spending more time with family, personal time, self-actualization or spiritual exploration. Downsizing is associated with voluntary simplicity, which involves decluttering one's life (Ballantine & Creery 2010), and generally seeking non-materialistic sources of satisfaction and meaning (Alexander, 2011). Among the various discussions on voluntary simplicity, the most accepted concept is when it is used as a sustainable alternative to overconsumption (Burgiel *et. al.*, (2015) rather than as an equivalent to living in poverty or renouncing all the advantages of science and technology, and it is with no relation to eccentric outsiders (Alexander, 2011), living on the fringe of society.

Fast tourism and slow tourism

According to the Hungarian Statistical Office (KSH, 2022) the average length of stay in the EU27 is 3.1 nights, while in Hungary it is 2.6 nights. Ireland notably increased its average length of stay from 2.2 days to 3.9 days between 2000 and 2022, whereas Cyprus experienced a decrease from 6.9 to 4.6 nights. Considering that 963 million people took trips in 2022 (Statista, 2023), it indicates that many people spend very few nights at a destination. The dichotomy of fast and slow can be observed in religious travel as well, as pilgrimages were originally strenuous journeys in the Middle Ages. As society has become faster, so have religious travels. These days, both visiting Vatican City by plane and the long walk of Kumano-kodo pilgrimage are popular pursuits. The slow tourism model (2014) aims to provide a tool for professionals to assess their touristic offerings against the elements of the model (Figure 1.)

Figure 1. Slow tourism model.



Source: Pécsek, 2014.



METHODOLOGY

Pannonhalma Archabbey was chosen as a research site because, through its example, it can illustrate how a UNESCO World Heritage Site of religious nature can be successfully developed and managed. A qualitative approach was employed, using autoethnography to create an illustrative case study. The study utilizes the slow tourism model of Pécsek (2014) and critically assesses the offerings in Pannonhalma against those criteria. The carefully selected factors of the model enable scholars to conduct replicable research related to the planning, management, and promotion of religious tourism in a sustainable way.

RESULTS

The autoethnographic account yielded the following results:

Locality – Archabbey produces various types of food products (liquor, chocolate, tea, wine), as well as cosmetics and books, all made from local resources. It employs over 300 people, equivalent to a medium-sized company in Hungary, which makes it a substantial employer.

Experience-focus – Each of the programs offered can be enjoyed in groups. In addition to the typical guided tours in the buildings, the labyrinth symbolizes repentance and the path to salvation; navigating through the maze provides a unique experience. The scent museum and the herbal garden offer herbs beneficial for both body and soul. The inn exudes a spiritual simplicity set amidst a forest.

Sustainability – The natural surroundings include a 22-acre garden, home to over a thousand species of plants and nearly 150 bird species. Walking, horse-riding, and cycling are ideal ways to explore the neighbourhood, all of which are zero-emission modes of transport. The local production and the employment of the local workforce make the Archabbey economically sustainable. There is no leakage, profits stay within and can be allocated according to the wishes of the monastery.

Social wellbeing - The town of Pannonhalma with its 4,000 residents revolves around the Archabbey, its programs and products. Without it, tourism traffic would be negligible. Job opportunities provided by the Archabbey contribute to retaining the town's population. The availability of healthy products directly benefits the residents, and the popularity of the order provides locals with an incentive to work together.

CONCLUSIONS AND DISCUSSION

The existing slow elements contribute to the strong brand of Pannonhalma as a religious tourism destination. Thanks to the variety of the local products, visitors can take home several gifts as a reminder of their visit (Wilkins, 2011), which is key for repeat visits and word of mouth advertising. Authenticity and aesthetics influence buying behaviour in a positive way (Meitiana *et. al.*, 2019). The unusual experiences strengthen the authenticity angle and contribute to reaching a state of flow conceptualized by Csikszentmihályi (2021), realizing the interdependence of human and nature. Environmental and economic sustainability allows for long term planning, crucial in tourism where the return on investment takes longer. The well-being of locals ensures the nonconflictual relationship between visitors and locals.

This paper explored the possibility of developing religious tourism within the context of slow principles. The topic is more than timely, considering that the originally slow religious tourism has been showing signs of hypertourism. It is a dangerous path as this trend can undermine the spiritual experience, which is the core motivation for visiting these destinations in the first place. Using the case of Pannonhalma, the study proved that applying the author's slow tourism model can make religious destinations more versatile in their demand, which can result in a branded destination that can be more resilient amid the volatility of tourism trends.



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