

Belgrade as a tourism destination: strategic management aspects

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Abstract: - The paper presents the key strategic management aspects of tourist destination. Special attention is given to planning the development of tourist destinations as a critical stage of the process of strategic management. Starting from the key elements of the market offers a tourist destination, the paper briefly described the basic variables of strategic aspects of tourist destinations in the function of achieving the strategic goals of a tourist destination. Starting point in the work are visitor tourist destination, their characteristics, needs, preferences, requirements and wishes.

Key words: - Belgrade, tourist destination, tourist, strategic management, product, services

1 INTRODUCTION

A tourist destination is a geographical location which possesses an attractive, communicative and receptive tourist supply that satisfies the tourist needs of its consumers. In order for a geographical location to have the status of a tourist destination, the decisive factor is not its size or geographical boundaries, but the ability to attract tourists and meet their needs.

A tourist destination consists of number of components, such as:

- Attractiveness – ensures the tourist motivation for visiting the given tourist destination
- Specific service - accommodation, food, entertainment, amusement, recreation and other services at the given destination
- Access – development and maintenance of transport infrastructure providing access to the tourist destination as well as visiting particular tourist attractions at the given destination

- Availability – advance-created package arrangements by the travel sales intermediaries and their agents
- Activities – all the available activities at a given tourist destination which will be at consumers' disposal during their stay
- Support services – marketing development activities carried out by destination organizations so as to meet the tourists' needs.

By combining the mentioned components of the tourist destination one or more tourist products is formed.

Specific features of marketing in tourism come from specific characteristics of tourist supply and demand, as well as the process of buying and usage of tourist products and services. Specific presentation of marketing activities on tourist market, as opposed to other markets, is also contributed by: the pluralism of decision making centers inside marketing activities; the complexity of tourist product; and continuous effect of uncontrollable, as well as controllable factors of

marketing environment, which effect initiated marketing activities and put upon the need to search for alternative solutions for emerged marketing problems.

Conceptual framework for management of tourist destination marketing includes: analysis of changes in marketing environment, mission formulation, defining marketing goals of tourist destination, product portfolio management of tourist destination, formulation of strategy to segment the market of the tourist destination, selection of target market for products of tourist destination, positioning of products of tourist destination, creation of marketing programme, marketing plan formulation and performance control of tourist destination and marketing control.

The six key products of Belgrade as a tourist destination are: business tourism and MICE business, city holiday, round tours, events, special interests and nautical. Business tourism product includes individual traveling to certain destinations for professional reasons, and MICE (Meetings, Incentives, Conferences, Exhibitions) includes an organized trip whose main theme meetings, incentive travel and participation in fairs, exhibitions, conferences and the like. Belgrade is a destination that has a long tradition of business tourism. Historically, even in 1989. the SFRY was in a group of 25 leading tourist destinations in the world, Serbia's participation in the realized number of foreign tourist nights amounted to only 3%, of which the greatest number referring to Belgrade due to the business and congress tourism.

city holiday is based on short visits to cities, and the main themes of these trips are historical heritage, culture, shopping, events, gastronomy and entertainment. Circular tours related to vacations that include the arrival of tourists by bus or by plane, train or car less often, and then visitors start the tour, usually with a specific theme. Belgrade is also home to prehistoric monuments, Roman, Byzantine, Serbian medieval, Ottoman and Austro-Hungarian Empire.

Events are the activities of limited duration that are usually repeated every year at certain times. Beograd has already hosted many international events (FEST, BITEF BEMUS, Marathon, Carnival ships, the European Heritage Days, Beer Fest), national (Open Heart Street et al.) and local

(number of events in the suburban municipalities) importance.

The Danube is the most popular rivers for the development of nautical.

2 Change analysis in the marketing environment of tourist destination

In order to be successful, the tourist destination must use its resources, abilities and favourable opportunities from the environment to create the maximum value. The analyses of the marketing environment enables the tourist destination to meet the tourists' needs better than its competition.

The overall evaluation of strengths and weaknesses, opportunities and threats of the tourist destination represents a SWOT analysis (Strengths, Weaknesses, Opportunities, Threats Analysis). The main goal of monitoring the environment is discovering of opportunities. A well done SWOT analysis prevents the overlooking of the potentially good opportunities and also enables making decisions that will strengthen the tourist destination. A marketing opportunity is the area of tourists' needs and interests in which there is a great probability that the tourist destination can satisfy something there isn't enough of.

SWOT analysis of the competitive position of Belgrade¹

Strengths	Weaknesses
<ul style="list-style-type: none"> - The favorable geographical position - The position on the two international navigable rivers - The "new" destinations in the world market - Rich cultural and historical heritage with a specific mixture of the influence of Europe and the Far East (east and west) - High quality and diverse entertainment and nightlife 	<ul style="list-style-type: none"> - The absence of so-called the city cards (City Card) - Lack of destination management organizations - Lack of capacity utilization for the MICE - A small number of low-cost flights - A small number of accommodation facilities - A small number of appropriate categories of hotels - Inadequate presence of Belgrade hotels in international booking systems

¹ Survey of Tourist Organization of Belgrade

Opportunities	Threats
<ul style="list-style-type: none"> - Positive development of political and economic situation, - Improving the image of Belgrade and Serbia as the tourist destination - Attracting foreign investment and increased investment in tourism infrastructure development - Positive developments in the foreign tourist demand - Increase number of hotels in the international hotel chains - Increasing the volume of accommodation facilities and competition among the accommodation facilities which will lead to lower prices of accommodation - Establishment of a number of low-cost flights as well as intensify development of other modes of transport 	<ul style="list-style-type: none"> - The global economic recession over the next few years - Unstable political and economic situation in the country and the region - Over-emphasis on administration policy development in each domain offers

The threats in the environment arise due to unfavourable trend or development, that may lead to fall in sales or profit, in the absence of defensive marketing activity. The threats may be classified according to seriousness and probability of occurrence.

The quality of SWOT analysis is the function of a "situation overview" quality. A superficial and inadequately conducted "situation overview" has as a consequence an insignificant SWOT analysis.

When the strength of a tourist destination is being observed, its relative competitive strengths must be analyzed as well, that is, the means and sources referring to these strengths and not only the activities that tourist destination is good at. Also, when the weaknesses of the tourist destination are being observed, the relative competitive weaknesses should be taken into consideration, that is, the degree of vulnerability of the tourist destination compared to its competitors.

The main characteristics of Belgrade are:

- the most attractive city in the Balkans for its cultural and historical attractions, the combination between ancient and modern, the city that lives 24 hours, the city that gives the feeling "at home", an open city in the field of tourism, an important maritime point, a center of tourism trends for tourists who want to visit countries in the Balkans and SE Europe, appealing to different groups, open to all people, able to respond to the challenges of the future.
- cultural and historical heritage, the city of congresses and fairs, the city of sports and cultural events, the city of green zones and eco-tourism, the city of short-break holidays, the town where the river as tourism potential is fully exploited, the city of entertainment.
- the city where life is regulated in accordance with law and regulations, safe town, in a stable political and economic environment, problems with the settlement infrastructure (clean, orderly, with a rugged transport, with more bridges, subway, parking lots and signs on several languages)
- Easily accessible to foreign tourists, improved all aspects of international transport (road, rail, especially waterways, low-cost airlines)
- Multi-increasing number of accommodation facilities for all categories, tourist signs improved, information centers as a function of tourists, the increased number of agencies with educated staff.

3 Strategic planning of the destination

The process of efficient planning includes: formulating a mission of the tourist destination, determination of goals, identification of time period and a way in which these goals are to be achieved as well as the appointment of the persons responsible for the realization of the relevant marketing tasks.

A mission of the tourist destination is in fact the purpose of the tourist destination, that is the goal which should be achieved by tourism development in the specific location. The mission of a tourist destination should be: realistic, specific, based on the particular abilities as well as motivating².

The nature of a business mission depends on a number of different factors. However, when defining a mission, it is necessary to consider the following factors: a business history of a tourist destination, distinctive competencies as well as

² Kotler, Ph. et al. (2006), *Osnove marketinga*, Mate, Zagreb, p. 53.

marketing environment. When defining a mission, naming of products and services should be avoided.

When the tourist destination carries out the SWOT analysis, it can continue with development of the appropriate marketing targets/goals for the plan period.

Strategic goals of tourist destination marketing are:

- Obtaining an optimal benefit from tourism and recreation, and achieving economic prosperity, full employment, and regional economic development
- Enabling a long-term development for the local community, from this tourist development
- Maximizing the satisfaction of the tourists
- Building and enhancing the awareness and knowledge of tourist and locals about the geography, history, demographics, and natural potential of tourist destination
- Protection and preservation of cultural and historical heritage and environment
- Enabling the compatibility of tourism, recreation and other activities with the rest of national development goals
- Stimulation of other sectors to develop interest in tourism.

Effective marketing strategy implies doing the right things. A good marketing strategies should: identify specific goals that a touristic destination wants to reach, point to the resources (money, time, people), which will help achieving the goals of a tourist destination, include detailed assessment of marketing environment, harmonize environment conditions with the resources of the tourist destination and focus on delivering a superior value.

Growth strategies are based on creating new products or penetrating new markets. Growth strategies are: placement of existing tourist products on the existing market (market penetration), placement of existing tourist products on new markets (market development), placement of new tourist products on the existing market (product development), placement of new tourist products on new markets (diversification).

Every marketing strategy starts with an assortment of products and services, and implies decisions

about introducing, development or eliminating products from that assortment. Common used techniques and concepts for portfolio analysis are: BCG matrix, GE matrix, and the concept of product life cycle.

Offensive strategies include: growth investments, market position improvement, and entering a new market. Defensive strategies imply maintaining and the improvement of existing market position.

4 Program formulation and implementation

Every tourist destination has its own approach to devising a marketing plan and there is no uniform approach to it. However, a good marketing plan must include following³: logical structure; explicitly defined goals which are linked to corporative goals; analysis of (micro and macro) environment and of current position of tourist destination; defined combinations of products and markets in “product-market” matrix; certain decisions, regarding key marketing variables, such as prices, promotion, and positioning of products; and a draft (a short description) of appropriate methods for implementing of chosen strategy, including its allocation onto different elements of marketing programme.

Marketing plan of a tourist destination should ensure efficient allocation of destination’s resources, to focus the activities of a tourist destination, and to serve as means to control the results and the resource management. The implementation of a marketing plan is an operative activity that includes human resources and corporate processes management aimed to fulfill planed marketing activities.

Effective financial control is of crucial importance for the credibility of a marketing plan, ie. it has a key role in functioning of marketing as a whole.

At marketing management of a tourist destination the realization of planned goals is controlled, as well as marketing programs and performance resulted from tourist activities at the destination. The control needs to be enforced so the process of marketing management of a tourist destination is indeed in function of its long term sustainable development. The control process is based on creation of control standards, assessment of the results achieved, comparison of achieved results with control standards, defining the allowed deviation interval of achieved vs. planned results

³ Ibid, p. 94.

(tolerance interval), initiation of corrective actions in case the results are out of the tolerance interval. For this process to be efficient, a double control system needs to be created, which includes the system of tourism performance control and the system of marketing control.

5 Conclusion

The benefits of marketing management of a tourist destination are reflected through following:

- Better understanding of needs, requirements and desires of visitors to a tourist destination
- Achieving a better competitive position of a given tourist destination
- More adequate analysis of competitiveness on the tourist market
- More efficient resource allocation and achieving scale economy
- Creating a sophisticated tourist product portfolio
- Strengthening of tourist destination's image
- Improved tourist awareness of tourist destination's offer
- More efficient delivery of tourist destination's products
- Increasing level of knowledge of supplier as well as of consumer of tourist products and services

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