

SERBIA'S COMPETITIVE POSITION IN THE REGIONAL TOURISM DESTINATION MARKET

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Abstract:

Today's global tourism destination marketplace is all about striving to attract new or repeat visitors, fulfilling their expectations, attracting them to talk about their positive experiences and motivating them to expand their expectations. Consequently, countries are looking for ways, tools, practices, and marketing strategies to track and guide their activities in order to achieve the desired performance levels. Tourism represents a significant source of wealth in many countries, while for others it is still an undeveloped opportunity and unutilized economic resource. Serbia is located in the middle of the tourism bonanza with substantial growing opportunities. However, there is an ongoing pressure from the stakeholders to examine the Serbia's position in the destination marketplace and determine if Serbia is maximizing its competitive position in the region and globally.

The paper analyzes a competitive position of Serbia as a destination in the regional tourism market and how it measures up against its neighbors. The regional market includes Serbia's neighboring countries enhanced by Austria, Slovenia and Greece to provide a better view of the competitive landscape of the Southeast European region herein called "Extended Balkan". The region has a population of 90 million with the economic activity of \$1.1 trillion. Annually, the region attracts 90 million foreign visitors who spend about \$70 billion. The fact that Serbia with 7% of the region's population attracts less than 2% of visitors and revenue calls for evaluation of its competitive position and analysis of its practices in the tourism destination market.

The gap and IPM analysis is applied to the selected number of global secondary indexes to highlight the differential effects that impact Serbia's position in different domains and categories, which in turn, has a profound effect on Serbia's ability to attract, delight and retain visitors. The

gap analysis shows that Serbia significantly falls behind the region in 29 out of 33 indicators. The IPM analysis shows the areas in which Serbia falls behind are significant factors in determining Serbia's position in the tourism destination market. The negative outlook is particularly evident in the levels of foreign receipts and arrivals, tourism contribution to GDP, and the national brand value.

The analysis shows that economic center of gravity points to the above average performance on the outskirts of the region and the gap in the middle with two countries, Macedonia and Bosnia and Herzegovina, falling significantly behind. Furthermore, the analysis shows that Serbia lacks a comprehensive positioning strategy for creating, managing, monitoring and tracking its position in the region and globally. In particular, the underperforming areas that need improvement are awareness, attractiveness, contribution to GDP, value and strength of its country's brand, reputation, sustainable practices, corruption, legal and business climate, innovation, ease of doing business, human development and competitiveness. The overall suggestion is that Serbia needs a more holistic approach with an integrated synergy mechanism to maximize the effects of its different resources and programs in order to improve its position in the region.

The emphasis of this theoretical paper is on the concept and methodology rather than on the selection of indexes. As the Internet makes global data readily available, there is a growing trend among academics, scholars, researchers and practitioners to benefit from high relevancy of the global indexes. On the other hand, IPM method allows for flexibility in mixing and matching different indexes with the specifics of a particular country. The paper caters to both practitioners and academics by contributing to the literature on destination competitiveness through the lens of the positioning theory.

Keywords:

gap analysis, destination positioning, destination competitiveness, importance-performance map.

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