



**CONTEMPORARY TRENDS  
IN TOURISM AND HOSPITALITY, 2011**

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# CONTEMPORARY TRENDS IN TOURISM AND HOSPITALITY, 2011

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## **TOURISM DEVELOPMENT STRATEGY AND PLANNING FOR INVESTMENTS**

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Development plan with aim promotion of a place is the principal planning policy and it recognizes that achieving a regeneration is dependent on creating an attractive and safe environment by using high-profile projects. This benefits the existing residents and businesses and also attract new investments. Destinations face increasing pressure to raise their “place identity” in order to position themselves competitively in the global context. The focus of this paper is on tourism strategy for development a tourism destination using high-profile projects, how to improve physical environment and promote it as an attractive and enjoyable place to visit, to invest in, and to live in.

Taking in view the Poon concept and the WES approach it is shown how new tourism changes the rules of the game and calls for new strategies to ensure competitive success. The more rapid the changes are, the more important becomes strategy formulation and implementation. The aim is, also, encouraging business investment and business activity where is required the implementation of these strategies for developing tourism destinations.

**Key words:** flagship projects, tourist strategy, tourism development, destinations, investments

### **Introduction**

Tourism is a factor for development. Evidence confirmed that tourism can be a major player in the transformation of the economy and the promotion of sustainable development. Tourism prospects are closely tied to general economic prospect. The contact with the modern creation helps in the understanding and profound knowledge of habits, tendencies, ways of thinking of the indigenous, and in the conscience that the world is not limited to our only personal area of activity. Also it could be discussed how to develop tourism plans. It is important to formulate a plan and techniques how to use it, how to incorporate it, the importance of this plan and the influence of area characteristics on planning. Therefore, it is maken a brief historical background of the country or region, existing national and regional development policies, plans and programmes, with evaluation of their influence on tourism development, and cultural patterns of traditions, religious and social values and other relevant characteristics, and effects of development on cultural traditions and values. Another important thing is underlining the essential meaning of tourist attractions and activities, and their improvements. These understand the survey and inventory of existing and potential attractions and activities, evaluation of the tourist attractions, recommended improvements required of the attractions.

Many studies suggest that cooperation programmes and high-profile projects will support the efforts of a destination to improve benefits for the development and implementation of sustainable tourism policies and programmes.

## **Changes in tourism**

If the process of achieving sustainable forms of development in a growing tourism industry is a formidable challenge, the task takes on additional dimensions when set against the many forces for change facing the industry as it moves into the next century. Tourism can be a very volatile industry, sensitive to changes in perception and taste, and to altered biophysical, economic or political circumstances (Long 1993). Thus the theme of change is permanent on the tourism scene. Much research interest focuses on the responses of tourists and tourism to changing socioeconomic circumstances, to political, cultural and attitudinal changes, to improvements in spatial awareness and communication, and to growing environmental concern for sustainability.

So, tourism is a highly sensitive and vulnerable activity. People are free to choose to become tourists and to decide location, timing, duration, mode of travel, activities and costs to be incurred. Any one of these attributes may be modified or dispensed with by unforeseen or uncontrollable factors. The process of choice is imperceptibly influenced by pervasive adjustments to lifestyle, social mores, traditions and culture. In a world marked by multiplicity of change agents, the challenge of achieving tourism growth in a sustainable manner becomes an even greater concern.

## **Tourism and sustainability**

Also important issue is whether tourism destinations can contribute to sustainable development ideals. The original use of the term sustainable development involved meeting the needs of the present without compromising the ability of future generations to meet their own needs. In the context of tourism there is no clear understanding of what the needs of the present generation are, let alone comprehending what the needs of future generations may be.

One of the key difficulties facing most tourist destinations, particularly the older destinations, is that they are not easily capable of becoming sustainable because of the inherently dynamic nature of tourism. Most destinations, have evolved, and contain remnants of previous lives, either as communities not involved with tourism, or involved with a different form of tourism, and are in a constant state of change. Many of the older ones have still not yet completely accepted the automobile, and find many of their attractions are suffering because they were designed for or modified to accommodate a different type of tourist practicing a different type of tourism. Once a destination has been developed so greatly or so rapidly that it has exceeded its innate capacities, in terms of factors such as its ability to accommodate economic expansion and visitor expenditures, physical demands for space, demands for other natural resources such as water, beaches, and wildlife, and the tolerance of local residents to change and disturbance, it is unlikely to be able to remain attractive to generations of future tourists without massive investment and redevelopment.

The attitude and actions of the tourism industry and many elements of the public sector in many countries have meant that it is easier, cheaper and more beneficial in the short term to develop a new destination than it is to redevelop and renovate an old one.

## **Implications of technological innovations**

Also important thing to mention is that technological innovations have their influence on the tourism development. Technology is a powerful influence on modern tourism.

Tourism, as with many other sectors of the economy, has experienced the shock of technological change. Improvements in transport and communications have decreased the friction of distance and made the greater part of the globe accessible. The advent of long distance, large-capacity aircraft has made mass tourism a reality at the international scale, and with it the capacity to make or break intermediate points on air routes. High speed, computer-based communication and reservation facilities are now an integral part of the global tourism network. Perhaps the most exciting and powerful tool of technology has yet to impact fully on the tourism scene by way of the Internet's World Wide Web. Internet offers the facility to select tourism sites and activities based on complete product information, and the promise of a fulfilling tourism experience, yet in a sustainable environmental context. To some, the technology is seen as dehumanizing, with online images poor substitutes for reality and authentic experiences. Hawkins (1995) points also to user confusion and dissatisfaction, as well as the lack of trained specialists, cost, and questions of security on the Internet, as issues to be addressed in harnessing these technological tools for the benefit of tourists and an ecologically sustainable tourism industry.

## **Competitiveness and tourism development**

According to Ritchie and Crouch (2000), the fundamental product in tourism is the destination experience. Competitiveness in tourism can be described as the elements that make a destination competitive. Ritchie and Crouch (2003) define as its ability to increase tourism expenditure, to increasingly attract visitors while providing them with satisfying, memorable experiences and to do so in a profitable way, while enhancing the well-being of destination residents and preserving the natural capital of the destination for future generations.

Some sort of these elements are found in the Poon (1993) and WES (1994) approaches.

Competitiveness has become a central point of tourism policy. As competition increases and tourism activity intensifies, tourism policy focuses on improving competitiveness by creating a statutory framework to monitor, control and enhance quality and efficiency in the industry, and to protect resources (Goeldner *et al.*, 2000). Ritchie and Crouch (2002) wrote that models should not be used to make a decision; they assist in decision making but should be no substitute for the role of the decision maker.

## **Poon concept**

Poon (1993) emphasizes the changes in tourism when she compares new tourism with old tourism with respect to consumers, management, technology, production and frame conditions. According this concept, new tourism changes the rules of the game and calls for new strategies to ensure competitive success. The more rapid the changes in the firm's environment, the more important becomes strategy formulation and implementation. The travel and tourism industry is undergoing rapid and radical transformation. Therefore, competitive strategies are more important than ever for the survival and competitiveness of industry players. These generic strategies, although relevant, are, for her, inadequate tools to explore competitive success for tourism players. Poon's central thesis is that "Innovation – introduction of new products – is far more important than low cost, differentiation or focus".

The Poon concept of competitive strategy has two dimensions: a micro- and a macro-level. She deals with competitive strategies for industry players and strategies for tourism destinations.

## **a)Competitive strategies for industry players**

New tourism changes the rules of the game in the industry and calls for new strategies to ensure competitive success. The author has identified four key principles of competitive success, and for each there are a number of strategies.

First principle is named as “put the environment first”. Strategies that should be implemented are:

- build responsible tourism;
  - foster a culture conservation;
  - develop an environmental focus.
- Second principle is “make tourism a lead sector” which include:
- develop tourism’s “axial” potential
  - adapt strategies of development
  - develop the service sector.

Making tourism a leading sector deserves special attention. Tourism can activate a lot of services and activities, such as car rental, food, crafts, souvenirs, construction, incoming tour operating, etc. Special attention should be paid to avoid leakages. In many destinations, local vegetable production or fruit growing can replace imported products on condition that the local producers can assure a regular supply, with the necessary quality and without too many price variations.

Third principle is “strengthen distribution channels in the market place” and include:

- ensure adequate air access;
- transform the role of NTOs in the market place;
- focus on the product development at home.

Fourthly, public–private partnership at destination level is a necessity if an effective tourism policy is to be achieved, to encourage all efforts in the same direction and gather together the necessary financial means to implement a strategic marketing plan. Also at destination level, quality management is considered to be a basic strategy. Governments must take steps to establish and enforce standards and to stimulate quality planning at the destination level. These strategies are:

- don’t be afraid of new tourism;
- let quality be the guide;
- build public/private sector cooperation.

## **WES approach**

Competitiveness was defined as a destination’s capacity to reach its objectives in the long run in a more efficient way than the international or regional average. This means that a competitive destination is able to realize a higher profitability than the average, with low social costs and without damaging the environment and available resources.

From the beginning, a clear distinction was made between indicators of competitive performance, and factors that contribute to competitiveness. The former are historic measures that describe how a destination has performed in the past. For most of these indicators, market shares can be derived. The latter are capabilities or conditions that it is believed will contribute to or detract from the ability of a destination to be competitive in the future.

The WES approach originated in a demand by the Inter-American Development Bank for the analysis of the competitive positions of a number of countries in the Caribbean area. Special attention was given to explaining the differences in the competitive positions of these Caribbean destinations and to formulating how to improve these positions. Long-term competitiveness was the focus.

Typical of the WES approach is the attention paid to macro-economic factors. Application of multiple regression analysis shows the impact of the income factor on the generating markets and the real exchange rate.

Countries like the Bahamas and Barbados were found to be too expensive due to an over-valued currency. Fiscal policies in a number of Caribbean destinations were tourism-unfriendly. Heavy taxes on tourism necessary raw materials had a very detrimental effect. A second relevant factor – for the Caribbean – related to industrial relations. In the more traditional tourism countries of the Caribbean area, these relations were not good and were responsible for low room occupancy rates in hotels. Another relevant factor in the competitiveness of different countries was the presence or absence of a destination management or tourism policy in general.

Based on this approach, the conducted research suggest that not all destinations had the ability to or were prepared to respond to future growth products such as adventure tourism, eco-tourism and all-inclusive accommodation.

The WES approach reveals a number of decisive factors of competitiveness:

Macro-economic factors include these variables:

- income-generating countries
- real exchange rate
- availability and cost of capital
- fiscal policy(import taxes, cost price increasing taxes, taxes on profit, tourism tax, cruise tax)

Supply factors:

- tourist product (attractions, accommodation, price level)
- labour (availability, cost, quality and training)
- infrastructure (transport, public utilities)

Transport factors:

- availability of regular services
- availability of charter services
- availability of cruise services

Demand factors:

- market dependence
- penetration in distribution channels
- marketing efforts
- presence in future growth product markets

Tourism policy:

- institutional framework
- policy formulation
- planning capacity
- commercialization
- government budgetary support.

So, competitiveness has become a central point of tourism policy. As competition increases and tourism activity intensifies, tourism policy focuses on improving



competitiveness by creating a statutory framework to monitor, control and enhance quality and efficiency in the industry, and to protect resources.

Destination policy, planning and development (DPPD) and destination management (DM) are the other two categories in which innovation has crucial role for success in tourism development. Innovation can help to build up strategies for tourism destination. These strategies include: build responsible tourism; foster a culture of conservation; develop an environmental focus; make tourism a lead sector; adapt strategies of development; develop the service sector; strengthen distribution channels; focus on product development at home; build a dynamic private sector- don't be afraid of new tourism, let quality be the guide and build public/private sector cooperation.

In addition, DPPD is essentially an intellectual process that uses information, judgement and monitoring to make macro-level decisions regarding the kind of destination that is desirable, the degree to which ongoing performance and related changes in the nature of visitation and the physical character of the destination are contributing to the achievement of the kind of destination that stakeholders want. Destination management is more a micro-level activity in which all the stakeholders carry out their individual and organizational responsibilities on a daily basis in efforts to realize the macro-level vision contained in policy, planning and development. Contemporary tourism policy focuses on competitiveness and sustainability, which are also the major parameters of tourism destination management (TDM). Successful TDM involves economic/business management skills balanced with environmental management capabilities. Economic/business skills are those related to effective resource development and deployment. Strategic planning is the cornerstone of DPPD. For destination purposes, strategic planning may be defined as the process whereby an organization analyses the strengths and weaknesses with respect to the supply development and demand development, decides the position it seeks to attain, and defines strategies and programmes of activity to achieve the aims. It describes the process of developing long-term plans for tourism development and marketing. It should provide a common structure and focus for all of the destination's management activities.

As addition, Ritchie–Crouch model focuses on those activities that implement the tasks prescribed by the DPPD. As such, it seeks to enhance the appeal of the core resources, strengthen the quality and effectiveness of the supplying factors and resources, and adapt best to the constraints or opportunities imposed or presented by the qualifying and amplifying determinants.

In the model, destination management consists of nine components and recognizes the innovation as need for accesses goals:

1. Organization
2. Marketing
3. Quality of service experiences
4. Information/research
5. Human resource development
6. Finance and venture capital
7. Visitor management
8. Resource stewardship
9. Crisis management.

The DPPD component creates the framework for a competitive destination. So this involve the means of new way of thinking to make a success development in tourism by all participants on their own way.

Also, many attempts to assess tourism sustainability concentrate on measuring environmental and cultural heritage conservation to the exclusion of considering how and if, tourism can contribute to the enhancement of resident quality of life. Another point of view is to go on to outline an alternative approach to assessing tourism based on expanding the concept of yield to include a range of dimensions other than finance. Broader approaches provide a number of indicators that would allow tourism to be judged and compared to other development options in terms of its contribution to the improvement of a range of dimensions.

Needless to say, the analysed competition models are of a different nature. However, each of them has the merit of emphasizing one or more particular aspects:

- The Poon concept emphasizes innovation, quality and making tourism a lead sector
- The WES approach emphasizes macro-economic factors and tourism policy
- The Ritchie and Crouch model emphasizes destination policy, planning and development, and destination management.

#### I. The major competition variables by model:

Variable	Poon	WES	Ritchie-Crouch
Comparative advantage	+	+	++
Tourism policy	+	++	++
Strategic planning	+	+	++
Demand factors	-	++	+
Supply factors	-	++	++
Price	-	++	+
Innovation	++	-	+
Macro-economic factors	-	++	+
Exchange rate	-	++	-
Axis of development	++	-	+
Accessibility	++	++	++
Marketing	+	+	+
Image	-	-	++
Quality	++	+	+
Strategic alliance	++	-	+
Attractions	-	+	++
Supplying and supporting factors	+	-	++
Promotions	-	+	+
Human resources	++	+	++
Environment	++	-	++
Destination management	-	+	++
Qualifying and amplifying fact	-	-	++
Audit	-	-	++
Entrepreneur-oriented	++	-	-
Destination-oriented	++	++	++

Source:Poon(1993)

From the table could be concluded that competitiveness of a destination is not a matter of just one or two factors; tourism is a complex issue, and many factors are involved. The Ritchie–Crouch concept is by far the most comprehensive model, but WES models also contain a great variety of components. Poon’s concept is based on a large number of factors, but focuses more on typical factors such as innovation, quality and the role of tourism in the development of a destination, region or country. The Ritchie–Crouch and WES models have one common denominator. All emphasize strategic planning (tourism policy), attractions, supply and demand factors, and accessibility.

In addition to new ways to look at types of tourism development, such a change in thinking about tourism can contribute to two important changes in the planning and management of tourism in regional destinations — the use of a different set of assessment criteria for evaluating tourism development proposals, and more extensive use, of sustainability monitoring systems. The change in thinking about tourism and its potential role for development would change the focus of assessments of tourism development proposals to include audits of the value of the proposed tourist markets and the associated tourism distribution systems that would result from the proposed tourism development, for existing or desired nontourism products and services.

The second key change in tourism planning and management that would result from a focus on the potential role tourism can play in a broader sustainable development framework for a destination region is that of supporting the need for comprehensive sustainability monitoring systems. Despite a widespread recognition that a core element of sustainable development is the monitoring of different areas or dimensions of sustainability (Devuyt, D. and Hens, L. 2000 ), there has been little progress in the development and use of sustainability monitoring systems for tourism development (Choi, H. C. and Sirakaya, E., 2006; Ko, T.G., 2005; Twining-Ward, L. and Butler, R., 2002 ). Ko (2005) reviewed 12 studies where a sustainability assessment for tourism had been completed and concluded that the overall assessment was often based on the judgment of the author using a limited range of indicators with little discussion of how or why those indicators were chosen or how the indicators would be measured in a completed system. It can be further argued that few, if any, of the systems described in the tourism literature are based on the perspectives of the residents and/or other key stakeholders in the destination regions. In other studies, for example, are used tourism academics to determine a list of sustainability indicators to assess tourism development. Others looked at the perspectives of local tourism industry members on sustainability and tourism and found significant discrepancies between what the tourism industry respondents saw as the goals of sustainable tourism and the measures they selected as indicators (Hebestreit, C., *et al.*, 2005 ). The tourism industry respondents recognised the potential for tourism to contribute to a broad range of community development factors but selected mostly indicators of the economic success of tourism business.

## CONCLUSION

New forms of tourism bring with them new environmental challenges and more demanding standards for sustainable development. With ongoing expansion the tourism sector can expect to face increasingly stringent conditions on growth and development and be called upon to justify its claims on environmental resources with a firm commitment to their sustainable management. Rather than opposing change, or merely accepting and accommodating change, the tourism industry must take the high ground and help orchestrate and manage change to its advantage and that of the environment which nurtures it.

The process of development of tourist destinations has received relatively little attention in the literature, and conceptualization of the process has been very limited. There have been a large number of case studies of the pattern of development of destinations, but they have been based on a shallow theoretical foundation. It has been argued here that most tourist destinations experience an evolutionary process, although it is recognized that in the last decade or so there have been destinations established on a more revolutionary pattern, represented by sudden, rapid and major development quite different from what had existed in that location previously. The majority of destinations, however, have evolved from settlements and functions not related to tourism, but which have possessed features and attractions which have proved capable of drawing visitors. A model of the life cycle of destinations (Butler 1980) which incorporates the concept of carrying capacity is still felt to be a generally accurate, if in some cases incomplete, representation of reality for most destinations.

Tourism is dynamic, as are all the elements which comprise it. By adapting to accommodate changing preferences and types of visitors, destinations hope to remain viable and sustainable in tourism into the future. It is essential, however, that such change does not include such an overtaking and subsequent degradation of the resources which first attracted tourists that the destination loses all semblance of its former self, for few such destinations have managed to survive such a process in the extremely competitive industry that is tourism. Destinations which rely totally on completely contrived attractions are more vulnerable than most to competition, since such attractions can most often be developed at any location. Given the attraction to most consumers of new items and facilities over existing ones, new developments are likely to attract the market away from existing destinations.

A destination may then have the difficult choice of leaving tourism entirely, requiring a massive change in image projection and possibly infrastructure provision, as well as labour force retraining, or an equally massive change in marketing direction, in an attempt to attract a new form of tourism or leisure. It is clearly in a destination's best interest to try to remain attractive to tourists, and therefore sustainable, as long as possible. Anticipatory planning, community support, clarification of the effects and changes associated with tourism compared with other possible forms of development, and regulation and control of the rate, type and level of development, are all essential if destinations are to move towards sustainable development. Even then, the dynamics of tourism are likely to ensure that sustainability can only be approached, rather than permanently achieved.

Environmental considerations are not the only changes facing the uncertain world of tourism, although they may ultimately prove to be the most persistent and demanding through time. Tourism also needs conditions of peace, prosperity, freedom, security, and the absence of threats to health and wellbeing, in order to flourish. Dramatic events can alter the political geography of the globe; natural and human-induced disasters can destroy the attraction of established tourist destinations; severe fluctuations in economic circumstances can affect profoundly propensities to travel, as well as the viability of tourism business and the prospect of public sector support; technology in all its facets can alter irrevocably the spatial and temporal dimensions of tourism operations. Added to these uncertainties is the problem of long-term planning horizons for investment in tourism versus short-term decision making of tourists indulging in unpredictable and seemingly fickle choice behaviour. Advanced technologies, changed managerial behaviour, new environmental laws, better planning and development control procedures, and innovative environmental management systems will be critical means towards achieving and maintaining sustainable tourism while accommodating growth (Buckley 1995). Sustainable growth of tourism in a changing world is attainable given the commitment of all stakeholders—tourists, the community and the public and private sector.

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