

RESEARCH ON ATTITUDES OF TOURISM INDUSTRY IN FUNCTION OF DMO IMPLEMENTATION IN BELGRADE AREA

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ABSTRACT: *Destination Management Organization (DMO) is related to the management of the area controlled by the managers in the tourism industry that performs a detailed process of planning and organizing the destination. Although the establishment of the DMO as a form of destination management has not regulated by the Law on Tourism in the Republic of Serbia, in the world this concept has reached a wide range of implementation.*

With the aim of gaining relevant and useful data that is important for the development of tourist destinations, the survey of representatives from tourism industry was conducted in the Belgrade area. Structured interview was used as a method to analyze the current situation, and prospects of introduction of destination management organization. The main results and conclusions obtained in the survey, indicate that the implementation of new management models destination would emphasize a number of benefits deriving from public-private partnerships.

Key words: *destination management organizations, DMO, destination management, tourism industry*

PRELUDE

Tourist destination is a spatial area in which tourism activities are performed, tourist consumption is realized and demands and needs of tourists are met. It represents an important place for planning application and management strategy. Destination management organization i.e. Organization of management of tourism destination (DMO) is responsible for overall area management (planning, organization, controlling and leading/leadership) and for taking initiative in aim of reaching defined goals (Popesku, 2009). DMO is a most recent concept of organized functioning and destination man-

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agement and includes participants from public and private sector, that work by model of partnership in regards of representation and in regards of financing (Popesku 2009). DMO does not control activities of its partners, yet they associate their skills and resources (WTO, 2007).

Most of tourism theorists over couple of decades are dealing with subject of DMO, Kasper (1995) for an example, finds that DMO can promote cooperation and highest possible compatibility of goals within the destination, and by Franch and Marin it is possible to define destination management as strategic, organizational, operative strategy adopted to manage the process of defining, promotion and commercialization of tourist product. Howie (2003) finds that destinations from DMO angle represent complex challenges for management and development, and that they can serve tourist needs and other tourism affairs, that are related to tourism same as local population, businesses and industries. Bieger (1998), as well as Dore and Crouch (2003) point out that marketing is key area of DMO, but that it is not crucial for success of DMO, by their opinion competency and sustainable perspective are also important. Theoretic Heath and Wall (1993) think that DMO tasks are to form a strategy that represents interest of involved parties, destination marketing and codification of all tourist areas. We see that most theoretics agree that key components of DMO development is marketing, organization, management, connection, competency and sustainability, and that we work act in accordance to that.

This model of good practice is used by many developed market economies in their destination management. Correct functioning of tourist destination as a system implies determining the role and jurisdiction of greater number of participants from public and private sector as well as formulation of projects that unite their often conflicted interests. With that, public sector has a key role in securing rational use of public tourist resources and in equal cost distribution and benefit among all involved participants. On the other hand, private sector is a key factor related to tourism affirmation of destination. By grouping services of public and private sectors and creating an unified tourist market offer, better chances for attaching greater number of tourists and better services are created. Aim is to reach greater efficiency, ease capital access and distribute financial risks and deadline risks (Popesku 2009).

The draft Development Strategy of the City of Belgrade proposes creating DMO or as the draft defines „Organization for managing tourist destination“ as one of priority projects. Proposal to establish such organization is reasoned with need for establishment of management system in all segments of tourist offer, services and capacity, development, programming, economic and regional connectivity in tourism (Development Strategy of the City of Belgrade, 2008). It is considered that DMO represents a body for implementation of tourism strategy, offering apolitical continuity and integrity in process of destination development that saves the interests of whole value chain (Stange et al, 2011). Therefore, it is concluded that DMO should have long-term vision of destination development, clearly defines responsibilities and adequate operative structures, transparent and responsible decision making of local interest groups (Klimek, 2013).

Tourism Law of Republic of Serbia from 2009. did not predict forming of DMO while in the Development Strategy of the City of Belgrade as a conclusion and best possible

choice of destination management a transformation of Tourist Organization of Belgrade into DMO is suggested. Tourist Organization of Belgrade is a main service of City of Belgrade for presentation, development and promotion of touristic values of Belgrade in accordance with Tourism Law of Republic of Serbia regulations (Development Strategy of City of Belgrade, 2008), and it is currently main holder of informational and promotional activities at the City level.

However, newly formed DMO, as it is, next to promotion of Belgrade values and attractions, would actively encourage and further promote development of products and services of Destination Management Companies (DMC). According to the prevailing opinion of the World Tourism Organization (2007), DMO to date should not rely only on marketing, as it is necessary for DMO to be a strategic leader in the development of the destination.

We should have in mind that the development of any tourist destination there are more specific actors that can be called interest groups (stakeholders). Stakeholders and students can be considered as all those who have a direct interest, are included or are investing in the development of tourist destinations. The successful development of a tourist destination means that the needs of all stakeholders must be satisfied in the long term run through a process of strategic planning (Tourism Development Strategy of the Republic of Serbia, 2005). There are five main stakeholder groups involved in the development of tourist destination: local population, visitors and tourists, the tourism industry, public sector and other stakeholders, associating tourism and other industries, NGOs, various associations and interest groups at the local, regional and national level (Popesku, 2011). Sheehan and Ritchie have identified 32 tourism entities that have the benefit from DMO management and those are: hotels, hostels, other accommodations, the government (at various levels), attractions, population, restaurants, universities and faculties, local chambers of commerce, sponsors, etcetera. Authors Havard et al., (2013), find that in the process of developing tourist destination in addition to the role of the public sector, direct service providers play an irreplaceable role i.e., private sector is of equal importance.

DMO's are not only asked to play a decisive role in the context of assistance to local stakeholders to build a sustainable competitive lead, but also to build a competitive lead for the entire destination (Sainaghi, 2006). As one of the key stakeholders of the tourist destinations in the context of this study, attitudes of representatives of the tourism industry in connection with the introduction of DMO in the Belgrade area have been researched.

METHODOLOGY

The study was conducted from June to August 2015. The study has included 20 representatives from Belgrade-tourism industry. Sample structure was very diverse, from large hotel chains, private hotels, small hostels, receptive agencies, tourist guides, professional associations and private companies that provide tourism services.

The Study on the attitudes of the tourism industry on the introduction of destination management organization (DMO) in Belgrade was carried out with qualitative method

in the form of structured interviews that were composed of five questions. It was a direct interview where questions were grouped into two segments, where the first part referred to the assessment of the work of the Tourism Organization of Belgrade and its cooperation and relation with the tourism industry, while the second part referred to the reactions and attitudes relating the introduction of DMO, as a management model of Belgrade. It was decided that interviews should be anonymous to protect the privacy of subjects and for the sake of objectiveness of the study itself.

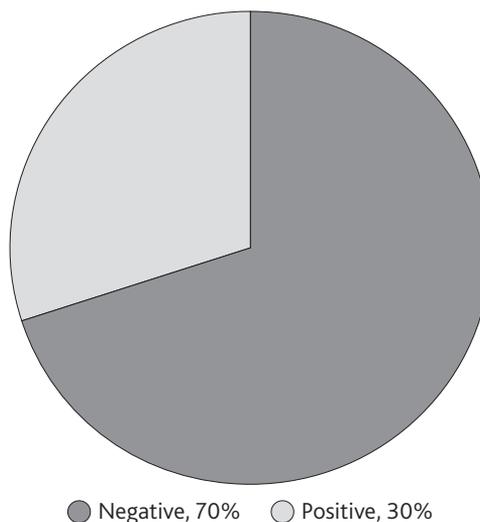
RESULTS AND DISCUSSION

Collected and processed answers of the respondents revealed the following opinions relevant to the researched issue in work.

On the first question: “How is your opinion on the work of the Tourist Organization of Belgrade (TOB),” the majority of respondents (70%) presented a negative opinion on the work of this organization. As the general issues cited were: poor promotion of the private accommodation, small hotels and hostels, insufficient number of qualified personnel expressed by the absence of adequate operational knowledge and skills of employees, lack of cooperation initiatives, a small segment of operation and unequal promotion of all business entities.

One of the respondents, as a response to the previous question stated the following: “TOB offers rentals “free” tourist maps, but their contribution to the experience of Belgrade stops there. On several occasions we have tried cooperating with them but in the end the organization fails and there isn’t a continuing program that

How is your opinion on the work of TOB?



Graph 1. First question

Source: Author study

can be offered to guests. Providing seasonal services is also a problem since the majority of tours that exist currently on offer are valid until the end of September. There is no substitute for the period beyond the summer season (from October to May). “

When it comes to experience in terms of cooperation with TOB respondents, the answers were quite diverse. The experience which is rated as unsatisfactory had 25% of respondents. One of the answers was:

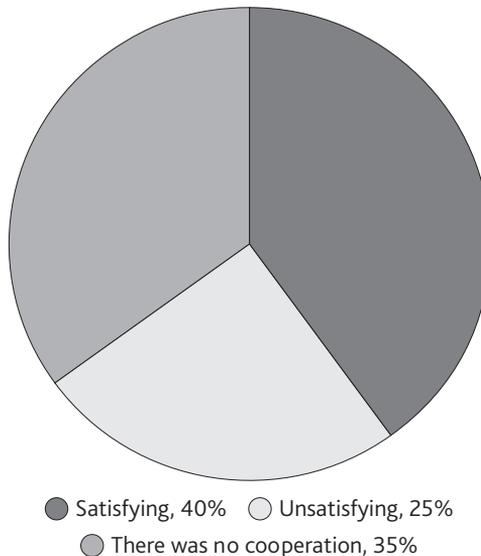
“Many times we came across understanding and lack of interest for some high quality solutions for the promotion of the city and development of new forms of tourism.”

On the other hand, 35% of respondents did not have any cooperation with the Tourist Organization of Belgrade so far, while 40% gave a positive feedback on the current cooperation with the Tourist Organization of Belgrade, where we can emphasize the following answer:

“The biggest cooperation is achieved with private guides and tours. Taking maps from the city works. “

In this sense, one of the major problems identified during the study was the lack of partnership between public and private sector. On their current cooperation with TOB tested subjects in tourism Belgrade list: taking city maps, indifference and incomprehension. Among the most important measures and activities that are being imposed in regards to promotion of tourism in Belgrade we should first point out the primary task, which is a stronger involvement of the private sector, whose realization is a joint obliga-

How do you rate your cooperation with TOB so far?



Graph 2. Second question

Source: Author study

tion and interest of all stakeholders involved in the development of tourism, as well as for representatives of the public and of private sector.

For questions regarding the cooperation between the public and private sector, there was unanimous opinion from all the representatives of the tourism industry: that cooperation is very important, that it is currently on a rather poor level and that a better way should be established and improved. It is essential that the cooperation is open, based on mutual interests and that it is fostering quality.

Some of the views expressed by representatives of the tourism industry are:

“Public services should help the private sector in the orientation of the target group through the information that is at their disposal. Also, public services should work more on education in the private sector in order to have coordinated operations with the regulations of the state apparatus.”

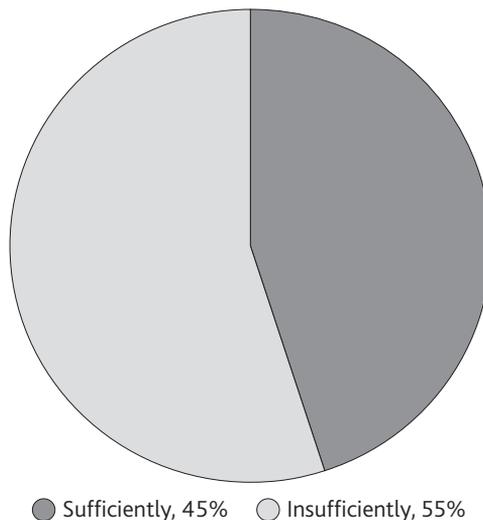
In this context, following suggestions for improvements that are within the functions of public sector were obtained:

- more accessible and lower cost public transportation tickets,
- prospects on cultural events (without our personal interest, we would not have information on open museums and which expositions are running),
- *online* reservations for bus and train tickets on English language.”

The results of the study showed that questioned representatives of the tourism industry (as many as 55%) were not familiar enough with the concept of destination management organization and the advantages that it can bring the stakeholders in tourism compared to traditional tourist organizations.

However, when asked whether they would be interested in working with potential DMO, all respondents (100%) gave a positive response, and some of the answers were:

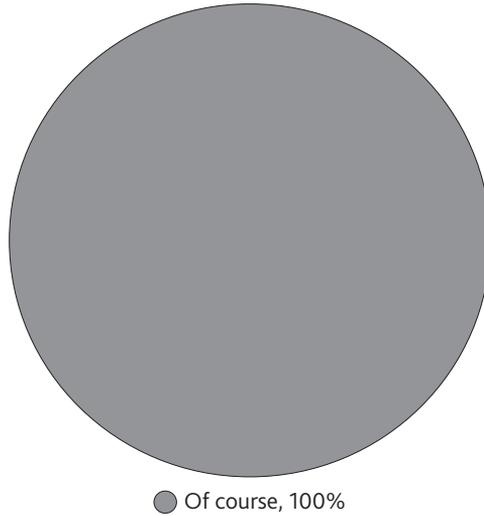
How informed are you on what DMO is?



Graph 3. Fourth question

Source: Author study

Would you be interested in cooperation
with potential DMO?



Graph 4. Fifth question

Source: Author study

“Yes. Destination management organization would essentially have more success in the context of tourism development from the classic public service city/municipality - Tourism Organization.”

“We would be interested in cooperation if the potential DMO wanted to contribute to our city.”

Representatives of all the studied companies are making great efforts to primarily present their own organization, and then Belgrade as a place worth visiting and staying in. One thing they all agree on is that with better coordination at a higher level, by networking and connectivity, not just their business have greater benefits, more visitors and more revenue, but for Belgrade as a tourist destination achieves significant results.

Conducted SWOT analysis clearly indicates that the intensity of strengths (6), are greater than the intensity of weaknesses (4), which shows that there are many more positive indicators and the real need to create a destination management organization. Opportunities (8) are substantially greater than the threats which is a good indicator and confirmation that elements from the environment can have a positive impact on tourism development.

Table 1. SWOT analysis of DMO

Strengths	Weaknesses
<ul style="list-style-type: none">• It combines the work of the entire tourism industry• Coordinates among the tourist subjects• Works on the principle of "value for money"• Represents the interests• Helps local products and local companies to build sustainable competitiveness• The main objective is the cooperation	<ul style="list-style-type: none">• Imposes higher costs to subjects in the tourism industry• Lack of initiative by the government and state institutions• Lack of initiatives by the private sector• Individual interests come first
Opportunities	Threats
<ul style="list-style-type: none">• The joint appearance on the market• The creation of a favorable image• Aid to small businesses in tourism• Better management• Increased tourist traffic• Increased revenue from tourism• Branding of tourist product• Establishing DMO at the municipality level	<ul style="list-style-type: none">• Insufficient knowledge about DMO and the benefits that it can bring• Insufficient awareness of tourism subjects on the importance the existence of DMO• The privileged position of certain subjects

Source: Author study

Finally it should be noted that taking into account the configuration that has emerged from the SWOT, the formation of destination management organization should be approached with a priority of resolving and eliminating weaknesses. It is important based on the findings of the SWOT analysis to make an effort for additional tourism marketing in Belgrade as an important lever in the future production of social welfare. Therefore, it is necessary to completely balance the interests of all businesses and achieve agreement on a vision of tourism at the level of all stakeholders in order to ease the management of tourism in Belgrade.

Table 2. List of activities for the formation of DMO and expected results of implemented activities

Activities	Results
1. A detailed field survey and analysis of all tourist capacities in cooperation with all stakeholders of the importance in tourism	<ul style="list-style-type: none"> • Detailed study of the tourist offer of the city of Belgrade • Setting Up the cooperation with local authorities • Getting insights into the results of previous work • Tourist Treatment (valuation) space • Planning of research and field activities • Establishing the Rules of business with which all participants will be familiar and will agree on
2. To form a team that manages a destination management organization	<ul style="list-style-type: none"> • Trained personnel who knows how and is doing a good job • Determining interest entities that would be involved in the project • Education of stakeholders in tourism • Joint work meetings • Determining the tasks, duties and responsibilities in a team
3. Formation and implementation of the new unified tourist product of Belgrade and promotional and management activities in the destination in cooperation with receptive tourist agencies, transportation companies, local governments, hotels, associations, etc.	<ul style="list-style-type: none"> • Participation at domestic and foreign fairs and joint organization of promotional activities • The organization of joint promotional activity of all stakeholders in tourism of Belgrade • Inclusion of all economic subjects for the sake of completeness of tourist offer • Raising awareness on importance and possibilities of tourism development, as well as the importance of involvement in the overall tourist offer • Coordination among subjects, • Emphasizing the promotion of cooperation • Contribution to the revenues and increase in tourist traffic • The satisfaction of tourists and achievements of stakeholders in tourism Belgrade

SUMMARY

Based on the research, related to the views in the tourism industry and following received and processed information we have come to relevant conclusions that point to the fact that the formation of destination management organization could reach the model for the successful functioning of developed market economies, and that it is a public-private partnership, and all this is in order to strengthen the competitiveness of Belgrade as a tourist destination. As the main advantages that would result from such a relationship could be: risk sharing and pooling of resources depending on the opportunities, as well as joint planning, decision making and financing.

In order to potentially transform the Tourist Organization of Belgrade to destination management organization, some of the basic requirements that should be met are raising awareness and understanding of the public sector and the wider social and economic importance of tourism in Belgrade as an already well-established destination.

Despite the fact that the private sector is interested in taking action in terms of potential cooperation with national organizations from the sphere of tourism, the lack of a regulatory framework is what is currently the main obstacle. In this sense, it is necessary to emphasize that the public sector should be the driving force of this idea. And with that in the first place should be securing the legal framework that would make this possible.

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