

*Tamara Gajić, Mirjana Penić, Aleksandra Vukko,
Marko D. Petrović*

**Development Perspectives of Rural Tourism Policy –
a Comparative Study of Rural Tourism Competitiveness
Based on Perceptions of Tourism Workers
in Slovenia and Serbia***

Abstract

This paper deals with the development of rural areas in Slovenia and Serbia. The article identifies the main characteristics of rural tourism competitiveness in Slovenia and Serbia, analysing the main contributions and making a series of proposals to guide a future research agenda. The aim of the paper is simplified and clarified around one clearly defined objective: point out the competitiveness of rural tourism. The data for this study was collected using Dwyer and Kim's (2003) Integrated Model of Destination Competitiveness to observe Slovenia's and Vojvodina's (Serbia) destination competitiveness. Determinants were assessed using a survey evaluating 24 indicators (demand factors and supporting factors), based upon a Likert Scale.

Keywords: rural tourism, quality, competitiveness, Slovenia, Serbia

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Introduction

According to Dwyer and Kim (2003: 369), competitive advantage is connected to destination appeal, which “*must be superior to that of the alternative destinations open to potential visitors*”. Recent studies have found that rural tourism can enhance the identity of the entire country because it is strongly related to ways of life, local production, cultural celebration and heritage (Everett and Aitchison 2008; Ursache 2015). During their visit to a destination, tourists have the opportunity to experience the amenities and attractions of the rural area and it is likely that a positive experience will influence the likelihood of a return visit (Komppula 2014).

Organised rural tourism in Slovenia started at the beginning of the 1970s (Koščak 1998; Erjavec et al. 1998; Knežević and Cvelbar, 2011). The country has undergone a long process from establishing a foundation of advisory services, training the rural population, co-financing model creation, establishing minimal technical conditions and categorisation to engaging ethnologists, architects, agronomers, food technologists, and establishing associations, creating rural tourism products, catalogue design and other marketing or promotional activities (Lock et al. 2004; Dwyer et al. 2012). At present, this tourism branch is in compliance with domestic and European laws (Estol and Font 2016).

The number of households that offer services in rural tourism is about six hundred. There are approx. 370 farms offering accommodation (with a total of 4342 tourist beds in 2010), while the average length of stay in a household is 3.7 days (Armenski et al. 2012). Others operate mostly during weekends, offering food and beverages (Potočnik-Slavič and Schmitz, 2013). Tourism is recognised as one of the main areas providing a great opportunity for Slovenia’s economy and the Association of Tourist Farms of Slovenia and the Slovenian Tourist Board provide excellent publicity material for their tourists and providers.

Rural tourism is given priority in the *Serbian National Sustainable Development Strategy* (2007), since it is observed as a high potential sector with vertical institutional structure supporting its development. About 1,000 rural households have been registered, offering tourism and hospitality services in Serbia. Rural tourism is a primary activity for about 300 household members. The total offer comprises about 8,000 beds, while the average length of stay in a household is 2.8 days (Petrović 2014). It is

evident that the number of households is constantly increasing. However, rural tourism development in Serbia would be enhanced by a statistical analysis of this form of tourism and its offer.

The main aim of this study is to point out the competitiveness of rural tourism in Slovenia and Serbia. In order to provide the research aim it would be necessary to answer the following question: What are the main competitive advantages of the tourism industries of these two countries? The authors applied an Integrated Model of Destination Competitiveness created by Dwyer et al. (2003) to Slovenia and Serbia. The authors compared the competitiveness of two mentioned destinations because these countries were former states of Republic of Yugoslavia until 1991, when Slovenia became an independent state. As former states of Yugoslavia, these two countries have great geographical, historical and cultural similarities. However, the two countries are assumed to have different levels of competitiveness, but encounter the same obstacles while striving to achieve a better competitive position (Armenski et al. 2012).

Research methodology

This study is based on Dwyer and Kim's (2003) Integrated Model of Destination Competitiveness, previously employed in similar recent case-studies (e.g. Armenski et al. 2012; Dragičević et al. 2012; Dwyer et al. 2004; Gomezelj and Mihalič 2008; Chee-Hua Chin et al. 2014). The Integrated Model of Destination Competitiveness was deemed the most appropriate model for this study because it provides tourism stakeholders and researchers insight pertaining to what is needed to identify the changes essential to improving competitiveness. The original Integrated Model of Destination Competitiveness was conducted in the form of survey questionnaire that was divided into six main determinants of destination competitiveness involving: 1. Inherited Resources; 2. Created Resources; 3. Supporting Factors; 4. Destination Management; 5. Demand Conditions; and 6. Situational Conditions. Modification of the original Model has been developed for the purposes of this paper and only two factors have been presented based on 24 indicators (Supporting Factors and Demand Conditions). After discussion, we may conclude that the 24 indicators identified by Dwyer and Kim (2003) are appropriate for measuring destination competitiveness of Slovenia and Serbia. A set of 24 indicators were then created in the form of 24 statements.

According to Mulec and Wise (2013), there is no single set of competitiveness indicators that apply to all destinations at all times. Hence, it should be noted that with any element of destination competitiveness, various indicators may be employed (Mulec and Wise 2013). The results presented in the following section display mean values and standard deviations for each indicator, where indicators with mean values greater than 3.00 are regarded as competitive. The research has used local/national stakeholders to collect data (Mulec and Wise 2013).

The questionnaires were gathered during 2013. The researcher decided to conduct the questionnaire using non-probability convenience sample. The research sample was made out of tourism stakeholders on the supply side. Some of the questionnaires were self-directed, others were sent by mail. The respondents were selected from Serbian (mainly from Vojvodina) and Slovenian tourism stakeholders including managers of travel agencies, private rural accomodations, tourist organisations, rural farms (salaš) and restaurants in rural destinations (mainly in eco-farms). All 78 respondents were asked to rate Slovenia's (22 participants) and Vojvodina's (56 participants) competitiveness on a five-point Likert Scale for all 26 indicators, ranging from 1) Not competitive; 2) Partially competitive; 3) No opinion; 4) Competitive; 5) Strongly competitive.

The first step in the analysis was to look at some basic descriptive statistics (arithmetic means and standard deviations) of these responses. These frequency distributions clearly indicate one important aspect of the answers given: Slovenian responders gave consistently higher ratings than the respondents from Serbia. The SPSS standard package for personal computers was used for data processing.

Results and discussion

Supporting factors refer to general infrastructures, quality of service, accessibility, hospitality and market ties (Dwyer and Kim 2003). Some of the supporting factors displayed in Table 1, show potential competitiveness while the rest display averages below 3.00. Modest knowledge and lack of supplementary skills in rural population have been confirmed by the data according to which 97% of the rural population in Serbia failed to attend skills training programmes, while 54% of the rural population lacks special

knowledge and skills (Petrović 2014). Such results are unfavourable for the total capacity and competitiveness of the labour force in rural areas.

The low quality of the labour force may be observed as one of the burdening factors in economic development of rural areas, since it causes low entrepreneur potential of rural population, as well as low economic interest on the part of foreign investors (Hall 1998). The statistical data on rural tourism is based on estimations both for capacities and turnover (Đukićin et al. 2014). Since rural areas in Serbia account for 85% of the territory, significant number of overnight stays take place in mountain and spa areas (Hose et al. 2011). Moreover, other tourist or non-tourist places may be recorded as the overnight stays in this tourism segment.

Despite the relatively low averages of variables amongst the supporting factors observed in Table 1, the most competitive indicator is hospitality. Today, it is estimated that about 300 rural households with 8,000 beds offer services and realise over 150,000 overnights annually (Petrović 2014). It has been estimated that each household involved in rural tourism has an annual profit of 5,000 euro. The households with luxury accommodation and better offers may reach an annual profit of 12,000 euro, leading to the conclusion that tourism is a service-oriented activity dependent upon interaction, contact and communication with visitors.

Table 1. Mean and standard deviations (SD) for supporting factors for Vojvodina (Serbia)

Competitiveness indicator for Vojvodina (Serbia)	Mean	SD
Friendliness of residents towards tourists	3.95	0.862
Distance/flying time to destination	3.66	0.880
Ease of communication between residents and tourists	4.68	0.765
Financial institution and currency exchange facilities	2.07	0.684
Telecommunications system	4.48	0.786
Resident support for the tourism industry	2.11	0.493
Ease/cost of obtaining entry visa	2.18	1.011
Ethnic ties with major tourist origin markets	2.93	0.970
Ease of combining travel to destination	3.93	0.535
Awareness of tourism employees about quality of services	3.43	0.970

Table 1. Mean and standard deviations (SD) for supporting factors for Vojvodina (Serbia)

Competitiveness indicator for Vojvodina (Serbia)	Mean	SD
Sporting links with major tourist origin markets	2.04	0.571
Health/medical facilities to serve tourists	4.29	0.756
Business ties/trade links with major tourist origin markets	2.20	0.672
Tourism firms have programs to ensure/monitor visitor satisfaction	4.52	0.786
Adequacy of infrastructure	2.39	0.824
Local transport systems	2.25	0.640
Existence of resident hospitality development programmes	2.50	0.915
Development of training programmes to enhance quality of service	2.46	0.894
Waste disposal	2.52	0.934
Tourism/hospitality firms have well-defined performance standards	1.98	0.674

In contrast to Serbia, Slovenia has raised tourism services to a higher level (Table 2). According to the type and content of tourism services, Slovenia has legally defined three types of tourism farms (rural households): open door farms, tourist farms and wineries. Quality classification system is determined by one, two, three and four apples. Categorisation is performed when all the conditions for the start of a tourism farm are met. Although they can boast about guests staying for two months, the present trend indicates shorter stays. Weekend stays are booked throughout the year which indicates that there is no high and low season.

Table 2. Mean and standard deviations (SD) for supporting factors for Slovenia

Competitiveness indicator for Slovenia	Mean	SD
Friendliness of residents towards tourists	4.09	1.019
Distance/flying time to destination	4.18	1.053
Ease of communication between residents and tourists	4.45	1.101
Financial institution and currency exchange facilities	3.59	0.908

Table 2. Mean and standard deviations (SD) for supporting factors for Slovenia

Competitiveness indicator for Slovenia	Mean	SD
Telecommunication system	4.55	1.101
Resident support for the tourism industry	3.95	0.950
Ease/cost of obtaining entry visa	4.09	1.019
Ethnic ties with major tourist origin markets	3.95	0.950
Ease of combining travel to destination	4.18	1.053
Awareness of tourism employees about quality of services	4.45	1.455
Sporting links with major tourist origin markets	4.00	0.976
Health/medical facilities to serve tourists	4.32	1.086
Business ties/trade links with major tourist origin markets	3.86	0.889
Tourism firms have programmes to ensure/monitor visitor satisfaction	4.45	1.101
Adequacy of infrastructure	4.23	1.066
Local transport systems	3.77	1.110
Existence of resident hospitality development programmes	4.23	1.193
Development of training programmes to enhance quality of service	4.14	1.037
Waste disposal	3.82	0.853
Tourism/hospitality firms have well-defined performance standards	3.86	0.889

Demand factors involve destination image/perception and awareness of tourism products (Table 3 and 4). Survey participants have determined Vojvodina's and Slovenia's overall competitiveness perception to be competitive, although only one variable averaged below 3.00 (destination image and perception in the world).

Table 3. Mean and standard deviations (SD) for demand factors for Vojvodina (Serbia)

Competitiveness indicator for Vojvodina (Serbia)	Mean	SD
Overall perception of Vojvodina as a tourist destination	4.54	0.808
Destination awareness	4.54	0.785

Table 3. Mean and standard deviations (SD) for demand factors for Vojvodina (Serbia)

Competitiveness indicator for Vojvodina (Serbia)	Mean	SD
Awareness of tourism products of Vojvodina abroad	4.48	0.786
Destination image and perception in the world	2.46	0.972

Table 4. Mean and standard deviations (SD) for demand factors for Slovenia

Competitiveness indicator for Vojvodina (Serbia)	Mean	SD
Overall perception of Slovenia as a tourist destination	4.27	1.077
Destination awareness	4.45	1.101
Awareness of tourism products of Slovenia abroad	4.41	1.098
Destination image and perception in the world	4.23	1.066

Comparative analysis may position the rural tourism of Serbia in relation to Slovenia with which it shares numerous geographical, demographic and other similar characteristics (Rey and Groza 2009; Grum and Kobal-Grum 2014). Here, a comparison of economic indicators in Slovenia and Serbia has been performed.

Table 5. Comparative analysis of the rural tourism development in Slovenia and Serbia in 2013

	Serbia	Slovenia
Rural area (% of the total territory)	85%	90%
Rural population (% of the total population)	48%	57%
Population density in rural areas (inhabitants/km ²)	84	102
Mean unemployment rate in rural areas	21%	9%
Number of households offering tourism services	300	600
Mean annual number of overnight stays	150,000	300,000
Mean length of stay (days)	2.8	3.7
Total accommodation capacities (number of beds)	8,000	6,000
Mean utilisation of capacities	40%	70%
Mean profit per household (annual in Euro)	2,500	10,000

Source: National statistical Office

A comparative analysis of economic indicators may lead to the conclusion that both countries have equal percentages of rural territories, but with different levels of development. Rural population percentage is larger in Slovenia with 57%. Moreover, Slovenian population density is higher (Šprah et al. 2014). According to the mean unemployment rate in rural areas, a critical situation is to be observed in Serbia with about 21% unemployment. Slovenia also leads in the number of households that offer tourism services with 600 households and over 300,000 annual overnight stays, while Serbia only has 300 households and 150,000 annual overnight stays.

Furthermore, the length of stay for tourist visiting rural areas is longer for Slovenia with 3.7 days, whereas for Serbia the number is only 2.8 days. The higher utilisation of accommodation capacities is recorded for Slovenia at 70%, whereas the utilisation is significantly lower, only 40%. The mean profit values per household are higher for Slovenia (10,000 euro) and lower in Serbia (2,500 euro). The results provide strong empirical support for the inclusion of rural tourism destination attributes in the studies of tourism competitiveness.

Conclusion

Rural tourism stakeholders across the various state sectors of Slovenian and Serbian have evaluated how important state actions were to the industry's future development and their performance in respect to these actions. In recent decades, the development of tourism in Serbia has not been of great importance, which resulted in low competitiveness in the international market (Petrović-Randđelović and Miletić 2012). Rural development in Serbia has been defined as an economic, social and ecological priority by the government of the Republic of Serbia. Diversification of rural economy towards socially, economically and ecologically sustainable form aims at improving the quality of living and lowering poverty, as well as standing against social and ecological degradation (Lukić et al. 2013).

These aims are directed primarily towards the elimination of poverty, sustainable environment protection and global partnership development. Today, Serbia still has not achieved substantial results in the rural tourism industry because, with about 8,000 accommodation facilities in old buildings, it cannot achieve approximate commercial results obtained by

competitors. Thus, the present level of competitiveness in Serbia in rural tourism industry is far from good. Nonetheless, there are natural, cultural and social preconditions for its development, such as: natural potentials (agricultural soil, active labor force in agriculture, traditional agriculture, excellent potential for agro-tourism, unpolluted soil, and possibility of growing organic food and excellent potential for development of complementary activities (e.g. traditional local gastronomy).

In contrast, the development of rural tourism in Slovenia has contributed not only to higher profit gains by households, but also to a variety of tourism offers, the preservation of tradition, ethnological uniqueness, limiting the depopulation of the villages and improvements to the quality of village life (Nastran 2015). Since the 1970s (Koščak 1998), the Slovenian government and rural household owners have been making joint efforts to achieve this high level, which has led to comparisons with France and Italy, as leaders in the rural tourism industry.

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