THE FORMATION AND PROMOTION OF RURAL TOURIST PRODUCT IN THE REPUBLIC OF SERBIA

Abstract

Business on tourism market requires perception of the interests of supply and demand at micro and macro level. The tendency is to place the market products on the market that enable the achievement of the business goal and the satisfaction of both sides, supply and demand. Rural tourism with its specificities, requires a careful approach to tourist demand and its segments, i.e. niches. Consistent implementation of the marketing concept with adequate investments policy and market research, creation and placement of a tourist product is a guarantee of success on the market. Serbia has respectable resources for the development of rural tourism (natural and social). However, in practice, the problem arises in the insufficient recognition of local stakeholders in the ability to put these resources in an adequate manner in the function of tourism development, as well as local communities, more broadly. The aim of the paper work is to present a marketing approach in formation and promotion the rural tourism product, based on the resources the Republic of Serbia has.

Key words: tourism, destination, rural areas, segment, promotion, formation

JEL classification: M31, M37, Q13.
Introduction

Rural tourism has been developing with different intensity in the Republic of Serbia since the seventies of the twentieth century. Nowadays he has different intensity, forms and character in different parts of Serbia. They are determined by the natural-geographical characteristics of the area, the degree of development of the local economy, the anthropotics heritage and the awareness of the local population about its importance for development of the local communities. (Vuković, P., 2017, p.58.)

Starting from the fact that more than 80% of the territory of the Republic of Serbia cover of rural areas, according to the 2011 Census, and that 44% of the total population lives in these areas, the question arises is regarding valorisation of numerous resources (natural and social - anthropogenic) that Serbia possesses these areas. In order to realize this, it is necessary to create a large number of tourist products. Success will be guaranteed if there is a marketing and managerial approach. This can only be achieved through the education of all levels of management involved in the process of managing rural tourism products.

Concept of rural tourist product

The issue of defining a tourism product is complex, because it can be a single service for a company (eg hotel accommodation), a set of “packaged” services (for example, a lump sum trip) or even a whole tourist destination. For this reason, there is a large number of definitions of a tourist product in the literature whose content difference is based on different approaches to defining this term. (Zečević, B. 2007, p.118).

Bakić, O. (2005, p.128) carries out the classification of all theoretical views expressed when defining a tourism product in four basic groups:
1) those who consider the tourist product as a “mixture” (amalgam) of various elements and its constituent parts.
2) the attitudes that the product observe from the aspect of individual offerers (hotel companies, utility companies, travel agencies, etc.).
3) those which observed the product as original compound and derivative elements of tourist attractions.
4) attitudes that consider a tourist product as partial and as an integrated product.

Bearing in mind the complexity of the problem McCarthy, J. (1978, pp. 237-240), introduces the concept of the so-called. a total product, which is much more than a physical
product, because it also implies its functional and esthetic characteristics. The complete product, in addition, does not necessarily include a physical or material product, as in the case of a service.

*Kotler at al. (2006, p. 304)* have a very wide approach in defining a tourist product. They emphasize that under the product can be considered all that can be offered to the market, in order to attract attention, encourage purchasing, use and consumption, so that the needs and desires can be met. Products include physical objects, services, places, organizations and ideas. This definition, according to them, is the planned part of the product that the company offers. A tourist product also means an unplanned part and includes all the benefits and “surprises” (pleasant and unpleasant) that tourists receive while staying in a particular destination.

A certain number of authors point out that the tourist destination is one, but also many products. (*Manente, M. and Mangeti, V.,* 2006, p.76; *Buhallis, D.*, 2000, p.97; *Seaton* 1996, pp. 350-351, etc.)

According to the *Law on Tourism* (*Official Gazette of the Republic of Serbia*, No. 36/2009, 88/2010, 99/2011 - other *Law*, 93/2012 and 84/2015): “tourism product is a set of interdependent elements that are organizes the practice as a special value chain, which consists of material products and services, natural values and cultural assets, tourist attractions, tourist suprastructure and tourist infrastructure.

Bearing in mind the definition of rural tourism provided by numerous international organizations that follow its development, character and dynamics such as:

- EuroGites, (European Federation of Rural Tourism 2005 at a conference in Yalta in Ukraine);
- UN FAO document *The Scope of Organic Agriculture, Sustainable Forest Management and Ecoforestry in Protected Area Management* (UN FAO, 2004, pp. 16-17), as well as the fact that the rural area represents the basis on which rural tourism is based and on which its development is based, which is clearly emphasized in the *Encyclopaedia of Tourism* (2005), it can be concluded that the rural tourism product represents all the things that are defined according to the applicable “Law on Tourism” (*Official Gazette of the Republic of Serbia*, No. 36/2009, 88/2010, 99/2011 - Law on the Law, 93/2012 and 84/2015) in defining a tourist product with a clear indication that the characteristics are related for the rural area and its specificities.

The first document that explores the phenomenon of rural tourism in a comprehensive way was “*Tourism Strategies and Rural Development*”, (OECD, 1994). The author of this document *Lane B.* says that the basic characteristics of rural tourism are related to:

1) Located in rural areas;
2) Functionally rural – built upon the rural world’s special features;
3) Rural in scale;
4) Traditional in character, growing slowly and organically, and connected with local families;
5) Sustainable – in the sense that its development should help sustain the special rural character of an area, and in the sense that its development should be
sustainable in its use of resources. Rural tourism should be seen as a potential tool for conservation and sustainability, rather than as an urbanizing and development tool;

6) Of many different kinds, representing the complex pattern of rural environment, economy and history.

The same document emphasizes the factors one must consider when determining rural tourism (type of vacation, intensity of vacation use, location, management, style, degree of integration with the community), (OECD, 1994).

Kotler et al. (2006, p.399) define the value delivered to the customer as a consumer’s assessment of the overall product capability to meet its needs. They also point out that the difference between the total value for the client and the total cost of the marketing offer is the earnings for the client or the value delivered to the client. The formation of a unified tourism product by consumers directly depends on the availability of all elements of the tourist offer.

The World Tourism Organization document “A Practical Guide to Tourism Destination Management” (UNWTO, 2007, p.1), presented the basic elements of tourist destination supply: attractions, private facilities and services, availability, human resources, image and character, price. These views were later accepted by other authors in literature (such as, V.T.C. Middleton, Fyall, A., Morgan, M., Ranchold A., 2009; Kotler, P., Bowen, J., Makens, J. 2006, etc.).

Concept is based on marketing view on tourism as synergic economic activity. Tourism include material and non material elements in tourist supply. i.e. tourist product include mix of product and services. Total tourist product include large scale of material and non-material usefulness which consumer/tourist/visitors buy.

Numerous authors (Kotler at. al. 2006, p.305., Zečević, B. 2007, p. 121; Gonroos C., 1987, p.83. etc.) classify four level of tourist product:

1) The basic product are what tourists actually buys.
2) The expected product represents services or goods that must be present (they are implied) so that tourists can consume the basic product.
3) An additional product provides added value to the basic product and helps it to be different from the competitor. Often they are confronted with the expected and additional products. This stems from the fact that what the expected products represent to a single market segment can represent additional products (content) to another. For example, if a family holiday does not require catering in an accommodation, business travelers staying in it are expected.
4) The expanded product includes all the contents that come to meet tourists in order to raise the level of quality of the basic product, they are combined with them. They mean availability, atmosphere, customer interaction with the service organization, customer involvement and their interaction.

Following this logic it could be given a more detailed description of rural tourist product (table 1.)
Table 1. – Four level of destination tourist product

<table>
<thead>
<tr>
<th>Level of product</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>The basic product</td>
<td>- Attraction and recreation.</td>
</tr>
<tr>
<td></td>
<td>- Hospitality services of accommodation and food</td>
</tr>
<tr>
<td>The expected product</td>
<td>- Ecological preservation of the rural area</td>
</tr>
<tr>
<td></td>
<td>- Tidiness of the rural household</td>
</tr>
<tr>
<td></td>
<td>- Suitable climate conditions in the destination</td>
</tr>
<tr>
<td></td>
<td>- Availability of accommodation facilities</td>
</tr>
<tr>
<td></td>
<td>- Traffic connections</td>
</tr>
<tr>
<td>An additional product</td>
<td>- Tourist info centers</td>
</tr>
<tr>
<td></td>
<td>- Conditions for fun</td>
</tr>
<tr>
<td></td>
<td>- Conditions for shopping / shopping</td>
</tr>
<tr>
<td></td>
<td>- Animation of tourists, etc.</td>
</tr>
<tr>
<td>The expanded product</td>
<td>- Good traffic signalization</td>
</tr>
<tr>
<td></td>
<td>- Silence and peace</td>
</tr>
<tr>
<td></td>
<td>- Physical segregation of segments of tourists (eg young people from families with children, etc.)</td>
</tr>
</tbody>
</table>

Source: Adapted according to Zečević, B. (2007), Marketing turističkih destinacija - uloga informacione tehnologije, p.121.

Formation of the rural tourist product

The “Master Plan for the Sustainable Development of Rural Tourism” (2011, p. 91) emphasizes that the rural tourism product is the concept of an integrated rural experience based on the interaction between rural accommodation, built facilities and rural activities (Figure 1.)

Figure 1. Process of formatting rural tourist product

Source: The Master plan of sustainable development or rural tourism in Serbia, 2011, UNDP, p. 91.

The Strategy for Rural Tourism Experiencing is suggested on the following way:
- development of an integrated and holistic experience of Serbian rural tourism, focusing on the development of rural activities and rural accommodation, with the simultaneous focus on the integration of these three components.
- support the development of an integrated strategy for the experience of rural tourism by identifying ways in which different elements (activities and accommodation) can be complemented.
- building centers for activities that will support the development, commercialization and achievement of rural activities at central points across the territory.
- involvement of local stakeholders in the development of the rural tourism experience. They should be involved in the development of rural activities, rural accommodation and local rural tourism facilities.
- investing a special and focused effort to reduce the differences in rural tourism seen in the qualitative analysis of the tourism sector (in the Diagnostic Report), through the development of products and activities involving local communities. This is especially important for the development of products and services that include agricultural products in the tourism sector.

a) Rural accommodation

In the Republic of Serbia unfortunately there is no unique base of rural tourist accommodation facilities. Today there are some initiatives which come from Tourist organization of Serbia and some branches tourist associations.

One of the biggest associations of rural tourism in Serbia is “The Rural Tourism of Serbia”. This national association established nine associations in 2002. Today association is counting more than 500 members. In 2004, the association has set up a presentation www.selo.co.yu which is designed as a database of the total rural tourist accommodation deals. In 2005, it realized project “Promotion of rural tourism in Serbia,” which includes all municipalities and tourism organizations of municipalities and cities that have a rural tourist offer. During the years, the Internet site has recorded continuous rise in the number of visitors, and in 2006 over 200 rural households that are located in the database of the site received 90% of the guests particularly through the website. Thanks to the results of the Internet website, the National Association “Rural tourism of Serbia” is an active member and representative of Serbia in the “European Federation of Rural Tourism – EUROGITES” (Vuković, P. et al. 2016, p. 271.).

It is important to highlight that UNWTO (2007) set private and public facilities and services as a second important subject of tourist destination supply who attract visitors to come and stay in destination. It points out that there is a wide scale of various facilities and services that support to come and stay of tourists in the destination, which includes infrastructure (public services, public transport and roads) and direct services to visitors (accommodation, information for guests, relaxation facilities, guides, catering and sales facilities).

UNWTO and OECD publications (2012), as well as the Statistical Office of the Republic of Serbia (Monthly Statistical Bulletin 01/2018), group receptive capacities according to the appropriate methodology in a similar manner. It is common for receptive capacities to be classified into:

- basic receptive capacities, under which we mean facilities for tourist accommodation and facilities for food and drink (hospitality facilities),
- supplementary receptive capacities involving various types of facilities in which food, beverages, consumer goods shops, various types of services, food and recreation facilities for tourists, etc, are sold, etc.
- Complementary receptive capacities.
b) **Constructed (built) facilities**

In rural areas, the built-in attractions include rural settlements, rural farms, planning and urban organization of facilities in a rural settlement, rural road network, shape, size and number of agricultural parcels, types and layouts of trees and other green areas (Ružić, P., 2009).

c) **Rural Activities**

It is considered that the opportunity to deal with non-pension activities in rural areas is the key to gaining competitive advantage on the market nowadays. 
Roberts L, and Hall D., (2003) summarized the views of Thibal S., (1988) and Lane B., (1994, p. 16), and made a list of off-board tourist activities that can take place in rural tourist destinations (Table 3).

<table>
<thead>
<tr>
<th>No.</th>
<th>Type of activity</th>
<th>Activity specification</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Touring</td>
<td>- Hiking (footpaths, fitness trails, nature parks), - Horse-riding, - Motorized touring, - Small town/village touring, - Advanture holidays/ village touring, - Cycling, - Cross-country skiing, - Donky riding, - Touring in gypsy caravans, wagons</td>
</tr>
<tr>
<td>2.</td>
<td>Water-related activities</td>
<td>- Fishing, - Swimming, - River/canal tourism (houseboats, narrow boats, barges), - Canoeing, kayaking and (whitewater) rafting - Windsurfing, - Speedboat racing, - Sailning, - Facilities of aqualand type</td>
</tr>
<tr>
<td>5.</td>
<td>Cultural activities</td>
<td>- Archaeology, - Restoration sites, - Rural heritage studies, - Museums, - Local industrial, agricultural or craft enterprises, - Courses in crafts, - Artistic expression workshops, - Folk groups, - Cultural, gastronomic and other routes.</td>
</tr>
</tbody>
</table>
6. **Health-related activities**
- Fitness training,
- Spa and health resorts,
- Assault courses.

7. **Passive activities**
- Relaxation holidays in a rural milieu,
- Nature study in outdoor settings, including birdwatching, photography.
- Landscape appreciation.

8. **Hallmark activities**
- Rural sporting festivals,
- Agricultural shows

9. **Rural business related activities**
- Small scale conventions/conferences;
- Incentive tourism short-breaks,


**Tourist product life cycle**

The task of management is to manage products from the moment the idea arises, until the moment of making a decision on its “extinguishment”, a leave of absence. In order to monitor product development and, generally speaking, its “life”, a product life cycle is used as an important analytical tool in marketing, or a shortened PLC - “product life cycle”. The idea that went into the development of the concept is that nothing, and even the product is not eternal.

There is a great consensus of the author in marketing literature that the product is moving through four phases of the life cycle: introduction, growth, maturity and decline.

In order to better understand marketing goals and strategies throughout the product life cycle, we can best use the tables made by Jobber and Fahy (2006, p.160.).

**Table 3. - Marketing goals and strategies throughout the product life cycle (PLC)**

<table>
<thead>
<tr>
<th>Strategic marketing</th>
<th>Introduction</th>
<th>Growth</th>
<th>Maturity</th>
<th>Decline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Build up</td>
<td>Build up</td>
<td>Hold</td>
<td>Harvest / pulling out money</td>
<td></td>
</tr>
<tr>
<td>Strategic focus</td>
<td>Market s pred</td>
<td>Penetration</td>
<td>Protect share</td>
<td>Productivity</td>
</tr>
<tr>
<td>The brand goal</td>
<td>Product awareness / test / Brend Preference</td>
<td>Loyalty to the brand</td>
<td>Brend exploitation</td>
<td></td>
</tr>
<tr>
<td>Products</td>
<td>Basic</td>
<td>Differentiated</td>
<td>Differentiated</td>
<td>Rationalized</td>
</tr>
<tr>
<td>Promotion</td>
<td>Creating awareness / provoking a test</td>
<td>Creating awareness / trial repeated purchases</td>
<td>Maintenance awareness / repeated purchase</td>
<td>Stop/ Eliminate</td>
</tr>
<tr>
<td>Price</td>
<td>High</td>
<td>Lower</td>
<td>Lowest</td>
<td>Growing</td>
</tr>
<tr>
<td>Sale</td>
<td>Weaker</td>
<td>Wider</td>
<td>Intensive</td>
<td>Selective</td>
</tr>
</tbody>
</table>

Promotion of the rural tourist product of Serbia

A destination promotion strategy made up of a number of elements has the basic task of informing and encouraging tourist demand for staying in the destination (Bakić, O., 2005, p. 132-133.)

A promotional mix could be defined as a mix of propaganda, sales promotion, public relations, personal sales, and publicity. Optimal combination of these elements should also give optimal results. This is why this issue is of strategic importance for the destination, and it is mainly visited by the Tourist Organization of Serbia (TOS) in Serbia.

Mil C., (1990) state that a phase in the process of forming a promotional mix are following:

a) Determining priority markets and segments.
b) Precise the targets of the promotional mix depending on the market.
c) Developing an appropriate offer
d) Selection of promotional mix instruments
e) Providing financial resources for promotional activities.
f) Control of the implementation and correction of promotional activities.

Some of the funds available for promotion are:

1. Graphic resources: “tourist informer”, tourist map, general prospectus of the city, pocket format informers, luxury publications with detailed information about the city offer for specific occasions (congresses, fairs ... etc.).
2. Audio-visual means: spots, tourist films, video tapes, CD-ROM of appropriate content, video-text that allows two-way communication, “holograph” as a combination of Smart building and a total combination of everyday activities that tourists have at the destination of the so- “virtual reality”.
3. Website of the city - some of the web sites where the destination can be promoting.
4. Tourist information centers intended for visitors who are in the Republic or outside the country. An important role here is the choice of location where the center opens but primarily targeted market segments, or target consumer groups.

Conclusion

Serbia has respectable resources for development of rural tourism. The attitude is based on the rich natural and social (anthropogenic) resources which are located in the rural areas. Creativity in making rural tourism products should enrich the tourist supply of Serbia. All comparative advantages that certain destinations have (natural and social - anthropogenous) should be used in the formation rural tourist product. In this way, the assumption of their future competitiveness is created.

One of the basic characteristics of the tourist offer is its fixedness, while on the other side demand has an elastic character. For this reason, when forming a product, it should be ensured that the supply is such that it can easily be adapted to any eventual changes in the tourist market. In this way, the lifetime of a tourist product is prolonged.
Rural tourism is in the initial level of development in Serbia. In order to allow for its systematic development to achieve the best results, set its balanced development, to stop numerous negative processes that burden the living of population in rural areas (unemployment, accelerated aging of the rural population, migration of the population into large urban cities, decline in macroeconomic indicators, etc.) it is very important that all stakeholders must be educate on the way they can form rural tourist products. The expectations are that rural tourism will enable the “development wheel” of rural areas to be launched. In the organization of educational activities, local authorities, regional chambers of commerce, the Tourist Organization of Serbia, local associations and associations of farmers, advisory services, etc. should play an important role.

Bearing in mind the synergistic character of tourism (as a business, tourism links a large number of economic and non-economic activities) and its positive multiplier effects on the area (destination) in which it is developing, it is important at the very beginning of it development to start it in a systemic way. This practically means that all innovations in the knowledge of the countries that have achieved the best results in rural tourism development should be used (such as Austria, Italy, Switzerland, Germany, France, etc.), as well as from the fields of marketing and management in the development of rural tourist destinations. Also, the promotion of a tourist product may be one of the crucial activities to attract demand. Considering the spatial distance of rural areas from urban city centers, it is necessary to use all available promotional mix instruments. The advancement of information and communication technologies is certainly in favor of promotional activities. It allows to overcome “GAP” in the spatial distance of rural from urban city centers. In addition to strengthening the promotion activities in addition to the Tourist Organization of Serbia, which according to the Law of tourism is obliged to perform promotional activities, other factors should be included in the promotional activities. This applies to the public and private sectors – its stakeholders.

If this approach were to be adopted, the basis for the successful development of rural tourism would be created.

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