

# Marketing Performing a Function in Tourist Development of Novi Sad<sup>1</sup>

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## Abstract

*The aim of the paper is to point out the strategic directions for the development of the tourism in Novi Sad, having in mind both the theoretical knowledge and the principles of marketing and management of the tourist destination and the practical implementation of the both of them. In this way it would be evident how to make use of great potential for further development of the tourism in a practical sense.*

**Key words:** *tourism, strategy, development, destination, marketing, management*

## Introduction

The implementation of the tourist destination marketing strategy is a complex process, which, if consistently carried out, may have positive multiplied effects on total economic environment, having in mind that Novi Sad with its immediate surrounding has respectable tourist resources. That's an imperative of its future development.

## Natural Attractions of Novi Sad Destination

The natural attractions of the destination of Novi Sad, important for the development of the tourism are characterized by a high-level of attractiveness. They are the following:

- the national park of Fruška Gora;
- the Danube, as an international river water way;
- a good geographic and traffic position – at the crossroads of many roads (the European corridors 7 and 10, which go through Novi Sad, or pass by it);

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- flora and fauna in the immediate vicinity, i.e. the city surrounding (Fruška Gora, Koviljsko – Petrovaradinski rit, Begečka jama, etc.);
- moderate continental climate;
- regional varied entities (city of Novi Sad, Petrovaradin, Sremski Karlovci, Sremska Kamenica, and the National park Fruška Gora).

The above attractions represent, by all means, the great potential for the tourist development and they give opportunities to engage in the following:

- sports and recreational activities;
- facilities for spending spare time and rehabilitation;
- privilege for the development of a special – purpose tourism, such as:
  - hunting and fishing tourism;
  - water sports on the Danube river;
  - walking outdoors (there is an attractive natural environment in the immediate vicinity of the town);
  - the rural tourism – the farms well known in Vojvodina as “salaši”, and the villages typical of Vojvodina.

Some of the above resources have been already used to a certain extent; the latter should be the basic point for the future development of the whole destination, with regard to the multiplied effects of the tourism on the economy.

Thus, it should be mentioned here that a part of such attractions has to be included into current tourist courses by means of a selective market oriented access towards the strategic development of Novi Sad, as a tourist destination.

## **Social Preferences for the Development of Tourism in Novi Sad**

Social preferences for the development of tourism include many factors which may be divided into anthropogenic and other social factors.

The anthropogenic diversity includes the following very important factors:

- numerous cultural and historical monuments;
- multi-ethnic issues connected to the customs and life of large number of the nations and nationalities who live both in the region of the town of Novi Sad and in the province of Vojvodina, as a whole;
- folklore – as an individual and constituent part of the multi-ethnic diversity;
- the monasteries of Fruška Gora, as a cultural, historical and religious precious treasure;
- the original types of settlements and a rich architecture of the whole destination of Novi Sad, from Petrovaradin, as the oldest settlement built here, through the old city corpe, Sremski Karlovci and Sremska Kamenica, to the typical rural ambient units and farms in the close vicinity of Novi Sad (for example: farms “salaš” No. `s 84 and 137).

Also, the development of economy, science, culture, education, sports and other social activities represent an essential potential of the development of tourism.

In an attempt to better use and more completely present the anthropological, demographic, geographical and other life conditions in Novi Sad, in the field of tourism, many cultural manifestations have been established. There are, for example: “*Steria`s theatre*”, „*Zmaj`s children games*“, „*Branko`s kolo*“etc.

There are also many music festivals and manifestations such as: „*Golden bell festival*“, “*Summer in synagogue*”, “*Jazz-time fest*”, “*Golden dam*”, “*Golden tamburica*”, spiritual music festival, “*Oh, the blue Danube*” – the festival of Danube basin countries.

Not long ago, Petrovaradin became the place where a famous festival called “EXIT” started to be organized every summer. This festival is the biggest of its kind in Eastern Europe and is visited by more than fifty thousand people in a single day.

It is very important to mention that the authorities at all levels, the economic organisations and the population have declaratively always had a positive attitude towards tourism development. This fact is confirmed as early as in 1955, by a decision made by the tourist organization of the city, (which was the Chamber of Commerce) – a government authority aiming to enhance the development of tourism in the town of Novi Sad and in the autonomous region of Vojvodina. This was also in compliance with the principle which was proclaimed by Serbia after the Second World War - that all sectors of the economy should rapidly develop. Meanwhile, practically tourism was in the shadow of the development in other economic sectors.

### **Some Aspects of the Development of the Marketing Concept related to the Standards of Tourist Destination of Novi Sad**

The definition of the tourist product as an “amalgam” of the receptive, communicative and attractive factors (artificial and natural) leads to the conclusion that tourism is determined by positive and negative economic and non-economic influences and movements. In this way, when we think of the economy and its effects on tourism, we may conclude that the achieved level of the economic development as well as the general economic efficiency are the prevailing factors that influence the competitive power of the tourist offer of every destination; first of all, there is a need for an increased interest in the investments regarding tourist development.

The tourist product of Novi Sad, according to its structure and quality, falls behind the similar products being offered at the international market (the European – in a narrower sense). The well – known political and economic events of the last decade of the 20<sup>th</sup> century (such as: the wars, sanctions, the deep economic crisis) have even depended on and widened the gap between Novi Sad (and Serbia, in general) – as a destination, and other destinations in a narrower and wider encirclement. Therefore, nowadays, it is a very complex process, necessary for a successful presence on the international tourist market. It also requires a systematical approach.

The strategic task of coming out on the international tourist market, which is a top priority for the whole country and Novi Sad, too, requires a situation analysis as the first step to be undertaken. The analysis is an assumption for further planning or action. It would include the analysis of the micro encirclement, the market, the competition and the internal resources.

The above mentioned analysis would be the initial stage for a successful marketing management of Novi Sad as a tourist destination, and every other destination, too. The strategy window should be kept open as long as possible, using each opportunity that exists or arises. These opportunities will be designed and equipped with strong internal points (avoiding threats and elementary disadvantages).

Moreover, for the successful coming out of Novi Sad on the international tourist market, it is necessary to undertake the following steps:

1. to define the market – all its segments, the demand (actual and potential);
2. to carry out an expensive research, constantly in order to meet the demands efficiently and promptly, in view of its elasticity;
3. to form the unique tourist information system;
4. to create and improve all organizational conditions, both at the micro and macro level;
5. to elaborate corresponding programmes for the market segments aimed at and direct business activities towards them;
6. to establish and guide all the activities on the basis of marketing and management;
7. special attention should be drawn to the sustainable tourist development;

8. to develop cooperation at all levels with the encirclement.

## **The Concept of Integral Marketing in View of the Tourist Development of Novi Sad**

In relation to marketing and from the aspect of the whole tourist destination and for the purpose of a successful development of the total tourist economy, it is necessary to integrate the tourist product at all levels, both vertically and horizontally. Vertically – in the sense of clear coordination from the National tourism organization, including the Tourist Organization of Serbia (TOS), Regional tourist organization of Vojvodina; the local tourist organizations, such as the tourist organization of Novi Sad – through the immediate city authorities (i.e. the city assembly and the city government) – up to the companies in the field of tourist services. The horizontal connection would mean a series of interrelationships of all enterprises, i.e. the bearers of the tourist offer for a given tourist product. This would allow a compact marketing access and give better chances to increase efficiency; it is a coordinated access to the market of the whole city and state economy (including tourism, trade, crafts work, traffic, agriculture, etc.). It is also necessary to provide an ambient in which all economy factors will show an economic interest for the development of tourism.

Novi Sad would be a new tourist destination at the international tourist market and would be treated as a smaller destination. It would attract, therefore, smaller and specific market segments with special needs. This is why each stakeholder should make efforts for a complete development of the domestic and the international tourism, both on short and long-term basis.

## **Selective Strengthening of Set Targets and Segment of the Market**

The measures of revitalizing and repositioning tourism, of improving the image of both Serbia and Novi Sad, should be undertaken in order to access all market segments, fully respecting all the factors that determine and enable a successful disposal of the tourist product. The strategic basis of the development of tourism in Novi Sad as a destination must be focused on the selective strengthening of set targets and segments of the market.

Greater effects of tourism will be attained by a complementary developing of the domestic and foreign tourism. Coming out at the international market is a necessary step. Novi Sad would be treated as a smaller destination at the international tourist market. Its chances are focused on specific segments of the tourist demand (market targets), on the development of the tourism of special interests and on the transit tourism.

In such a context, having in mind that a significant number of the international companies tend to operate globally and that the development of tourism (both the domestic and the foreign one) has been elementarily performed so far, it is theoretically important to present what the activities at the international tourist market are and what the segmentation of such markets can provide. This is the condition for the regular choice of the strategy and its successful implementation.

Since the segmentation is based on numerous reasons and demands of the ultimate consumers (i.e. the tourists) which have turned out in many different kinds of demand for products and services on the market, it is necessary to conform the tourist destination of Novi sad (namely: its tourist products) to the specific demands and reasons of tourist demands (thinking of its segments) for a successful disposal of goods.

It is necessary for Novi Sad to come out on the international market. This process should be performed in stages, as follows:

The first stage is **outgrowing**. Novi Sad has not built yet its profile as a tourist destination at the local market. Therefore, the opportunity to animate and attract certain segments of the local demand, is better. In the initial stage, the destination and all economic entities, i.e. their business orientation should be drawn towards the target groups within certain segments of the local demand. The attention would be mainly focused on excursions (trips), fairs, congresses, holidaymaker and sport tourism, and to be more emphasized and made more noticeable.

At the right moment of market saturation, the diversification with a wide range of new elements should be encouraged in order to develop the tourist supply and its differentiation, in order to gain an advantage in front of the competitors (those who offer other destinations with similar tourist supply).

The second stage is **internalization**. The first and the second stage should develop complementary, taking into account the development effects from the foreign tourism, which has an important impact on the development of tourism and enhance the effects achieved. This phase would include the involvement of middlemen, the opening of the home sections for package tour selling which would ensure its growth at the international market, i.e. economics of sale; also, the tourist destination must be export – oriented.

The third stage would include **the activities at the international market**. This would include carefully preparing the strategy activities of Novi Sad, in addition to marketing activities, organization and research linked to the given foreign market, for every particular segment.

The fourth stage is theoretically connected to **global business**. The world is considered as a unique market. In the case of Novi Sad, having in mind the resources of this town and the already realized targets transforming a small tourist destination in a broadly observed one seems impossible.

## Marketing Strategy of the Tourist Destination of Novi Sad

In the broadest acception of the tourist organization marketing management, especially when planning the activities in the field of marketing or when we think in concrete terms about making a selection of strategies, the tourist destination may have three approaches. The first approach would be an *undifferentiated marketing*, the second would be the use of *differentiated marketing* and the third would be the use of *the concentrated marketing*. So, three general strategies are mentioned.

In the first case of an **undifferentiated marketing**, the tourist destination is directed frontal to the market offering the same product, but ignoring the existing differences from the point of view of the tourist demands.

Nowadays, the strategy of differentiated marketing is more used, i.e. respecting possible “fracturing” of the market into smaller less homogenous and less compact groups of consumers (i.e. segments) and the choice of only few market targets, or only one in which the product will be disposed in the last case, the topic is the concentrated marketing strategy or focus. Concerning the development of tourism in Novi Sad, so far it has been found out that, beside a publicly proclaimed support for its development, the concept of undifferentiated marketing has been uncontrollably applied, where the extensive attractions have been offered directly. As a result, there were neither clear market and supply policies nor the meeting of the requirements of certain market segments (target groups setting).

Focus strategy has the following advantages:

1. it enables more precise defining of the market and better understanding of the consumers' needs;
2. when the consumers' needs are thoroughly studied, it is easier to define the marketing mix;

3. the continual market segmentation program amplify the companies' capacity (i.e. destinations) in meeting variable market needs;
4. it enables the managers to better estimate the disadvantages of the competitors;
5. the segmentation brings about better allocation of the marketing efforts;
6. it enables marketing segments defining to be more precise.

Considering many specific features of the tourist supply, the world tends to give an advantage to the focus strategy. Novi Sad should set market targets and should make serious investments; expecting the results on the basis of investment should be particularly taken into account if the outcomes from the tourist development (financial in the first place) are required. In such a case, both the local and the foreign market demand have to be complementary considered.

In the case of the priority development of the aspects of tourism at one side, and the differentiation of the international tourist market on the other side (i.e. forming segments and the target groups focused on them), it would be possible to elaborate plans and programs for the customers to become loyal to a destination, for each particular segment. Considering a wide range of different aspects of tourism that gives features to the tourist destination of Novi Sad, it is possible – provided that all bearers of the tourist offer have clearly decided to invest in this segment. Then, both the short and long-term effects would be attainable.

## Conclusion

The respectable tourist resources of Novi Sad must be seriously considered and incorporated in the plans for its future development. An important role should be played by the concept of marketing and management of the tourist destination, which would be applied. The multiplied effects of the tourism on the whole economic life will be reflected, in a positive way and for a long term, in the region's development, as a whole, which is a common interest. Therefore, the task of the destination management (at all levels, both horizontally and vertically) requires a successful putting into practice. Only in this case all respectable resources of tourist destination will be used in a profitable way. This is the basic condition for the tourist development in the future.

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## Rolul marketingului în dezvoltarea turistică a orașului Novi Sad

### Rezumat

*Scopul acestui articol este acela de a sublinia direcțiile strategice ale dezvoltării turistice a orașului Novi Sad, pe baza implementării cunoștințelor teoretice și a principiilor marketingului și managementului destinațiilor turistice. Astfel, se pune în evidență modalitatea de a exploata un potențial semnificativ pentru dezvoltarea ulterioară a turismului, în sens practic.*