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# Entrepreneurship Innovations in Tourism

***Abstract****: The paper analyses the effects of entrepreneurial innovations in tourism, with a special emphasis on the possibility for further development of the quality of Vranjska Banja (spa resort) services in order to increase the attendance at this great spa tourism potential in Serbia. The aim of the paper is to determine the factors that will contribute to the greater visitor numbers of Vranjska Banja. The basic research question is: To what extent the content of the tourist offer of Vranjska Banja, the price and quality of the services that are provided contribute to the visit to the specified destination? According to the defined research problem, which is insufficient attendance at Vranjska Banja, the survey of visitors of Vranjska Banja was carried out with specially defined questions adapted to the subject and purpose of the research, by combining the statistical method of samples with the method of interviews and questionnaires. Impact data were analysed using the five-point Likert scale method and the descriptive statistics method. The obtained results indicate that there is a high level of loyalty of visitors who visit Vranjska Banja every year and that they are satisfied with the tourist offer, the quality of services and the price of services, that is, the hypotheses that there is a positive correlation between the visits to Vranjska Banja and the tourist offer, the prices and quality of services have been confirmed. It is necessary to improve the tourist offer in order to increase the number of new visitors.*

***Key words:*** *Vranjska Banja (spa resort), entrepreneurship, innovation, tourism, development, natural potential.*

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## Preduzetničke inovacije u turizmu

***Apstrakt****: U radu se analiziraju uticaji preduzetničkih inovacija u turizmu, sa posebnim osvrtom na mogućnost daljeg poboljšanja kvaliteta usluga Vranjske Banje sa ciljem povećanja posećenosti ovog velikog turističkog potencijala banjskog turizma u Srbiji. Cilj rada je utvrđivanje faktora koji će doprineti većoj posećenosti Vranjske Banje. Osnovno istraživačko pitanje glasi: U kojoj meri sadržaj turističke ponude Vranjske Banje, cena i kvalitet usluga koje se pružaju doprinose posećenosti navedenoj destinaciji? Shodno definisanom istraživačkom problemu, a to je nedovoljna posećenost Vranjske Banje, izvršeno je anketiranje posetilaca Vranjske Banje sa posebno definisanim pitanjima prilagođenim predmetu i cilju istraživanja, kombinacijom statističke metode uzoraka sa metodom intervjua i upitnika. Prikupljeni podaci analizirani su primenom metode petostepene Likertove skale i metodom deskriptivne statistike. Dobijeni rezultati ukazuju da postoji visok nivo lojalnosti posetilaca, koji posećuju Vranjsku Banju svake godine i zadovoljni su turističkom ponudom, kvalitetom usluga i cenom usluga, odnosno hipoteze da postoji pozitivna korelaciona veza između posećenosti Vranjske Banje i turističke ponude, cene i kvaliteta usluga su potvrđene. Neophodno je unaprediti turističku ponudu kako bi se povećao broj novih posetilaca.*

***Ključne reči****: Vranjska Banja, preduzetništvo, inovacije, turizam, razvoj, prirodni potencijal.*

## 1. Introduction

The turbulent life of people in the world today is increasingly creating their need to find a way to come out of the vicious circle of business commitments and spend more time in nature. The ideal place for meeting human recreational needs, that is, for spending one's free time in a useful way, is a spa resort. Spa tourism is a kind of tourism that has the longest tradition in Serbia. The development of spa tourism in conditions of uncertainty has led to the strengthening of innovation with the aim of creating new values and ensuring the highest level of satisfaction and loyalty of visitors. The Republic of Serbia has a large tourism potential, which has not been sufficiently developed, observing the modern tourist standards and requirements of modern tourists.

Vranjska Banja is a spa resort with the warmest mineral water in Europe. The water temperature from 94° C to 110° C, with a capacity of 140 litres per second, springs to the surface of the soil from about a dozen sources. The significance of this water is not only its high temperature, but also its exceptional healing properties. It successfully helps in the treatment of all

forms of rheumatism, neurological diseases, post-traumatic conditions, diseases of the digestive organs, gynaecological and skin diseases.

In addition to the basic natural resource in Vranjska Banja, the event "Days of Carnation" is traditionally held, which celebrates the traditional products of the people living in this region.

In the midst of the various factors, it has a very poor material tourism base, which is primarily reflected in the lack of quality accommodation capacities. In addition, this spa resort also lacks entrepreneurial innovations that would complement the tourist offer and attract more tourists. Today, the utilization of tourist capacities in Vranjska Banja is below 30%, which makes this spa with the warmest water in Europe underdeveloped. In this sense, Vranjska Banja represents untapped natural and tourist potential in southern Serbia.

The subject of research is low level of visits to Vranjska Spa and insufficient utilization of available tourist potentials. The aim of the research is related to the subject of the research, which refers to the possibility of improving the tourist potential of this spa, having as an objective to increase the number of visitors and sustainable development.

Therefore, it is necessary to integrate entrepreneurship and innovation with tourism, and thus define a strategy that will enable the use of all the potentials that this spa possesses.

The concept of entrepreneurship and innovation, although with a great tradition, is a relatively new idea in the field of tourism. Today it is not possible to imagine an efficient and sustainable tourist destination that does not have good entrepreneurial support. Examining the state of economic development of a tourist destination is not easy at all, regardless of the fact that several indicators have been developed for that purpose.

# 2. Literature Overview

## 2.1. Entrepreneurship and innovation in tourism

Entrepreneurship and innovation are extremely important factors in tourism and crucial for the continual success and development of industry, both at global and regional level, and they relate to (Lopez et al., 2009):

- changes in the organization of work,
- leisure,
- absolute and relative distribution of income, and
- exogenous sources of innovation (technology).

Considering the movement and development of the world market and the market economy, it can be concluded that modern trends are looking for the introduction of new jobs, occupations and ways of doing business (Simić, 2015). The concept of entrepreneurship plays a major role in this process. Entrepreneurship as a kind of activity plays the same role in all economies, regardless of the level of development. However, the quality of entrepreneurial activities in the form of contributions to economic growth and development varies depending on the degree of development of a country in which the quality of the environment is one of the key criteria for distinguishing, but also a direct factor in the development of entrepreneurship (Leković B., Marić S., 2017).

Many studies have emerged as part of the innovation studies conducted by the OECD and Eurostat (Oslo, 2005). The main issues of interest for researchers in the world dealing with the problems of innovation in tourism include: Furman, Porter, Stern, (2002); Grupp, Mogee, (2004), Balezentis, Balkiene, (2014), dealing with innovation policy; Hollenstein, (2003), Gault, (2011), who consider the drivers of innovation in the economy; Tuominen, Rajala, Moller, (2004), Perunovic, Christiansen, (2005), who deal with the innovative activity of enterprises (mainly production companies) with a special emphasis on technological progress and research and development costs, as well as their role in the innovation process; Gallouj, Savona, (2009), wrote that the research of a specific sector of economy innovation should be considered a leading research of the issue of innovation of services at the international level; Hjalager, (2010) and Szimanska, (2009, 2013), who consider the innovation of selected sectors, e.g. tourism companies; Rycroft, (2003), who deals with innovation in the context of a knowledge-based economy and the process of globalization. Contemporary economic studies, including primarily the Oslo Manuals (3rd Edition, 2005 and the following), indicate that innovation can be found not only in manufacturing enterprises but also in services. In accordance with the OECD Nomenclature (2005), innovation can be related to the product, process, organization or marketing.

Many authors have only recently begun studying the tourism sector (Weiermair 2006, Hjalager 2002, Hall and Williams 2008). However, the innovation theory in the tourism sector has to be developed. When it comes to the tourism industry, it can be concluded that innovation determinants can be found outside the tourism sector, and it is, therefore, vital to develop innovation through interaction with other agents that may not be directly related to tourism industry (Hjalager, 2002).

Most authors (Weiermair, 2006, Hjalager, 2002, Fagerberg, 2005, Drejer, 2004, OECD, 2005) adhere to the classification established by Spasić in 1934, who points out that the typologies identified in the third edition of the Oslo (OECD, 2005) Manual have to be adapted to the tourism sector, and

therefore, the classification of innovation types for the tourism sector has been created:

- Product innovation (gradually or radically altered new goods or services that can be commercialized);
- Process innovation (implementation of a gradually or radically altered new production process or delivery method);
- Organizational innovation (implementation of a new or gradually changed organizational method or managerial form), and
- Marketing innovations (implementation of a new or gradually changed marketing strategy developed by the sales market).

Organizational innovations for hotels are relatively rarely studied. One of the few is Ottenbacher (Ottenbacher, 2007), who points out that catering companies are developing innovations through a series of specific business-related goals. This study concludes that different approaches to the development of organizational innovations seem to depend on these goals. In the study of 185 innovations in hotel management, three dimensions of performance are identified:

- market performance,
- financial performance, and
- improved relationships between employees and customers.

Regarding the degree of innovation, the role of entrepreneurs in the production of radical innovations must be emphasized. It is also necessary to make a distinction between radical and incremental innovations. Radical innovations are in most cases related to technology, and this kind of innovation means that the previously monitored pattern is changed. Furthermore, radical innovations can lead to various minor innovations (Sundbo 2001). They can also be achieved as small technological revolutions, which consist of a group of innovations that together have a greater impact (Fagerberg, 2005).

However, the impact of radical innovations can be measured only after they are implemented. Some examples of radical innovations in the tourism sector can be easily identified, such as the creation of a specific quality management system for tourism organizations. Furthermore, gradual innovations are made step by step and include cumulative changes during the continuous process. The cumulative impact of incremental innovation can be as good as the impact of radical innovations. Profitability of radical innovation sometimes depends on several incremental improvements. Cases of gradual innovation in tourism can also be isolated actions, such as (Carvalho, Costa, 2011):

- quality improvement,
- energy saving,
- recycling products, and

- reducing costs related to equipment performance.

## 2.2. Indicators of tourism development

The economic results of tourism activity can be manifested through three economic indicators. The following three economic indicators are:

- seasonal character of tourism,
- the ratio of tourist overnight stays and accommodation capacities,
- the coefficient of local tourism enhancement of the economy.

Tourism is a seasonal activity in most tourist destinations. Higher concentration of tourists in the specific period requires higher investment funds and construction works which would lead to creating capacities and satisfying tourism needs. In addition, in the peak of tourist season, the local population employment is increased. During this period, there is about 30% of the annual turnover (European Commission, 1994). On the other hand, in the specified season, there is a greater pressure on tourism destination resulting in greater number of negative ecological consequences.

The ratio of tourist overnight stays and accommodation capacities is an indicator showing the economic turnover reached in a tourist destination. Some of the estimates are that the ratio of these factors should not be less than 120 nights per bed a year. Increasing this indicator to between 120 and 150 shows acceptable capacity utilization. For a higher level of efficiency, it is necessary for a tourist destination to record over 150 overnights per bed.

$$\frac{Total\ number\ of\ overnight\ stays\ per\ year}{number\ of\ beds\ x\ 365}$$

The coefficient of local tourism increase in the economy is one more in a series of economic indicators of a particular tourist destination. When it comes to this indicator, it should be said that it includes all those direct and indirect effects that tourism consumers and employment have on local economy. This indicator is extremely important because the increase in tourism consumption significantly influences  further development of economy in this area.

While economic indicators can generally measure the economic efficiency and profitability of a particular tourist destination, there are certain indicators that can not do such a thing. Here, first of all, we mean indicators of tourist satisfaction. When it comes to the level of tourist satisfaction, the level of their satisfaction with the quality of services provided and the state of the environment and other socio-cultural determinants of a particular area are primarily considered. As a combination of the previous group of indicators and

tourist satisfaction indicators, specialists emphasize the indicator of repeated visits of tourists. Namely, the percentage of tourists who have visited a certain tourist place for the second time is considered an indicator of tourist satisfaction. This information can mostly be obtained by collecting primary data by distributing surveys to visitors. According to the standards of experts from the European Union, it is ideal for this percentage to range between 30% and 50% (European Commission, 2002). Taking this into account, this paper is based on the hypothesis that the economic turnover of a tourist destination is directly proportional to the degree of customer satisfaction.

## 3. Research methodology

The data required for this paper were collected through a survey conducted in 2018. The basic method used to collect data is a questionnaire.

*Table1. Questions raised by a questionnaire*

| Number | Question |
|--------|----------|
| 1. | I visit Vranjska Banja every year. |
| 2. | The reason for the visit is relaxation and health. |
| 3. | In Vranjska Banja, I usually stay with relatives and friends. |
| 4. | My stay in Vranjska Banja mainly lasts for one day. |
| 5. | I always stay in the Special Hospital for Rehabilitation. |
| 6. | I think that the price / quality ratio is adequate. |
| 7. | I am very pleased with the visit to Vranjska Banja. |
| 8. | I am satisfied with the abundance of cultural events. |
| 9. | Tourist offer of Vranjska Banja is very good. |
| 10. | Accommodation offer of Vranjska Banja is at a satisfactory level. |
| 11. | I am satisfied with the tourist information prior to arrival in Vranjska Banja. |
| 12. | If the occasion arises, I will visit Vranjska Banja again. |
| 13. | I believe that the construction of the ethno village would improve the tourist offer of Vranjska Banja and attract a large number of visitors. |
| 14. | It is necessary to build facilities for children and improve content for health tourism. |

*Source: Prepared by the author*

The sample contains 54 respondents, random passers-by on the territory of Vranje and Vranjska Banja (spa resort). The Likert scale, which consists of a series of claims devoted to different aspects of their opinions, and is given to the respondent with the task of expressing the degree of his/her agreement or

disagreement on a five-point scale for the individual claim, was used for primary research related to entrepreneurial innovations in the area of Vranjska Banja. The research methodology included collecting, selecting, analysing and reinterpreting data or attitudes according to the five-point Likert scale. Attitudes range from completely negative, through neutral to completely positive, or absolute agreement. A composite property indicator is obtained as the total sum of items. This will determine the acceptance and intensity of the opinions. In addition to the questionnaire, the descriptive statistics method was used. The questionnaire related to Vranjska Banja contains 14 items, which are analysed as special variables (on the Likert scale from 1 to 5).

Using the mathematical-statistical analysis, the characteristics of each subgroup, the homogeneity and distance between them will be determined in relation to the derived characteristics, in order to be able to conclude with a certain degree of reliability.

### Quantitative methods

In order to realize the basic research intentions arising from a precisely limited research area, a clearly defined research problem quantitative methods will be used  for investigating the relationship/connectivity, i.e. the interaction between the observed variables of the research selected in accordance with the nature of the available data. More precisely, due to non-parametric characteristics of the sample, Spearman's correlation of the rank will be used.

The basic research hypotheses examined in this paper are:

H0: There is a positive correlation between the number of visitors and tourist satisfaction with tourist content - supply.

H1: There is a positive correlation between the number of visits and the quality of tourist services.

H2: There is a positive correlation between the attendance rate and the price of services.

## 4. Results and discussion

### Correlation analysis of dependent variables

In table no. 2 correlation of the first question from the questionnaire was done (I visit Vranjska Banja each year) according to other issues of variables:

- • The reason for the visit is relaxation and health,
- • In Vranjska Banja, I usually stay with relatives and friends,
- • My stay in Vranjska Banja lasts for one day,

- I always stay in the Special Hospital for Rehabilitation
- I think that the price / quality ratio is adequate,
- I am very pleased with the visit to Vranjska Banja,
- I am satisfied with the abundance of cultural events,
- Tourist offer of Vranjska Banja is very good,
- Accommodation offer of Vranjska Banja is at a satisfactory level,
- I am satisfied with the tourist information prior to arrival in Vranjska Banja,
- If the occasion arises, I will visit Vranjska Banja again,
- I believe that the construction of the ethno village would improve the tourist offer of Vranjska Banja and attract a large number of visitors,
- It is necessary to build facilities for children and improve content for health tourism.

*Table 2. Correlation analysis of dependent variables*

|  |  |  | I2 | I3 | I4 | I5 | I6 | I7 | I8 | I9 | I10 | I11 | I12 | I13 | I14 | II1 | II2 | II3 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Spearman's rho | I1 | Correlation Coefficient | ,719* | ,044 | -,231 | ,389* | ,527* | ,630** | ,529* | ,545* | ,356* | ,304* | ,410* | -,232 | -,262 | ,015 | ,266 | -,142 |
|  |  | Sig. (2-tailed) | ,000 | ,750 | ,093 | ,004 | ,000 | ,000 | ,000 | ,000 | ,008 | ,025 | ,002 | ,091 | ,055 | ,916 | ,052 | ,305 |
|  |  | N | 54 | 54 | 54 | 54 | 54 | 54 | 54 | 54 | 54 | 54 | 54 | 54 | 54 | 54 | 54 | 54 |

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

*Source: Calculation by the author*

The first line represents the coefficient of correlation rho, where the positive value indicates the positive direction of the connection, and the opposite value denotes the negative direction of the connection. The strength of the link depends on the coefficient rho and this low volume is 0.100 to 0.290, medium 0.300 to 0.490, greater than 0.500 to 1. The second line represents the value of the parameter p - the level of statistical significance, where the statistical significance is present when p <0.05.

From the analysis of the available correlation results we can see that the variable I7 - I am very satisfied with  the visit Vranjska Banja has a positive correlation, high strengths at the level of statistical significance with the number of visits, where n = 54; r = .630 and p = .000.

Variable I10 - Accommodation offer of Vranjska Banja has a satisfactory level of positive correlation, medium statistical significance with dependent variable, where n = 54; r = .356 and p = .008.

The quantitative procedures concluded that between the variable I6 - I find that the price and quality relationship is adequate and dependent variable I1 -

the number of visits has a positive correlation, high strengths at the level of statistical significance, n = 54; r = .527; p = .000.

Most respondents absolutely agree with the view that it is necessary to build an ethno village, facilities for children and improve content for health tourism, and that would attract a large number of tourists.

When commenting on the results, it is very important to distinguish variables with the highest level of positive correlation in relation to the number of visits and a very significant coefficient of determination when it comes to research in the field of social sciences (> 30%). The variables belonging to the aforementioned group are the following: The reason for my visit to Vranjska Banja is relaxation and health content r = 0.719, p = 0.000; I always stay in the Special Hospital for Rehabilitation r = 0.389, p = 0.004, I find that the price / quality ratio is adequate r = 0.527, p = 0.000; I am very satisfied with the visit r = 0.630, p = 0.000; I am satisfied with the abundance of cultural events r = 0.529, p = 0.000; Tourist offer of Vranjska Banja is very good r = 0.545, p = 0.000; Accommodation offer of Vranjska Banja is at a satisfactory level r = 0.356, p = 0.008; I am satisfied with the tourist information prior to arrival in Vranjska Banja r = 0.304, p = 0.025; If the occasion arises, I will again visit Vranjska Banja r = 0.410, p = 0.002.

**Economic, social and satisfaction indicators**

Indicators or variable sizes that can be monitored and measured to detect changes in the state of a phenomenon are the means through which the existing information is purified and new data are collected (Mowforth, Munt, 2003).

**Economic indicators** are comparative indicators of sustainable tourism that experts have defined and submitted to the Commission of the European Union. In addition to economic indicators, this group also includes cultural, social, environmental indicators, as well as the satisfaction of tourists. Based on the defined limit values for each indicator, it is possible to determine whether the condition of tourism is critical, tolerant or sustainable. Accordingly, there are three zones which determine the sustainable development of tourist destinations:

- Red Zone - indicates a critical situation and requires taking of certain measures,
- Yellow zone - means a tolerable situation, but also the possibility that the development of tourism will lead to changes, and, therefore, preventive measures are recommended,
- Green zone - implies that the state of tourism development is sustainable (Bulletin of the Serbian Geographical Society, 2010).

Based on the results of the research, administrative measures and activities are adopted. Economic indicators express the economic effects of tourism business in a tourist place or area. These include: the ratio of accommodation capacities and the number of local population and the intensity of tourism.

*Table3. The ratio of the number of overnight stays and accommodation capacities of Vranjska Banja (spa resort)*

| Year | Arrivals | | Nights | | Beds | Ratio of overnight stays and accommodation capacities |
|------|----------|-------|-----------|--------|-------|----------------------|
|      | Foreigners | Total | Foreigners | Total | Total | |
| 2017 | 118 | 2,075 | 812 | 19,053 | 178 | 29.32% |
| 2016 | 133 | 2,143 | 809 | 19,134 | 184 | 28.49% |
| 2015 | 157 | 2,523 | 792 | 20,664 | 236 | 24.00% |
| 2014 | 519 | 4,943 | 1,468 | 33,000 | 208 | 43.47% |

*Source: Prepared by the author based on the data of the Statistical Office of the Republic of Serbia*

An analysis on the number of overnight stays with accommodation capacities provides the insight into the economic utilization of accommodation capacities. Accommodation capacities, i.e. the material base of tourism, are the basis of the functioning of each tourist destination, as well as Vranjska Banja.

Table no. 3 shows the ratio of the number of overnight stays and accommodation capacities of Vranjska Banja. According to the above data, it can be noticed that in the observed period this coefficient had a big fall in 2015 compared to 2014, after which it recorded an increase in 2016 with a slight increase in 2017. This trend shows a sharp decrease in the number of visitors compared to the base year with a certain increase, which indicates that this indicator shows the unsustainable development of tourism in Vranjska Banja. Despite the great natural potential, Vranjska Banja records very bad indicators when it comes to the number of tourist nights.

On the territory of Vranjska Banja, a significant facility is the Special Hospital for Rehabilitation, which has about 120 beds.

What is important for the development of every tourist place, including Vranjska Banja, is the arrival of domestic and foreign tourists in as large number as possible. The tables indicate that there is a certain percentage of arrivals of domestic and foreign tourists, but it is still very small and not sufficient for the development of this spa in accordance with the potentials it possesses. Foreign tourists most often come from the following countries: Macedonia, Montenegro, Sweden, Austria, Germany, the Netherlands, Slovenia, Croatia, Romania, etc.

Considering the fact that a large number of tourists visit the spa in the summer months, the summer tourist season in this spa is more dominant than in winter. Also, during the summer in Vranjska Banja (spa resort) there are numerous tourist events, which additionally attract visitors from other parts of Serbia.

**The seasonal character of tourism** in Vranjska Banja can be mitigated by the development of the healthcare function, but also by enriching the offer with other contents that would attract visitors in the off-season period, contributing to better business results and more even distribution throughout the year. Vranjska Banja in the summer months is mostly visited by people coming for rehabilitation, and rarely by those who spend their holidays here, school holidays, holidays, etc. The largest number of tourist nights is realized in June, July and August.

Vranjska Banja has numerous potentials that can be used to activate the winter period of the year. Investments in the construction of outdoor and indoor swimming pools should be made, which would contribute to a significant increase in the tourist traffic of this region in the winter months, and reduce the seasonal character of tourism. The effect on this plan can also be achieved by promoting the tourist values in the months of the reduced intensity of tourist movements, then enriching the contents of the tourist stay in the off-season, and placing a richer offer in the tourist market.

Information about **the repeated tourist visits** to a particular place is collected by frequently carrying out surveys with tourists. According to the data of the Special Hospital for Rehabilitation, about 85% of visitors are the guests who already visited Vranjska Banja (spa resort) in the previous years.

A large number of users have been coming to Vranjska Banja for many years, as already mentioned, and below is an overview of the number of years of repeated visits:

- Up to 10 years - 300 people;
- 10-20 years - 93 people;
- 20-30 years - 60 people;
- 30-40 years - 35 people;
- 40-50 years - 2 people;
- Over 50 years - 1 person (Data from the Directorate of the Special Hospital for Rehabilitation).

It is obvious that in the area of Vranjska Banja there is still no initiative and possibility of exploiting the potentials of Vranjska Banja in the sense that it has the warmest sources of water in Europe. By applying the concept of entrepreneurship and innovation through tourism development in the area of Vranjska Banja, an environment for development and many other activities

would be created. First of all, this refers to related activities that would complement the tourist offer in the area of Vranjska Banja.

Based on the above, it can be concluded that the introduction of innovations and the improvement of the tourist offer have an important role in entrepreneurial innovation as the key determinants of tourism development.

*Table 4. SWOT analysis of Vranjska Banja (spa resort)*

| Strengths | Weaknesses |
|---|---|
| - Spa tradition<br>- natural medical factors<br>- education of personnel<br>- rich cultural heritage,<br>- geographical position<br>- preservation of the environment,<br>- healthy food production<br>- reasonable prices | - poor infrastructure,<br>- old medical equipment,<br>- lack of marketing research,<br>- unstable finances, and<br>- unstable financial situation |
| Opportunities | Threats |
| - transformation into a modern spa concept,<br>- increase of tourist demand,<br>- construction of new accommodation and medical facilities,<br>- improvement of destination management,<br>- improvement of roads,<br>- market segmentation | - lack of investments in tourism,<br>- strengthening competitiveness in the environment,<br>- insufficient interest in the integrated tourism product,<br>- insufficient supply for foreign tourists |

*Source: Prepared by the author*

# 5. Conclusions

The conditions of spa tourism in Serbia are not at a satisfactory level, for several reasons, both objective and subjective. The future development of spa tourism needs to be based on strategic development, which is also a very crucial factor for the development of tourism as a whole.

Based on the correlation analysis of the first question from the questionnaire - dependent variables on other issues - independent variables, it was determined that the number of visits (dependent variable) has a positive link with a certain statistical significance with independent variables - customer satisfaction with tourism content, quality of services provided and cost of

services provided . The goals set were achieved and quantitative procedures confirmed all three hypotheses.

Most respondents absolutely agree with the view that it is necessary to build an ethno village, facilities for children and improve content for health tourism, and that would attract a large number of tourists.

An analysis of the number of overnight stays with accommodation capacities provides insight into the economic utilization of accommodation capacities. Despite the great natural potential of Vranjska Banja, there are very bad indicators when it comes to the number of tourist nights. The ratio between the number of overnight stays and accommodation capacity points to the declining character of the same from 2014 to 2017. What is important for the development of every tourist place, and Vranjska Banja itself, is the arrival of domestic and foreign tourists in as many numbers as possible. Foreign tourists in the aforementioned tourist destination most often come from the following countries: Macedonia, Montenegro, Sweden, Austria, Germany, the Netherlands, Slovenia, Croatia, Romania, etc.

The seasonal character of tourist traffic has a great impact on every tourist destination. In Vranjska Banja it is possible to mitigate the influence of seasonal character by developing the healthcare function, but also by enriching the offer with other contents that would attract visitors in the off-season period, contributing to better business results and more even distribution throughout the year.

Vranjska Banja has numerous potentials that can be used to activate the winter period of the year. Investments in the construction of outdoor and indoor pools should be made, which would contribute to a significant increase in the tourist traffic of this region in the winter months, and reduce the seasonal character of tourism. The effect on this plan can also be achieved by promoting tourist values in the months of reduced intensity of tourism trends, then enriching the content of the tourist stay in the out of season, and placing a richer offer in the tourism market.

Information about the repeated tourist visits to a particular place is collected by the most frequent surveys of tourists. Regarding the repeated visits to Vranjska Banja, according to the data of the Special Hospital for Rehabilitation, about 85% of visitors already visited Vranjska Banja in previous years. Solution sould be found for enriching the tourist offer and attracting a large number of new visitors.

Vranjska Banja, despite its favourable geographical location, great geo-thermal potential and great spa margin, is today a spa located on the margins of spa tourism. Here it is necessary to integrate entrepreneurship and tourism, which with the available natural potentials can give an economically winning combination. Naturally, the entire development process needs to take place

on the principles of sustainable development, which is a precondition for a sustainable tourist destination.

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