www.ejthr.com

SATISFACTION OF TOURISTS IN SERBIA, DESTINATION IMAGE, LOYALTY AND DMO SERVICE QUALITY

Ivan Paunović
Singidunum University, Serbia

ABSTRACT: Background: Tourist satisfaction literature, although rich in general, lacks the understanding of tourist satisfaction components on the level of the destination. Researching and benchmarking various aspects of tourist satisfaction would help DMO's improve the tourist satisfaction in certain targeted segments of offer. Objectives: Identifying the components of tourist satisfaction on the level of destination using primary research data. Using secondary sources to identify related marketing concepts to tourist satisfaction: service quality, destination loyalty and image, and their relation to tourist satisfaction. Identifying major components of DMO service quality, tourist destination brand loyalty, and destination brand image. Methodology: Using Principal Component Analysis (PCA) of primary research data on tourist satisfaction to extract major components influencing tourist satisfaction. Using secondary sources to identify concepts related to tourist satisfaction. Results: Tourist satisfaction has cognitive and emotional aspects which cannot be easily measured. As evidenced in the tourism literature and our primary research, the essential part of the tourist satisfaction is always satisfaction with the human contact, and the perception of the people on the destination, where aspects like safety, hospitality, and professionalism are of major importance. Tourist satisfaction, although one of the most important benchmarks for destination competitiveness, should not be considered without consideration of other related marketing tools such as destination loyalty, destination image and service quality. Moreover, mediating role of tourist satisfaction between service quality and destination loyalty is well documented in the literature. **Keywords:** consumer behavior, destination marketing, DMO benchmarking

INTRODUCTION

Cooper et al. note that both macro and micro destination environments are in a constant state of change and evolution. More importantly the authors encourage the decision-makers to recognize the magnitude of the events shaping the future and their impact on how the destinations will be managed in the future. (Cooper, Fletcher, Fyall, Gilbert, & Wanhill, 2008) This is why a simple, usable quantitative benchmarking model is important for both small and large DMO's. It is intended to be a starting point for research, and also to assist in or-

Ivan Paunović, PhD student at the Singidunum University, Belgrade, Serbia. Email: paun.bg@gmail.com

ganizing the data, and thus facilitate evidence-based decision making and policy creation. This view is supported by Bieger and Laesser, who recommend the categorization of local and regional DMO's according to the quantitative criteria. (Bieger & Laesser, 1998)

Pavlic et al. emhasize that tourist satisfaction is central concept in the process of destination benchmarking. (Pavlic, Perucic, & Portolan, 2010) Primary data research focused on collecting data of tourist satisfaction in order to analyze in detail the variety of components of the tourist satisfaction, and to point out the most important ones. However the phenomenon of tourist satisfaction cannot be approached without considerations for other marketing tools and concepts. Most authors emphasize the importance of measuring the effect of both tourist satisfaction and service quality on the brand loyalty on the destination level. (Emir & Kozak, 2011) (Su, Cheng, & Huang, 2011) (Maroco & Maroco, 2013 Vol. 4 No. 3) Plumed Lasarte additionally emphasized the effect that managing brand image, as one of the main functions of DMO, has on brand loyalty, on the case of Turespana. (Plumed Lasarte, 2012 Vol. 3 SPecial Issue- ITC' 11) However, these concepts were reviewed through secondary sources, in order to understand tourism satisfaction phenomenon more broadly and develop methodology for future research.

REVIEW OF THE LITERATURE

The research on hotel satisfaction, conducted by Emir and Kozak concluded that the single most important factor in the hotel satisfaction is the front office. Of course, the managerial complexity of the hotel operations should not be overlooked, but the critical factor for tourist satisfaction is the functionality and efficiency of the front office in providing information, check in-check out, etc. (Emir & Kozak, 2011) Maroco and Maroco confirmed this findings through the research conducted in Portugese hotels, and concluded that reception and safety are the 2 most important dimensions of service quality. (Maroco & Maroco, 2013 Vol. 4 No. 3) Similar findings were presented in the study by Kattara et al. They found that employee behavior in the 5 star hotel has great effect on overall customer satisfaction, regardless of customer gender, nationality, purpose of visit, number of visits and length of stay. This research concluded that human contact is a critical determinant of customer satisfaction. Moreover, when customers are satisfied with the human interaction they are inclined to look over other potential problems in the process of service delivery. (Saad, Weheba, & Ahmed El-Said, 2008 Vol. 8, 4) In this context, one of the good practice examples for hotel organization motto is the Ritz-Carl-

ton: "We are Ladies and Gentleman, serving Ladies and Gentleman". (The Ritz-Carlton Hotel Company, L.L.C., 2013) The importance of qualified staff in the hotel business, and more generally on the destination as a whole, is essential.

The results of the second-order factor analysis of the gastronomic tourist's satisfaction, conducted by Correia et al. show that gastronomic tourist satisfaction depends on 3 factors: 1. Price and quality, 2. Gastronomy (local courses, food presentation, originality and exoticness, and staff presentation), and 3. Atmosphere (ethnic decoration, decoration, modern music, lighting, entertainment). (Correia, Moital, Ferreira da Costa, & Rita, 2008). This results indicate that even in the specialized services, such as restaurants, the service itself is only one of the factors, while atmosphere and price and quality are equally important factors.

There are not many studies of tourist satisfaction that include accommodation as a factor in tourist overall satisfaction with the destination. However, Marcussen found that the satisfaction with the accommodation doesn't have any significant impact on overall holiday satisfaction or on intention to return. (Marcussen, 2011)

Del Chiappa et al. found that the satisfaction with the museum offer increases as the length of time spent in the museum increases. It shows the importance of auxiliary services in a modern museum, which can include different leisure and cultural activities, as well as concerts, exhibitions, thematic shows, etc. (Del Chiappa, Ladu, Melledu, & Pulina, 2013)

Lai and Quang Vihn conducted an opinion survey using the Analytical Hierarchy (AHP) Method and concluded that there are 3 most important factors influencing the tourism promotion effectiveness: (1) government policy, (2) tourist satisfaction, and (3) service staff. (Lai & Vinh, 2013) Mendes et al. found, on the case of Arade (Portugal), that there is a connection between tourist satisfaction and destination (brand) loyalty, especially for certain types of tourists-older, Portuguese, well educated, and on a business or social trip. (Mendes, Valle, Guerreiro, & Silva, 2010) One of the proposed approaches for successful destination branding in the competitive regional and global environment is market segmentation. (Paunovic, 2013) However, considerable obstacle in using market segmentation as a marketing tool is a low managerial understanding of the market segmentation process. It puts at risk market segmentation studies for they can easily be used in an ineffective manner. (Dolnicar & Lazarevski, Methodological reasons for the theory/practice divide in market segmentation, 2009 Vol. 25 No. 3-4)

Navratil, Picha and Navratilova researched theoretical models of satisfaction on the case of water-based natural attractions in South Bohemia (Chech republic). On a rather large sample of 1664 respond-

ents, they confirmed the theoretical causal relationship, where (1) perceived quality influences (2) perceived value, which in turn influences (3) tourist satisfaction. In addition they found that on-site experience is a significant mediation element between perceived quality and perceived value. The updated model is: (1) perceived quality influences (2) on-site experience, which influences (3) perceived value, which in turn influences (4) tourist satisfaction. (Navratil, Picha, & Navratilova, 2012 Vol. 60 No. 4)

Dragicevic and Letunic researched the satisfaction of tourists on the destination Orebic (Slovenia). While as much as 60% of tourists where satisfied with accommodation, only 41% was satisfied with sport facilities and 25% with the entertainment facilities. This findings call for integrated destination product development, in order for the destination to stay competitive. (Dragicevic & Letunic, 2008)

Questions regarding the perceived cultural difference were not included in the design of the present research. However, in the model created by Huang and Chiu, an important component of the overall tourist satisfaction is the perceived cultural difference compared to tourist's own cultural values. In the proposed model, cultural difference influences directly both satisfaction and trust. (Huang & Chiu, 2006 Vol. 10 No. 1)

Tourist satisfaction can reveal hidden patterns on the tourist market. The research conducted by Pavlic et al., found that Dubrovnik attracts highly educated tourist population (50% had University degree), and tourists with professions with high annual income (41% were managers and employed as doctors, professors, or working in the bank). However, there was statistically significant difference in the satisfaction between high consumption and low consumption tourist. Tourists with high consumption were less satisfied that tourists with low consumption. (Pavlic, Perucic, & Portolan, 2010) This finding implies the need for continuous investment in expansion of tourism products for high income tourists, as well as raising the standards of service. The highest income tourists are also the most demanding tourists.

Quality management is an important organizational strategy and tool for building competitive advantage in dynamic and competitive market. (Garcia, Brea, & Rama, 2012) Evidence from Hungaria, as presented by Behringer and Mester, shows strong consumer demand for a quality assurance accreditation system. (Behringer & Mester, 2005) However, DMO's should demonstrate the efficiency and effectiveness of the quality management system through using it as a tool themselves. Narayan et al. researched the dimensions of the service quality in tourism, with the focus of the research model on the quality of the tour as perceived by the tourists. (Narayan, Rajendran, Chandrasekharan, & Gopalan, 2009 Vol. 20 No. 1) Milfelner et al. confirmed theoretical postulate that hotel

service quality is a two-dimensional concept with cognitive and emotional aspects. Feelings and emotions play an important role in the purchasing behavior of tourists. (Milfelner, Snoj, & Pisnik Korda, 2011)

Hollebeek developed a framework for understanding and classifying the customer brand engagement and brand loyalty segmentation. The author proposes 4 types of customers: 1. Apathists (high loyalty, low engagement), 2. Exits (low loyalty, low engagement), 3. Activitists (high loyalty, high engagement), and 4. Variety seekers (low loyalty, high engagement). (Hollebeek, 2011 Vol. 27 No. 7-8)

Dolnicar et al. found that key drivers of the airline loyalty are membership of the airline loyalty program and a status of the airline as a national carrier. However, they also found a distinction between the business travelers and self-bookers, where self-bookers are less loyal because they are more influenced by the ticket price. Casual fliers were also found to be more influenced by the opinion of friends about the airline than frequent flyers. On the other hand, behavioral loyalty of the frequent flyers is possibly deal loyalty. It means that it is motivated by high payoff of membership, rather than emotional bond with the company. (Dolnicar, Grabler, Grün, & Kulnig, 2011) An open question remains whether business travelers react better than other groups of tourists to city cards programs, as well as it is the case in airline loyalty programs? The difference, when translating these findings to the destination loyalty compared to airline loyalty is that the switching costs are much higher for destinations. It means that destination needs more promotional efforts than an airline in order to position itself in the mind of consumers. However, as Kozak and Rimmington noticed, every destination has its own competitive set, and should position it's offer in the international market accordingly. (Kozak & Mike, 1999)

EXPERIMENTAL RESEARCH

Delimitations

The primary research was conducted during summer season only, so the data should be approached with caution. The samples were, however, weighted according to the official statistics in order to gain more reliable data.

Regarding the research on perceived cultural difference, it was not included, since those aspects are less in control of the DMO. The focus was on the issues that are under direct responsibility of the DMO.

The primary research data were collected only for tourist satisfaction as a central marketing tool, and not for service quality, brand loyalty or brand image, because the focus was on detailed quantitative understanding of tourists' satisfaction in Serbia. On the other hand,

detailed methodological recommendations are given for future research of other concepts such as service quality, brand loyalty and brand image, and their relation to tourist satisfaction.

Research goals

The research goals was defined through the formulation of 3 research questions:

RQ1: What are the principal components of tourist satisfaction in Serbia?

RQ2: What is the mutual relation between service quality, tourist satisfaction, destination (brand) loyalty and destination (brand) image?

RQ3: What are the essential elements of the service quality, destination (brand) loyalty, and destination (brand) image?

Research design

The research was designed to answer Research Question 1 (RQ 1) through the use of primary data PCA (Principal Component Analysis). Research questions 2 (RQ2) and 3 (RQ3) were designed to be answered through the use of secondary sources.

The primary data was collected through conducting Serbia Guest Survey 2011. The survey has been conducted as a component of the EU financed project: "Support to implementation of the National Strategy for Tourism" 07SER01/23/11.

The questionnaire was filled in by tourist themselves, with the instruction and help of the interviewers. The interviewers were positioned on central locations on each tourist destination. Target group were domestic and foreign tourists in Serbia, aged over 14 years, staying overnight, but no longer than 30 days (holiday trip), or 90 days (business trip). The database was weighted by overnight stays and country cluster (Western Europe and the rest of the world, CEE, Western Balkans, Serbia) based on official statistics.

Total sample was 1500 respondents on the following locations in Serbia: Belgrade, Novi Sad, Zlatibor, Guca, Kopaonik, Fruska Gora, Zasavica, Vrdnik, Erdevik, Sremska Mitrovica, Divcibare, Valjevo, Banja Vrujci, Sokobanja, Vrnjacka banja, Banja Koviljaca, Niska banja, Nis, Subotica, Vrsac, Palicko jezero, Belocrkvanska jezera, Srebrno jezero, Ecka, Skorenovac.

The fieldwork was done only for the summer season: from July 11 2011 to September 5 2011.

 The 14 basic factors researched, which influence and build up the tourist satisfaction, were the following: Nature, Culture, History, Safety/Security, Food, Accommodation, Nightlife, Professionalism of service, Customer Orientation, Hospitality of population, Cleanliness, Transportation, Attractions, and Variety of Offer.

FINDINGS

Report of findings for RQ1

The proposed elements of tourist satisfaction in this research were: 1. Professionalism of service, 2. Hospitality of population, 3. Customer orientation, 4. Safety/security, 5. Cleanliness, 6. Culture, 7. Attractions, 8. History, 9. Nightlife, 10. Overall, 11. Food, 12. Accommodation, 13. Variety of offers, 14. Nature, and 15. Transportation.

Table 1: SPPS PCA output-Total variance explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	6.293	44.949	44.949	6.293	44.949	44.949	4.745	33.895	33.895
2	4.454	31.815	76.764	4.454	31.815	76.764	4.142	29.584	63.479
3	1.936	13.830	90.594	1.936	13.830	90.594	2.875	20.536	84.015
4	1.093	7.810	98.404	1.093	7.810	98.404	2.015	14.389	98.404

Extraction Method: Principal Component Analysis

Table 2: SPSS PCA Output-Component Matrix

	Component			
	1	2	3	4
Nature	.768	-.095	-.083	.626
Culture	-.723	.521	.268	.358
History	-.536	.495	.643	.127
SafetySecurity	.917	.032	.207	-.188
Food	.185	.686	-.663	-.222
Accomodation	.283	.630	-.709	.059
Nightlife	-.429	.795	.285	-.319
Professionalism of Service	.737	.502	.287	-.348
Customer Orientation	.564	.759	.294	-.006
Hospitality of Population	.796	.570	.146	-.020
Cleanliness	.949	-.047	.298	.050
Transportation	.861	.298	.020	.408
Attractions	-.715	.641	.050	.258
Variety of offers	-.323	.879	-.310	.103

Extraction Method: Principal Component Analysis
a. 4 components extracted

Report of findings for RQ2

Su et al. hypothesized and tested a model on the relation between service quality, tourist satisfaction and destination loyalty. They found that tourist satisfaction mediates the effect of service quality on destination loyalty. (Su, Cheng, & Huang, 2011) This model is interesting for its contribution to the understanding of the relation between service quality, tourist satisfaction and destination loyalty.

The proposed mediating role of tourist satisfaction (between service quality and brand loyalty) by Su et al. (Su, Cheng, & Huang, 2011) is not always present in the tourism industry. As shown in the FIGURE 1 below, the research has confirmed tourists travel to Serbia for various reasons, not all of them directly connected to satisfaction with the destination. Also, Labrecque et al. emphasize that brand loyalty can be result of different motivators, from conformity to escapism, both with
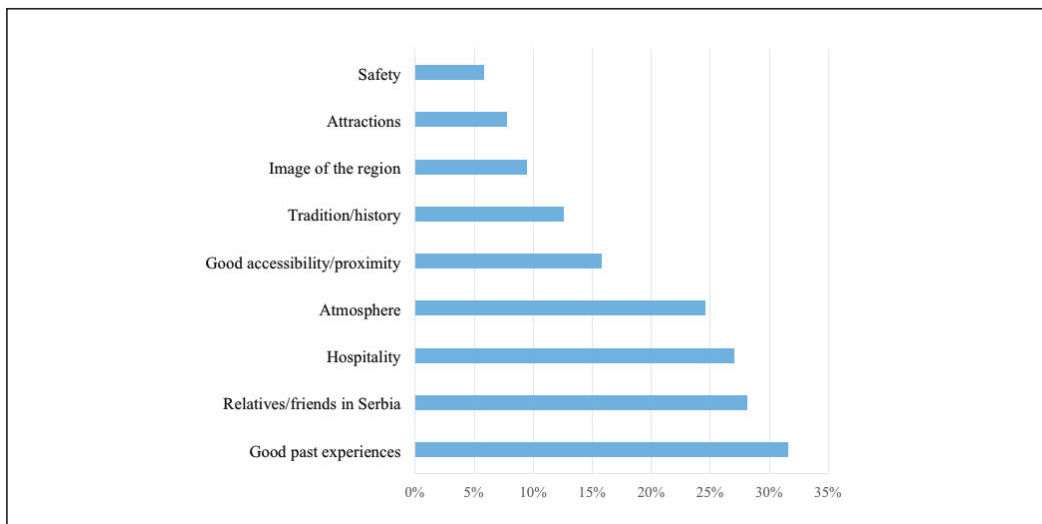

FIGURE 1: Reasons for visiting Serbi

high involvement and brand attachment. Brands can be very successful in offering sanctuary and escapism from the everyday life, such as in the case of Harley-Davidson motorbikes. (Labrecque, Krishen, & Grzeskowiak, 2011 Vol. 18. 7.) Kabiraj and Shnmugan confirm that satisfied customer and loyal customer are not necessarily the same thing. (Kabiraj & Shanmugan, 2011) Ha and John agree that merely focusing on the satisfaction provides an incomplete picture for the development of brand loyalty. (Ha & John, 2010 Vol. 30 No. 7) For Kuenzel and Vaux Halliday, one of the most important factors influencing brand loyalty are reputation and brand personality congruence which affect brand identification. In their view, brand identification is a central mediator and facilitator driving the brand loyalty. (Kuenzel & Vaux Halliday, 2010 Vol. 18) The WTTC forecasts that attractive brand im-

age will be crucial for Serbia to succeed in tourism in the short- and medium-term. (World Travel and Tourism Council, 2013) Therefore, we expanded the model proposed by Su et al. (Su, Cheng, & Huang, 2011), and included the brand image in the FIGURE 2 below.
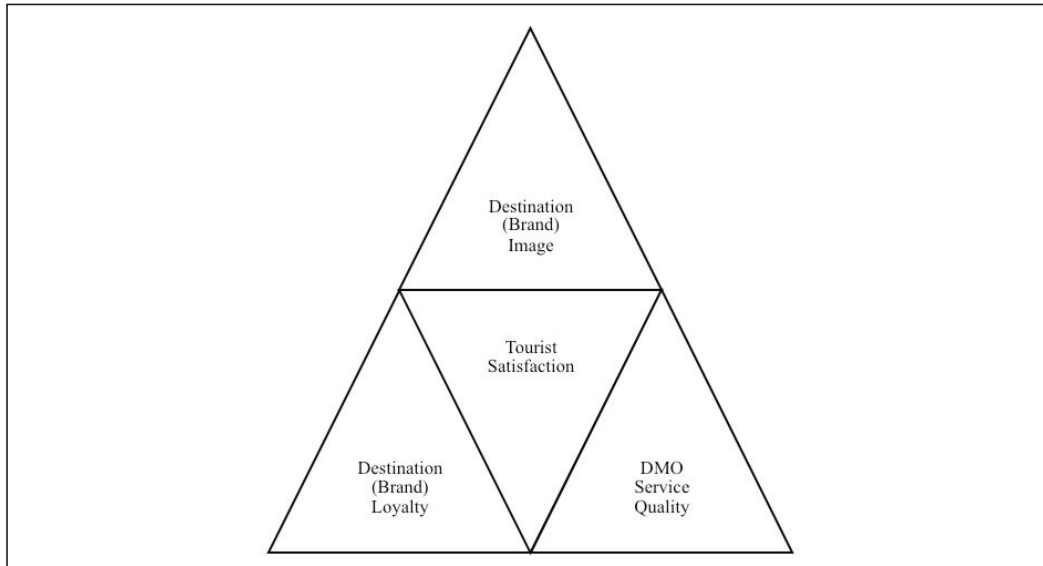

FIGURE 2: Relationship between tourist satisfaction and destination loyalty, image and DMO service quality

Adapted from (Su, Cheng, & Huang, 2011) and expanded with original research

Report of findings for RQ3

Service quality

The service quality components, as proposed by CAF (Common Assessment Framework), are: 1. Leadership, 2. Strategy and Planning, 3. People, 4. Partnerships and resources, 5. Processes, 6. Citizen/customer oriented results, 7. People results, 8. Social responsibility results, 9. Key performance results. The CAF is a quality management framework built primarily for public institutions such as DMO (Destination Management Organization), however it can also be used by other types of institutions. (European CAF Resource Centre, 2013) The CAF model was than expanded with Laessers proposals for DMO classification (Bieger & Laesser, 1998) and Risk Management system assessment was introduced as an addition. (O'Connor & O'Leary, The Importance of Celebrity Association in Tourism Destination Branding, 2012 Vol. 3 No. 3) O'Connor et al. emphasize that the extent of damage a destination can suffer after a crisis (such as terrotist attack) depends on the destinations adaptability and on the response of the industry. (O'Connor, Rose Stafford, & Gallagher, 2008) Therefore, a

Crisis Management System should be an essential of the DMO service quality model.

In order to maximize the effectiveness of the promotional efforts, Bieger and Laesser recommend the categorization of local and regional DMO's according to the quantitative criteria. The categorization should include the following criteria: markets that DMO serves (domestic, international, global), size of the budget, and number of overnights. They also recommend using 50% of the budget for promotional activities. In that way, DMO's can be aware of the group/level they belong to and adapt its activities and budgets. (Bieger & Laesser, 1998)

The quantitative criteria for DMO classification could also be expanded to include marketing metrics such as tourist satisfaction and brand equity in order to effectively manage destination brand. As Mamula noticed, brand valuation (through marketing metrics) represents an efficient tool for integrating both financial and market criteria in brand equity management. (Mamula, 2012 Vol. 43 No. 1) Since Internet has become the primary source of information about the destination, special attention should be given to Internet and social media. (Paunovic, 2013) Modern brand research efforts should include online content analysis (collection description and analys of images and text). (United Nations World Tourism Organization, 2008) Dolnicar, Rossiter et al. have found in their research that brand research questionnaires should include forced binary questions in order to yield optimal results. Industry practice of using "pick any" measure, or academic approach of using 7-point scale are yielding suboptimal results. (Dolnicar & Rossiter, „Pick Any" Measures Contaminate Brand Image Studies, 2012) All of the suggested tools are useful in benchmarking citizen/customer oriented results as well as key performance results as defined by the CFA (Common Assessment Framework) for quality management in public institutions. (European CAF Resource Centre, 2013)

Research conducted by Hassan concluded that destination marketing has gone beyond on-line marketing. Social media tools are imperative for modern DMO communication and promotion. Contemporary DMO's need carefully prepared and planned social media positioning strategies. (Hassan, 2013 Vol. 4 No. 1) Similarly, research conducted by Al-Balushi and Atef concluded that traditional hospitality and tourism information sources (brochures, booklets, and catalogues) are diminishing and are replaced by online social media. (Al-Balushi & Atef, 2013)

Destination (brand) loyalty

Richard ad Zhang found that in the case of travel agency brand loyalty, affective commitment mediates between customer satisfaction and customer loyalty. (Richard E. & Zhang, 2012) However, this concept is not applicable

on the case of the destination, because firstly brand switching costs are higher and secondly affective commitment cannot play such an important role.

The model for destination loyalty used in the research was the model proposed by Su et al. (Su, Cheng, & Huang, 2011). However, their proposed model for destination loyalty (place dependence, place identity and behavioural intention) was expanded to include the uniqueness of the destination and destination authenticity. A tri-dimensional approaches to brand loyalty proposed by Worthington et al.(emotional, cognitive, behavioral), and Suhartanto et al. (attitudinal, conative, behavioral) were too abstract and simplistic for application on the destination loyalty benchmarking. (Worthington, Russell-Bennet, & Haertel, 2010) (Suhartanto, Clemes, Dean, & Brien, 2011 Vol. 3 No. 3)

UNWTO estimated that there are around 200 country destinations in the world, with even larger number of local destinations. In addition the number of destinations and tourism arrivals on the global level are growing year to year. (UNWTO (World Tourism Organization) and ETC (European Travel Commission), 2011) This means that tourism is becoming more accessible, which in turns means that switching costs for consumers are lower and lower each year. Therefore, destination brand loyalty measurement should include uniqueness of the destination as a component in order to understand the relation of the destination to other destinations. As Lam et al. noted, modern consumers are building their social identity through the brand purchase decisions. In order to understand the contemporary competitive environment, marketer has to view the brand in relation to other brands on the market in the context of Social Identity Theory. (Lam, Ahearne, Hu, & Schillewaert, 2010 Vol. 74) Roget et al. researched the effect of the authenticity of destination on the brand loyalty. They found that there is highly correlated positive relationship between authenticity and destination brand loyalty. (Roget, Novello, & Fernandez, 2013) The case of Kazahstan, presented by Tiberghien et al. calls for the inclusion of authenticity into destination brand equity, through the development and promotion of eco-cultural tourism. The process of destination brand building has to include the local and indigenous people, rather than adopt top-down approach. (Tiberghien, Garkavenko, & M., 2013 Vol. 4 No. 1) Therefore, the authenticity was included into the DMO benchmarking model proposal.

Destination image

Researching and understanding the brand image components is important because it is a prerequisite for DMO promotional efforts. This is why National tourism organizations are adopting marketing plans with brand image management based on market surveys. As Plumed Lasarte presented in the case of Turespana (Spanish tourism organi-

zation), the typical lines of action for a marketing plan are: 1. Market surveys, 2. Brand image and communication, 3. Development of the product and marketing, 4. On-line marketing, 5. Managerial excellence, and 6. Crisis Management. (Plumed Lasarte, 2012 Vol. 3 SPecial Issue-ITC' 11) In contrast to Turespana's marketing approach, Serbian National Tourism Organization has limited use of market research tools. The organizational structure proposed in the Strategic Marketing Plan (attachment of the Strategy of Tourism Development of the Republic of Serbia), plans for 4 functional services: 1. Marketing infrastructure, 2. Communication system, 3. System of sales and commercialization, and 4. Internal marketing/human resources. (Horwath Consulting Zagreb and Economic Faculty Belgrade, 2006)

DMO Service quality	Destination (brand) loyalty	Destination (brand) Image
• Leadership • Strategy and Planning • People • Partnerships and resources • Processes • Citizen/customer oriented results • People results • Social responsibility and environmental sustainability results • Key performance results: degree of market internationalization (dometic international, global), DMO budget/overnights ratio, percentage of budget used for promotional activities, • Use of social media • Crisis Management System	• Place dependence • Place identity • Behavioral intention • Uniqueness of the destination • Authenticity	• Old-fashioned/ dusty vs. Aesthetically attractive • Boring vs. Inspiring • Relaxing vs. Stressful • Hospitable vs. Unfriendly • Family friendly vs. Alternative • Authentic/ original/real vs. fake • Overrun vs. Enjoyable • Convivial vs. cold • Easygoing/ unconventional vs. Elitist • Conservative vs. innovative • Reserved vs. Outgoing • Cultivated vs. ignorant • Safe vs. dangerous • Romantic vs. down-to earth • Environmentally aware vs. unsustainable • Chick/Happening vs. outdated • Exclusive vs. value for money • Cosmopolitan vs. provincial • Harmonious vs. distorted • Lively vs. quiet

FIGURE 3: Elements of DMO service quality, destination (brand) loyalty and destination (brand) image

Adapted from (European CAF Resource Centre, 2013), (Su, Cheng, & Huang, 2011), (Bieger & Laesser, 1998) and expanded with original research

Destination branding is a daunting task, even for experienced marketing professionals, because of the complexity of the process, and the variety of public and private stakeholders involved. (Khanna, 2011) It is especially challenging in the post-conflict societies, such as all of the Ex-Yu countries, including Serbia. Gould emphasized the importance of rebranding and giving a destination brand new boost in the post-conflict societies. The case of Northern Ireland shows that post-conflict societies have challenges in both creating the national identity, and moving on from the negative images. (Gould, 2011) The tourism marketing in the South-East Europe has focused in the previous years, and still focuses on distancing from the term Balkan. Slovenian tourism has focused on the market segmentation approach, with targeted messages to promote the 5 tourism clusters. Croatia's tourism embraces the Mediterranean identity, and promotes mainly the coastal area. (Hall, 2010) Serbia's tourism, similarly to Croatia's tries to distance itself from the term Balkan and promotes itself as the country on the Danube. As O'Connor and O'Leary point out, celebrity association is established as one of the most popular tools of contemporary advertising. However, before engaging in the process of choosing the celebrity and building strong associations between the brand and the celebrity, DMO needs to understand the perceived image characteristics of both the destination and the celebrity. (O'Connor & O'Leary, The Importance of Celebrity Association in Tourism Destination Branding, 2012 Vol. 3 No. 3) Suarez proposes using complete sentences for benchmarking the image components (e.g. It's a rustic place with quality accommodation.), with 7-point Lickert scale. (Suarez, 2011 Vol. 2 No. 1) However we proposed using 40 simple words to denote the destination image. They are paired in 20 dichotomies in order to avoid tiredness with the questionnaire, with 7-point Lickert scale (safe-dangerous, boring-inspiring, etc.).

ANALYSIS OF FINDINGS

PCA results:
- Factor 1: Cleanliness (0.95), Safety/security (0.92), Transportation (0.86), Hospitality of population (0.80), Nature (0.79), Professionalism of service (0.74), Culture (-0.72), Attractions (0.72) (explains 44.95% of variance)
- Factor 2: Variety of offers (0.88), Nightlife (0.76), Customer orientation (0.76), Food (0.69), Attractions (0.64), Accommodation (0.63) (explains 31.82% of variance)
- Factor 3: Accommodation (-0.71), Food (-0.67), History (0.64) (explains 13.83% of variance)

- Factor 4: Nature (0.63) (explains 7.8% of variance)

Factors with eigenvalues over 1 were considered important and selected. All of the factor loadings that were under 0.6 were disregarded.

The Principal Component Analysis demonstrated that the factors that account for around 45%, and are thus the most important ones are: cleanliness, safety/security, transportation, hospitality, nature, professionalism of service, culture and attractions. It is interesting to note that category professionalism of service (or service quality, as discussed earlier) has very strong influence on the tourism satisfaction.

The one category that has the least influence on the tourism satisfaction is: history. It is the only category that shows only in the category 3, which demonstrates its weak influence on the tourist satisfaction. On the other hand, similar categories like culture and attractions influence very strongly tourist satisfaction.

Tourist satisfaction has cognitive and emotional aspects which cannot be easily measured. As evidenced in the tourism literature and our primary research, the essential part of the tourist satisfaction is always satisfaction with the human contact, and the perception of the people on the destination. Those components are: safety, hospitality, and professionalism.

Tourist satisfaction, although one of the most important benchmarks for destination competitiveness, should not be considered without consideration of other related marketing tools such as destination loyalty, destination image and service quality. Moreover, mediating role of tourist satisfaction between service quality and destination loyalty is well documented in the literature.

DMO service quality should be managed in a transparent way in order to track performance of one of the single strongest factors influencing tourist satisfaction. There are many quality management initiatives today, however one of the most suitable ones for public sector is CAF-Common Assessment Framework.

Destination image and loyalty are tools that help DMO's focus its promotional efforts effectively, and position its destination brand in the minds of tourists and potential tourists. However, as evidenced in the primary research, the influence of the tourist satisfaction on the brand loyalty is sometimes of secondary importance (e.g. when people visit relatives and friends). On the other hand DMOs are not only interested in the repeat travel of loyal tourists, but also in attracting new tourists and exploring untapped markets.
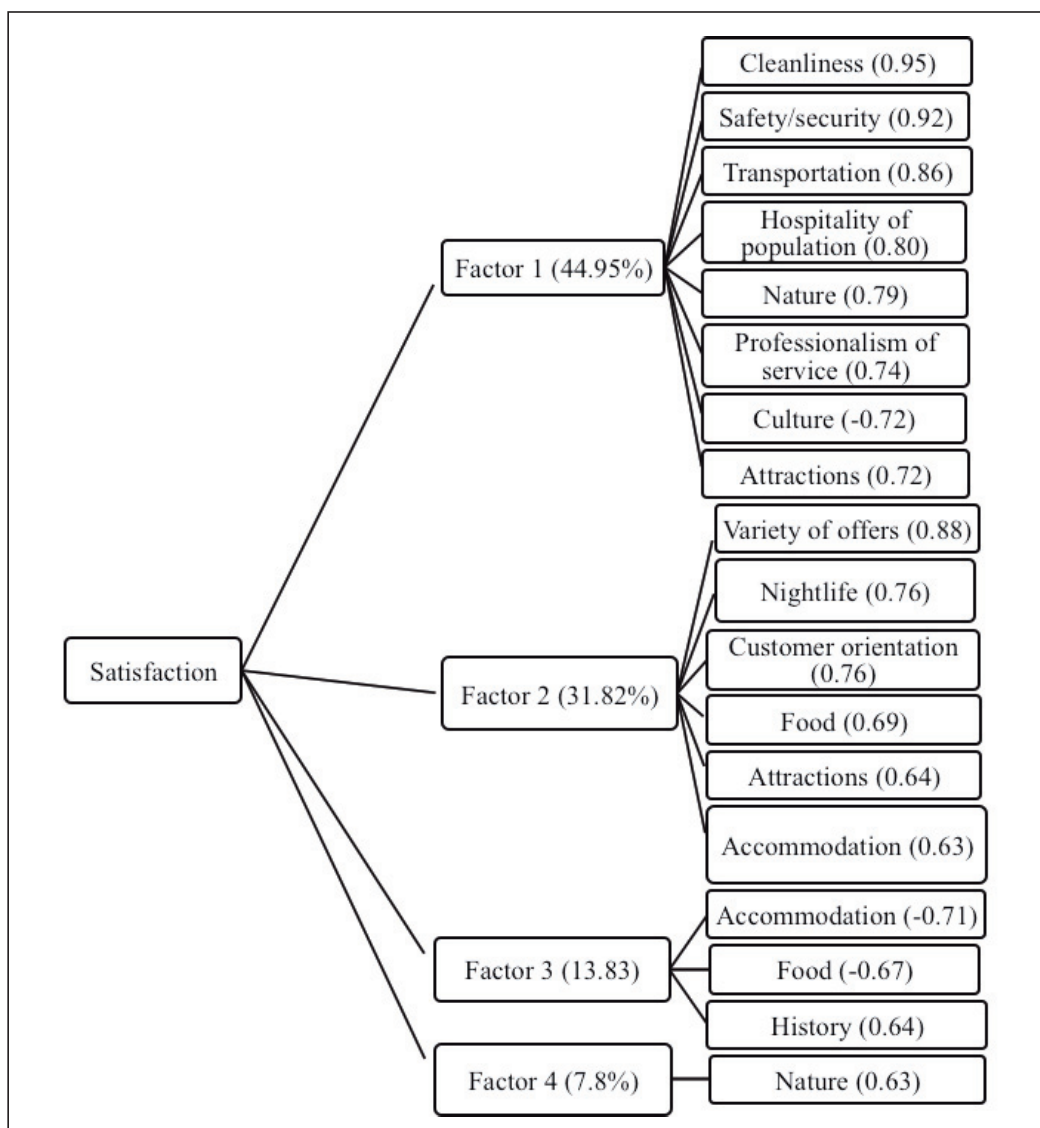
FIGURE 4: Principal Component Analysis Results

CONCLUSIONS AND RECOMMENDATIONS

Satisfaction of tourists with the different aspects of the tourism offer is crucial for profound understanding of the tourism demand. In contrast to the market segmentation approach, analysis of satisfaction focuses more on the perceived characteristics of the destination. It can go deeper into the perception of the tourists, and help understand the perceived strengths and weaknesses of the destination. It enables evidence based creation and/or positioning of the brand in the minds of consumers.

Factors like cleanliness, safety/security, transportation, hospitality of population, nature, professionalism of service, culture and attrac-

tions all influence greatly tourist satisfaction. These factors should be given priority in the development of tourist products. On the other hand, history as a separate category influences the least tourist satisfaction. It should be integrated into other categories, like culture and attractions in order to add value and contribute to tourist satisfaction effectively.

Future research of tourist satisfaction should also include detailed analysis of brand image, brand loyalty and DMO service quality. DMO service quality should be an important subcategory of general service quality satisfaction in the questionnaire, in order to track DMO performance and reach.

REFERENCES

Al-Balushi, M., & Atef, T. M. (2013). Online Social Networks Impact on Potential Travellers' Tourism and Hospitality Choices. *European Journal of Tourism, Hospitality and Recreation Vol 4. No. 1*, 69-102.

Behringer, Z., & Mester, T. (2005). The Role of the National Tourism Organization in Developing a National Tourism Quality Scheme: the case of Hungary. In E. Jones, & C. Haven-Tang, *Tourism SMEs, Service Quality and Destination Competitiveness* (pp. 269-283). Cambridge: CABI Publishing.

Bieger, T., & Laesser, C. (1998). *Neue Strukturen im Tourismus: der Weg der Schweiz*. Bern: Haupt.

Cooper, C., Fletcher, J., Fyall, A., Gilbert, D., & Wanhill, S. (2008). *Tourism Principles and Practice*. Harlow: Pearson Education Limited.

Correia, A., Moital, M., Ferreira da Costa, C., & Rita, P. (2008). The determinants of gastronomic tourist's satisfaction: a second-order factor analysis. *Journal of food service No. 19*, 164-176.

Del Chiappa, G., Ladu, M. G., Melledu, M., & Pulina, M. (2013). Investigating the degree of visitors' satisfaction at a museum. *Anatolia: An International Journal of Tourism and Hospitality Research*, 52-62.

Dolnicar, S., & Lazarevski, K. (2009 Vol. 25 No. 3-4). Methodological reasons for the theory/practice divide in market segmentation. *Journal of Marketing Management*, 357-373.

Dolnicar, S., & Rossiter, J. R. (2012). "Pick Any" Measures Contaminate Brand Image Studies. *International Journal of Market Research Vol. 54 Issue 6*, 821-834.

Dolnicar, S., Grabler, K., Grün, B., & Kulnig, A. (2011). Key drivers of airline loyalty. *Tourism Management*, 1020-1026.

Dragicevic, M., & Letunic, S. (2008). Research Into Satisfaction Levels of Slovenian Tourists With Products of Orebic Tourist Destination. *Poslovna Izvrsnost Zagreb Vol. 2 No. 2*, 153-162.

Emir, O., & Kozak, M. (2011). Percieved importance of attributes on hotel guests' repeat visit intentions. *Tourism*, 131-143.

European CAF Resource Centre. (2013). *The Common Assessment Framework (CAF)-Improving Public Organizations through self-assessment.* Maastricht: European Institute of Public Administration.

Garcia, J. A., Brea, J. A., & Rama, M. d. (2012). The Effect of Implementing "Q for Quality" on the Business Performance. *European Journal of Tourism, Hospitality and Recreation Vol. 3 No. 1*, 53-75.

Gould, M. (2011). Branding a post-conflict destination: Northern Ireland. In N. Morgan, & A. Pritchard, *Destination Brands-Managing Place Reputation* (pp. 321-333). Oxford: Butterworth-Heinemann (an imprint of Elsevier).

Ha, H.-Y., & John, J. (2010 Vol. 30 No. 7). Role of customer orientation in an integrative model of brand loyalty in services. *The Service Indutries Journal*, 1025-1046.

Hall, D. (2010). Branding and national identity: the case of Central and Eastern Europe. In N. Morgan, A. Pritchard, & R. Pride, *Destination Branding: Creating the Unique Destination Proposition* (pp. 111-127). Oxford: Butterworth-Heinemann (an imprint of Elsevier).

Hassan, S. B. (2013 Vol. 4 No. 1). Social Media and Destination Positioning. *European Journal of Tourism, Hospitality and Recreation*, 89-103.

Hollebeek, L. D. (2011 Vol. 27 No. 7-8). Demystifying Customer Brand Engagement: Exploring the Loyalty Nexus. *Journal of Marketing Management*, 785-807.

Horwath Consulting Zagreb and Economic Faculty Belgrade. (2006). *Strategic Marketing Plan.* Belgrade: Official Gazzette of the Republic of Serbia No. 91/2006.

Huang, H. H., & Chiu, C. K. (2006 Vol. 10 No. 1). Exploring Customer Satisfaction, Trust and Destination Loyalty in Tourism. *The Journal of American Academy of Business*, 156-159.

Kabiraj, S., & Shanmugan, J. (2011). Development of a conceptual framework for brand loyalty: A Euro-Mediterranean perspective. *Journal of Brand Management Vol. 18*, 285-299.

Khanna, M. (2011). Destination Branding: Tracking Brand India. *Synergy Vol. 9 No. 1*, 40-49.

Kozak, M., & Mike, R. (1999). Measuring tourist destination competitiveness: conceptual considerations and empirical findings. *International Journal of Hospitality Management*, 273-283.

Kuenzel, S., & Vaux Halliday, S. (2010 Vol. 18). The chain of effects from reputation and brand personality congruence to brand loyalty: The role of brand identification. *Journal of Targeting, Measurment and Analysis for Marketing*, 167-176.

Labrecque, L. I., Krishen, A. S., & Grzeskowiak, S. (2011 Vol. 18. 7.). Exploring social motivations for band loyalty: Conformity versus escapism. *Journal of Brand Management*, 457-472.

Lai, W. H., & Vinh, N. Q. (2013). An Application of AHP Approach To Investigate Tourism Promotional Effectiveness. *Tourism and Hospitality Management Vol. 19 No. 1*, 1-22.

Lam, S. K., Ahearne, M., Hu, Y., & Schillewaert, N. (2010 Vol. 74). Resistance to Brand Switching When a Radically New Brand is Introduced: A Social Identity Theory Perspective. *American Marketing Association*, 128-146.

Mamula, T. (2012 Vol. 43 No. 1). Role of Marketing Metrics in Strategic Brand Management. *Marketing*, 49-61.

Marcussen, C. H. (2011). Determinants of tourist satisfaction and intention to return. *Tourism*, 203-221.

Maroco, A. L., & Maroco, J. (2013 Vol. 4 No. 3). Service Quality, Customer Satisfaction and Loyalty. *European Journal of Tourism, Hospitality and Recreation*, 119-145.

Mendes, J. d., Valle, P. O., Guerreiro, M. M., & Silva, J. A. (2010). The Tourist Experience: Exploring the Relationship Between Tourist Satisfaction and Destination Loyalty. *Tourism Vol. 58 No. 2*, 111-126.

Milfelner, B., Snoj, B., & Pisnik Korda, A. (2011). Measurement of Percieved Quality, Percieved Value, Image and Satisfaction Interrelations of Hotel Services: Comparison of Tourists from Slovenia and Italy. *Drus. Istraz. Zagreb Vol. 20 No. 3 (113)*, 605-624.

Narayan, B., Rajendran, Chandrasekharan, S. L., & Gopalan, R. (2009 Vol. 20 No. 1). DImensions of service quality in tourism-an Indian perspective. *Total Quality Management*, 61-89.

Navratil, J., Picha, K., & Navratilova, J. (2012 Vol. 60 No. 4). Satisfation With Visit to Tourism Attractions. *Tourism*, 411-430.

O'Connor, N., & O'Leary, S. (2012 Vol. 3 No. 3). The Importance of Celebrity Association in Tourism Destination Branding. *European Journal of Tourism, Hospitality and Recreation*, 87-98.

O'Connor, N., Rose Stafford, M., & Gallagher, G. (2008). The impact of global terrorism on Ireland's tourism industry: An industry perspective. *Tourism and Hospitality Research Vol. 8 No. 4*, 351-363.

Paunovic, I. (2013). Proposal for Serbian Tourism Destinations Marketing Campaign. *Singdunum Journal of Applied Sciences Vol. 10 No. 2*, 40-52.

Pavlic, I., Perucic, D., & Portolan, A. (2010). Tourists' Satisfaction as an Important Tool For Increasing Tourism Destination Competitiveness in the Globalization Conditions-The Case of Dubrovnik-Neretva County. *International Journal of Management Cases*, 591-599.

Plumed Lasarte, M. (2012 Vol. 3 SPecial Issue- ITC' 11). The Evolution of the Image of Spain as a Tourist Destination. *European Journal of Tourism, Hospitality and Recreation*, 215-233.

Richard E., J., & Zhang, A. (2012). Corporate image, loyalty, and commitment in the consumer trave industry. *Journal of Marketing Management Vol. 28 No. 5-6*, 568-593.

Roget, F. M., Novello, S., & Fernandez, P. M. (2013). The effect of destination image on authenticity and loyalty: The case of Santiago de Compostela. *European Journal of Tourism Hospitality and Recreation*, 95-118.

Saad, K., Weheba, D., & Ahmed El-Said, O. (2008 Vol. 8, 4). The impact of employee behaviour on customers' service quality perceptions and overall satisfaction. *Tourism and Hospitality Research*, 309-323.

Su, H.-J., Cheng, K.-F., & Huang, H. H. (2011). Empirical study of destination loyalty and its antecedent: the perspective of place attachment. *The Service Industries Journal Vol. 31, No. 16*, 2721-2739.

Suarez, M. J. (2011 Vol. 2 No. 1). The Impact of Secondary Information Sources on the Formation of the Tourist Image. *European Journal of Tourism, Hospitality and Recreation*, 72-94.

Suhartanto, D., Clemes, M., Dean, D., & Brien, A. (2011 Vol. 3 No. 3). Examining the Formation of Attitudinal, Conative and Behavioral Loyalty: An Empirical Analysis in the Hotel Industry. *European Journal of Tourism, Hospitality and Recreation*, 7-27.

The Ritz-Carlton Hotel Company, L.L.C. (2013, 12 20). *Gold Standard*. Retrieved from The Ritz Carlton: http://corporate.ritzcarlton.com/en/About/GoldStandards.htm

Tiberghien, G., Garkavenko, V., & M., A. (2013 Vol. 4 No. 1). Authenticity and eco-cultural tourism development in Kazakhstan. *European Journal of Tourism, Hospitality and Recreation*, 29-43.

United Nations World Tourism Organization. (2008). *Handbook on E-marketing for Tourism Destinations*. Madrid: United Nations World Tourism Organization and European Travel Commision.

UNWTO (World Tourism Organization) and ETC (European Travel Commission). (2011). *Handbook on Tourism Product Development*. Madrid: UNWTO (World Tourism Organization).

World Travel and Tourism Council. (2013). *Serbia Travel and Tourism Development Potential 2011-2023*. London: World Travel and Tourism Council.

Worthington, S., Russell-Bennet, R., & Haertel, C. (2010). A Tri-dimensional approach for auditing brand loyalty. *Brand Management Vol. 17 No. 4*, 243-253.