

Silvana Đurašević

Tourism in Montenegro: A destination management perspective

Abstract

The aim of this paper is to emphasize the need for the professionalization of destination management as one of the key prerequisites for the successful development of Montenegrin tourism, through the introduction of the Destination Management Organization (DMO) and some other modern concepts. DMOs are becoming strategic leaders in the management of tourism destinations in terms of the overall management of the destination: in planning, organizing, monitoring and leadership. They include participants which, both in terms of their participation and in terms of their financing, have been established as public-private partnerships. This particularly since the competitiveness of a specific destination, in a global world, can only be achieved through a clearly defined and integrated management structure. In this paper we will look at the basic characteristics of DMOs as specific organizational forms in the management of tourism destinations, with special emphasis on the state of and possible changes in Montenegro as a tourism destination. The process of founding and operating DMOs in Montenegro has not yet got off the ground. The new management model in tourism destinations must ensure coordinated activity among interest groups and organizations in the public and private sectors, which will act as partners and assist the Montenegrin tourism product in gaining a better position in the broader market. To that end, the key role is to be played by the DMO. In order to achieve this, significant support must be given by the state, primarily through the adoption of relevant legislation.

Key words: destination; organization; partnership; management; tourism; Montenegro

Introduction

The past two decades in tourism development have been marked by the increased prominence of destination management. This is becoming a challenge for those countries that place a priority on tourism, as well as for those destinations where these priorities are being implemented. Its further development depends on the creation of a modern management mechanism that will be able to combine all the effects of development achieved so far and to ensure its sustainability, while producing positive effects for the local community and the environment. This is not a limitation on the tourism destination, as it allows for tourism to be managed at the national level, as well as at the level of regions, towns or tourist resorts. Still, a major part of tourism development takes place at the local and regional level. Irrespective of the level, this involves focusing on the destination as defined by the consistent social, economic and cultural characteristics that make it distinct in comparison to others. A tourism destination comprises a range of differing resources and participants, who both directly and indirectly impact the formation of the destination. The articulation of the numerous differing issues and relationships, which involve the

Silvana Đurašević, PhD, Mediterranean University, MTS – Montenegro Tourism School, Bar, Montenegro;
E-mail: silvanadj@t-com.me

operation of both primary and secondary actors at the destination, is conducted through the process of management of the tourism destination. The modern model for the management of tourism destinations is the DMO. These have the credibility as strategic leaders in the development of the tourist organization to define the collective vision for the destination and make it a reality.

The main objective of this paper is to highlight the major advantages of destination management provided by DMOs, as a successful model for achieving destination competitiveness. This paper begins with an analysis of the theoretical postulates relating to tourism destinations, which is followed by a look at theoretical approaches in the field of destination management. After this we analyze the current situation in the management of the tourism destination in Montenegro, with special emphasis on the implications of the economic and social environment in the development of destination management. In addition, there is an investigation of the legal framework as a very significant factor governing this contemporary model for destination management. A broad-ranging research methodology has been used for this purpose, both, primary and secondary. After a thorough analysis of the models available in the literature, of various legal systems, and of empirical research in Montenegro, we give an overview of a possible solution for destination management in Montenegro.

The tourism destination – a theoretical framework

Several studies in tourism have attempted to clarify the term 'tourism destination'. Buhalis (2000) defines destinations as places that offer an amalgam of tourism products and services, offering an integrated experience to consumers. Hu and Ritchie (1993) conceptualised it as "a package of tourism facilities and services, which like any other consumer product, is composed of a number of multi-dimensional attributes." Other definitions have also been proposed (Leiper, 1995; Pechlaner, 2000), which are focused on demand-related arguments, defining the destination as an asset comprising products and services and natural and artificial attractions which have the ability to draw tourists to a destination. They criticize the approach whereby a tourism destination is equated to a geographical location, considering destination to be a much broader concept, where location is just one factor.

Numerous studies and debates have been undertaken with regard to tourism destinations. Different tourism destinations are in different stages of development, depending on the connection between general development and its impact on tourism. To that end, of importance for tourism destination development, as a starting point for research and management in tourism, are research projects related to the concept of the tourism life cycle (Butler, 1980), destination planning (Inskeep, 1991), environmental impact of destination development (Archer, 1996) and collaborative approaches as support to the core principles of sustainable development (Jamal & Getz, 1995). Another common theme is concern that there should be fairness in the distribution within society of the economic, social, cultural and environmental benefits and costs of development (Bramwell, 1998).

Speaking about the system of stakeholders and networks in tourism, more recent studies have focused on the analysis of the relationship between the stakeholders at the destination and the manner in which they can jointly ensure better management of the consumer's experiences (Richie & Crouch, 2003). A key reason for the growing interest in partnerships in tourism development is the belief that tourism destinations and organisations may be able to gain a competitive advantage by bringing together the

knowledge, expertise, capital and other resources of several stakeholders (Kotler, Haider & Rein, 1993). However, Bramwell and Lane (2000) have addressed specific concerns regarding stakeholder interaction and negotiation which usually bring together interests at the same destination but in different sectors.

One should bear in mind that not all stakeholders are always present at the destination, and they often manage their business from another location, thus connecting the local with the global. However, in reality, the approach to the phenomenon of globalization gives rise to the familiar "global versus local" tension (Robinson, 2012). We have more sympathy with Hawkins's (2006) concern that as "glocalization requires a holistic, 'all of destination' management and marketing effort", at the end of the day "local solutions can lead to global successes." London School of Economics director Giddens (1999) notes that globalization "has come from nowhere to be almost everywhere." Some analysts have gone so far as to suggest that globalization "is increasingly forcing us to live in an economy rather than a society" – with shrinking national political power and "with government's role in economic affairs now deemed obsolete" (Smadja 2000).

The maturing of numerous destinations has resulted in an increased complexity in their external and internal environment, which has triggered the creation of today's model of tourism destination management. Thus Bornhorst describes tourism destination as a very complex system that can be defined as a geographical area, territorial/administrative unit or an important attraction, which offers its visitors experiences ranging from the acceptable to the unforgettable (Bornhorst, Ritchie & Sheehan, 2009). Swarbrooke (2002) points out that "there is a strong link between the two [attractions and destinations] and it is usually the existence of a major attraction that tends to stimulate the development of destinations, whether the attraction is a beach, a religious shrine or a theme park." Once the destination begins to grow, other, secondary attractions may appear, in the hope of capitalizing on the market.

The overall tourist experience at the destination is a result of the joint action of various tourism supply players, local tourist organizations, hotels, transport companies, travel agencies, private accommodation providers, etc. (Đurašević, 2011). More generally, a tourism destination so structured, according to Buhalis (2000), enables us to assess the impact of tourism at the regional level and to manage supply and demand in order to maximize benefits for all stakeholders. All this information leads to the conclusion that the concept of the 'tourism destination' is insufficiently clear, and cannot be defined *a priori* and definitively. Thus, understanding the nature of the tourism destination, and analysing, planning, managing and monitoring it require a systemic and interdisciplinary approach (Popesku, 2009)

Destination management – the theoretical approach

The study of destination management as an important aspect of the tourism destination presents something of a challenge to many theorists, especially since its growth is dependent on numerous complex factors and it has often developed in an uncontrolled way over a number of years, which means a revision of the destination is called for. In this regard Asworth and Goodall (1990) and Pike (2004) note that "the new focus is on 'selling' tourism destinations". Other issues have been addressed, such as "the future of traditional tourism destinations" (Buhalis & Cooper, 1998), "destination marketing – scopes and limitations" (Keller 1998, Pike 2004) and "destination marketing and management" (Buhalis & Spada, 2000).

Prezenza (2005) analyzes and clarifies the complexity of the tourist system, noting that "the complexity is related to the large number of players, the influences between different sectors, the stakeholder relationship dynamics, and the interactions between different levels of governance." Traditionally, DMOs have focused on marketing activities, which has in recent times been proving insufficiently effective (Popesku, 2011). Studying the tourist system in Romania, Wagenseil (2010) recognizes "a huge problem in the lack of cooperation within all the towns. Tourist offices do not have strong links and partnerships with the local private businesses (hotels, transport companies, restaurants), which means that there is very bad information exchange within the tourism destinations." Another fear he expresses is that "there is not enough cooperation for building up new products or product chains or cooperation in the field of marketing." In keeping with the previous is a view expressed by Selin and Chavez (1995) that collaboration in tourism "may be highly structured, characterized by legally binding agreements, or may be quite unstructured verbal agreements between participating organizations."

All this has rather negatively impacted the efficiency and business performance of tourist offices and institutions and the tourism industry as a whole, such that DMOs are increasingly being seen as "destination developers". Wild and LaPierre (2011), think along similar lines when they say "that DMOs can act as a focal point or as a supporting member of a tourism system". As a result, destination management in the current environment has resulted in numerous innovations. It has been entrusted to destination management organizations, which are responsible for the overall management of this area and harmonization of the interests of the various stakeholders at the destination who impact the development of the tourist product, with the aim of offering a high quality, integrated tourist product to the market, adapted to the needs of consumers. DMOs involve actors from the private and public sectors, using a partnership model, and they engage in dialogue and cooperation in their operations in order to implement policies and projects (Hall, 2009; WTO, 2003). Deregulation processes, the demand to reduce public borrowing, cuts in public funding and in recent times the effects of the financial crisis have resulted in the privatization of functions and services previously provided by the government (Dredge & Jenkins, 2007, cited in Hall, 2008). Finally, "the characteristic fragmentation of the tourism organisational field and the high interdependency of the tourist sector are also factors encouraging the intensification of interorganisational relationships, which often lead to formal tourism partnerships" (Hall, 2008).

Management which is organized in this way gives rise to numerous advantages for the destination. DMOs help to define the management function, strengthen negotiating power and thus create benefits in business operations in the wider market. This could involve cooperation in the field of marketing, destination development or, in recent times, the increasingly used PPPs (public-private partnerships) for the promotion and creation of destination image. Destination image is important because of its effects on destination selection in prospective markets and its role in consumer satisfaction (Gartner, 1993; Jenkins, 1999). Referring to induced destination image, Busby and Haines (2013), in an unusual study, in which they analyzed the impact of a series of programs filmed at attractive locations, confirmed that television can enhance the attractiveness of an area, especially when building on attractive images of "small-scale fishing and quaint customs." Not surprisingly, the series acted as a key influence on intention to visit among British tourists.

Notable among these changes are a blurring of the boundaries between the public and private sectors, a shift in the public sector from direct service provision to an 'enabling' function, and, as a result of

these changes, the emergence of complex networks of agencies and partnerships (Goodwin, 1998). Participants from the public sector usually involve the national DMO, regional DMOs or local DMOs (Wagenseil, 2010). In achieving this goal, inevitable partners are relevant companies from the private sector, which pursue their micro-interests in this way, as well as the collective vision of the destination at the macro level. In this regard Pike (2011) recognised six levels in the destination hierarchy, which are shown in Table 1.

Table 1
Six levels in the destination hierarchy

Level	Entity
1	Country brand
2	Country tourism brand
3	State tourism brand
4	Regional/macro regional brands
5	Local community brands
6	Individual tourism business brands

Source: Pike (2004).

With regard to this issue, in the UNWTO Practical Guide (2012) we read that "there are many different and varied roles and responsibilities in destination management and marketing. These are handled in different ways in different countries, but typically are split between national, provincial/regional and local levels. Normally, the national level is responsible for the more strategic roles while the local level will have responsibility for the more operational elements."

In most countries, especially those in transition, the state is responsible for proper organization and business efficiency of the tourism destination as a system. "Initially, when tourism areas are commencing development, the government may need to take more of a lead role, including investment in commercial facilities and services" (Inskeep, 1994). It provides for the use of public resources and monitors this use; it promotes investments with financial institutions and potential investors. With further development, state institutions should be relieved of these duties and they should be transferred to the strategic leader for destination development – the DMO. As Inskeep (1994) further comments, "later, when tourism is better established and proven to be successful, the private sector can take the primary investment role. It is important to recognize changing circumstances and adopt the policies accordingly."

Specialized activities are in the hands of destination management companies (DMCs), which create software for an integrated spectrum of tourist products, based on consumer needs and solutions for each option ordered. If necessary, as is increasingly the case, they are profit-based and in charge of implementing these solutions in practice. As a rule, they have numerous partnerships in the field or even broader, and planning and organization of specialized programs for big gatherings, incentives and events in various fields of business, culture, entertainment and sports are delegated to these partners (Gillette & Gillette) These companies may cover a wide range of services – providing and negotiating accommodation, local tours, sightseeing, local reps etc. (Popesku, 2008). In some situations, destination management can be entrusted to these companies (Bakić, 2009).

There are numerous other models for facilitating or organizing joint action at the destination. Pearce (1992) notes that many of these are sectoral and serve to further the interests of a particular group, for example hoteliers or tour operators. Others are umbrella organizations, for example the New Zealand Tourist Industry Federation, which draw together representatives from different sectors giving them a better negotiating position in marketing, promotion, planning and research. In that regard, there are various forms of development agency in Montenegro, such as the Executive Agency for Small and Medium Enterprises and the Center for Entrepreneurship and Executive Development, usually gathered around SME projects (projects for small and medium size enterprises), as well as other activities that increase competitiveness. Then there are districts, industrial and business zones (like Bar, Kolašin, Berane), and similar, all specifying the establishment of regional clusters in their development documents (Đurašević, 2008).

The very complex global economy has created a situation in which competitiveness has become an important element for development at the level of companies, sectors and nations. As competition continually increases, it is essential to not only develop a competitive advantage but also to sustain it, to keep ahead of the competition and enhance the product (Harris & Ogbonna, 2001, cited in Busby & O'Neill, 2013). One of the widespread competitiveness theories is Porter's "competitive advantage of a nation", according to which national welfare is not inherited, but created through strategic choices, in which clusters have a central role to play (Porter, 2003). To that end, the statement that "in these times of globalization of the world economy, the only possible way the tourism industry can survive, and thus the tourism destination as well, is the establishment of mutual connections at various levels, necessary for the creation of the tourist product, and thus tourism destinations" fits perfectly into the concept of clusters in the economic development of a country and its efforts to penetrate other markets (Đurašević, 2008).

Many authors thus consider clusters to be a geographically more comprehensive model for the organization of destination management. The experiences of the European tourism clusters show that it is possible to achieve competitive advantages and internationalization of business operations (an example of clusters would be Nice/the French Riviera, as well as numerous clusters in Spain, France, Italy, etc.) (Porter, 2003). The Veneto region in Italy is an example of how the economic structure of the region has been transformed from manufacturing industries to a creative hub. Veneto is a home for such traditional clusters and industries as furniture, shoe manufacturing, textiles, ceramics and mechanics (Tactics, 2012).

Management of the tourism destination of Montenegro: The current situation

In these times of major structural changes in the economy, as well as society as a whole, the complexity of relations at the tourism destination, from the aspect of complexity of supply, as well as increasingly sophisticated demand, requires considerable attention from state institutions, the tourist industry and the academic world in terms of seeking out possible solutions that would satisfy all the players in the tourism market. To that end, let us analyze the current situation and the legal basis for destination management in Montenegro.

Implications of the economic and social environment in the development of destination management

The transition process is still ongoing in Montenegro. While those companies that were subject to bad privatization decisions are already facing decline, there are still those where the privatization process has not started yet. The tourism industry has faced turbulent changes and the appearance of 'new players' – some of them globally-known brands (Aman Resort, Regent Hotel & Resort, Hilton, One & Only, Iberostar, Best Western, Ramada) that are looking for safe investments. The majority, though, are just small, newly-created companies, which rarely cooperate with each other even though they are working in the same economic environment. Such fragmentation of the tourist product leads to reduced competitiveness, loss of market share, conflicts between the newcomers and the local population, and ultimately to a loss of interest among potential investors.

It is evident that destinations have lost their managers – former large state-owned companies – who now need to be replaced. In any case the government needs to be relieved of responsibility for addressing day-to-day issues in tourism, and administrative barriers need to be reduced at the state and local levels. In such a situation, it seems economically reasonable for small- and medium-sized enterprises to engage in various forms of partnership, either public-private ones or partnerships with other enterprises, in order to survive and increase their competitiveness. However, "public-private partnership is a relatively new phenomenon in our society and little is known of the concept in this region. For the public to be familiarized with PPPs, the legislation in this area needs to be presented and adequate expert information, brochures and handbooks provided" (Institut Alternativa, 2009).

The DMO concept promoted by the United Nations World Tourism Organization (2003), which is accepted by the academic world, is still not properly understood by the companies in the tourism and public sector in Montenegro. They do not recognize the potential benefits for individual companies, as well as the destination as a whole. Furthermore, most companies in this sector are not fully aware of their role in the creation and management of the local product and their impact on the creation of destination image and consumer experience. The problem is further deepened by the inert attitude of the state with regard to the promotion of this management model and the lack of an adequate legal basis (Institut Alternativa, 2009). When the legal basis for regional development in the country was being developed in early 2011, a Regional Development Strategy was adopted, and together with the revised Master Plan of Tourism (2008) this was the first document to define cluster development in Montenegro.

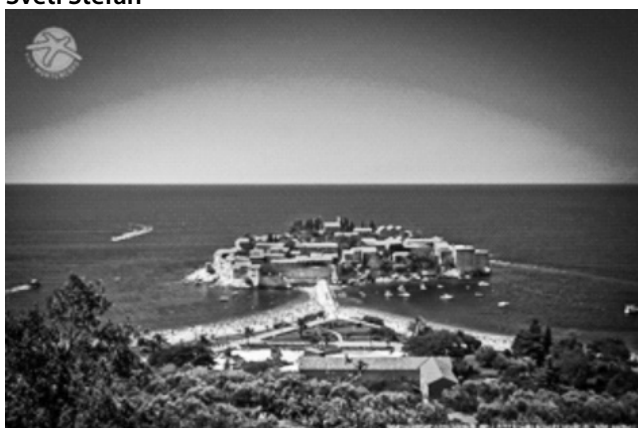
Although the competitiveness index is increasing year by year (in 2013, Montenegro was 67th out of 148 countries), according to the Global Competitiveness Report of the World Economic Forum (2013), based on the cluster development parameter, Montenegro only occupies 121st position. As tourism is such a dynamic sector and the main driver of development in the Montenegrin economy, with an estimated share in GDP of 17.2% in 2011, and a 15.1% share in total employment (World Travel and Tourism Council - WTTC, 2012), it is clear that cluster development in this sector needs to become a priority.

There are two regional development agencies in Montenegro. The first is the Foundation for the Development of Northern Montenegro, created at the initiative of the Cooperative Housing Foundation

(CHF International) which implements the projects of the U.S. Agency for International Development (USAID) in the north of the country in cooperation with the municipalities from this region. The second is the RTO for the Bjelasica and Komovi region, which covers the administrative territory of the municipalities of Bijelo Polje, Berane, Andrijevicu, Kolašin and Mojkovac. It was established in 2006 with the support of an Austrian-Montenegrin partnership, with headquarters in Kolašin.

As a result of extensive use of space and architectural development, some kind of special management of unique destinations has already become necessary, such as at St. Stefan (Figure 1), which needs to be subject to a special sustainable development regime. In Croatia today, for example, there are more than 330 tourist associations – 20 regional, 110 town associations, 171 municipal, 29 tourist associations of specific communities, one tourist association of the islands and one tourist association of the riviera in general (Dobre, 2004).

Figure 1
Sveti Stefan



Source: <http://photo-montenegro.com/>

To that end, basic guidelines need to be defined for the activities of future investors, as there have to date been a number of conflicts between locals and foreign investors. The active participation of such 'new players' in managing destination development is very important for its sustainability, in terms of the use of technological innovations, introduction of new quality standards, modern training of staff and socially responsible management.

Legal framework

In accordance with the Law on Tourism Organizations (2004, 2007), the NTO of Montenegro is responsible for integrated marketing management in tourism at the national level. This organization has been restructured in order to respond to the new market challenges, the basic assumption being that the new organizational structure and the way in which it is financed will ensure that the national and local tourism organizations perform their duties to a high standard. In accordance with the existing regulations, organizations at the national and local level do not deal with tourism development issues at the destination, as defined by DMOs, or with the harmonization of the conflicting interests that often exist between the public and the private sector. The Law defines a set of tasks for local tourism

organizations, which are hard to measure, and which relate to promotion, coordination, improvements, incentives and organization, but without the management function. Management also means clearly defined responsibility, which is hard to distinguish according to the existing law and thus is hard to monitor.

From a broader point of view, the law defines the possibility for two or more local government units to voluntarily establish a tourism organization at the regional level, which will be responsible for improvements in the tourism sector. Although Montenegro is a small country, it seems that there is a need to establish a more dispersed tourism infrastructure when it comes to tourism organizations. With the two existing regional tourism organizations in the north, a good example in support of this assertion would be, for example, the organization of a regional tourism organization for the Kotor Bay region, where the local government units would be considered in the context of the natural surroundings they are part of, disregarding their administrative borders. As one of the European Union accession requirements, Montenegro adopted a Law on Regional Development (2011) that identifies clusters as the new economic form of development, thus laying down the institutional prerequisites for this form of association. It is expected that this idea will be elaborated in more detail and that the necessary prerequisites will be put into practice.

Research methodology

Both primary and secondary research was undertaken in order to collect information of sufficient quality and quantity. This was deemed appropriate in order to generate a suitable depth of understanding from the process of engaging with research subjects (Crotty, 1998). Secondary research focused on a comprehensive review of the literature with the intention of identifying existing research that would be relevant to this study (Buhalis, 1994). The subject of the research was such that a perspective first needed to be established on the nature and historical development of DMOs, as well as on practice from other countries. Secondary research was conducted by way of an overview of a wide selection of publications representing numerous theoretical positions, legal solutions and strategic papers.

The primary research was based on a research framework structured from guided interviews with leading figures, both in tourist companies and state institutions. As regards administrative governance, the focus was on the lack of legislation, the formulation of DMO leadership in destination development and the cooperation of DMOs with numerous relevant stakeholders from the private and public sectors. As regards stakeholders, we examined their readiness to be involved in destination management processes. The findings of this research have been summarized into a platform, from which conclusions have been drawn and possible destination management options considered.

Proposed solutions

Analyzing the available models in the literature, various legal systems and the current situation in tourism destination development, in the following section there is an overview of possible solutions for the improvement of tourism destination management in Montenegro. For easier definition of possible solutions, key factors for the selection of adequate models are systematized below, together with the experiences of the leading countries in tourism development and the countries of this region.

Crucial highlights of the choice of management model at the destination

- Existing institutions at the local level, LTOs, despite the existence of annual marketing plans, have not been able to achieve notable progress in most municipalities with regard to both destination marketing and destination management.
- Key reasons behind this limited ability/lack of ability that characterizes most local tourism organizations in Montenegro are as follows: non-existence of the management function, modest finances, inadequate personnel structure, insufficient marketing and management knowledge and non-existence of targeted research and, as a result, monitoring and evaluation of the results achieved. Even in those municipalities in which significant financing exists, the tourism organization has no authority to manage tourism-related resources as this has not been defined in law. Furthermore, even existing tasks are not clearly defined by law, and this allows for various interpretations, resulting in a situation in which most of the funds in most of the organizations are spent on visiting fairs abroad and organizing various events. For this reason, clear distinctions need to be made regarding the tasks of the NTO. All of the aforementioned leads to the conclusion that, due to the existing organizational and ownership model, LTOs are not able to take the responsibility for the creation of the value chain in the territories they are in charge of.
- An additional difficulty lies in the fact that not all LTOs in the system of local destination marketing in Montenegro are of equal strength (i.e. Budva is the strongest, accounting for 45% of Montenegro's tourism turnover (Horwath Hotel Industry Survey Montenegro, 2009), due to the economic and market power of the different municipalities in which they operate. Just like many products, the destination too has its life cycle. Butler (1980) developed a model which shows how any tourist resort may grow. A resort may start off from being a small, low key, destination. He suggests that all resorts go through the same sort of process – seven stages of tourist development, from exploration to decline. Agarwal improved on this model by "adding another stage between stagnation and the post-stagnation stages of the TALC model to represent continued efforts at restructuring" (Agarwal 2006, cited in Butler, 2011). If we analyze the 'life cycle' of Montenegro as a tourism destination, it is hard to supply arguments and state which 'stage of life' the tourism product of Montenegro is currently in. However it can generally be stated that tourism in Montenegro is mostly in the 'development stage', with almost all other stages of the life cycle existing at the same time, but also with a tendency towards downturn, especially in recent years. Specifically, in the northern, mountainous part of the country, it can be said that development is in the initial stages of research and implementation; in the Budva region and small centers on the coast, it is in the 'mature stage', in the Herceg Novi region and some smaller tourist centers (Budva – center, Sutomore, Ulcinj – center) it is in the saturation stage, with an obvious downturn – sometimes greater, sometimes lesser – in recent years, as a result not only of the objective factors caused by the economic sanctions in the past and the ongoing economic crisis, but subjective ones as well, such as unsuccessful privatizations.
- Receptive travel agencies must become aware of their role and importance in destination management, and some of them (Adriatica Express, Ecotours) have already incorporated destination management as a function in their portfolio, and are thus involved not only in bringing tourists into the country, but also in designing products, new attractions to offer, and in destination promotion.

The analysis above brings us to the definition of relevant facts important for the selection of an adequate management model:

- Social organizations, as professional associations, have failed to articulate the integrated interest of various stakeholders in tourism, not to mention those involved in complementary activities, such as transport, agriculture, trade, public utilities, cultural institutions, etc.
- It should be emphasized that the concept supported by the Austrian-Montenegrin partnership in the establishment and implementation of authentic, local products, in order to generate additional income for the region, could be the nucleus for the establishment of an appropriate development model for the north of Montenegro. The creation of thematic, unique tourist products emphasizes the uniqueness and identity of the specific location. A set of pilot projects were developed, such as certification of guides, signposting systems, a sustainable development indicator system, low-energy accommodation, a model for national park development, accessibility of regional products, etc. This project was initiated in 2003 and gave significant results. There is a notable difference between this concept and that of LTOs, where the activities of this RTO focused on building the destination identity, working locally, with numerous local and international partnerships. However, the financing provided for this project from foreign donations having dried up, it is uncertain how this regional tourism organization will develop in the future.

Experiences of other countries

The most direct and explicit manifestation of central government participation in tourist development is usually the national tourism administration (NTA) (elsewhere known as the NTO (national tourism organization) or GTO (government tourist offices). They usually act as government corporations but are linked to or under the supervision of the central administration (Pearce, 1992).

The Tourist Boards and Promotion of Croatian Tourism Act (2008) gives much greater responsibility to the tourist boards. Their activities include management of public tourism infrastructure that can be delegated to local or regional government units for use. This creates possibilities for business activities, such as, for example, organising various events. Besides integrated management and the possibility of supervision, there is also an opportunity to engage in various profitable business activities and collect revenues for the upgrading and development of tourism products. New legislation directly gives powers to the tourist boards, together with the responsibility for management of tourism destinations at the level for which they were established, which should significantly improve the product. Croatia is now heavily involved in education and training activities organized for travel agencies with regard to the introduction of new tourist products. This project is managed by the Association of Croatian Travel Agencies (UHPA, 2012), acting as a cluster of receptive agencies, with the financial support of the Ministry of Tourism and the Croatian Tourism Board.

Regarding the new legislation in Serbia in the area of tourism (2010), the tourist area manager can now be a company established by a public enterprise, the Republic, or one of the regions, municipalities or cities, in order to conduct business activities in the area of tourism. It is now possible to establish connections between businesses, and not only between public services, thus allowing for the establishment of destination management organizations. Other new elements include the possibility for local government to delegate the duties of creating prerequisites for the development, use and protection

of construction land, coordination activities and the definition of vacation areas too, to the tourist area manager, all on a contractual basis. Another innovation is the fact that tourism infrastructure and supra-structures in the vacation destination are considered to be facilities of public interest. Thus the legislation in Serbia has created possibilities for public-private partnerships in the managerial sense, as well as opportunities for obtaining new sources of finance for destination development intended to increase their competitiveness.

DMSs (Destination Management Systems) were developed in the countries of the Americas and in Western Europe, as a step forward in this area. These systems are much more comprehensive and target the very center of activity of all the stakeholders in tourism at the local level. DMSs are usually managed by destination management organization (DMOs), which may be private or public organizations, or a combination of both (Pollock, 1998). In Great Britain and other countries, destination management was the basis for the development of a sophisticated web connected with the destination management system. DMSs allowed travel agents and consumers to access information related to hotel accommodation, a region or a specific country (Đurašević, 2008). These are systems that consolidate and distribute a comprehensive range of tourist products through various channels and platforms, mostly in the hospitality industry in a specific region. The DMS uses a customer-centric approach in order to manage the destination market, providing information in real time, with the possibility of making reservations and offering special support to small suppliers in tourism (Horan & Frew, 2007). Buhalis and Spada (2000), give a critical view of the involvement of NTOs and public sector agencies. "Despite their role as planners, coordinators, regulators and promoters of destinations, NTOs have done little to assume the role of 'active IT leaders' in guiding and stimulating changes that purposively benefits all stakeholders at the destination region".

Possible management options for destination development

From the aspect of geographic coverage, as well as the degree of development of the tourist infrastructure, there are several management options that present themselves (Table 2). With regard to DMOs, the second option is the most acceptable if municipalities and all the stakeholders involved persist in it. With regard to DMCs, in the Montenegrin circumstances it seems also that the second option is more acceptable, because it begins with existing travel agencies that have experience in the development of new products aimed at upgrading the tourism product. As for regional tourism organizations, this model would be preferable, where necessary, once basic cluster development has taken place.

Table 2
Possible management options for destination development in Montenegro

DMO
<ul style="list-style-type: none"> • The first option is to develop existing LTOs into real DMOs, with strong and, over time, increasing involvement by the private sector. In this way, besides engaging in destination marketing, they would also take over the role of destination management organizations. In the current circumstances, only a few of the developed coastal municipalities would be able to develop a somewhat stronger managerial structure. Municipalities with an underdeveloped private sector will not have adequate managerial tools, even if the local government were to delegate a significant portion of LTO responsibilities to them. • The second option is to establish a new DMO. This DMO would include key stakeholders from the public and private sectors. For this option, association in the form of a corporation is needed, not a public service. Thus the DMO nucleus must be based on public-private partnership, even if initially a very modest one. This would allow for depoliticization of the system at the local level.

Table 2 Continued

DMC
<ul style="list-style-type: none">• The first option would be to establish specialized, small companies that would participate in the creation of the destination image and product, by creating software for various sports, cultural and similar products in accordance with the needs of the market. These would be profit-based companies.• The second option involves receptive travel agencies taking over the responsibility for creating new tourist products at the destination, using original ideas based on local legends, tradition and cultural attractions, but also on the flora and fauna, or anything else that characterizes the specific region. Their partners could be representatives of the local community, travel agencies and other stakeholders active in the specific region, as well as professionals who were experts in various fields.
RTO
<ul style="list-style-type: none">• Establishment of RTOs, wherever deemed to be the best solution, with the objective of coordinating the efforts of several municipalities in the field of destination marketing, joint presentation and joint tourist products in order to provide added value and therefore ensure competitiveness, provided they are integrated at the level of the whole region. However, when it comes to this level of organization, one should have in mind that if the RTO were created by merging several existing LTOs, there would be a risk of this new structure not being able to meet the requirements of destination management, for the same reasons that LTOs were unable to do so, but for an additional reason as well – the RTO created in this manner would operate as a kind of association of several tourism organizations from the relevant administrative territories, rather than as a competent institution with clearly defined and effective management tools.

Conclusion

The establishment and operation of DMOs provides a modern management model for the development and marketing of tourism destinations. They allow for the creation of an integrated strategy that engages all relevant actors on the tourism supply side at the destination. Besides the need to protect natural and cultural resources and the identity of the local community, destination management has created the need to reach a consensus between various actors, who usually have conflicting interests and goals. In making a choice of model, one should keep in mind that each destination is unique, involving different stakeholders, with differing interests and impacts on the decision-making process and development vision in general and hence the chosen solution needs to correspond with the level of development of the system and mutual interaction between its members, in order to avoid chaotic and partial development, which inevitably results in reduced destination profitability. In addition to selection of the organizational model, it is even more important to delegate legitimacy for the coordination of current activities and for planning and deciding on destination development in the future.

It can be concluded that this is the right moment for Montenegro to engage in the professionalization of destination management, based on the increased importance of competitiveness and, more than ever, the expressed need to define an integrated policy of management of the supply, promotion and sale of products at the local level. As we continue down the path of the third millennium, the issues that governments and the tourism industry will have to face will become very complex. For that reason it will be hard to respond to them without a defined model of cooperation between the public and the private sector and between the destination and clusters of complementary actors, in the creation of the tourism product (Đurašević, 2008, Popesku, ed.). All countries in this region have become aware of the need to adopt adequate legislation for the establishment of DMOs, while cluster development is expanding in the tourism sector. This is increasingly inevitable in Montenegro as well.

References

- Archer, B. (1996). Sustainable Tourism: Do economists really care? *Progress in Tourism & Hospitality Research*, 2(3-4), 217-222.
- The Association of Croatian Travel Agencies [UHPA]. (2012). *Implementation of standards in new tourism products*. Zagreb: Projekt edukacije po programu Leonardo da Vinči "Mobilnost-osobe na tržištu rada".
- Bakić, O. (2009). *Marketing menadžment turističke destinacije*. (4. dopunjeno izd.). Sremska Kamenica: Educons University.
- Bornhorst, T., Ritchie, J. R. B. & Sheehan, L. (2009). Determinants of Tourism Success for DMOs & Destinations: An empirical examination of stakeholders' perspectives. *Tourism Management*, Article in Press, 1-18.
- Bramwell, B. & Lane, B. (2000). *Tourism Collaboration and Partnerships: Politics Practice and Sustainability*. Clevedon, UK: Channel View Publications
- Bramwell, B. (1998). Selecting policy instruments for sustainable tourism. In W. F. Theobald (Ed.), *Global Tourism*, (pp. 361–379).
- Buhalis, D. (1994). Information technology as a strategic tool for tourism and hospitality management in the new millennium. *Tourism review magazine*, 2, 34-36.
- Buhalis, D. (1995). *The impact of information telecommunication technologies on tourism distribution channels: implications for the small and medium sized tourism enterprises' strategic management and marketing*. PhD thesis. Guildford, UK: University of Surrey.
- Buhalis, D. (2000). Marketing the Competitive Destination of the future. *Tourism Management*, 21, 97-116.
- Buhalis, D. & Spada, A. (2000). Destination Management Systems: Criteria for success-An exploratory research. *Journal of Information Tehnology & Tourism*, 3(1), 41-58.
- Busby, G. & Haines, C. (2013). Doc Martin and film tourism: The creation of destination image. *Tourism: An International Interdisciplinary Journal*, 61(2), 105-120.
- Busby, G. & O'Neill, J. (2013). Ports of call – in search of competitive advantage. *European Journal of Tourism, Hospitality and Recreation*, 4(1), 123-160.
- Butler, R. (1980). The Concept of a Tourist Area Cycle of Evolution: Implications for Management of Resources. *The Canadian Geographe*, 24(1), 5-12.
- Butler, R. (2011). *Tourism area Life Cycle, Contemporary tourism reviews (CTR)*. Goodfellow Publishers Ltd.
- Crotty, M. (1998). *The Foundation of Social Research: Meaning and Perspective in the Research Process*. London: Sage Publications Ltd.
- Dobre, R. (2004). *Menadžment turističke destinacije*. Šibenik: Visoka škola za turistički menadžment.
- Gartner, W. C. (1993). Image formation process. *Journal of Travel and Tourism Marketing*, 2(2-3), 191-215.
- Giddens, A. (1999). *Lecture 1: Globalisation. BBC Reith Lectures*. Retrieved June 28, 2014 from <http://www.bbc.co.uk/programmes/p00ghvgj>.
- Gillette, F. J. & Gillette, C. M. (s.d.). *Destination Management Companies: How They Work*. Palm Springs: International Society of Meeting Planners. Retrieved June 15, 2014 from http://www.ismp-assoc.org/documents/Destination_Management_Companies_.pdf.
- Goodwin, M. (1998). The governance of rural areas: Some emerging research issues and agendas. *Journal of Rural Studies*, 14(1), 5–12.
- Hall, C. M. (2008). *Tourism planning processes and relationships* (2nd Ed.). Harlow: Prentice Hall.
- Hall, C. M. (2009). Archetypal approaches to implementation and their implications for tourism policy. *Tourism Recreation Research*, 34(3), 235-245.

- Harris, L. & Ogbonna, E. (2001). Strategic Human Resource Management, Market orientation, and Organizational Performance. *Journal of Business Research*, 51, 157-166.
- Hawkins, D. E. (2006). The Impact of Globalization and Localization of National Tourism Investment Policies. In *5th Conference on Tourism & Development*. Athens: SETE.
- Horan, P. & Frew, A. J. (2007). Destination Website Effectiveness – A Delphi Study-based eMetric Approach – ADMS. In *Perspective, Proceedings of the Hospitality Information Technology Association Conference*. Orlando: HITA.
- Horwath Htl. (2009). *Horwath Hotel Industry Survey Montenegro*. Author.
- Hu, Y. & Ritchie, J.R.B. (1993). Measuring destination attractiveness: A contextual approach. *Journal of Travel Research*, 32(3), 25-34.
- Dredge, D. & Jenkins, J. M. (2007). *Tourism planning and policy*. Milton: John Wiley.
- Đurašević, S. (2008). Odnos destinacije i klastera. In J. Popesku (Ed.), *Menadžment turističke destinacije* (pp. 111-126). Beograd: Univerzitet Singidunum.
- Đurašević, S. (2008). *Turistička putovanja – savremeni koncepti prodaje*. Podgorica: CID.
- Đurašević, S. (2011). *Uspostavljanje funkcije destinacijskog menadžmenta u Crnoj Gori*. Paper presented at The round table - NGO Tourism Forum. Bečići: NVO Turistički forum.
- Inskip, E. (1991). *Tourism Planning: An Integrated and Sustainable Approach*. New York: Van Nostrand Reinhold.
- Institut Alternativa. (2009). *Javno-privatna partnerstva u Crnoj Gori – odgovornost, transparentnost i efikasnost*. Podgorica: IA. Retrieved June 26, 2014 from <http://media.institut-alternativa.org/2012/08/institut-alternativa-javno-privatna-partnerstva-u-crnoj-gori.pdf>.
- Jamal, T. B. & Getz, D. (1995). Collaboration theory and community tourism planning. *Annals of Tourism Research*, 22(1), 186–204.
- Jenkins, O. H. (1999). Understanding and measuring tourism destination images. *International Journal of Tourism Research*, 1(1), 1-15.
- Kotler, P., Haider, D. H. & Rein, I. (1993). *Marketing Places: Attracting Investment, Industry, and Tourism to Cities, States, and Nations*. New York: Free Press.
- Leiper, N. (1995). *Tourism Management*. Melbourne: RMIT Press.
- Magaš, D. (2003). *Menadžment turističke organizacije i destinacije*. Opatija: Adamić.
- Ministarstvo turizma Crne Gore & DEG. (2001). *Master plan razvoja turizma do 2020*.
- Narodne novine. (2008). *Zakon o turističkim zajednicama i promicanju hrvatskog turizma*. Zagreb, 152.
- Pearce, D. (1992). *Tourist Development* (2nd Ed.). London: Longman Scientific & Technical.
- Pechlaner, H. (2001). Il futuro delle Alpi come destinazione. Le sfide di una collaborazione alpine sovvraregionale. In M. Franch (Ed.), *Destination management: alla ricerca di una soluzione possibile*. Torino: Giappichelli.
- Pike, S. (2004). *Destination Marketing Organisations*. Amsterdam: Elsevier.
- Pike, S. (2011). *Destination Marketing Organisations*. Oxon, UK: Routledge.
- Popesku, J. (2008). *Menadžment turističke destinacije*. Beograd: Univerzitet Singidunum.
- Popesku, J. (2009). Destinacijske menadžment organizacije kao oblik upravljanja razvojem turističkih destinacija. In *Naučni skup s međunarodnim učešćem Sinergija* (pp. 253-256). Bijeljina: Univerzitet Sinergija.
- Porter, E. M. (2003). *The Competitive Advantage of Greece: Moving to the Next Level*. Athens: Institute for Strategy and Competitiveness Harvard Business School.
- Presenza, A. (2005). The performance of a tourism destination. Who manages the destination? Who plays the audit role? *Cite Seer*. Retrieved June 29, 2014 from <http://citeseerx.ist.psu.edu/viewdoc/summary?doi=10.1.1.115.1245>.

- Radović, M. (2010). *Turistička geografija Crne Gore*. Bar-Kotor: Fakultet za turizam, Bar and Fakultet za turizam i hotelijerstvo Kotor.
- Robinson, P. (Ed.) (2012). *Globalization, in Tourism: The Key Concepts*. Oxon, UK: Routledge.
- Sl. glasnik Republike Srbije. (2009, 2010). *Zakon o turizmu Republike Srbije*. Beograd, 36 and 88.
- Sl.list Republike Crne Gore. (2004, 2007). *Zakon o turističkim organizacijama*. Podgorica 11 and 46.
- Sl. list Crne Gore (2011). *Zakon o regionalnom razvoju Crne Gore*. Podgorica, 20.
- Selin, S. & Chavez, D. (1995). Developing an evolutionary tourism partnership model. *Annals of Tourism Research*, 22(4), 844–856.
- Smadja, C. (2000). Time to Learn from Seattle. *Newsweek* (Atlantic Ed.). January 17, 64.
- Swarbrooke, J. (2002). *The Development of Visitor Attractions* (2nd ed.). Oxford: Butterworth – Heinemann.
- Tactics (2012). Using Clusters to address emerging industries and services - Case Studies. *EC Enterprise and Industry*. Retrieved June 23, 2014 from http://abclusters.org/wp-content/uploads/2013/12/Using-clusters-to-address-emerging-industries_0.pdf.
- UNWTO, (2003). *Co-operation and Partnerships in Tourism: A Global Perspective*. Madrid: Author.
- UNWTO. (2012). *A Practical Guide to Trade Policy Analysis*. Madr: Author.
- Wild, L. & LaPierre, D. (2011). *Tourism Development -Achieving Sustainable & Competitive Results*. VEGA. Retrieved June 29, 2014 from <http://www.counterpart.org/images/uploads/VEGA%20Tourism%20Development%2012%2015%2011.pdf>.
- The World Economic Forum [WEF]. (2013). *The Global Competitiveness Report 2012-2013. Montenegro* (pp. 262-263). Geneva: Author.
- WTTC. (2012). *Travel and Tourism Economic Impact, Montenegro*. London: Author.
- Zapata, M. J. C. & Hall, C. M. (2012). Public-private collaboration in the tourism sector: balancing legitimacy and effectiveness in Spanish tourism partnerships. *Journal of Policy Research in Tourism, Leisure and Events*, 4(1), 61-83.

Submitted: 23/02/2014

Accepted: 10/01/2015