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Tatjana Stanovic,
Sanja Pekovic,
Aleksandar Celebic,
Olivera Simovic

University of Montenegro, Faculty of Tourism and Hotel Management (Montenegro)

TOURISM EXPENDITURE FOR SPORT ACTIVITIES: THE CASE OF MONTENEGRO

Introduction

The tourists' expenditure is considered as one of the most important variables and indicators in the economic analysis of a quality of tourist experience that creates destination's tourism industry. Apart from expenditures on core or basic services and products (e.g. accommodation, food, transport), great attention has to be paid to diversification of spending on other services and product that construct so called supporting product (e.g. Kotler, Bowen and Makens, 2006; Middleton and Clarke, 2001; Bowie and Buttle, 2006). Its role is to add value to the core product and to differentiate it from competition. In other words, tourist's interests are very different from the time when people spent their holidays in the sun and near the sea. They are more eager for something new and exciting in destinations which offer active holiday with recreational sports facilities and programs. Therefore, sport and recreational activities represent very important tool for differentiation of the integral product (MSDT, 2010). Accordingly, the research in sports tourism has been growing importantly (Shipway and Jones, 2007; Higham and Hinch, 2002). However, several research underline that even that sport and tourism agencies collaborate effectively many sport tourism policy initiatives have been unsuccessful (Weed, 2003).

As far as the economic impact of sport and recreation is concerned, a considerable discussion has been developed about a number of different aspects of sport/recreational tourism experiences (e.g. events, activities, tours, facilities) and its economic impacts. Recognition of the positive and negative effects associated with sporting mega events is widely acknowledged in the academic literature, especially following: positive image and identity, inward investment, tourism promotion through media coverage, as well as the short term character of mega events with long-term consequences for the local community (Higham, 1999, Solberg and Preuss, 2007). Much attention has been paid to the economic development potential of different sport activities and facilities. In this sense, Cropton (1995) point out the importance and purpose of an economic impact analysis as the way to measure the net economic change that accrue to a community as the result of direct expenditures to sport activities, facilities and events (Cropton, 1995). Also, Higham and Hitch claim that nowadays tourism has more clearly defined link with modern sport, especially in sense of the challenges and potential of overcoming seasonality and more stable economic effects during the year. Apart from this, the experiences from cycle network in the North East of England, UK, confirm

that incomes, group sizes and durations of activity are integrally linked determinants of cyclist's expenditure (Downward, Lumsdon, and Weston, 2009). Key findings indicate that planners of routes have to take into consideration mentioned implications in order to attract all types of cyclists from the most casual leisure trip to racing cyclists. Similarly, in the case of Swedish mountain region, key determinants of expenditures for downhill skiers, backpackers, snowmobilers and general visitors are: duration of stay, household income, choice of activity, occupation, participation in an organized trip and choice of accommodation (Fredman, 2008). Moreover, gender, mode of travel, distance and 'significance of activity' are additional determinants of expenditures outside the destination. In line with above mentioned, complex nature of tourist's expenditure for sport activities has important implications on strategic planning of an integral destination product, both in size and structure. This implies the need for more systematic and planned approach to economic impact analysis of sport and recreational activities in sense of recognition of its positive/negative impacts, as well as the identification of the size and structure of that impacts on the tourism industry, local community and destination.

Therefore, the purpose of this empirically based paper is to examine what type of sport activities generate more intensive tourists' spending in Montenegro in order to better formulate tourism policies related to sport activities. Therefore, this paper contributes to the strand of the literature on the determinants of individual tourist spending with particular focus on sport related activities. Noteworthy, tourist's spending is one of the most important variables of analysis for tourist destinations because it influences directly the tourism sector's profitability (Frechtling, 2006).

The study will help to our understanding of the economic impacts associated with the future development of Montenegrin tourism, including values beyond primary expenditures aimed to accommodation and transport.

The remainder of this paper is organized as follows. Section 2 presents the data and model specification. The results are provided in section 3. Section 4 concludes and suggests policy and managerial implications.

Methods

The data is extracted from the Montenegrin survey called Guest Survey 2010. The creation of the database is financed and organized by the Ministry of Tourism of Montenegro, the National Tourism Organization of Montenegro and the German Organization for Technical Cooperation (GTZ). The main objective of the survey is to obtain representative view regarding tourist travel behavior and satisfaction during their stay in Montenegro. The questionnaire contains 34 questions and it was translated in seven languages (Montenegrin, English, French, Italian, Albanian, German and Russian). The survey was conducted in 21 municipalities in Montenegro, from July to the end of September 2010. After deleting observations that do not provide all necessary information for this research, we work with a sample of 197 tourists.

The dependent variable denoted *SPORT_EXPENDITURE* is a continuous variable that measures the tourist spending on sport activities.

To examine our research question, we use three main independent variables. The first variable denoted *MOUNTAIN* is a binary variable equal to 1 if the tourist main sport activity during the stay in Montenegro is mountaineering, mountainbiking, rafting and kayaking. Furthermore, the second variable is named *WATER_BEACH* since it equals 1 if the tourist main sport activity during the stay in Montenegro is associated to water beach sport activities such as swimming, sailing, waterskiing, etc. Finally, the variable *REST* indicates other sport activities such as riding, fishing, birth watching, etc.

In order to control for firm-level heterogeneity, our analysis includes a set of control variables representing tourist socio-demographic characteristics such as gender, age, wage, country of residence. Additionally, we include type of transportation as a control variable.

The relation between sport activities and tourist's spending is tested using an Ordinary Least Square (OLS) regression. The model can be written as:

$$y_i = X_i a + e_i$$

where y_i , X_i , a , and e_i represent tourist's spending, the vector of exogenous variables, estimated coefficients, and error term, respectively.

Results

The results of the OLS regression are presented in Table 1. The fit is reasonable with an adjusted pseudo-R-squared of 7% ($p < 0.001$).

Table 1. OLS estimates of the relation between of sport activities and tourist's spending

Variables	Coefficients and significance
Intercept	93.24***
MOUNTAIN	32.72**
WATER BEACH	-11.03
MAN	4.99
AGE	-0.47
EU	-3.76
RUSSIA	16.89
REST OF THE WORLD	-3.35
LOWER INCOME	-30.03***
HIGHER INCOME	19.92***
PLAIN	-21.63*
BUS	1.37
CAR	-7.54
Observations	197
R-squared	0.07

(*), (**), (***) indicate parameter significance at the 10, 5 and 1 per cent level, respectively.

References for country of residence is ex Yugoslavia, for income is middle income (from 900 to 3000 Euros) while reference for type of transportation is train.

The results show that findings indicate that mountain related sport activities such as mountaineering, mountainbiking, rafting and kayaking influence positively sport tourists' spending during their stay in Montenegro more than other sport activities ($\alpha = 32.72$, $p < 0.005$). Our findings are consistent with previous studies concluding that sport activities lead to tourist's spending. Moreover, the obtained findings show that variable representing water beach sport activities such as swimming, sailing, water-skiing, etc. is not significant. The results induce that different types of sport activities influence differently tourist's spending. The findings are in the same sense as those from Nogawa et al. (1996). The authors compare cross-country skiers with a walking group participating in a walking event. They find that the walking group respondents spend twice more as those in the cross-country skiing group.

Moreover, looking to control variables, Table 1 shows that the variables representing the type of transport and tourist's income are also significant. More precisely, we can observe that tourist that came by plain spent less on sport activities than tourist that came by train. Additionally, as expected, variable that representing tourist with low income is negatively associated with sport related spending while variable representing high income is positively related to tourist's spending.

Discussion

The main findings of this study are that different sport activities influence differently on tourists' expenditures in Montenegro. More precisely, we found that continental related sport activities offer influence positively tourist's spending while water beach related sport activities are not significant.

Our results have several managerial implications for the tourism industry in Montenegro. Firstly, policy makers have to further improve existing offer concerning sport activities related to continental areas. Furthermore, the findings that beach water related sport activities are not significant for tourist's spending could represent a problem for Montenegrin tourism if it is not effectively managed. One reason that could explain these results could be due to the fact that cooperation between sport and tourism managers in this area is not well established. Therefore, both destination and sport managers have to work together in order to improve offer related to beach sport activities and due increase the value of experience and financial effect generated by sport activities. Additionally, managers from both tourism and sport organization have to devote sufficient time to developing effective sport tourism linkages (Weed, 2003).

Future research can extend the application to other countries. To go further, it will be very interesting to check how specific sport activities influence tourist's spending.

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The tourists' spending is considered as one of the most important variables in the economic analysis of a destination's tourism industry. Therefore, the purpose of this study is to examine what type of sport activities influence better sport tourists' spending in Montenegro. Working on the sample of 197 tourist, our findings indicate that mount-

ain related sport activities such as mountaineering, mountainbiking, rafting and kayaking influence positively sport tourists' spending during their stay in Montenegro more than water beach sport activities. The contribution of this research is providing several possible directions for both destination and sport managers to improve existing sport activities related to mountain sport as well as to significantly improve beach sport activities in order increase the value and amounts generated by sport activities.

„Pobjeda“, 26. mart 2015

Konstitutivna sjednica Počasnog odbora konferencije „Sportska dostignuća“

Đukanović: Sport je najprestižnija djelatnost u državi

PODGORICA - Veća međunarodna vidljivost i osnaživanje prepoznatljivog kvaliteta crnogorskog sporta je zajednički zadatak akademske, društvene i sportske zajednice, a udruženim i posvećenim radom ti ciljevi se mogu i ostvariti. To je poruka koju je na sinoćnjoj, konstitutivnoj sjednici uputio Počasni odbor međunarodne naučne konferencije „Sportska dostignuća“, kojim predsjedava predsjednik Vlade Crne Gore Milo Đukanović.

Najavljeno je da će 12. Međunarodna naučna konferencija o transformacionim procesima u sportu „Sportska dostignuća“ biti održana od 2. do 5. aprila u Podgorici, i okupit će više od 160 vodećih svjetskih autora i istraživača u oblasti sportskih, društvenih i humanističkih nauka i medicine iz 22 zemlje.

- Sport je najprestižnija djelatnost u našoj državi, kojom se Crna Gora danas najubjedljivije predstavlja na međunarodnom tržištu. Zato moramo obezbijediti šire razumijevanje i podršku ukupne društvene zajednice ljudima koji su velikim pregnućem doprinijeli tim rezultatima. Važno je razvijati i naučnu dimenziju u oblasti sporta, za šta su zaslužne institucije poput Fakulteta za sport i fizičko vaspitanje - rekao je Đukanović.

U razvoju sporta u Crnoj Gori veliku ulogu i odgovornost ima i akademska zajednica Univerziteta Crne Gore, kroz uspješni višegodišnji rad na promociji, izučavanju i istraživanju sportskih nauka. Posebnu pažnju, svakako, zavređuju događaji poput predstojeće

međunarodne konferencije, koja će okupiti vodeće svjetske autore iz oblasti sportskih nauka, saopšteno je iz PR službe Rektora UCG. Rektorka Univerziteta Crne Gore Radmila Vojvodić naglasila je da je sport značajan za vrijednosno ozdravljenje čitavog društva, a Univerzitet predano radi na razvoju njegovog naučno-istraživačkog aspekta.

Članovi odbora su i: ministarka nauke Sanja Vlahović, ministar prosvjete i predsjednik Rukometnog saveza Predrag Bošković, gradonačelnik Podgorice Slavoljub Stijepović, predsjednik Crnogorskog olimpijskog komiteta mr Dušan Simonović, direktor Uprave za mlade i sport Igor Vušurović, predsjednik Atletskog saveza Milorad Vuletić, predsjednica Skijaškog saveza Vesna Medenica, predsjednik Vaterpolo i plivačkog saveza Srđan Kovačević, rukometni trener Dragan Adžić, vaterpolo trener Petar Porobić, fudbalski trener Miodrag Božović, rukometašica Katarina Bulatović, vaterpolista Nikola Janović, džudista Srđan Mrvaljević, sportski direktor Ženskog rukometnog kluba „Budućnost“ Bojana Popović, profesor novosadskog Fakulteta sporta i fizičkog vaspitanja Zoran Milošević i profesor Fakulteta sporta i tjelesnog odgoja iz Sarajeva i potpredsjednik Olimpijskog komiteta Bosne i Hercegovine Izet Rađo.

Konferenciju organizuju Crnogorska sportska akademija i Fakultet za sport i fizičko vaspitanje, pod pokroviteljstvom Univerziteta Crne Gore.

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