

ANALYSIS OF THE USE OF DIGITAL TECHNOLOGIES IN MONTENEGRO'S TOURIST OFFER ON THE EXAMPLE OF A HOTELS IN BAR

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ABSTRACT

This paper presents an analysis of the current state of the use of digital technologies by the categorized hotel accommodation providers in the Municipality of Bar. The concept of SMART tourism and the use of digital technologies in tourism implies networking of tourist content throughout the country towards getting “smart experience” from local community and creating “smart business ecosystem”. Hotels at the locations need to take advantage of new technologies and include various business, sociocultural, psychological and educational components. Following was analysed: the quality of the internet presence, the level of networking with the local tourist businesses, the use of logistic innovations in tourism and the intensity of the use of social networks. The goal was to identify the level of current digital recognition and the degree of use of information technologies to point out the unused potential for the development of entrepreneurship in the hotel industry.

Keywords:

tourism, digital technology, accounting, innovations, entrepreneurship, information management

JEL: Z32, L83, O32, O34, M41, G32

INTRODUCTION

While traditional economics is based on the use of resources such as land, labor and capital, the post-industrial economy, on the other hand, is based on a new concept called the knowledge economy. This means that in the new era of the IT revolution, companies can gain a competitive advantage in the market based on the possession of information and knowledge. The competitive advantage assumes a higher market value of the company therefore the significant strategic goal of companies in the 21st century becomes the development of knowledge. The tourism sector is no different from other sectors of the economy, therefore it is experiencing the same change. Tourism businesses in Montenegro operate on global market and experience global competition. Development of knowledge will also improve their strategic position and increase their market value. When it comes to innovation and digitalization tourism business is experiencing much change from the demand side and also from the innovation side. Preferences of tourists have changed and they require fast booking, internet availability, networking with other tourism service providers etc. It is necessary for hotels to understand the needs of the customer and to use digital technologies. This all leads to new concept in tourism business or SMART tourism and SMART destinations.

1. DEFINING SMART TOURISM

SMART tourism is a new concept that describes the technological, economic and social development inspired by technologies that rely on sensors, administering large amounts of data - large databases, open data, new ways of linking and sharing information as well as the ability to derive conclusions from the data and develop new knowledge - Gretzel, Sigala, Ksiang, Koo (2015).

There are different opinions about technological advancements in the tourism sector, because the area of tourism relies heavily on information and communication technologies (ICT) that are mainly used to transform large amounts of data into creating value for the target market (tourists). What is characteristic of innovation in tourism is that they are based on existing technologies that are interconnected and synchronized - unlike the technological advancements and innovations that are characteristic of advanced industries Hoyer and Wangel (2015). Opinions were divided on whether SMART is justified in tourism because tourism deals only with the implementation of existing technologies. The word SMART in tourism gets a new interpretation form and it is used to define tourism in which complex analytical digital tools for visualization, data sharing, decision making and value creation are used. The concept of SMART tourism in this way applies to cities, destinations, things and objects, making the line between physical and digital less visible. It is actually an innovation in tourism. Governments of developed countries are investing heavily in smart tourism, because the return on investment is very visible and it is reflected in the growth of the number of tourists and the growth of GDP from tourism.

In understanding SMART tourism, it is necessary to understand all the levels of smart tourism. Gretzel, Sigala, Xiang, Koo (2015) state that there are 3 levels of smart tourism. The first level is creating a SMART destination. The mentioned term refers to the implementation of the concept of smart cities in urban and rural areas with the aim of achieving: mobility of tourists, improvement of accessibility of services, preservation and sustainability of resources. The location that uses this concept becomes globally visible and attracts more tourists, and the tourists themselves integrate into the environment, increasing the quality of experience at the destination, Lopez (2015). Examples of this concept are: the use of lighthouse technology (beacon technology) in tourism and the internet of things in the tourism industry (internet of things).

The next level of understanding is the SMART experience that involves the use of ICT as a tourist mediator. Examples include: personalization, real-time monitoring, and active participation in

content creation. Tourists can now create and expand tourism content based on their own personal experience. Tourists become active participants in content creation and value development. Examples of these are reviews used in Trip Advisor or Booking.com, various travel blogs, social network posts, etc. Third level is a SMART business because there is a need for very complex business ecosystem that supports the creation and co-creation of tourism experience and content. This includes various businesses that operate in the field of tourism such as hotels, travel agencies, national tourist organizations, restaurants, motels, tourist service providers and the like. Using ICT technologies and these providers become part of the smart system. We must mention in this section that the SMART business concept also includes businesses that do not mainly operate in the field of tourism as a core business. Namely, for example, telecommunication companies, producers and clusters of manufacturers, trade companies, ICT companies, cultural service providers (galleries, museums, monuments, fairs), etc. All these companies get a new place and a new role in tourism business through the SMART business concept and with relying on new technologies.

2. DIGITAL TOOLS AND KNOWLEDGE OWNERSHIP IN HOTEL BUSINESS

Economy based on the possession of information and knowledge has influenced hotel business as well as other businesses that rely on tourism activities. The changes that have occurred on the market lead to changes in the hotel's business. The main factor of success in the hotel industry is the acquisition and use of non-material things such as: brand, image, software, digital tools, platforms, client relationships, Lacmanovic, Kavarić, Tomasevic (2016). The New Age is imposing investment in these intangible things and investment in creating digital content, which is actually a new concept in the hotel industry that for years before has relied on large investments in material things - luxury, exclusive location, high investment in quality of service. All those things for years before have made the hotels more visible, recognizable and have increased value of the hotel. In the new age that we call the era of digital technology, the use of digital tools in the hotel business increases the intellectual capital of the hotel, number of visits and its competitive advantage. In many cases, with the creation of a competitive advantage in possessing digital resources, the hotel increases its market value to a level where it becomes much greater than the bookkeeping value of the hotel. Instead of high investments in material things, the understanding and efficient use of ICT in hotel business leads to the creation of new values and content, and in many cases leads to an increase in hotel income.

There are numerous studies in economic theory that identify sources of competitive advantage in the New Economy as: the creation of a brand, image development, patent ownership, trademark, standards and design, relationships with: stakeholders, customers, suppliers, partners, employees, etc. (Sundac and Svast 2009). According to theory, intellectual capital is knowledge transforming itself into something that has value for the company and intellectual capital consists of 3 components: human capital, organizational capital (the advantages of organizational structure) and relationships with stakeholders (clients, partners, clients, suppliers), company network, brand.

Practices and statistics show that the difference between bookkeeping and market value is very high in advanced companies operating in the fields of information and communication technologies (ICT) such as software development and service activities, businesses that deal with the production of technological hardware and equipment and even in transport. This is why hotel industry at SMART destinations is networking with other industries to create more value for both the hotel and the destination and for the tourists who are staying there. The hotel business in SMART tourism concept leads to numerous new interactions of all actors in tourism: businesses, agencies, cities, cultural contents, etc. with tourists. A new experience is being created, a new value is generated that improves the hotel's business operations and in terms of new revenues, which is the goal of the business of all economic entities.

The tourists themselves also create pressure on the demand side. Tourists demand the hotel engagement in digital technologies because they have changed their behavior and require new things from hotels such as: direct booking, personalization, new content, availability of references, etc.

In accordance with the development of the concept of smart tourist destination, the needs of tourists in the 21st century are that they want to travel to the destinations that they recognize as SMART. This implies that tourist at those destination can be able to use the technological infrastructure in creating a unique personalized content for himself in accordance with his preferences and needs.

Today, the tourist is in the center of SMART tourism and through various applications aimed at tourists as a user support is provided at three levels (Gretzel, Sigala, Ksiang, Koo (2015) through:

1. Anticipating tourists needs using different tools and providing recommendations according to the identified needs
2. Improving tourist's experience at destination by providing content like: site-specific information, customized and interactive tools and information
3. Being able to share tourist experience with others and to make their recommendation for others to visit a destination. This will improve and enhance their experiences and of course enhance their own image on social networks.

This research explores the situation in the hotel sector in Montenegro at the example of the hotels in Bar. Namely, it is researched how many of those categorized hotels use new technologies and include various business, socio-cultural, psychological and educational components in their offer. On the Montenegrin market there are also large luxury hotel chains such as Hilton or Chedi Hotel - Lustica Bay, which all have examples of good practice. To a great extent, those best practice hotels, use digital tools and by this they have added value to their offer. Added value is based on knowledge and technologies and also based on significant networking with the local community where they do business. All this creates a new experience for a tourist.

3. DETERMINATION OF THE CONDITION OF THE DIGITAL PRESENCE OF CATEGORIZED HOTELS IN THE LOCAL COMMUNITY IN BAR

The survey was conducted at 53 categorized hotels in Bar. The number of uncategorised hotels is significantly higher but the procedures in operation, the manner of registration and business are not adequate for analysis therefore they were excluded.

The hotels have been explored from all three aspects of providing support to tourists using ICT: anticipating customer needs and providing recommendations through the use of logistics innovations (1), improving on-site experience through networking with other stakeholders (2), and involvement in social networks or sites sharing experience (Booking, Trip Advisor, etc.) so that tourists can share their experience (3).

In addition to this, the internet presence has been thoroughly explored, as it was observed during the research that there is a need with a deeper specification of the internet presence, i.e. the need to define the quality of the internet presence. For example. When analysing the website, there was a situation that even though hotels have a website, this site does not appear in search engines, or is inadequately registered (for example, on the domain name of another country, which is particularly inadequate in tourism). It is also differentiated whether the site is used solely for the provision of information or if it is interactive.

The desk research method of research of the hotels was applied, with an assessment of the level of engagement in finding the necessary information - whether they are getting easy or need additional engagement. The results of the research were presented in the form of descriptive statistics as well as using the graphic and tabular display

Table 1. Number of hotels in Bar based on hotel category- from the data recorded with Ministry for Sustainable Development and Tourism Montenegro

Hotel category	Number of hotels	Number of beds
5 star	0	0
4 star	13	1311
3 star	16	1258
2 star	17	1974
1 star	7	2096
TOTAL	53	6639

The survey covered 53 categorized hotels in Bar, of which most hotels belong to the category of 2 stars. The total number of categorized hotels is 423 of which the largest number of registered hotels in Budva 113 and then in Bar. The percentage of hotels processed by the sample is 12.53%

Table 2. Data from the analysis of internet presence of the hotels based on answers from categorized hotels

Hotel category	Number of hotels	Number of beds
Hotels have internet site	53	0
Internet site of hotel is also in English language	50	3
Hotels have internet site with 2 or more languages	39	14
Hotel present additional content on internet sites	0	53
Hotels have offers on Trip Advisor	36	17
Hotels have offer on Booking	50	3
Hotels have social page (Facebook, Instagram)	50	3
It is possible at the web site of hotel for tourist to share opinion, comment or to add quality grade for service.	0	53

It is clear from the table that hotels only have a basic digital presence in the form of a basic site that is not adequate for network searching. Hotels in Montenegro are not aware of the needs of the users and 3 new needs to satisfy the needs.

CONCLUSIONS

In line with theoretical considerations using modern IT tools in hotel business will improve the value of the hotel. The new value, apart from creating new value for tourists and development of prestige of destination, is also quantitatively reflected through: the number of new services offered to tourists, the increase in tourist satisfaction, the increase in the number of visitors to the hotel, the increase in the number of overnight stays. Through all the above-mentioned improvements there will be the rise in profits. However, in accordance with empirical data presented in the hotel research in Bar this fact is not well perceived by hotels in Montenegro.

The hotel industry in the world appreciates development of value and knowledge and therefore successfully creates chains of luxury hotels from whose approach in the creation of value hotels in Montenegro can learn a lot. Special value in this case is the fact that the usage of digital technology in hotel industry (and knowledge and value created in the process) increases the market value of the hotel in relation to the bookkeeping value.

Large hotel chains network with the local community, connect with stakeholders who are not only direct actors in the tourism industry like: telecommunication companies, local administrations, transport providers, cultural centres, clusters and NGOs etc. The focus of their networking and collaboration is to enhance the experience of tourists at the destination and to answer all 3 levels of tourist's needs. There are numerous examples in Montenegro that more developed hotels cooperate with academic institutions and education in order to contribute to the development of labour force in accordance with market needs (Ramada Podgorica, Splendid Becici, Maestral Pržno are just some examples of cooperation).

Hotels in Montenegro should work on quality of service and on creating full experience for tourists as well as on value promotion if they want to grow and develop their activities and expand their season and off-season occupation. This will be achieved through the use and inclusion of the concept of SMART tourism and with the use of digital technology in their business. Concept of IT and value of digital technologies in tourism industry needs to be better understood by hotel accommodation providers.

Recommendations for the local community is to relate to the need for additional investment in infrastructure and software to develop SMART cities and for this area of particularly important SMART destinations. Strategic approach in this aspect is needed by the local community that involves: cooperation with the businesses at destination, the NGO sector, as well as with ministers and support agencies. To attract EU funds in this area, smart tourism should be defined as one of the strategic priorities.

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