

# **SELECTION PROCESS OF SPORT TOURISM DEVELOPMENT STRATEGY IN BANJA VRUĆICA SPA RESORT: A QUANTITATIVE ANALYSIS**

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## **ABSTRACT**

*Tourism industry has been identified as one the largest and fastest-growing economic sectors in the world. This industry is often seen as one of the three branches with comparative advantages for Bosnia and Herzegovina and Republika Srpska's economy. More specifically, Republika Srpska has an enormous capacity in the field of spa tourism. Putting the whole thing into a European context, we should be mindful of the dynamics of the market and its stiff competition. In order to retain the competitive edge, one should be readily aware of trends and market changes, waxing and waning as rapidly as the demands for luxury and add-on experiences among younger population of tourists. Since the Banja Vrućica spa resort is a top spa destination in Bosnia and Herzegovina, the aim of this work is to carry out a strategic analysis of the spa's environment which might be beneficial for the spa's management; all of this with regards to the selection of future strategy in sport tourism, because care for health and physical well-being have lately been in the focus of sport tourism consumers. The analysis of environment of sport tourism surrounding Banja Vrućica spa resort was carried out by means of Strengths, Weaknesses, Opportunities and Threats,*

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*Internal Factors Evaluation and External Factors Evaluation matrices, while the final results were presented in Internal-External Matrix and Strategic Position and Action Evaluation matrix diagrams, enabling easier visual comparison across the different sets of results. Quantitative Strategic Planning Matrix was applied at the very end of the study in order to determine the most appropriate strategy. The research findings have revealed that the internal situation in sport tourism in Banja Vrućica spa resort is poor (Internal Factors Evaluation Matrix 1.23), whereas a good potential has been noted in terms of meeting the opportunities provided by the external environment and in terms of defending its positions against the threats coming from external positions (External Factors Evaluation Matrix 3.05). Internal-External Matrix Plot clearly points into the direction of Hold and Maintain Strategy, while Strategic Position and Action Evaluation Matrix Plot indicate that Conservative (Weaknesses-Opportunities) Strategies should be opted for. The same has been noted with Quantitative Strategic Planning Matrix, since this Weaknesses-Opportunities strategy fared better (3.99) in comparison to Aggressive (Strengths-Opportunities) Strategies, which were found as alternative approach strategies in some other related studies as well.*

**Keywords:** Spa tourism, Strategy selection, Quantitative analysis of environment, Sport tourism.

**Abbreviations:** EFE: External Factors Evaluation; IE: Internal-External; IFE: Internal Factors Evaluation; QSPM: Quantitative Strategic Planning Matrix; SPACE: Strategic Position and Action Evaluation; SWOT: Strengths, Weaknesses, Opportunities, Threats; WTO: World Tourism Organization

## INTRODUCTION

Tourism has certainly been one of the most important industries of powerful countries or empires from the human history, with the capacity to strengthen the country's position and develop its civilization (Alina-Cerasela, 2015), but it also took different shapes and forms throughout the different periods in time (Gyr, 2010). Even today tourism is one the main global economic activities with revenues as high as in any other sector. The data collected by World Tourism Organization (WTO, 2017), for the period of the last six decades, have demonstrated serious expanding and diversifying trends in tourism and have put this branch of industry among the largest and fastest-growing sectors by revenue (the total of 1,220 billion US dollars).

Spa tourism is one of the most propulsive types of tourism today (Dorocki & Brzegowy, 2014). Greg Richards stressed the importance of the revival of interest for spa destinations across Europe and the fact that younger generations of tourists now have more diversified nature of demands, shifting their attention towards more luxury and add-on experiences (Richards, 2011). No wonder then that we have an increased diversification in the nature of supply from spa resorts in comparison to other types of tourism (Fontanari & Kern, 2003). As opposed to some previous times, when wellness and spa tourism had only social and medical aspect (Krupa & Wołowiec, 2010), today spa destinations offer a variety of healthcare and physical well-being services to their clients (Dorocki & Brzegowy, 2014).

This is exactly where sport tourism fits into the whole picture, as this branch of tourism has seen an expansion in the last couple of decades, though some authors argue that very little attention is given to the broader context of sport tourism, with exception being only sport events tourism (Hinch & Higham, 2009). Some countries have even set strategic priorities in sport tourism (Kurtzman, 2005; Veal, 2011) and if it continues to flourish at the present rapid pace, the estimates at

the beginning of the 21<sup>st</sup> century have been 10% for annual growth until 2020, within 5% annual growth of the entire tourism industry (Weed, 2006 a).

World Travel & Tourism Council data show that the demand for tourism in Southeast Europe is constantly growing, with estimates for Bosnia and Herzegovina's export of services being at 8.3% of nominal annual growth, thus potentially amounting the value of tourism export services at 1,300 billion US dollars in the year of 2021 (Foreign Trade Chamber of Bosnia and Herzegovina, 2011). Travar (2012) points out that Republika Srpska, as the part of Bosnia and Herzegovina, has an enormous potential in spa tourism and that "...its relatively small territory has as many as nine spas with exceptionally good quality thermal, thermo-mineral and mineral waters" (p. 8). This argument is noted by other authors as well (Knežević, Šaula & Dujaković, 2014). The role of spa tourism in the development of local economies is an important economic analysis as it is constantly influenced, both horizontally and vertically, by various and complex factors within a local economic system (Draghici et al., 2015). A research in spa, recreational and health tourism has showed that, even though it significantly contributes to the growth of local economies, this branch of tourism still lacks means to deal with complex infrastructural issues within spa facilities, thus failing to address the issues such as attracting the foreign investments and provide large-scale job opportunities (Segić, 2011).

Banja Vrućica spa resort has the biggest tourist capacity in Bosnia and Herzegovina, with about 1,000 beds in four hotels and mineral water springs as the bedrock of this spa resort. The healing properties of the thermo-mineral waters springs of this spa were known as far back as the Roman times. The first scientific analysis of the spa waters was carried out at the times of the Austro-Hungarian Empire, while the first accommodation facilities were built at the beginning of the 20<sup>th</sup> century. The healing properties of the water help in treating cardiovascular, rheumatic and neurologic diseases. Apart from health tourism, congress tourism has also been an integral part of this spa's offer. The clients are also offered a wide array of sport and recreational activities they can engage in, such as swimming in outdoor and indoor pools, ball games, table tennis, billiards and gym, but generally speaking, the overall supply of services and facilities has heavily been conditioned by the existing natural resources. This offer has not always met the demands of modern tourists, thus providing very little contribution to the economic growth and development of the national and the local community economy, since the guests would typically stay for short periods of time. The largest portion of visitors to the spa have been congress tourists who most commonly stay for two days, while the number of tourists who stay for more days was reduced to around 35% of the total number of spa clients (Milinković et al., 2017).

No matter which methodology is used to find the most suitable development strategy – the present paper utilized methodologies typical for strategic management in sport – the first step is always to analyze the internal and external environment (Australian Sports Commission, 2004; Bayle et al., 2007; Chelladurai, 2009; Hoye et al., 2009; Lussier & Kimball, 2014). To do so, researchers most often use SWOT analysis (Czuma-Imiołczyk, 2017), accompanied by a reliable set of quantifying tools such as different forms of matrices. EFE stands for External Factor Evaluation and it evaluates the external environment, whereas IFE Matrix is an acronym for assessing the internal environment (Gribanova, 2017). Both instruments have been used for summarizing and evaluation of data gathered through SWOT analysis (David, 2013). IE Matrix and SPACE Matrix are tools for an enhanced visual comparison for comparative advantages of units of observation (Cassidy, Glissmeyer & Capps, 2013). IF

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Matrix, through its nine quadrants, highlights the most suitable strategy (David, 2013) for Banja Vrućica spa resort, with regards to the implementation of strategies for sport tourism. Towards the end of the research we used QSPM in order to apply the most plausible selection tool as to which development strategy to choose (Cassidy, Glissmeyer & Capps, 2013).

The aim of the present paper is to provide a quantitative analysis of the environment and decisions made within the strategy selection process, aiming to contribute to a more selective form of sport tourism, i.e., a branch of tourism industry with sustainable, versatile and quality traits, which facilitates revenue growth, increase in numbers of tourists and effectively more jobs and foreign investments as strong boosts for the local economy in the municipality Teslic, where Banja Vrucica spa resort is located and the economy of Republika Srpska too.

## **METHODS**

The course of this study was carried out in the following four stages: Beginning Stage, Input Stage, Matching Stage and Decision-making Stage.

In the Beginning Stage we defined the key factors of the internal and external environment – those with significant influence on strengths, weaknesses, opportunities and threats of sport tourism offer provided by Banja Vrućica spa resort; the SWOT matrix was formed accordingly. The following methods were used herein: analysis of the spa resort's present offer, interview, comparative method (providing for the grounds to determine resemblances, similarities and differences among certain phenomena following the data gathering procedures), brainstorming (used here as the basic method for the definition of strategic aims and performed by means of inductive and deductive reasoning), observation, description and ordering method (i.e., theoretical processing of empirical data) and critical method (applied here for the sake of social responsibility papers like these may have in terms of the aims they try to propose and accomplish) – the deductive approach was predominantly used in this work, with examples of inductive reasoning in cases where this was necessary in order to make general statements or formulate certain points of view and clarify presented evaluations.

The Input Stage was about conceptualizing EFE and IFE Matrix. We assigned weight for each factor in IFE Matrix in the range from 0 (not important) to 1 (very important). The sum of all weights had to be 1. Weight is defined as the relative effect each factor has on the success or failure of sport tourism in Banja Vrućica spa resort. Then we assigned score to each factor. Value 1 was for big weakness, 2 was for minor weakness; 3 was minor strength, whereas score 4 was given for big strength. Then we multiplied the weight of each factor with its result in order to get weighted score for each factor. The sum of weighted score for all factors was given in total weighted score. Regardless of the number of factors within IFE matrix, the total weighted result ranged from 1 to 4, with average result standing at 2.5. The total weighted result well below 2.5 would mean that the internal situation was poor, whereas the result above 2.5 would be the sign of strong internal situation. The number of factors does not have an impact on the total weighted result as the weight of sum is always equal to 1.

We assigned weight for each factor in EFE Matrix in the range from 0 (not important) to 1 (very important). The sum of all weights had to be 1. Weight is defined as the relative effect each factor has on the success or failure of sport

tourism in Banja Vrućica spa resort. Then we assigned score to each factor. The values ranged from 4 to 1, with 4 standing for huge impact of external environment on the organization, 3 – impact above average, 2 – average impacts and 1 – small impact. Then we multiplied the weight of each factor with its result in order to get weighted score for each factor. The sum of weighted score for all factors was given in total weighted score. Regardless of the number of factors within EFE matrix, the total weighted result ranged from 1 to 4, with average result standing at 2.5. The low values in external evaluation indicated that the total organization was ill-designed in terms of taking advantage of presented opportunities or defending against identified threats and vice versa.

The Matching Stage was about comparing the results obtained through analysis of internal and external environments. To complete this stage, we used the following tools - IE Matrix plot and SPACE Matrix Plot diagrams.

IE Matrix plot was formed by placing total weighted score (results obtained from EFE Matrix) values on the x-axis (ranging from 1 to 4), while total weighted score from IFE Matrix were placed alongside the same range but with outcomes starting at 4 not 1. From these outcomes we drew horizontal and vertical lines which effectively formed nine cells in IE Matrix, which were then diagonally intersected by two lines: the first one from IFE 1 to EFE 1 and the second one from IFE 2 to EFE 2. Thus, we obtained three major regions: Grow and Build Hold and Maintain and Harvest or Divest. This was a clear indicator as to which strategy to select for our purposes.

SPACE Matrix Plot was divided into four quadrants, each of which pointed at different type or nature of strategy: Aggressive Strategy (SO), Conservative Strategy (WO), Competitive Strategy (ST) and Defensive Strategy (WT). Again, we placed EFE values for total weighted score on the x-axis and those for IFE values on the y-axis. The numeration was this time reverse, when compared to the first diagram. This time we started from 1 and placed the results obtained from IFE and EFE matrices up to the maximum numerical value of 4.

The final stage, i.e., the Decision-making Stage, saw QSPM analysis application, enabling us to properly select the most suitable strategy. This matrix was designed by entering the key internal (strengths and weaknesses) and external (opportunities and threats) factors and then assigning weights to each of them (the weights were taken from IFE and EFE matrices). Attractiveness Scores (AS) in QSPM indicates the level of significance/attractiveness each factor had for every alternative strategy. AS was determined for each factor separately by asking and providing answer to this rather simple question: “Does this factor make difference in our decision as to which strategy to select?” If the answer was Yes, then strategies should be compared against this factor. AS ranges from 1 to 4 (1 – not attractive, 2 – somewhat attractive, 3 – reasonably attractive, 4 – highly attractive). If the answer was No, then this factor has no influence on the strategy selection process – AS equals 0. To calculate Total Attractiveness Score (TAS) we multiplied weight of each factor by AS. Sum Total Attractiveness Score is the sum of all TAS values from both strategies.

## **RESULTS**

SWOT Matrix analysis of sport tourism environment is showed in Table 1. The matrix clearly indicates that the internal environment has 12 strengths and 9 weaknesses, whereas the external environment has 12 opportunities and 11 threats. In order to obtain the key internal factors we conducted interviews with the following people: employees at Banja Vrucica spa resort, employees of other spas

particularly those with developed sport tourism facilities, travel agents, local authorities (representatives from municipality tourism department) and officials from Republika Srpska Ministry of Tourism. As for the key external factors, we used PEST method to assess the spa's macroeconomic framework with political, social, economic and technological factors taken into consideration while evaluating the influence the factors have on the spa's operations (Blery & Sfetsiou, 2008).

**Table 1. SWOT matrix of sport tourism environment in Banja Vrućica spa resort.**

		Strengths	Weaknesses	
<b>INTERNAL ENVIRONMENT</b>	<b>S<sub>1</sub></b> – favorable geographic position (location)	<b>W<sub>1</sub></b> – lack of planned spatial and urban management – space and environment intrusions by poor solutions in the surrounding facilities		
	<b>S<sub>2</sub></b> – range and structure of tourist traffic and the quality of accommodation capacities	<b>W<sub>2</sub></b> – inadequate investments in sport tourism		
	<b>S<sub>3</sub></b> – natural potential and its attractiveness	<b>W<sub>3</sub></b> – lack of focus on international markets and tourists		
	<b>S<sub>4</sub></b> – long tradition in spa tourism	<b>W<sub>4</sub></b> – too many below-market-price nights made by tourists with small purchasing power		
	<b>S<sub>5</sub></b> – competitive prices	<b>W<sub>5</sub></b> – lack of promotional activities aimed at establishing the spa's reputation among wider audience		
	<b>S<sub>6</sub></b> – leading position in spa tourism in Bosnia and Herzegovina and RS	<b>W<sub>6</sub></b> – uniform tourist offer (mainly focusing on medical tourism)		
	<b>S<sub>7</sub></b> – years of experience at organization of various events	<b>W<sub>7</sub></b> – lack of qualified workforce – mostly professionals in the field of in-house sport tourism management		
	<b>S<sub>8</sub></b> – the process of privatization completed	<b>W<sub>8</sub></b> – low purchasing power of domestic tourists		
	<b>S<sub>9</sub></b> – renovated and refurbished accommodation capacities	<b>W<sub>9</sub></b> – lack of programs and offers for professional sports		
	<b>S<sub>10</sub></b> – offer and facilities for sport tourism			
	<b>S<sub>11</sub></b> – high-quality medical and therapeutic programs			
	<b>S<sub>12</sub></b> – potential to provide educational services for tourism workers			
<b>EXTERNAL ENVIRONMENT</b>	<b>Opportunities</b>		<b>Threats</b>	
	<b>O<sub>1</sub></b> – year-round tourist visit	<b>T<sub>1</sub></b> – RS is underdeveloped tourism-wise	<b>T<sub>2</sub></b> – Tourism industry contributes relatively little to the total GDP of RS	
	<b>O<sub>2</sub></b> – tourism as the number three branch of industry	<b>T<sub>3</sub></b> – RS tourism industry lags behind all other countries in the region	<b>T<sub>4</sub></b> – the number of employed people in tourism and catering industry in RS is very small in percentages	
	<b>O<sub>3</sub></b> – revenue growth of 5% worldwide	<b>T<sub>5</sub></b> – most of the nights spent are made by the domestic tourists	<b>T<sub>6</sub></b> – international tourists are mainly focused on mountain resorts in RS	
	<b>O<sub>4</sub></b> – WTO estimates that tourism and travelling industry will have 4.1% growth in the next 10 years	<b>T<sub>7</sub></b> – level of tourism investments is very low	<b>T<sub>8</sub></b> – tourism standards in RS are modest	
	<b>O<sub>5</sub></b> – increased health awareness among people which adds up to the appeal of wellness and spa resorts	<b>T<sub>9</sub></b> – very incomplete product offer in tourism in RS, lack of add-on programs	<b>T<sub>10</sub></b> – poor level of fine-tuning with diverse and sophisticated demand from international tourists	
	<b>O<sub>6</sub></b> – change in the demand of tourists – from uniform industrial offer to a more active participation in the lifestyle of the destination(6E)	<b>T<sub>11</sub></b> – stiff competitions coming from the countries in the region		
	<b>O<sub>7</sub></b> – rapid expansion in tourist traffic in countries with little previous tourism growth			
	<b>O<sub>8</sub></b> – most tourism trends include sporting activities in its offer			
	<b>O<sub>9</sub></b> – legislative framework and the existing strategy of tourism in Republika Srpska			
	<b>O<sub>10</sub></b> – Tourism, particularly the spa tourism, as one of the three			

comparative advantages of RS <b>O<sub>11</sub></b> – preserved natural environment in RS <b>O<sub>12</sub></b> – diverse natural resources in a relatively small geographical area (spa springs – mountains – rivers, etc.)	
<b>POSITIVE</b>	<b>NEGATIVE</b>

Tables 2 and 3 show for IFE and EFE matrices results - based here on the key indicators of internal and external environments from SWOT matrix. IFE Matrix is a general assessment tool for internal factors and it evaluates strengths and weaknesses of an organization. Total Weighted Score for IFE Matrix of 1.23 indicates that the internal situation of sport tourism in Banja Vrućica spa resort is poor. EFE Matrix is used to enable the organization’s management to address the external issues in terms of opportunities and threats coming from the external environment. Total Weighted Score for EFE Matrix was 3.05, indicating that there is a good potential for this spa resort to meet the opportunities and defend itself from external threats and that the weighted score of external PEST environment (politics, economy, society and technology) which is apparently higher than the average value, offers Banja Vrucica spa resort numerous business opportunities but only if the management finds way to eliminate the internal weaknesses.

**Table 2. IFE matrix for internal environment of sport tourism in Banja Vrućica spa resort.**

Key Internal Factors	Weight	Rating	Weighted Score
<b>Strengths</b>			
<b>S<sub>1</sub></b>	0.03	3	0.09
<b>S<sub>2</sub></b>	0.06	4	0.24
<b>S<sub>3</sub></b>	0.03	3	0.09
<b>S<sub>4</sub></b>	0.04	3	0.12
<b>S<sub>5</sub></b>	0.04	4	0.16
<b>S<sub>6</sub></b>	0,05	3	0.15
<b>S<sub>7</sub></b>	0.08	3	0.24
<b>S<sub>8</sub></b>	0.07	3	0.21
<b>S<sub>9</sub></b>	0.04	3	0.12
<b>S<sub>10</sub></b>	0.05	4	0.20
<b>S<sub>11</sub></b>	0.02	3	0.06
<b>S<sub>12</sub></b>	0.04	4	0.16
<b>Weaknesses</b>			
<b>W<sub>1</sub></b>	0.04	2	0.08
<b>W<sub>2</sub></b>	0.10	1	0.10
<b>W<sub>3</sub></b>	0.04	2	0.08
<b>W<sub>4</sub></b>	0.06	2	0.12
<b>W<sub>5</sub></b>	0,03	2	0.06
<b>W<sub>6</sub></b>	0.03	2	0.06
<b>W<sub>7</sub></b>	0.05	2	0.10
<b>W<sub>8</sub></b>	0.03	2	0.06
<b>W<sub>9</sub></b>	0.07	1	0.07
<b>1.00</b>			
<b>Total weighted scores</b>			<b>1.23</b>

Table 3. EFE matrix for external environment of sport tourism in Banja Vrućica spa resort.

Key External Factors	Weight	Rating	Weighted Score
<b>Strengths</b>			
<b>O<sub>1</sub></b>	0.07	4	0.28
<b>O<sub>2</sub></b>	0.04	2	0.08
<b>O<sub>3</sub></b>	0.03	2	0.06
<b>O<sub>4</sub></b>	0.06	2	0.12
<b>O<sub>5</sub></b>	0.07	2	0.14
<b>O<sub>6</sub></b>	0.04	3	0.12
<b>O<sub>7</sub></b>	0.03	4	0.12
<b>O<sub>8</sub></b>	0.03	3	0.09
<b>O<sub>9</sub></b>	0.05	4	0.20
<b>O<sub>10</sub></b>	0.03	4	0.12
<b>O<sub>11</sub></b>	0.03	3	0.09
<b>O<sub>12</sub></b>	0.08	3	0.24
<b>Weaknesses</b>			
<b>T<sub>1</sub></b>	0.05	3	0.15
<b>T<sub>2</sub></b>	0.04	3	0.12
<b>T<sub>3</sub></b>	0.02	2	0.04
<b>T<sub>4</sub></b>	0.05	1	0.05
<b>T<sub>5</sub></b>	0.05	3	0.15
<b>T<sub>6</sub></b>	0.07	2	0.14
<b>T<sub>7</sub></b>	0.02	3	0.06
<b>T<sub>8</sub></b>	0.03	3	0.09
<b>T<sub>9</sub></b>	0.03	3	0.09
<b>T<sub>10</sub></b>	0.04	2	0.08
<b>T<sub>11</sub></b>	0.04	4	0.16
<b>1.00</b>			
<b>Total weighted scores</b>			<b>3.05</b>

Figure 1 shows IF Matrix plot calculated by placing EFE matrix results on the x-axis and IFE matrix results on the y-axis. The intersection point can be spotted in the third quadrant of IF Matrix Plot – this quadrant is characterized by the poor internal and strong external environment (moreover, III quadrant is Hold and Maintain section). Figure 2 gives Space Matrix – here we observe the intersection point of IFE and EFE matrices pointing towards Conservative Strategy (WO). Note that some authors label these strategies as Adjust Strategies or Shift Strategies instead of Conservative Strategy, while instead of Competitive Strategy they sometimes use terms like Reactive or Diversification Strategy.



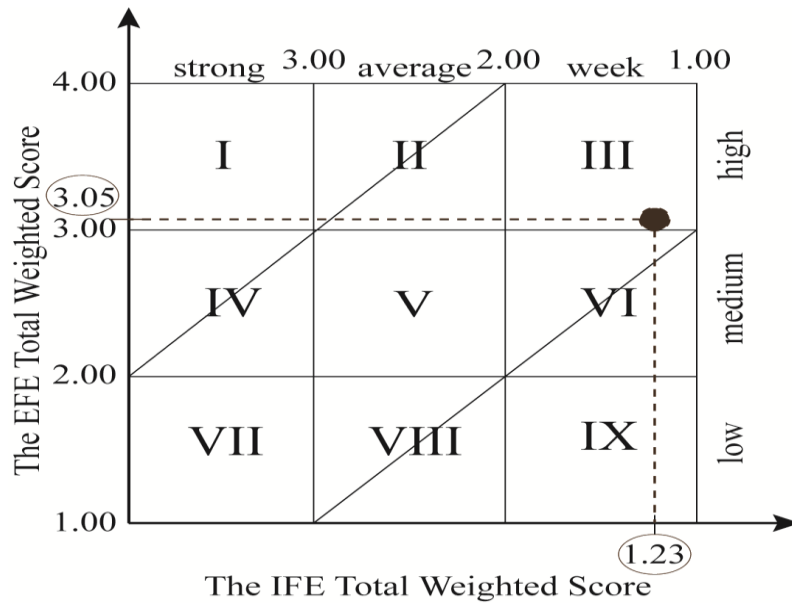


Figure 1. IF matrix plot for sport tourism in Banja Vrućica spa resort.

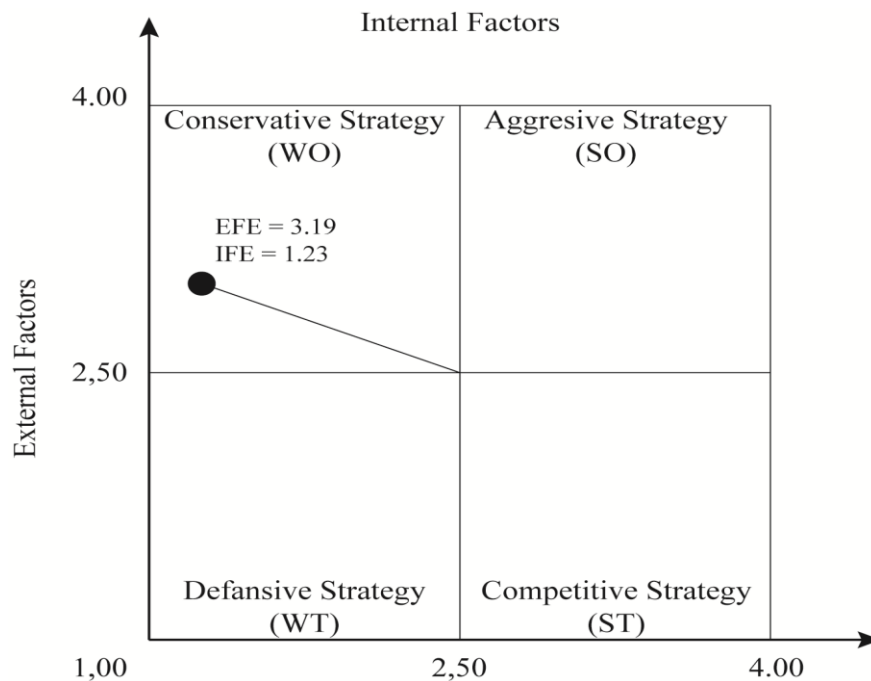


Figure 2. SPACE matrix plot for sport tourism in Banja Vrućica spa resort.

In Table 4 QSPM results are showed in order to provide tools the organization’s management needs to make the most suitable strategy (David, David & David, 2016). To come up with an alternative strategy, we based our study on the findings presented in the work which approached the same problem by with different researching methodology (Milinković et al., 2017), where it was found that “...perhaps there is a possibility of shifting the strategy toward the left, which is the most appropriate situation (SO strategy – 24.52%)” (p. 256). The comparison of these two strategies, i.e., WO and SO, resulted in Aggressive Strategies (SO) score of 3.13 whereas Conservative Strategy (WO) result was 3.99. Following this result, we conclude that both strategies may be seen as attractive and applicable, but the second one was taken as more acceptable mainly due to the results obtained in IFE Matrix (1.23) – this result was an indicator of major deficiency within the internal environment of sport tourism in Banja Vrućica spa resort.

Table 4. QSPM Matrix for sport tourism in Banja Vrućica spa resort.

Strategic alternatives	Aggressive strategies (SO)		Conservative strategies (WO)		Strategic alternatives	Aggressive strategies (SO)		Conservative strategies (WO)			
	Weights	AS	TAS	AS		TAS	Weights	AS	TAS	AS	TAS
<b>Strengths (Key Factors)</b>					<b>Opportunities (Key Factors)</b>						
S <sub>1</sub>	0.03	3	0.09	3	0.09	O <sub>1</sub>	0.07	4	0.28	3	0.21
S <sub>2</sub>	0.06	4	0.24	2	0.12	O <sub>2</sub>	0.04	3	0.12	2	0.08
S <sub>3</sub>	0.04	2	0.08	4	0.16	O <sub>3</sub>	0.03	3	0.09	2	0.06
S <sub>4</sub>	0.04	0	0.00	1	0.04	O <sub>4</sub>	0.06	1	0.06	1	0.06
S <sub>5</sub>	0.04	2	0.08	3	0.12	O <sub>5</sub>	0.07	1	0.07	2	0.14
S <sub>6</sub>	0.05	0	0.00	1	0.05	O <sub>6</sub>	0.04	2	0.08	3	0.12
S <sub>7</sub>	0.08	0	0.00	0	0.00	O <sub>7</sub>	0.03	0	0.00	0	0.00
S <sub>8</sub>	0.07	1	0.07	3	0.21	O <sub>8</sub>	0.03	2	0.06	4	0.12
S <sub>9</sub>	0.04	2	0.08	2	0.08	O <sub>9</sub>	0.05	1	0.05	2	0.10
S <sub>10</sub>	0.05	2	0.10	3	0.15	O <sub>10</sub>	0.03	4	0.12	3	0.09
S <sub>11</sub>	0.02	1	0.02	1	0.02	O <sub>11</sub>	0.03	1	0.03	2	0.06
S <sub>12</sub>	0.04	1	0.04	2	0.08	O <sub>12</sub>	0.08	0	0.00	1	0.00
<b>Weaknesses (Key Factors)</b>					<b>Threats (Key Factors)</b>						
W <sub>1</sub>	0.04	3	0.12	4	0.16	T <sub>1</sub>	0.05	0	0.00	1	0.05
W <sub>2</sub>	0.09	3	0.09	2	0.18	T <sub>2</sub>	0.04	0	0.00	1	0.04
W <sub>3</sub>	0.04	4	0.16	3	0.12	T <sub>3</sub>	0.02	1	0.02	2	0.04
W <sub>4</sub>	0.06	1	0.06	2	0.12	T <sub>4</sub>	0.05	0	0.05	1	0.05
W <sub>5</sub>	0.03	2	0.06	3	0.18	T <sub>5</sub>	0.05	3	0.15	4	0.20
W <sub>6</sub>	0.03	2	0.06	2	0.06	T <sub>6</sub>	0.07	2	0.14	2	0.14
W <sub>7</sub>	0.05	1	0.05	2	0.10	T <sub>7</sub>	0.02	0	0.00	0	0.00
W <sub>8</sub>	0.03	0	0.00	1	0.03	T <sub>8</sub>	0.03	0	0.00	1	0.03
W <sub>9</sub>	0.07	1	0.07	2	0.14	T <sub>9</sub>	0.03	2	0.06	1	0.03
						T <sub>10</sub>	0.04	4	0.16	3	0.12
						T <sub>11</sub>	0.04	3	0.12	2	0.04
	1.00		1.47		2.21		1.00		1.66		1.78
<b>Sum Total</b>	Aggressive Strategies (SO)					1.47+1.66					<b>3.13</b>
<b>Attractiveness Score</b>	Conservative Strategies (WO)					2.21+1.78					<b>3.99</b>

## DISCUSSION

Though European countries are highly developed tourism-wise, WTO's (2017) data reveal that 49.9% of world tourism market goes to European countries, we should also notice that the market is highly dynamic and competitive, therefore tourist resorts should make every effort to meet the demands of present day tourists and adapt to new circumstances on the ever-changing market (Batković, 2016). Bosnia and Herzegovina, according to WTO classification, is Southern Mediterranean region, which is generally speaking the region with the largest market share in Europe – 18.5%. The growth of market in Bosnia and Herzegovina recorded a slight increase in revenue over the period from 2010 to 2016, whereas a more dramatic increase in the numbers of tourist arrivals was recorded in 2015 (26.5%) and 2016 (14.5%) (WTO, 2017). Clearly, not much has been done in order to translate an increased interest of tourist into profit although all preconditions are there for Bosnia and Herzegovina to exploit its potentials – the reality is that everything is not far from the initial stages of development (Arnaut & Petković, 2012). This should be looked at in the light of numerous research findings which have found and measured the impact of tourism on economic growth of small

countries (Arezki, Cherif & Piotrowski, 2009; Brau, Lanza & Pigliaru, 2006; Ivanov & Webster, 2006).

Spa tourism is surely one of tourism branches with rising trends in Europe (Batković, 2016). According to European Spa Association, there are 180 million nights spent annually in spas (Kazandjieva, 2014), resulting in an increased interest for spa destinations and effectively more tourist attention directed towards wider spa region or even the country altogether (Madanoglu & Brezina, 2008). Republika Srpska, an entity in Bosnia and Herzegovina, is known to have a set of comparative advantages in mountain and spa resort tourism. Statistical Yearbook of Republika Srpska gives the following figures – out of 323,908 tourist arrivals for the year 2016, 52,617 (16.24%) were made in spa resorts (Bureau of Statistic of the Republic of Srpska, 2017). These figures are of course far below what Republika Srpska's spa potential may offer to prospective clients (Travar, 2012; Knežević, Šaula & Dujaković, 2014). Segić (2011) proposes a shift in the nature of investments in spa resorts – more attention in that respect should be given to medical and sports and recreational facilities and offer, since they have potential to boost the development spa tourism in general.

Tourism and sport are two social phenomena which go hand in hand in the modern societies, mainly by complementing one another. They are interrelated and they provide and generate many benefits for the economies of the countries in which they take place (Bartoluci & Škorić, 2016). Alkier Radnić (2009) argues that "...materialistic lifestyle will probably be on an upward curve in the years to come, however non-materialistic needs – lessened interest for career and social status and concern for the environment – will gain importance for the modern man of post materialistic society. Standardization in lifestyle will give way to a more diversified approach to recreation and life in general" (p. 122). Therefore, the tourist resort in Europe should be aware of the fact that tourists have ever-changing preferences and they should be ready to meet those demands readily. Individual tourism is about to prevail, the demand for selective set of offers within resort should be in place, and, of course, due to an estimated increase in the number of third age tourists, the resorts across continent should be ready to accommodate them and their needs.

Numbers of works have been made on the topic of sport tourism since the beginning of the 1990s, but in general most of them are so-called "reviews" or "overviews" (Ottevanger, 2007). The biggest part of these works is subjective "overviews" based on opinions of the authors and is basically more descriptive than analyzing. As Mike Weed (2006 b) said: "as introductions to sport tourism research they are very useful, but as evaluation of research in the area they may often been lacking" (p. 6).

That said, we approached the issue of sport tourism in Banja Vrucica spa resort from a strategic management point of view, by analyzing the spa's environments through quantitative research procedures. The research findings should be beneficial for the spa's management in the light of their strategic orientation. The results are presented herein, but also in the work published the last year – though its results were obtained through a different set of methodology (Milinković et al., 2017).

IF Matrix Plot (Figure 1) suggests opting for the strategy of Hold and Maintain as the most viable option for sport tourism in Banja Vručica spa resort, i.e. more focus should be given to market penetration and development of services and facilities (David, 2013). In other words, IF Matrix Plot shows that sport tourism in this spa has high position in the external environment, which may enable its management to foresee the external threats and to deal with internal weaknesses in order to make use of the opportunities appearing in the external environment.

The issue of market penetration should be looked at in the light of building up the spa's capacities to diversify its offer and to increase its market competitiveness in general, but also to invest into the management of human resources (Milinković, 2016). As for the product development, we would suggest following Jasna Prester's recommendations – more emphasis should be given to repositioning, i.e., introduction of new products which facilitate the use of the old ones in a novel way (Prester, 2010). More specifically, growth and development of the new line of products, which do not require major infrastructural investments, in sports and recreational tourism of Banja Vrućica spa resort, in line with demand of target markets. This strategy calls for a redesign in the existing and introduction of new programs in sports and recreational tourism in this spa resort, all with an aim to increase the competitiveness of Banja Vrućica's set of services and offers.

In SPACE Matrix (Figure 2), we can see that sports tourism in this spa resort is in a situation of major external opportunities and internal weaknesses and calls for elimination of weaknesses in order to take advantage of the presented opportunities (Pearce &, Robinson, 2015). In our case that would imply a limited set of changes – retain the present range of offers and services updated with new ones and accompanied by remodeled market appearance. This approach “is based on present and potential services and markets and increased level of effort and activity to expand the organization's activity by means of putting its own strategic capabilities in action” (Sikavica, Bahtijarević-Šiber & Pološki Vokić, 2008, p. 240), all in the desire to better its competitive edge, which is heavily dependent on Ansoff's matrix of strategic options – here the ways of growth are seen through correlations of two dimensions: products (services) – existing and new and markets – existing and new (Ansoff, 1965). As early as 1984, Slatter introduced ten generic strategies for organizations and leaders who strive to make changes in the way they operate. By extension to our case, sport tourism in Banja Vrućica more focus should be given to new services if the decline in business operations is to be avoided, marketing strategies (particularly in sales and pricing department) and investment strategies through promotion of investments (Slatter, 1984).

The key stage in the process of strategic decision-making is the selection of the most suitable alternative approach (Milosavljević, 2017). Here this issue was addressed by quantification (scoring system) of each alternative and then the one with the best score was selected. For this purpose we used QSPM Matrix as a tool which can discriminate between various strategic options in terms of their attractiveness (David, David & David, 2016) and potentially select the best strategies for both external and internal environments. This approach reduced the possibility to overlook things during the evaluation process of comparing feasible alternative actions – such mistakes and biases would include inadequate weighting and halo error, so basically anything that could account for overall impressions rather than actual performance in various strategies (Enright, 2001). In a similar study which used a slightly different methodology approach (Milinković et al., 2017), in the process of “matching of the external and internal environment of the Banja Vrućica spa resort with the SWOT Matrix” the authors have found that the best strategy is in WO quadrant (25.25), while the best option for the alternative strategy is in SO quadrant (24.52). These two strategies have therefore been selected for QSPM Matrix assessment. Sum Total Attractiveness Score as of course the sum of individual Total Attractiveness Scores (TAS) again indicated that we should choose Conservative (WO) Strategies (3.99) over Aggressive (SO)

Strategies (3.13). These results are line with the findings provided in the aforementioned research.

The limitations are here primarily concerned with what John Henderson and Paul Nutt saw in 1980 as the inclination of strategic management towards intuitive estimates and assumptions – our study is no exception in that respect, some estimates like weight, rating and AS are results of brainstorming although they are based on the objective indicators of Banja Vrućica spa resort's performance (Henderson & Nutt, 1980). Additional research should be directed towards the quantification of facts, data and information pertaining to the evaluation elements such as weight, rating and AS. A way to do it could be to assess the key internal and external factors of SWOT analysis through a Likert-type questionnaire, which should be designed and graded by skilled professionals. The obtained results should be then subjected to factor analysis, with Crombach's alpha measure for internal consistency at 0.4 or more for the inclusion of the factor. Analytic Hierarchy Process (AHP) would be the following step to calculate weights and to quantify the analysis of environment.

## **CONCLUSION**

Spa resorts participate in a very competitive European market should therefore constantly follow the trends and market changes and adapt to the demands for luxury and add-on experiences among younger population of tourists. Investments should be made in health and sports and recreational segments instead of, as was the case in previous years, only accommodation and medical aspects of this spa resort. The quantitative analysis of sport tourism in Banja Vrućica spa resort has showed this type of tourism is not adequately developed, the external environment offers many opportunities and that the spa's organization has enough strength to resist the potential threats. The most suitable strategies would be Conservative (WO) Strategies and Hold and Maintain strategy, which primarily calls for new products and offers and a more aggressive market penetration.

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