SIGNIFICANCE AND IMPORTANCE OF INNOVATION IN THE TOURISM INDUSTRY OF EASTERN SERBIA

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Abstract: *The globalization of the global economy, global competitors, rapid technical and technological development and global telecommunications are the factors that determine the new conditions of modern global business and the accelerated development of each activity. Economic propaganda represents the necessity of tourism and is also one of the essential backbones of its actions carried out in order to reach the maximum of possibilities. Innovations are one of the accompanying elements of nowadays that is simply necessary so to maximize opportunities. Considering tourism to be a complex system, innovation in tourism can be considered as more complex than in some other sectors or industries. Innovation in tourism does not make it and does not represent an extension of product lines or a new product component. In this paper, the statistical method of ANOVA will be used to present the importance and significance of innovations in the tourism industry of Eastern Serbia in order to come to the knowledge that innovations in tourism become more apparent, where the tourism industry of Eastern Serbia, as part of that process, has to direct its goals towards innovations.*

Keywords: *innovations, tourism industry, Eastern Serbia*

1. INTRODUCTION

The globalization of the market creates a dynamic environment that requires constant changes and adjustment to market conditions, so no sustainable development of any business is possible without innovation. In order for an organization to adapt to such a dynamic environment and simultaneously change the manner it operates in, it is very important for the organization to adapt its product and service to market demands [1]. Such an environment forces many organizations to constantly monitor changes in the environment, user requirements and competition behavior so as to evaluate their performance and be prepared to work on the constant improvement of their performance.

Due to the influence of the dynamic environment and its orientation towards collecting customer information and competition, market-oriented organizations are in a position to anticipate consumers' and/or service providers' needs and respond to them by developing innovative products and services. Thus, market-oriented organizations give priority to the speed and efficiency of their responses to the opportunities and threats that occur in the environment. For the reason of the foregoing, market-oriented organizations can be said to be learning organizations [2].

A series of the research studies linking innovation and the knowledge base of many companies highlight the importance of certain critical factors that enable the acceptance and application of knowledge for the purpose of achieving innovation. This means that innovation can be managed

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indirectly through influencing the various factors that contribute to organizational culture, the enterprise structure, technology and enterprise leadership.

One of these factors is technology, which constantly changes and as such has a very strong impact on dynamic market changes. Therefore, knowledge-based technology can be used to increase the potential of innovation. Organizations can use technology to create a comparative advantage by raising the "barriers" that make the competition difficult to market by presenting new products or technological processes that will attract new consumers and, thus, alter the rules of the game of competition [3].

Despite the increased importance of innovation and the role of technology in the growth and development of organizations, there is not much information about the fact that the innovation potential is linked to the level of technological development and the degree of organizational structures.

Tourism is an economic activity that involves people traveling outside their place of permanent residence for leisure, fun and entertainment. Tourism undoubtedly represents a significant segment of country's economic development due to its economical, sociological and ecological factor, and which introduces immense changes in the environment. Therefore, tourism industry could be regarded as a branch which has the most dynamic development.

The aim of this paper is to highlight the classification of the general concepts used in everyday activities at work, as well as the relation between technological changes and innovations, and also the results that point to the connections between the innovation potential of organizations in tourism and hospitality.

2. LITERATURE REVIEW

The very word *innovation* comes from the Latin expression "innovare", which has the meaning "new" in translation into the Serbian language. In everyday life and not rarely in the professional literature, the content of innovation is often identified by the notion of change. However, change is a general term denoting a departure from the existing situation, whereas innovation is a special form of change, a change implying the application of a new idea with respect to how to advance an existing piece of knowledge. Innovation is a creative process in which two or more existing facts are combined in a new way. Innovation creates change, but not every change is innovative.

According to Drucker (1991), Innovation is an action that gifts resources to new capacities in order to create wealth. In fact, innovation creates a resource. There is no such thing in the world as a "resource" until man has found the usable value of something in nature and until he has endorsed it with economic value. Until that happens, every single plant only means weeds, whereas each single ore only means one of countless rocks. Just over a century ago, mineral oils, which were shaking from the ground, did not represent resources, nor bauxite, aluminum ores. They were even harmful because the soil seemed to be infertile [4].

When speaking about "innovation", Schumpeter (1961) meant "new combinations" of the production factor. The five basic groups of innovations, i.e. "new combinations" are as follows [5]:
1) the introduction of a new good or a new quality of the existing good,
2) the introduction of new production methods,
3) the opening of new markets,

4) conquering new sources of raw materials and semi-finished products, and
5) the implementation of a new organization in the industry [5].

Innovations are a special form of change. They represent an instrument by which a company creates new creative resources, or enriches the already existing resources with a higher potential for creating added value, [6]. In the changes that occur in the company or in the environment within which it operates, organizations have an opportunity to innovate. Uncertainty as an immanent market property forces the entrepreneur to continually evaluate business alternatives in an ever more dynamic environment. For entrepreneurs, innovation is the process of taking a creative idea and transforming it into a useful product, service or method, [7].

Hence, an innovative organization is characterized by its ability to channel its creative efforts into useful results. When managers talk about changing an organization to make it more creative, they are usually thought to want to stimulate innovation [8].

When innovations and innovative and technological change are concerned, it is necessary to distinguish between the three basic stages of technological change [9]:

- Invention and the process of creating new knowledge are characterized by a phase change in the birth of new ideas. In itself, invention does not mean a technological change, i.e. its creation does not imply the obligation of an automatic practical application, namely the inevitability of coming to innovation.
- Innovation is the phase of technological change implicative of the process of the implementation of a new idea, or the emergence of a new solution. Often, the concept of innovation is identified by the terms "invention", "scientific research", "scientific discovery". Innovation in companies usually follows after investments. A greater or a lesser risk is an inevitable companion of any innovation.
- Diffusion is the phase of technological change characterized by the process of the most extensive application of innovations. Depending on the ability of economic actors to reduce their duration, the basic differences between successful and less successful economies, generally speaking and as economic entities operating in certain areas of business as well, are increasingly shaped.

The terms "invention" and "innovation" should not be mixed. An invention is a concept, an idea and a method applied in order to make a new product or initiate a new process, including discovering new technology (a product or a process) for the utilization of natural resources. Innovation is a successful market application of an invention, or the implementation of a new or significantly improved product, process or service (significant improvements in technical characteristics, components, materials, software, etc.), or marketing methods, or new organizational methods in business, the organization of work and a legal entity's relations with the environment [10].

When speaking about innovations, it is also necessary to mention the notion of entrepreneurship because innovations can freely be said to be the essence of entrepreneurship.

Entrepreneurship is the process by which an individual or a group of individuals uses/use an organized effort so as to take advantage of favorable opportunities and create value, and also to expand by meeting demands and needs through innovation and uniqueness, regardless of the resources the entrepreneur has [11].

The decisive importance of entrepreneurship has been noted by many authors [12], [13], [14]. The ability to combine all the influences (factors) on development, or achieve a maximum performance, either production or services being in question, is essential to entrepreneurial behavior. The key theoretical and practical question is the question of how to determine the amount of the "entrepreneurial input" and measure its contribution to a product or growth. The entrepreneur is he who decides how to channel capital, or what to produce, what technology, where, how to manage the organization, and how to finance the investment. All this is a combination of production factors. However, entrepreneurship is not only characterized by a combination of factors, but by taking risks as well. That is the reason why it is sometimes interpreted as a talent.

Entrepreneurship cannot be quantified or valued; it cannot be bought or borrowed. It, therefore, forms the most productive combinations of other factors. The entrepreneur makes decisions and choices according to both economic and his own selection criteria, simultaneously respecting the fact that there is no homogeneity of production factors. In his doing so, the point he wants to make is that the factors whose price is lower than their productivity should be involved. It is only in this case that the income which exceeds the price, namely costs, is possible to realize, which is the contribution of entrepreneurship.

Innovative work creates new technology, improves the properties of products and services, creates a new organization, management and control systems, finds new market opportunities for both new and the existing products. In a word, it opens up new development opportunities. If an organization creates a favorable innovative climate, it is possible for all its employees to a greater or lesser extent to participate in innovative work. According to Čavlek (2005), the skilled entrepreneurs who, by the business concept based on the economies of scale and an increased scope of operations, find ways how to organize travel at the price of an affordable number of consumers, are responsible for innovations in the field of organized trips [15]. The most commonly innovative work is reflected in the form of a new, more productive technology, in a better organization and management, more efficient market research, and through know-how. Innovation and scientific-technological changes are the sense, as well as the measure, of the influence of entrepreneurship on growth [16]. The state is also an active participant in effective entrepreneurship, so it has to maintain the macroeconomic policy that encourages entrepreneurs to make long-term investments instead of looking for profitability in the short run.

Technology implies:
1) the methods used for market and non-market activities,
2) the nature and characteristics of what is being produced (the design),
3) the ways in which everything can be produced, and
4) management, sales and techniques directly related to production.

It can be integrally stated that technology encompasses all the efforts and attitudes of man to nature and society in order to meet his needs.

3. INNOVATION AND TECHNOLOGICAL CHANGES

Today, many authors directly make a link between technological change and innovation; the fact is that technological changes will be the core of innovation [17].

Nordhaus (2006) claims that technological change is determined as change in technology – the invention of new products and/or changes in goods and services production processes [18]. According to them, technological change occurs when new engineering and technological know-how allow for a greater production, which can be achieved with the same inputs, or when the same production can be achieved by using fewer inputs [9].

In the literature of a recent date, the next quarterly taxonomy of technological changes is also encountered:

- incremental innovation,
- radical innovation,
- generic technologies or "new technological systems", and
- progressive generic technologies or "new techno-economic paradigms".

Incremental innovations are expressed in continuity in the economy; they are understandably different in intensity and depend on the individual sectors of the economy [19]. Very often they are covered by the term "learning by doing", so that their economic effects are represented by the learning curve.

Radical innovations are the qualitative improvements of the products and processes that cannot be classified into simple training. The expansion of radical innovations implies the emergence and application of new equipment and/or the emergence of new qualifications. Radical innovations, however, are of a limited range since they are mainly characteristic of the individual sectors of the economy.

Generic technologies or "new technological systems" are the sets, i.e. clusters, of innovations which are technically and economically interconnected. They are technologically and economically interdependent from the aspect of the creation of new innovations and the dynamization of economic growth. In a word, these are far-reaching technological changes, and in the literature, they are referred to by using the terms "natural technological trajectories" and "new technological paradigms".

New generic technologies or "new technology systems" have such a wide application that they have a profound impact on the design of production and distribution conditions in most or in almost all the sectors of the economy. The discovery of the steam engine is an example of such technology since it enabled the mechanization of the largest number of production processes and, through its application in the rail systems and ships, completely altered distribution systems, transport prices and the economies of scale for many services and production.

The most widespread division of technological change is that which takes into account its three following components:

1) invention,
2) the first practical application of an invention (an innovation), and
3) diffusion.

The inventive ability of an enterprise is in its widest sense reflected in the dynamics of the restructuring and modernization of production and in increasing its profitability.

There are various studies on invention:

- Basic research refers to the activities carried out for the purpose of creating new knowledge of physical, biological and social phenomena.
- Pure basic research is carried out with the aim of improving the knowledge base.
- Focused basic research is oriented towards the creation of a broad knowledge base that will serve as the basis for finding solutions to either known or anticipated current or future problems or opportunities.
- Applied research is directed towards solving specific technical problems.
- Experimental development is the systematic work based on the existing knowledge that is a result of a research study or a practical experience directed towards the production of new materials, products and devices, the introduction of new processes, systems and services, or towards the essential improvements already produced or installed.

Depending on the objects to which they relate, all innovations can be conditionally divided into:

- Production innovations are related to change in the functional, aesthetic and other properties of products or services that are realized on the market.
- Process innovations involve the application of principally new or substantially improved production processes.

Depending on the different classification criteria, all innovations are classified into:

- continuous innovations (evolutionary, gradual), and
- radical (revolutionary, spectacular) innovations.

The first type of innovation is reflected in the continuous improvement of the many properties of known products, services and processes [20]. The latter is characterized by a discontinuity, which results in significant economic effects. A number of researchers divide all innovations into:

- autonomous or independent, and
- systemic**.**

Autonomous innovations are those not requiring change in equipment or parts of equipment in order for such equipment or parts of the same to be introduced.

As opposed to them, systemic innovations involve a significant adjustment of the other components of production equipment.

Diffusion is a phase of technological change characterized by the process of the most extensive application of innovations [21]. Depending on economic actors' ability to reduce their duration, the basic differences between successful and less successful economies, both generally speaking and speaking from the aspect of economic subjects in certain business areas, are increasingly shaped. In principle, the smaller the technological gap dividing one economy from another, technologically more innovative, or the one sharing the enterprise in one country in relation to a similar enterprise in more developed economies, the more pronounced the intensity of the diffusion of innovation.

4. RESEARCH MATERIALS AND METHODS

The aim is to examine the significance and importance of innovation in the tourism industry of Eastern Serbia. The research study was conducted in the territory of several Eastern Serbia's cities (namely Knjaževac, Zaječar and Bor) in the period from 15th August 2018 to 10th October 2018. A survey questionnaire was used as a research instrument. The research was anonymous, and a total of 350 questionnaires were distributed. There are 300 validly filled-in questionnaires relevant for the research study, which accounts for 85.71% of the respondents. The response level and the validly filled-in questionnaires are as expected. The five-step Likert scale was applied to the gradation of the received responses, whereas the processing of the results was performed through the SPSS 23.0 software package. The ANOVA statistical method (Variance Analysis) was used in order to examine the differences between one or more independent variables and one dependent variable, or in this case, to detect the difference in the respondents' answers with respect to their demographic data, such as: the categories of the respondents, their respective places of residence, the organization, and, if applicable, whether that difference was statistically significant or not. The Tukey-Snedecor "post hoc" test was applied in order to calculate the critical difference, i.e. to determine where a deviation in the response was expressed.

4. RESEARCH RESULTS AND DISCUSSION

The importance and significance of innovations in the tourism industry of Eastern Serbia is presented with tables and figures in the next part of the paper.

	N	*Average*	*Std. Deviation*	*Std. error*	*95% average interval*		*Minimum*	*Maximum*
					lower	*upper*		
Student	18	3.2889	1.04538	0.24640	2.7690	3.8087	1.40	5.00
Employed	232	3.9310	0.82645	0.05426	3.8241	4.0379	1.40	5.00
Unemployed	30	3.0133	1.20566	0.22012	2.5631	3.4635	1.40	5.00
Agricultural producer	6	4.0000	0.92952	0.37947	3.0245	4.9755	2.80	4.60
Retiree	14	4.5429	0.26520	0.07088	4.3897	4.6960	4.20	5.00
Total	300	3.8307	0.93013	0.05370	3.7250	3.9363	1.40	5.00

Table 1: The descriptive analysis of the importance and significance of innovations in the tourism industry

Table 1 shows that in assessing the significance and importance of innovations in the tourism industry of Eastern Serbia the highest average rating was provided by the pensioners (4.5429), whereas the lowest average grade was given by the unemployed respondents (3.0133).

Given the fact that there are deviations at the level of the average, the methodology itself lists the approach to the testing of the average values for the given group of the questions. For this type of data, the most appropriate variance analysis is to determine whether there are differences in assessing the importance and significance of innovations in the tourism industry of Eastern Serbia between the groups or not, or whether there are differences in the responses within the groups themselves or not.

	Sum of the square	***df-test***	***Average squares***	***f-test***	***Probability of error***
Between the groups	34.935	4	8.734	11.515	0.000
In the group	223.743	295	0.758		
Total	25.678	299			

Table 2: The analysis of the variance for the importance and significance of innovations in the tourism industry

Table 2 accounts for the following values: the sum of the squares between the groups, which is 34.935; the average of the squares between the groups, which is 8.73; the sum of the squares in the group equal to 223.743; the average squared in the group, which is 0.758. The f-test value is equal to 11.515, this size being further compared to the limit value of the f-test (from the limit values table). The 0.00% probability of error indicates that the respondents' answers differ within and between the groups. Based on the demonstrated indicators, the Post Hoc Test was done in order to determine the point where a deviation in the responses is evident.

Category of respondents:		***Average difference***	***Std. error***	***Probability of error***	***95% average interval***	
					lower	***upper***
Student	Employed	-0.64215	0.21309	0.023	-1.2270	-0.0573
	Unemployed	0.27556	0.25965	0.826	-0.4371	0.9882
	Agricultural producer	-0.71111	0.41054	0.416	-1.8379	0.4157
	Retiree	-1.25397	0.31034	0.001	-2.1058	-0.4022
Employed	Student	0.64215	0.21309	0.023	0.0573	1.2270
	Unemployed	0.91770	0.16897	0.000	0.4539	1.3815
	Agricultural producer	-0.06897	0.36011	1.000	-1.0574	0.9194
	Retiree	-0.61182	0.23968	0.082	-1.2697	0.0460
Unemployed	Student	-0.27556	0.25965	0.826	-0.9882	0.4371
	Employed	-0.91770	0.16897	0.000	-1.3815	-0.4539
	Agricultural producer	-0.98667	0.38947	0.086	-2.0557	0.0823
	Retiree	-1.52952	0.28188	0.000	-2.3032	-0.7558
Agricultural producer	Student	0.71111	0.41054	0.416	-0.4157	1.8379
	Employed	0.06897	0.36011	1.000	-0.9194	1.0574
	Unemployed	0.98667	0.38947	0.086	-0.0823	2.0557
	Retiree	-0.54286	0.42495	0.705	-1.7092	0.6235
Retiree	Student	1.25397	0.31034	0.001	0.4022	2.1058
	Employed	0.61182	0.23968	0.082	-0.0460	1.2697
	Unemployed	1.52952	0.28188	0.000	0.7558	2.3032
	Agricultural producer	0.54286	0.42495	0.705	-0.6235	1.7092

Table 3: The Post Hoc Test of the importance and significance of innovations in the tourism industry

Table 3 shows the average estimates for the importance and significance of innovations in the tourism industry of Eastern Serbia and the average statistical differences between the students and the employees, with a 0.023 probability of error, where $p<0.05$. The results of the analysis indicate that the employed respondents gave high average grades and fully agreed that innovations in the tourism industry of Eastern Serbia are important and significant. There are also significant statistical differences in assessing the importance and significance of innovations between the students and the pensioners, with a 0.001 probability of error (where $p<0.05$). This indicator is also indicative of the fact that the pensioners, unlike the students, gave far higher average grades when the importance and significance of innovations in the tourism industry of Eastern Serbia were concerned. There is also a significant statistical difference in the answers between the employed and the unemployed respondents, with a 0.000 probability of error (where $p<0.05$), which indicates that the employed respondents, unlike the unemployed, also gave higher average grades to the importance and significance of innovations in the tourism industry of Eastern Serbia. The statistically significant differences in the responses may also be seen between the retired and the unemployed respondents, with a zero probability of error. This data indicates that, unlike the unemployed, the pensioners also gave much higher average marks to the importance and significance of innovations in the tourism industry of Eastern Serbia.

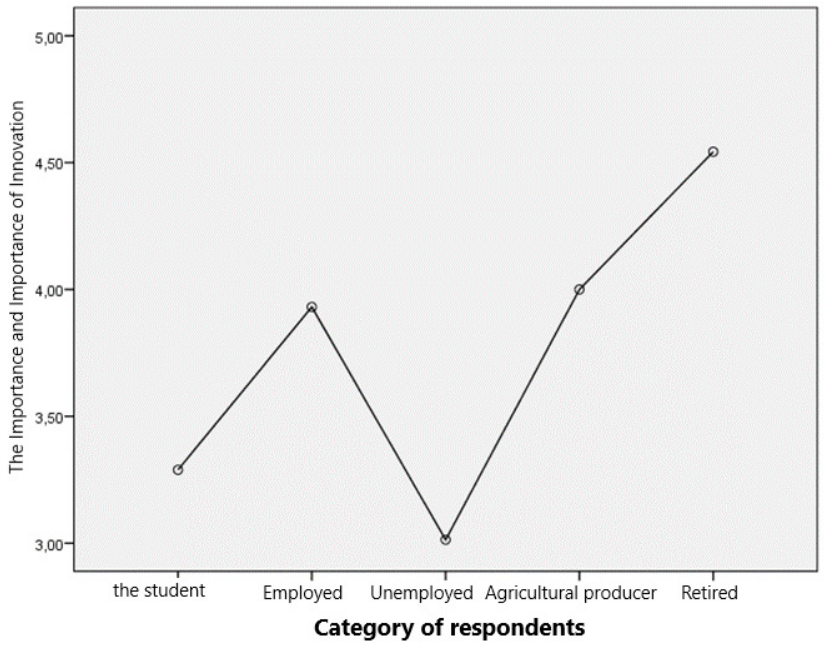

Figure 1: The diagram of the average values of the importance and significance of innovations in the tourism industry of Eastern Serbia based on the respondents' interests

Figure 1 shows a diagram of the average values, the assessment of the importance and significance of innovations in the tourism industry of Eastern Serbia, which unambiguously indicates that the students and the unemployed respondents gave the lowest average grades, whereas the employed respondents, the agricultural producers and the pensioners gave high average grades.

	N	Average	Std. Deviation	Std. error	95% average interval		Minimum	Maximum
					lower	upper		
Local government	76	3.5789	0.94182	0.10803	3.3637	3.7942	1.40	5.00
Tourism and Hospitality Sector	120	4.2667	0.65148	0.05947	4.1489	4.3844	1.40	5.00
Other	58	3.6276	0.77997	0.10241	3.4225	3.8327	2.00	4.60
Total	254	3.9150	0.84330	0.05291	3.8108	4.0192	1.40	5.00

Table 4: The descriptive analysis of the importance and significance of innovations in the tourism industry of Eastern Serbia based on the respondents' position in the organization

Table 4 shows that in assessing the importance and significance of innovations in the tourism industry of Eastern Serbia, the highest average rating was given by the employees in the tourism and hospitality sector (4.2667), whereas the lowest average grade was given by the employees in local self-government (3.5789).

	Sum of the square	***df-test***	***Average squares***	***f-test***	***Probability of error***
Between the groups	28.214	2	14.107	23.340	0.000
In the group	151.709	251	0.604		
Total	179.923	253			

Table 5: Analysis of variance for the importance and significance of innovations in the tourism industry of eastern Serbia based on the respondents' position in the organization

Table 5 shows the ANOVA test, from which it can be concluded from the obtained data that the answers between the mentioned groups of respondents differ within and between groups. Because of these indicators, the analysis of the Post Hoc test has begun, to determine where is the most pronounced deviation in responses.

Respondents' position in the organization		Average difference	Std. error	Probability of error	95% average interval	
					lower	upper
Local government	Tourism and Hospitality Sector	-0.68772	0.11397	0.000	-0.9564	-0.4190
	Other	-0.04864	0.13555	0.932	-0.3682	0.2709
Tourism and Hospitality Sector	Local government	0.68772	0.11397	0.000	0.4190	0.9564
	Other	0.63908	0.12433	0.000	0.3459	0.9322
Other	Local government	0.04864	0.13555	0.932	-0.2709	0.3682
	Tourism and Hospitality Sector	-0.63908	0.12433	0.000	-0.9322	-0.3459

Table 6: The results of the Post Hoc Test for the tested variable of the importance and significance of innovations in the tourism industry of Eastern Serbia based on the respondents' position in the organization

Table 6 shows the results of the Post hoc Test, and accounts for the fact that the average estimates for the importance and significance of innovations in the tourism industry of Eastern Serbia are statistically different between the employees in local self-government and the employees in the tourism and hospitality sector, with a zero probability of error, which indicates the fact that the employed respondents in the tourism and hospitality sector gave extremely high average grades and that they fully agree that innovations in the tourism industry of Eastern Serbia are both important and significant. The significant statistical differences in the evaluation of the importance and significance of innovations amongst the employees in the tourism and hospitality sector and the employees in the other sectors (transport, culture, agriculture...) were noted, indicating that the employed respondents in local self-government gave exceptionally high average grades, and that they fully agree upon the importance of innovations in the tourism industry of Eastern Serbia.

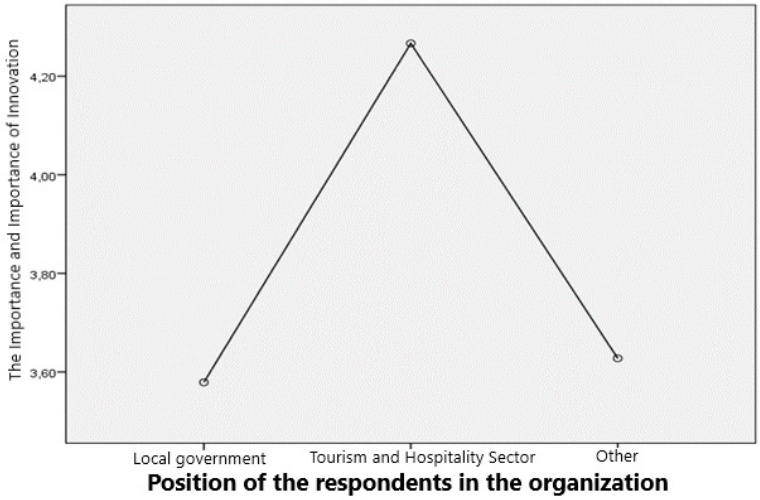

Figure 2: The diagram of the average values of the importance and significance of innovations in the tourism industry of Eastern Serbia based on the respondents' position in the organization

Figure 2 presents the diagram of the average values of the importance and significance of innovations in the tourism industry of Eastern Serbia, which unambiguously indicates that the employees in the tourism and hospitality sector gave very high average grades, whereas the employed respondents in local self-government and the employees in the other sectors gave very low average grades.

	N	*Average*	*Std. Deviation*	*Std. error*	*95% average interval*		*Minimum*	*Maximum*
					lower	*upper*		
Knjaževac Municipality	109	3.8312	0.86332	0.08269	3.6673	3.9951	1.40	5.00
Zaječar City	120	3.7200	1.01630	0.09278	3.5363	3.9037	1.40	5.00
Bor City	71	4.0169	0.85640	0.10164	3.8142	4.2196	1.40	5.00
Total	300	3.8307	0.93013	0.05370	3.7250	3.9363	1.40	5.00

Table 7: *The descriptive analysis of the importance and significance of innovations in the tourism industry of Eastern Serbia based on the respondents' place(s) of residence*

Table 7 presents the assessments of the importance and significance of innovations in the tourism industry of Eastern Serbia, and it is possible to conclude that the respondents from the City of Bor gave the highest average rating (4.0169), whereas the lowest average grade was given by the respondents from the City of Zaječar (3.7200).

	Sum of the square	df-test	Average squares	f-test	Probability of error
Between the groups	3.932	2	1.966	2.292	0.103
In the group	254.746	297	0.858		
Total	258.678	299			

Table 8: The analysis of the variance for the importance and significance of innovations in the tourism industry of Eastern Serbia based on the respondents' place of residence

Table 8 shows the ANOVA test. Based on the sum of the squares between the groups and the averages, with the f-test value (2.292), the value is compared with the limit value of the f-test from the limit values table, with a minimum probability of error, from which it is possible to conclude that the answers of this group of the respondents are different both within and between the groups. In order to determine where the deviation was most pronounced in the respondents' responses, the Post Hoc Test was used.

Place of living:		***Average difference***	***Std. error***	***Probability of error***	***95% average interval***	
					lower	***upper***
Knjaževac Municipality	*City of Zaječar*	0.11119	0.12254	0.636	-0.1775	0.3998
	City of Bor	-0.18571	0.14124	0.388	-0.5184	0.1470
Zaječar City	*Municipality of Knjaževac*	-0.11119	0.12254	0.636	-0.3998	0.1775
	City of Bor	-0.29690	0.13867	0.083	-0.6235	0.0297
Bor City	*Municipality of Knjaževac*	0.18571	0.14124	0.388	-0.1470	0.5184
	City of Zaječar	0.29690	0.13867	0.083	-0.0297	0.6235

Table 9 The results of the Post Hoc Test for the tested variable of the importance and significance of innovations in the tourism industry of Eastern Serbia based on the respondents' place of residence

Table 9 shows that there are differences in the responses among the respondents of the selected municipalities, which, however, are statistically insignificant.

Figure 3 shows the diagram of the average values, the assessment of the importance and significance of innovations in the tourism industry of Eastern Serbia, from which it is possible to specifically note that the respondents of the City of Bor gave the highest average marks, whereas the respondents of the City of Zaječar gave the lowest average marks to innovations in the tourism industry of Eastern Serbia. As already mentioned, the differences in the responses are statistically negligible.

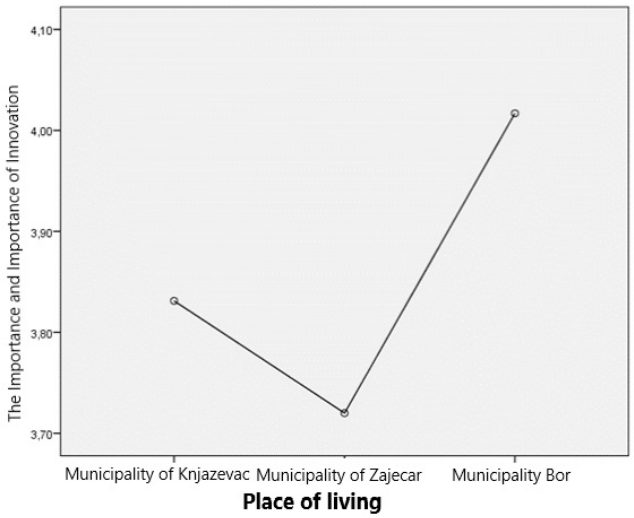

Figure 3: The diagram of the average values of the importance and significance of innovations in the tourism industry of Eastern Serbia based on the respondents' place of residence

5. CONCLUSIONS

In spite of the skepticism expressed in the past about the ability of tourism to be innovative, innovations in tourism are becoming more and more obvious. The analysis of the innovation of innovators in tourism is clear and demonstrates that, thanks to the internationalization of business in tourism, a strong competition on the tourism market and constant changes in tourists' needs, tourism is a highly dynamic system subject to constant changes in all parts of the value chain.

Since these changes have led to innovation, product and process innovation, and the application of ICT applications, innovation has become almost a routine for businesses operating in tourism. However, there are still many things to do at tourist destinations. Given the fact that more experienced tourists are not prone to opt for the destinations whose products have reached the maturity stage, or the destinations that do not offer a good "money and value ratio", destinations will increasingly be forced to offer the products that match tourists' different and multiple characteristics and meet their expectations, which means that they will have to offer a unique offer.

As business practice shows, the penetration of Eastern Serbia into the tourism market involves constant innovations. Tourism has been and will remain one of the main ways to ensure the progress of a socially responsible community. As a part of that process, Eastern Serbia needs to focus its goals on innovation, offer "value in value" and added value instead of discounts. It is necessary to find the ways of facing challenges. Innovation must be crucial in creating and delivering a quality experience. In the future, tourists will set conditions, technology will remain the key factor, and package arrangements will not disappear from the market, but will rather appear in innovative forms.

The results of this research indicate the necessity of innovative forms of tourism activities, which would have the maximum contribution to the development of tourism at the local level as well as at the national level. Therefore, this research is justified in the scientific sense because it will be of great use in the further work of tourism organizations in this area. Studies of this type can be carried out in other geographical areas of the Republic of Serbia in order to gain new insights on innovative solutions for improving tourism at the local and national level.

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