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INNOVATION CAPACITIES OF SERBIAN ENTERPRISES BEFORE AND DURING THE COVID-19 PANDEMIC

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ABSTRACT

The subject of this is the analysis of the innovation capabilities of enterprises in the Republic of Serbia. The emphasizes the importance of innovation in improving every company's business, regardless of its size or activity, with a particular focus on the enterprises operating in the tourism and hospitality industry. The aims to examine the ability of enterprises in Serbia to find in innovations both – sources of competitive advantage and solutions to the problems they are currently facing. The starts from the assumption that even though the innovation potentials of enterprises in Serbia are not fully utilized, positive tendencies can be recognized in the field of innovative activities. The authors believe that innovation ventures in all business segments, along with abandoning existing practices and patterns of behavior, represent a precondition for overcoming the problems that arose during the COVID-19 pandemic.

Keywords: *innovation capabilities, ICTs, clusters, SMEs, marketing communications, tourism.*

JEL Classification: *O12, O30, Z32.*

1. INTRODUCTION

In today's dynamic and changing business environment characterized by intense and often aggressive competition, organizations are urged to embrace change while innovations represent the main source of competitive advantage. The results of research conducted in recent years unequivocally indicate that innovation is a source of competitive advantage, where the innovative capacity of enterprise does not refer exclusively to innovation in the field of products and technology but primarily to

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management (Jovičić & Jovičić, 2015). In modern business practice, companies that are not able to innovate are doomed (Drucker, 1996). In fact, they either innovate and become more successful and profitable or lose their market position (Atkinson & Ezell, 2014).

Innovation does not come by itself; its realization is determined by numerous factors of external and internal nature. In addition to internal factors, such as the financial capabilities of the enterprise, the quality of human resources, organizational culture and structure, etc., the innovative ability is also determined by events in the external environment, i.e. political and institutional factors, research infrastructure, cultural and legal environment.

Experience has shown that creativity and innovation play an important role in times of crisis. Current global developments caused by the emergence of the coronavirus pandemic have just confirmed the importance of innovation. The pandemic has brought radical changes in the life of each individual, but also the organization. Many activities are stopped or restricted. Besides, the crisis did not affect all economic entities equally. Smaller organizations have shown greater sensitivity (Beraha & Đuričin, 2020). From the economic point of view, the smaller economic systems were the ones most affected, especially those whose business is related to tourism and catering. In new and more difficult circumstances where business is primarily focused on the virtual environment, companies are trying to find the most efficient way to consolidate and stabilize business activities, as well as to find solutions, mainly in innovation.

In this chapter, the authors analyze the innovative potentials of Serbian enterprises and also consider their ability to overcome the ongoing crisis using innovative solutions, primarily digitalization. According to the subject and scope of the, standard desk-research method and case study analysis were applied. The sources of data were primarily already published, secondary data, and s and publications from scientific journals and other professional literature in the field of management and marketing or official statistics, databases and reports of relevant national and international institutions. Based on the secondary data analysis, the main trends in the segment of innovation capacities of Serbian enterprises are presented. Furthermore, following the chapter's aim and scope, a case study analysis of the innovative abilities of the entities operating in the tourism and hospitality industry was performed.

2. LITERATURE REVIEW

In the relevant literature represents different views and interpretations of the phenomenon of innovation. Regardless of specific differences in the definition of the term, the public has agreed that innovation should not be equated with the invention, idea, or model. Innovation is a broader concept and implies the transformation of new ideas into new products/processes, i.e. it can be understood as a process of transforming the idea into a practical application/realization (Stošić, 2007). OECD defines innovation as "new or improved product or process (or a combination thereof) that differs significantly from the unit's previous products or processes and that has been made available to potential users (product) or brought into use by the unit (process) (OECD/Eurostat, 2018, 20)."

In a business context, innovation is a broader concept than developing new products, processes, or technology. Innovation can be understood as conquering a new market, changes in the management and organization of production, the introduction of new processes in production, the introduction of new products and new materials. According to Freeman (1982), innovation includes technical, design, manufacturing, management, and commercial activities to bring a new or improved product or process to market (Freeman, 1982). Hill and Jones (2001) similarly interpret innovation. These authors see innovation as the improvement of products, production processes, management systems, or organizational structure of the company (Hill & Jones, 2001). Jovičić (2015) points out that innovation does not refer only to the product and technological process but to the complete reproductive cycle - from production to exchange and consumption. Porter (1985) points to the importance of innovation in creating competitive advantage and presents it as a new mode of operation that has been commercialized (Porter, 1990). Some authors view innovation as any intervention that can reduce input and improve quality or any activity that leads to increased productivity and competitiveness of enterprises (Lazarević-Moravčević, 2014).

Various attempts to classify and categorize innovations have been made in the professional literature. In that sense, some authors distinguish between technological and administrative innovations (Damanpour, 2010). Technological innovations refer to improvements in products, services, or processes, while administrative innovations refer to organizational structure and administrative procedures that may or may not affect technological innovations. According to the 2005 OECD Handbook, there are four types of innovation: 1) Product and service innovation; 2) Process innovation; 3) Organizational innovations; 4) Marketing innovation (OECD, 2005).

If the degree of innovation they imply is used as a criterion in the classification, innovations can be viewed as incremental and radical (Dess et al., 2007). Radical innovations cause fundamental changes and initiate a departure from existing practices. Unlike them, gradual, i.e. incremental innovations improve the existing pattern and lead to certain improvements of products and processes. They affect revenue growth, productivity or cost reduction and can therefore be a source of competitive advantage.

Regardless of which type they belong to or whether they refer to products, processes, or organizations, it is necessary to emphasize that different types of innovations are closely related in practice, i.e. they are not mutually exclusive (Martinez-Ros, 1999). By innovating the business process, it is possible to improve the quality of the product, which can further result in a collaborative business process and product innovation. In fact, it is not enough to focus on just one dimension of innovation, especially if the technological, market, and organizational changes are known to interact (Tidd et al., 2005). Despite the connection and integration of different types of innovation, part of the professional public insists on a separate interpretation and consideration of this phenomenon, citing the fact that not all innovations are implemented in the same way and do not always have the same outcome and goal (Becheikh et al., 2006).

In dynamic business conditions, the tendency towards innovative ventures, i.e. creating new and improving existing products and processes, is a fundamental factor of growth and development of any company, regardless of its size or activity (Lazarević-Moravčević, 2014). However, if we consider the fact that small enterprises face many problems of internal and external nature, the question arises as to how much they are capable of competing in the field of innovation with large organizations.

The relationship between the size of the company and the ability to undertake innovative ventures is interpreted in different ways (Lazarević-Moravčević, 2014). In the search for an adequate answer, most researches mostly failed to establish a clear connection between the company's size, market power, and its innovative activity (Kamien & Schwartz, 1975). On the one hand, there are opinions that there is no strong correlation between the intensity of research (number of inventions) and the company's size; on the other hand, authors like Dess, Lumpkin, and Eisner (2007) believe that the larger the company, the less innovative solutions. Drucker's view is that "size" is not in itself an obstacle to entrepreneurship and innovation but a way of leading and operating a business (Drucker, 2003). The same author believes that innovation should not be tied only to high-tech companies but also to organizations at a lower technological level of development (Drucker, 1996). Kamien and

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Schwartz (1975) believe that larger firms are more focused on innovation in areas that require large-scale research and development. On the other hand, smaller companies are focused on specialized and sophisticated components and equipment.

The same authors point out that “the largest firms generally appear to be far less efficient innovators than their smaller rivals (Kamien and Schwartz, 1975, 32)”. Nevertheless, it is necessary to point out that the problems faced by smaller organizations, such as lack of financial and human resources, can limit their innovation activities (Lazarević-Moravčević et al., 2018), especially when it comes to technological innovation, i.e. innovative ventures that require significant investments. However, the ability of a company to innovate is not exclusively related to its financial capability. It is also determined by other internal factors, i.e. organizational culture and structure, as well as the speed of decision-making. In the opinion of author Mosurović-Ružičić (2012), the innovative behaviour of a company also depends on the stimulating organizational context within which creative ideas appear and are implemented. Accordingly, it can be concluded that certain characteristics of small systems such as simple organizational structure, low level of formalization, efficient communication, speed of decision-making have a positive impact on their innovative activities and enable these companies to successfully implement ideas that do not require significant investment. Owners/managers have a key role in implementing change and innovative solutions in small organizations. They are expected to create a work environment where ideas are welcome, and employees are motivated to think and act creatively (Williams, 2010).

3. INNOVATIVE CAPACITIES OF ENTERPRISES IN THE REPUBLIC OF SERBIA

The companies' innovation situation in Serbia can be indirectly assessed based on the European Commission's Innovation Assessment Report. The report provides a comparative assessment of the research and innovation performance of different economies and points to the strengths and weaknesses of their systems in the research and innovation segment. Thanks to the information it provides, the report helps economies assess the areas to which they should focus their efforts to improve their innovation performance. The new European Innovation Scoreboard (EIS) framework distinguishes four main types of activities, covering 12 dimensions of innovation and 32 different indicators. Compared to the reports from previous years, the 2021 Report also introduces new indicators - digitalization and sustainable innovations.

Table 1. Summary Innovation Index, Serbia

Serbia		Relative to EU 2021 in 2021	Relative to EU 2014 in	
			2014	2021
SUMMARY INNOVATION INDEX		66.2	57.8	74.5
1	Human resources	54	32	57.2
2	Attractive research systems	44.7	36	50.3
3	Digitalization	68.4	37.5	94.7
4	Finance and support	30.4	26.1	36.2
5	Firm investments	105.2	123	127.1
6	Use of information technologies	62.7	78.3	72.4
7	Innovators	136.7	112.2	187
	Product innovators (SMEs)	165.8	104.3	234
	Business process innovators (SMEs)	109.5	119.2	145.7
8	Linkages	76.8	65	103.6
	Innovative SMEs collaborating with others	96.5	84.1	141.4
	Public-private co-publications	58.6	44.6	65.8
	Job-to-job mobility of HRST	73.2	66.7	105.1
9	Intellectual assets	13	11.2	11.3
10	Employment impacts	102.7	61.4	104.6
11	Sales impacts	76.5	60.2	77.9
12	Environmental sustainability	36.1	64.7	37.6

Source: European Commission (2021). Available at: <https://ec.europa.eu/docsroom/documents/46234>. Accessed: 12/25/2021.

The performance of national innovation systems is presented on the basis of the Summary Innovation Index, based on which economies are classified into one of the following categories (European Commission, 2021):

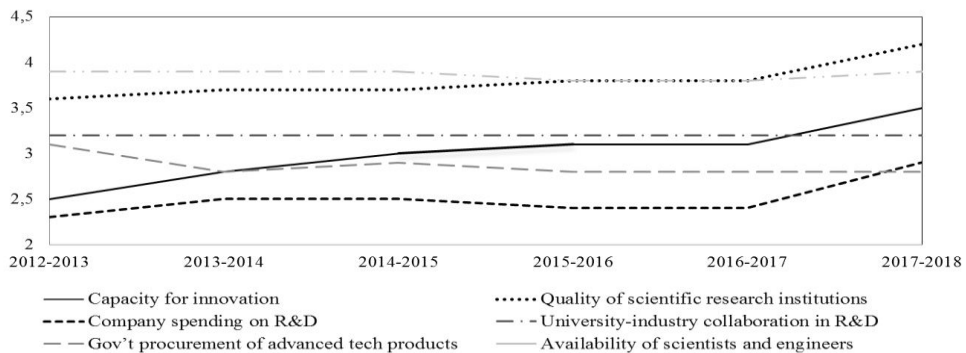
- Innovation Leaders (Sweden, Finland, Denmark, Belgium) - includes economies whose performance is above 125% of the EU average.
- Strong Innovators (France, Germany, Ireland, Austria, Estonia, the Netherlands, and Luxembourg) - includes economies with a performance between 100-125% of the EU average.
- Moderate Innovators (Italy, Malta, Portugal, the Czech Republic, Slovenia, Spain, etc.) - a category to which economies with a performance between 70-100% of the EU average belong.

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- Emerging Innovator (Bulgaria, Croatia, Poland, Romania, Hungary, Slovakia, Latvia) - includes economies with performance below 70% of the EU average.

Serbia belongs to the category of Emerging innovators. In recent years, progress has been made in the segment of Innovators, Firm investments and Employment impacts. According to the report for 2021 “the improvement in innovation performance is the result of improved performance for Broadband penetration, Venture capital, Product and Business process innovators, Design applications, and Employment in innovative enterprises (European Commission, 2021)”. Progress in innovative capabilities of the Serbian economy has also been identified in the research of the World Economic Forum (Figure 1). Since 2016, there have been positive trends in some innovation indicators - Capacity for innovation, Company spending on R&D, Quality of scientific research institutions. Also, during 2019, compared to 2018, an increase in the number of innovative companies was recorded. According to this indicator, Serbia was ranked 83rd out of 141 economies covered by the survey. That is a significantly better result compared to some economies in the region (Bosnia and Herzegovina - 127, Croatia - 126, Greece - 124, Albania - 94), but far worse compared to Slovenia - 45, Bulgaria - 64, France - 31, Austria - 34, Germany - 8 (WEF, 2019).

Figure 1. Innovation indicators Serbia 1-7(best)



Source: WEF, Global Competitiveness Report, 2013, 2014, 2015, 2016, 2017, 2018.

Important information on the innovative activities of Serbian enterprises is provided by the research conducted by the Statistical Office of the Republic of Serbia. In the research, innovative business entities are considered to be companies that introduced product or process innovation in the observed period or had innovations that were abandoned or not completed. The latest research was conducted on a representative sample of 21877 enterprises from 2018 to 2020. Research results indicate that more

than 50% of the enterprises in the sample carried out some innovative activity. Within the sample, more than 69% of large business entities, about 58% of medium-sized enterprises, and 54% of enterprises belonging to the group of small business systems are considered innovative. Compared to the results achieved in the previous period, a positive trend can be observed, except in the category of medium-sized enterprises, where the tendency to reduce the number of innovators was identified.

Table 2. Innovation capabilities of business entities in Serbia

	2014-2016		2016-2018		2018-2020	
	Number of entities	Participation of innovators %	Number of entities	Participation of innovators %	Number of entities	Participation of innovators %
Total	16,957	41.2	16,957	50.21	21,877	54.79
Small business entities	14,174	38.2	14,174	47.65	18,355	53.79
Medium-sized business entities	2,257	54.4	2,257	61.83	2,873	57.9
Large business entities	526	66.3	526	69.1	649	69.03
Entities operating in production	4,723	47.3	4,723	56.64	5,150	54.41
Entities operating in the service sector	12,233	38.9	12,233	47.9	16,727	54.91

Source: Based on Statistical Office of the Republic of Serbia data - Indicators of innovative activities for 2014-2016, 2016-2018, 2018-2020.

According to the research results, in 2020 enterprises in Serbia were more oriented towards business process innovation (Statistical Office of the Republic of Serbia, 2020). Similar research conducted in 2016 indicates that medium-sized enterprises were more oriented towards process innovation, while small enterprises were more oriented towards product innovation (Minović & Lazarević-Moravčević, Beraha, 2016). The decision in which direction the company will develop innovations, i.e. whether the focus will be on product or process innovation, is determined, among other things, by the phase of the life cycle in which the business is located. Product innovation is mainly applied in the initial stages and is linked to the differentiation

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strategy. On the contrary, process innovation becomes relevant in later stages of the life cycle and implies applying a strategy of general leadership in costs (Dess et al., 2007).

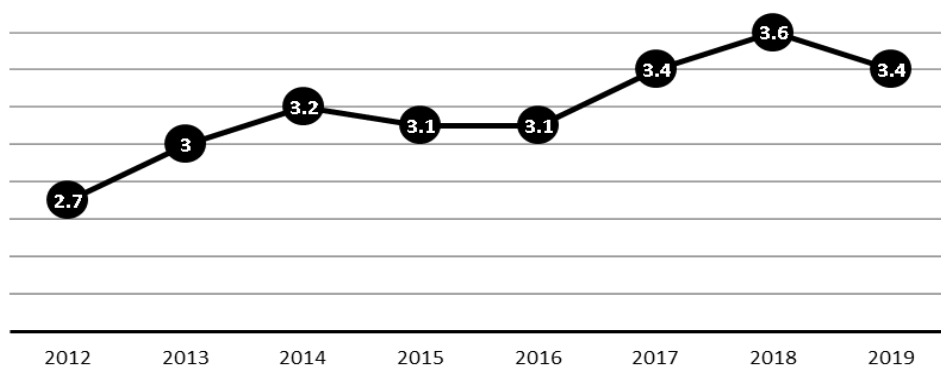
Based on the results of the conducted research, it can be concluded that companies in Serbia currently do not use their innovation potential to the maximum, which affects the competitiveness of the companies themselves but also the competitiveness of the national economy. Improving national competitiveness cannot be achieved without the growth of innovative activity (Bugar et al., 2012). Companies in Serbia continue to invest very little in external research and development, which indicates underdeveloped cooperation between the business and scientific research sectors (Official Gazette of RS, No. 35/2020).

In the forthcoming period, the improvement of the innovative capacities of companies in Serbia can be achieved by using different types of networking. According to Swaminathan and Moorman (2010), the success of networking is conditioned by the efficiency of the network process, network structure, and its density, reputation, and ability of enterprises to reap the benefits of networking.

The problems of small and medium-sized enterprises related to the lack of knowledge and experience can be overcome by clustering. Clusters represent a geographical concentration of interconnected companies, related and different activities, specialized suppliers, service providers, and related support organizations (educational and scientific research institutions, agencies, etc.) that compete in the relevant field of activity but also cooperate (Porter, 1998). Clusters are not only a form of cooperation that contributes to improving the competitiveness of enterprises, but their formation encourages the development of the local environment and raises the economy to a higher level of development. According to Porter, clusters are also a way to improve national competitiveness. They achieve synergetic effects through joint work and companies' funds in the cluster. Thanks to the cooperation, exchange of resources and information, knowledge, and experience, economic entities within the cluster can achieve better results in relation to the performance they would achieve through independent action (Kamenković & Lazarević-Moravčević, 2018). In addition, cluster connectivity also provides secure sources of supply, higher quality products, better strategic positioning, and the means to appear in foreign markets (Stošić & Domazet, 2014). Observed at the enterprise level, clustering achieves a higher level of productivity, competitiveness, and innovation. Furthermore, companies united in a cluster can have a more significant impact on state institutions and the policy they lead.

In the previous period, clustering as a model for the development of the SME sector in Serbia was not sufficiently applied. According to the level of development of cluster-based networking, the Serbian economy is in the 104th position out of 144 countries covered by the analysis (WEF, 2019). In addition to the insufficient presence of clusters and other forms of association, the particular problem is that Serbia lacks clusters in traditional sectors and their connection with clusters in the ICT sector (Official Gazette of RS, No. 35/2020).

Figure 2. State of cluster development 1 –7 (the best)



Source: Based on WEF data, The Global Competitiveness Report 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019.

In Serbia, the incubation model does not work completely. The general characteristic of business incubators in Serbia is that they are at an extremely low level of development. The services provided by incubators are mainly focused on administrative and accounting support. Only a few incubators in Serbia provide basic innovation services, such as intellectual property protection (Official Gazette of RS, No. 30/2018).

The COVID-19 crisis has further aggravated business conditions in Serbia. The consequences of the crisis are felt by all organizations, regardless of their size. The creation and application of new ideas, which lead to new technology, products, and services, have become key potentials for SMEs' sustainable competitive advantage in the post-crisis period (Kaufmann et al., 2012). The crisis has encouraged companies to rapidly reorient themselves towards digital business and invest more in modern information technologies. The results of research conducted by USAID in 2020 indicate that the COVID-19 crisis has accelerated the process of transformation from traditional to digital business. The results also suggest that an increasing number of enterprises in Serbia are planning to partially or entirely adapt

to online business and are already undertaking certain activities in this segment (USAID, 2020). The transition to digital business models is also determined by the size of the company. "The larger the company, the harder it is to move business from the physical to the online environment (Vidas-Bubanja, 2021, 57)". On the other hand, small and medium enterprises face a lack of financial and human resources. These problems significantly limit the innovative activities of companies, as well as their opportunities for business transformation.

4. INNOVATIONS IN THE TOURISM AND HOSPITALITY INDUSTRY – THE CASE OF SERBIA

Tourism represents "an economic sector that deals with the innovation and production of tourism products and services" (Ilić & Nikolić, 2018, p. 37). The high share of the tourism and hospitality industry in global GDP and multimillion job-loss due to the COVID-19 pandemic indicate the growing demand for new, innovative solutions and advanced sectoral recovery strategies (Lazić & Bradić-Matrinović, forthcoming/a; Lazarević-Moravčević & Lazić, 2021). As the 21st century has considered being the century of continuous environmental contamination (Đukić et al., 2016), work towards the sector's responsible recovery should be based on the following five priorities (UNWTO, 2021): (1) reduction of socio-economic impacts on livelihoods; (2) competitiveness and resilience boost; (3) advanced innovation and digital transformation of tourism; (4) sustainability and green growth promotion; and (5) sector's transformation towards achieving sustainable development goals (SDGs). In other words, the ongoing pandemic has given nature "a healing time" (Moreno-Luna et al., 2021) and the tourism and hospitality industry a chance to start on more "resilient, inclusive, carbon-neutral, and resource-efficient" grounds (UNWTO, 2021).

To preserve the sustainability and resilience of the industry, decision-makers are inclined to implement advanced, innovative ICT solutions (Imon, 2017), on the one hand, and contribute to the sector's more meaningful context, on the other. With that regard, in the last couple of decades significant changes have occurred in the business environment, mainly due to the growing implementation of ICT solutions, liberalization and globalization (Lončar et al., 2016). Advanced digital solutions and artificial intelligence played a critical component in the bulk of innovations in the tourism and hospitality industry (Tuo et al., 2021) and have already radically transformed the industry by reengineering the entire ecosystem (Buhalis & Moldavska, 2021). Advanced ICT solutions are important for strategic, as well as operational activities (Brdar & Gajić, 2019) and simultaneously influence both, the tourism and hospitality industry and tourist behaviour (Tuo et al., 2021).

The latest technological innovations in the tourism and hospitality industry are linked to the increased usage of mobile applications (Hashim et al., 2019), voice-recognition technologies (Tyan et al., 2021), sophisticated chatbots (Calvaresi et al., 2021), and blockchain technology (Tyan et al., 2021). Innovations in terms of improved tourist products and services simultaneously contribute to the customers' experience and the sector's productivity boost. Along with the usage of advanced digital technologies, meaningful solutions and the creation of mindful tourist products have become valuable assets in dealing with stress in today's modern world. When it comes to the experience of the Republic of Serbia, authors Nikolić and Ilić (2018) consider the competitiveness of the Serbian tourism industry to be closely connected to the development and implementation of advanced digital technologies. Furthermore, the authors believe that technological innovations are not only a key determinant of competitiveness but also a factor of survival in a turbulent tourism market. This is in accordance with the results obtained by Vidas-Bubanja and Bubanja (2017) who found a strong connection between the adoption of advanced ICT solutions and the level of competitiveness of the Serbian tourism industry.

Table 3. IT investments according to buyer's sector in 2018

	Value (million EUR)	Participation (%)
Agriculture and mining	9.5	2.1
Manufacturing	68.0	15.0
Energy, public and utility companies	42.1	9.3
Construction and construction material	10.4	2.3
Trade and tourism	43.5	9.6
Traffic and warehousing	14.4	3.2
Communication, broadcasting, and media	61.7	13.6
Finance and services	57.3	12.7
Business services	18.4	4.1
Public administration and state-financed activities	78.4	17.3
Education and culture	19.0	4.2
Health and welfare	18.8	4.2
Others	11.2	2.5
Total	452.7	100

Source: Vojvodina ICT Cluster (2020) ICT in Serbia - At a Glance, 2020, p. 51.

Furthermore, in the research conducted in 2017 with 209 Serbian companies operating in the tourism and hospitality industry included in a sample, Brdar and Gajić (2019) concluded that domestic enterprises use IT in their everyday operations,

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but that certain differences in the level of development and IT capabilities among them may be noted. With that regard, according to the official statistics (Vojvodina ICT Cluster, 2020) the trade and tourism industry was one of the biggest consumers of advanced IT solutions in 2018 (Table 3).

Nevertheless, some authors (Simić & Marinović-Matović, 2018) emphasize the need for further digitalization of different spheres of the tourism industry aimed at improving the functioning and competitiveness of the industry. According to Lazić and Bradić-Martinović (forthcoming/b), in order to mitigate the COVID-19 pandemic harmful effects "destinations in Serbia are urged to develop more up to date tourist products and services by further exploiting the usage of advanced digital solutions, modern technology, and artificial intelligence as integral parts of sustainable tourism development in the years to come".

5. CONCLUSION

In a contemporary business environment, the propensity for innovative ventures, i.e. the creation of new or improvement of existing products and processes, is a fundamental condition for the survival and development of companies, regardless of their size or activity. Innovation leads to the improvement of the competitiveness of enterprises and indirectly affects the growth of the national economy's competitiveness. Also, current events at the global level caused by the COVID-19 pandemic have confirmed the importance of innovation in times of crisis.

The chapter analyzes the innovation capacities of enterprises in Serbia and examines their ability to identify solutions in innovative endeavors to overcome the crisis in which they currently find themselves. Based on the research conducted in the, the general conclusion is that some positive trends can be identified in the field of innovation of the Serbian economy. In recent years, an increased number of innovative companies can be observed. The growth trend of the company's investment in R&D was also identified. On the other hand, despite the noticeable improvement in the quality of scientific research work and developed infrastructure, cooperation between the economy and the scientific research sector is still insufficiently developed in Serbia. Also, enterprise networking and clustering is not a sufficiently represented model of SME sector development.

The authors of the believe that the company's financial strength is not the only factor that determines innovative ability but that it has a key role when it comes to the introduction of technological innovations. Consequently, the innovative ability of small systems, in addition to the lack of financial resources, is limited by other factors: lack of knowledge and technology, insufficient information and networking,

lack of strategic orientation, etc. On the other hand, certain specifics of small organizations (such as simple organizational structure, efficient communication, low degree of formalization, speed in decision-making, etc.) can be considered as forces that enable these systems to come up with new ideas more efficiently and to successfully implement those that do not require large investments.

Furthermore, innovative activities are mandatory when it comes to the tourism and hospitality industry. That is exceptionally well pronounced during the ongoing health crisis when the main drawbacks of applying advanced ICT solutions (i.e. lack of "human touch") have shown to be the main advantages in mitigating crisis' adverse effects. Nevertheless, the Serbian tourism and hospitality industry is still in need of further digitalization of tourist services and products, on the one hand, and strengthening of tourists' and employees' digital competencies, on the other.

Based on the above mentioned, it can be stated that the improvement of the company's innovative ability is determined by numerous factors of internal and external nature. In the forthcoming period, the state can take on a more significant role in strengthening the development and innovation potentials of companies in Serbia. Precisely, numerous factors limiting the innovative activity of Serbian companies can be fully and partially overcome by providing financial and institutional support from the state and using various forms of networking.

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