

Original Paper

Management of the Tourism Offer as an Economic Development Function Bosnia and Herzegovina

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Abstract

It is a known fact that tourism is a natural phenomenon that effects equally both the economic and social development of each country. On the other hand, economic development should provide a steady / constant economic growth. If we look at the economy and tourism in the same light it is said that the two phenomena are unified by one of the most important drivers of growth in the world. Economic results expected from tourism should not be valid unless it is done benchmarking analysis of similar tourist destination, because only comparisons with the best, or at least their own kind (meaning the capacity supply) provides valid information. The main objective of this paper is to show how tourism effects of economic development BiH is also given some basic guidelines on what to conceive of future economic activity, and where the potential exists tourist attractions.

Keywords

tourism, and economic development

JEL Code: E21, E22, P25

1. Introduction

Tourism research initially acted as an instrument for development where most of the research was done by planners and economists who worked for organizations such as the UN, the World Bank, and the OECD. In the sixties of this century, there was a belief that tourism creates/increases foreign currency and the level of employment, the consumption of tourists generates a multiplier effect that stimulates the local economy. In recent years, it is evident that there is a slight increase in the rate of economic and economic growth, which largely depends on the renewal of production, here we are talking about simple and extended reproduction, where simple reproduction represents a production process that is renewed on one scale, while extended reproduction refers to where production resumes at a higher level compared to previous years.

At the very beginning of the paper, we talk about benchmark analysis, where it represents – comparison with the best so that we can see where we are now.

So, benchmark represents a systematic and constant measurement process that serves as a basis for comparison, which means *“the process of identifying, in changes and application of exceptional practices, and processes run by any company, anywhere in the world, which can help and the company in improving its performance.”*

Benchmark refers to the exchange of information on the one hand, companies that are successful, while on the other hand, companies that learn from those successful companies.

The term benchmark is used in modern management theory and practice, and it means the research and use of the best practices of the competition.

2. Theoretical Analyses

When talking about the concept of tourism, it is inevitable to say that the concept of tourism first appeared in the 19th century and is associated with the name of Thomas Cook, who at one time created a real boom, so one can even say a revolution in travel where organized the first trip in groups between two cities in England, the trip was organized by rail traffic with music on the train serving tea, this type of trip was well received so T. Cook founded the first travel agency.

Many authors see tourism as science, art and business, tourism is seen as attracting visitors, providing accommodation and pleasant hospitality. Tourism as a business entity provides places and events with the aim of occupying people while they are on vacation, tourism is also seen as a source of relaxation. It is a fact that tourism increases the social relationship, which means that it could affect the relationship and behavior between, and thus affect social changes.

The World Tourism Organization (2009) simply defines tourists as people who *“travel and stay in places outside their usual environment - not more than one year in a row, in their free time, for business and other purposes”*.

Tourism in this era received the epithet of global leisure activity. The World Tourism Organization UNWTO (2011) in the analysis of the popularity of tourism explains through an example that in 2010, there were more than 940 million international arrivals in this sector, with a growth of 6.6% compared to 2009.

It is inevitable to say that tourism is the branch of industry that is currently experiencing the greatest growth, concrete data show that Europe currently accounts for 58% of the world's tourism industry and is in first place.

When talking about the origin of the modern tourism industry - the name cultural tourism is often used - it is believed that it began with the Grand Tour, which takes place in the largest cities of Europe (e.g., Paris, Milan, and Rome), developed modern hotels and other services for potential guests. The question of modern hotels primarily refers to the creation of so-called eco-hotels. Regarding the concept of the future tourist offer, i.e., future activities, it can be freely said that these are precisely the forms of the so-called modern tourism - popularly called business tourism.

Forms of modern tourism are often classified into:

- Business meetings.
- Public conferences.
- Congresses.
- Travels.

Often in the literature we can meet with a unique term that refers to the above-mentioned forms of modern tourism - business tourism, or the so-called: business tourism does not have any major differences compared to classic tourism. Some of these differences can be reflected in the reduction of tourists is usually of a seasonal nature, but the sieve can also affect the extension of the season if it was about meetings that were at the very end of the season or just starting after the end of the season. (Gračan & Rudančić-Lugarić, 2011)

The promotion of the destination, if it is well designed and organized, increases the value of the tourist destination, which means that it creates awareness of the tourist offer.

When we talk about promotion in tourism, according to Coltmans, it is important for the following reasons:

- to increase tourist demand in the off-season,
- purchase of a tourist product that the consumer/buyer has not seen before,
- increased competition on the tourist market,
- creating consumer loyalty,
- elasticity of demand - price,
- possibilities of substitution of the tourist product. (Coltman, 1989)

Before explaining the concept of economic development, a few words about what an economic system is. According to Slobodan Đorđić: "Economic system represents a scientific discipline whose substrate is a complex of relations in social reproduction (production, distribution, exchange and consumption), hence its great similarity with political economy. But, unlike political economy, the economic system is limited to one country. and one time period. (Đorđić, 2004)

Economic development is the constant finding of the optimal combination among factors of production (labour, land, capital) based on mutual competitiveness. An increase in the money supply opens up a different development process. The interest rate is reduced, economic development is stimulated, but this is ultimately reflected in the growth of inflation. This is how it is shown here that the economy is woven from opposing movements (through the action of the law of supply and demand) and that all skill and wisdom is in establishing fine relationships and fine decision-making. (Milojević, 2012)

From a theoretical point of view, the relationship between economic and economic development and tourism has been the subject of intense discussions for the last few years. Basically, there are three opinions about the relationship between tourism development and economic growth.

- The first opinion, often called growth-driven tourism, assumes that tourism development is a significant engine of economic growth, and thus leads to economic growth.

- Another view, often called tourism-led growth, argues that it is economic growth that drives tourism development.
- The third opinion claims that economic growth and tourism development are mutually exclusive. In other words, according to this view, there is a two-way causality between tourism and economic growth.. (Odhiambo, 2012)

Regarding the valuation of the tourism sector - the valuation is carried out in the following way, first it is necessary to find a sufficiently good or adequate example and analyze the relative value of the given offers, the next thing to pay attention to is to evaluate/look at the premiums offered in that particular period and do comparison with previous premiums in a past period, the time period of the previous three months is usually taken.

3. Research Methods

This work was done on the basis of the analysis of relevant research documents from this field, as well as the review of the current situation in the state of B&H and the selection of opportunities for further steps in terms of the utilization of the potential that B&H has. The paper examines the development and tourism potential of the state of B&H, it should be noted that the state of B&H has far more potential than was done for the purposes of this paper, a comparison of statistical data from the last three years as well as a proposal on how to perform on the tourist market in the future is also provided.

Bosnia and Herzegovina is a country located at the crossroads of East and West. Bosnia and Herzegovina is full of natural beauties and attractive tourist destinations, and there is almost no environment that does not claim that tourism is one of its most prioritized economic branches. Some of them are: Fruits of the Mediterranean in Stolac, Bihac Summer and Una Regatta in Bihac, Zvornik Cultural Summer and Motor-nautical Competition on Zvornik Lake in Zvornik, then San regatta, summer tourist events in Sarajevo, Banja Luka, Tuzla, Prijedor, Brčko, Foča and other cities are just some of the manifestations and events that have been promoting tourist destinations in our country in recent years.

Also, the architecture of Bosnia and Herzegovina is not negligible. The most famous architectural buildings are: in Mostar, the most famous is the Old Bridge, Međugorje in Sarajevo (Baščaršija, Gazibegova mosque, etc.), Jajce waterfalls, Banja Luka (Sehitluci monument, Kastel fortress), Hutovo blato is a unique pearl of nature in our country, yet it has been neglected in terms of promotion.

Regarding the tourist potential specifically in the Republic of Srpska, it can be said that the republic is very rich in the following contents: spa tourism, mountain tourism, eco tourism, rural tourism, hunting and fishing tourism, and religious tourism. As far as destinations in the RS are concerned, the most famous destination is the Jahorina mountain, which is especially visited in the winter. Also, one of the destinations that stands out is the spa center 'Vrućica' near Teslić with its capacity of around 1,500 beds. The Sutjeska National Park, which is also a destination for numerous tourists visiting this entity, is not to be missed. Among the most visited destinations is the ethnic village of Stanišić near Bijeljina. The

World Rafting Championship helped to do a quality promotion and presentation of the river Vrbas and the city of Banjaluka.

The development of tourism in Republika Srpska was mostly spontaneous and this was the case until 2011, when the “Strategy for the development of tourism in Republika Srpska for the period 2011-2020” was agreed and adopted by the Assembly of Republika Srpska. This strategy represented the basic and starting document for all future steps in terms of development. (Tourism development strategies in the Republic, 2011)

As stated by Enes Arifhodžić, director of the FB&H Tourist Board: “In order for a destination to be designated as a tourist destination, it is necessary to provide accommodation facilities and all other accompanying content.” Much more needs to be invested in tourism in our region in order to feel the results, because only when foreigners come to our country do they break their previously acquired prejudices, they are most often surprised by the diversity of cultural heritage and hospitality”

According to the latest statistical data of the Agency for Statistics of B&H, about one million tourists visited in 2021. (Statistics Agency of B&H, 2022) (Figure 1) - Note: On the graph - domestic tourists are marked in blue, while gray indicates foreign tourists, the first column on the graph indicates the number of visits to hotels, the second column the number of visits to resorts, the third column indicates the number visits to camps and the last column refers to other accommodation.

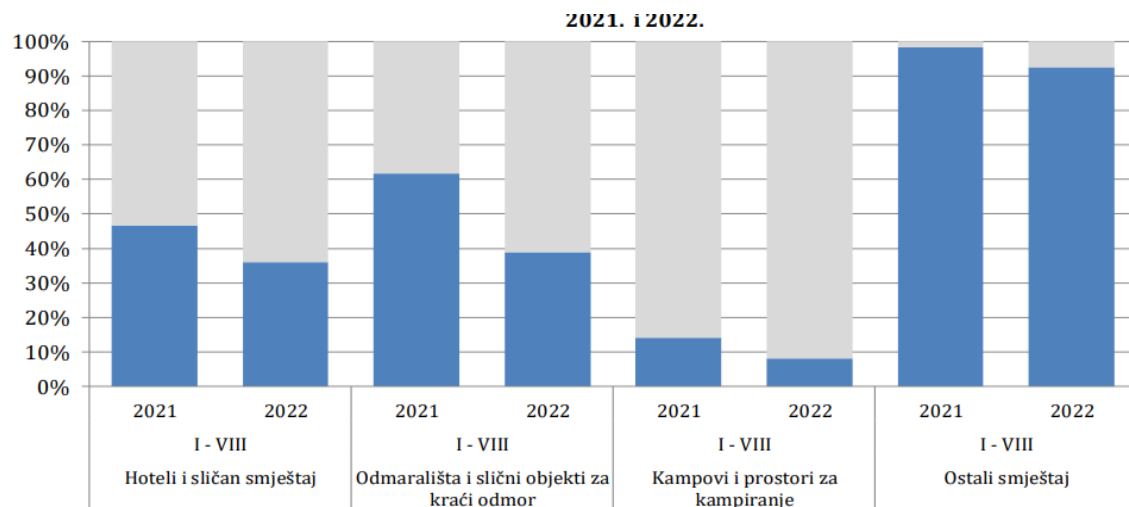


Figure 1. Comparative Analysis of Visits by Domestic and Foreign Tourists 2021-2022

As stated, this represents an increase compared to the previous year, where the number of overnight stays by domestic tourists was higher by 38.5 percent, while the number of overnight stays by foreign tourists was higher by 142.8 percent compared to the same period in 2020. For the sake of comparison, 498,090 tourists visited Bosnia and Herzegovina in the whole of 2020, which is 69.7 percent less than in 2019, when there were 1,641,201 tourists in the country. (Deković, 2022)

Bosnia and Herzegovina is based on the economy, history, culture, and regional diversity, therefore it is necessary to pay attention to special types of tourism that should be given priority, primarily referring to: religious, adventure, ecological, mountain, congress, health and cultural, considering that this country abounds in each of them. (Vidović, 2022)

4. Conclusion

It can be concluded that for the successful management of the tourist offer, the valorization (valuation) of all the elements that a country has at its disposal and benchmark should be done, because as already said, without evaluating and comparing oneself with others (the best) in that branch, we cannot even know where we are currently in, until all elements of business are recorded and taken into account, because only this type of business represents the only and best possible solution for the perception of the state of tourism, the possible economic development that should be realized from tourism, as well as forecasting in which the direction tourism development should go, that is, where the tourism potential is located.

The living conditions in which we live greatly contribute to the development of tourism, the increased growth of the number of tourists. We are witnessing cities full of concrete, big buildings, lots of cars, which leads to increased concentration of smog, noise, congestion. A simple rest for the “soul” is possible in the conditions of pure nature. Since Bosnia and Herzegovina is rich in natural resources on the one hand, but also today's prevailing trends are such that they benefit the tourist offer, namely that today's “healthy lifestyle” trend can help us create an image of an attractive tourist destination offers.

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