

RURAL TOURISM IN SOUTH-EASTERN BOSNIA: STRUCTURES MANAGEMENT AND SERVICE DIVERSIFICATION

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Abstract

Rural population has increasingly turned to tourism for achieving greater economic activity diversification. Rural tourism is considered as a form of alternative tourism. It includes tourism products and services in which the rural culture and assets are a key component. Rural tourism encompasses a huge range of activities, attractions, amenities and facilities. The paper aims at analysing rural tourism in south-eastern Bosnia and Herzegovina with a particular focus on structures management and services diversification. Primary data were collected by a questionnaire survey performed in summer 2012 with 45 owners and managers of rural tourism structures in 11 Bosnian municipalities. Different types of rural tourism structures can be found in the surveyed area. The clientele includes foreign tourists as well as locals. For most of the interviewed operators rural tourism is the primary activity. Visitors are attracted by typical food and drinks, diversified services offer, natural surroundings and landscape beauty. These are also the resources that could be used in the future for rural tourism development. Rural tourism structures provide a wide range of products and services including accommodation, food, recreational activities and organization of celebrations especially in summer. Most of them offer typical food from the region. They use different promotion channels and tools such as internet, billboards, advertising but they also rely on customers' recommendations. Bosnia has great potential for developing rural tourism, which can provide new opportunities windows for Bosnian rural areas, but it remains largely unexpressed. For unlocking rural tourism potential public support is highly needed.

Keywords: *Rural tourism, management, offer diversification, Bosnia*

Introduction

Primary producers and rural communities have increasingly turned to tourism as an alternative means of achieving sustainable economic growth and development through restructuring and greater diversification of economic activity (Hall, 1997). There is a great potential through tourism, for resolution of many chronic dilemmas faced by rural communities (Knowd, 2001). Even if rural tourism may be minor in relation to the overall tourism market its importance to the development of specific rural areas may be critical. Thus, the multiplier effect is often more impacting in rural areas where the entire rural lifestyle is looked for as the main attraction (Gopal *et al.*, 2008). Tourism has a wide range of positive livelihood impacts, many of which go beyond monetary benefits. Tourism in rural areas offers a viable option for livelihood diversification (Shakya, 2011). Rural tourism has been advocated as a means of farm diversification (Haines and Davies, 1987; Slee, 1989).

Moreover, tourism considerably expands rural households' economic prospects by improving education, health, physical amenities and financial assets (Shakya, 2011).

Rural tourism is considered as a form of alternative tourism. Alternative tourism can be broadly defined "*as forms of tourism that is made to be friendly to the environment and to respect social and cultural values of the communities, and which allow both hosts and guests to enjoy positive and worthwhile interaction and shared experiences*" (Wearing and Neil, 2000). Alternative tourism can be viewed as being synonymous with the concept of sustainable tourism development (Holden, 2000). Different concepts have been developed on definition, relations and distinctions between rural tourism, agro-tourism and farm tourism (e.g. Bojnec, 2004). Tourism is termed rural when the rural culture is a key component of the product on offer. Depending on the primary activity component of this product, the terms used are agro-tourism, green tourism and eco-tourism, gastronomic, equestrian, nautical, hunting, adventure, historical/ cultural tourism and so on (Gopal *et al.*, 2008). Rural tourism encompasses a huge range of activities, natural or manmade attractions, amenities and facilities (Sharpley and Sharpley, 1997 in Irshad, 2010). Rural tourism is not just farm-based tourism; it also comprises special interest nature holidays and ecotourism, walking, climbing and riding holidays, adventure, sport and health tourism, hunting and angling, educational travel, arts and heritage tourism, and ethnic tourism (Irshad, 2010). The distinguishing feature of rural tourism products is the wish to give visitors personalized contact, a taste of the physical and human environment of the villages and, as far as possible, allows them to participate in the activities, traditions and lifestyles of local people (Gopal *et al.*, 2008).

Tourism is a growing sector in many Bosnian rural areas and can create new employment opportunities and increase the overall attractiveness of these areas. Rural areas have many places of natural beauty to draw upon, including mountains, rivers and forests (MoFTER, 2007). Bosnia and Herzegovina (BiH) has unlimited capabilities to develop rural tourism in its rural areas (Vujovic, 2007 in Ćejvanović *et al.*, 2013). However, rural tourism is still a novelty within the tourism sector and touristic offer in BiH (Draganic, 2011; Radovic *et al.*, 2013). Nevertheless, it is considered one of the important strategies for the diversification of rural livelihoods and economy in Bosnia (Draganic, 2011). Nurkovic and Dzeko (2014) identified rural tourism as a factor of development of economic activities in Bosnian rural areas taking into consideration rural economy diversification trend and the positive outlook of the global tourism industry. From a diversification point of view the types of tourism that BiH could consider focusing on include: cultural heritage, religious heritage, soft adventure, and eco-tourism. BiH is already well positioned especially in eco-tourism that has been recognized as an area for strategic development (FAO-ROECA, 2012).

The objective of the present paper is to provide an overview of rural tourism in south-eastern BiH with a particular focus on structures management, and services and products offer diversification.

Material and Methods

The paper is based on an extended review of secondary data and primary data collected by structured questionnaires carried out in summer 2012 with 45 rural tourism structures owners and managers in eleven Bosnian municipalities: Vlasenica, Han Pijesak, Milici, Zvornik, Kalinovik, Rogatica, Visegrad, Pale, Bratunac, Sokolac and Foca.

Apart from data about respondents (name, age, level of education, occupation, municipality) different issues regarding rural tourism structures were addressed: name; location; type (country home, vacation cottage, guesthouse, rural hotel, camping site); number of male and female employees; principal clients; if rural tourism is the primary business; whether rural tourism is a family business; peak season; profitability; offer of typical food products; offered

products and/or services (food, B&B, recreational activities, event organizing, etc.); the main difficulties faced during the running of the facility; intention to diversify the business and other services that may be offered; strategies for marketing and promotion of products/services; main reasons for which visitors choose the rural tourism structure (food, services offer, landscape, service quality, building architecture, etc.); sources of agricultural and food products (local producers and suppliers, city market, own production, etc.); and resources that could be used for the development of rural tourism in the area.

The age of the interviewed rural tourism entrepreneurs ranges between 22 and 66 years; average is 43. As for education level, most of the interviewees have high school education (77.7%) while the remaining have university (13.4%) and elementary school (8.9%) education.

Results and Discussion

Different types of rural tourism establishments and structures can be found in the surveyed area. These include: cottages, houses / apartments, restaurants, small hotels, camping sites, motels, horse farms, youth hostels, travel agencies. The clientele include foreign tourists as well as locals and visitors from other Bosnian municipalities.

For most of the interviewed rural tourism establishments owners and managers (86.7%) rural tourism is the primary activity and the main source of income. In addition, for a large share of them (45.5%) rural tourism is a family business. Among the surveyed municipalities, tourism in general and rural tourism in particular is more developed in Foca and Visegrad. Most of the interviewees (87.8%) consider rural tourism as a profitable business.

According to the rural tourism structures managers, visitors are attracted by: typical food and drinks, diversified services offer, natural surroundings and landscape beauty, quality of services, food quality, architectural and cultural heritage.

Rural tourism contributes to the creation of jobs in rural areas. In fact, the number of employees in the surveyed rural tourism structures reaches even 20 persons. Taking into consideration gender, average female employees number is 2.2 (maximum 15) while for male employees the average is 3.1 (maximum 20).

The main difficulties in running rural tourism facilities are lack of financial resources, high VAT and other taxes, and low number of guests in winter. Other difficulties faced by rural tourism providers regard procurement of goods, infrastructure maintenance, lack of qualified staff, lack of support from local authorities, complicated legal system and legislation, and outdated infrastructure and equipment. Moreover, rural tourism remains mainly a seasonal activity. In fact, the peak season is summer for 80% of the interviewees and winter (11.1%) for some tourism facilities located in mountainous regions or close to them. Development of tourism in Bosnia requires consolidating legal, political and strategic frameworks; improving tourism standards, services and infrastructure; ensuring more harmonised marketing and promotion; creating a more favourable environment for investment in rural tourism; strengthening capabilities of the support structure and facilities; and improving integration of tourism with general development plans in rural areas (Bejtović, 2008; Hesse, 2008).

According to the interviewees, the main resources that could be used in the future for the development of rural tourism are: traditional villages; agricultural resources; natural resources (forests, streams, rivers, lakes, mountains, caves); cultural heritage (rural folklore) and old buildings (churches, monasteries, traditional houses); existing tourism facilities (hotels, ski centers, horse farms); traditional food and cuisine. However, some rural tourism establishments owners and managers think that there are few tourist attractions at the level of municipalities as many were destroyed during the civil war. Moreover, there are some current problems that hinder tourism development (e.g. low quality of infrastructure and services).

Rural tourism structures managers made many suggestions to attract more tourists to their municipalities: increasing investment in rural tourism and socio-economic development of rural areas; better promotion and marketing of tourism using different media (*e.g.* brochures, internet); creation of new tourist attractions (ethno villages, ski resorts, festivals, sport and cultural events, open days); improvement of service delivery and quality in rural areas; paying more attention to environment protection and natural (rivers, forests, waterfalls, springs) and cultural (monuments, historical sites, folklore, water mills) heritage preservation; renovation of hotels and tourism facilities (old village houses, ski centres); improving human capital especially skills related to rural tourism services management; development of new tourism services in some municipalities (running trails, cycling, excursions, hiking, hunting, fishing, horse riding, paragliding, adventure and eco-tourism, winter tourism, traditional food restaurants).

Probably it is due to the above-mentioned difficulties that only 24.5% of the interviewees plan to expand their business by offering new services such as tourist transport services, football and tennis playgrounds, producing own meat and dairy products, selling tickets, creating a riding school, building cottages, mini-ethno villages and conference rooms or simply by increasing the number of rooms.

Apart from accommodation, rural tourism structures provide already a wide range of products and services including food, recreational activities and organization of celebrations (Table 1). As for food, many changes are being made to adjust menus to the needs and demand of visitors (Nurkovic and Dzeko, 2014). According to Ohe (2007), there is in general a degree of difficulty in internalisation of farm multifunctionality in rural tourism activities. However, among actual farm multi-functions, recreational and educational functions are the most suited for farm diversification or internalising by individual farming activities due to the relative ease in transforming these functions into service goods.

Table 1. Products and services offered by rural tourism structures in south-eastern Bosnia.

Service category	Examples	Percentage of structures offering the service category
Accommodation	-	26.7%
Food	-	71.1%
Recreational activities	Horse riding, carriage rides, swimming pools, gym, beauty salon, hunting and fishing, skiing, excursions and trips, hiking, visits to mills, shipping in Drina canyon	20.0%
Organization of celebrations	Religious celebrations, birthdays, graduations, baptisms, weddings, sport celebrations, dinners for hunters, celebration of the International women's day (8 March), different types of parties	40.0%

*Source: Author's elaboration based on the questionnaire survey results.

As activities of rural tourism have become diverse, the demand for rural tourism is becoming more and more experience oriented (Ohe, 2007). Rural tourism is a service good that is directly interchanged between producers and consumers (Ohe *et al.*, 2009).

Moreover, diversification of services implies building new partnerships and collaborations. In fact, many of the offered services are arranged in collaboration with other stakeholders such as other catering/tourist facilities, local authorities (*e.g.* municipal councils), local

communities, NGOs, tourism organizations. Rural tourism create networks of people even outside the local community and these networks stimulate discovery of new local resources and eventually the creation of new activities that can be converted in rural tourism products and services.

Three thirds of the surveyed rural tourism facilities offer typical food from the region. The list of typical and local agro-food products offered change from a municipality to another and includes roasted lamb and pork meat, different types of cheese, corn bread, various soups, cheese pie, Kajmak, smoked meat, milk, donuts, gruel, potato, freshwater fish, polenta, Vlasenica steak, fruits and vegetables, rolled kebab, scrambled eggs, etc. Many of these agro-food products are provided by local suppliers and processors (*e.g.* drinks, cheese, meat, vegetables, fruit, brandy, fish, prosciutto, honey, Kajmak, milk, corn flour) while others are bought from green markets (*e.g.* vegetables, fruits, cheese, eggs). Some rural tourism facilities produce their own vegetables, meat, cheese, fish, brandy and fruits.

Rural tourism in general and agro-tourism in particular has many advantages in relation to agriculture. In fact, it brings major primary sector, agriculture, closer to major service sector, tourism, thus creating win-win situation for both the sectors *i.e.* tourism sector has the potential to enlarge and agriculture sector has the capacity to absorb expansion in tourism sector (Gopal *et al.*, 2008).

Rural tourism structures use different channels and tools to promote their services and products such as internet, billboards placed near the restaurant, radio, and printed materials but also rely on customers' recommendations and word of mouth advertising.

Conclusions

Rural tourism has a high potential for the diversification of rural households' livelihoods. Therefore, rural tourism could be a strategy for sustainable development of rural areas and also a tool for product differentiation. One of the most common features of rural tourism that should be offered to farmers as an incentive to consider starting a tourism business is its ability to generate an alternative income stream. Tourism is a promising way of diversifying the economic base of farmers and rural dwellers.

Development of rural tourism is hindered by many difficulties. Therefore, it is necessary to improve tourism standards, services and infrastructure; create a more favourable environment for investment in rural tourism; strengthen support structures and facilities capabilities; and improve integration with general rural development plans. Furthermore, linkages between rural tourism and agriculture should be operationalized by establishing a better relationship between rural tourism structures and farmers in the area. This will help producers to easily sell their agro-food products and rural tourism providers to diversify their service offer by including, for instance, excursions and visits to farms. Nevertheless, this requires an improvement of the management of rural tourism establishment and an upgraded professionalization of managers.

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