Project „Tourism and futurism“,
Varshets-Sokobanja, No
CB007.2.12.068.

Interreg - IPA CBC
Bulgaria - Serbia

Horwath HTL™

# TOURISM DEVELOPMENT PROGRAM

## OF THE MUNICIPALITY OF SOKOBANJA

TOURISTIC ORGANIZATION SOKOBANJA
TRG OSLOBOĐENJA NO. 2
18 230 SOKOBANJA
SERBIA

The project is co-funded by EU through the Interreg-IPA CBC Bulgaria-Serbia Programme

# INTRODUCTION

To Whom It May Concern,

We are very grateful for the opportunity to propose and create a "Tourism development program of the municipality of Sokobanja".

Having in mind our experience in the development of strategic, operational and action plans in the field of tourism and the knowledge of the principles and concepts of planning, as well as mechanisms for managing tourist destinations and localities, and especially the experience of tourism products, areas and specific localities based on natural and cultural resources, both locally and internationally, and on this occasion, we were guided by the desire to deliver material that will provide a quality basis for further steps with the ultimate goal of developing Sokobanja as one of the leading spa destinations in Serbia and the region.

This project was implemented according to a combination of office work and activities in the municipality of Sokobanja, during which the Horwath HTL team conducted field trips, visits to leading tourist attractions, restaurants, hotels, and health facilities and other factors of the tourism sector. Also, active cooperation with the Tourist Organization of Sokobanja, representatives of the Municipality of Sokobanja, and primarily through intensive workshops and contacts with members of the Working Group formed for the implementation of this project, contributed to improving the quality of the current situation analysis process based on secondary data and strategic and operational workshops and presentations.

With respect,

Branislav Miletić, Director Horwath HTL

# DISCLAIMER

The project was done based on the Contract concluded on December 23rd, 2019, with the Tourist Organization of Sokobanja within the implementation of the project "Tourism and Futurism" Vršec-Sokobanja No.CB007.2.12.068 co-financed by the European Union through the Interreg-IPA Cross-border Cooperation Program Bulgaria - Serbia.

Having in mind that the occurrence of changed market conditions in the future is possible, it is understood that after the submission of the final report of the Study to the Client, we have no obligation to revise this report or the analyzes contained therein.

Our report is based on assumptions and estimates that are subject to future uncertainty and variations that may arise in the environment. This report is based on assumptions about future consumer behavior and an understanding of trends in overall economic trends associated with an appropriate level of uncertainty. We note that efficiency in the cooperation of key stakeholders in the preparation phase, further planning process, and implementation of this tourism development program is a key factor in the project's success.

According to the Client's information, Horwath HTL assumes that at the date of this report, the Project in question is fully compliant with all provincial and national regulations, as well as

that restriction on possible non-compliance of the Project with regulations, which could affect the credibility of our projections, will not occur in the future.

Also, based on the information obtained, the Contracting Authority provided us with all essential information relevant to the development of the Project. In that sense, no hidden factors and information could affect the Project in the future and the accuracy of forecasts and conclusions from this report. Horwath HTL's liability is limited to available Project information obtained from the Contracting Authority and other publicly available information used during the preparation of this report and cannot be extended to the knowledge of any kind implicitly arising from this Report.

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Client: Touristic organization of Sokobanja
Project: Tourism development program of the municipality of Sokobanja

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# PART I

## ASSIGNMENTS AND PROCEDURES

Tourism Development Program
of the Municipality of Sokobanja

# 1. TASKS AND PROCEDURES

## 1.1. TASKS

The Tourism Development Program of the Municipality Sokobanja is proposed for the period from 2021 to 2025 (hereinafter: the Program) and was prepared in accordance with Article 12 of the Law on Tourism ("Official Gazette of RS", No. 17/2019) and the Tourism Development Strategy of the Republic of Serbia for the period from 2016 to 2025 ("Official Gazette of RS", No. 98/16).

In the process of developing the Program, the Minister of Trade, Tourism and Telecommunications adopted the Rulebook on the content and manner of drafting the tourism development program ("Official Gazette of RS", No. 86 of June 19, 2020) so that the content and method of drafting are aligned this regulation.

Following the goals and recommendations of the Strategy, the goal of the Program is to approach tourism strategically and systematically, not only through economic indicators but also through the multiplier effects that tourism has on overall socio-economic development, local and regional development, culture and education, improvement of the environment and the development of complementary activities (trade, agriculture, construction, etc.).

Bearing in mind the principles governing the field of tourism - integrated development of tourism and related activities, as factors of overall economic and social development, which in accordance with the law ensures the implementation of mutually agreed plans and programs; sustainable development of tourism as a harmonized system of technical-technological, economic and social activities, which is based on economic development, preservation of natural and cultural assets, preservation and development of the local community; increasing efficiency and responsibility in the field of use, management, protection and improvement of tourist space; providing uniform standards for the provision of services in tourism; protection of the national economy, users of the tourist product and tourist professions; partnership between the private and public sector and civil society in the planning, design and marketing of tourism products; providing unique, public and electronic records of registered and recorded data in the field of tourism and other principles in accordance with the Law on Tourism, the obligation of the Municipality of Sokobanja is clear that the field of tourism as one of the priority activities in the municipality plans and determines development priorities in the future.

The program contains a description of the position and basic characteristics of the planning area, analysis of the current situation (perspectives and limitations), analysis of the resource base of the planning area, SWOT analysis, vision of tourism development, mission of the Program, strategic directions and phases of tourism development and proposals for their solution, guidelines for the action plan for the implementation of the Program with a term


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plan, the manner of monitoring the implementation of the Program, as well as the program of promotional activities.

The Program contains text and graphic presentation.

The Program development process is made in accordance with:

- Situational and market analysis:
  - Description of the position and basic characteristics of the municipality of Sokobanja and analysis of the resource base for tourism development;
  - Demographic analysis;
  - Analysis of existing infrastructure;
  - General economic trends and trend in the labor market;
  - Analysis of existing tourism governing model in Sokobanja;
  - Market analysis (current supply and demand);
  - Relevant global trends in tourism and
  - SWOT analysis and key challenges of tourism development at the territory of Municipality of Sokobanja.
  - In addition, a benchmark analysis was performed through a review of good practice examples.
- Strategic and program framework of tourism development in the municipality of Sokobanja:
  - The vision of tourism development;
  - Tourism development mission;
  - Tourism development goals;
  - Key strategies and policies for tourism development;
  - Challenges of sustainable tourism development and recommendations for risk management and
  - Program of promotional activities.
- Action plan:
  - List of activities with an overview of institutions responsible for the implementation and schedule of the Program and
  - Method of monitoring the implementation of the Program.


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## 1.2. PROCEDURES

The process of drafting the Program was based on the following methodology:

- Initial data collection through a questionnaire sent to the Tourist Organization of Sokobanja and members of the Working Group;
- Field research - visits to key attractions, resources and value chain elements in tourism, including the application of the "mystery shopper" method;
- Workshops with the Working Group formed to monitor the implementation of the Project and additional communication of solutions with representatives of the Tourist Organization of Sokobanja (a total of 18 workshops were held, live and via appropriate Internet platforms, in accordance with the epidemiological situation due to the Covid-19 pandemic);
- Analysis of the existing strategic and planning documentation in Sokobanja (spatial and urban plans, strategies and other planning documents submitted by the members of the Working Group - desk research);
- Interviews with key private sector actors, both in tourism and other relevant sectors (field research);
- Secondary research of all submitted and available data related to the general context (desk research);
- Анализа Интерент страница у вези са туризмом Сокобање (кабинетско истраживање);
- Secondary (desk) research of global quantitative and qualitative trends in tourism according to available data from *UNWTO, WTTC (World Travel and Tourism Council), Hospitality Inside*, as well as the rich internal database of Horwath HTL and other sources;
- Secondary and primary research of other spa tourist destinations (desk research and interviews with key stakeholders of selected destinations);
- Data were processed using MS Office packages, AutoCad, Corel Draw, Adobe Photoshop, 3D Studio Max and appropriate Internet tools and applications.

The following team of experts participated in the development of the Program:

- Darinka Novčić, key expert 1, Project manager
- Vuk Đurović, key expert 2
- Prof. Dr Goran Petković, key expert 3
- Branislav Miletić, key expert 4
- Aleksandra Bradić-Martinović, PhD, Institute of Economic Sciences, associate


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- Branka Novičić Korać, PhD, Faculty of organizational sciences University of Belgrade, associate
- Igor Kovačević, PhD, Faculty of Economics University of Belgrade, associate
- Ljubomir Jovanović, PhD, Horwath HTL, associate
- Jasmina Beljin Iskrin, MA, associate
- Pavle Bradić, Horwath HTL, associate
- Jovana Petković, Horwath HTL, associate


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# PART 2

# GENERAL DEVELOPMENT CONTEXT

Tourism Development Program
of the Municipality of Sokobanja

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# 2. GENERAL DEVELOPMENT CONTEXT

## 2.1. GENERAL DATA ON SOKOBANJA

The municipality of Sokobanja administratively belongs to the Zaječar district in the Timok region and includes an urban settlement, the spa and surrounding villages. It consists of a total of 25 settlements, of which 24 are of the rural type. The city settlement of Sokobanja is the only urban-type settlement in the municipality and represents the administrative, economic, tourist, health and cultural and educational center of the municipality.

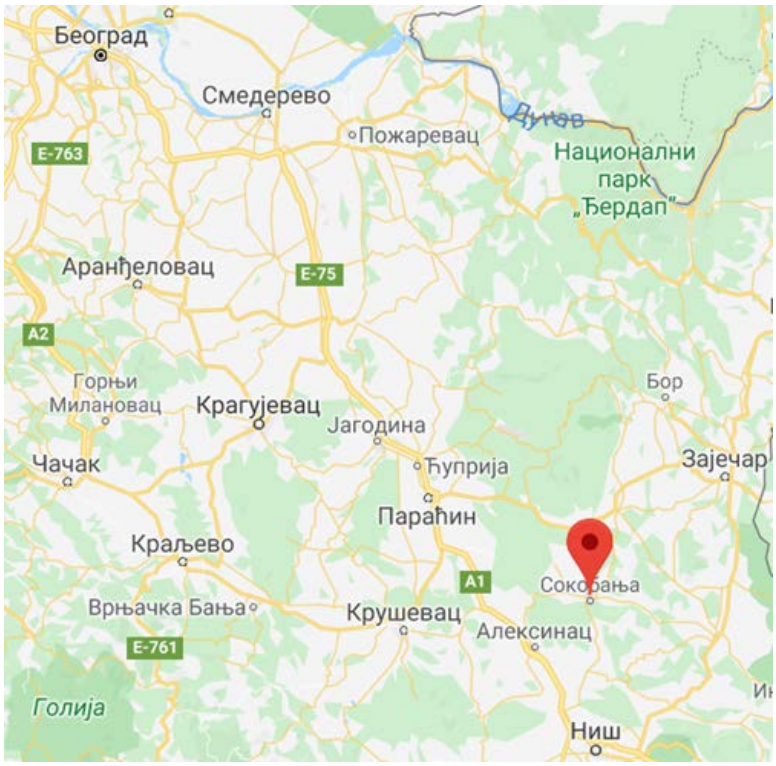
Five neighboring municipalities surround the territory of the municipality of Sokobanja: the municipality of Boljevac in the north, the municipality of Knjaževac in the east, the municipality of Svrljig in the southeast, the municipality of Aleksinac in the south, and the municipality of Ražanj in the west. The total area of the municipality of Sokobanja is 525 km$^2$.

### 2.1.1. Geography

Sokobanja is located at 43°63' of north latitude and 21°87' of eastern longitude, in the central part of Eastern Serbia, at 400 m. It is located in the valley of the same name, surrounded by a chain of medium-high mountains.

The river Moravica flows through Sokobanja, and it creates Bovan Lake in the west of the valley. Lepterija is also connected to Sokobanja, it is a picnic area located along the Moravica River and the

Figure 1. Location of Sokobanja on the map of Serbia




*Source: Google Maps*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famous medieval town - Sokograd (spa). Near the spa, there is the Ripaljka Waterfall, a total height of 40 m, with the highest section of 11 m.

**Landscape**

The Sokobanja valley was formed during the formation of the Carpathians and the Balkanids, i.e., the northern orogenic belt of the Mediterranean zone of the European mountains. The form of the area was created under the influence of various factors - tectonic processes, abrasion, erosion, accumulation and impact of rivers, so in the area of Sokobanja valley, three units can be distinguished:

1. The valley belt encompasses the alluvial plain of the Moravica River and its tributaries. This belt is on average 1km wide and follows the course of the river with a slight fall, so in the western part of the valley (at the entrance to the Bovan gorge), it is 252 m high, while in the eastern part (the confluence of the Čitlučka River and north along the Seslačka River) it climbs up to 390 m above sea level. A characteristic form of the valley belt is the river terraces, which has the Moravica river outlined with its multi-millennium existence.
2. The transition belt - hills is a transition zone from the valley belt to the valley's edge. These hills go both south and north of the Moravica River. In the western, more sloping part, that border goes up to 620 m above sea level. The dominant landform features of the transition zone are the lake terraces, which testify to the lake level's rhythmic lowering in the long period of shaping the area landscape.
3. The mountain belt represents the perimeter of the valley, whose altitude ranges from 420 m to 1560 m (Rtanj - Šiljak), and in the south from 420 m to 1174 m (Ozren - Leskovik) and 1187 m (Devica - Čapljinac) (Dakić, 1967, p.4). In the east, the highest peaks do not exceed 1100 m (Slemen 1099 m, Krstatac 1070 m), while the mountains in the west (Bukovik and Rožanj) have their highest peaks below 900 m.

**Geological Composition**

The Sokobanja valley with peripheral mountains is a typical karst area where karst landforms are represented by 464 km$^2$, which ranks this area in the second place per limestone masses in eastern Serbia, after Kučaj (652km$^2$). Limestone space implies numerous corrosive surfaces and speleological forms. Research in the area of Sokobanja has recorded over fifty karst landforms phenomena, which can be classified into pits, ditches, caves and collapsed caves.

**Pedological Cover**

Alluvium predominates in the pedological composition of the soil in the area around the Moravica and Sesalačka rivers. Compared to other types of soil, alluvium contains significant amounts of humus and lime matter, and in relation to other types of soil, it is in the first place in terms of fertility.

The hills are covered with layers of lake clay, marl, sand and gravel mixed with sandy clay. These lake sediments belong to a type of soil called smonica.


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In the higher parts of the hills, there is gajnjača, while in the foothills of Rtanj, podzol occurs to a lesser extent.

In the valley's mountain belt, especially on the northern, eastern and southern rim, limestone soil predominates - skeletal and skeletoid soil with podzol. The mountain belt of the valley with skeletal land on the northern rim is under pastures, and on the southern and western under pastures and forests. On the eastern edge of the valley, bare limestone land predominates, which changes to pastures on the northern edge. The western rim of the valley with the mountains Bukovik and Rožanj are rich in forest vegetation.

### 2.1.2. Climate

The climatic characteristics of Sokobanja are conditioned by the landforms and the specific geomorphological structure of the terrain. In addition to general climatic factors, such as latitude and longitude, the climatic characteristics of the Sokobanja valley are influenced by altitude, terrain exposition, the direction of mountains and valleys and the openness of the valley to the south. Bordered and almost entirely closed by high mountains, the area is climatically unique and differs from the surrounding areas by specific temperature fluctuations, precipitation height and wind frequency. Such morphological conditions influenced the creation of a unique climate, temperature fluctuations, distribution and height of atmospheric sediments, frequency and strength of winds, i.e., the creation of special climatic features of the valley.

Based on the climatic regionalization of Serbia, the Sokobanja valley is classified in the Sokobanja-Knjaževac climate region in which a temperate continental climate with warm summers and mild winters is present and in which, in the pluviometric regime, Mediterranean influences are felt sometimes (Rakićević, 1980, p. 132). The average annual fluctuation of air temperature is 22.6°C.

Temperature can go below 0°C as well in April, May and October. Air temperature above 10°C occurs in the area's valley belt at the end of the first decade of April and lasts until the end of the second decade of October. These temperatures last from 179 to 193 days. The high daily temperature during the summer is bearable because the cold air masses descend from the surrounding mountains while the warm ones rise, so the nights are more pleasant. Due to such temperatures and other climatic factors, Sokobanja enjoys a famous climatic health resort's reputation.

Table 1. Average monthly temperatures of Sokobanja in period 1901-2000 (C°)

| Period | I | II | III | IV | V | VI | VII | VIII | IX | X | XI | XII | Y | Ampl. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1901-30 | -2.5 | 0.3 | 5.1 | 10.3 | 16.5 | 19.5 | 20.5 | 20.5 | 16.2 | 11.0 | 4.8 | 0.5 | 10.2 | 23.0 |
| 1931-60 | -1.2 | 0.2 | 4.6 | 10.6 | 15.8 | 19.2 | 21.4 | 20.7 | 16.5 | 10.9 | 5.6 | 1.9 | 10.5 | 22.6 |
| 1961-90 | -1.4 | 0.8 | 5.1 | 11.1 | 16.0 | 19.2 | 20.9 | 20.4 | 16.4 | 10.4 | 5.2 | 0.8 | 10.4 | 22.3 |
| 1991-00 | -0.3 | 1.1 | 5.4 | 11.2 | 15.8 | 19.0 | 20.8 | 20.6 | 16.2 | 11.0 | 4.8 | 1.4 | 10.6 | 22.3 |
| XX cent. | -1.6 | 0.6 | 5.0 | 10.8 | 16.0 | 19.2 | 20.9 | 20.6 | 16.3 | 10.8 | 5.1 | 1.2 | 10.4 | 22.5 |


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*Source: Dimitrijević, LJ., Radivojević, A., Filipović, I. (2010). Termički režim Sokobanjske kotline, Glasnik Srpskog geografskog društva, Volume XC – No.1. 145-151*

The thermal regime of the Sokobanja valley is characterized by the alternation of hot and fresh summers with cold and mild winters. Winter temperatures are significantly more variable than summer temperatures, which means that the differences in temperatures between individual summers are smaller, while the differences in temperatures between winters are more pronounced. When this area is under the influence of continental polar air masses, the average winter temperatures are low. Mild and warm winters occur when this area is under the influence of ocean air masses or continental tropical air currents. The position of the spa in the valley, i.e., the valley extension, which is protected on all sides by the mountains from the intrusion of cold winds, is important for alleviating the climate, especially in the winter half the year. The climate is significantly affected by the northern exposition of Sokobanja, on which the accepted radiation, insolation, air temperature, height of the snow cover, etc.

Table 2. Average monthly temperatures of Sokobanja in period 2001-2014 (C°)

| Period | I | II | III | IV | V | VI | VII | VIII | IX | X | XI | XII | Annual |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2001 | 2.8 | 3.7 | 10.6 | 10.7 | 17.2 | 18.4 | 23.0 | 22.7 | 16.0 | 13.2 | 4.7 | -2.7 | 11.7 |
| 2002 | -0.5 | 6.7 | 9.2 | 10.1 | 17.6 | 20.6 | 22.6 | 19.9 | 15.3 | 11.0 | 8.2 | -1.8 | 11.6 |
| 2003 | -0.6 | -3.8 | 4.0 | 9.6 | 18.6 | 22.0 | 21.5 | 23.7 | 15.2 | 9.6 | 7.6 | 1.4 | 10.8 |
| 2004 | -1.9 | 1.1 | 5.9 | 12.0 | 13.9 | 18.6 | 20.7 | 19.8 | 14.9 | 13.0 | 5.8 | 2.8 | 10.6 |
| 2005 | 0.1 | -2.8 | 3.5 | 11.0 | 15.8 | 17.9 | 21.0 | 19.3 | 16.7 | 10.6 | 5.0 | 2.5 | 10.1 |
| 2006 | -3.4 | 0.6 | 5.4 | 11.7 | 15.7 | 18.7 | 21.7 | 20.0 | 16.7 | 12.7 | 5.6 | 1.5 | 10.6 |
| 2007 | 4.6 | 4.9 | 7.8 | 11.6 | 17.4 | 21.8 | 24.3 | 22.4 | 14.6 | 12.5 | 6.4 | 2.5 | 11.9 |
| 2008 | -0.7 | 2.8 | 7.8 | 11.9 | 16.4 | 20.5 | 21.5 | 21.8 | 14.6 | 12.5 | 6.4 | 2.5 | 11.5 |
| 2009 | -0.3 | 0.9 | 5.6 | 12.2 | 17.3 | 19.6 | 22.1 | 22.0 | 17.4 | 10.9 | 6.9 | 3.6 | 11.6 |
| 2010 | -0.9 | 1.4 | 5.9 | 11.6 | 16.3 | 19.9 | 22.0 | 21.9 | 16.3 | 8.0 | 10.7 | 1.6 | 11.3 |
| 2011 | -0.8 | -1.5 | 5.0 | 10.9 | 15.0 | 19.4 | 21.7 | 22.1 | 19.6 | 9.2 | 1.6 | 3.4 | 10.5 |
| 2012 | -1.0 | -5.3 | 7.0 | 12.7 | 15.8 | 22.5 | 25.3 | 23.2 | 19.7 | 12.6 | 8.2 | -0.3 | 11.8 |
| 2013 | 1.5 | 2.9 | 5.0 | 13.1 | 18.1 | 20.0 | 22.0 | 24.1 | 15.7 | 12.3 | 7.9 | 1.1 | 12.0 |
| 2014 | 2.2 | 5.7 | 8.7 | 11.3 | 15.3 | 19.8 | 22.1 | 21.8 | 16.6 | 11.2 | 6.7 | 0.9 | 11.9 |

Air temperature is one of the most important climatic elements and is of great importance for the development of tourism, especially for defining the tourist season's duration. According to the annual temperature flow, it can be concluded that the primary tourist season lasts from May to the beginning of October when all outdoor activities are possible.


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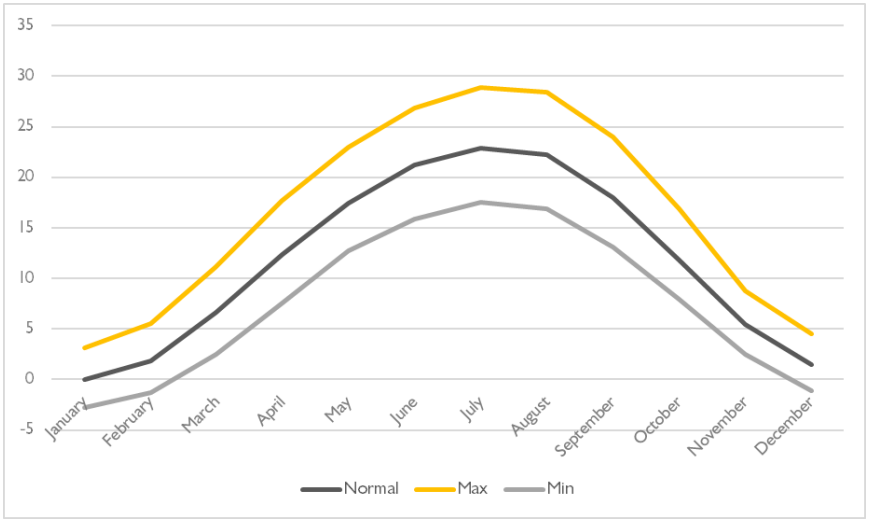
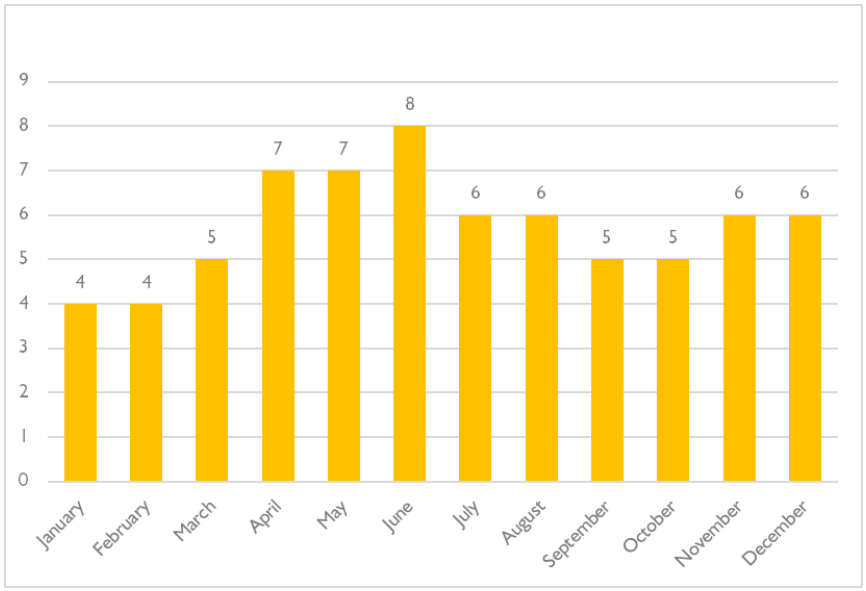
Figure 2. Average monthly temperatures of Sokobanja (C°)




*Source: www.yr.no*

Figure 3. Average precipitation in Sokobanja (mm)




*Source: www.yr.no*

**Bioclimatic characteristics**

The area's bioclimatic characteristics indicate the relationship between the perennial state of the atmosphere and the living organisms. A combination can see the bioclimatic impact of climatic variables such as: equivalent temperatures, cold index, air enthalpy, air cooling power, etc. Equivalent temperatures, which are a combination of temperature and water vapor, are especially important for spas. The importance of equivalent temperatures is reflected in the fact that they cause different heat or cold feelings in healthy and sick people. At equivalent temperatures, three weather types and nine sensations of heat or cold exist.

Based on the annual flow of equivalent temperatures, weather types and "real feal" in Sokobanja were determined.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The cold weather type is present in November, December, January, February and March. The individual heat sensation, which is classified as cold, occurs in December, January and February. The individual heat sensation of the very algid type is typical for November and March. The physiological heat sensation of the very cold type is not represented.

Pleasant weather type occurs in April, May, September and October. The individual heat sensation of fresh warm weather type is not present. The class of agreeable weather is represented in April and October. The class warm weather is represented in May and September.

Overheated weather type occurs in June, July and August, and it is a bit humid. Classes humid and very humid are not represented.

**Hydrography**

*Surface waters*

Waters and water land cover about 20 km$^2$ and occupy 3.78% of the area of the municipality of Sokobanja. In the surface hydrographic system, the main river flow of this area is the Moravica river in Sokobanja, a right tributary of the Južna Morava. It originates from the Tisovik and Izgar, and is called Moravica from the Čitlučki (Moravica) spring called Istoci (Marković, 1977, p. 40). The Moravica flows through the Sokobanja valley in the upper and middle course, while in the lower course, after breaking through the Bovan gorge, it flows through the valley of Aleksinac.

In addition to the Moravica, its tributaries are also important for hydrography, of which there are 11 right and eight left ones. The most important right tributaries are: Izgare, Sesalačka river, Vrbovnički spring, Mratinja, etc. Of the left tributaries, the following stand out Duboki potok, Gradašnica, Čučunjski spring, Poružnička river, Lukovički spring, etc.

Thanks to the water potential on the river "Moravica", the "Bovan" reservoir was built, which belongs to the Moravica subsystem within the Lower-South Moravian regional system. Bovan Lake is 10 km from Sokobanja and 13km from Aleksinac. The lake is about 8 km long and covers an area of 450 ha. The deepest part is about 50 m deep, while the average depth of two-thirds of the lake is from 6 to 10 m. At the confluence of the Moravica and the lake, at an average water level, the depth is about 2-2.5m. The existing reservoir is intended for the water supply of settlements in the municipalities of Sokobanja, Aleksinac and Ražanj, as well as a small number of villages in the town of Kruševac and the municipality of Paraćin. In addition to this reservoir, the construction of seven smaller reservoirs is planned.

In addition to the Bovan Lake, there is a much smaller Vrmdža Lake, located near the village of the same name, on the southern slopes of Rtanj. The lake is of karst origin, has an oval shape and is up to 50 m wide.

An attractive hydrogeological phenomenon is the "Ripaljka" waterfall, which is located near Sokobanja on the Gradašnica river, at an altitude of 420 m. The waterfall consists of 11 sections with a total height of about 40 m. The height of the highest section is 11m. The waterfall is most attractive in the spring when there is the most water after the snow melts.


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"Ripaljka" waterfall is the first natural monument, a protected good in our country, by the decision of the Institute for Protection and Scientific Study in Natural Rarities of the People's Republic of Serbia, in 1948.

*Thermo-mineral Waters*

Thermo-mineral waters of Sokobanja, according to their geographical distribution, belong to the Carpathian-Balkan region. According to the type of springs, these are karst-type waters. Based on the temperature, the thermal waters include the waters from Sokobanjska banjica, Lepterija and Banja Jošanjica, and the hypothermal springs (above 35 C°) include the waters of Soko Banja "Park".

Based on the pH value, the waters of Sokobanjska banjica and Lepterija are classified as neutral (6.8-7.2), and Banja Jošanjica and Soko Banja "Park" as slightly alkaline (7.2-8.5).

Regarding mineralization of the mineral waters in the Sokobanja area, they belong to the slightly mineralized waters with mineralization up to 1g/l.

According to the gas composition, these are nitrogen-type waters.

The basic chemical composition confirms that the waters of Sokobanja belong to the hydrocarbonicalHCO3 class.

They belong to the calcium-magnesium (Ca – Mg) subclass of waters based on the cationic composition.

Based on the radioactivity, the waters of Sokobanja can be classified in the group of low radon-radium waters.

Sokobanja waters' capacity is over 3,000 l/m and 6 to 7 liters of gas per minute.

Table 3. Overview of basic characteristics of mineral waters in the area of Sokobanja

| No. | Basic characteristics | Locality | | | |
|---|---|---|---|---|---|
| | | 1. Sokobanja „Park" | 2. Sokobanjska banjica | 3. Lepterija (Sokobanja ) | 4. Banja Jošanjica |
| 1. | **T(°C)** | 43.0 | 33.0 | 20-21.8 | 17-26.1 |
| 2. | **pH** | 7.5 | 7.1 | 7.1 | 7.3 |
| 3. | **Gas composition** | $N_2$ | $N_2$ | $N_2$ | $N_2$ |
| 4. | **Chemical composition formula** | $Mo_{,46}\frac{HCO^3{}_{81}\ SO_4\ {}_{17}}{Ca_{66}\ Mg\ {}_{25}}\ Q_{>10}$ | $Mo_{,47}\frac{HCO^3\ {}_{70}\ SO_4\ {}_{10}}{Ca_{76}\ Mg\ {}_{15}}\ Q_{=5\text{-}7}$ | $Mo_{,38}\frac{HCO^3{}_{92}}{Ca_{86}\ Mg\ {}_{12}}\ Q_{\geq 10}$ | $Mo_{,40}\frac{HCO^3\ {}_{82}\ SO_4\ {}_{12}}{Ca_{50}Mg\ {}_{43}}\ Q_{=5}$ |
| 5. | **Specific components** | $SiO_2$, Sr, Rn, Ra | Rn,Ra | Rn,Ra,$H_2S$ | $SiO_2$,Sr, $H_2S$ |
| 6. | **Spring type** | Karstic | Karstic | Karstic | Karstic |


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| | | | | | |
|---|---|---|---|---|---|
| 7. | **Types of springs, i.e. type of water intake** | Spring, i.e. catchment and wells 37.5m deep (C-5) | Spring and shallow wells up to 10 m deep | Spring captured in the coast of the Moravica | 8 springs, 2 larger captured, exploration well 336m deep (water springs at 218-259 m) |
| 8. | **Class** | HCO3 | HCO3 | HCO3 | HCO3 |
| 9. | **Subclass** | Ca -Mg | Ca | Ca | Ca -Mg |

Medical indications of Sokobanja waters are bronchial asthma, chronic hepatitis, psychoneurosis, neurasthenia, mild forms of high blood pressure, chronic rheumatism, sciatica, condition after injuries.

Contraindications are tuberculosis, severe heart disease, tumors, bleeding, infectious diseases, cachexia.

### 2.1.3. Historical context

In the Neolithic era, there was a human settlement in the area of Sokobanja, as evidenced by scientific research and archaeological finds at the site of Trebič, as well as the site of Popovica, on the right bank of the Moravica river, near Sokograd, which is marked as a Bronze Age hill fort. Travel writer Felix Kanitz claimed that Sokobanja was a settlement of Roman origin in which there had been a bathing place - balnea, from which the word Banja (spa) was derived.

Nine years after the Battle of Kosovo, the Turks arrived in Sokobanja. The spa is mentioned by Constantine the Philosopher in the biography of despot Stefan Lazarević, and Evliya Çelebi also described it, Turkish geographer Hadjdji Khalifa, Vuk Karadžić, the travel writer Felix Kanitz and others. At that time (1663), the famous Amam was built at the most celebrated healing spring in Sokobanja. Sokobanja was liberated from the Turks for the first time by Hajduk Veljko Petrović (1808), and it experienced a sudden rise after the final liberation from the Turks (1833), with the arrival of Prince Miloš Obrenović. By his order, in the same year, the Turkish hammam was renovated, built on the foundations of Roman baths. Right next to the hammam for men, the Prince also got his bathtub, which is still in operation today, after several reconstructions.

After the Second World War, Stevan Sremac (died in Sokobanja in 1906), Branislav Nušić, Isidora Sekulić, Ivo Andrić, Rodoljub Čolaković, Meša Selimović and Vasa Čubrilović, Jovan Cvijić, Josif Pančić, Emilijan Josimović, Žanka Stokić and others often visited the spa. The healing properties of Sokobanja waters were officially and scientifically established in 1908 by Professor Marko Leko and confirmed in 1932 by Professor Dragoljub Jovanović, an associate of Marie Curie.[1]

### 2.1.4. Natural Heritage

Sokobanja is located in a valley, surrounded by mountains that go from east, west, north and south, which gives a unique stamp to this area making the landform diverse and climate healing. The wind rose, the oxygen-rich air, and the Moravica river that flows through Sokobanja are

[1] Source: the Municipality of Sokobanja, http://www.opstinasokobanja.com.


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an additional refreshing factor for the spa itself. On the municipality territory, 24,599 ha are under the forests, and 7,017 ha are meadows and pastures.

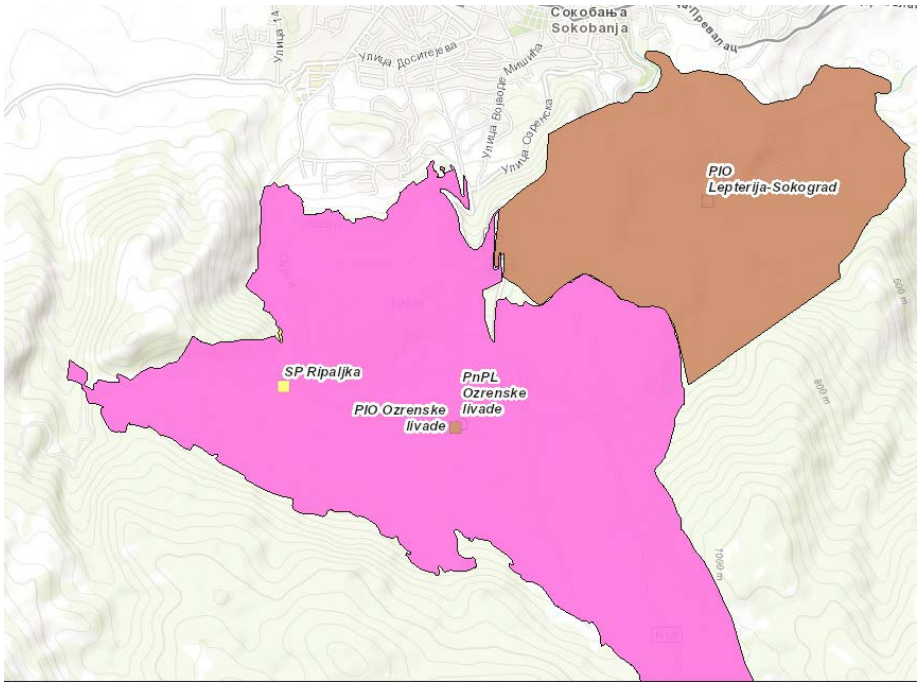
Table 4. Protected areas in the vicinity of Sokobanja

| Name of the area | Municipality | Protected in | Category | Area (ha) |
|---|---|---|---|---|
| Ozrenske livade | Sokobanja | 1973 | The landscape of special natural beauty | 828.52 |
| Lepterija - Sokograd | Sokobanja | 2003 | The landscape of exceptional features | 405.71 |
| Velika and Mala Ripljanka | Sokobanja | 1948 | Waterfalls | 6.82 |

*Source: Institute for Nature Conservation of Serbia*

The Decree on Ecological Network in the Area of the Municipality of Sokobanja also defines two ecologically important areas - Rtanj with Ozren and Devica. Mount Rtanj is also in the process of conservation as a special nature reserve.

Figure 4. Ecologically important areas of the Sokobanja Municipality




*Source: Protected natural assets of Serbia - https://cloud.gdi.net/visios/zzps*

1) Landscape of exceptional features "Lepterija - Sokograd"

The landscape of exceptional features Lepterija - Sokograd is protected by the Decision of the Municipality of Sokobanja in 1969, based on the Law on Nature Protection. According to the Law on Environmental Protection (1991), by the Decree of the Government of the Republic of Serbia (2002), the area of Lepterija - Sokograd was determined as a natural asset of exceptional importance, on a total area of 406 ha. The decree determines the II and III degree protection regimes in the protected area.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2) Landscape of exceptional features "Ozrenske livade"

The landscape of exceptional features “Ozrenske livade” is protected by the Decision of the Municipality of Sokobanja (1973), based on the Law on Nature Protection. This significant natural asset covers an area of 237 ha with an established II degree protection regime.

3) Monument of nature – the "Ripaljka" waterfall

Although the "Ripaljka" waterfall is the first natural monument in our country, which was protected in 1949 by the Institute for Protection and Scientific Study in Natural Rarities of the People's Republic of Serbia, under modern regulations, its protection is confirmed by Regulation on the Protection of the Natural Monument "Ripaljka" in 2009.

With a total area of 6.82 ha, the protected area is located at the source of the river Gradašnica on the mountain Ozren near Sokobanja.

The monument of nature "Ripaljka" has been placed under protection to preserve and improve the exceptional morphological and hydrological features and beauty of Ripaljka, the most famous and one of the largest bigren waterfalls in the Republic of Serbia, as well as to preserve other natural values of the Gradašnica spring, represented by its wellspring, the Mala Ripaljka waterfall and a series of waterfalls and giant potholes in the riverbed, in the interest of science, education, culture, recreation and tourism.

In the area of the "Ripaljka" Monument of Nature, II degree protection regime has been established.

4) Special Nature Reserve "Rtanj"

Special Nature Reserve "Rtanj" includes the eponymous mountain massif that belongs to the Eastern Serbia, i.e., the southwestern part of the Carpathian-Balkan mountain system, and administratively it belongs to the municipalities of Sokobanja and Boljevac.

The area of the Special Nature Reserve "Rtanj" is 4,997.17 ha, of which 3,013.53 ha (60.30%) is state-owned, 1,983.63 ha (39.70%) is privately owned. The first degree of protection covers 6.08%, the second degree 35.62% and the third degree 58.30% of the total area of the Special Nature Reserve "Rtanj".

A specific landform outlines the space's landscape characteristics with a conical peak Šiljak and very steep slopes.

The most significant natural values of the Special Nature Reserve "Rtanj" are:

- Inner valley basins (krivovirski, bogovinsko-sumrakovački and sokobanjski basins), as well as the tectonic horst of Rtanj with a part of Gola Planina and the area of the southern slope of Rtanj towards Konstadinovica;
- Morpho-structural landform (mountain ridge Kusak-Golemi vrh (1,405 m) with limestone pyramid Šiljak (1,570 m);
- The oldest rocks within the older Paleozoic, Silurian and Devonian sediments, a series of dolomites and dolomitic limestones;


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- 14 speleological structures (two caves, ten pits, two structures corresponding to the pit-cave type) and significant hydrogeological phenomena (Mirovsko wellspring, Lukovsko wellspring, Mrljiš wellspring, Ilinsko wellspring and other smaller ones);
- Forests of relict character (mixed forests of fir and beech), thermophilic forests and shrubs of the oak belt, mesophilic beech and beech-fir forests, Hungarian oak-oak forests and developed shrub vegetation;
- Phytocenosis of *Ceterachi-Ramondetum serbicae*, an endemic species of violet (*Viola grisebachiana*) with alpine saxifrage (*Saxifraga paniculata*), as well as xerophilous types of herbaceous vegetation (pastures, meadows and rocky areas), Volga fescue (*Festuca valesiacaca*) and edifanator species, rocky-endemic Rtanj mint (*Nepeta rtanjensis*);
- 644 taxa from the group of vascular plants, taxa classified in 72 families of higher plants.

In the area of Rtanj, 11 strictly protected species have been identified: Serbian ramonda (*Ramonda serbica*), Rtanj mint (*Nepeta rtanjensis*), bug orchid (*Orchis coriophora*), military orchid (*Orchis militaris*), male peony (*Paeonia mascula*), alpine clematis (*Clematis alpina*), mountain pasque flower (*Pulsatilla montana*), stemless gentian (*Gentiana acaulis*)), representatives of amphibians (salamander (*Salamandra salamandra*), common newt (Lissotriton vulgaris), mountain newt (Ichtyosaura alpestris), yellow-bellied toad (*Bombina variegate*), agile frog (*Rana dalmatina*), march frog (Pelophylax ridibundus), Greek frog (Rana graeca), European tree frog (Hyla arborea), common toad (Bufo bufo), European green toad (Pseudepidale viridis)); representatives of reptiles (Hermann's tortoise (*Eurotestudo hermanni*), blindworm (*Anguis fragilis*), European copper skink (*Ablepharus kitaibelii*), sandlizard (*Lacerta agilis*), European green lizard (Lacerta viridis), common wall lizard (*Podarcis muralis*), Caspian whipsnake (*Dolichophis caspius*), smooth snake (*Coronella austriaca*), Aesculapian snake (*Zamenis longissimi*), grass snake (*Natrix natrix*), dice snake (*Natrix tessellate*), horned viper (*Vipera ammodytes*));representatives of the fauna (there are 89 species of birds, of which 83 species of nesting birds, 28 species of mammals, three species of bats recorded), from the order of insectivora there are: European hedgehog (*Erinaceus europaeus*), European mole (*Talpa europaea*) and common shrew (*Sorex araneus*), representatives of rodents include yellow-necked mouse (*Apodemus flavicollis*) and bank vole (*Clethrionomys glareolus*).

Sokobanja is a place with the longest tradition of spa tourism development in Serbia. The first tourist came to recover in 1837, and it has been known as a natural spa since Roman times. The secret of Sokobanja's healing properties is in the harmony of all the rich factors that nature has endowed it with. What makes Sokobanja powerfully healing is the noble gas radon, which, when dispersed in the air, has a beneficial effect on many diseases (bronchial asthma, chronic bronchitis, high blood pressure, diseases of the nervous system and endocrine glands). Favorable ionization, i.e. the presence of positive and negative ions in the air, refreshes and strengthens.[2]

[2]Source: Sokobanja spa centar, http://www.natalyspa.com/sokobanja/.


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### 2.1.5. Flora and Fauna

Sokobanja is located at the foot of the karst landforms of Eastern Serbia, which is why this region's vegetation is floristically very diverse but spatially relatively underrepresented. For the most part, these areas have been deforested, or the forests have been completely devastated. Therefore, natural forest complexes related to a particular type of land occur only in limited, difficult to access mountain areas. In the southern parts of the area, at the foot of the mountains, the Mediterranean floral element is represented the most with a significant number of mostly low vegetation species, to which red soil as a type of soil suits well.

Vegetation belts, as well as climatic and pedological, change from the base to the peaks and have the following arrangement: a) white hornbeam belt mixed with oak and Hungarian oak; b) white hornbeam belt with maple; c) Turkish hazel belt; d) beech forest belt which, on more sheltered slopes and shady sides, turns into juniper and spruce forest. Black pine and fir forests also appear on the more prominent peaks and steep cliffs of Suva planina, Rtanj and Kučaj. On the whole, in the karst terrains, mixed forests spread on plateaus and ridges have a dominant role. Above the forest floor, pastures with steppe grass appear on the sunny and arctic-alpine floristic elements on the shady sides. In Eastern Serbia, the natural vegetation of beech forests is the best preserved. The largest complexes are found in the higher and more inaccessible limestone mountains. The lower belts' forests have been destroyed mainly by huge exploitation, partly by burning in the lower areas, during the last 150 years.

Winter savory

Oregano

Teucrium montanum

The exceptional floristic and health value of the Sokobanja area is made up of wild medicinal herbs. This area has long been known for its numerous useful medicinal species and other plants, which occupies one of the most important places within the overall richness and diversity of the flora of Eastern Serbia. The latest research of medicinal and aromatic plants of this region has confirmed the incredible diversity and richness of certain species (especially on Rtanj, Ozren and Devica) and their high quality in terms of medicinal ingredients. The presence of about 200 species (among which there are endemic ones) has been determined, the most famous of winter savory, St. John's wort, thyme, oregano, tillia, teucrium montanum, yarrow, etc.[3]

[3]Tourist center of Sokobanja - https://www.soko-banja.org/najnovije/24.html.


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Southern white-breasted hedgehog

Peregrine falcon

European roe deer

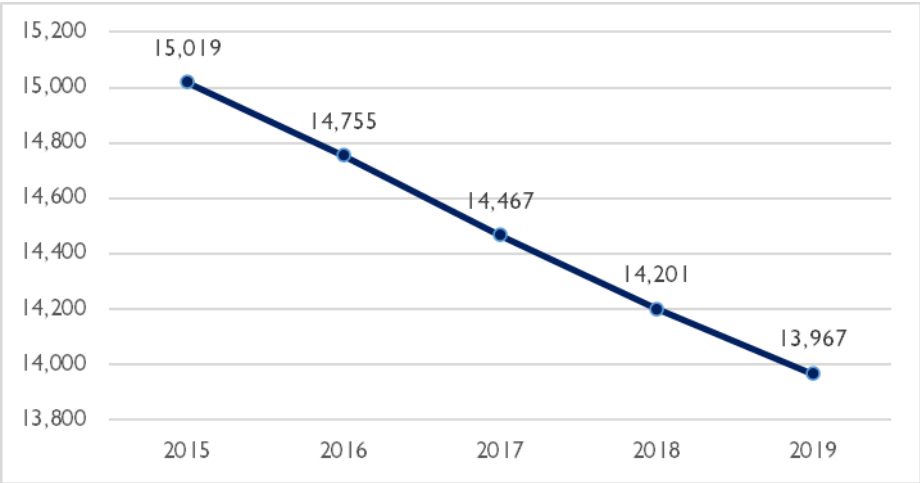
The gorge of the Moravica river is inhabited by a large number of animal species important not only nationally but also globally: great crested newt, Southern white-breasted hedgehog, hazel dormause, ermine, red fox, white stork, Eurasian hobby, long-eared owl, Eurasian hoopoe, great spotted woodpecker and many others. Rabbits, partridges, pheasants, quails, wolves, roe deer, wild cats, jackals, Eurasian woodcock and wild boars also live in the surrounding forests.

### 2.1.6. Demographic trends

In the municipality of Sokobanja, in the period of 1953-2002, a decrease in the number of inhabitants was recorded in 24 settlements, and only in the settlement of Sokobanja an increase was recorded, as a consequence of migratory movements of the population. Such a situation has led to the depopulation of rural areas, which are characterized exclusively by agricultural activities, which has implied the process of demographic aging and the creation of aging households. According to the last census (2011), alarming demographic trends have also affected the settlement of Sokobanja, which for the first time recorded a population decline.[4]

According to the 2002 census, there were 18,521 inhabitants in Sokobanja, in 2011 16,021 inhabitants, and according to the latest projections of the Statistical Office of the Republic of Serbia, Sokobanja has 13,967 inhabitants (2019).

Figure 5. Estimated population of Sokobanja (2015-2019)




*Source: Statistical Office of the Republic of Serbia*

[4]Denda, S. (2014) *Turizmološki prikaz Sokobanje*, Master paper, University of Belgrade, Faculty of Geography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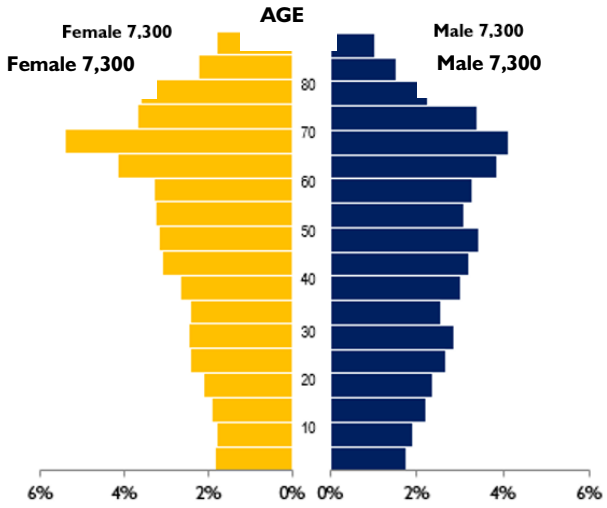
The presented data indicate a negative trend in the number of inhabitants in Sokobanja for the period of 2015-2019. Factors influencing depopulation are population migrations and negative natural increase, which in Sokobanja is -17.0.

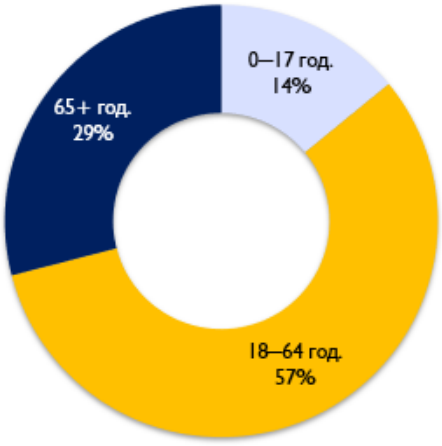
Figure 6. Population by age and gender, 2018




*Source: Statistical Office of RS*

In the municipality of Sokobanja, the average age of the population is 47 years, with a larger number of women than men.

Figure 7. Population by age groups, 2018




*Source: Statistical Office of RS*

The population of the municipality is characterized by a dominant presence of Serbs (14,936), with a small number of representatives of other ethnic groups - Roma (213) and others (Vlachs, Albanians, Macedonians, Hungarians, Croats and Montenegrins) - a total of 107.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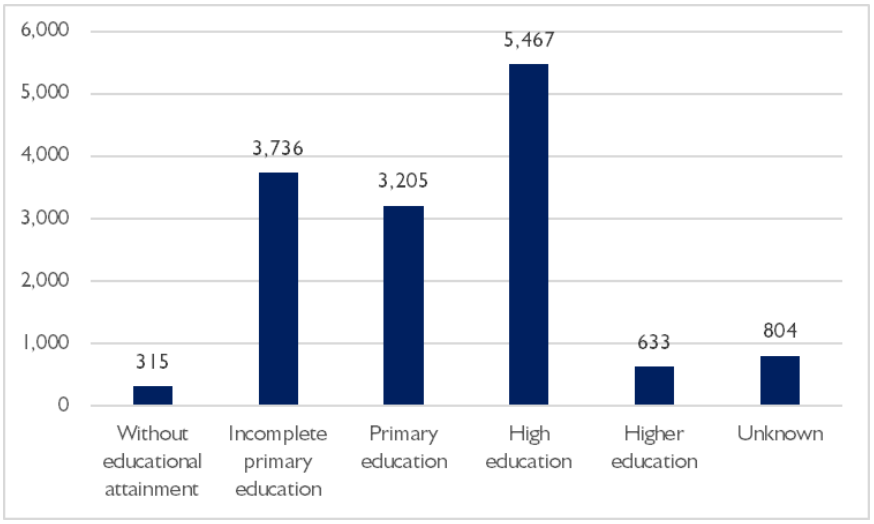
### 2.1.7. Educational Structure of the Population

The largest number of inhabitants of Sokobanja has a secondary education (38.6%), but a large number have incomplete primary education (26.4%) or primary education (22.7%). There is a small population with university and college education.

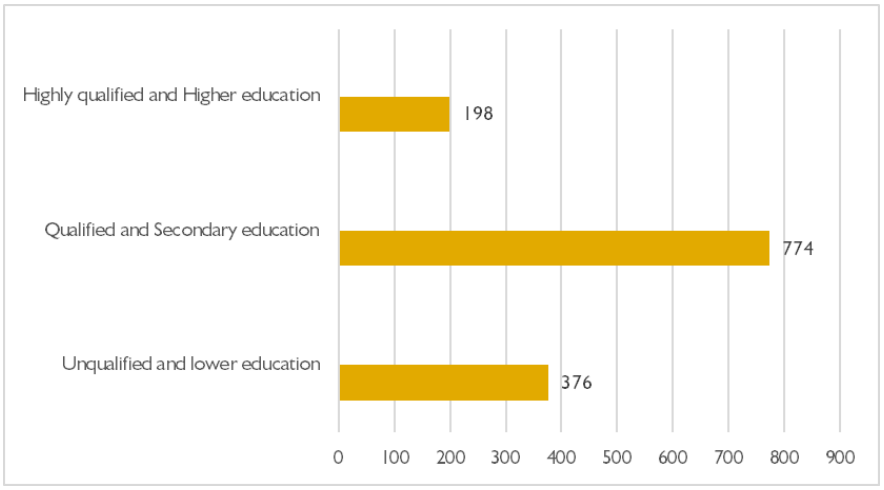
Figure 8. The population of Sokobanja aged 15+ old according to education*




*Source: Statistical Office of Serbia*

In 2018, 1,318 inhabitants of Sokobanja were not employed. The highest percentage of the total unemployed population belongs to the category "Qualified and with secondary education" (58%), followed by the category "Unqualified or with lower education" (27%), and the lowest number is of highly qualified (15%).

Figure 9. Qualification structure of the unemployed population, August 2019




*Source: Serbian Business Registers Agency*

Three schools in the Zaječar district offer education in the field of trade, tourism and catering, namely: "Branislav Nušić" high school in Sokobanja, "Nikola Tesla" high school in Boljevac and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the School of Economics and Trade in Zaječar. All of the above schools have the profiles of trader, tourist and catering technician and cook.[5]

## 2.2. ANALYSIS OF THE EXISTING INFRASTRUCTURE

### 2.2.1. Water supply and wastewater treatment

***Water supply***

According to the plans for the development of water supply system in the Republic, the municipality of Sokobanja, due to the quality and quantity of water resources of local water sources and reservoir "Bovan" on the river Moravica, is included in the Moravica subsystem of the Lower South Moravian regional system.

The water supply company of Sokobanja supplies about 8,000 users (98% of the population), with an increase during the tourist season of up to 20,000 users.

According to the existing state, water is obtained by capturing groundwater through drilled wells on the right bank of the Moravica river, capturing water from the Moravica stream, as well as capturing water from three karst springs: "Ozren", "Vrelo" and "Bela voda".

The "Ozren" spring was captured before World War II for the "Ozren 2" sanatorium's needs. In the fifties, a pumping station was installed, which automatically supplied the hospital and the settlement "Ozren". In the seventies, the spring was reconstructed, its capacity and flow were increased so that it became the main supplier of the settlement of Sokobanja. The capacity of the source ranges from 5 to 80 l/s.

The "Vrelo" spring is the first captured spring in the territory of Sokobanja. It was built in the thirties of the last century. Water from this spring is pumped into the "Borići" tank by a pumping station. The capacity of this limestone spring is from a minimum of 6 to a maximum of 30 l/s.

"Bela Voda" spring was captured in the seventies of the last century. Water from this spring flows into the Gradašnica river. The capacity of the spring ranges from 6 to 30 l/s.

The "Carina" water treatment plant receives water directly from the Moravica river. It was built in 1994 and operates on the basis of slow sand filters. The water quality at the intake site is of class IIa. The plant operates only during summer, when the capacity of natural resources is reduced and when the number of users increases due to the tourist season. The disadvantage of this source of water supply is the technical limitation of the plant to purify water to the quality of drinking water in times of high turbidity and during these periods the plant is shut down. The capacity of the source varies from 20 to 40 l/s.

[5] Source: Ministry of Education of the Republic of Serbia http://www.upis.mpn.gov.rs/Cir/Srednje-skole-pretraga/220000001000000000


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With the help of the European Union within the EU-PRO Program, the water treatment plant "Carina" was reconstructed in 2019 and 2,722 m of new primary water supply network was built.

Water treatment plant "Lepterija" purifies the water obtained from wells in the Moravica valley, with direct filtration technology. Wells are located near the plant. Water is delivered from the plant, through the pumping station, to the "Sokogradska" interruption chamber, and then further to the Borići reservoir. The designed capacity of the plant is 35 l/s.

The average yield of all springs that supply the Sokobanja water supply system is 97 l/s.

The existing reservoir volume is 1020 $m^2$. The largest reservoir in the water supply system is the reservoir "Borići", with a volume of 820 $m^3$ (two chambers of 410 $m^3$). The elevation of the bottom of the reservoir is 369.25 m above sea level and the elevation of the overflow is 373.25 m above sea level. The first altitude zone of the settlement (290-340 m above sea level) is supplied from this reservoir. It is filled with water from the springs "Vrelo" and "Lepterija", and it is connected to other springs via the network.

The reservoir of the second altitude zone (340-400 m above sea level) is "Zavod" whose volume is 200 $m^3$. The elevation of the bottom of this reservoir is 426.00 m above sea level and the elevation of the overflow is 430.00 m above sea level. It is filled with water from the "Ozren" spring.

The water supply network on the territory of Sokobanja is about 50 km long, with over 4000 connections. The quality of the network is unsatisfactory, due to the age and use of environmentally unsuitable pipelines. Losses in the network are extremely high and range around 60%. Water supply is especially endangered in the summer months during most of the tourist season.

Reconstruction of the primary water supply network improves the distribution water supply system's condition, increases water quantities, reduces losses, and enables stable and continuous water supply throughout the year for both the population and businesses, including hotels and catering facilities.

Within the support of the European Union, the implementation of the EU project PPF 7 "Reconstruction/construction of water supply and distribution systems and collection and treatment of wastewater in Sokobanja" is underway. One of the goals of the project is to build a new water treatment plant on the site of the existing "Carina" water treatment plant, expand the water supply system, reconstruct and rehabilitate the most problematic parts of the current water supply system, including new reservoirs and pressure boosting stations. With the feasibility study, the whole project is based on the stable use of water supply sources, with an achieved capacity of 110 l/s, which corresponds to 22,000 simultaneous users' needs.

Data on the state and plans for the development of the Sokobanja water supply system point to limiting the tourist occupation of space to 14,000 simultaneous users (22,000-8,000).

Other settlements (weekend, rural and spa Jošanica) have an individually organized and arranged way of water supply, which can satisfy only the elementary, initial development of tourist activities.


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***Evacuation and treatment of wastewater***

Collection and evacuation of wastewater from the territory of Sokobanja take place through a general type of sewerage. The length of the constructed sewerage network is about 30 km, and about 94% of the inhabitants of Sokobanja are connected to it. The entire sewage content is taken to the wastewater treatment plant, and the treated water is discharged into the Moravica river. The plant is inside the settlement and works on the principle of biological and mechanical wastewater treatment. It was built in 1972 and was a technologically advanced system at the time of its creation, which occupied a special place in the United Nations ecosystem. After depreciation and a series of accidents, the capacity of the plant dropped to 35 l/s, which is insufficient for Sokobanja, especially during the tourist season.

Most of the collected and untreated wastewater is discharged into the Moravica River, which flows into Bovan Lake, which is used as a water reservoir for water supply in the downstream part of the municipality of Aleksinac and villages in the municipalities of Ražanj and Kruševac.

Within the project of the European Union (EU PPF 7), as part related to the evacuation and treatment of wastewater, the project's aim is an expansion of the system for collecting sanitary and atmospheric water, reconstruction and rehabilitation of the most problematic parts of the existing systems for collecting sanitary wastewater and atmospheric water, and the construction of a new wastewater and sludge treatment plant.

For collecting of used water from the area of temporary and rural settlements, technically and sanitarily unsuitable septic pits are used, representing a risk for pollution of the "Bovan" basin and a limiting factor for the development of tourist activities.

### 2.2.2. Electrical energy infrastructure

*Electrical energy infrastructure* – Development of the electrical power system is based on the construction of transmission capacities (voltage level 110kV - transmission lines and substations) and construction and upgrade of distribution lines and substations 35kV and 10kV for the safer supply of consumers.

In the municipality of Sokobanja, consumers are supplied with electricity from the direction of Aleksinac via an OHL 110(35)kV, which is under the jurisdiction of the PE "Elektromreže Srbije". The transmission line is built on steel-lattice poles with 240mm$^2$ conductors.

In accordance with the concept of electrical power development, a 110/35kV substation "Sokobanja" was built. It is made of 2x31.5MVA, with the installation of a transformer 2x20MVA. For this substation's commissioning, it is necessary to connect the transmission line 110kV SS 110/35kV-SS 35/10kV "Sokobanja", which is currently operating at a voltage of 35kV, to a 110kV voltage. For a safer supply of consumers in the area, it is necessary to build a 110kV transmission line "Sokobanja"-"Boljevac"-"Zaječar", which closes the 110kV ring "Aleksinac - Sokobanja - Boljevac - Zaječar". In addition to connecting the 110kV transmission line, it is also necessary to expand the 35/10kV substation "Sokobanja" from 2x4MVA to 2x8MVA, the construction of the 35/10kV substation "Sokobanja -2", and its connection with cable lines in the "ring" with the planned 110/35kV substation "Sokobanja" and the existing 35/10kV substation "Sokobanja".


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The realization of the mentioned electric power projects in the area of Sokobanja, represents the basis for satisfying the needs of the existing consumers and the condition for the development of tourist and other economic projects, according to the available resources of the area.

The maximum peak loads of the electricity network are recorded in December, January and August. The electricity distribution medium voltage network 35kV and 10kV is in a technically satisfactory condition in relation to the power supply needs of the facilities. However, due to the safety of power supply, safety and aesthetic criteria for arranging the tourist space, certain facilities of the low-voltage network need to be reconstructed or relocated, i.e. abolished. This especially applies to the city center, family and multi-family housing zones, work zones and zones for tourism, sports and recreation.

The General Urban Plan defines the parameters and conditions for the development of the secondary electricity network with transformer stations (10kV and less) and the voltage network, which created the conditions for the development of tourist and other projects in the Sokobanja area.

*Renewable energy sources* - Of all available forms of renewable energy sources (SHPPs, wind turbines, solar energy), solar energy is the most acceptable for tourism development. According to framework research, the area of the municipality belongs to the zone of slightly higher intensity of solar radiation than the average for Serbia, with about 4 to 4.2kWh/m$^2$ per day (horizontal measuring surface), or 4.6 to 4.8kWh/m$^2$ per day (measuring surface at an angle of 30° to the south). The degree of utilization depends on the conversion method of the receiver. With such indicators, direct conversion to electricity is not economical, but it is possible to build small solar power plants, where the conversion of solar energy into electricity is performed through solar photovoltaic panels. Small solar power plants could be located in urban and suburban areas, on the surface of the land or the buildings' roofs, depending on the field's conditions.

*Gasification* - According to the adopted concept of strategic development of Serbia's energy resources till 2025, the priority energy source for use is natural gas. The advantage of natural gas over other energy sources is its high calorific value and easy application.

The General Regulation Plan of the Sokobanja area determines the rules of regulation and construction of the Main Measuring and Regulating Station and low-pressure gas distribution network, based on the rulebook on conditions for uninterrupted and safe distribution of natural gas through gas pipelines up to 16bar.

As part of the development of the Republic of Serbia's gas pipeline system, Sokobanja is connected to the main gas pipeline MG-09 Pojate-Niš near Ražanj. The route follows the road Ražanj-Crni Kao, then continues north in the direction from Mozgovo to Vrbovec, then follows the road from Vrbovec to the road Resnik-Jošanica and then through Trgovište reaches the Sokobanja settlement.

The use of gas as an energy source is under the Local Energy Plan for Energy Efficiency of the Municipality of Sokobanja, a document that aims to reduce energy products with a greenhouse effect.


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### 2.2.3. Traffic infrastructure

The valley in which Sokobanja is located is transit because it is positioned between two basins - Moravian and Timok.

**Road traffic.** Through Aleksinac, Sokobanja is connected by roads and railways, which pass from Belgrade through the valley of the Velika and Južna Morava towards Niš. It is connected with the Timok region by regional roads through Knjaževac and Boljevac. The easiest way to get from Belgrade is by car via the motorway E75 Belgrade-Niš, then to exit at Aleksinački rudnici for Aleksinac, where one needs to travel another 30 km to Sokobanja.

Sokobanja is 235 km far from Belgrade, 321 km from Novi Sad, 30 km from Aleksinac, 60 km from Niš, 27 km from Boljevac, 40 km from Knjaževac, 66 km from Zaječar, 59 km from Kruševac, 118 km from Kraljevo and 149 km from Kragujevac.

The most important traffic communication towards Sokobanja occurs through the regional road Aleksinac-Sokobanja-Knjaževac (II-A-no.217), which enables the most accessible connection of this area with the motorway E-75. This road direction, in the direction of the east, connects the area of the Sokobanja valley with Zaječar and Bor, and in the direction of the south with Niš and other larger cities in Serbia.

The position of Sokobanja concerning the Republic of Serbia's primary traffic flows the basis for good connections with tourist demand centers and international tourist routes in this part of Europe. Traffic corridors are determinants in the formation of tourist space and in connecting with neighboring municipalities and other centers.

The primary road network within the municipality consists of: state road of II-A category no. 217 (Vukanja - Aleksinac - Soko Banja - Knjaževac) and state road of II-A category no. 218 (Boljevac - Rtanj - Soko Banja - Vrelo - Gornja Toponica). These roads provide traffic connections of Sokobanja with the network of public roads of the Republic of Serbia.

State road of II-A category no. 218, passes through the southeastern part of the settlement and, according to its importance in the city traffic network, has a collection street status. In the settlement area, the route of the road in question coincides with Ozrenska Street's route. The cross profile of Ozrenska Street consists of one carriageway and two traffic lanes. As the entire transit traffic passes through the central zone of the settlement, there is a superposition of the original-target and transit traffic, with negative consequences in terms of reducing the speed of traffic flows and safety and increased pollution by exhaust gases and noise.

Part of Sokobanja has elements of urban-historical development of the city area. The narrowest city center includes blocks along Alekse Markišića Street and its extension to Sveti Sava Street, to Vuka Karadžića and Mitropolita Mihajla Streets and Rade Živkovića and Miladina Živanovića Streets. Almost all central public city functions are located in this zone. The urban part of town means more building. The concentration of public functions of the settlement opens the problem of parking and the intertwining of traffic and tourist flows and activities related to the urban part.

The industrial zone in the western part of the settlement, as well as the bus station in the narrower central zone, are connected to the state road of II-A category no. 217, which


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significantly increases the negative impacts on the traffic flows, and thus indirectly on the settlement as a whole (reduced safety of pedestrian flows, lower level of service, increased level of environmental pollution, etc.)

Activities undertaken by local self-government to solve traffic infrastructure problems are reflected in the preparation of urban and planning documentation for bypass projects around the central part of Sokobanja, public garages and parking spaces at key locations of motorized tourists and bicycle paths within the settlement and towards Bovan Lake.

In addition to the existing projects and activities to improve the traffic network, it is necessary to do a study for a parking of higher capacity at the entrance to Sokobanja, with finding a solution to use eco-transport to the central part of the settlement and key tourist attractions.

The project of bicycle paths must provide access to Bovan Lake as well as more attractive tourist villages (Vrmdža, Sesalac, etc.).

Although the regional road Aleksinac-Sokobanja-Knjaževac enables the easiest connection of this area with the motorway E-75, the key disadvantage of this road is the slow passage through the settlement of Aleksinac.

The initiative of the local self-government, to declare a part of the local road, from the old town of Bolvan, to the village of Rutevac in the municipality of Aleksinac as a regional road and connect it to the motorway E-75, on the planned interchange near the village of the same name, is the optimal solution for Sokobanja, and indirectly for Bor and Zaječar.

The network of local roads in the municipality, which connects settlements and tourist sites, is characterized by inadequate road condition, inadequate road profiles and lack of tourist signs. Local roads do not belong to the category of modern roads and are a limiting factor for the development of tourism at the local level.


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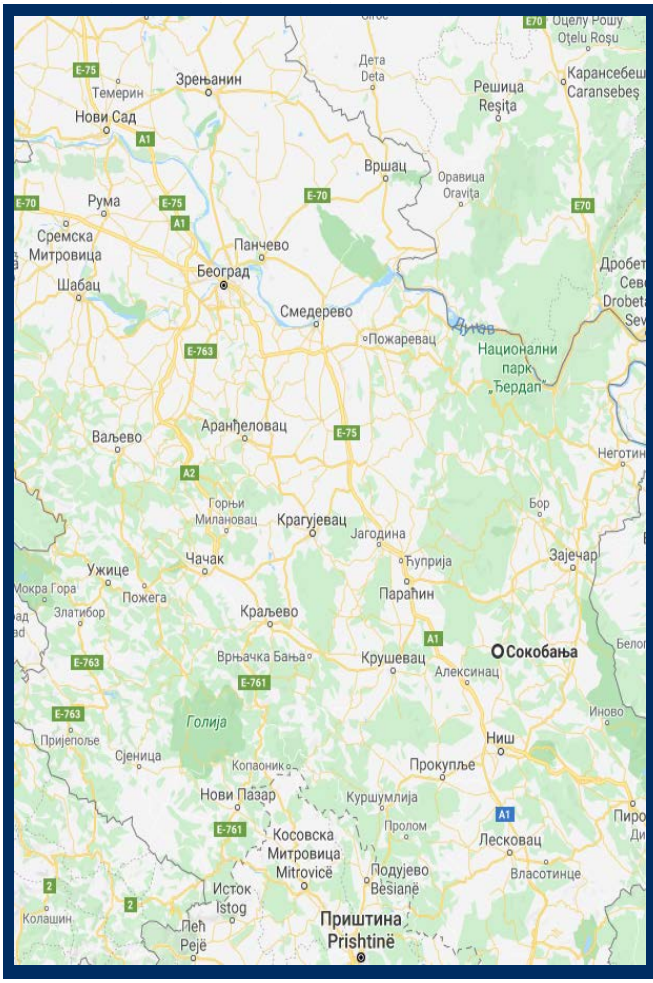
Table 5. Distance of Sokobanja from border crossings and capital cities in the region




| SOKOBANJA | | |
|---|---|---|
| **DISTANCE FROM NATIONAL BORDERS** | | **Duration by car** |
| N. Macedonia - Prohor Plinjski | 196 km | 2h 35 min |
| Bulgaria - Gradina | 165 km | 02h 13 min |
| Romania - Jaša Tomić | 303 km | 04h 05 min |
| Albania - Vrbnica | 279 km | 05h 43 min |
| Montenegro - Špiljani | 225 km | 04h 22 min |
| Croatia - Batrovci | 343 km | 03h 51 min |
| B&H - Kotroman | 300 km | 04h 50 min |
| B&H - Bajina Bašta | 289km | 04h 52 min |
| Republic of Srpska - Trbušnica | 375 km | 04h 45 min |
| **DISTANCE FROM THE CITIES** | | **Duration by car** |
| Niš | 50 km | 01h 13 min |
| Belgrade | 226 km | 02h 32 min |
| Novi Sad | 316 km | 03h 30 min |
| Tesalloniki | 460 km | 05h 10 min |
| Skopje | 257 km | 03h 07 min |
| Sarajevo | 434 km | 07h 11 min |
| Zagreb | 615 km | 06h 27 min |
| Podgorica | 419 km | 07h 41 min |
| Sofia | 217 km | 03h 03 min |
| Budapest | 601 km | 06h 19 min |
| Vienna | 836 km | 08h 28 min |
| Bucharest | 447 km | 06h 30 min |
| Pristina | 346 km | 04h 12 min |
| Athens | 920 km | 09h 27 min |
| Ljubljana | 753 km | 07h 36 min |

*Source: Google Maps*

The following table shows the capacity of road traffic in Sokobanja.

Table 6. Capacity of road traffic in Sokobanja

| | |
|---|---|
| Number of regular bus lines | 10 |
| Number of seasonal bus lines | 25 |
| Number of daily departures from the station during the season | 34 |
| Number of taxi vehicles | 27 |
| Number of public companies' buses | 1 |
| Number of bus parking locations | 2 |
| Number of car parking locations | 10 |

*Source: Sokobanja Tourist Organization*

In the town, there is also a private transport company that has three vehicles (two vans and one bus) with a total of 20 departures to tourist attractions.

The basic assessment of traffic infrastructure is that Sokobanja as a spa place, for which tourism is the basic activity and development opportunity, in terms of traffic, without full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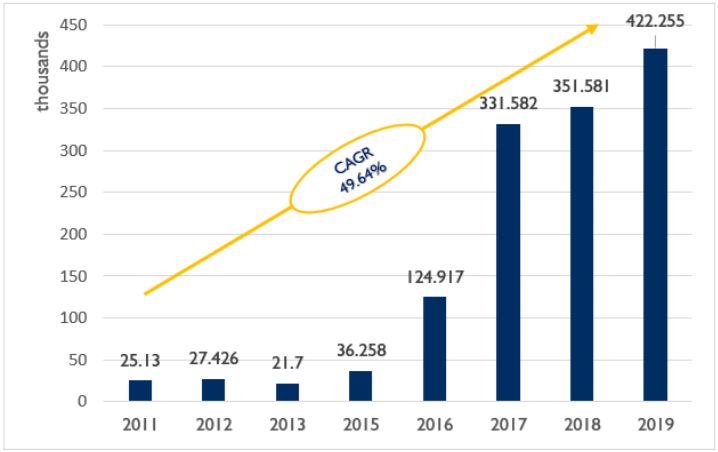
implementation of these transport infrastructure projects, does not meet the criteria for tourist sites of national importance, that with its basic activity and gained experience in tourism development could compete in the international tourism market.

**Railway traffic.** Sokobanja is also accessible by rail. Serbian railway lines pass right next to Sokobanja, and only 35 km away is the railway station Žitkovac, which is located on the line Belgrade - Bar.

**Air traffic**. The nearest airport, 58 km and an hour of drive from Sokobanja, is airport „Constantne the Great" in city of Niš. The airport serves southeastern Serbia, and is located 4 km from the center of Niš in the settlements of Medoševac and Popovac on the territory of the Niš municipality of Crveni Krst. It is the second airport in Serbia in terms of the number of received passengers per year, and in recent years it has recorded a large increase in passengers. Airport recorded more than 420 thousand passengers in 2019 and statistical data obtained from the airport website showed an increase of 49.64% (CAGR) in terms of frequency 2019/2011. However, 2014 is excluded as an outlier due to high deviation as this year airport served only 1.3 thousand passengers because of a lack of regular and charter traffic.[6]

Figure 10. Number of passengers „Constantine the Great", Niš (2011-2019*)




*Source: website airport Konstantin Veliki, Niš*

*Note: *2014 is excluded as outlier*

International airport „Nikola Tesla" in Belgrade is 241 km away from the municipality of Sokobanja, which is about 2h 45 min by car. Airport served 6 million passengers in 2019 thus recording a growth of 8.52% (CAGR)- 2019/2011 position it among the fastest-growing airports in Europe according to the number of passengers. The national airline Air Serbia, achieved a significant contribution to this great result, is 49% owned by Etihad Airways, growing into a leading regional company. Moreover, the airport is expected to be reconstructed and capacity expanded in the coming period.

[6]It should be noted that 2014 was excluded from the analysis due to a large deviation (autolayer). That year, the airport served only 1.3 thousand passengers, due to the lack of regular and charter traffic. After this crisis year, the number of passengers continued to grow.


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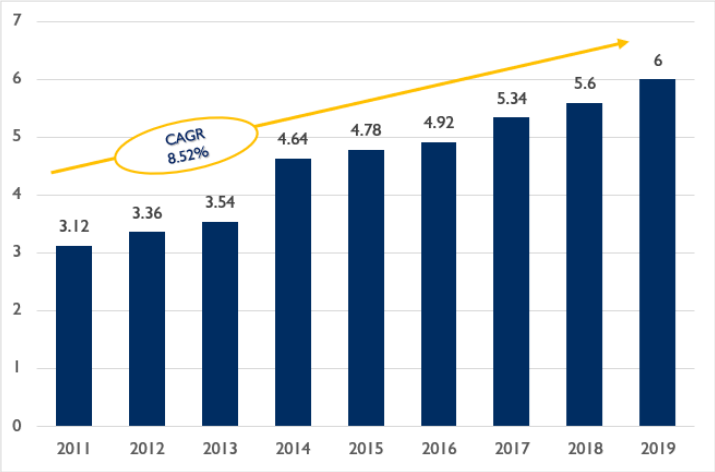
Figure 11. Number of passengers (in mil), 2011-2019




*Source: Nikola Tesla Airport, Press release*

According to the data obtained from the Tourist Organization of Sokobanja, of all the guests who use air transport, 90% come from the airport "Car Konstantin" in Nis, and 10% from the airport "Nikola Tesla" in Belgrade.

### 2.2.4. Analysis of spatial-planning determinants of the municipality of Sokobanja

Tourism is basically a spatial phenomenon, which implies a geographical distribution of users and attractions in space. Planning the development of tourist areas is always a part of a systemic planning complex, as a mechanism of modern management of the development of social communities and activities.

The legal framework, which enables the realization of spatial planning instruments and policies in tourism, is contained in the Law on Tourism, the Law on Planning and Construction, the Law on Public Ski Resorts, the Law on Spas, laws in the field of environmental protection, as well as laws governing tourism complementary activities and areas.

The spatial-planning framework for the development of tourism in the Sokobanja area is determined by the Spatial Plan of the Republic of Serbia for the period of 2010-2020. (Official Gazette of RS, No. 88/10), Regional Spatial Plan of the Timok Region ("Official Gazette of RS", No. 51/11), Spatial Plan of the Special Purpose Area of the Bovan Reservoir ("Official Gazette RS" No. 102/09), Spatial Plan of the Municipality of Sokobanja until 2030 ("Official Gazette of the Municipality of Sokobanja", No. 13/12), Decision on Amendments to the Spatial Plan of the Municipality of Sokobanja, ("Official Gazette of the Municipality of Sokobanja", No. 3/18), as well as the General Regulation Plan of the Sokobanja area (Official Gazette of the Municipality of Sokobanja, No. 22/18).

**Spatial Plan of the Republic of Serbia**

The basic goals of the spatial development of the Republic of Serbia are: more balanced regional development and improved social cohesion; regional competitiveness and accessibility; sustainable use of natural resources and protected and improved environment;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protected and sustainable use of natural and cultural heritage and landscapes; as well as spatial-functional integration.

In the field of tourism, the basic goal of spatial development is spatial-ecological support to the realization of the concept of sustainable tourism development, through compromised integration of principles and strategic, planning and program documents of tourism development, protection and arrangement of tourist spaces, with optimal satisfaction of social, economic, spatial-ecological and cultural needs at national and local level, market interests and conditions of cross-border and international cooperation.

The operational goals of the spatial development of tourism are:

- Realization of tourism development projects in existing and new destinations with the completion and finalization of the year-round tourist offer and intensification of its use;
- Reservation, protection and activation of new tourist areas, depending on the possibility of state financing of non-commercial bases of tourism;
- Strengthening of existing and introduction of new tourist products (at national, regional and local level) - city vacations, cruises (with the most diverse itineraries on natural, cultural-historical and other motives), nautical, theme parks, eco-tourism;
- Stimulating the most important functions of social tourism, especially recreation and sports for children and youth;
- Spatial-functional structuring of the territory of the Republic of Serbia into tourist clusters, with the allocation of priority tourist destinations/regions, directions and places;
- Construction of tourist infrastructure, improvement of road, railway and water transport; providing low-budget and charter airlines; internal connection of tourist destinations by tourist routes;
- Improvement of tourist signalization system; improvement of water and energy management for the needs of tourism;
- Introduction of innovative solutions in information and communication technologies;
- Harmonization of infrastructure, public services, services, recreation and sports with the simultaneous needs of permanent residents and tourists;
- Making partial strategies for the development of significant tourism products;
- Development and realization of spatial and urban plans of tourist destinations and development programs of competitive tourist offer;
- Creating the lacking tourism organizations at regional and local level;
- IT support to the development of tourism, primarily by establishing unique and up-to-date tourist statistics of accommodation, traffic, etc.
- Research support for tourism development, especially in examining current trends and changes in the field of tourism demand and tourism products.


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All given goals are also spatial development goals of Sokobanja.

According to the spatial and functional structuring of the territory of the Republic of Serbia, Sokobanja is classified as a spa tourist center (place) of national, and prospectively international tourist significance.

In accordance with the socio-economic, spatial-ecological and cultural conditions in the Republic of Serbia, a group of tourist products has been singled out, of which: touring (roundand linear tourist trips); business + MICE; spa tourism (health / balneological, climatic / wellness / recreational); events; rural tourism (agritourism and combined rural tourism); tourism of special interests (recreational activities and sports-adventure activities) may predominate in the tourist offer of Sokobanja.

Table 7. Spatial Plan Analysis of the Republic of Serbia

| No. | Spatial plan | Destination/Locality | Types of tourism |
|---|---|---|---|
| | | | |
| 1. | Spatial plan of the Republic of Serbia | Sokobanja<br>Spa and tourist place of national and prospectively international tourist significance | ▪ *Touring* (circular and linear tourist trips);<br>▪ Business + MICE;<br>▪ Spa tourism (health / balneological, climatic / wellness / recreational);<br>▪ Events;<br>▪ Rural tourism (agritourism and combined rural tourism);<br>▪ Tourism of special interests (recreational activities and sports and adventure activities). |

**Regional Spatial Plan of the Timok Region**

The Regional Spatial Plan of the Timok Region determines the long-term concept of development, organization, arrangement, protection and use of areas in the territory that includes the areas of Zaječar and Bor administrative districts, for the period until 2025.

The area of the Spatial Plan occupies the eastern part of the Republic of Serbia and includes the territories of the Zaječar and Bor districts. It includes 263 settlements with 284,112 inhabitants. Physically and geographically, it includes most of the Timok basin, part of the lower Danube region and the zone of its hilly and mountainous hinterland, the upper, spring part of the Pek river basin and the upper and middle part of the Sokobanjska Moravica basin. The Timok region is located between the Republic of Romania in the north, the Republic of Bulgaria in the east, the Niš and Pirot districts in the south, and the Braničevo and Pomoravlje districts in the west. The following geomorphological units are particular: mountainous and hilly terrains, which frame the region on the southeast, west and south (high mountain massif of Stara Planina with mid-mountain environment and other mountains of medium altitudes - Kučaj, Deli Jovan, Rtanj, Tupižnica, Ozren, etc.); striking river valleys of the Danube, Beli, Crni and Veliki Timok and Sokobanjska Moravica rivers, in which compositely gorges and valleys


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alternate; and the alluvial plains and terraces of the Danube at the entrance of this river into the Dacian (Wallachian) basin, between Kladovo and the mouth of the Timok.

Diverse natural potentials of Zaječar and Bor districts, convenient position between the Republic of Romania in the north/east and the Republic of Bulgaria in the east, with strong gravity centers (Belgrade, Niš, Sofia, Vidin) in the vicinity, exit to Corridor VII (Danube) and relatively favorable access to Corridors X in the west and IV in the east, represent a factor in the development of aquatic, mountain, spa, city, transit, excursion, rural and other types of tourism and recreation.

Sokobanja has been identified as a key destination for the development, primarily of health tourism, including other types of tourism based on the natural and social values of the area.

Table 8. Regional Spatial Plan Analysis of the Timok Region

| No. | Spatial plan | Destination/Locality | Types of tourism |
|---|---|---|---|
| | | | |
| 1. | Regional Spatial Plan of Timok Region | Sokobanja | ▪ Spa Tourism;<br>▪ Business + MICE (city);<br>▪ Transit;<br>▪ Excursions;<br>▪ Rural tourism (agritourism and combined rural tourism). |

**Spatial plan of the special purpose area of the "Bovan" reservoir**

The spatial plan of the special purpose area of the "Bovan" reservoir covers an area of 63,329ha 72a and 91m$^2$ in the municipalities of Sokobanja, Aleksinac, Knjaževac and Boljevac. On the territory of the municipality of Sokobanja, the entire cadastral municipalities are included: Beli potok, Blendija, Bogdinac, Vrbovac, Vrmdža, Dugo polje, Žučkovac, Jošanica, Milušinac, Mužinac, Nikolinac, Poružnica, Resnik, Rujevica, Sesalac, Sokobanja, Trgovište, Trubarevac, Cerovica, Čitluk and Šarbanovac.

The water reservoir "Bovan", as a facility of the Moravica subsystem, is intended for water supply of settlements in the municipality of Sokobanja (Aleksinac and Ražanj outside the Spatial Plan), flood defense, improvement of low water regime and obtaining energy from a small hydroelectric power plant. Shaft spillway for high water evacuation (Q0.01%) provides hydraulic reliability of the filled dam.

The spatial plan determines the zones of immediate, narrower and wider protection of the basin springs in the area of the Moravica, with the springs of surface waters that belong to this basin. The long-term goals set by the Spatial Plan are the maintenance of high water quality and anti-erosion basin management.


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The basic natural development potential is the Sokobanja valley with Bovan Lake and the mountain ranges that surround it along the perimeter. The function of tourism has been determined as compatible with the basic purpose (water supply), aimed at the development of spa, health-recreational, congress and events tourism in the Sokobanja-Ozren area, which is rich in thermal springs and tourist resources in Sokobanja. The spatial plan of the special purpose area of the "Bovan" reservoir determines the rules of:

- Use of resources and values;
- Landscaping and nature protection;
- Arrangements and sustainable spatial development (development of the network of settlements, rural areas, economic activities, public services, infrastructure systems, etc.).

In addition to the Bovan reservoir, from the aspect of water supply, irrigation and indirectly tourist valorization, the realization of 8 smaller reservoirs is planned (Trubarevac, Žučkovac, Vrmdža, Nikolinac, Rujište 1 and 2, Blendija and Lepovik).

Table 9. Spatial Plan Analysis of "Bovan" Reservoir Basin's Special Purpose Area

| No. | Spatial plan | Destination/Locality | Types of tourism |
|---|---|---|---|
| | | | |
| 1. | Spatial plan of the special purpose area of the basin of the reservoir "Bovan" | Sokobanja | ▪ Spa tourism;<br>▪ Health-recreational;<br>▪ Congress;<br>▪ Events. |

**Spatial plan of the municipality of Sokobanja till 2030**

The spatial plan of the municipality of Sokobanja determines the development of tourism, organization and arrangement of tourist and recreational areas in accordance with the availability of tourist resources (peripheral mountains, forest environment, reservoirs, villages, spas) and established land use regimes, within the spatial plan of the "Bovan" special purpose plant.

The concept of tourism development is based on natural conditions, healing factors and existing tourist and catering infrastructure and includes further development of health and recreational tourism, rural tourism, weekend tourism and the establishment of new forms of tourism based on the use of water resources of existing and future reservoirs, with reliance on regional, national and cross-border cooperation (organized transit tourism and excursion tourism).

The plan provides spatial conditions for the development of the following types (forms) of tourism:


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1. Spa and health-recreational tourism (spa tourism) - in Sokobanja and Banja Jošanica.

   The development of these forms of tourism assumes an increase in accommodation capacity in Sokobanja by about 25%. Spa tourism means the usual spa tourist activities (health, rest, excursion, sports and recreation), but also new forms of tourist offer (cultural, congress, entertainment tourist activities).

2. Rural tourism - in the villages of Nikolinac, Blendija Vrmdža, Mužinac, Trubarevac and Radenkovac (where benefits were noticed), as a supplementary activity of the rural population.

   Sports and recreation centers are planned in Jošanica and Trubarevac (along the existing center in Sokobanja).

3. Aqua-tourism – based on sustainable use of reservoirs. Future accumulation lakes "Nikolinac", "Blendija", "Vrmdža", "Žučkovac" and "Božurina" are suitable for tourism (which do not have the primary role of water supply, where possible purposes are: recreation, sports and fishing), under the conditions of their sustainable development. The inclusion of the "Bovan" reservoir in the tourist activities is planned indirectly, by forming water parks in the part downstream of the dam. Aqua parks are also planned near the reservoirs "Blendija" and "Vrmdza".

4. Organized transit tourism.

5. Excursion tourism - full-day and half-day visits to excursion points in the Spatial Plan area and in the surroundings (hiking, picnics, mountaineering and hunting tours, safari and photo-safari excursions, horse excursions, targeted bird watching excursions, or organized outings in wild nature). Already equipped checkpoints are Lepterija, Kolunovica, Ozrenske livade, Ripaljka waterfall, etc.

6. Weekend tourism - occasional stay in purpose-built houses of residents of urban settlements in the immediate and wider environment. It is estimated that the preferred areas will continue to be in the spas and in the vicinity of existing and planned reservoirs.

   In order to realize this type of tourism, and in accordance with the regimes of sanitary protection prescribed in the spatial plan of the "Bovan" special purpose plant, settlements for occasional stay (weekend settlements) are planned along the Bovan reservoir.

Table 10. Spatial Plan Analysis of the Municipality of Sokobanja

| No. | Spatial plan | Destination/Locality | Types of tourism |
|---|---|---|---|
| | | | |
| 1. | Spatial plan of the municipality of Sokobanja till 2030 | Sokobanja,<br>Banja Jošanica<br>Nikolinac, Blendija Vrmdža, Mužinac, Trubarevac and Radenkovac | ▪ Spa and health-recreational tourism;<br>▪ Aqua tourism;<br>▪ Transit tourism;<br>▪ Excursion tourism;<br>▪ Weekend tourism. |


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**General regulation plan for the Sokobanja area**

The planning basis for the development of the General Regulation plan for the Sokobanja area is the Spatial Plan of the Municipality of Sokobanja. The plan determines general urban solutions for the planning period until 2030, based on a long-term strategy and concept of spatial planning and construction of facilities.

The area of 1198.6ha, which belongs to the cadastral municipality of Sokobanja, is covered. The total planned area for public purposes is 277.34ha, or 23.1% of the total area of the plan. For sports and recreation and tourist facilities within the areas for public purposes 33.9ha are planned, for traffic 132.91ha and for public greenery 93.39ha. Public areas of tourist contents mostly refer to the facilities and infrastructure of health tourism.

The area of 903.94ha, or 75.4% of the plan area, is intended mainly for housing, tourist facilities, production, business and greenery.

The non-construction area includes areas intended for water land (total area 17.32ha, i.e. 1.5% of the plan area).

The plan divides the space into urban zones and spatial units, determines the rules of arrangement and construction for residential, commercial, infrastructural, cultural, tourism, sports and recreation facilities, water management facilities as well as the conditions for the protection of natural and cultural assets.

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Strategic and operational goals of tourism development are determined by the Tourism Development Strategy of the Republic of Serbia and other development documents within the system of integrated tourism development.

**Tourism Development Strategy of the Republic of Serbia for the period 2016-2025**

The Tourism Development Strategy of the Republic of Serbia roughly defines (determines) destinations on the territory of Serbia that are important for completing the tourist product, according to the criteria of so far developed infrastructure and superstructure, tourist accessibility and realized tourist traffic. Actual priorities will depend on the interest and capacity of investors, whether they are direct investments or PPP models, and the ability of each destination to promote and realize the necessary investments on the market.

The spatial framework of the tourist destination Sokobanja includes the municipality of the same name with the mountains Ozren and Rtanj. The key attractions are cultural heritage, natural resources and rehabilitation centers. The pillars of development are Sokobanja, Ozren and Rtanj. The key products in line with the Strategy are: health, spa & wellness, events, MICE tourism, special interests and round trips.


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Table 11. Tourism Development Strategy Analysis of the Republic of Serbia

| No. | Spatial plan | Destination/Locality | Types of tourism |
|---|---|---|---|
| | | | |
| 1. | Tourism Development Strategy of the Republic of Serbia | Sokobanja, Ozren, Rtanj | ▪ Health<br>▪ Spa & wellness;<br>▪ Events;<br>▪ MICE tourism;<br>▪ Special interests;<br>▪ Round trips. |

**The Master plan of the tourist destination Sokobanja**

The Master plan of the tourist destination Sokobanja is financed by the funds of the national investment plan. This development document envisages positioning Sokobanja as a unique and leading destination of "good feeling" in Serbia, which is attractive in all seasons and suitable for one-day visits or for short multi-day vacations. The plan envisages key investments in various development areas to achieve development goals and achieve the vision the vision of development, as follows:

- Large congress and event facility next to the central spa park;
- Oriental spa;
- Water-relaxation entertainment center;
- City hotel Sokobanja in four-star category.

The master plan identifies zones for tourism development, as follows:

- Existing tourist zone - hotels built with the possibility of their expansion;
- New zone outside the city, where a new tourist offer would be created (golf course, Sokograd and ethnic village and Bovan Lake;
- Zone of the narrower and wider city center with rounding of the offer (park, park arrangement along the Moravica river, arrangement of communal areas in the city, maintenance of cultural and historical heritage facilities, water park, city hotel, congress and event facility.

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In addition to these documents in the territory of Sokobanja, the Strategy of Sustainable Development of the Municipality of Sokobanja 2015-2025 is in force.

Within the EU project within Interreg - IPA, the Cross-Border Cooperation Program, the Program for Sustainable Development of Winter Tourism Sokobanja - Vršec (Bulgaria) is financed.

Also, within the same EU project, the Strategy of Joint and Sustainable Development of Tourism of the Municipalities of Sapareva Banja (Bulgaria) and the Municipality of Sokobanja 2019-2024 is financed.


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# 2.3. ANALYSIS OF GENERAL ECONOMIC TRENDS AND LABOR MARKET TRENDS

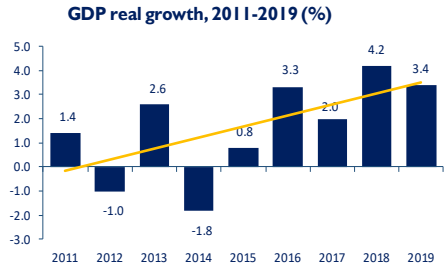
## 2.3.1. Republic of Serbia

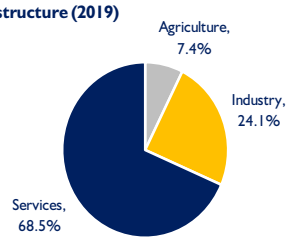
Table 12. Review of macroeconomic indicators

### SERBIA - ECONOMIC PERFORMANCE

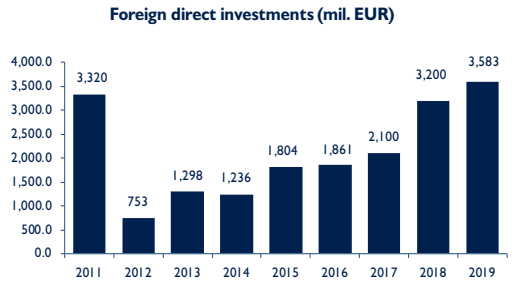
**Key macroeconomic indicators**

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020* |
|---|---|---|---|---|---|---|---|---|---|---|
| GDP, bill. RSD (current prices) | 3,407.6 | 3,584.2 | 3,876.4 | 3,908.5 | 4,312.0 | 4,521.3 | 4,754.4 | 5,059.6 | 5,424.0[2] | 5,832.0[2] |
| GDP, mil. EUR (current prices) | 33,423.8 | 31,683.1 | 34,262.9 | 33,318.6 | 33,491.0 | 36,722.7 | 39,182.5 | 42,780[5] | 45,793.3 | 49.240,1 |
| GDP per capita, EUR (current prices) | 4,619.0 | 4,400.0 | 4,781.0 | 4,672.0 | 4,720.0 | 5,172.2 | 5,597.50 | 6,120.2 | 6,541.9 | 7,034.3 |
| GDP real growth (%) | 1.4 | -1.0 | 2.6 | -1.8 | 0.8 | 3.3 | 2.0 | 4.4 | 4.0 | -3.1[2] |
| Tourism - share of GDP-u (%) | - | - | - | 2.1 | 2.2 | 2.3 | 2.3 | 2.4 | 2.4 | 2.4[3] |
| Current account BoP (% of GDP) | -10.9 | -11.6 | -6.1 | -6.0 | -4.7 | -4.0 | -4.6 | -5.2 | -5.0[2] | -4.2[2] |
| Public debt (% of GDP) | 45.4 | 56.2 | 59.6 | 70.4 | 74.7 | 71.9 | 61.6 | 54.4 | 52.4[8] | 61.0[2] |




| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020* |
|---|---|---|---|---|---|---|---|---|---|---|
| Inflation (%) | 7.0 | 12.2 | 2.2 | 2.2 | 1.5 | 1.6 | 3.1 | 2.1 | 2.3[2] | 1.5[2] |
| Unemployment (%) | 23.0 | 23.9 | 22.1 | 19.2 | 17.7 | 15.3 | 13.5 | 12.9[4] | 9.7 | 9.3[6] |
| Neto wages (EUR) | 372.5 | 364.5 | 388.6 | 379.3 | 368.0 | 374.1 | 398.4 | 459.7 | 508.3 | - |
| Foreign direct investments, neto (mil. EU | 3,319.6 | 752.8 | 1,298.1 | 1,236.3 | 1,803.8 | 1,860.9 | 2,100.0 | 3,200.0 | 3,583.1 | - |




**Credit rating of Serbia**

In September 2019, Fitch company upgraded Serbia's credit rating from BB to BB +, and Moody's upgraded its rating outlook from "stable" to "positive" (Ba3).

In last December, S&P also upgraded Serbia's credit rating from BB to BB + and highlighted the positive outlook for its further increase, which sends a positive signal to investors.

Source: National bank of Serbia, Ministary of finance RS, National Statistical Office of RS

(1) Min. of finance RS estimation
(2) Fiscal Council RS estimation
(3) WTTC estimation (until 2027 the share will be 2.9%)
(4) NSO Labour Force Survey
(5) Eurostat
(6) UniCredit Bank estimation
(7) FDI - UniCredit Bank estimation
(8) Public Debt Administration, November 2019
(9) RS Government announcement

The Covid-19 disease pandemic has led to an unprecedented economic crisis and according to the latest forecasts in 2020, a decline in economic activity globally of around 5% can be expected. Such a deep recession will inevitably result in a sharp drop in public revenues, and the dizzying growth of the fiscal deficit this year will be contributed by numerous fiscal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measures adopted by governments to protect the health of the population, preserve jobs and other types of support to the private sector. According to IMF estimates, the total value of all fiscal stimulus undertaken and announced so far for the world economy has reached as much as 11,000 billion US dollars. It is a significantly larger package of state aid than the fiscal stimulus during the economic crisis of 2008, which is why it will condition the growth of the world public debt to the historically highest level - slightly above 100% of the global GDP. It is also estimated that the public debt of developed countries will on average reach a level of about 130% of GDP, while the average indebtedness of developing countries is likely to amount to just over 60% of GDP. Although it has been justified for public finances to mitigate the first blow of the crisis as much as possible, the fact is that a large number, especially developing countries, will welcome the end of this crisis with public debt well above what can be considered safe.

According to the available data and analysis of the National Bank of Serbia, the World Bank, and the Fiscal Council of the RS, in last six years, Serbia has been transformed into a growing economy with low inflation, fiscal surplus, declining public debt, less external imbalance and recovery in the labor market. However, the results achieved are significantly compromised due to the Covid-19 pandemic. Therefore, in the next part of the study we present the trends of macroeconomic indicators ending in 2019 and the forecast for 2020, alternately.

- Following the decline in GDP in 2014 (-1.8%), 2015 was a turning point where economic activity increased, resulting in a positive GDP growth rate at the end of the year (0.8%), while in 2016 the rate was significantly higher (2.6%). In 2017, economic activity continued its positive trend, also at a positive rate (2.0%). GDP growth in 2018 (4.4%, the highest in a decade) was driven by growth in investment and exports, as well as a recovery in the labor market. According to a preliminary estimate by the SORS, GDP growth in 2019 was 4.0% and was above the projected value of 3.6%, as a result of faster growth in construction and fixed investments.
    - **Forecast for 2020:** According to the projections of the Fiscal Council of RS, the decline in economic activity in Serbia in 2020 could be 3% if the epidemiological situation stabilizes by the end of the summer. A completely reliable forecast of GDP decline in 2020 is currently impossible. First of all, it is not known how the epidemiological situation in Serbia will develop by the end of the year, nor what the Government's reaction to it will be (restriction of population movements, ban and restriction of work of certain economic activities, etc.). In the event of a further deterioration of the epidemiological situation, the fall in GDP in 2020 could be around 5%. The following table shows the projections of GDP trends for Serbia of the world's leading institutions.

Table 13. GDP projections for 2020

| Institution | GDP growth, forecast for 2020 |
|---|---|
| IMF | -3.0 |
| World bank | -2.5 |
| European Commission | -4.1 |
| Vienna Institute WIIW | -4.0 |


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| | |
|---|---|
| Ministry of finance of RS | -1.8 |
| **Average** | **-3.1** |

- For faster recovery, it is necessary to implement fiscal stabilization in 2021, increase investments in infrastructure and start strengthening institutions.
- Throughout 2019, the NBS maintained inflation at around 2.0%, which is also the average around the previous six years. Inflation expectations are anchored within the target (3 ± 1.5%).
    - **Forecast for 2020:** Inflation in 2020 is likely to be slightly lower than planned, but it is possible to increase it in the coming years.
- The state budget was in surplus in 2017 and 2018 (1.1% and 0.6% of GDP respectively). This trend continued in T1-T3 2019, with a surplus of 0.9% of GDP. As a result, the public debt ratio was cumulatively reduced by 18 p.p. GDP relative to the 2015 peak. Public debt is steadily declining. At the end of 2015, the debt had the largest share of GDP, which amounted to 74.7%, but has been decreasing since then, according to the most recent projections of the Debt Management. at the end of 2018, it was 54.4% of GDP. The projection for the end of 2019 is 51.7% of GDP.
    - **Forecast for 2020:** The Covid-19 disease pandemic has dealt a severe blow to the public finances of most countries in the world, including Serbia. In 2020, we expect a strong increase in public debt by about 8% of GDP - from 53% of GDP at the end of 2019 to 61% of GDP. However, the current public debt projection is accompanied by a number of risks due to which Serbia's indebtedness at the end of the year could be even higher.
- The reference interest rate was lowered in mid-June 2020 and is currently at a historic low of 1.25%. The foreign currency reserve requirement rate is at the level from the beginning of 2016 when it was last reduced to 20% for the maturity of up to two years or 13% for the maturity over two years. Also, long-term credit rating was improved in last few years. The table below shows the current long-term foreign currency credit ratings of the Republic of Serbia, as assigned by major agencies.

Table 14. Serbia's credit rating

| | Standard and Poor's | Fitch Ratings | Moody's Investors Service |
|---|---|---|---|
| **Rating** | BB+ / stable outlook | BB+ / stable outlook | Ba3 / positive outlook |
| **Date** | 12 June 2020 | 27 March 2020 | 6 September 2019 |
| **Action** | Rating affirmed | Rating affirmed | Rating affirmed |

*Source: National Bank of Serbia*

- Accelerated economic activity, intensified investment cycle, newly opened and expanded production capacities, as well as measures of active employment and self-employment policies result in improvements registered both on the basis of administrative sources and through the Labor Force Survey. In the medium term, favorable developments in the labor market are expected to continue, which will primarily be reflected in a stronger rise in average wages and a single-digit unemployment rate. In the third quarter of 2019, the


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number of employees was 2,938,700 and the number of unemployed was 308,400. The employment rate for the given period is 49.6% and the unemployment rate is 9.5%.

- **Forecast for 2020:** The loss of jobs in the current crisis is certain. However, it is currently exceedingly difficult to predict exactly what the decline in employment will be. With all the same uncertainties that apply to GDP forecasts (it is not known what the epidemiological situation will be by the end of the year, no official data are available yet, etc.), the forecast of employment decline is further complicated by the fact that it is still unknown whether The government will adopt a new job preservation program by the end of the year, but also because official statistics have historically had poor reliability in monitoring employment trends. Finally, it is possible that employment will fall in 2020 by 30-50 thousand jobs.

- Labor costs in Serbia are one of the lowest in Eastern Europe. In the Republic of Serbia, the average salary (gross) in June 2020 was EUR 700, while the average salary without taxes and contributions (net) was EUR 508. Growth in gross wages in the period January-June 2020 compared to the same period last year amounted to 9.5% in nominal terms and 7.9% in real terms. The highest salaries are in the Belgrade region, where the average monthly net salary in May 2020 was EUR 612 net, and the lowest salaries are in the central and western part of the country with an average net salary of EUR 426.

Table 15. Average net salaries

| Region | Average net salaries (May 2020) | In Euros (1 EUR = 117,5913 RSD) |
|---|---|---|
| Serbia | 58.892 | 500,82 |
| Belgrade region | 72.686 | 612,20 |
| Region of Vojvodina | 55.724 | 473,88 |
| Region of Šumadija and Western Serbia | 50.102 | 426,07 |

  - **Forecast for 2020:** The effects of the crisis began to spill over into the labor market, and the consequences were felt by employees in the private sector. Shortly after the declaration of the state of emergency, companies began to adjust to the reduced volume of work by reducing labor costs - laying off workers and reducing their wages. This is just an indication of the problem because the biggest turmoil in the labor market can still be expected. Unemployment will rise more intensely in the second half of the year, especially after restrictions on layoffs in state-aided companies cease to apply in November.

- The stability of the banking sector has been preserved and further strengthened. Active measures have improved the overall financial system, which has resulted in, among other things, a reduction in the share of problem loans and more favorable borrowing conditions, thus providing an additional impetus to economic growth. In December 2018, the share of problem loans in total gross loans stood at a record of 5.7%, significantly less than the 23% recorded in 2014.


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- **Forecast for 2020:** Serbia's foreign trade will decline sharply in 2020 with a decline in the current account deficit and FDI inflows. Available data for April and May show that under the influence of the crisis, there was a sharp decline in foreign trade. In those two months, both Serbia's exports and imports decreased by about 30%, which - due to significantly higher imports than exports - in total led to a reduction in the foreign trade deficit in these two months by a total of about 300 million EUR (and consequently a similar reduction in current balance of payments deficit). We expect similar downward trends in both exports and imports, with a reduction in the trade deficit, by the end of the year.
- **Forecast for 2020:** Public investments will decrease in 2020 due to the crisis, but they should be increased again in 2021 to encourage economic recovery. Capital investment plans for 2020 have been revised downwards due to extraordinary circumstances and the need for savings, but already in 2021 it is necessary to increase public investment in infrastructure by at least 0.5 p.p. of GDP.

- All international comparisons show that a smaller decline in economic activity is expected in Serbia than in most European countries. The reason for the smaller fall in the GDP of Serbia (as well as some other poorer European countries) is that a relatively large part of the domestic economy produces basic, existential goods for which demand has not dropped significantly in this crisis (food, household chemicals, etc.). Thus, the share of agriculture in the Serbian economy is about 7.5%, which is more than twice as high as in the countries of Central and Eastern Europe who are members of the European Union.

### 2.3.2. Municipality of Sokobanja

Table 16. Basic economic indicators of the Municipality of Sokobanja

| Labor market | 2017 | 2018 | 2019 | |
|---|---|---|---|---|
| Number of employees | 3,443 | 3,593 | 3,571 | |
| Average net earnings (in RSD) | 41,606 | 41,610 | 45,794 | |
| **Economy** | **2017** | **2018** | **2019** | **2020** |
| Companies | 79 | 85 | 69 | 68 |
| Entrepreneurs | 563 | 599 | 604 | 622 |

*Source: Business Registers Agency and Republic Statistical Office*

Changes in the structure of the economy of the Sokobanja region have resulted in a weakening of the primary and an increase in the secondary, tertiary, and especially the quaternary sector. The focus on non-agricultural functions has increased since 1980. Under the influence of the tourism development, as well as the intensification of the production process in the "Soko" mine, but also the opening of new companies in Sokobanja, there is increased employment of workers in the activities of the quaternary, tertiary and secondary sectors. Rural settlements are affected by the stratification process. This process was accompanied by a slight increase


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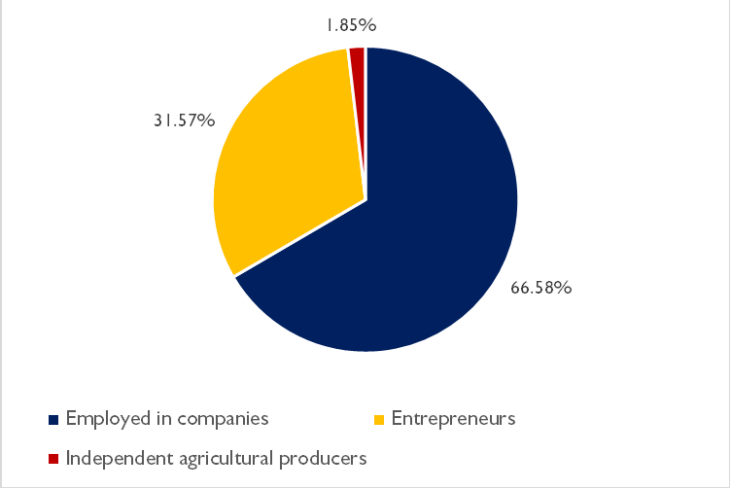
in the share of agri-service and agri-industrial settlements in the total number of settlements in the study area.[7]

The Municipality of Sokobanja, the most famous Serbian spa, is facing problems with dilapidated road infrastructure, which is a prerequisite for the development of tourism, as well as all other branches of the economy and services that accompany the development of this branch - from healthy food production to product branding. The municipality's strategic commitment is to invest in rich tourist potentials, which would enable the development of the entire local community. In addition to tourism, agriculture is a significant strategic branch for Sokobanja. The local self-government is making great efforts to help agricultural producers make their business self-sustainable and profitable.

The population of the municipality of Sokobanja is predominantly employed in companies (66.5%), while a significantly smaller number is registered in the form of entrepreneurs (31.5%). There are less than 2% of independent agricultural producers.

Figure 12. Structure of employees in the Municipality of Sokobanja (2018)




*Source: Statistical Office of Serbia*

## 2.4. THE EXISTING MODEL OF TOURISM MANAGEMENT

The Municipality of Sokobanja, in accordance with the law and the Statute, and through the competent authorities, performs planning, coordination and supervision of activities related to the development of tourism and activities complementary to tourism.

Marketing activities, as part of the destination management strategy, are entrusted to the Tourist Organization of Sokobanja (TOSB), which was established as a public service "whose primary goal is to promote and contribute to a more successful business, to perform activities in the development, promotion and advertising of tourism."

[7] Denda (2014)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TOSB has an organizational unit for tourism and an organizational unit for marketing and development.

The main activities of the tourism department are:

- Preparation of operational programs for tourism development in Sokobanja;
- Encouraging the improvement of general conditions for the reception and stay of tourists;
- Monitoring and analysis of trends in the domestic and foreign tourism market;
- Directing and coordinating the activities of the holders of the tourist offer on enriching and raising the level of quality of tourist and complementary contents and creating an attractive tourist ambiance at tourist locations on the territory of the municipality of Sokobanja;
- Provision of propaganda and information means that popularize and affirm tourist attractions and potentials of Sokobanja (publishing and audiovisual activities, appearances at fairs and events and other propaganda means);
- Directing and coordination of initiatives and activities of companies and other organizations on the formation and placement of tourist products;
- Cooperation with tourist organizations of cities in the country and abroad;
- Organizing activities to improve the quality of tourism services, develop tourism awareness, tourism culture, and protection and improvement of the environment.

The department for marketing and development implements activities aimed at the development, preparation and implementation of marketing plans and programs at the destination level, provides support to public and private entities at the local level (tourism offer holders) to develop tourism products, manages projects, performs tasks on creating a functional database, tasks on preparation and implementation of projects from the annual action plan, activities on strengthening the partnership of private and public sector, tasks on education and permanent training of employees and career management of employees and all other tasks that contribute to local tourism development.

The department for marketing and development also implements activities in the field of development of event and cultural tourism as special tourist products.

In the field of cross-border cooperation projects within the EU Intereg - IPA project, TOSB participated in the implementation of the Sokobanja - Vršec (Bulgaria) Winter Tourism Sustainable Development Program and the Strategy of Joint and Sustainable Tourism Development of Sapareva Banja Municipality (Bulgaria) and the Municipality of Sokobanja 2019-2024.

The public institution "Sports and Recreation Center Podina" with an aqua park functions as part of the system of public institutions in the municipality of Sokobanja and specializes in providing recreation services in outdoor pools in the summer months.

The tourist inspection performs inspection supervision of application of laws and other regulations governing the areas of tourism and catering and undertaking of administrative and


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punitive measures in the performance of inspection supervision through the inspection department in Niš and inspectors in Sokobanja.

The key indicators of destination management's quality are tourists' satisfaction, satisfaction of services' owners, quality of life of the local population, and quality of the environment.

## 2.5. TOURISTIC PROFILE OF THE MUNICIPALITY OF SOKOBANJA

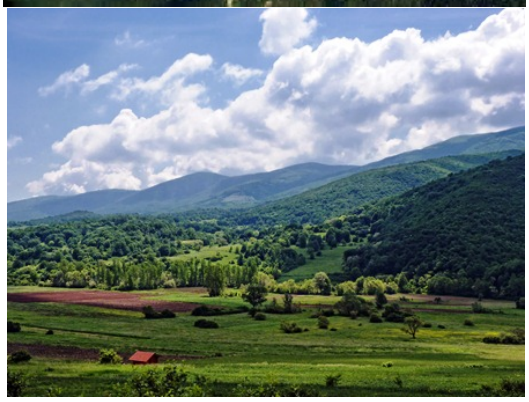
### 2.5.1. Resource-attraction basis of tourism in the municipality of Sokobanja

**Mountains**

**Ozren.** Ozren and Sokobanja are inextricably linked, because the settlement of Sokobanja was built on the slopes of this mountain. Ozren is one of the most forested mountains in Serbia, very rich in ozone. The highest peak of the mountain is Leskovik (1,174 m above sea level). It is about 5 km from the center of Sokobanja. Ozren can be reached by asphalt road. It includes a large park within which there are sports fields, a children's playground and an artificial pond, a restaurant, the Mala Ripaljka waterfall and a picnic area. There are two hospitals on the mountain for the treatment of lung and eye diseases.

**Rtanj** mountain is about 18km away from Sokobanja and borders the Sokobanja valley on the north side. The highest peak is Šiljak and is located at 1560m above sea level. As a symbol of the mountain, on that peak, there is another curiosity, i.e. the ruins of the former church-chapel of St. Djordje. Medicinal plants grow on the slopes of Rtanj. There are many underground springs, caves and pits that adorn the hidden parts of the mountain interior.

**Devica** is located near the border between the Carpathian and Balkan mountains. The highest peak is Čapljinac (1,187 m above sea level). The river Moravica springs on this mountain, and the fortress Sokograd is nearby. It is extremely rich in flora and fauna. The mountain is known for limestones of great purity. There is limestone from the Jurassic and Cretaceous period on the plateau of the mountain so that the mountain is furrowed with sinkholes, ravines, small bays, precipices and caves.

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**Bukovik** is a mountain that continues to the mountain Vujan, and ends with the pyramidal mountain Ostrica. It is located in the west of the Sokobanja valley and is 12 km away from Sokobanja, and one of its parts is the shore of Bovan Lake. There is a nature reserve for deer on this mountain. Bukovik is rich in low and high wildlife, as well as mushrooms, especially ceps and truffles.

## Rivers and lakes

**The Ripaljka Waterfall** is one of Serbia's highest waterfalls, and in 1949 it was protected as a natural treasure. It consists of many cascades with a total length of 40 m. The main waterfall "Velika Ripaljka" is between 11-14 m high, depending on the amount of water. It is at its largest is when the snow melts and at smallest in September and October. The waterfall is formed on the Gradašnica river.

The **Moravica River** is a tributary of the Južna Morava and is 60.4 m long. It springs in a place called Vrelo-Istoci, at the foot of the mountain Devica, 12km from Sokobanja in the direction of Knjaževac. The spring itself is a natural phenomenon because, at the very beginning, it appears in the form of a spilled river flow, which arises from a large number of underground springs. Nearby is the Temple of St. Ilija, Marko's Cave and the trout pond. The river is rich in white fish – common bleak, chub, nase and brown trout.

**Bovan Lake** is an artificial lake created by the diversion of the river Moravica in 1977. It is about 10km away from Sokobanja. There are several arranged beaches on the Sokobanja and Aleksinac sides of the lake. The lake is about 8 km long, and the greatest depth is at the dam and is 50 m. Swimming, fishing and picnic tourism is developed on the lake.


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**Lake Vrmdža** is located at the foot of the mountain Rtanj. It was formed by heavy rain and the melting of the Rtanj glaciers at the site of a large funnel-shaped depression described as an abyss. It is about 15km from Sokobanja and 3km from the village of Vrmdža. In this village are the ruins of the ancient town of Vrmdžani and the church of the Holy Trinity.

## Picnic areas

Borići spring

Park forest "Čuka 2"

„Lepterija"

Picnic area"Ozren"

Picnic areas
"Očno" and"Kalinovica"

„Šopur" spring

Sesalačka cave


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**Cultural and historical heritage**

Medieval town of Soko grad

Milošev konak

Turkish bath "Amam"

**House of the national hero Aleksa Markišić** - Aleksa Markišić (1908-1942) publicist and lawyer played a significant role in political events in Sokobanja in the 1930s until the beginning of the war, as well as at the time of the organization of the National Liberation War. As part of the yard of the Markišić family in Njegoševa St. No. 20 and 24 there are two houses. The buildings are protected and belong to the category of immovable cultural property.

**Birth house of Ljubiša Bačić in Alekse Markišića St. No. 1** - The building was built as a family residential building. It belongs to cultural goods of civic residential architecture, created in the first decades of the twentieth century. It is a particular example of old townhouses of representative character. The building also has a practical purpose with cultural content as the main library.

**Crkva Uspenja Bogorodice (Church of the Assumption of the Mother of God)** - It is located in Banja Jošanica and is a single-nave building vaulted with a semi-circular vault. It is built of stone. On the longitudinal walls in the apse, there is one built-in window, shaped like a loophole. In front of the west façade are the remains of a ruined narthex. All the old Jošanjička church's inner wall surfaces were covered with frescoes that have not been completely preserved. According to its architectural construction and painting decoration, the church has all the characteristics of a sacral building created or renovated in the 16$^{th}$ or 17$^{th}$ century.

**Medieval fortress Vrmdža** - The remains of the medieval fortress Vrmdža are located in the village of the same name, near Sokobanja. According to the masonry technique and material, the fortress belongs to the group of medieval defense fortresses that were built in this area between the 12$^{th}$and 14$^{th}$century (Soko grad, Bovan, Tatomirov grad, Kulina, etc.). In 1413, the fortress was demolished. Of the entire city complex, only the walls of the central dungeon tower have been preserved in the upper town, and in the lower part of the town, there are also the remains of a smaller tower used for observation.


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**Trebička fountain** - Trebička fountain or the fountain of Prince Miloš, is located on the southeast side of Aleksinac - Sokobanja, at the tenth kilometer towards Aleksinac. The fountain was built by Prince Miloš Obrenović in 1860 as a monument of his arrival and stay in Sokobanja. The fountain is constructed of regular sandstone blocks and consists of a pedestal and an overhanging part. In the middle of the overhanging part, there is a board with an inscription about its building time.

**Crkva Sv. Preobraženja (Church of the Holy Transfiguration)** - It is located in the very center of Sokobanja. It was consecrated in 1892. It has a cross-shaped base with a solution in the form of a Greek cross, so that the arms of that cross make up the entrance and altar space, as well as the side choirs of a rectangular shape. In the central space of the church, at the intersection of the arms of the cross, a massive central dome was built. The central dome with a tambour of circular shape at the base, ends with a spherical dome with a raised top, in the highest point at which a cross is placed. The influence of neo-Byzantium with elements of Romanesque is felt in the external architecture of the Church. The wall paintings and the icons arranged on the iconostasis, were made under the influence of the Russian school of painting of the nineteenth century.

**Konak kneza Miloša Obrenovića** (**The residence of Prince Miloš Obrenović**) - The building of Miloš's residence is located within the oldest center of Sokobanja, on the square Trg oslobođenja. It was built for the needs of the administration of the Principality of Serbia in 1834 when Sokobanja joined Serbia. It has a rectangular base and consists of a basement at ground level and a high ground floor, reached by external stairs via access porches. In its structure, the building is characterized by massive construction with stone walls in the basement and shallow brick arches, while the ground floor walls are made of brick. The influences of folk architecture are present in the exterior of the building. The building as a whole is a material document of the development of local authorities in the years of the annexation of the spa and the entire nahija (district) to the Principality of Serbia. Today, in accordance with the development of tourism, the facility has an attractive tourist and catering purpose.

**Old primary school building** - It is located in the oldest center of Sokobanja. It was built in 1894 with the help and commitment of Metropolitan Mihailo. The school building has only a ground floor and was built on a corner plot, consisting of two identical corner tracts. The layout of classrooms and offices along both tracts takes place in the classical way, relying on the corridors. The building is built massively of hard material with characteristic high classrooms. Harmonious proportions with architecture characterize the main façade surfaces in the manner of a mature, eclectic renaissance.


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**Old spa bath**- It is located in the southern part of the spa park. The oldest part of the bath dates from the Turkish period. With the renovation of the bath after 1834, eight new bathtubs were built. In the middle of the bath, a bathtub was built for Knjaz Miloš, which is well preserved. With the addition of the hammam in 1880, the bath was expanded to the park's depth. Architecturally, the old part with the hammam consists of two predominantly functional units with swimming pools vaulted with semi-dome arches with a dome and arabesques in the interior. In their stylistic appearance, the building's final elements are shaped like octagonal domes with tent-pyramidal roofs covered with shingles. Within the hammam erected in 1880, all the bathtubs were placed in special cabins with a ceiling construction in the form of shallow vaults. The outer architecture of the whole block is modest.

**Villa "Dalmacija"** - Located within the very center of the spa. It was built in the thirties of this century as a villa for spa guests' rest and accommodation (Dom Milanovo). Today, it is used as a health institution within the Institute for Rehabilitation of Sokobanja. It was built massively with four-pitched roofs, with a play of roofs with the wall masses. At the ground and first floor level, the rooms are grouped according to the hotel system and each room has its balcony. In addition to architectural values with a harmonious arrangement of masses, the play of roofs and details, the building, along with its immediate surroundings, also has significant ambient values.

**The house where the writer Stevan Sremac stayed** - The house where the writer Stevan Sremac stayed during his stay in Sokobanja and died in it in 1906 is located within the wider central part of the settlement of Sokobanja at Dragovićeva St. No. 20. As a family housing, of modest dimensions, it originates from the second half of the 19$^{th}$century. The writer had been visiting the spa for years and in the summer of 1906, he suddenly fell ill and died in this house, and there is a memorial plaque on it with an inscription dedicated to it. The house consists of the front part where the owners lived and the back part, which with the yard, a room and a kitchen was rented to guests. Both parts of the house consist of a lower ground floor built with Bondruk construction with a “chatma” infill, and the house itself has no significant building values.

**City houses of the Petković family** - Both houses are located in Kralja Petra Str. No. 1, in the same yard. The older house no. 4 was built after 1880 and the newer no. 2, in 1909. House no. 2 consists of a basement and a high ground floor of massive construction. Of particular artistic value is the design of the entrance with a central entrance part. Given the proximity of the street ambient in Sveti Sava Street, these two buildings can, in a way, be considered an


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extended part of that whole, which is separated by the building block of the newer "Turist" hotel.

**The building of the Municipal Assembly of Sokobanja** - It is located within the spa center in Maršala Tita Str.No. 23. It was built in the first decades of the twentieth century for the District Administration's needs, according to the project of Nikolay Krasnov, who also designed the buildings of the National Assembly in Belgrade. It is built massively, it consists of the ground floor and first floor, and its position goes directly to the street's regulation line. The central hall is characterized by a monumental staircase and supporting massive pillars with stylishly decorated feet and capitals. It has specific playful roof wreaths on the main street façade, the facade riser's bay windows, etc. The façade plastic is expressed geometrically, with horizontals in plaster and slightly richer ornaments around the openings on the first floor, especially in the part of the ceremonial hall. As a whole, the building shows the stylistic characteristics of the rigorous typical style in architecture at the beginning of the twentieth century.

**House of Ljuba Didić** - organizer of the Timok Rebellion (1883) in the Sokobanja region, is located in Dragovićeva St. No. 25. in Sokobanja. The house was built in the middle of the 19$^{th}$century. The house is smaller in size, made with Bondruk construction of the walls and covered with shingles. It consists of a kitchen, which once housed a fireplace and two rooms with the function of rooms. It has a simple outer appearance without emphasizing specific architectural and aesthetic details. The fountain dedicated to Ljuba Didić is also under protection as an immovable cultural good. The fountain has the shape of a vertical mass built of sandstone with blocks of regular shape. It is located on a field hill towards the road to Ozren, i.e. Lepterija. It was restored in the same style a couple of years ago.

**Fountain of Hajduk Veljko** - Located within Vrelo, in a free space near the Hunting Lodge building. It was built in the first decade of the 20$^{th}$century, when this space was arranged more intensively, after the construction of the pavilion of the first therapeutic voluntary society for the arrangement of the spa (today the Hunting Lodge). The fountain was also erected as a sign of the centenary of the First Serbian Uprising in honor of Hajduk Veljko, the leader of the insurgents in the local region. It was built of stone at the level of the lower pedestal, and at the level of the upper one as a canopy made of jointed bricks, with the inscription "Hajduk Veljko" on the stone slab.

**Soko Grad** - or Sokolac is located 2 km east of Sokobanja in the picturesque canyon of the river Moravica on a steep and inaccessible hill. Research has shown that the city is very fragmented and large in scale. Only the first, entrance tower in the upper town has been preserved in good condition, and other buildings, both the towers and the walls, have been demolished. The upper town, i.e. the citadel, is located on that ridge, separated from the rest of the terrain by almost vertical cliffs. In the Upper Town, next to the towers and ramparts, a cistern's remains have been preserved. On the steep slopes east and west of the Upper Town, there are ramparts and gates of the lower town and a protected passage for uninterrupted water supply. The city was built on the foundations of a Byzantine fortress in the 12$^{th}$and 14$^{th}$century, only to be devastated and destroyed at the beginning of the 15$^{th}$century (1412) after the conquest of Turkish outlaws. The whole city has irregular foundations. The ramparts


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on the east, west and south sides follow the configuration of the terrain, and in the north, there is a cliff that stretches almost vertically towards the left bank of the Moravica river.

**Spatial-cultural-historical units**

The cultural assets of the old urban spatial-cultural-historical units are located at several locations in Sokobanja.

The urban part of the old bazaar in Sveti Sava Street, along with several individual houses, is located in the area from the corner of Vojvode Mišića Street to the end of the west side of Karađorđeva Street.

The urban part of the old bazaar in Sveti Sava Street, from number 7 to number 15, as part of the old Sokobanja bazaar, was created in the period from the second half of the 19$^{th}$ century to the first decades of the 20$^{th}$ century.

The urban part of the old bazaar in Sveti Sava Street, from number 44 to 48, as a part of the spa bazaar's business line, was created at the end of the 19$^{th}$century and the beginning of the 20$^{th}$ century. The whole set of these buildings belongs to the types of cultural goods of old urban units.

**Aqua Park "Podina"** is 1.5 km away from the center of Sokobanja and built within the sports and recreational complex Podina. This fun aqua complex is built on an area of 1600m$^2$ and can accommodate about 2500 visitors. The complex contains a total of 4 pools: a semi-Olympic pool with sports equipment, a recreational pool with water mushrooms for children and adults, a pool with three slides and a children's pool with water attractions for play. In the center of the water park, there is a bar with drinks. There are green areas around all pools, sun loungers, refrigerators with ice cream, umbrellas, and an administrative building with accompanying facilities.


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**Wellness and spa.** There are six thermo-mineral springs in Sokobanja, whose healing water helps to eliminate various health problems. There are two springs in the central spa bath "Amam": "Sveti Arhanđel (Saint Archangel)" with a temperature of 43°C and "Preobraženje (*Transfiguration*)" with a temperature of 43.8 and 53°C. There are two springs in the "Banjica" bath: "Banjica I" (27.8°C) and "Banjica II" (28.9°C). The "Pijaca" spring is a weak terrestrial-alkaline hypothermal spring with a temperature of 32.4°C. And finally, the "Zdravljak" spring is a terrestrial-alkaline radioactive mild mineralized spring with a temperature of 14.5°C.

## Offer and structure of accommodation capacities

- Accommodation capacity of Southern and Eastern Serbia, observed by the number of beds, in the largest percentage (39%) is private accommodation, followed by hotel accommodation (30%), while other types of accommodation are much less represented. The following table presents the structure of accommodation capacities as of August 31, 2019.

Table 17. Structure of accommodation capacities of Southern and Eastern Serbia

| Type of accommodation | Properties | | Rooms | | Beds | |
|---|---|---|---|---|---|---|
| **Total** | **186** | **100%** | **10.108** | **100%** | **25.288** | **100%** |
| Hotels | 76 | 40,9% | 3.477 | 34,4% | 7.577 | 30,0% |
| Overnights | 51 | 27,4% | 806 | 8,0% | 1.923 | 7,6% |
| Overnights with catering | 19 | 10,2% | 300 | 3,0% | 758 | 3,0% |
| Spa | 5 | 2,7% | 435 | 4,3% | 882 | 3,5% |
| Climatic health resorts | 3 | 1,6% | 376 | 3,7% | 1.167 | 4,6% |
| Hostels | 12 | 6,5% | 188 | 1,9% | 596 | 2,4% |
| Private accommodation | ... | ... | 3.714 | 36,7% | 9.860 | 39,0% |
| Other* | 20 | 10,8% | 812 | 8,0% | 2.525 | 10,0% |

*motels, appartments, mountain homes and houses, worker's resorts, childer resorts resorts, camping

*Source: Statistical Office of RS*

- The category "Other accommodation" includes motels, apartments, mountain lodges and houses, workers' resorts, children and youth resorts, camps and campsites.
- Accommodation capacities of Sokobanja make up 5.7% of the total tourist accommodation in Serbia, 27.3% of the capacity of Southern and Eastern Serbia and 25.74% of accommodation in all spas in Serbia.


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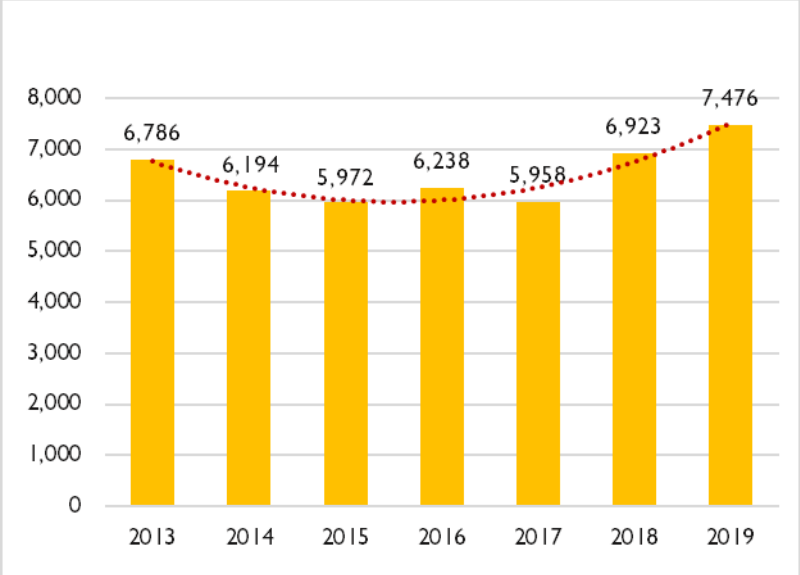
Figure 13. Number of available beds in Sokobanja (2013-2019)




*Source: Statistical Office of Serbia*

Table 18. Accommodation capacity of Sokobanja by types of accommodation (2019)

| Types of accommodation | Number of facilities | Number of available rooms | Number of beds |
|---|---|---|---|
| Total | 8 | 2.570 | 7.091 |
| Hotels | 4 | 303 | 630 |
| Motels | 1 | 34 | 68 |
| Tourist apartment | 1 | 14 | 35 |
| Climate spas | 2 | 273 | 930 |
| Private rooms | ,,, | 1.929 | 5.373 |
| Rural tourist households | ,,, | 17 | 55 |

*Source: Republic Statistical Office*

- According to the data on the categorized accommodation of the Ministry of Trade, Tourism and Telecommunications of the Republic of Serbia, in Sokobanja in August 2020, there were three hotels in operation:
  - "Zdravljak", 1* - 4 suites, 150 rooms, 298 beds;
  - "Moravica", 3* - 5 suites, 94 rooms, 193 beds;
  - "Sokoterme", 3* - 11 rooms, 20 beds;
- As well as hotels:
  - "Sunce", which has 183 beds;
  - "Turist", which has 102 beds.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- In Sokobanja, two Special Hospitals are very important, “Banjica” and “Sokobanja,” which have 800 permanent and 130 extra beds.
- Special Hospital “Banjica” is located 500m from the center of the spa. It is located above the Banjica park and the famous “Župan” beach. It has 270 beds and 5 suites, a fitness center, sports fields, a clinic and a seminar room. The medical unit is modernly equipped, and the treatment is performed by a combination of natural healing factors and modern treatment methods. Indications: respiratory diseases, mild nervous diseases and the consequences of stress. “Banjica” has, thanks to the professional medical staff and the natural-healing factor, become a well-known health resort, and it also has a professional staff that organizes recreational classes and schools in nature (www.banjica.co.rs).
- The special hospital "Sokobanja" started operating in 1978. The special hospital "Sokobanja" is a scientific and teaching base of the Medical Faculty in Niš and a reference health institution in Serbia for prevention, treatment and rehabilitation of non-specific lung diseases, with the approval of the Ministry of Health for the application of natural factors in treatment. It has 530 beds, distributed in five facilities, three of which are intended for the treatment and rehabilitation of children. Facilities: "Novi zavod", "Sokograd", "Mala Bota", Villa "Bota" and Villa "Dalmacija" (www.sr.soko-banja.rs).
- According to the estimates of the Tourist Organization of Sokobanja, there are about 3,000 additional beds in addition to the registered capacities, in which the tourist activity takes place.
- **Catering infrastructure.** On the territory of the municipality of Sokobanja, there is a significant number of registered catering facilities, which differ in the type of food they serve and the level of service.

Table 19. Registered catering facilities in Sokobanja

| Facility type | Number of facilities |
|---|---|
| Restaurants | 22 |
| Cafés | 13 |
| Dance clubs | 1 |
| Pizzerias | 5 |
| Night bars | 5 |
| Fast food | 11 |
| Vineries | - |

*Source: Tourist Organization of Sokobanja*

- Restaurants with national food, which are focused on preserving local and traditional tastes of Eastern Serbia, are: Old Serbian tavern "Sokače", ethnic restaurant "Stara vodenica", and ethnic tavern "Kod deda Mije". Restaurant "Chicago" was awarded a gold medal for quality at the Novi Sad Fair in 2009.
- There are no vineries within the spa itself. However, in the Zaječar district, growing vines and wine production are popular, which provides Sokobanja with conditions for wine tourism development. However, this area is much better known for the production of


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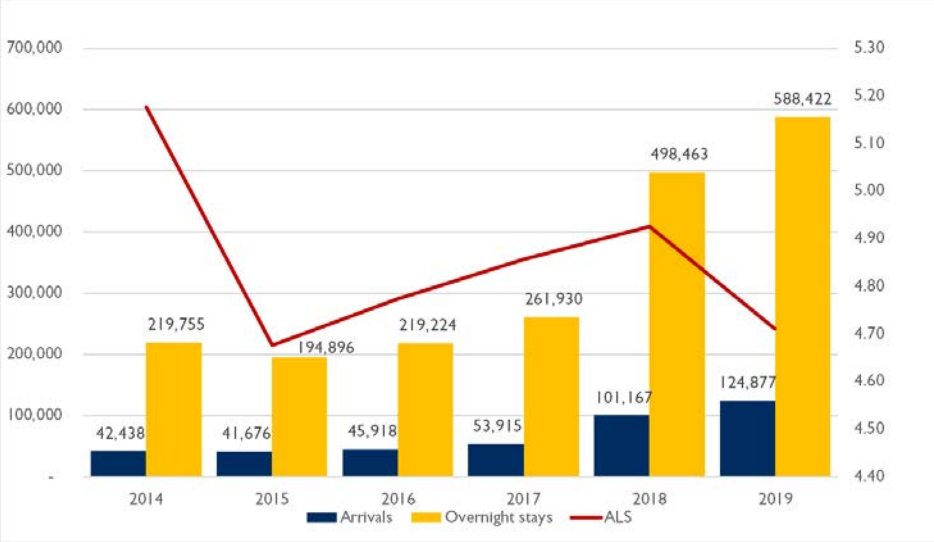
fruit brandies. Compared to the previous period, there is a significant shift in the offer of gastronomic content in the municipality of Sokobanja, which is undoubtedly an important factor in forming the total value of the locality.

## Characteristics and performances of tourist demand

- Sokobanja is an important spa and tourist center. Out of the total number of overnight stays in Serbia, 5.8% were realized in Sokobanja, and 21% of overnight stays of all spa places in Serbia are realized in this spa. Sokobanja is also an important regional tourist center because more than 30% of overnight stays in the region of Southern and Eastern Serbia are realized at this locality.
- In the last five years, a sharp increase in the number of guests has been recorded in Sokobanja. In the period of 2014-2019 the total number of arrivals grew at a rate of 14.07%, with the number of domestic arrivals growing at a rate of 13.39% and foreign at a rate of 17.39%. The number of overnight stays recorded even higher growth, so that the total overnight stays grew at the rate of 21.77%, domestic overnight stays at the rate of 20.94%, and the number of overnight stays of foreign guests recorded the most robust growth - 34.73% (CAGR);
- In 2019, the locality realized over 124 thousand arrivals and over half a million overnight stays, which is an increase of 24.1% compared to 2014;

Figure 14. Tourist arrivals and overnight stays in Sokobanja (2014-2019)




*Source: Statistical Office of Serbia*

- In terms of the structure of overnight stays, domestic guests are dominant, with 92% of overnight stays in 2019, noting that this number is declining each year in favor of foreign guests.


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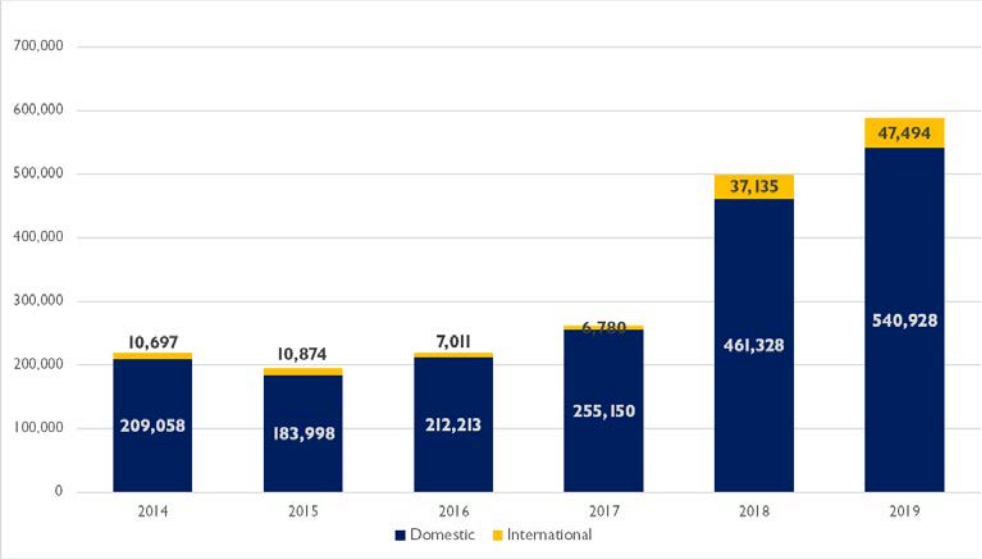
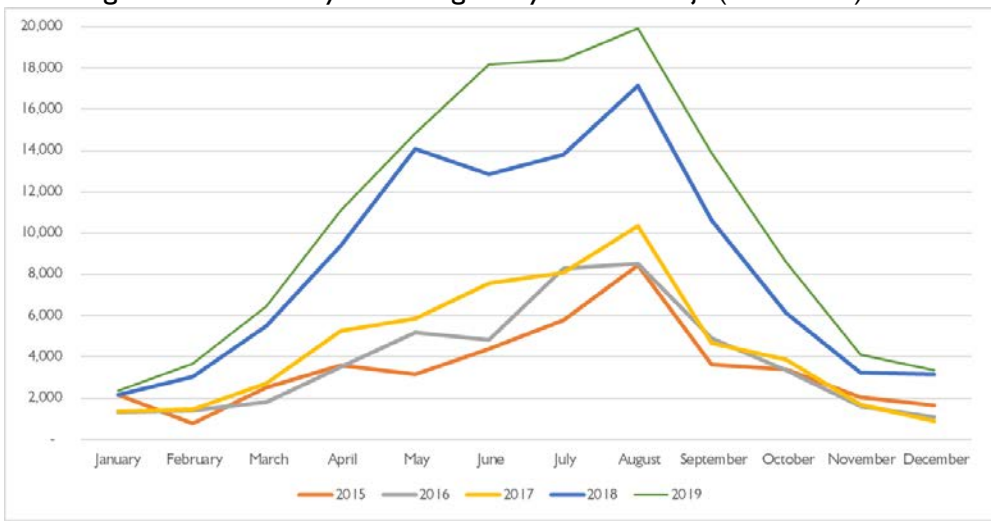
Figure 15. Structure of overnight stays in Sokobanja (2014-2019)




*Source: Statistical Office of Serbia*

- The average length of stay in Sokobanja recorded a slight decrease in the observed period, from 5.18 to 4.71 days.

Figure 16. Seasonality of overnight stays in Sokobanja (2015-2019)




*Source: Statistical Office of Serbia*

- The seasonality of tourist visits in Sokobanja indicates that summer is the period that records the largest number of guests, i.e. July and August. In the observed period, the largest number of tourist arrivals was recorded in August 2019 and amounted to 19,926 guests, and the lowest attendance was recorded in February 2015, when only 779 tourists were recorded.
- The largest number of guests visiting Sokobanja is from Bulgaria and Northern Macedonia. They make up a total of 56.9% of all foreign guests. The participation of guests from other countries is much smaller, as shown in the following table.


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Table 20. Countries of origin of guests in the municipality of Sokobanja

| Country of origin | Participation in the total number of foreign guests |
|---|---|
| Bulgaria | 28.8% |
| Northern Macedonia | 28.1% |
| Bosnia and Herzegovina | 5.9% |
| Greece | 5.5% |
| Romania | 5.3% |
| Croatia | 4.2% |
| Austria | 3.5% |
| Russian Federation | 3.2% |
| Germany | 2.8% |
| Other European countries | 2.2% |
| Montenegro | 2.2% |
| China (incl. Hong Kong) | 1.3% |
| Other countries | 7.0% |

*Source: Republic Statistical Office*

## 2.6. CONCLUSION - COMPETITIVE POSITION OF TOURISM SOKOBANJE

- The municipality of Sokobanja administratively belongs to the Zajecar district in the Timok region, and includes the city settlement, spa and surrounding villages. It consists of a total of 25 settlements, of which 24 are of the rural type. The urban settlement of Sokobanja is the only urban-type settlement in the municipality and represents the administrative, economic, tourist, health and cultural-educational center of the municipality;
- Sokobanja is, in local and regional contexts, recognizable as a spa tourist destination with the beneficial effects of micro-climatic conditions and thermo-mineral water and with a long tradition, primarily in treatment and rehabilitation;
- Demographic structure and trends are unfavorable in most relevant aspects. The depopulation trend of the population on the territory of the municipality of Sokobanja has been going on for years, and according to the available indicators and the projection of the population, it will continue in the future. The lack of significant hotel and tourist capacities, agricultural character, tradition and potential of the area have led to migrations and negative natural population growth. The age and educational structure of the population are also very challenging in terms of the need for entrepreneurial initiatives and higher value-added activities;
- Sokobanja has a moderately favorable traffic position, considering that the main highway through Serbia passes nearby, and the spa is accessible via the exclusion from the highway to Aleksinac. In this sense, accessibility is relatively favorable, bearing in mind that there is no direct inclusion of the destination on the motorway;


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- The infrastructure in Sokobanja is in relatively poor condition, and the biggest problems are related to drinking water supply and wastewater treatment. The condition of the water supply system is bad mostly due to obsolescence, a large number of illegal connections and as a result there is a loss of water in the network, and there is a problem of endangerment of groundwater, as well as lack of efficient sewerage.
- According to the official statistical data of the SBS, the accommodation capacity of the municipality of Sokobanja includes 7,091 beds (permanent and auxiliary), and according to the estimates of the Tourist Organization of Sokobanja, there are an additional 3,000 beds in which tourist activities take place. Over 80% of available capacity is with private accommodation providers. Currently, the main shortcoming in the tourist offer of Sokobanja is the lack of high quality hotel accommodation, but it is expected that the situation will improve by the end of 2020, with the opening of a modern and market-oriented capacity of the hotel "Sun";
- Resources for the development of tourist products and attractions, both in relation to natural heritage and in relation to history and culture, is mostly not used, although in that aspect there are project initiatives and ideas in the early stages of development. On the other hand, there is a very pronounced need for urban rehabilitation of the center of the municipality of Sokobanja, with the aim of emphasizing the architectural and ambient character and authenticity that Sokobanja has in relation to the traditional understanding and aesthetics of spas;
- The analysis of tourist arrivals in Sokobanja indicates a significant growth in the period from 2014 to 2019, where a jump in 2018 is noticeable, mostly due to the success in the implementation of tourist voucher programs conducted by the ministry in charge of tourism. Guests stay for a little less than 5 days on average. The largest number of domestic guests (92% in the number of overnight stays), followed by Bulgaria and Northern Macedonia, which account for about 57% while other destinations have a percentage of participation in the total number of foreign guests lower than 10%;
- He made a significant contribution to defining the key characteristics of the competitive position of tourism in the municipality of Sokobanja through workshops and consultative meetings held by the Working Group during the preparation of this Tourism Development Program. Within the workshops and consultative meetings, key determinants related to individual elements of competitiveness of Sokobanja as a tourist destination were identified.

Table 20-1. Key success factors and assessment of the current situation

| Destination success factors (grade 1-very bad, 5-very good) | 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|
| Geostrategic position | | | | X | |
| Accessibility from other countries | | | | | |
| By air | | | X | | |
| By car | | | | X | |
| By train | X | | | | |
| Accessibility from Serbia | | | X | | |


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| | | | | | |
|---|---|---|---|---|---|
| Level of personal and commercial security | | | | X | |
| Urban aesthetics and arrangement of public spaces / areas | | | X | | |
| Beauty of the landscape | | | | | X |
| Clean and preserved nature | | | | | X |
| Pollution and noise control | | | X | | |
| Resources and attractions that can attract tourists | | | | X | |
| Information on attractions, services, products and activities in foreign languages | | | X | | |
| Road markings and markings in urban areas | | X | | | |
| Tourist signaling / marking / marking system | | | X | | |
| Quality of complementary services and public transport system | | X | | | |
| Parking zones | | X | | | |
| Number and quality of accommodation offer | | | X | | |
| Quality and diversity of catering facilities | | | X | | |
| Local gastronomy / drinks | | | | X | |
| Use of gastronomy / drinks as a tourist product | | X | | | |
| Professionalism and quality of human resources | | | X | | |
| The level of sophistication / complexity of the guests who come to Sokobanja | | | X | | |
| Availability of human resources to absorb new products and activities that should be developed | | X | | | |
| Destination management organization | | | X | | |
| The current level of tourism marketing and communication offers the destination | | | X | | |
| Hospitality | | | | | X |
| Interest in investing in Sokobanja | | X | | | |
| Awareness of the local population about the importance of preserving natural and cultural heritage | | X | | | |

The members of the Working Group gave the highest marks to the strategic position, beauty of the landscape, clean and preserved nature and hospitality of the population. Also, they gave high marks to access by road, level of personal and commercial safety, resources and attractions that can attract tourists and local gastronomy. In addition to the highly-rated success factors, participants agreed that the most significant challenges are to achieve a better


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competitive position: poor quality of complementary services and public transport systems and parking zones, as well as marking destination accessibility and improving tourist signaling systems. A particular problem is inadequate control of pollution levels (especially solid waste) and a general lack of infrastructure. They also pointed out the lack of information on attractions, services, products and activities in foreign languages, insufficient use of gastronomy and local drinks as a tourist product and, generally speaking, low awareness of the local population about the importance of preserving natural and cultural heritage. The members of the Working Group also pointed out the need for improvement and organization of destination management in Sokobanja.


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# PART 3

## MARKET ANALYSIS

Tourism Development Program
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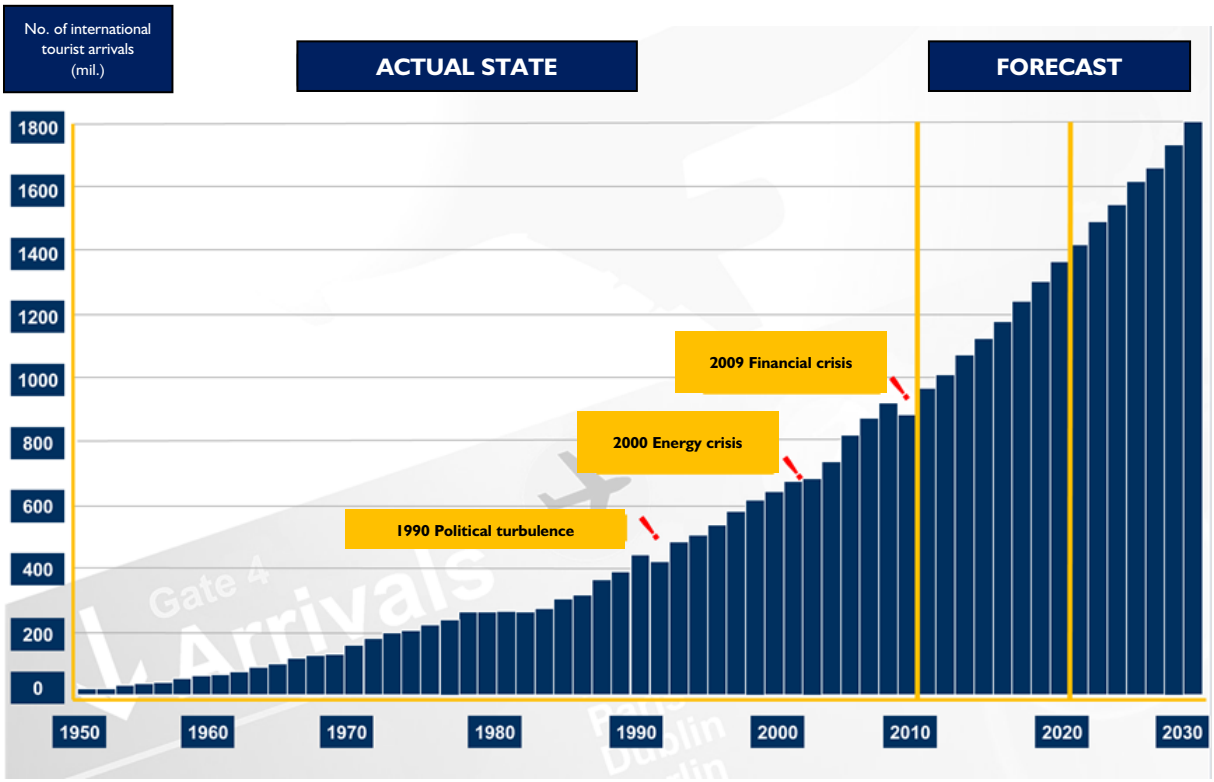
# 3. MARKET ANALYSIS

## 3.1. GLOBAL EUROPEAN TOURIST TRENDS

Today, tourism is one of the fastest-growing economic activities in the world. According to WTTC and UNWTO data for 2019, tourism generates 10.4% of total global GDP and 7% of total global exports of goods and services and 29% of global exports of services in 2019. Tourism is especially important for developing countries, given that their market share is growing, and thus their earnings from tourism.

According to UNWTO forecasts, the number of international arrivals is expected to grow by 3.3% on average per year by 2030, reaching 1.8 billion arrivals.

Figure 17. Trends in the global number of tourist arrivals for the period 1950-2030




*Source: UNWTO Tourism Highlights. 2017.*

It is expected that in developing economies, in the period between 2010 and 2030, the number of tourist arrivals will be on the rise, with a higher rate than the world average - 4.4% per year. With such growth, these countries will reach 1 billion, or 57% of total world arrivals, by 2030.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Even though Europe currently generates over 50% of total arrivals globally, it is expected that by 2030 that share will fall to 41%. Within Europe, Southern Europe and the Mediterranean are expected to have the most arrivals. If we look only at the European market, continental destinations are becoming increasingly popular, offering shorter vacations for foreign guests and domestic ones. With the growth of tourist demand, the demand for all forms of tourist products is growing; while summer and winter stays remain dominant, it is notable that new products are growing faster than traditional ones. Short vacations are becoming popular outside the main summer seasons.

Faced with such a trend, destinations must create and offer guests exciting content and a tourist product that can be consumed within a short stay. Therefore, special emphasis is placed on tourist product development activities, primarily strengthening economic branches and niches in the function of tourism (in case of continental tourism, primarily high value-added agriculture), designing activities itineraries and general destination management.

Good traffic connections are becoming a key success factor. More and more guests come to the destination by plane, so good air connections and the destination's availability are crucial. In addition to addressing the issue of connectivity/easy availability of the destination, guests opting for some form of short vacation expect full and efficient availability of all existing and potential future tourist attractions (heterogeneity of market segments present in short vacation products requires a very diverse mix of attractions for which the interest is shown), which also makes the local transport network (primarily road) a long-term priority.

The focus of demand sources for tourism services is also changing: the new Y and Z generations (born in the 1990s and 2000s) are coming, focusing on online communication. It is estimated that by 2025, members of these generations will make up 50% of the total number of tourists globally. Along with them, an equally important segment is becoming the elderly population that has enough available discretionary income for travel. Primarily, the middle class is strengthening, which is expected to have 4.9 billion inhabitants by 2030, and the largest growth is expected in Asia.

Destinations are forced to innovate and adapt to traditional forms of products and services, which meet the needs of new market segments that are increasingly differentiated from each other, but at the same time, travel in so-called multigenerational groups.

There is a need for strong branding of destinations and local products. They are firmly incorporated into the tourist product and are available through various forms of supply. Thus, the tourist brand becomes a recognizable symbol of quality and trust in the entire offer of the destination and the general ambassador of the region/destination.

Wine and gastronomy are starting to be a particularly strong motive for coming to the destination, which is what the most developed continental destinations are playing on.

## Impact of the Covid-19 Pandemic on Tourism Demand

- The Covid-19 virus pandemic will have an unprecedented impact on global tourism. Hotels worldwide are closing, which creates an extremely negative impact on the labor


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market, and the consequences are already visible. The crisis is expected to trigger a major market clean-up between destinations, hoteliers and affiliates.

- According to a survey conducted by the UNWTO, as of April 6, 2020, 96% of all destinations worldwide have imposed restrictions in response to the pandemic. The report predicts that millions of jobs could be lost as a result of the tourism crisis, while the progress made in the field of equality and sustainable growth in tourism could be under serious threat.
- The impact of the crisis on tourism is visible in sectors such as reservations, events and entertainment, airlines and hotels.
- During the pandemic period, the main reservation systems (Booking.com, Expedia, etc.) had virtually no business activity.
- In Europe, most of the events for 2020 have been canceled, and there is a trend "at the same time next year", instead of being postponed to a later period this year.
- The organization of fairs will change in the long run.
- With the decline in tourism and airline activity, the number of commercial flights around the world is declining sharply, and in early April, the decline in traffic was 75% lower compared to the same period last year.
- Hotels in Europe and the Western Balkans are mostly closed, including city hotels, which will, as a result, generate mass unemployment.

However, it should be borne in mind that the tourism and catering sectors have proved very resilient in previous crises - after the global financial crisis, the recovery lasted only 12 months. In China (which is considered to be a month ahead of the rest of the world), capacity filling can be seen to be on the rise again.

- Individual domestic travel is expected to recover first, while international travel will be on hold, limited to the extent necessary, until a viable solution is found to combat Covid-19. However, after a few weeks of quarantine, people develop a strong desire to leave their homes and travel - the need for current free time will be huge. The season is expected to be longer / many will extend their holidays until September. Stable growth is expected in the medium term (assuming the vaccine hits the market), while in the long term it is likely that tourism will continue to grow more slowly than in the pre-crisis period, but growth will be sustainable.
- Group travel will take more time to recover, as group travel is less attractive in the long run due to the risk of infection. However, domestic bus tours are probably easiest to mobilize in the immediate aftermath of the crisis.
- Sports groups are not able to train together during quarantine, so there will be an increased need for compensation.
- For classic tourist travel, logistics and marketing must be re-established, which will also take time, with uncertainty as to when exactly activities will begin.


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- Business travel will have a significant decline, and we can expect an increase in length of stay in the medium term, because the need to make up for lost work is very high (imposed digital solutions during isolation will eliminate many meetings, but personal contact cannot be replaced). The business group segment will face high demand for a number of small meetings in the short term, as a result of weeks spent at the home office. This is also an opportunity to recover hotels in destinations near cities that offer facilities for business meetings.
- Major events (more than 100 people) will still be completely banned, so congress tourism is expected to be completely stopped in the medium term. In this regard, the business segment is expected to have lower travel activity in the medium to long term, resulting in a longer recovery time.

## 3.2. GENERAL TRENDS IN GLOBAL HEALTH AND WELLNESS TOURISM

Health tourism is a tourism segment with one of the most pronounced growth rates in the number of trips in the last decade. It has been helped by raising people's awareness of the need to take care of their health, enjoy their free time, and the growing income of individuals and households. Besides, there is a noticeable change in modern people's lifestyle, the prevalence of chronic diseases, especially cardiovascular and malignant diseases, diabetes, and chronic respiratory diseases.

Health tourism consists of a wide range of health facilities and services that are often interconnected. The analysis that follows provides an overview of global, European and regional trends in health tourism. As there is a whole spectrum of semantic and content differences within the concept of health tourism, it is important to separate the key parts within this specific segment of the tourism market clearly and understandably.

European practice divides health tourism into two sub-segments:

- Health/medical
- Wellness

In Serbia, on the other hand, there is a division within health tourism based on the type of service provider into the following sub-segments:

- Medical
- Spa/Health tourism
- Wellness tourism

- Over the last decade, the health, wellness and spa tourism industry have experienced growth, both in terms of the overall size of the industry and the number of global consumers participating in services, primarily due to its media presence, but also the number of facilities offering services, either independently or in the form of a hotel.
- Despite reaching the multibillion-dollar industry status so far, the spa and wellness tourism sector will grow significantly in the coming years for several reasons:


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- The baby-boomer generation is looking for ways to prolong years of good health;
- More and more people realize that the key to good health and longevity is in their hands;
- There are a large number of wellness products of different price range;
- Globalization opens the door to the philosophy of the wellness lifestyle.

- The industry is characterized by horizontal integration of various services and products (wellness, active, water fun, mental relaxation, medical prevention and medicine) and an increasing level of professionalism in management and marketing, quality standards, branding, etc. It creates an economy of scale and an appropriate mix of facilities that target different market segments - ensuring sustainable business with high occupancy rates.
- According to the latest published data from the Global Wellness Institute, the global wellness industry includes ten sectors (see picture below), which together were worth $ 4.5 trillion in 2019, with a growth rate of 7.1% over the period from 2017 to 2019, which is twice the growth rate of the global economy (3.5%). The wellness industry accounts for 5.3% of global gross domestic product.

Figure 18. Global wellness industry

*Source: Global Wellness Institute, 2019*

- The wellness tourism market includes two types of travelers: those who are well motivated to travel or choose a destination (primary wellness travelers) and those who want to practice wellness or engage in wellness activities while traveling (secondary wellness travelers). The largest part of wellness trips is performed by secondary wellness travelers, who in 2017 accounted for 89% of tourist wellness trips and 86% in consumption.
- The Global Wellness Institute ("GWI") predicts that the wellness economy will grow at a healthy pace over the next five years and increase its share of the global economy.
- According to GWI, in 2017, the global wellness tourism segment's size was estimated at $ 639.4 billion and about 830 million trips. Between 2010 and 2017, wellness tourism grew at an average


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rate of 16.8% per year (CAGR). Starting in 2013, wellness tourism's annual growth rate was more than twice the annual growth rate of global tourism. In this context, it is estimated that the sector will grow at an average rate of around 7.3% per year (CAGR) between 2017 and 2022.

- The 2018 GWI estimate is that in 2017, there were 149,252 spa facilities worldwide, earning about $ 93.6 billion and employing nearly 2.6 million workers. Between 2015 and 2017, the global spa industry recorded an average annual growth rate of 9.9%, which was significantly contributed by the growth of disposable income, the rapid growth of wellness tourism in general, and the growth of all wellness-related consumption products and services.
- This development is the result of raising the general public's awareness about the need for long-term preservation and improvement of their well-being and health, in which the media play a major role. Also, it has become clear that wellness is no longer a category that falls into luxury consumption but is becoming an integral part of the lifestyle of an ever-expanding population. Growing population problems related to obesity, chronic diseases, diabetes and the general social context have influenced the formation and strengthening of awareness of individuals, industries and governments globally about implementing this concept in everyday routine. In that sense, we can talk about wellness as a global mega-trend.
- It is also essential that, globally, domestic wellness tourists (both primary and secondary) are by far the most critical category - they participate with about 84% in realized trips and about 68% in realized consumption. Domestic wellness tourism is growing faster than international. It is important to note that this category of tourists is far more generous in consumption than the average tourist - domestic wellness tourists spend as much as 159% more than the average tourist.
- The natural resource of thermo-mineral waters is extremely important in global health and wellness tourism, and the number of users looking for authentic, genuine experiences in one place is growing globally. In the last few years, a lot has been invested in the renovation of old capacities, but also the construction of new resorts and facilities based on thermal springs.

## 3.3. EUROPEAN WELLNESS AND SPA INDUSTRY

- Wellness tourism continues to occupy a significant place as one of the most important industries in Europe. Total wellness travel and total consumption (in USD) in Europe accounted for 35% and 33% of the global wellness tourism industry, respectively.
- Compared to other regions, Europe has a developed wellness tourism market that continues to grow, but at a slightly lower growth rate compared to emerging regions such as Asia-Pacific (23%) and Africa (14%).
- In 2017, the most developed wellness tourism market in Europe was Germany, which recorded revenue of $ 65.7 billion, according to GWI (2018).
- As a country in Eastern Europe, Russia was in ninth place in terms of consumption and sixth in wellness trips, with revenue of 4 billion USD and 15.8 million visits.


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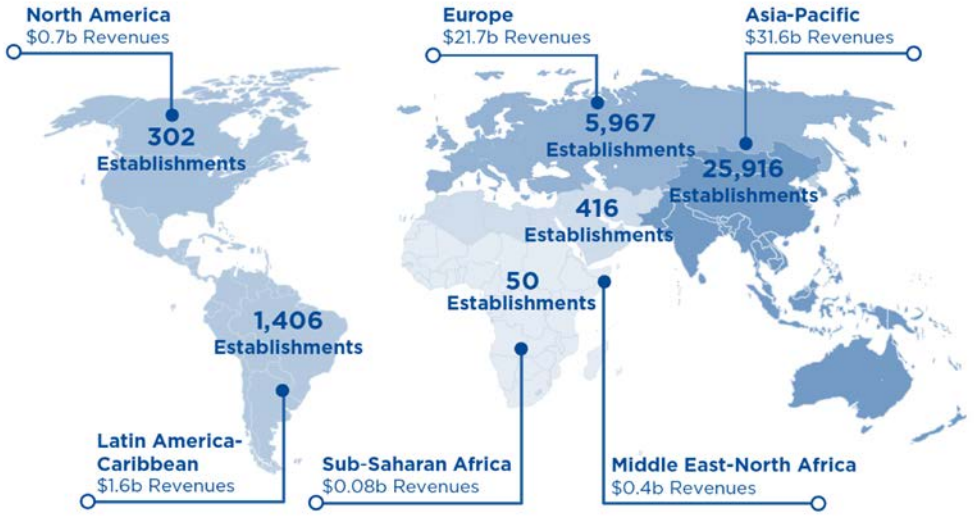
### 3.3.1. European spa industry

- The spa industry has grown steadily within the European region, with stable economic growth and increased customer interest in services and activities in line with their wellness lifestyle and habits.
- According to GWI (2018), in 2017, 46,282 spa facilities were registered in Europe, which generated $ 33.3 billion and employed 883,353 million jobs. In terms of total revenue from spa operations, Europe was in the first place, far ahead of the Asia-Pacific region ($ 26.5 billion) and North America ($ 22.9 billion).

Figure 19. Schedule of spa destinations in the world




*Извор: Global Wellness Institute, 2018.*

- Germany was the leader among European countries and was in the third place globally (behind the United States and China) in the realized income from spa operations. In 2017, Russia ranked ninth globally, with 3,446 spa facilities in the country, revenue of $ 2.3 billion (or an average of $ 667,000 per facility) and 114,261 employees.
- The average revenue per spa facility in Europe was $ 841 thousand, ranging from $ 496 thousand per facility in Poland to $ 1.4 million per facility in Switzerland.


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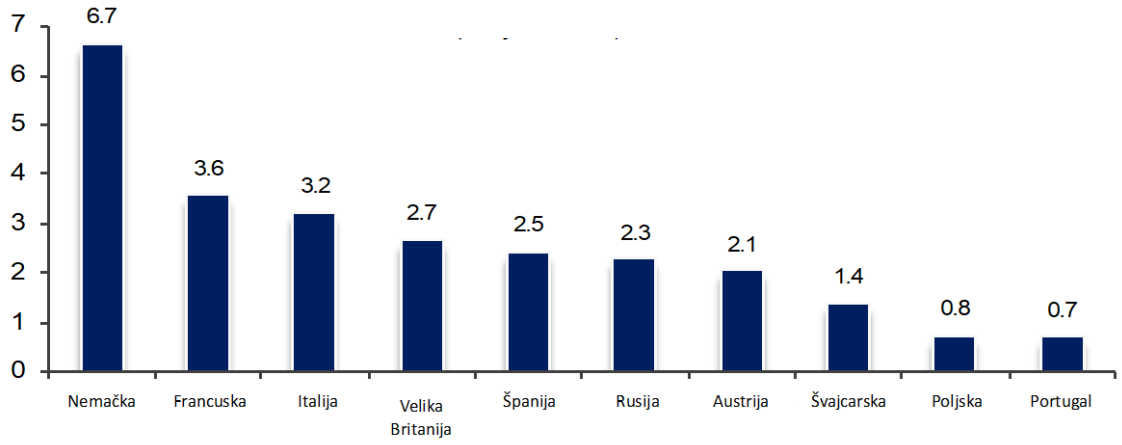
Figure 20. Ten largest spa markets in Europe (billion USD)




*Source: Global Wellness Institute, 2018.*

### Performances of spas based on thermo-mineral springs in Europe

- The Asia-Pacific and Europe regions are globally dominant in the market of spas based on thermo-mineral springs, and 94% of the total number of spas in this segment globally operated in their territories, which generated 95% of total revenue in this segment of the wellness industry.
- Between 2015 and 2017, the number of facilities in Europe grew at an average rate of 3.1% (CAGR), so that at the end of the period, 5,967 facilities were registered. At the same time, revenue from operations in facilities that used thermo-mineral resources grew at an average rate of 4.9% (CAGR).
- The average revenue per facility in this segment in Europe was $ 3.5 million, ranging from average values of $ 1.5 million in Hungary to $ 5.7 million in Germany.
- Thermo-mineral springs in Europe are among the most vital resources for tourism and economic development, especially considering the growing awareness of wellness as a daily routine for the broadest sections of the population. In the previous period, many new investments and marketing initiatives were presented, including the promotion of the "Year of Healthy Waters" in Slovenia, as well as the transnational initiative "Roman Thermal Springs in Europe" (a partnership between Serbia, Greece, Germany, Hungary, Portugal, France and Bulgaria) for the development and promotion of "thermal" tourist packages that include spas and health resorts from countries with Roman heritage.

## 3.3.2. Examples of Best Practice in Europe

An overview of selected countries in the region that have used natural resources and business potential for successful tourism development, based on health and wellness products, is given below:

1) **Austria** – Austria has a long tradition of using thermal waters to preserve and improve human health and well-being; Today, there are 30 thermal (*bad*) destinations throughout the country, with a high degree of product diversification and quality. Although the emphasis is more on wellness than on medical tourism, the tradition of "kur" (curing) and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the concept of medical wellness are very common. Some of the most famous health resorts are located in Austria (e.g. Lanserhof, Parktherme Bad Radkersburg, etc.).

Austria's leading position in this segment is continually strengthening, and this country is one of the most competitive in this segment of the tourism industry in Europe. It is estimated that about 15% of all tourist arrivals in Austria are motivated by holidays with health and wellness services.

On average, the annual occupancy of these hotels in Austria is close to 70%, considering that high-profile facilities with health / spa / wellness services have above-average performance.

2) **Hungary** – health and medical tourism represents one of the most substantial sub-sectors within the Hungarian tourism industry and is popular among domestic and foreign tourists. Hungary has 77 categorized spas, more than 30 medical hotels and 113 wellness and spa hotels.

   According to a survey conducted by the Hungarian Bureau of Statistics, health and medical tourism (including spa and wellness) are one of the three main reasons for visiting Hungary. The sector is characterized by relatively more extended stays, average higher average rates of tourist spending, high guest loyalty, lower seasonality and increased demand for high-quality services.

   Available data from the latest survey from 2012 indicate that hotels that provide health and wellness services realize, more than 25% of the total hotel nights in Hungary (on average). In the same year, hotels that integrated medical services had the highest capacity occupancy rates of about 57.6%, compared to an average occupancy rate of all accommodation facilities of approximately 47.8%.

   **Slovenia** – thermal spas in Slovenia have managed to reposition themselves with new investments that have taken place in the previous two decades and to become one of the most important elements in Slovenia's profile as a tourist country. There has been a complete shift from health insurance-based business to free, market-based demand, accounting for about 85% of total overnight stays. Today, 14 thermal destinations generate more than 30% of the total tourist demand in Slovenia. Starting from 2010, the number of visitors in this segment is constantly increasing, while the length of stay is shortening (3.7 days in 2014), though the number of overnight stays remained at the same level.

   In 2015, Slovenia's thermal destinations achieved 3 million overnight stays with an increasing trend; at the same time, half of the realized overnight stays were realized by foreign guests (key markets: the Netherlands, Croatia, Russia, Poland, Belgium, Denmark and Israel).

The average occupancy of hotel capacities in Slovenia on an annual basis ranges from 45% to 55%, while hotels in spa destinations achieved significantly better performance: 65% to 75%.

### 3.3.3. Wellness and Health Hotels - Specifics and Key Performance Indicators

**Wellness Hotels**

**Guest Consumption:** According to a study prepared by the Global Spa and Wellness Summit, wellness guests are more prone to high consumption; that is, both domestic and foreign guests


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in this category spend significantly more compared to the average tourist. International wellness tourists spend on average, up to 65% more per trip compared to the average tourist (1,500 EUR per trip), while premium international wellness tourists spend, on average up to 1,800 EUR per trip.

**Business indicators:** in hotels with strong competitive advantages in the wellness segment (strong and recognizable offer), revenues from the spa segment make up a significant part of total hotel revenues. In high-category thermal/wellness hotels (upper upscale hotels) in highly developed destinations (Austria, Switzerland), excellent performance of around EUR 80-90,000 in total room revenue (TRevPAR) is achieved. The stronger/more competitive the hotel in the wellness segment, the greater its contribution to the total revenue in the hotel.

A large number of studies have proven the high impact of quality offer of health/wellness contents on the realized price of an accommodation per room (Average Daily Rate - ADR). According to PKFC research, spa hotels had higher ADRs and were in a competitive position to increase room rates mainly under the pretext that "guests get higher value in hotels that have a better offer of facilities and services and thus come up with the opportunity to increase prices to a greater extent than the competition".

The average occupancy of treatment rooms is from 30% to 40% per year. RevPAR (Revenue per available room - average revenue from all hotel services per available room) in the spa industry is usually between 35 and 65 EUR; however, it can vary significantly depending on the size of the spa area in the hotel and the development of the business environment in which the hotel operates (so RevPAR can reach up to 90 EUR in hotels with recognizable high brands). The average number of treatments per night is approximately 0.5.

**Health hotels**

Based on differences in relation to different target groups - treatment or prevention approach, payment method (insurance or individual), the following hybrid business models and real estate development concepts have been developed and established in the market and are located between hotel business and health/care :

- Clinics with hotel standards – clinics (registered in accordance with positive regulations) with increased comfort, service and equipment (similar to a hotel, with good and hospitable service) – mostly private clinics;
- Clinic hotels, patient hotels – a hybrid concept consisting of a hotel (registered in accordance with the applicable positive regulations) and a clinic (registered in accordance with the applicable positive regulations); if the accommodation is not recognized in accordance with the law governing the categorization of accommodation, the designation of such facilities as "patient accommodation" is common;
- Medical spa resorts – health resorts or hotels for patients with integrated medical spa part (= spa where doctors work);
- Health Resorts – hotels and resorts with integrated health spas.

**Features:** health resorts are usually positioned in the high and luxury class. As this type of product generally attracts high-paying guests; rooms are on average 20% larger and in the total number of rooms at least 20% are apartments.


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About two-thirds of the rooms are used individually (double occupancy factor - the average double occupancy factor is between 1.3 and 1.5 on average), which is typical for hotels that focus on health services.

**Performance:** sales are based on packages (usually 5, 7 or 14 days), including full board and at least a basic medical program. This business model helps to optimize the occupancy of all capacities (accommodation and treatment rooms). Total revenue is based on the consumption of relatively expensive medical and related services, so that the level of TRevPAR is higher compared to other types of hotels in the same category or standard. Hotels with the best performance (widely recognizable hotels with top quality medical/wellness service and market recognition) reach a high level of capacity occupancy - above 80% and TRevPAR over EUR 150,000.

The average length of stay in such hotels is between 10 and 12 days. On average, a guest spends between € 250 and € 350 per day, including accommodation, food and medical services.

While the attractiveness of a business location is an essential factor for wellness and spa facilities, it is of secondary importance in the case of medical facilities. In this case, the most important factor for the choice of hotel is determined by **the individual recognition and reputation of each of the hotels in health/spa excellence.**

**The key general success factors for health resorts are:**

- Clear vision, proven business concept and unique positioning;
- Social competence and mental structure of employees;
- Quality control and quality of standard operating procedures;
- Increasing guest loyalty through the provision of after-sales services (own products, follow-up on guests/patients, additional services and attention for guests, etc.);

The quality and orderliness of the destination, the resort itself and its immediate surroundings.

## 3.4. ANALYSIS OF TOURIST TRENDS IN SERBIAN SPAS

- According to the data available on the Serbian Spas Association's Internet presentations, the Tourist Organization of Serbia, local tourist organizations and the Statistical Office of the Republic of Serbia, the entire offer of thermal spa capacities consists of 32 spas.
- In 20 thermal spas, special hospitals for rehabilitation (so-called RH centers) have been historically established, almost all of which still operate today, with the dominant support of the Serbian health system, through the transfer system of the Republic Health Insurance Fund. The RHIF bears the costs of accommodation/health treatments for domestic guests according to the doctor's instructions or after treatment in one of the hospitals in the regular health system. In addition to these 20 hospitals, the RHIF bears accommodation and therapy costs in spas where there are no special hospitals, based


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on contracts with private accommodation providers. In this way, part of these statistics goes into tourism statistics.

- Conditionally observed, spas in Serbia can be classified from the aspect of offer into one of the following categories, according to their primary character (guest's arrival motivation):
    - Fun-oriented (fun character – water fun) – are mostly located near major urban agglomerations, primarily Belgrade. The key content in these spas are water surfaces – outdoor pools and a certain amount of additional entertainment (slides and other sports – recreational facilities). This category includes e.g. Banja Vrujci, Banja Ždrelo, Thermal Riviera in Bogatić, etc.;
    - Focused on treatment and rehabilitation (medical, curative character) – are traditionally popular, with a long history and competencies in implementing specific therapies. As already pointed out, therapeutic treatments are organized through a network of special hospitals. Besides, in several spas there are significant hotel facilities that operate under the auspices of hotel-tourist companies owned by the state (HTP Fontana from Vrnjačka Banja and HTP Lepterija from Sokobanja). Most of the facilities in this network are obsolete and await their fate within the expected privatization process, using their capacities sub-optimally and without proper management to carry out the process of serious restructuring;
    - Aquaparks (summer fun character) – this is a relatively new concept that was recently introduced. The first limited aqua park was opened in Jagodina, while the only two aqua parks that meet international quality standards were opened in Arandjelovac as part of the Izvor hotel complex (2010) and in Bački Petrovac - Aqua Park Petroland (2012);
    - Spas with a modern wellness and spa concept (return to a healthy lifestyle/prevention, relaxation and fun character) are destination spa facilities created around newly opened hotels, such as Hotel Izvor in Arandjelovac and Hotel Premier Aqua in Vrdnik. These facilities and thermal-mineral spas with entertainment facilities are located in the relative vicinity of Belgrade as the main emitting market – within a radius of up to 90 minutes drive.
    - According to the Statistical Office of the Republic of Serbia, in 2018, 11,324 keys and 26,897 beds were available in spas in Serbia. The structure of accommodation capacities in spas according to the number of keys is given below:


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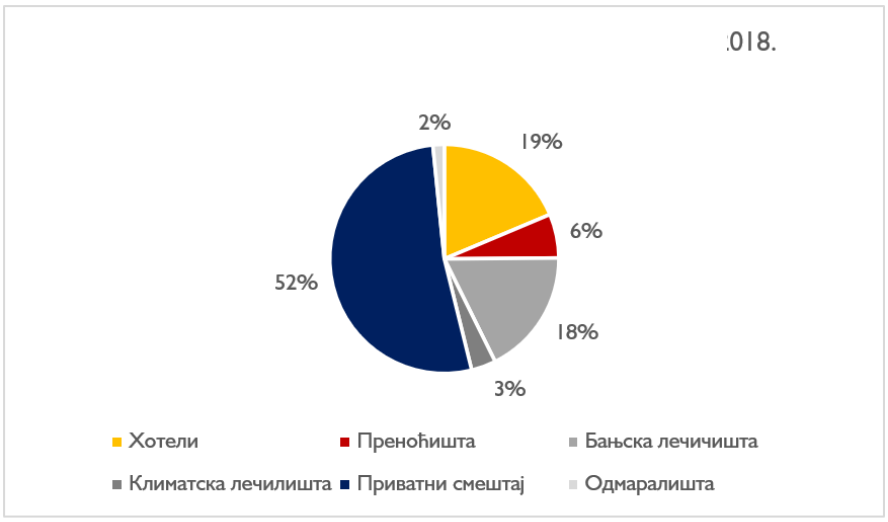
Figure 21. Structure of accommodation capacities in spas in Serbia in 2018, according to the number of keys




*Републички завод за статистику, 2019.*

- It can be noticed that the dominant share is private accommodation – more than half of the capacity is managed as private accommodation. Hotels participate with about 19%, while the share of the capacity of spa and climatic health resorts (special hospitals) is at the level of about 18%.
- Except for a few facilities located in spas and whose business is based on the principles of a destination spa, almost the entire offer of accommodation facilities in spas in Serbia is outdated, far below international quality standards, pending further steps in the context of privatization  Even in the current circumstances, there is room for significant progress, if appropriate changes in management and the introduction of the principles of responsible and professional management occur. In any case, this segment's capacities cannot be considered as competition to the project in question. Having in mind the tendency of domestic tourists to go to spa destinations, primarily in Slovenia, Hungary and Austria, there is an obvious lack of indoor/indoor spa and wellness complex, which will be able to offer high quality facilities throughout the year with different facilities and services that  will affect different market segments - families with children, couples (young and old), business segment, holiday guests, etc.
- It is important to mention here that the offer of so-called "daily spa capacities" is relatively limited and concentrated in the cities and is not standardized. The concept of modern wellness in the context of daily visits has room for significant development and, in that sense, can be a significant risk reduction factor for investors in destination spa facilities that gravitate to larger urban agglomerations.
- Spas in Serbia are a significant tourist product. In the analyzed period 2015-2019, spas on average participate with 27.8% in total tourist overnight stays in Serbia. The average length of stay in spas is constantly declining - it was 4.8 days in 2015, and 4.15 days in 2019;


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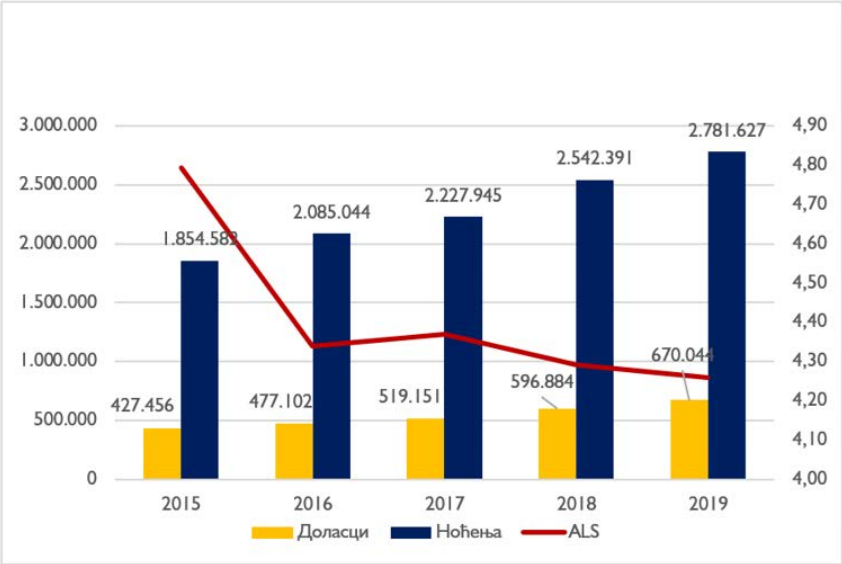
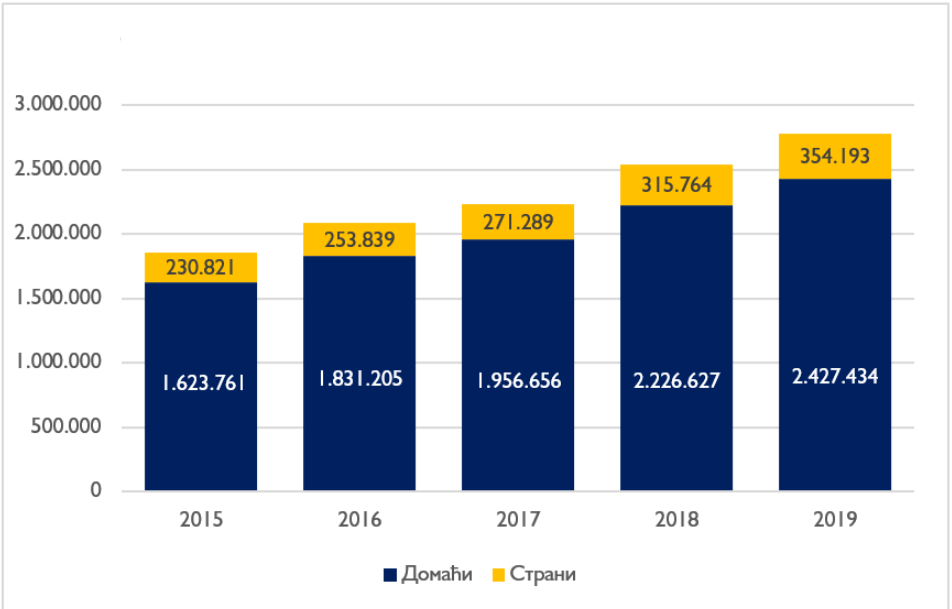
Figure 22. Touristic arrivals in Serbian spas (2015-2019)




- In 2019, a total of 670,044 arrivals were realized in the spas of Serbia, i.e. 2.78 million overnight stays;
- The share of domestic tourists in the total number of overnight stays in spas in Serbia is 87.27%, while the share in the number of arrivals is 81.67%. This is the result of a longer average stay of domestic tourists. It is interesting that these figures correspond to the participation of domestic tourists in the total number of overnight stays in thermal spas globally;

Figure 23. Structure of touristic arrivals in Serbian spas (2015-2019)




*Републички завод за статистику РС, 2020.*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- It is necessary to point out that the number of overnight stays of domestic tourists in spas in the last ten years has increased at an average rate of 7.8% (CAGR), which is a result of demand-side developments (primarily increased purchasing power due to fiscal consolidation countries), but also the result of the introduction of vouchers for summer holidays in domestic accommodation for certain social categories;
- Based on interviews with representatives of reference travel agencies, as well as based on consultants' estimates, about 250,000 daily visits from Serbia are made annually to spas in Slovenia, Hungary, Austria and Croatia (including aqua parks and other facilities based on exploitation of thermal springs);
- In Serbia, there is a developed culture of visiting spas, especially when it comes to treatment and rehabilitation. In addition, activities in the segment of the modern concept of wellness are popular, which are mainly realized over the weekend, during holidays and during vacations, when children are on breaks/have no school obligations;
- Individual quality cases of development of destination spa concepts are slowly opening a new market segment. Performance in this segment is growing, and there is room for sophistication of demand in the segment of daily spa users.


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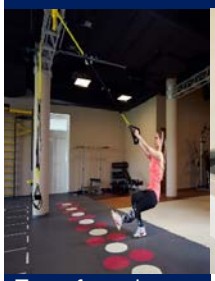
## 3.5. EXAMPLES OF BEST PRACTICE

Destination: ***Tree of Life SPA Resort*** ****, Lazne Belohrad, (**Czech Republic**)



| | | | |
|---|---|---|---|
| Type of complex | Spa destination dedicated to health and relaxation | Content type: | |
| Location: | The spa complex "*Tree of Life SPA*" is located near the mountain Krkonose in the town of Lazne Belohrad. The city is 115km from Prague Airport and 180km from Brno Airport. | Accommodation: | The city of Lazne Belohrad has about 30 smaller and larger hotels, of different categorizations and types, from luxury hotels to family accommodation. "Tree of Life" offers 6 apartments and 67 double rooms. |
| Positioning: | ▪ Medical treatments<br>▪ Wellness, Well-being | Cultural attractions: | ▪ Castle Kumburg - a castle in the Gothic style<br>▪ Bushichku<br>▪ Fortress - a historical landmark |
| Target markets: | ▪ Couples<br>▪ Business people<br>▪ Athletes<br>▪ Seniors | Spa facilities: | ▪ Medical spa packages with special weight loss programs and therapies for back pain<br>▪ Physiotherapy<br>▪ Programs and exercises for better fitness<br>▪ Many types of baths and baths themselves (whirlpool baths, "*Mary Anne*" carbon bath...)<br>▪ Massage for medical purposes and wellness massages<br>▪ Rituals with specialized staff for complete peace and relaxation, using body peels, Dead Sea salt and facial massages, oils that are rare and symbolize eternal youth (Queen Cleopatra's ritual)<br>▪ Oxygen therapy<br>▪ Treatments for inner peace and finding the same with special yoga and meditation<br>▪ Sports activities |
| Activities: | ▪ Bathing, massages<br>▪ Visits zoo park<br>▪ Safari<br>▪ Mini golf, tennis<br>▪ Bike ride<br>▪ Nordic walking<br>▪ Horseback riding | Natural attractions: | ▪ Lake Pardoubek<br>▪ Belohradska bažatnice - forest areas<br>▪ Novopacka waterfalls |

https://treeoflife.cz/en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| Destination: **Baden Baden** (Germany) | | | |
|---|---|---|---|
| | | | |
| Type of complex | Spa destination for rest and recovery | Content type: | |
| Location: | Baden Baden is located about 160km from the airport in Frankfurt, 300 km from Munich, 100km from Stuttgart and 180km from Basel. Located on the slopes of Schwarzwald mountains, province of Baden-Württemberg.<br>Population - 50,000 inhabitants | Accommodation: | Offering 42 hotels, of which 35* hotels and 13 4* hotels. In addition to these, there are a large number of other accommodation facilities (holiday houses, apartments)<br>One of the most popular hotels on this destination is the Breners Park-Hotel & Spa. This 5-star hotel offers exclusive spa facilities. It is set within the picturesque gardens of Baden-Baden, a 10-minute walk from the Kurhaus spa center. |
| Positioning: | ▪ Health and wellness | Cultural attractions: | ▪ Castle Festival (German: Festspielhaus )<br>▪ Stiftskirche (Gothic style temple)<br>▪ Museum Faberge<br>▪ Ludwig Wilhelm statue<br>▪ New castle (built in 1479.)<br>▪ Evangelic church in the center of Augustplatz<br>▪ Hohenbaden Castle |
| Target markets: | ▪ Seniors<br>▪ Business people<br>▪ Athletes | Spa facilities: | ▪ Aromatherapy<br>▪ Friedrichsbad - a spa built in Roman and Irish style and tradition<br>▪ *Salina Sea Salt Grotto* - healing salt "sea"<br>▪ *Caracella Spa* - 12 thermal springs and baths, spa center (discovered 2000 years ago) |
| Activities: | ▪ Pools and swimming<br>▪ Bike rides<br>▪ Mountain climbing<br>▪ Golf<br>▪ Hippodrome<br>▪ Cultural contents | Natural attractions: | ▪ Lichtental alley<br>▪ Thermal springs<br>▪ Geroldsau waterfall<br>▪ Mercury mountain<br>▪ Freiburg<br>▪ lakes Sulmsee, Waldsee, Bergsee |

ww.baden-baden.com


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Destination: **Gyula spa (Hungary)**

| | | | |
|---|---|---|---|
| Type of complex | Spa destination for health and relaxation | Content type: | |
| Location: | The spa is located in the eponymous town of Gyula in Hungary, near the border with Romania.<br>The town of Gyula has about 30,000 inhabitants. Destination area is 255.8 km².<br>240 km from the Hungarian capital, Budapest | Accommodation: | The town of Gyula has about 180 hotels, wellness hotels, boutique hotels, garni hotels and apartments. Hote Erkel **** is the best rated hotel in the Gyula spa, and alsc the only hotel that is directly connected to the spa complex by warm corridors. |
| Positioning: | Relaxation (wellness) and health (spa) holiday . It is known for its large sauna park, but also for its therapeutic spa Warfurdo . | Cultural attractions: | Fortress from the 15th century<br>Palace in the city spa<br>Today, Almasy Castle is a museum that displays the former lives of counts and their servants.<br>"Centennial confectionery" has been operating since 1840, and one part of the confectionery has been turned into a museum. |
| Target markets:<br><br>Activities: | ▪ Medical treatments<br>▪ Wellness and fitness relaxation<br>▪ Water park "Aqua Palota" suitable for families with children<br>▪ 50+ visitors<br>▪ Seniors<br>▪ Water Park "Aqua Palota"<br>▪ Wellness center "Harmony" Wellness Spa complex<br>▪ Sauna park<br>▪ "Varfurdo" spa | Spa facilities:<br><br>Natural attractions:<br><br>Congress facilities: | Has a total of 20 outdoor and indoor pools, large bodies o water and a new aqua park; .6 deep thermal springs; large sauna park, sasauna ma outdoor and indoor work. Offers therapeutic services, hydromassage, children facilities and swimming pool. Varfurdo spa is a qualified health resor with healing waters. For guests from Serbia, examination by specialist doctors are free.<br>▪ Natural thermal springs (6 deep thermal springs)<br>▪ Koros river<br>▪ Numerous flower parks throughout the city<br>▪ The Hynduadi Matyas hall (390m²) at the Erkel Hotel can accommodate 290 people.<br>▪ Hynduadi Szaloni - capacity 100 people.<br>▪ Two more smaller halls for workshops and meetings. |

/ww.varfurdo.hu


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Destination: **Kreischberg, Austria**

| | | | |
|---|---|---|---|
| Type of complex | Ski resort, spa, relaxation and wellness complexes | Content type: | |
| Location: | It is located on the border of Carinthia and Styria, near St. Lorenzen, 5km from the town of Murau | Accommodation: | Hotel Relax Resort has 91 rooms with a (double , triple and an apartment). Ferienpark has 71 rooms accommodating 4-5 guests. The Kreischberg ski area offers accommodation in several other hotels , and also offers private and accommodation specialized for ski tourists. |
| Positioning: | Modern ski resort with spa, relaxation and wellness facilities | Cultural attractions: | ▪ ' Neumarkt ' Museum<br>▪ Monastery of St. Lambrecht<br>▪ St. Rupreht tree museum<br>▪ Ruin stone castle<br>▪ Museum of rural life - Shaifling Pipe<br>▪ Farmer's mill<br>▪ "Brewery of senses" beer museum |
| Target markets: | ▪ Ski resort, outdoor tourism<br>▪ Wellness and relaxation<br>▪ Families<br>▪ Youth<br>▪ Seniors | Spa facilities: | Hotel Relax Resort , in addition to being a ski center, is a great place for a weekend wellness vacation. It has a 500m² wellness center with a large pool, small playing pool for children, sauna, massage beds, offering various relaxation massages, steam baths and jacuzzi. Ferienpark is designed as a village with the main facility, with reception, spa and wellness center, playground for children, restaurant and other small buildings, bungalows, apartments and houses . It features a large indoor pool and saunas. |
| Activities: | ▪ Hotel Relax Resort offers a "health walk" with a local guide<br>▪ Forest trips and three rivers in Murau Ferienpark for families has a special recreational program (swimming, walking and skiing for beginners), active walks, hiking, skiing, extreme skiing, lake cruising | Natural attractions: | ▪ Mountainous areas<br>▪ Alpine wreath<br>▪ Lake *Auerlingsee*<br>▪ *Dürnberger* (Dirnerberger swamp)<br>▪ *Schwartzsee* (Black Lake) |

www.relaxmurau.at


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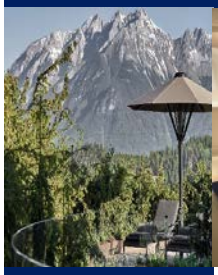
Destination: **Spa Lanserhof, Lans (Austria)**



| | | | |
|---|---|---|---|
| Type of complex | Spa destination for health and relaxation | Content type: | |
| Location: | Lance is a town in the district of Innsbruck (8 km away from the southern part of the city) in the Tyrol region. The city of Lance is best known for its medical complex, health center and Lanserhof spa. It is 476km away from the capital of Austria, Vienna. | Accommodation: | The structure and quality of accommodation in the city of Lans and the Lanserhof Spa is exceptional, from "lux" spa hotels, apartments, private accommodations, to traditional, rural accommodation, ethno hotels, mountain houses, as well as hotels directly connected to the spa. The Lanserhof hotel , located in the rehabilitation center itself , has double rooms and 16 suites. |
| Positioning: | ▪ Medical treatments<br>▪ Wellness<br>▪ Well-being | Cultural attractions: | ▪ Innsbruck Old Town<br>▪ Castle Ambras<br>▪ Tyrolean Folk Art Museum<br>▪ Museum "Wattens" |
| Target markets: | Mostly business people come who want to relax with special therapies (35+ years)<br>*Empty Nesters* | Spa facilities: | Spa is known and specialized for special medical treatments that are mainly based on relieving stress and relieving stress , it is based on their unique medical concept:<br>F.X. Mayr therapy, Mayr medicine practiced in the Lanserhof spa, methods that help improve the digestive tract<br>Detox Lans - special analysis for the entire body for creating healthy body and spirit personal nutrition plans<br>Burnout therapy - a program that helps reduce stress and prevent mental problems with the help of relaxation and special anti-stress methods |
| Activities: | Medical treatments are unique in that they apply special medical concepts and methods to reduce stress, relax and calm the mind and body (programs from 7 to 14 days)<br>Walks<br>Golf center Sperberweg | Natural attractions: | ▪ Surrounding forests ("Paschberg" forest)<br>▪ Mountain "Patscherkofel"<br>▪ Alpine wreath<br>▪ Lake Lancer<br>▪ Lanser Moor/Water Lily Pond - part of the lake Lanser that is deep on the part of the forest, protected by the state, including the ban on swimming and camping, as nature would not be destroyed. |

/ww.lanserhof.com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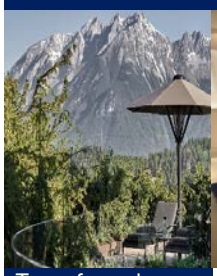
Destination: **Karlovy Vary, (Czech Republic)**



| | | | |
|---|---|---|---|
| Type of complex | Spa destination for health and relaxation | Content type: | |
| Location: | The destination is located in the western part of the Czech Republic. The area is 59 km$^2$. The population is 50,594, altitude 370-600m. The nearest city center is 50km away and the capital is 120km away. The first big city abroad is 320km away (Munich). | Accommodation: | The total capacity is more than 10,000 beds<br><br>There are 9 5* hotels, 60 4* hotels, 58 3* hotels, 21 2* hotels, 8 1* hotels, as well as 41 apartments and 32 boarding houses. The spa has 5 MediSpa hotels. |
| Positioning: | Destination for wellness and spa vacation, known for the quality of (medical spa) treatments, treatment tradition and relaxation. | Cultural attractions: | ▪ MOSER Glass Museum<br>▪ Church of St. Mary Magdalene<br>▪ Diana's lookout<br>▪ Orthodox Church of St. Peter and Paul<br>▪ Museum and gallery |
| Target markets: | ▪ *MediSpa*<br>▪ *Well-being* active rest and relaxation<br>▪ Golf<br>▪ Seniors<br>▪ Business people | Spa facilities: | Mineral waters are mostly used as a medicinal drink and as the most important part of a spa treatment. There are 12 hot springs. It is also known for its colonnades, museums and galleries, parks and numerous churches. The hotels offer all modern spa facilities. |
| Activities: | Hiking and health trails<br>Pools and swimming<br>Gym and fitness<br>Tennis, bowling<br>Bike riding<br>Rollerblading, hockey, skating<br>Paintball<br>Horse racing, horseback riding<br>Events that emphasize the culture and tradition of the destination | Natural attractions: | ▪ The Orga river, which flows between Loket Castle and Karlovy Vary County in Doubia<br>▪ Park in the center of the city Aleksandar Dvorak<br>▪ River Tepla |

ttps://www.karlovyvary.cz/en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## 3.6. MARKET ANALYSIS CONCLUSION

The analysis of relevant global trends and presented examples of good practice points to the following key conclusions related to the further development of tourism in the municipality of Sokobanja:

- Sokobanja has its market recognition, rich history and very solid resource-attraction basis in the market of active holidays, health and wellness;
- Despite numerous global political, social and security turbulences, given the threat of global disasters (such as the current Covid-19 pandemic), tourism is expected to continue to grow at an accelerated pace, and economic results from tourism will increase;
- Excluding the current decline caused by the pandemic, passenger numbers have been rising slightly in Europe itself, while in populous countries with high economic growth rates, the middle class with the desire and ability to travel is growing rapidly. In such a global constellation, Europe, with the Mediterranean, the Alps, leading global urban destinations, will remain the world's leading tourist macro-region thanks to its historical heritage and living culture, which is almost impossible to copy, but with the strengthening of other global destinations, its share in the total global tourist economy will still be declining;
- Generations Y and Z will dominate the world tourist market by 2025, which will quickly end the revolution that has already begun to happen in the ways of presentation and commercialization of tourist products, but also the content and characteristics of the tourist products themselves. Without strong Internet platforms that integrate and through constant innovations and the use of modern technologies to present the tourist offers of destinations, the application of new technologies and multimedia in attracting tourists, preserving authenticity and fair access to value for money (due to stronger control mechanisms in online evaluation), the development and survival in the tourism market will not be possible;
- The most important features for the area of the municipality of Sokobanja, for future development, will be the products of active and short vacations in nature, as well as health and wellness, which are growing the fastest in the global context, because the total vacation of nearby markets is divided into more trips. Also, growth in the product of tours can be expected, because Sokobanja is a tourist "entrance" to the region of Eastern Serbia, and a large number of tourists through tours want to visit/see as much as possible in less time and for as little money as possible;
- The products of active and short vacations, health and wellness and tours, in addition to growing, are becoming more divergent, i.e. less standardized, due to the growing market coverage, which allows destinations to shape them according to their structures and attractions. The only rule is to satisfy all the elements of the tourist value chain in a comfortable, fun and original way, having in mind the authentic heritage of the destination and its resource-attraction basis;
- Finally, global trends point to the fact that in today's tourism development (especially in Europe) the problem is not the demand and market potential, but the internal ability to


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develop a competitive tourist product. This ability today stems in part from a system of inherited attractions, depends in part on capital resources, and in large part on the interrelated categories of sophistication of local cultures, their capacity for entrepreneurship, and the general capacity of human resources;

- In terms of strengthening the competitive position of successful spa destinations, it is important to point out the following key levers:
    - Urban rehabilitation and aesthetic "balance" of the destination;
    - Valorization of natural and cultural-historical heritage (ensuring accessibility to key attractions, interventions in terms of safety and management of visitor flows, construction of adequate infrastructure - lighting, interpretation, etc.);
    - Modernization of general infrastructure - "greening" of destinations and care for pollution reduction;
    - Emphasis on the authentic way of life of the communities – customs, traditional products (primarily food and drink), handicrafts, etc.
    - Modernization and creation of event calendars to complete the fun dimension of your stay in the destination;
    - Support establishing the destination management companies that are able to design and deliver experiences tailored to each individual guest;
    - Digitization of business, especially tourism marketing;
    - Experimental zoning of the destination and setting up the missing tourist infrastructure (info-points, guide services, visitor centers, etc.).

***Conclusions regarding the analysis of the good practice examples***

- Holistic integrative concepts, as well as those related to modern lifestyle, which emphasize the search for a balanced lifestyle (including holistic resorts, spas and wellness centers);
- Concepts of active holidays (e.g. sports and adventure tourism), which are increasingly combined with health and spa tourism;
- Sustainable and ecological approach, principles of construction and design, as well as operations adapted to the use of all categories of users - including "eco-spas", "slow" organic food and natural and cosmetics based on the use of minerals;
- Guests who use the services of capacities in health tourism especially appreciate peaceful and beautifully arranged destinations, which have a relaxing and inspiring impact on the mind, body and general state of human well-being – for example, the so-called "*dreamscapes*", eco-fit resorts, etc.;
- Tourists whose main motive for travel is health tourism have a need to seek and connect with people who have similar attitudes and needs, or who share similar problems and search for new habits (weight loss, active programs, detox programs etc.);
- Workshops, trainings and educations are becoming a key part of "health" vacations, as people not only want to occasionally experience the effects of staying in this type of


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facilities, but also want to accept a new way of life as a philosophy of life and apply “tips and recommendations” in everyday life;

- The impact of technology is ubiquitous; technology is often used as a tool for improved and enhanced interaction with wellness clients, offering a variety of services and programs (e.g. virtual trainers that even in the spa/health facilities themselves have access to top instructional materials and a large number of trainers, cloud software which allow hotels in operations to eliminate receptions and, instead, welcome guests via tablet and personalized messages, etc.);
- Increased hotel orientation towards the implementation of the health concept, which represents a better integrated concept of healthy lifestyles and health and wellness awareness in all segments of the hotel offer, rather than only within the limited offer provided it spa and wellness facilities within hotel. This represents a fundamental change, which is one of two such changes in the hotels of the future and which will change the conceptual and operational approach in the wellness hotel industry;
- Hotel investors and company management mostly recognize the economic benefits of wellness contents and wellness orientation in the facilities, and guests know how to appreciate that. Global hotel brands are increasingly representing health and wellness concepts within their products and services, i.e. within the experience they offer guests, creating even new brands based on this new paradigm (e.g. EVEN Hotels - Wellness Hotels from IHG, Accor Thalasso, innovative fitness options "built" into the rooms - Omni Hotel's Get Fit Rooms, Westin WORKOUT guest rooms, etc.).


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# PART 4

## SWOT ANALYSIS

Tourism Development Program
of the Municipality of Sokobanja

# 4. SWOT ANALYSIS

## 4.1. INTRODUCTION

SWOT analysis is a structured planning method of evaluating projects, programs, enterprises, business ideas or territorial units for the purpose of developing a certain activity. These are four aspects of the analyzed unit:

- **Strengths** – what, given the internal characteristics, can be relied upon to achieve success. The key, most relevant and most intense strengths are those that have the potential to turn into long-term sustainable competitive advantages;
- **Weaknesses** – internal characteristics that are barriers to the success of the selected project, business or direction of development. Weaknesses of lesser importance or intensity can be overcome in the long run, but important and intense ones strongly affect basic strategic commitments and rank ambitions;
- **Opportunities** – external aspects that have a positive impact on the possibility of rapid implementation and attractiveness of the enterprise, but generally have a limited impact on the strategic commitments themselves;
- **Threats** – external aspects that can potentially limit or introduce additional risks into the venture.

Although there are different modifications of this model, including different quantitative methods in summary analyzes, SWOT is essentially a qualitative model, so in that sense, any quantification in order to obtain the final results of the model is problematic. Namely, it is very challenging and complex to compare different aspects, categories and their logical interrelationships quantitatively. Therefore, for the purposes of this Program, the basic SWOT methodology was applied, which is based on the previously presented conclusions of the internal environment and the market, with a text summary as the conclusion of the overall analysis. In accordance with the important determinants in the development of the concept of tourism development, the SWOT analysis was done within the following components:

- Spatial determinants;
- Resource and attraction base;
- Development of the tourism sector;
- Human resources;
- Marketing and promotion;
- Organization and management of tourism development;
- Connection with other economic sectors;

Below is a summary of the SWOT analysis – identification of the strategic advantages and disadvantages.


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## 4.2. SWOT ANALYSIS

Table 21. Result of the SWOT analysis – SPATIAL DETERMINANTS

| STRENGHTS | WEAKNESSES |
|---|---|
| ▪ Landscape of the Balkan Mountains, visible European region and recognizable geographical determinant<br>▪ Direct border position with the European Union countries (Bulgaria, Romania)<br>▪ Position near the European Corridor – Corridor X<br>▪ Traditionally agrarian space<br>▪ Rich historical heritage (Romans, Turks, and above all the Middle Ages) | ▪ Decay and unorderlyness of urban centers<br>▪ Neglected and touristically unprepared rural areas<br>▪ Condition of basic infrastructure elements below the standard (water supply, wastewater treatment, road network and signalization)<br>▪ Unregulated access to Lake Bovan |
| **OPPORTUNITIES** | **THREATS** |
| ▪ Connecting cross-border regions<br>▪ Support to tourism development by national and international institutions | ▪ Models of urban development in opposition to tourism development of more added value<br>▪ Illegal construction – unplanned and spontaneous occupation of space around key attractions |


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Table 22. Result of the SWOT analysis – RESOURCE AND ATTRACTION BASE

| STRENGHTS | WEAKNESSES |
|---|---|
| ▪ Area rich in balneological resources with recognized beneficial properties<br>▪ Attractive landscape and richness of forests, meadows and waters<br>▪ Natural and cultural-historical heritage<br>▪ Hospitality - an authentic way of life in Eastern Serbia<br>▪ Water riches - lake, river and stream network<br>▪ Indigenous gastronomy<br>▪ Niš, Kruševac and other urban units in the vicinity | ▪ Internally undifferentiated space (in terms of experiential structuring)<br>▪ Lack of tourist infrastructure and signalization<br>▪ Some tourist products and attractions are generally not ready for commercialization<br>▪ Unresolved property-legal issues, thermo-mineral resources, use of other public spaces and resources)<br>▪ Unplanned use of cultural and historical heritage (e.g. Soko grad) as well as natural attractions (Sesalačka cave) |
| **OPPORTUNITIES** | **THREATS** |
| ▪ EU pre-accession funds<br>▪ Strong growth in the attractiveness of adrenaline and nature tourism<br>▪ Global growth in demand for health & wellness products | ▪ Unplanned use of resources and attractions<br>▪ Slowness and administrative complexity of the implementation of prepared projects and development initiatives<br>▪ Inadequate or overrigid and inefficient protection of natural and cultural assets |


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Table 23. Result of the SWOT analysis – DEVELOPMENT OF THE TOURISM SECTOR

| STRENGHTS | WEAKNESSES |
|---|---|
| ▪ Existing projects for the development of spa and swimming tourism (Aquapark Podine, Turkish hamam, private initiatives in the development of water parks and accommodation)<br>▪ Quality of new accommodation facilities – Hotel Sunce, Hotel Moravica in modular reconstruction<br>▪ Rural environments – authentic objects of rural tourism and traditional way of life<br>▪ Key natural resources are already the subject of serious development projects (mineral water springs, Lake Bovan, Moravice stream, etc.)<br>▪ Possibility of connecting to some international tourist routes (route of the Roman emperors) | ▪ Small offer of high value accommodation capacities<br>▪ Lack of tourist infrastructure and superstructure<br>▪ Performance of the tourist industry (capacity occupancy especially outside the summer season and realized prices)<br>▪ Insufficient capacity of existing tourist entrepreneurs<br>▪ Unpreparedness of some tourist products for sale (Soko grad, Lake Bovan)<br>▪ Poor internet in areas where it is expected |
| **OPPORTUNITIES** | **THREATS** |
| ▪ Ambitions of major economic entities and local authorities<br>▪ Upward trend of short vacations<br>▪ Upward trend of health (preventive) tourism<br>▪ Aging of the traveling population<br>▪ Affirmation of the value of Sokobanja and mystical Eastern Serbia through further improvement of tourist marketing and events<br>▪ Tradition of activities in nature that enable far better tourist valorization<br>▪ Projects of restoration and tourist valorization of cultural heritage | ▪ Regional competition of similar destinations<br>▪ Attraction management (accessibility, interpretation ...)<br>▪ Devastation of urban space and the natural environment due to unplanned construction and use of resources and consequent damage to the image of the "Green Heart of Serbia" |


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Table 24. Result of the SWOT analysis – HUMAN POTENTIAL

| STRENGHTS | WEAKNESSES |
|---|---|
| ▪ Character and openness of the local population for the development of tourism<br>▪ Development of educational institutions (near Niš as a university center)<br>▪ Preserved demographic structure of the population - keeping young people and women in Sokobanja | ▪ Negative demographic trends (depopulation, migration, aging ...) in the region<br>▪ Lack of necessary specialized profiles<br>▪ Poor knowledge of foreign languages other than English |
| **OPPORTUNITIES** | **THREATS** |
| ▪ Support mechanisms for curriculum improvement in the formal education system (secondary and higher level) as well as various specializations<br>▪ Introduction of the dual education system<br>▪ Building human resources in terms of creating conditions for sustainable employment in tourism | ▪ Failure to establish other levers to prevent negative demographic trends in the short and medium term<br>▪ Outflow of educated young staff (rising cost of living in a tourist place) |


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Table 25. Result of the SWOT analysis – MARKETING AND PROMOTION

| STRENGHTS | WEAKNESSES |
|---|---|
| ▪ Activities of the Tourist Organization of Sokobanja as a regional leader for the promotion of tourism<br>▪ Sokobanja as the capital of cultural events and festivals in the region<br>▪ Accordion Festival as a recognizable national brand<br>▪ Facilitated communication due to proven medicinal properties of mineral springs and natural environment | ▪ Insufficient and budget-limited presentation, distribution, ways and channels of communication<br>▪ Insufficiently promoted image and recognizability of Sokobanja as the "Green Heart of Serbia"<br>▪ Fragmented sales<br>▪ Insufficient understanding of target markets and market segments |
| **OPPORTUNITIES** | **THREATS** |
| ▪ Branding and new marketing (international) strategy<br>▪ Synergies with other cross-border regions (especially on the development of *balneological* and outdoor products)<br>▪ Orientation to digital platforms and online<br>▪ Sophistication of awareness of the importance of tourism (internal marketing on the topic: what should or should not be done in a destination that is the "Green Heart of Serbia") | ▪ Delivery of marketing promise (brand promise)<br>▪ Unpreparedness (awareness and motivation) of local actors to act together in tourism marketing<br>▪ Strengthening incompatible tourist contents (low value mass tourist products) |


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Table 26. Result of the SWOT analysis – ORGANIZATION AND MANAGEMENT OF TOURIST DEVELOPMENT

| STRENGHTS | WEAKNESSES |
|---|---|
| ▪ Readiness of the municipal administration for further tourism steps<br>▪ Interest of leading companies in tourism<br>▪ Institutional arrangement of Sokobanja and commitment to local and regional development programs<br>▪ Good regulatory framework to support tourism development | ▪ Weakness of some infrastructure systems to support the existing level and development of tourism (water supply, electricity, parking, internet, municipal waste)<br>▪ Capacity of the overall system, and especially its components (fragmentation)<br>▪ Insufficient cooperation and trust between the public and private sector<br>▪ Capacity and budget of institutions for the implementation of development programs |
| **OPPORTUNITIES** | **THREATS** |
| ▪ Joint marketing with other related destinations and with clear tasks and guidelines<br>▪ Opening of new info-points and connection and coordination of the tourist organization with branches on the territory (Soko grad, Rtanj, Lake Bovan)<br>▪ Public-private partnerships in the formation of destination management organizations (DMO) in branches at separate points<br>▪ Internal marketing and sophistication of tourism workers and the general population<br>▪ Further development of destination management companies to deliver experience in destinations (DMC) | ▪ Declarative support for tourism development, without concretization in available budgets<br>▪ Passive attitude in the implementation of already possible development solutions<br>▪ Procrastination with the implementation of critical infrastructure projects<br>▪ Impact of the Covid-19 pandemic on the further development of international tourism |


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Table 27. Result of the SWOT analysis – CONNECTION WITH OTHER ECONOMIC SECTORS

| STRENGHTS | WEAKNESSES |
|---|---|
| ▪ Diversification<br>▪ Interest of local entrepreneurs in participating in tourism development of the area/destination<br>▪ Preference of developed local entrepreneurs for diversification in the tourism sector, with synergies with tge core business (agriculture, crafts, etc.) | ▪ Lack of common vision and understanding the rules of the game in the tourism sector (interests of individual relevant tourism entities are not harmonized)<br>▪ Incoherence of local stakeholders<br>▪ Often conflicting behavior of entities from different sectors |
| **OPPORTUNITIES** | **THREATS** |
| ▪ Quality labels – product branding/trademarking (traditional products - *belmuž*, barbecue, teas, cheeses, etc.)<br>▪ Stronger linking of agriculture and tourism sector through the use of IPARD support<br>▪ Strengthening small and medium enterprises through private initiatives (e.g. local gastro-souvenir shops and stores, workshops for production/tasting/education)<br>▪ Use of presence in international tourism marketing projects<br>▪ Transfer of good practice from others Danube countries (EU Strategy for the Danube Region) | ▪ Decline of industries (agriculture, livestock)<br>▪ Possible/imported economic depression (lag, non-innovation)<br>▪ The impact of the COVID-19 pandemic on the further work of the economy and the transferred impact on the development of tourism and hospitality |


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## 4.3. CONTCLUSION OF THE SWOT ANALYSIS

Table 28. Result of the SWOT analysis – SOKOBANJA

| STRENGHTS | WEAKNESSES |
|---|---|
| ▪ Area rich in balneological resources with recognized beneficial properties<br>▪ Attractive landscape and richness of forests, meadows and waters<br>▪ Character and openness of the local population for tourism development<br>▪ Elements of natural and cultural heritage<br>▪ Border position<br>▪ Ambitions of existing economic entities<br>▪ Quality and availability of land<br>▪ Quality of individual elements of the offer (new accommodation facilities and gastronomy)<br>▪ Interest of municipal institutions and the Republic for tourism development | ▪ Negative demographic trends<br>▪ Limited tourism infra and superstructure<br>▪ Poor distribution of accommodation capacities<br>▪ Deficient human resources (quantitative and qualitative)<br>▪ (In)orderliness of urban units and rural areas<br>▪ Weakness of some infrastructure systems to support the existing level and development of tourism (water supply, electricity, parking, internet, municipal waste) |
| **OPPORTUNITIES** | **THREATS** |
| ▪ Orientation of national and EU policies that favor development policies in the field of tourism and culture<br>▪ Market trends in product development (health, stay in nature, aging of the traveling population, etc.)<br>▪ Connecting with neighboring tourist regions<br>▪ Branding and modernization of tourism marketing<br>▪ Growing importance of health & wellness industry | ▪ Further devastation of resources important for the development of tourism (cultural-historical and natural heritage) and compromising the image of the "Green Heart of Serbia"<br>▪ Orientation to models of urban development that are contrary to tourism development of higher and high added value (unplanned construction, tourist facilities without parking spaces)<br>▪ Failure to stop the outflow of population in the medium term<br>▪ Possible negative effects and spillover of the economic crisis and the global COVID-19 pandemic |


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- The previous summary table shows the elements of SWOT analysis with the greatest impact on the further formation of the development strategy:
  - The strengths on which it is possible and necessary to base further tourist development predominantly derive from its spatial characteristics and resource-attraction base: border position (which increases the possibility of using the EU funds), rich natural and cultural-historical heritage. In addition, it is necessary to emphasize that strengths exist in some (few) elements of the tourism sector, and it is especially important to emphasize the openness and hospitality of the area as a very important strength for further tourism development. Despite the numerous limitations and development factors listed in the weaknesses, there are a number of economic entities that have ambitions and opportunities for diversification in the tourism sector, which sporadically does happen. However, it is necessary to provide them with support and provide convincing arguments in the activities of the public sector and small entrepreneurs in order to achieve the same ambitions, especially in rural areas;
  - Weaknesses are mainly related to the elements of the tourist offer and general competitiveness, i.e. the input factors of some future development (finances, human resources);
  - On the side of opportunities, the orientation and development principles of the EU are clearly emphasized, which especially encourages rural development, culture, support for employment of women and young people, as well as small and medium entrepreneurship, which are also important development commitments of the municipality of Sokobanja in developing (not only) tourism. Certain global tourism trends are also positive, primarily tendencies in the development of short vacations, global growth of health & wellness industry, as well as the aging trend of the traveling population, given that the resource-attractive base of Sokobanja is favorable for creating products that are attractive to older market segments (spa tourism, gastronomy, cultural tourism, nature tours). A special opportunity is the branding and new strategy of tourist marketing of Sokobanja, which should be even more focused on digital platforms and online presence;
  - The main threat to the long-term development of tourism in the Sokobanja area is related to the possible orientation to urban development models that are difficult to combine with the development of value added tourism, such as exclusive orientation to mass tourism, indiscriminate construction of tourist facilities without parking, serving cheap mass food which could reduce the representation of indigenous cultures and the like. Other threats are related to further demographic and economic decline, which would further rapidly reduce the preconditions for future development;
  - Finally
    - The Municipality of Sokobanja has sufficient strengths to develop a consistent set of tourist products that deliver spa and mountain experience, as well as enough building blocks in the tradition and spirit of the population to differentiate from other spa places in the area ;


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- Given its position, with good organization and systematic work, it has the opportunity to address many development needs with the help of EU funds through various additional lines (cross-border cooperation programs, IPARD);
- Arranging urban units and rural areas, including important objects of cultural and historical value, i.e. structuring and finding financing for them, will be one of the most challenging steps in the upcoming process, whereby strengthening the capacity of human resources will have to be addressed systematically;
- Tourism development will not be able to independently ensure the rapid economic development of Sokobanja and stop the negative demographic trends, although in the medium and long term it will certainly contribute by its very positive impact to both categories.

In any case, the planned development of tourism in Sokobanja and individual attractions in the municipality will certainly contribute to solving the problem of unemployment in the short term and activating the neglected/unused resources that Sokobanja abounds.


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# PART 5

## STRETEGIC CONTEXT

Tourism Development Program
of the Municipality of Sokobanja

# 5. TOURISM DEVELOPMENT STRATEGY OF THE MUNICIPALITY OF SOKOBANJA

## 5.1. STRATEGIC CONTEXT

### 5.1.1. Strategic basis in existing documents

A number of strategic documents create a context in which the Sokobanja tourism development strategy fits. Each of these documents brings in an important part of the framework in which the development of tourism is placed:

**Tourism Development Strategy of the Republic of Serbia (Official Gazette of the RS, No. 91/2006)**

The document defined the still valid **goals of tourism development**: a) to encourage economic growth, employment and quality of life, b) to ensure the development of a positive image of the country, c) to ensure long-term protection of natural and cultural resources and d) to ensure achievement of international quality standards and tourist protection. The concept of tourism development was promoted within the development scenario "**Networked EuroSerbia**" based on European integration, adoption of new business standards, growth of competition, development of small and medium enterprises and creation of conditions for large private and domestic investments in tourism. **As strategic advantages** of the tourism development in Serbia, the following have been identified: people (hospitable), geostrategic position of Serbia and Belgrade, potential of groundwater and surface water, preserved potentials of mountains, forests and rural areas, monumental heritage with an emphasis on monasteries, spiritual creation and a penchant for festivals and events.

In the vision for the development of tourism in Serbia from 2006, **four clusters** have been proposed: Serbia is a Danube, Central European and Balkan country that equally appreciates all the natural and cultural resources at its disposal. **The capital, Belgrade,** is a metropolis with a cosmopolitan spirit. **Vojvodina,** an area rich in water and the fertile heart of Central Europe with Novi Sad as a center that proudly highlights its Central European urban tradition. **Western Serbia** welcomes tourists from the country and abroad with an open heart. **The eastern part of Serbia** is proud of its traditional Serbian heritage, natural beauty and ancient sites. For the first time, the strategy defined **9 strategically important tourist products**, of which the first 4 were assessed as priorities (quick win): 1. City vacation; 2 Business tourism; **3. Round trips; 4. Special interests;** 5. Nautical tourism; **6. Mountains and lakes; 7. Events; 8. Health, spa/wellness tourism;** and **9. Rural tourism**. Sokobanja is qualified to participate in the development of 6 out of 9 proposed products, and business tourism can be interesting with the development of appropriate capacities.


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**Tourism Strategy of the Republic of Serbia Review with Recommendations for Competitive Update 2012**

The document, created as a result of the work of European experts, largely confirmed the solutions of the previous strategy and especially strengthened the idea of a **state-sponsored institution for the development of tourism** at the national level. Despite recommendations that such a body would initiate and oversee key development projects, the newly established Tourism Development Corporation has been abolished and numerous development projects continue to be implemented spontaneously and uncoordinated. **The vision of tourism development** has been simplified and reduced to the need to encourage investors, small and medium enterprises, but also to educate lawmakers and general public about the importance and needs of this activity. It is proposed to establish the **National Council for the Development of Tourism** as a link between the state, the economy and the academic-consulting public. It was suggested to reduce the role of the administration in the tasks of categorization and quality control, but also to increase the financing of marketing and promotional activities as well as activities in market research. The suggestion for the establishment of the National Council for Tourism has been realized, and it would be useful to do something similar at the local level for such an important tourist destination as Sokobanja.

**Tourism Development Strategy of the Republic of Serbia 2016-2025**

The 2016 document adopted by the Government of the Republic of Serbia (2008/2016-6) at the proposal of the Ministry of Trade, Tourism and Telecommunications, confirms the elements of the vision of tourism development: protection and sustainable use of unused resources, energy efficiency, rural and regional development, and **improving the country's image**. The vision for Serbia to become a globally recognizable destination, and its tourism one of the dominant branches of the economy that harmonizes with global trends, accepts global standards and becomes the bearer of the state's image, has been set extremely ambitiously. Consequently, there are very ambitious development goals set for 2025, which envisage an increase in tourist income, the number of foreign overnight stays and the consumption of tourists by fifty percent. These goals would require significant changes in the model of tourism growth. The recommendation on strengthening the image at the national level, translated to the level of Sokobanja, would be "improving the image through the development of tourist products with more added value". Also an important recommendation from this strategic document is that marketing must be based on a good prediction of trends in modern tourism. For Sokobanja, that means respecting the growing interest in active vacation, staying in nature and visiting places and monuments of cultural and historical heritage. The special significance of Sokobanja is reflected in the fact that it is explicitly listed in this document in the list of priority tourist destinations (No. 8), but also in the fact that spa (spa and wellness) tourism is listed as a development priority, in the shortest time horizon up to 5 years. This treatment of spas and Sokobanja in particular, in a key strategic document, gives the right to give tourism the highest level of attention in terms of development and investment, both at the local and national level.


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Based on these general strategic documents, a whole series of strategic documents on the development of certain tourist products, or certain narrower tourist destinations (master plans for tourism development) was created. The most important documents that fall into this category are:

**Strategy for Sustainable Rural Tourism Development in Serbia, UN / MDG Achievement Fund, Strategy Report, April 19, 2011**

The document harmonized three types of goals that are refracted through the effort to develop rural tourism: a) the millennium development goals (combating hunger, rural development and nature conservation); b) European goals of Serbia (harmonization with the national strategy of tourism development, rural development and directing investments to regions and sectors of the economy); c) goals for the development of overall tourism in Serbia (development of capacity and infrastructure, raising tourist activity, raising the standard of quality of tourist service, etc.). In rural areas of Serbia, tourist products are proposed, which would be developed through the following sub-products: 1. Cultural tourism; 2. **Staying in nature;** 3. **Sports and adventures;** 4. Family tourism; 5. Cruises; 6. **Special interests;** 7. **Health and wellbeing;** 8. Round trips; 9. Short holidays; and 10. Business tourism. A small modification in the previously defined tourism clusters in the Tourism Development Strategy is proposed: 1. Central and Western Serbia; 2. South Banat and Lower Danube; 3. **Eastern Serbia** and 4. Vojvodina. The strategy identifies high potentials, but emphasizes the current lack of regulated capacities and created attractions. Therefore, a portfolio of facilities and activities is proposed that should support the existing attractions of natural and cultural heritage.

**Master plans for tourism development in Eastern and Southern Serbia: 1. Sokobanja; 2. Stig – the Kučajske Mountains - Beljanica; 3. Stara planina; 4. Besna kobila; 5. Vlasina, 6. Lower Danube.**

These documents clearly inventory the state of tourism development in narrower destinations. Based on that, the master plans bring a proposal for a portfolio of tourist products, a proposal for action plans and a list of projects with an estimate of the value of investments in these destinations. The purpose of these master plans is to be a guide for public policies towards the development of tourism in these destinations.

**Numerous spatial plans, detailed regulation plans, other project documents, etc.** are made on the basis of the stated general planning documents. However, still, even the most elaborate destinations (and even Sokobanja itself) do not have the planning and design documentation completed. The preparation of this documentation is a "zero" step for any further development activities. On the other hand, the complexity of the process of drafting this documentation and the prescribed very high detail orientation require even the most up-to-date local governments to frequently change the documentation, which slows down investment and development processes.

**Regional strategic documents on tourism development and tourism marketing plans.** The most important documents of this type were made in AP Vojvodina. The first is


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the Tourism Development Program of the Provincial Secretariat for Economy and Tourism in 2018. This document defines four tourist destinations in Vojvodina as bearers of tourism development, which suggests that in destinations such as Sokobanja, the bearers of image and tourist attractiveness should be singled out. One of the goals in Vojvodina is the modernization of the existing spas, which is all the more true for the leading spa in Serbia, Sokobanja. The importance of urbanization of city centers and tourist development of archaeological heritage is emphasized, which coincides with the current trends of tourist interest and has a special significance for Sokobanja. The second document is the Operational Marketing Plan for the Development of Tourism through the Promotion of Multiculturalism in Vojvodina, which was adopted by the Tourist Organization of Vojvodina in 2017. This document is characterized by a focus on subjects in which Vojvodina is stronger than other regions, and on what is of interest to tourists, and that is "multiculturalism". Similarly, Sokobanja is obliged to define its "Unique Selling Proposition" (USP), which will be discussed separately in this document.

### 5.1.2. Strategic Spatial Framework of the Sokobanja Municipality

Sokobanja is a rounded administrative unit in Eastern Serbia that borders the municipalities of Boljevac, Knjaževac, Svrljig, Aleksinac and Ražanj. The economy of all these municipalities is based on agriculture and exploitation of natural resources (forests). The related processing industry is underdeveloped, which from the point of view of tourism development can even be an advantage. Sokobanja's strategic advantage is the proximity of the border with Bulgaria and the possibility of developing cross-border cooperation with other places on the eastern slopes of the Balkan Mountains.

The slow economic transition and the disintegration of the former SFRY brought Sokobanja lagging behind in economic development: the slow development of agriculture and the decline in the performance of important tourist actors (especially hotel and tourist company Lepterija). The still vague decision regarding the further course of privatization of these key capacities in the earlier development of Sokobanja takes a toll as well. However, there are noticeable trends in the renewal of other hotel facilities (Hotel Moravica), as well as the presence of new investors compared to the previous period when the development of tourism relied on entrepreneurs and the capacity of the special hospital.

Some agricultural producers in the region have begun to recognize the need for the development of indigenous products of higher added value (Jović winery, Knjaževac municipality or Gospodska rakija, Zaječar municipality). One of the rare entrepreneurial ventures in this sense in Sokobanja is Naša vodenica with an offer of flour ground on millstone. It is commendable that this is a tourist-worthy endeavor, on one side. On the other site, it is a product with a low degree of processing and added value, and more importantly, it is a lonely endeavor. Naša vodenica, however, can be an initial capsule to encourage similar initiatives that are based on the concept: "traditional production - receiving visitors and tasting - participation in activities - selling products on the spot - selling products at a distance."

Tourism has traditionally been a key activity for Sokobanja. However, in the last ten years there have been noticeable changes: the number of newly opened facilities of different quality levels in private accommodation sector is growing, the importance of other forms of tourism


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besides traditional treatment (preventive treatment and recreation) has increased, new types of tourists are emerging, for whom the offer is not developed enough (campers, cyclists, visitors to organized events). The so far careful development of accommodation in rural areas is being promoted. Existing facilities still operate on the model of spontaneously determined (too high or too low) prices and low occupancy rates. The structure of visits and overnight stays is unknown due to underdeveloped tracking statistics, which can change significantly with the e-tourist project.

Natural and cultural heritage, rare man-made attractions (aqua park) and some events and manifestations already enable a stronger development of tourism of short vacations and tours. However, the rounding off of the tourist product, marketing and sales activities are still developing relatively slowly. The formal structures of the Sokobanja tourist system still do not have sufficient capacity in human resources and budgets to strengthen support for such processes.

Several entrepreneurs from other industries (production) are starting ambitious tourism projects. However, the positive effects of the development of some capacities (Sunce) are overshadowed by the negative impact of the discontinuity of other initiatives, primarily related to the privatization of the Lepteria company. A stronger change in external circumstances is expected to support development projects and a return on investment in tourism.

The traffic connection of Sokobanja depends on the quality of local roads and the key connection with Corridor 10. The current connection with Corridor 10, which passes through Aleksinac, requires urgent interventions with easy investments (signalization) but also long-term attention (construction of a new interchange and connection to the motorway). The construction of Corridor 10 to the border with Bulgaria and the continuation of works in this neighboring country opens new possibilities for strengthening cross-border tourist traffic and joint marketing with related destinations.

At the moment, the combination of initiatives for the development of tourism with the initiatives for the development of other key activities in Sokobanja and the region is of critical importance. These are primarily potential conflicts with mass forest exploitation (especially in the municipality of Boljevac currently), possible initiatives in the field of water supply and restrictive regime of exploitation of Lake Bovan, but also extensive protection of natural resources (access ban). In the search for a solution, it is certainly worth relying on the agriculturally, industrially and traffic-developed and sophisticated regions of Central Europe.


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## 5.2. STRATEGIC STRONGHOLDS OF TOURISM DEVELOPMENT OF THE SOKOBANJA MUNICIPALITY

In the context of the previous presentation, the following strongholds of tourism development in Sokobanja can be defined:

1. **The market has already discovered Sokobanja** – through the decades-long tradition of a modern spa resort based on ancient and medieval spa and hammam activities, Sokobanja is a synonym for an oasis of health in Serbian tourism. At the same time, marketing efforts are certainly insufficiently supported by the budget, but they are creative and rely on various forms of co-financing. Individual actors are breaking into the market on their own, and the synergy of joint ventures has not been identified in a significant extent so far. Spontaneous development of new tourist products such as night ascent to Rtanj, walks and mountain hikes in the area of Sokograd, going to Lake Bovan, indicate the directions of future development of tourist products that need to be developed and professionally prepared for the market.
2. **Sokobanja has the opportunity to use significant funds from public funds.** Republic funds already recognize tourism as a promising industry, as well as certain program parts of the municipal budget. It's been done successfully so far, and it is possible for the following period as well, to seek synergies with EU funds through programs of co-financing activities and support for the development of international cross-border tourist products. The proximity of Bulgaria is an ideal basis for the development of pan-European initiatives through the encouragement of regional mobility of the population, members of the academic community, fans of active or cultural tourism, etc.
3. **There is a basic tourist product – spa and wellness**. Sokobanja is a renowned and recognized tourist product in Serbia and the region. Traditional medical treatments are an upgrade to the hammam heritage of healthy enjoyment and are transformed into a modern recreational entertainment program in water parks. The range of aqua-recreational contents imbued with health, entertainment and enjoyment make Sokobanja an attractive destination for a larger number of segments, from patients to different tourist segments.
4. **There are complementary tourist products** or at least a superior resource base for the development of these complementary products. Sokobanja is recognized as the home of a well-known accordion festival, with tradition and undoubted attractive power. The development of rural tourism and adrenaline tourism is in its infancy, for which there is mutual interest on the market and in Sokobanja itself. The mystical Rtanj mountain in the vicinity already spontaneously attracts curious and adventurous tourists who need to be offered more diverse and professionally prepared facilities. Ozren mountain is largely undiscovered and offers the potential of untouched nature for escapists from digital urban environments.


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5. **The private sector is ready and (not) waiting.** Some private initiatives are already recognizable, while others are in their infancy. Unfortunately, some private initiatives have been on hold for a long time, primarily due to indecision (Lake Bovan, Ozren, Sokograd). In the meantime, spontaneously developed private accommodation sector is the backbone of the reception of visitors to Sokobanja. With hotels being renovated, opened or planned, private accommodation will remain the dominant form of accommodation. New private initiatives in the field of service delivery have yet to be encouraged and nurtured: rental and maintenance of bicycles and other environmentally friendly means of transport; guide services (mountain guides, for example); animators in amusement parks (instructors in the adrenaline park, water park, ski resort and/or ice rink, etc.).

**The political and administrative climate is changing in a positive direction.** Sokobanja is increasingly taking development projects into its own hands. The local administrative apparatus is being developed with the perspective of taking responsibility for local economic development. This process is supported in particular through reliance on project activity, applying for domestic and international projects and activating private investors. A big task remains in the work of restructuring the place and strengthening the local tourist organization through the development of the network at various points of interest (Summer Stage, Rtanj, Sokograd, …).

## 5.3. VISION

***Where is Sokobanja today?***

Sokobanja is a tourist destination that realizes about 100,000 tourist arrivals in total, of which about 13% are foreign visitors and about 500,000 overnight stays, of which only 7% are foreign, in about 7,000 beds, mostly in domestic industry and small accommodation capacities.[8] Sokobanja is now a tourist destination for domestic guests who stay for an average of five days - foreign guests mostly visit Sokobanja as an excursion destination. Sokobanja represents a typical spa offer of Serbia, as a mixture of trade union-medical "folk" and family tourism. It relies heavily on tradition in balneological terms (water and air quality for medical treatments and "hammam" approach to wellness), but also in the interpretation of sights (historical sites, famous natural attractions), cultural events (accordion festival) and gastronomy (local cuisine restaurants). The tradition of hospitality is embedded in the structure of catering activities based on the family welcoming of guests in small accommodation units.

***Where does Sokobanja want to be?***

In addition to nurturing tradition, Sokobanja uses the potential of attractive, unpolluted nature to offer new content intended for urban professionals who seek excitement, guidance through nature and separation from everyday "consumers of time and nerves" due to exposure to an

[8] According to CGC 2019, pg. 350


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abundance of extraordinary experiences. Sokobanja intends to attract a new type of guests, offering them a move away from the urban-digital environment and facing interesting

**STATEMENT OF VISION**

"Nurturing the foundations of its recognizable offer, Sokobanja builds new experiences by separating from everyday "consumers of time and nerves" and exposing to the abundance of *extraoridnary experiences in nature, in protected "detox" zones or a sophisticated gastronomic environment*."

challenges of activities in nature or in an unusual social environment. At the same time, by building new facilities, Sokobanja has the opportunity to offer new points of experience to existing segments of guests who are ready to move to higher spheres of tourist offer for a moment by paying for more expensive services and gain short, unforgettable experiences that will later be retold, recommended or repeated periodically.

## 5.4. MISSION OF THE TOURISM DEVELOPMENT PROGRAM

- When defining the mission, the target position of our offer package is determined in three dimensions crucial for understanding the offered value in relation to other offer packages:
- WHAT - Product and services in the offer: destination performs inventory and selection of elements of its offer package.
- Inventory helps to present, through a more detailed presentation of the offer, the details of the offer for specific requirements or consumer segments, which often do not find a place on the front pages. The richness of the offer raises the attractiveness of the destination.
- Offer selection helps to highlight destination products - what makes a destination recognizable and what attracts key segments of visitors. Selected destination products are often brought by associates who are looking for their content in a) Outdoor activities/recreation and adrenaline, b) Entertainment, c) Health and wellness, d) Gastronomy.
- TO WHOM - Market / segment: 1) Dinks (Couples without children); 2) Professionals - very busy (burnout prevention); 3) Escapists; 4) Family;
- HOW - Technology / processing: 1) isolated detox spaces; 2) arranged spaces for entertainment; 3) arranged spaces for health; 4) stay in nature; 5) original gastronomic ambiences.


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**TOURISM MISSION OF SOKOBANJA**

"Sokobanja is a place for those who want to "move" during their vacation to a different, unpolluted environment suitable for recreation through relaxing and/or adrenaline activities, therapeutic and wellness treatments and specific gastronomic experiences."

## 5.5. MARKET POSITIONING OF THE SOKOBANJA MUNICIPALITY AS A TOURIST DESTINATION

The market positioning of the Sokobanja Municipality as a tourist destination should be based on the framework that is most often referred to as the Unique Selling Proposition (USP). The analytical framework used for the development of this Tourism Development Program is as follows:

Illustration 1: Analysis of unique sales proposals of Sokobanja and other spas in Serbia

*Source: Horwath HTL*

According to the presented analytical framework, it is necessary to analyze in what way Sokobanja is better than other spa destinations in Serbia and on what it will base its competitive performance and further development of tourist attractions. It is also useful to see in which way other spas already have a clear advantage and to avoid investing in capacities that will be exposed to fierce competitive pressure from the start (and a potentially very dangerous phenomenon of price competition).


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***Sokobanja is better than others in:***

- **FAVORABLE ECO / DIGITAL DETOX POTENTIAL (Eco / digital detox)**
  - Natural formations and rarities (Lepterija; Ozren; Rtanj);
  - Hiking;
  - Adrenaline challenges (free climbing, cave touring, hiking, mountain biking, jump diving, paragliding, rowing, ...);
  - Treatment - treatment of the pulmonary-respiratory system;
  - Newly built digital free space.
- **GASTRONOMIC EVOLUTION: FOOD EXPERIENCE / FOODY CULTURE / FOOD(e)SCAPES**
  - EXPERIENCE: Enjoying the taste, smell, appearance (design) of food, touch and sound (festivals);
  - CO-CREATION activities: foody culture
    - Special restaurants on appointment / hipster exclusive;
    - Food workshops in restaurants: make belmuž; make a grilled meat in pleura, stretch the phyllo dough and roll the pie, ...
    - Forest and meadow fruits in the kitchen (teas; spices; unusual dishes)
    - Make some winter house: classes for makin ajvar, jam products from honey,
  - ***FOOD(e)SCAPES*** - food detox: shelter from industrial food
    - Life in a spa household – we share space and kitchen with the owner
    - Life in the newly built industry food free space
    - Herbal (Rtanj, Ozren, ...) tours
    - Food workshops in a household: make belmuž, stretch the phyllo dough and roll the pie, make jam and slatko, make pickled vegetables
    - Preservation of food in a natural way

***Other spas are better than Sokobanja in:***

- Historical part of the city - Architecture (squares, town hall, old quarters, villas)
- Historical attraction (fortress, castle, palace)
- Wine and wine offer
- Recognizable catering establishments (100-year-old, imperial salons, ...)
- Cycling, potentially in the development of golf facilities (in accordance with available space)
- Treatment - treatment of bone and joint and muscle system
- Summer and winter beach
- Summer and winter aqua park
- Hotel connected by warm water with the water park (families and seniors)

***Customers are looking for:***

- Cultural entertainment (advancement, curiosity satisfaction, anti stress, enjoyment in the beauty),
- Active entertainment (excitement and curiosity satisfaction),


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- Relaxation, rest,
- Health - treatment,
- Health - prevention,
- Gastronomic enjoyment.

***Unique Selling Proposition of Sokobanja***

**Sokobanja is a destination with a natural ambience and built capacities for complete "removal" from everyday life through active entertainment, relaxation, health care and advanced gastronomic experiences.**

***Adopted values:***

## DIGITAL DETOX

The mere opening of the Internet to the public in 1995 led to the immediate recognition of stress problems and accompanying symptoms in users. The negative impact of the phenomenon of "constantly connected" on employees and their condition and work performance is especially noticeable (Basu, 2019). The development of technology leads to disorders that are reflected in the growth of tension, obsessive compulsive behavior, dysfunctional social relations and other behavioral deviations and are present especially in employees who are exposed to the constant influence of the digital environment at work. The advent of portable devices, first tablets and then smartphones, has significantly accelerated the "pollution" of living space and the increasing consumption of time to update information. New patterns of behavior such as "it's rude not to respond to a message for longer than ..." raise tensions by increasing the frequency of inbox checks, received short messages, posts and comments on social networks.

*Digital detoxification marks the time when a person voluntarily gives up the use of digital environment, i.e. the use of mobile and smart technology.*

According to the director of research of the famous Gartner company, Dr. Mishra, in the well-known Maverick report, the best remedy for such symptoms is - "healthy sleep". However, healthy sleep is a consequence of reducing stress, and for that, certain measures are needed, classified under the term digital detox. There are several methods how detox can be achieved:

- "Sacred places" where the use of digital technology is prohibited
- Renunciation of social networks
- Use of simple mobile phones with a limited number of functions
- Restricting the use of mobile phones in general.

The goal is to limit phubing on the phone, on social networks and even in business relationships where a lot of unfinished information is exchanged, creates tension and actually prolongs the work process without significantly contributing to value creation.

Instead of phubing, detox destinations offer plenty of real content, content that occupies time in a quality way and contributes by providing attractive content. Sokobanja already has more interesting things than a visitor can see and experience in one stay. These contents should be organized and supplemented around topics such as:


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- Recreation and healthy and fun physical activity;
- Real socializing and having fun with similar people;
- Learning and research through the discovery of unknown historical, cultural and other contents
- Relaxation and rest in nature;
- Healthy and "fun" food (food that affects all the senses, engages the visitor to follow or participate in the preparation, food with unusual effects such as flambéing, melting cheese, etc.).

### FOOD(e)SCAPES

A new type of tourist offer is based on the evolution of tourists' attitudes towards food and gastronomy accompanied by changes in the way the tourist offer is shaped (Richards, 2015):

***Experiencers*** - visitors who enjoy with their five senses what the host prepares. The whole concept is relatively new and based on a groundbreaking text from not so long ago, in 1999, when the "economy of experience" was conceptualized (Pine & Gilmore, 1999). The experience of natural, home-made, healthy and sometimes organic food is encouraged by respecting standards, preserving old recipes, choosing natural ingredients, avoiding additives, etc.

The key is to present food products and services, which are:

- **delicious**, without flavor enhancers, based on natural spices, meadow and forest herbs, home-grown plants and animals, prepared by traditional procedures of fermentation, drying, aging, etc.
- **fragrant**, without fragrance enhancers, spiced with traditional and sometimes forgotten spices exclusively from the environment (basil, mint), without spices from other continents. The aromas of dishes and products can be enhanced only by natural processes (drying, grinding, ...) and an important item is the correct combination, order of smells as well as serving immediately after preparation (smell of fresh bread, freshly baked cakes).
- **beautiful to the eye**, designed and served with respect for tradition and modern knowledge that the modern consumer evaluates food first by sight. Food should be served (stored) in visually recognizable dishes that are associated with Sokobanja and its surroundings. Food colors should be carefully arranged, according to recipes recommended by a professional and without artificial color enhancers.
- **sonic**, which is sometimes, or even very often, possible to achieve (murmur when pouring, the sound that is heard when belmuž is boiling, ajvar is made, etc.). The sound can also be supported by traditional melodies suitable for different dishes (the sound of a shepherd's flute with belmuž, or the selected sound of an accordion with barbecue specialties in pleura).


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- **tactile** and in that sense specific, when the touch of food gives a special sense of quality that it is desirable to emphasize: "firm" tomato, sufficiently dried prosciutto "neither dried nor raw", thick honey or yogurt, curdled milk served always overturned, ... We often evaluate food by touch only when we come in contact with it, but that experience remains as a long-term memory (crispy crust, meat that "melts", ...).

***Foodies*** – gastronomic lovers represent the second generation of experienced travelers who do not wait for the offer to be prepared and to passively enjoy it. These gastronomy enthusiasts dedicate time and resources to an active type of vacation preceded by "preparation and planning" so that the limited time on the trip is spent in an optimal way, primarily on new experiences and less on logistical barriers and delays.

A new generation of experiencers has been characterized in the literature as individuals actively involved in co-creation with a high level of engagement and contribution to the overall experience (Boswijk, Thijssen, & Peelen, 2005).

It is proposed to form a setting for the successful development of an environment conducive to the second generation of experiencers in accordance with the following principles:

- **The principle of co-creation of a tourist product and service (co-creation)** - understanding that the time has passed when the provider knew what the visitor needed and when the visitor expresses the initiative to propose, learn or otherwise satisfy curiosity. Visitors also seek recognition for their creativity for their own created experience package. They seek this recognition through the process of "sharing". The service package is created in cooperation with the provider (synergy of desire + professionalism) so that neither side would be able to do it on their own. This could mean creating a tour (of mountain houses), designing a class/workshop (mountain plants, meadow plants, mushrooms ...), a shepherd's meal, etc.

- **DART principles**:
  - ***Dialogue*** – both the hosts in Sokobanja and the visitors listen to each other, plan and realize the tourist stay and gastronomic experience. The host has the opportunity to plan the purchase of what will be spent without additional stocks and decay of goods. The guest is looking forward to his own initiative and fulfillment of wishes. "Learning by sharing" allows the host to learn from guests who give suggestions, comment, share their knowledge and allow the host to adjust the offer so as to stimulate delight (*delighted customer*);
  - ***Access*** – becomes a new key marketing tool that has several aspects:
    - ***Product availability (instead of owning)*** means the desire of a new generation of consumers to have experience with the product instead of owning it (sač; kettle; bakery furnace; ethnic household, trout pond, ...). Enjoying a product at a reasonable price frees visitors from the opportunity to enjoy the availability of a new product or destination next time;
    - ***Availability at the right time (in the right way)*** - during the year, by phone or through a chat, from the spot and with the possibility of sharing video content makes new experiences accessible and closer than in the classic model of tourist information;


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- ***Availability of a lifestyle*** - allows you to gain insight into completely different lifestyles. It is possible to experience grinding grain in the mill or mowing the meadow with a mowers' lunch or spend a day in the mountains with a hunters' meal. The visitor can change several lifestyles, depending on what the hosts can offer.

- ***Risk assesment*** – implies openness and transparency in communication that is inherent in the co-creation approach. Sometimes it is painful to point out all the shortcomings of the offer in advance, but it is also a precondition for openness on the other hand and the expected effort to create a joint tourist package that will best suit the visitor.
- ***Transparency*** – requires what was once a back office to become a front office. The kitchen becomes open for the guest who knows now which dishes and ingredients are used, according to which recipes and in which proportions. Openness encourages the cooperation of the guest and the host and influences the strengthening of the experience that the guest brings with him. A common occurrence among the second generation of experiencers is the creation of **spontaneous communities** (lovers of Sokobanja). These communities continue to live in the virtual world, share experiences, support each other and attract new members.

**Foodescapes** - gastronomes represent the third generation of experiencers. They come to completely "move" to another world during their stay, to live as herbalists, as inhabitants of villages from the 19th century or as millers during their stay in Sokobanja. After a certain time, they return to everyday life, or even to the destination of Sokobanja, change their lifestyle and "switch to a completely different role". Food is a key link between local crafts, folklore, ethno customs and other elements of intangible cultural heritage. Food moves the visitor into the traditional economic life, but also into the traditional everyday life. Successful examples of the use of cuisine in this "relocation" of visitors are the examples of New Andean cuisine in Latin America, "sheep's head" cuisine in Norway, but also great national endeavors aimed at the globalization of Thai and Korean cuisine.

The added value and sophistication of a tourist destination is largely determined by the specialization of the offer of portfolios of tourist products targeted to certain market segments. For the further planning process, it is important to identify the key products for which the destination will specialize and with which it will become recognizable on the market. The aim is to focus the offer in order to adequately address the resources and the necessary infrastructure for the delivery of tourist products/experiences at the level of quality of the world's best destinations.

Tourist product development is a process that coordinates various hardware and software elements. Development is based on existing natural and created resources, but requires their connection, interpretation and improvement. It often happens that destinations "fall" into the trap of mere exploitation of given resources, while neglecting the adequate placement of resources in the function of tourism development. The modern traveler is looking for unique experiences and during the trip he realizes his desire for new experiences, challenges and memorable memories. For this reason, it is extremely important to get to know the key market segments, their habits, needs, lifestyle and desires during the development of tourist products, and to adjust the offer/tourist products accordingly.


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## 5.6. DEVELOPMENT PRINCIPLES

Operational guidelines (development principles) for the realization of the previous strategic commitments are as follows:

1. **Sustainable use of thermal-mineral springs and balneological potential as a basis for attracting new investments and more tourists**

   So far, the development of Sokobanja has been based on balneological resources, which still represent a development opportunity in a combination of natural healing factors (thermal water and air) which are found in several places in the "green heart of Serbia". In the concept of development and promotion of the tourist offer and potential of Sokobanja, balneological potential has a special place. In the next phase, it is necessary to conduct appropriate additional research and valorization of the mentioned resources and complete the legal and administrative procedure of establishing the right of exploitation under the control of local government, in order to protect the preconditions for further unhindered development.

2. **Activation of rivers and lakes for recreation and new intelligent projects of touristification**

   The waterfront area is generally always the most attractive for a variety of uses. In this case, since it is a protected area of nature (Lepterija) or a water intake area, housing or real estate development is out of the question. The focus will be on facilities for recreation and relaxation, without solid construction of facilities (prefabricated structures). The banks of rivers and lakes in the area of Sokobanja are mostly free and should be preserved and cultivated. Areas endangered by torrents should be protected by an embankment, which will also be a walking and cycling path. In suitable locations along the trail, catering and service capacities will be developed (renting, parking, …). With the understanding that there are appropriate preconditions that need to be solved in advance (planning documentation, project documentation, infrastructure), the waterfront areas have the greatest potential for the development of adrenaline tourist projects in the area of Sokobanja. Some project ideas can be structured as complex projects with components that have the potential for funding from national and EU funds (bicycle paths). For some projects, local government (beaches) will be able to take responsibility, and some may be left to private partners (services).

3. **Environmental protection and its planned introduction into tourist exploitation** – at several valuable locations in the municipality of Sokobanja (mountains Ozren and Rtanj, Moravica watercourse, area of Lepterija and Sokograd, Lake Bovan, Banja Jošanica, etc.). The attractiveness of these locations is based on preserved and rare natural features. Visitors introduced to this space experience the magic that tourism offers - "relocation to another world". This experience must not be disturbed by "polluted" human activity


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(unorganized crowds and commotion, municipal waste, buildings that do not fit into the environment, all from paths to facilities, etc.)

4. **Preservation of indigenous values in gastronomy and lifestyle**

The globalization process and the new age are rapidly bringing new values, habits and characteristics, which are displacing the traditional way of life and eating. Mass tourism has caused an increase in interest in travel but also a habit of providing instant solutions: many visits for a smaller consumer budget (fast food, cheap tickets, large gatherings). In case of Sokobanja, tourism development must be based on balancing the number of tourists with the need to preserve the natural and social heritage. It is necessary to prevent the abandonment of some valuable traditional features of people and spaces that give Sokobanja a landmark of diversity and bring nostalgia or a desire to experience something healthy, valuable and preserved. It is important to understand that this process does not mean inhibition of foreign influences, stopping the inevitable processes of globalization, or voluntary rigid cultural isolation, but on the contrary - rediscovering hidden and forgotten values that will return pride and identity elements to the population of Sokobanja and, at the same time, be attractive to the modern tourist market.

5. **Fast and intelligent urban touristification of the center of Sokobanja**

The center of Sokobanja still keeps several architectural values such as the Old Spa Bath, the Residence of Prince Milos Obrenović, Villa Dalmacija or the building of the Municipality of Sokobanja and other buildings listed in the section identifying the resource base of the spa. Along with the spa park and promenade (whose historical appearance has already been compromised), these elements preserve the impression of a spa high-end place with the holiday location tradition. One of the critical forms of pollution in this area, crowds, must be remedied in the coming period in order to regain and strengthen the experience of coming to a place for rest and relaxation. Pedestrian zones and eco-transport zones must be expanded. Pedestrian space must be provided, step by step, in the streets used for motor vehicles. Important tourist events (festivals, concerts, etc.) that contribute to the attractiveness of the spa must be relocated to the summer stage, while keeping the influx of motor vehicles outside the pedestrian zone and the narrow center. In that sense, the study of traffic regulation in Sokobanja is one of the priority steps in planning further development of the tourist place. In the next 5 to 10 years, the Sokobanja center should, according to the recommendations of this study, through a small number of capital projects, and through creative management and marketing interventions, turn into a place that offers facilities that enable a globally attractive and urban multi-day experience (apart from spa healing treatments as a traditional product) to target groups of guests. The rules of real estate development in the coming period will probably include hidden underground parking lots for their own facilities, but possibly for rent as well. The development of a zone for the reception of tourists who come by bus or private vehicles to facilities that do not have access or parking is also part of this solution. The center of Sokobanja must regain the function of receiving, informing and taking over and broadcasting the image of a lively but relaxing place for rest.


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6. **Tourist differentiation of the urban center**

   Other spas in Serbia (but also the surrounding countries in Bulgaria, Hungary), have a strong urban-architectural local identity and positive rivalry. The inhabitants of these places are often identified with terms such as "royal", "noble", etc. These are spas like Vrnjačka, Koviljača, Palić, etc. The identity of Sokobanja is not clearly expressed in elements of space, marketing materials or local events. In this context, harmonization of the character, attributes and symbols of the city (which will initially be suggested in this document as well). Furthermore, these elements need to be communicated to the local population and expressed primarily through a series of "soft" initiatives and creative interventions. This will enable visitors of Sokobanja to experience the true character of the place in the right way in order to understand and discover its real identity and authenticity, which is one of the requirements of tourist development in the XXI century, especially having in mind the coming market segments (generations Y and Z).

7. **Tourist differentiation of the natural ambience**

   The "Green Heart of Serbia" must be additionally communicated to both potential and current visitors and the local population of Sokobanja. This is not a difficult task considering the natural resources "at your fingertips": rivers and lakes (Bovan, Vrmdžansko), the mountain slopes of Ozren and Rtanj, canyon challenges and relaxing meadow landscapes. The ambience of Sokobanja is unique and deserves to be presented to interested visitors through all channels of communication, but also integrated into the daily communication of locals who should remind visitors of what they have not yet experienced during a visit to Sokobanja.

In addition to the above, the following principles are important for the realization of strategic commitments:

- **Branding, introduction** of one local and even some regional **quality labels and trademarking of key food products** as a continuous process that provides appropriate internal and external context for implementation of the process of turning towards a higher level of quality;
- **Enabling the destination management system gradually and in a planned way - rounding up the existing and developing new products** as a critical factor in creating a competitive position. This requires professional process management and full involvement of key stakeholders, which implies prior consensus and reiterates the need for a coordinated management structure and processes involving both the local economy and local authorities and the tourism organization.
- **Increased focus on online and multimedia** which are mostly marginal items today. The current structure of guests and objective budget reasons can be arguments to understand the current situation. However, in the coming period


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when the development of the offer for new segments of younger and digitally literate (even dependent) segments is expected, it will be a *conditio sine qua non* of further tourism development and commercialization;

- **Intensive internal and external cooperation,** especially for the purpose of using EU funds, both for the financing itself and for the promotional function of representing Sokobanja in European circles, but also in cross-border communications. Sokobanja already shows through the existing activities of the responsible institutions that there is a capacity to implement such a scenario. In addition to these institutions, the systematic support of numerous public and private entities will be necessary for further development in order to really succeed in this.
- **Revitalization and tourist valorization of tangible, intangible, industrial and sacral heritage,** with the aim of presenting the customs, traditions and values of Sokobanja.

## 5.7. STRATEGIC GOALS AND GROWTH MODEL

### 5.7.1. Strategic goals

A total of 7 strategic goals for the growth of Sokobanja tourism have been defined, of which three quantitative and four qualitative

Quantitative goals are as follows:

1. **Increase the offer of accommodation capacities (tourist beds) by about 25% (for about 2,000 beds), primarily in high value hotel accommodation (4 stars, international quality),** but also in other categories - private and accommodation in rural tourist households, with openings and camping capacities, in order to restructure the overall offer, improve quality and achieving economies of scale. With such an increase in volume, the introduction of a professional management structure and marketing is justified, and the achievement of this goal gives the existing and new entrepreneurs in tourism market security for entrepreneurial strides;
2. **Growth of the number of realized overnight stays by about 500,000 overnight stays in the period 2021-2025 and extension of the tourist season to year-round business** – with the realization of the investment part envisaged by this Tourism Development Program, which emphasizes the development of high value added hotel capacities, as well as public investment for adrenaline contents and contents scheduled for the winter season, and this will create the necessary prerequisites and capacity for year-round business. Therefore, it is realistic to expect a significant increase in the number of realized overnight stays, especially having in mind the restructuring of tourist demand under the influence of the global crisis caused by the Covid-19 pandemic;


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3. **Increase the annual bed occupancy in the planning period by an average of about 10% (from the current 24.1% to about 34%),** given that this is the lower threshold of profitability of comparable destinations and value which, for new projects of accommodation expansion, guarantees acceptable rates of return on investment - this also refers to a pronounced change in the rank of the destination's aspirations and striving to support the development of high-value accommodation facilities;

**Qualitative goals are as follows:**

4. **Improve the visibility of Sokobanja as a green, active and health/wellness destination on the tourist market through positioning Sokobanja as an escapist tourist destination, which provides contact with nature and displacement from everyday noise and pollution,** in accordance with proclaimed vision and market positioning proposed by this Program. In addition, supporting the development of higher value-added agriculture (based on authentic traditional/local Sokobanja products) also brings greater opportunities for the development of tourist products on this basis;
5. **Improve the destination management system** - in order to support the implementation of the proposed strategies and defined initiatives within this Program, Sokobanja will have to develop a more advanced destination management system at the local level. In this sense, Sokobanja has a chance to take control of the development of tourism and to clearly direct the activities of key stakeholders in the tourism sector in the direction envisaged and proposed by this Program;
6. **A strong focus on diversifying the tourist product,** without which it will not be possible to make targeted progress in improving performance and positioning the destination. The development of numerous experiences and activities in the destination, primarily in terms of active and adrenaline content, then long-term preservation and improvement of health (especially through digital detox programs), but also other defined products (e.g. rural experience), will have a positive impact on diversification of tourist products and an increased number of options for gaining unforgettable experiences in the destination. Diversification is extremely important for Sokobanja, especially having in mind the extremely seasonal character of tourist demand and the current structure of consumption that can be improved by increasing the number and quality of tourist products, but also the improvement of the general level of service and ambient units within the destination.
7. **Satisfaction of the local community / residents of Sokobanja** - it is extremely important to seek active participation of the residents of the municipality, and certainly must keep them informed, about the overall development of the tourist offer, especially in making decisions that will significantly affect their quality of life. This ensures satisfaction of the local community and directs the development of the tourist offer in accordance with their expectations as much as possible, with a successful balance of development and competitiveness of the tourist product, implementation of development initiatives and achievement of a higher level of guest satisfaction in the destination.

**In addition,** it is necessary to mention that in order to achieve the previously defined qualitative and quantitative strategic goals of tourism development, it is necessary to meet another one,


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which is a key precondition for Sokobanja to survive on the market as the "Green Heart of Serbia":

8. **Prepare and start implementing infrastructure projects:**
   - **Water supply and wastewater treatment;**
   - **Collection and treatment of solid waste (during the implementation of the Program to influence the habits of the population for waste sorting and recycling - "Green Heart of Serbia");**
   - **Strengthening electrical power infrastructure;**
   - **Strengthening telecommunication infrastructure;**
   - **Providing sufficient area for parking near the settlement, with the development of complementary solutions for the movement of tourists within the destination;**
   - **Further strengthening of infrastructure for the cycling tourism,** because the cycling tourism with quality infrastructure is slowly ceasing to be a product that distinguishes destinations, but is a basic element without which it will be difficult to further commercialize tourism in Sokobanja in the future.
   - **Urban rehabilitation of the center of the municipality of Sokobanja and its ambient harmony,** which are necessary to ensure the long-term overall image of an advanced spa destination, whose identity and sophistication are woven into its overall space.
   - **Revitalization, renewal and valorization of cultural (tangible and intangible), industrial and sacral heritage,** as a basis for the development of a serious tourist product of cultural tourism.

### 5.7.2. Growth model

The tourism growth model of the municipality of Sokobanja integrates development goals and strategic commitments and serves as an assessment of the economic effects of tourism development, which is proposed by this Tourism Development Program in the planning period. The year 2019 is taken as the basis of the growth model on the basis of:

- Available data on accommodation capacities according to the Statistical Office of the Republic of Serbia;
- Data on accommodation capacities from the data of the Statistical Office of the Republic of Serbia;
- Data on the total tourist turnover of the Tourist Organization of Sokobanja and
- Estimation of the Tourist Organization of Sokobanja and Horwath HTL on the average unit direct tourist income by different groups of accommodation.


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Table 29. Volume, structure and revenues by type of accommodation facilities in the municipality of Sokobanja in 2019

| | Beds | Overnights | Occupation | Direct income per night in € | Total income in € |
|---|---|---|---|---|---|
| Hotels | 630 | 85,000 | 40.0% | 30 | 2,550,000 |
| Overnights | 68 | 6,000 | 25.0% | 10 | 60,000 |
| Touristic appartments | 1,187 | 85,000 | 25.0% | 10 | 850,000 |
| Climatic resorts | 930 | 183,000 | 50.0% | 30 | 5,490,000 |
| Private accomodation | 5,373 | 360,000 | 25.0% | 5 | 1,800,000 |
| Rural touristic accommodation | 55 | 5,000 | 25.0% | 5 | 25,000 |
| **TOTAL** | **8,243** | **724,000** | **24.1%** | **14.9** | **10,775,000** |

Source: Horwath HTL based on data from the Tourist Organization of Sokobanja

Differences in the number of beds that exist in the above table and in the official data of the Statistical Office of the Republic of Serbia are given based on the estimate of the Tourist Organization of Sokobanja, and that was also the basis for estimating the total number of stays (which also differs from official data).

According to Horwath HTL estimates, the total direct income from accommodation in 2019 amounted to close to 11 million euros. Given the structure of today's tourism product and value chain on one hand, and the value of multipliers in comparable regions on the other, Horwath HTL estimates that today the total tourism revenue (which includes both indirect and induced revenues) is between 1,5 and 1,7 times higher than the direct one, i.e. between 16 and 18 million euros.

The growth model for 2025 assumes the following:

- Accommodation growth:
  - 800 new tourist beds in large hotels (2 large hotel capacities);
  - 300 new beds in small family hotels (7-10 new facilities);
  - 720 new beds in various forms of private and rural accommodation;
  - 230 new beds in other forms of accommodation (health facilities, motels and tourist apartments), which can be predicted based on long-term plans of existing factors and existing planning documents.
- Increase in occupancy of accommodation capacity (beds) by 10% to the level of about 34% (from the existing 24%) based on strengthening the general chain of tourist value, and especially on the basis of setting up and functioning of marketing and commercialization systems;
- Growth of unit income (per night) by 75%, which includes the effect of inflation - given the entry of significant hotel capacities in the segment of 4 international stars and general improvement of service quality, and above all, given the extremely low starting base in terms of performance achieved.


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Table 30. Tourism growth model of the Sokobanja municipality

| | Beds | Overnights | Occupation | Direct income per night in € | Total income in € |
|---|---|---|---|---|---|
| ***Hotels and similarly*** | **1,730** | **308,721** | **48.8%** | **49** | **15,050,835** |
| existing | 630 | 103,761 | 45.0% | 35 | 3,631,635 |
| new big hotels | 800 | 161,040 | 55.0% | 60 | 9,662,400 |
| small family hotels | 300 | 43,920 | 40.0% | 40 | 1,756,800 |
| ***Private and rural accommodation*** | **6,148** | **674,264** | **30.0%** | **16** | **10,485,626** |
| existing | 5,428 | 595,994 | 30.0% | 15 | 8,939,916 |
| new city | 677 | 74,335 | 30.0% | 20 | 1,486,692 |
| new rural | 43 | 3,935 | 25.0% | 15 | 59,018 |
| ***Other*** | **2,415** | **298,199** | **33.7%** | **25** | **7,509,863** |
| existing | 2,185 | 279,899 | 35.0% | 25 | 6,997,463 |
| overnight | 40 | 3,660 | 25.0% | 25 | 91,500 |
| touristc appartments | 140 | 12,810 | 25.0% | 30 | 384,300 |
| camps | 50 | 1,830 | 10.0% | 20 | 36,600 |
| climatic health resorts | 0 | 0 | 60.0% | 40 | 0 |
| **TOTAL** | **10,293** | **1,281,183** | **34.0%** | **26** | **33,046,323** |

*Source: Horwath HTL on the basis of the data of the Tourist Organization of Sokobanja*

- The previous table suggests that the application of assumptions, which mostly follow from strategic commitments and defined strategic goals, has the potential to triple the current direct income from tourism (accommodation) and generate about 33 million euros of direct income with occupancy assumptions and unit income, which at the end of the planned period are lower than in comparable spa destinations today. From that it can be concluded that achieving the projected growth in the number of accommodation units is vital for achieving this Tourism Development Program and growth model, which should not be strange, because accommodation is a key link in the tourism value chain, although of course not the only one. Accommodation facilities generate more than half of the direct tourist income globally, and in the algorithms of tourist development, accommodation is usually the first and key step in the realization of the development concept around which other elements of the tourist value chain are later built through various entrepreneurial initiatives.

- The proposed development model implies greater synergies between tourism and other branches (primarily agriculture), so it can be expected that it will bring greater indirect effects, so that the multiplier of total in relation to direct effects should approach the value of 2, or approximately the amount of about 65 million euros. In addition, in that case, the catering industry would have a higher income from tourists (of which there would be significantly more), so the income in the catering industry would grow higher than the average of the total economy in Sokobanja, so that the total (direct, indirect and induced) income from tourism and catering would be about 100 million euros. In that sense, it should be understood that the goal of this Tourism Development Program of Sokobanja is to approach the level of the world average


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growth in the tourism sector, for which we believe that Sokobanja has all the necessary arguments in the resource-attraction basis.

## 5.8. KEY STRATEGIES AND POLICIES OF TOURISM DEVELOPMENT

### 5.8.1. How to increase tourism revenues? - Marketing policies

***Focus on priority products***

The focus of the development policy must be focused on priority products, in conditions of limited financial and increasingly required human resources. Wasting the marketing budget on a larger number of products limits the potential for the development of competitiveness and reduces the readiness of tourist products for successful promotion and sale on the tourist market. On the other hand, insufficient development of priority products does not give enough impetus for the development of products of lesser priority. The focus should be on tourism products that have shown the best development results in the previous period (short breaks, spa and wellness, tours), i.e. on products from which the greatest results can be expected in the coming period.

***Building a marketing system***

The marketing of tourist destinations in the recent period is experiencing a major transformation of the business model. Tourism becomes the carrier of economic and social messages in the broader context of destination development. The task of the Tourist Organization of Sokobanja (TOSB) is to quickly adapt its marketing tools to new trends. For this reason, there is a need for continuous adjustment of the professional strategic and operational tourism marketing plan. The marketing plan sets the marketing system from the strategic level (strategy of priority products, strategy of market segments, strategy of foreign markets, strategy of promotion and distribution, strategy of public relations, branding strategy, strategy of electronic marketing, etc.). Further on, the marketing plan sets the operating system of the existing and new marketing activities (activities related to product construction/professionalization, activities related to communication to target markets and target segments, activities related to distribution and sales, both to individual and business market, activities related to marketing infrastructure, as well as activities related to support and cooperation with the tourism industry of Sokobanja, Serbia and surrounding regions - for example, cross-border cooperation with Bulgaria, etc.).

***Transformation of the Tourist Organization of Sokobanja and increase of the budget***

The current level of activity points to the limits that TOSB has when it comes to organizational structure and the degree of professionalization that requires a new approach to the promotion of Sokobanja as a tourist destination. The share of "clean" marketing activities in the number of employees must increase within the organization (human, departmental and budgetary). The growing volume of work must be systematically distributed among the various


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departments, working separately according to their responsibilities, with constant coordination and consistently following the destination marketing strategy. Also, for the professional transformation of TOSB according to the requirements of modern marketing, a continuous increase of the current budget should be provided through new budget filling solutions (on a budget basis, or on some other basis, including more active participation and cooperation with the private sector and project financing, especially in cooperation with the surrounding regions). The focus of the new organization of TOSB as primarily a promotional entity for tourism is to, firstly, ensure the acceptance, and then the general use of the Sokobanja tourism brand in all fields and through all related activities, as well as the application of the brand on individual products (guided tours, festivals, etc.). The new focus of activities should be on integrated (especially digital) marketing communications. At the level of the destination, Sokobanja can develop one (maximum two) priority tourist product. Having in mind the status of natural resources (thermoal-mineral waters) regulated by the Constitution, as well as the ownership status of health institutions (spas), it would be logical for it to be health and wellness tourism in the next development period. Other functions (construction of other tourist products, management of narrower destinations, relationships with stakeholders in destinations) should be validated as tasks performed at the local and/or business level.

***Raising the level of basic and advanced knowledge in the field of marketing and sales***

The public and private sectors must learn, improve and enhance the important skills and instruments necessary for new challenges in the marketing, sales and distribution of Sokobanja tourism information. The knowledge to be acquired, in key positions in the tourism system (destination marketing managers, digital technology management in tourism), can and should be transferred by referring professionals to formal education programs. In addition, numerous channels of non-formal education include organizing or visiting various seminars, workshops and activities aimed at creating tourist products, managing a tourism brand, creating and affirming quality labels, creating content in destinations, etc. Through education and adoption of IT applications, it is possible to improve the systemic relationship with guests (through the so-called Customer Relationship Management systems). It is necessary to achieve connecting "data islands and knowledge islands" with key stakeholders in Sokobanja tourism through joint educational and development projects of knowledge management. Communication and raising the involvement of former and potential visitors can be improved by using the potential of social networks, online and offline marketing campaigns, then through sophisticated public relations, etc. Also, in cooperation with the private sector (agencies, guides, etc.) it is necessary to provide support for sales promotion, support in negotiations and sales to state institutions (schools), foreign partners, etc. By following efficient solutions of developed regions, it is necessary to accelerate the application of electronic marketing and information technologies (IT) in the tourism of Sokobanja. In that sense, the reorganization and transformation of TOSB in the future should include a special department that would deal with building the capacity of marketing activities in the public and private tourism sector of Sokobanja and coordination with similar TOS activities at the level of the Republic of Serbia,


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as with other partners in the region, primarily through the active implementation of cross-border cooperation programs with partners from Bulgaria.

### 5.8.2. Raising the management capacity

***Further improvement of the institutional framework***

The regulatory framework in the field of tourism, which was adopted in the previous period, provides solid preconditions for further development of tourism both in Serbia and in Sokobanja. However, in order to be more efficient in the implementation of the proposed policies, further improvements of the institutional framework related to tourism development are necessary, namely:

- Rigorous control of the implementation of the existing measures and sanctioning of illegal practices - especially given the possibilities provided by the new system for the records and management of visitors for the "e-tourists"
- Improving consumer protection of tourist services;
- Providing institutional preconditions for professionalization of tourism management at the destination level;
- Regulation of modern models of property ownership and management;
- Tax incentives for the growth of domestic tourism, combined with instruments for introducing unregistered business into legal flows;
- Strengthening the coordination body (Municipal Tourism Council) for the purpose of considering strategic initiatives, proposing new projects and initiatives to improve the destination's tourism, and other measures that directly condition the development of tourism.

Sokobanja, as one of the most important destinations in Serbia, must preserve its position and actively participate in the improvement of the general and institutional framework for the facilitated and accelerated development of tourism.

***Organizational improvement of Sokobanja tourism***

Bearing in mind that the current model of managing Sokobanja as a tourist destination (as is the case with other destinations in Serbia) is unsustainable, it is necessary to introduce a system of destination management organizations as the only managers of the entire value chain in tourism. The history of the development of the tourism management model has shown that due to the need for efficient communication with the tourism market, it is necessary to organize a tourism management system at several levels: the National Tourism Organization of Serbia (TOS) should be responsible exclusively for regional tourism management organizations, for marketing and promotion of tourism in their region, and local destination management organizations (DMO) for the management of development and marketing of tourism in the narrower area, at the level of a tourist destination. In addition, Sokobanja can valorize its position and potential for cooperation with partner destinations in Bulgaria and expand its influence by using cross-border cooperation mechanisms.


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Bearing in mind that Sokobanja is the most developed tourist destination in Eastern Serbia, it will naturally have to take on the role of the first regional hub. In that sense, in the long run, Sokobanja is expected to initiate regional connection of destinations, primarily in Eastern Serbia, through the establishment of a regional destination management organization, the backbone of which will be the Tourist Organization of Sokobanja. Such an organization should take care of facilitating the entry of visitors into the tourist region and directing visitors to other hubs, in accordance with the jointly adopted marketing interests. The hubs bring together the interests of a number of local destinations and coordinate their activities with other hubs (especially given the potent cooperation with destinations in Bulgaria).

Destination management organizations have two key tasks: 1) external destination marketing (marketing communications, sales and lobbying) and 2) internal destination development (planning, information, creation of tourist products and experiences).

***Domestic and international organizations and associations***

It is necessary to have close cooperation and trust between different organizations and associations in order to realize the tourist vision of Sokobanja. On one hand, active and participatory membership in regional international associations should be started or continued (such as, for example, the proposal to establish a Balkan Spa cluster). On the other hand, support should be given to the creation of local organizations and associations as representatives of the private sector, aimed at increasing the competitiveness of individual tourism products, and which should participate in the creation of development plans. Through cooperation with the TOS, it is necessary to maintain access to large international organizations (WTTC, UNWTO).

***Development of human resources/potentials***

In the further development of the tourist potential of Sokobanja, it is necessary to continuously work on improving the quality of services based on the development and improvement of human resources, through a system of formal and non-formal education and training. The system of formal education needs to be adapted to the requirements of the modern market and the needs of the industry - active cooperation with local players is necessary, as well as with the nearest universities. Additionally, through the design and implementation of human resource development projects, it is possible to provide appropriate training for management in the hotel and catering industry (hotel operations, marketing and sales, finance, controlling, etc.). The training of experts in certain specialties should go in the direction of increasing the share of practical work, skills and introduction of new programs according to the needs of the industry (e.g. management of spa and wellness centers, management of amusement parks, visitor centers, etc.). With regard to the implementation of the training system, in order to achieve international standards in service delivery, training for three groups of professionals should be included: 1) professionals in the field of catering (hotels and restaurants); 2) professionals who are engaged in the interpretation of tourist natural, cultural and other attractions; 3) professionals in other fields that are indirectly related to tourism (taxi drivers, police, etc.), and which also greatly contribute to the quality of the tourist experience. In functional terms, significant investment is needed in education and acceptance of new (digital) technologies.


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***New technologies and systems for business intelligence, quality control***

In order to increase management capacity, it is necessary to apply new methods and competencies based on the use of digital technologies and business intelligence systems. New technologies have enabled simple and fast processing of large amounts of data, not only to support the decision-making system, but also to manage and control business performance. The essence is in creating a platform for efficient data management in order to turn data into information, and information into knowledge. Knowledge is the basis for making strategic and operational decisions, the speed of events in modern conditions requires that knowledge management be automated, i.e. increasingly being entrusted to artificial intelligence. The knowledge to be transferred to the public and private sectors through organized seminars and workshops should in particular include the use of up-to-date information and communication technologies and the achievements of e-business.

## 5.9. PRODUCT STRATEGY

Based on insights into the area's resources, cultural heritage and natural resources, the Sokobanja area has a basis for the development of:

1. **Active vacations and adventurism (camping tourism and staying in nature);**
2. **Spa and wellness in spas / health tourism;**
3. **Short holidays;**
4. **Rural tourism/rural experience;**
5. **Enogastronomy;**
6. **Events and culture; and**
7. **Business Tourism (MICE).**


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### 5.9.1. Adventure, active outdoor tourism

## ADVENTURE, ACTIVE OUTDOOR TOURISM

**Product description:** Adventure, active outdoor tourism is a tourism product that includes at least two out of three components: physical activity or recreation, the natural environment and cultural exchange. Active tourism can be divided into two basic categoris according to the intensity of activity:

- Adrenaline and adventure hard sports and activities (mountain biking, paragliding, kayaking, canoeing, etc.);
- Recreational, soft sports and activities (walking, hiking, trekking, cycling, horseback riding, etc.).

Three basic segments of this product are:

- The segment of consumers who choose the destination they visit exclusively for active vacation and activities available in the destination;
- Recreationalists for whom active vacation is not the only motive for visiting the destination and during their stay consume other tourist products;
- Professional athletes and sports groups (clubs, associations, etc.) who go on a trip motivated by preparations, fitness training or sports competitions.

The key precondition for the development of active vacation are various attractive natural resources adapted to the needs of the consumer segment, for example in the context of professional athletes developed infrastructure and connection of the destination. Climate conditions are not necessarily nor constraint nor an advantage given the different preferences of consumer segments for different levels of activity complexity

| Product segments | Market segments |
|---|---|
| ➢ Sports activities<br>➢ Recreational sports<br>➢ Adrenaline sports<br>➢ Sports and recreational events and manifestations | ➢ Group of young people<br>➢ DINKS Double income no kids<br>➢ Athlets and sports groups |

**Time period**

Throughout the year

| Market potential | Key required elements | Key success factors |
|---|---|---|
| ➢ The global adventure tourism market in 2018 is estimated at $ 586.3 billion, and is projected to reach $ 1,626.7 billion in 2026, registering 13.3% between 2019 and 2026. years (CAGR). The development of the global tourism sector is fostering the growth of the adventure tourism demand market. | ➢ Sports-recreational trails with developed interpretation and sports-recreational, entertainment and adrenaline centers<br>➢ Construction and setup of sports halls and fields<br>➢ Signaling of forest trails and roads<br>➢ Adequate accommodation (e.g. B&B, Bike hotels)<br>➢ Specialized technical support (e.g. bicycle repair shops)<br>➢ Setup of lookouts, rest areas and picnic zones along the trails<br>➢ Schools and classes for individual sports (e.g. horseback riding, water sports) | ➢ Quality infrastructure<br>➢ Valorized natural resources<br>➢ Developed sales channels (destination management, specialized travel agencies, etc.)<br>➢ Targeted marketing activities |


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### 5.9.2. Spa and Wellness / Health tourism

<table>
<tr><th colspan="3">SPA AND WELLNESS / HEALTH TOURISM</th></tr>
<tr><td rowspan="2">Product description: Health tourism is a complex tourist product which includes a large number of specialized facilities and services. The key motivation for traveling is need to strengthen health and quality of life improvement. Spa / wellness and health are observed through the interconnectedness of certain forms of health tourism. The wellness product implies a proactive, integrated approach that should improve the quality of life and health of guests at the destination. It deals with disease prevention, providing guests with experience and most often intangible results. Wellness and spa destinations are built up on the concept of general well-being, and the main task is to achieve health goals, both psychological and emotional, as well as physical.</td><td>Product segments</td><td>Market segments</td></tr>
<tr><td>➢ Spa and wellness<br>➢ Health tourism</td><td>➢ Couples 25-49<br>➢ Golden oldies<br>➢ Athlets</td></tr>
<tr><td colspan="3">Time period<br>Throughout the year, less intense during the main summer and winter seasons<br> </td></tr>
<tr><td>Market potential</td><td>Key required elements</td><td>Key success factors</td></tr>
<tr><td>➢ According to the latest data from the Global Wellness Institute, the world wellness economy includes ten sectors worth in total of 4.5 billion. USD in 2019, with growth of 7.1% from 2017 to 2019, which is almost twice as fast compared to global economic growth (3.5%)<br>➢ The wellness industry represents 5.3% of the global gross domestic product</td><td>➢ Health tourism - specialized clinics, rooms for recovery treatments and (non) invasive medical procedures<br>➢ Wellness - wellness hotels, areas for meditation and oriental techniques, thermal springs, swimming pools, water with healing properties<br>➢ Providing unique experiences through nature</td><td>➢ Natural and unpolluted environment<br>➢ Good food and drinks quality offer<br>➢ Specialized support / expertise<br>➢ Certificates of quality and professionalism<br>➢ Management with product knowlege</td></tr>
</table>


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### 5.9.3. Short vacations

<table>
<tr><th colspan="3">SHORT VACATIONS</th></tr>
<tr><td rowspan="3">Product description: Short vacations, in the form of special interests, are closely related to individual, special interests ("niches") of tourists visiting the destination. It is usually defined as a trip lasting 1 to 3 nights, with the goal of escaping from everyday life. The final product includes several groups of products, each of which is the main motive for the arrival of a particular segment of guests at the destination. Guests travel on short vacations for culture, food, events and manifestations, special interests, classic vacations, etc. During the stay, the guest consumes different elements at the same time, so from the perspective of organizing and managing the product, all the elements are observed together. This type of product is usually realized during weekends, extended weekends, holidays etc. The user of short vacations is often the local population. Guests already dominate this type of travel today via the Internet, where they collect all the necessary information.</td><td>Product segments<br>➢ City vacations<br>➢ Culture and events<br>➢ Enogastronomy<br>➢ Rural tourism<br>➢ Selective forms of tourism<br>➢ Sports and recreation</td><td>Market segments<br>➢ DINKS Double Income No Kids<br>➢ Empty Nesters<br>➢ Families with grownup kids<br>➢ Backpackers</td></tr>
<tr><td colspan="2">Period<br>Throughout the year</td></tr>
<tr><td colspan="2"> </td></tr>
<tr><td>Market potential<br>➢ The volume of the product is estimated at more than 7 billion euros, and the average expenses are from 300 to 600 euros per trip.<br>➢ It is estimated that more than 30 million Europeans travel on some form of short break each year.<br>➢ In the region, most often foreigners between the ages of 25-45, from the middle and upper class, travel for active vacations lasting 2-5 days.</td><td>Key required elements<br>➢ Quality and diverse forms of accommodation<br>➢ Natural and cultural resources established into the tourist function<br>➢ Rich gastronomic offer of controlled quality<br>➢ Competitive marketing and sales system<br>➢ Signaling and markings<br>➢ Quality shopping malls and shopping brands</td><td>Key success factors<br>➢ Good infrastructure and accessibility to the destination, with an emphasis on air traffic<br>➢ Destination security<br>➢ Good offer of activities and excursions, as well as appropriate infrastructure<br>➢ Value for money<br>➢ Availability of basic and ancillary services</td></tr>
</table>


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### 5.9.4. Rural experience

<table>
<tr><th colspan="3">RURAL EXPERIENCE</th></tr>
<tr><td rowspan="3">Product description: Rural tourism is a type of tourism that takes place in rural areas, relying on natural resources, rural heritage and a specific way of life. Rural tourism has several forms: Agrotourism (involves the stay of guests on a rural estate and involvement in traditional activities); Active rural tourism (various sports and recreational activities in rural areas); Eco-tourism (responsible tourism that supports the protection of natural resources) and Cultural rural tourism (related to culture, history, archeology, etc.).</td><td>Product segments<br>➢ Rural events<br>➢ Activities in a rural environment (cyclists, horseback riding, fishing, walking, etc.)</td><td>Market segments<br>➢ Couples with children<br>➢ Couples without children<br>➢ Golden Oldies</td></tr>
<tr><td colspan="2">Time period<br>Throughout the year</td></tr>
<tr><td colspan="2"> </td></tr>
<tr><td>Market potential</td><td>Key required elements</td><td>Key success factors</td></tr>
<tr><td>➢ Rural tourists are mostly highly educated guests, who travel frequently and belong to the segment of higher purchasing power.<br>➢ They spend an average of 80 euros a day, of which 65% are related to accommodation and food.<br>➢ About 7% of total world travel is motivated by wine, gastronomy and rural experience, and the average annual growth of travel is expected to be 3-4%</td><td>➢ Availability of various forms of accommodation that are integrated into the rural landscape<br>➢ Construction and arrangement of bicycle paths<br>➢ Information boards and signalization<br>➢ Marketing infrastructure - separate online and offline content intended for individual segments according to interests<br>➢ Schools and courses for individual sports (e.g. horseback riding, water sports)</td><td>➢ Increasing the quality of the visitor experience in a rural setting<br>➢ Branding and protection of indigenous agricultural and gastronomic products<br>➢ Incentives system and support for small and medium entrepreneurship<br>➢ Education and benchmark travel</td></tr>
</table>


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### 5.9.5. Enogastronomy

<table>
<tr><th colspan="3">ENOGASTRONOMY</th></tr>
<tr><td rowspan="2">Product description: Enogastronomic tourism includes visits to destinations whose primary goal is to satisfy the personal motives of guests to discover the specifics of local food and wine. Enogastronomic destinations, which build their image on good quality food and drink, motivate guests primarily with their authentic offer.<br><br>Food and wine are very important in the promotion of tourism. Climate conditions, culture and history of an area, shape the character of food and wine. That is why enogastronomy is often treated as a subsector of cultural tourism, ie. cultural heritage.</td><td>Product segments<br>➢ Food<br>➢ Wine<br>➢ Product packaging that includes research into local and traditional products<br>➢ Stories of major gastronomic products</td><td>Market segments<br>➢ Couples without children<br>➢ Couples 45-65<br>➢ Golden Oldies<br>➢ MICE</td></tr>
<tr><td colspan="2">Time period<br>Throughout the year<br> </td></tr>
<tr><td>Market potential<br>➢ Tourists are mostly highly educated guests, who travel frequently and belong to the segment of higher purchasing power<br>➢ They spend an average of 80 euros a day, of which 65% are related to accommodation and food<br>➢ About 8% of total world travel is motivated by wine and gastronomy, and an average annual travel growth of 3% is expected</td><td>Key required elements<br>➢ Availability of accommodation in line with the needs of wine tourism<br>➢ Branding and protection of indigenous agricultural and gastronomic products<br>➢ System of incentives and support for small and medium entrepreneurship<br>➢ Tourist wine infrastructure<br>➢ Increasing the quality of the visitor experience in restaurants and wineries</td><td>Key success factors<br>➢ Marketing of Serbian food and wine<br>➢ Wines with clearly recognizable geographical indications<br>➢ Destination image<br>➢ Value for money<br>➢ Education and benchmark travel</td></tr>
</table>


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### 5.9.6. Events and Culture

<table>
<tr><th colspan="3">EVENTS AND CULTURE</th></tr>
<tr><td rowspan="2">Product description: Cultural tourism involves the travel of tourists outside their place of residence, motivated by interest in culture and events, with the aim of improving knowledge of history, art, heritage, architecture, customs, religion and lifestyle in a destination, as well as attending cultural events and performances. This group of tourists can be divided into: tourists who predominantly travel with the motive of experiencing the entire cultural offer of a specific destination or a specific part of the offer and tourists whose travel is not primarily motivated by culture, but during their stay in the destination, more or less consume cultural content.<br><br>The development of technology enables the destination to modernize its cultural offer in the way of presenting history, heritage and certain archeological artifacts.</td><td>Product segments<br>➢ Architecture, museums, galleries, archeological sites<br>➢ Cultural events<br>➢ Musical events<br>➢ Religious heritage<br>➢ Sport events and manifestations</td><td>Market segments<br>➢ Couples with or without children<br>➢ Golden Oldies<br>➢ Backpackers</td></tr>
<tr><td colspan="2">Time period<br>Throughout the year<br> </td></tr>
<tr><td>Market potential</td><td>Key required elements</td><td>Key success factors</td></tr>
<tr><td>➢ In Europe, as many as 42% of all tourists consume a certain cultural product during their general travel and stay at the destination;<br>➢ 40% of all cultural trips are mostly of short duration, mostly up to 4 days.</td><td>➢ International manifestations and events<br>➢ Boosting creativity in the production and distribution of handicrafts and indigenous products<br>➢ Good network of information centers<br>➢ Quality visitor management system<br>➢ Innovative interpretation of cultural content - interpretation and visitor centers</td><td>➢ Information availability on the Internet and at the destination<br>➢ Connection of the most important and attractive natural and cultural localities in the area, their meaningful connection and marking<br>➢ Interpretation of historical and cultural content - use of modern technology<br>➢ various types of accommodation<br>➢ Great quality guides<br>➢ Destination image</td></tr>
</table>


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### 5.9.7. Business travel (MICE)

<table>
<tr><th colspan="3">BUSINESS TRAVEL „MICE“</th></tr>
<tr><td rowspan="3">Product description: Acronym MICE - Meetings, Incentives, Conventions и Exhibitions/Eventing includes any form of meeting a larger or smaller group of people on a business occasion. Encounters can be meetings, conventions, conferences, congresses, fairs, exhibitions, but also various forms of interconnection such as team building and events. The very core of MICE, as a tourism product, involves the travel of consumer business segments outside their usual place of residence. In addition to business-motivated trips, it is necessary to distinguish the element Incentives, which refers to employees of certain organizations who make the trip as a reward for work or socializing and networking (team building).</td><td>Product segments</td><td>Market segments</td></tr>
<tr><td>➢ Meetings, symposia and conferences<br>➢ Congresses and exhibitions<br>➢ Prize travels<br>➢ Summer school</td><td>➢ Business travelers</td></tr>
<tr><td colspan="2">Time period<br>April – June, September - November</td></tr>
<tr><td colspan="3"> </td></tr>
<tr><td>Market potential</td><td>Key required elements</td><td>Key success factors</td></tr>
<tr><td>➢ The global size of the MICE sector in 2017 was $ 805 billion, and is projected to reach $ 1,439.3 billion in 2025, with 7.6% growth from 2018 to 2025 CAGR.</td><td>➢ Good quality restaurants and accommodation - at the level of competing countries<br>➢ An affordable, professional and operational convention bureau, which offers a multitude of services to help organize events / gatherings<br>➢ Manifestations and international events</td><td>➢ Good quality traffic connection of the destination (emphasis on air accessibility)<br>➢ Presence of well-known hotel brands that guarantee quality and professionalism in providing services<br>➢ Security and political stability</td></tr>
</table>


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### 5.9.8. Market segments

The tourist market is very heterogeneous and composed of many travelers, where each of them has certain needs, desires, habits and lifestyle. Identification of tourist travelers and their connection into homogeneous segments is crucial in order to adapt the offer to their needs and desires. When approaching guest segmentation, it is important to identify groups of potential guests who have similar characteristics and desires, group them according to each segment, send separate marketing messages and adjust the offer. In identifying market segments, it is important to define who our guests are, what they are looking for at the destination, when they travel, how they travel, how best to reach them and what to present to them from the destination (which products to sell). Guests can be segmented according to different attributes and characteristics. It is very important to choose the segmentation method at the very beginning, so that each segment is consistently defined.

In the approach to the segmentation of Sokobanja guests, a predominantly socio-demographic approach was used, but the guest's behavior during the trip and stay at the destination, i.e. their special interests, were also taken into account. Eight market segments have been identified:


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| DINKs<br>*Double Income No Kids* | Couples 25-35 without children | |
|---|---|---|
| | **Segment features** | **Motives for travel** |
| <br> | ➢ Highly educated people<br>➢ High purchasing power, scarce free time<br>➢ Travel in pairs<br>➢ Working in high or middle management positions, demanding and stressful jobs<br>➢ They have advanced digital skills and spend a lot of time online | ➢ New experiences<br>➢ "Battery charging"<br>➢ Connecting with a partner through shared experiences<br>➢ Research of new cultures (sightseeing)<br>➢ Gastronomy (food and wine)<br>➢ Relaxation (*Wellnes & Spa*) |

| | **Tourist behavior** |
|---|---|
| *"My job is very stressful and I don't have free time, so traveling is a way to relax and enjoy with my loved one about myself."* | ➢ Organize trips via the Internet, book accommodation in advance, online<br>➢ They like to explore new destinations and cultures, they often travel all year round<br>➢ They want to experience an authentic local experience, to live, eat and have fun as locals<br>➢ They enjoy local food and wine<br>➢ Staying in local accommodations ( apartments, apartments, houses) |

| **Expected benefits** | **Preferred products** | **Success factors** |
|---|---|---|
| ➢ Unique experience (authenticity and surprise factor)<br>➢ Availability of the destination online (Internet, portals, news, overview of activities at the destination)<br>➢ Wi-Fi connection and high speed internet<br>➢ Value for money<br>➢ Fast and quality traffic access to the destination | ➢ Short breaks and city breaks<br>➢ Gastronomy<br>➢ Special interests<br>➢ *Active & adventure* products<br>➢ Culture and events | ➢ *Online* availability of the destination, traffic availability<br>➢ Diversity of activities and authentic experience<br>➢ Surprise and discovery factor<br>➢ Possibility of offer adjustments<br>➢ Use of technology (communication, providing services ...) |


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| *Empty Nesters* | **Couples 45-65 without children** | |
|---|---|---|
| | **Segment features** | **Motives for travel** |
| | ➢ Couples between the ages of 45-65, with adult children who have moved out of the family home<br>➢ They are employed, often in responsible and stressful positions<br>➢ Above average incomes<br>➢ They feel young and are very active<br>➢ Holistic lifestyle - health, nutrition, activities, good life quality and wellness | ➢ Long-lived life<br>➢ Revitalization of body and mind<br>➢ New rejuvenating experiences<br>➢ Special interests<br>➢ Exploring new cultures<br>➢ Gastronomy (food and wine)<br>➢ Relaxation (*Wellnes & Spa*) |
| *"These are our best years. Just the two of us, experienced and eager for new experiences, as young couples."* | **Tourist behavior** | |
| | ➢ Loyal guests returning to the destination<br>➢ Prone to discovering old interests and finding new ones<br>➢ Prefer to travel during the year, but not necessarily at the peak of the season<br>➢ Often choose last minute trips and offers<br>➢ Like to explore new things, food, wine, activities, sports, physical activities, they don't waste time | |

| **Expected benefits** | **Preferred products** | **Success factors** |
|---|---|---|
| ➢ Authentic destinations with a "story"<br>➢ High quality services<br>➢ Feeling of comfort and luxury<br>➢ Rejuvenation of body and mind<br>➢ Various activities (sports, culture, art, relaxation, excursions)<br>➢ Destination online availability (Internet, portals, news, overview of activities at the destination)<br>➢ Traffic accessibility<br>➢ Guided excursions | ➢ Tours and city vacations<br>➢ Cruising<br>➢ Events and culture<br>➢ Health and Wellness<br>➢ Gastronomy and wine | ➢ Fast, quality and moderate availability of the destination<br>➢ Authenticity<br>➢ Gastro offer and wines<br>➢ Group trips<br>➢ Value for money |


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| *Families with young kids* | **Families with young kids** | |
|---|---|---|
| | **Segment features** | **Motives for travel** |
| | ➢ Age range 30-45<br>➢ Families with one or more children (in kindergarten or primary school)<br>➢ Secondary or tertiary education<br>➢ Employees in middle or senior positions<br>➢ Moderate purchasing power, rational consumers, but willing to spend more on family and children<br>➢ They try to balance business and family life | ➢ Need to spend more time with family, with a variety of activities<br>➢ Children's wishes come first, but at the same time they want to relax and dedicate themselves to their partner<br>➢ Discovering new destinations and cultures<br>➢ They prefer active vacations |
| *"Traveling is a good way to spend quality time with my family, along with a variety of activities."* | **Tourist behaviour**<br>➢ Information via the Internet<br>➢ Travel during the year (once or twice) depending on the obligation of the children in school<br>➢ Occasionally parents go on short trips out of season, without children<br>➢ They love touring and getting involved in local events and manifestations<br>➢ Prefer traveling to the destinations that are easily accessible and stay on mid-range hotels or in private accommodation | |
| **Expected benefits** | **Prefered factors** | **Success factors** |
| ➢ To rest and spend time with family<br>➢ Creating unique experiences and memories that will be shared with the family<br>➢ Safety is one of the priorities and that is why they choose well-known brands and are loyal to the destinations they were happy with<br>➢ Animation program<br>➢ Value for money, commitment to family values | ➢ Holidays with suitable facilities for small children<br>➢ City holidays<br>➢ Amusement / theme / water parks | ➢ Service quality and adjustment of the offer to children<br>➢ A wealth of entertainment and activities, excursions<br>➢ Online availability of information (internet, portals, news, overview of activities at the destination)<br>➢ Traffic accessibility<br>➢ Use of technology (communication,service provision etc.) |


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| *Families with grownup kids* | **Families with grownup kids** | |
|---|---|---|
| | **Segment features** | **Motives for travel** |
| | ➢ Age range 35-45<br>➢ Families with teenage children (high school)<br>➢ Secondary and tertiary education<br>➢ Mainly employed in positions of responsibility<br>➢ Moderate purchasing power<br>➢ Aware that their children are growing up, they want to spend more time together - family values | ➢ Desire to spend more time with growing children<br>➢ Transferring family values to children<br>➢ Mutal activities<br>➢ Finding new destinations<br>➢ Active vacation with lots of fun |

| | **Tourist behaviour** |
|---|---|
| *"Children are growing fast and soon will become independent. We want to spend more time with them."* | ➢ They prefer "trendy destinations", a mixture of family atmosphere and fun<br>➢ Vacation is a compromise - for younger and older<br>➢ Most of them travel during the high season, sometimes during the holidays, depending on the children's obligation at school<br>➢ Occasionally parents go on short trips out of season, without children |

| **Expected benefits** | **Prefered factors** | **Success factors** |
|---|---|---|
| ➢ For parents: mutal activities, occasionally without children, more moderate activities, time spent with children<br>➢ For children: various activities, controlled environment (safety), plenty of fun<br>➢ Quality services and offer adjusted to the needs of both parents and children<br>➢ Value for money<br>➢ Sports activities and guided excursions | ➢ Holidays with appropriate attractions (fun and with water activities)<br>➢ Short vacations - weekend breaks with recreation, swimming<br>➢ Active & Adventure products<br>➢ City holidays<br>➢ Nautics and Cruising | ➢ Adapted offer to young people / children and adults at the same time, with rich entertainment content and activities;<br>➢ Online availability of information (internet, portals, news, overview of activities at the destination) |


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| Golden Oldies | Couples 60+ | |
|---|---|---|
| | **Segment features** | **Motives for travel** |
| | ➢ Above 60 years of age<br>➢ Retired, moderate purchasing power (limited budget), but have savings willing to spend on travel<br>➢ Relatively good health and independent,without significant health problems<br>➢ Travel in pairs or with a group<br>➢ Tertial education | ➢ In spite of being older they still need new experiences, local traditions, new activities and fun<br>➢ They like to return to the places they visited when they were younger<br>➢ They are attracted to popular and safe destinations<br>➢ They travel to relax and enjoy and prefer a passive lifestyle |

*"It's time for a vacation, so I will use part of my savings for trips to known and unknown destinations, where I can relax and enjoy sightseeing and cultural attractions."*

**Tourist behaviour**

- They are informed through brochures and agencies
- They use the tourist organizations services and stay in middle-class hotels
- They travel in groups and visit several destinations during the trip (touring) or travel to one destination (longer stay)
- Experienced travelers, but do not travel often
- Involved in low-intensity activities (hiking, sightseeing)

| Expected benefits | Prefered factors | Success factors |
|---|---|---|
| ➢ Activities that provide a sense of security<br>➢ Activities and entertainment adjusted to their needs and interests<br>➢ Easy, cheap and fast access to the destination<br>➢ Gastronomy (food and wine)<br>➢ Guided group excursions<br>➢ Variety of appropriate activities (sports, culture, relaxation) | ➢ Tours and city vacations<br>➢ Cruising<br>➢ Events and culture<br>➢ Health and Wellness<br>➢ Gastronomy and wine | ➢ Fast, quality and moderate availability of the destination<br>➢ Authenticity<br>➢ Gastro offer and wines<br>➢ Group trips<br>➢ Value for money |


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| Adventurers | Adventures | |
|---|---|---|
| | **Segment features** | **Motives for travel** |
| | ➢ Ages 15 to 25 years<br>➢ Different social status (high school students, students, young employees, unemployed)<br>➢ Limited budget and low purchasing power<br>➢ Adventurous and nomadic lifestyle<br>➢ Excess free time | ➢ Affordable prices<br>➢ Finding these destinations in a unique way<br>➢ Exploring natural beauties<br>➢ Authentic experience<br>➢ Introduction to cultural heritage and local tradition<br>➢ Events and entertainment |
| *"My priority is to travel at affordable prices, where I can gain experience and research. "* | **Tourist behaviour** | |
| | ➢ Long trips to remote, inaccessible and exotic destinations<br>➢ Cheaper way to travel (bus, train, low cost airline tickets, hitchhiking)<br>➢ Prefer cheap accommodation (hostels, room sharing)<br>➢ Flexible travel plan<br>➢ They travel alone or in small groups<br>➢ Internet is the main source of information, preferring online reservations or accommodation without prior reservation | |
| **Expected benefits** | **Prefered factors** | **Success factors** |
| ➢ Access to various transport, possibility to reach the destination by public transport or other cheap modes of transport<br>➢ Possibility of cheap accommodation and services<br>➢ Diverse entertainment at the destination | ➢ Events and tours<br>➢ Active & Adventure<br>➢ City holidays<br>➢ Special interests | ➢ Availability by various means of transport<br>➢ Possibility to travel to nearby destinations by public transport, or cheaper forms of transport<br>➢ Low budget accommodation and services possibility<br>➢ Variety of content at the destination<br>➢ Entertainment adjusted to the adventurous culture of travel |


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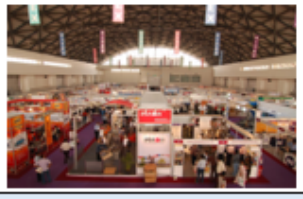
| MICE | Business travelers | |
|---|---|---|
| | **Segment features** | **Motives for travel** |
|  | ➢ Individuals aged between 25 and 65 years<br>➢ Highly educated<br>➢ From high to low management positions<br>➢ Highly dependent on technology - before and during the trip<br>➢ Higher or high purchasing power, during travel they spend money moderately, except for business expenses | ➢ They travel for work, but very often try to combine work and pleasure<br>➢ Reward for hard work and hard-working employees, as a kind of incentive<br>➢ Meeting new people, exploring new destinations at the expense of the company |
| *"My business trip must be well organized and I will take the opportunity to relax and make new contacts."* | **Tourist behaviour** | |
| | ➢ They travel alone or with colleagues<br>➢ MICE (Meetings, Incentive, Conventions, Exhibitions) require large available capacities, superior service and value for money<br>➢ Year-round travel, MICE travelers attend congresses and similar events<br>➢ They rarely organize their own trips, but someone in the company does it for them<br>➢ They enjoy the gastronomic offer and entertainment | |

| Expected benefits | Preferd factors | Success factors |
|---|---|---|
| ➢ Fast and quality access to the destination<br>➢ High level of technological equipment<br>➢ Congress centers and sufficient accommodation facilities<br>➢ They expect top organization and service quality<br>➢ Hotel facilities - restaurants, bars, wine cellars<br>➢ To expand the business network<br>➢ Destination image | ➢ Congresses<br>➢ Meetings<br>➢ Fairs<br>➢ Exhibitions | ➢ Fast, quality destination availability (by air)<br>➢ Congress center and sufficient accommodation facilities<br>➢ Destination image<br>➢ Technological equipment<br>➢ Catering facilities of sufficient capacity<br>➢ Entertainment and destination shopping facilities |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## 5.10. PRINCIPLES AND CHALLENGES OF SUSTAINABLE TOURISM DEVELOPMENT AND RECOMMENDATIONS FOR RISK MANAGEMENT

According to the 2005 definition of the United Nations Environment Program (UNEP), sustainable tourism can be defined as "tourism that takes into account current and future economic, social and environmental impacts, while also meeting the needs of visitors, the economy, the environment and local communities. "

The accelerated development of modern humanity has influenced the excessive consumption of resources, which results in high pollution rates in urban agglomerations, the creation of the so-called greenhouse effects, global warming and accompanying climate change, which greatly affect the profile changes of entire areas. In this context, lately there has been a lot of talk about the "green economy" and the solutions it offers, where "green tourism" and its role in the green economy is of great importance, primarily in the field of awareness raising and promotion of "green" solutions. It is, in fact, about integrating the principles of sustainability into all segments of socio-economic development.

Sustainable tourism development is not defined as an independent policy, but represents a development concept, a philosophy, which permeates and is applied in all areas and policies of tourism development. So, this is not a special type of tourism, but a principled determination to encourage solutions that will make all types and forms of tourism in Sokobanja sustainable. "Green" tourism does not mean tourist services in a clean, "green" environment; it is about care and support instruments for the development of all three pillars of sustainable development (although the term "green" is often equated only with environmental and spatial solutions). It is about tourism as a driver of sustainable development at all three levels:

- Economic – the multiplicative effect of tourism in terms of income and new jobs is indisputable and will contribute to achieving defined goals of tourism development in terms of the number of new jobs and increase the direct and induced share of tourism in the total GDP of Sokobanja;
- Ecological – encourages the preservation of natural and cultural heritage and is one of the drivers of a sustainable concept of municipal development;
- Social – has a very positive impact on the balanced local economic development and well-being of local communities, as well as on increasing the recognition, reputation and overall image of Sokobanja.

In the context of considering the sustainable development of tourism, the term "ecotourism" should be clarified, which is a segment of the tourism industry / tourism product that essentially refers to a controlled, moderate form of tourism as an activity in particularly sensitive or untouched natural areas, with little impact on environment, compared to standard commercial forms of mass tourism. It is, therefore, about responsible travel and visits to protected areas that are used to improve the well-being of local communities. On the other


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hand, the principles of sustainable tourism development need to be integrated into all types of tourism activities, operations and institutions and projects, including traditional and alternative forms.

Considering the nature of tourism as a pervasive activity that is connected with many other sectors of the economy, tourism can greatly contribute to sustainable economic growth and the promotion of the so-called low-carbon society. The development of a green economy (according to the OECD, it is about "green growth"), with the aim of improving energy, social and environmental efficiency, is possible through the development and application of new technologies, thus creating new jobs (so-called green jobs) and encouraging sustainable economic growth. In the international environment, the focus of entrepreneurs and public sector policies on innovation is visible as a key measure for achieving green growth goals and improving the existing economic performance (and thus in the tourism sector as well). Sokobanja should take appropriate steps in the context of transition to a green economy, which in many areas will have a major impact on tourism development - primarily in the field of transport infrastructure and public transport, energy efficiency of buildings, establishment of local food supply chains, development of public services and other services and resources relevant to delivering experiences within the destination.

The principles of sustainable tourism development are incorporated into the proposed strategies, policies, measures and instruments of this Tourism Development Program and can be briefly described as follows:

- Respect for the principles of sustainable development in all areas of tourism development and promotion;
- Strengthening public awareness of the principles of sustainable development, the importance of protection and promotion of natural and cultural heritage, nature conservation, as well as activities for the implementation and adaptation to climate change;
- Clear direction towards the so-called "green building", i.e. the use of environmentally friendly, energy efficient materials for the adaptation of accommodation and other catering facilities in accordance with the principles of sustainability (obtaining international environmental certificates);
- Initiation of educational programs and trainings for “greening” of capacities - basic principles, instruments/activities and benefits of green investments;
- Special focus should be placed on the implementation of mechanisms for sustainable tourism development in protected areas, with the participation of all relevant stakeholders;
- Encouraging the involvement of key stakeholders in tourism development planning and putting local supply chains in the destination necessary for tourism development in an appropriate environment (with emphasis on the authenticity of traditional lifestyles and traditional local products);


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- Clear communication of the principles of sustainable tourism of the destination - environmental awareness on the supply side, as well as targeting qualified demand ("sustainable" consumers), which is in line with the proclaimed slogan of the destination "Green Heart of Serbia";
- Encouraging and promoting innovation, with a special focus on eco-innovation and education on sustainable development in order to improve environmental and social efficiency and provide a contribution to green growth;
- Setting up a monitoring system through continuous research and regular monitoring of the achievement of the goals of sustainable tourism development based on a system of indicators;
- Defining and adapting the goals and measures of tourism development to the needs of reducing the effects of climate change;
- Encouraging the introduction of environmental certificates in the tourism industry at the level of the municipality of Sokobanja (eco-labels).

Of great importance in this process is the role of the Municipal Tourism Council, which should be activated in accordance with the proposals of this Program, as well as the establishment of systematic and continuous cooperation with other stakeholders - with private, civil and academic sectors.

Therefore, it is crucial for the application of the principles of sustainable tourism development that decision makers and key drivers of socio-economic development of the municipality of Sokobanja in other, related areas, accept the philosophy of implementing the principles of sustainable development. These are sectors such as: agriculture, water management and forestry, spatial planning and environmental protection, culture and protection of monuments, transport, health, regional development, etc.

The development of tourism necessarily brings with it specific challenges in terms of environmental impact and the profile of the destination in which the projects are implemented. Below is a brief overview of challenges and proposed solutions in the context of overcoming risks and protecting the environment and surroundings in implementation of tourism development projects, in accordance with the principles of sustainability:


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| | |
|---|---|
| Status of waters | Avoid any interventions in protection zone I, and planned interventions in zone II and III are to be carried out strictly in accordance with applicable regulations on water protection. |
| Air quality | When designing, reconstructing and building tourist facilities, it is mandatory to implement energy efficiency measures to reduce negative emissions into the air (reduction of heat losses by improving insulation, energy efficient heating and cooling systems, new facilities should be designed with the idea of zero energy consumption, use of renewable energy sources, etc.). |
| Climate change | When developing planning and design solutions, take into account the expected climate changes (increase in temperature, precipitation intensity and extreme weather conditions). |
| Biodiversity | Plan tourist capacities outside the zone of rare and endangered habitats and habitats of strictly protected species. It is recommended to develop tourist capacities in areas that occupy an appropriate area and that can have positive anthropogenic impacts in the implementation zone. During project development, consider ways to improve biodiversity by providing smaller natural "islands" with vegetation that can be an important habitat for many species. |
| Protected areas | Do not plan to build tourist facilities in protected natural areas, except to a limited extent in accordance with the conditions and principles of protection. When choosing locations for the implementation of projects, avoid highly valuable and valuable spaces. This refers to areas of exceptional natural features, cultural and historical monuments of exceptional importance and archaeological sites (except for the purpose of tourist interpretation, taking into account the management of the number of visitors). Encourage development that has a positive educational role in promoting the natural resources of the area, which is important for long-term nature conservation and promotion of protected areas. |
| Cultural assets | When choosing a location for the implementation of development tourism projects, take into account the protection zones of cultural goods. If the project is planned in the contact zone of the cultural property, it is necessary to provide appropriate special conditions for the protection of cultural heritage during the development of the plan and the design. Also, for the needs of realization of projects of reconstruction/revitalization of cultural-historical objects of importance for tourism, it is necessary to obtain appropriate conditions from the competent Institute for Protection of Cultural Monuments, taking into account the authentic values that make the monument attractive for tourists/visitors. |
| Hunting | When planning any type of routes for visitors to natural areas, avoid wildlife habitats and their migration routes. |
| Waste | In the event that there is a surplus of excavations representing mineral raw materials during the execution of works, it is necessary to inform the competent body/institution, inspection and local self-government unit. Additionally, in the phase of using tourist capacities, it is necessary to apply mechanisms of sustainable treatment of solid (recycling) and liquid waste (waste oils and waste waters). In addition to water treatment, wastewater treatment in Sokobanja has been identified as a great threat to the sustainable |


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| | |
|---|---|
| | development of tourism, so it is necessary to pay special attention to solving this burning problem. |
| Traffic infrastructure | It is necessary to plan the appropriate capacities and traffic regime (especially when it comes to organizing events), in order to avoid traffic jams, parking in unauthorized areas and ensure unhindered and safe pedestrian traffic. When selecting locations for the development of tourism projects, when planning, care must be taken of the appropriate area for parking of visitors' vehicles. |

## 5.11. PROGRAM OF MARKETING AND PROMOTIONAL ACTIVITIES

The program of marketing and promotional activities is an important part of the Sokobanja Tourism Development Program in the period for which it is adopted, but also as a basis for further planned development of Sokobanja as one of the most important destinations in Serbia. Although the Terms of Reference required a separate elaboration of a marketing strategy for the cross-border area, we believe that within this Program it is extremely important to consider the entire marketing system, as well as provide key recommendations for building a consistent marketing system, which will perform all necessary functions, including promotional.

After the analysis of the situation and the developed growth model until 2025, the following marketing vision for Sokobanja is proposed:

> *During the period of validity of the Sokobanja Tourism Development Program, minimally double the number of overnight stays of domestic and foreign guests, with a focus on guests who bring more income, with the development of new products and experiences offered throughout the year.*

The proposed vision consists of three main elements that marketing must act on:

1. **Increasing the number of overnight stays**

In cooperation with representatives of the private sector, it is necessary to promote Sokobanja as a year-round destination where guests can have unforgettable experiences, unwind, escape from everyday life, relax and enjoy. It is necessary to create awareness of the destination, to build a strong and recognizable brand as well as to achieve cooperation in the promotion and sale of the destination. This should lead to an increase in the number of arrivals and overnight stays of guests throughout the year, i.e. to an increase in the occupancy rate of accommodation facilities.

**2. Attracting higher-income guests**

By implementing the proposed investment, coordination of activities of tourism stakeholders, the development of current and comprehensive communication strategy, branding, stronger


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connection with agriculture, as well as focusing on market segments and their better knowledge, it is possible to successfully attract targeted segments that will bring the destination higher revenues. In the next five years, Sokobanja should attract new segments of demand that have a higher discretionary income, and which they spend on vacation, staying in hotels and resorts, enjoying activities and consuming tourist services.

**3. Development of tourist products and experiences**

Sokobanja can still meet the needs of different market segments even above its current profile of the average guest. This is possible thanks to the rich natural resources, newly opened (quality) tourist facilities, dedicated work on product development, geographical position near Corridor 10. It is necessary to position Sokobanja as a destination of active holidays, health and wellness, which inherits its natural and cultural heritage, but also uses the advantages of local authentic gastronomy and offers impressive events in different environments (newly built summer stage, events that are traditionally organized in the surrounding villages, etc.). Therefore, it is immeasurably important to jointly develop activities, offers and experiences that will be consistently communicated through different channels to interested segments.

In this context, this part of the program is realized through strategic tasks, divided into three interrelated units: Marketing infrastructure, marketing communication and sales and commercialization system. The realization of these strategic units is further elaborated through initiatives of different priorities. Together they form a marketing strategy that is in the function of the tourist vision and strategic goals.

### 5.11.1. Development of marketing infrastructure

1. **Creation of a unique umbrella brand and destination label** – it is a systematic, pre-planned and guided process in which a complex, rich and diverse resource-attraction base of Sokobanja tourism will be clearly presented. In this context, understanding the reputation that Sokobanja already has is crucial. So, essentially, it is a process of creating the desired image of Sokobanja as a tourist destination, or defining its competitive identity, and the process of managing the reputation of Sokobanja as a tourist destination. In that process, it is useful to get attached to already recognizable and affirmative identities that Sokobanja can already count on at this moment - positioning that has historically been used "come old - leave young" and, currently, "Green Heart of Serbia".

1.1. *Defining a brand strategy*

Before starting the branding process, it is necessary to define a brand strategy. Given that it is a long-term support for the brand, the strategy should be based on the defined characteristics of the target market segments, their preferences and expectations. In doing so, it should be borne in mind that the future brand must be easy to distinguish from others, coherent and relevant in relation to the segments it addresses. Considering the fact that the development of the Sokobanja brand is proposed for the needs of tourist differentiation on the market, it is necessary to form a quality strategy that will clearly differentiate, but also synergistically unite the stated vision. Furthermore, it would be useful to extend the scope of brand design to local (traditional) products and gastronomy of Sokobanja, as another powerful lever for identity differentiation and overall destination transformation.


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*1.2. Creating a Branding Brief*

In order for creative marketing agencies to be able to offer an adequate branding solution for the tourism sector and local production, it is necessary to define a quality and comprehensive project plan, the so-called Branding Brief on the basis of which the essence of the brand should be clear, and which must define the attributes, benefits, reputation and identity of the brand.

*1.3. Development of the branding solution, visual identity and voluntary labeling system*

The future brand must represent a unique set of experiences, feelings, benefits and images that create market recognition and connection with guests. It must be clearly differentiated from the competitors and with a developed value system it must have an elaborate visual identity.

Given the comprehensiveness of the ubrela brand, it is necessary to develop a system of labels adapted to the tourism sector on one hand, but also to producers of authentic local products on the other hand.

Finally, the consistency and complementarity of the solution is important in order to build the greatest possible awareness of the common brand in the market (tourism and local products) and thus build the image of the region.

Regarding the visual identity of the brand, it is necessary to define adequate quality labels for local products.

*1.4. Professional brand and label management*

Once a brand is created, it is necessary to manage it professionally, ensure consistent communication and tone of communication, proper application of the brand and visual standards according to defined criteria, etc.

**2. Centralization of offline communication**

2.1. *Rationalization of offline advertising*

It is necessary to critically decide which media and advertising channels are the most effective, and then to carry out measuring and controls according to the set key indicators of success. The choice of channels should be taken into account with regard to the dynamics of development of tourist products and having in mind the key markets and segments as well as their way of consuming the media.

2.2. *Revision of the existing printed materials*

It is necessary to revise the existing materials and identify whether there are content overlaps of materials. It is necessary to harmonize all materials (visually, content-wise and informatively), while respecting the newly created brands and their application. It is necessary to centralize all materials for which it makes sense, because they promote similar resources, attractions, or products. The audit needs to identify the types of publications that need to be discarded and those that need to be retained and improved. This is particularly important in the context of the potential for cooperation with destinations in Eastern Serbia and in cross-border cooperation with partner destinations in Bulgaria.


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2.3. *Creation of new basic required materials*

After the audit, it is necessary to determine the requirements for new types of printed materials at the destination level. The focus should be on product brochures (health and wellness, active and adrenaline tourism, gastronomy/drinks, events, culture, short holidays, etc.), image brochures, thematic maps, etc.

**3. Focus on online marketing**

*3.1. Additional effort to develop a high quality website*

The website is the first contact of a potential guest with the destination and an opportunity to inspire and inform each visitor. At the moment, the internet portal of the Tourist Organization of Sokobanja is relatively good and informative. The focus in the coming period should be on interactivity.

The content of a good tourist website must be relevant, informative and current, and at the same time the form in which it is presented is important. Websites must be interactive, visually clear and intuitive, provide ease of movement through structure and content, and support access from mobile devices. The website must be a central place for inspiring and providing all relevant information as well as a place from which later, depending on the interest, the guest can go to other, connected Internet sites of service providers, attractions, etc.

*3.2. Active presence on social networks*

In addition to the popular and ubiquitous Facebook page, it is necessary to inspire guests with pictures and video content. An Instagram profile and a YouTube channel are the two most appropriate models of inspiration in this regard. Social networks are channels of information, content creation and user engagement. They enable fast and personalized communication, but also the implementation of specific marketing campaigns. Communication through social networks must be constant, inspiring, relevant and to encourage the engagement of guests and the sharing of content (the so-called UGC - User Generated Content).

*3.3. Creating content*

In order to create content, it is necessary to start a blog which will be the main place of inspiration. The blog is written and edited by local residents, and they write about various topics in an interesting, innovative, creative and fun way. The blog provides all the relevant information that creates awareness of the destination, inspires guests and makes them want to visit the destination. The content can also be used and shared via social networks, which increases visibility and market scope.

**4. Development of the multimedia content bank**

It is necessary to create an attractive database of multimedia content of Sokobanja and its key points of tourist interest. It is important to take into account the brand and its attributes, tourist attractions, products and experiences of the destination. Multimedia content should not only be a presentation of the offer and scenography, but it should also evoke emotions and experiences. It is necessary to constantly enrich the mentioned base and use it in the promotion of the destination. One of the possibilities is to collect a bank of multimedia content that will be generated by


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the guests of Sokobanja and for that, for example, to organize a prize game, an exhibition and appropriate coverage through other media channels. It is especially necessary to take care of obtaining copyright for the use of produced materials.

**5. Professional event management**

Considering that one of the strategic goals set by this Tourism Development Program is to improve and internationalize existing events (e.g. "The First Accordion of Sokobanja"), as well as to develop several new international and/or regional events, it is important to approach their development professionally. Events should be developed according to the criteria of regional attractiveness and potential, and special attention and support should be paid to those events that have the power to attract guests outside the borders of Serbia and to generate additional overnight stays.

### 5.11.2. Development of marketing communication

**1. Introducing guests and adjusting the offers on the basis of indicators**

1.1. *Defining market segments*

In order to reduce the possibility of error, it is important to define which markets have the greatest potential for current and future portfolio of municipal tourism products. It is necessary to define the target market segments and connect them with the experiences/products in the destination. The goal is to get to know the habits and needs of segments from key emitting markets, which will change the average guest profile, so that Sokobanja begins to attract guests who bring more income, both from domestic and regional and international markets.

1.2. *Market research*

The Tourist Organization of Sokobanja, once it defines its market segments, must start with regular market research. By collecting relevant and fresh quantitative and qualitative information on tourism in Sokobanja (demand and supply characteristics, competition, intermediaries, guest perception, image testing, etc.), as well as other information important for the development and promotion of tourism as a whole and/or individual products, it will improve its own information system. Before securing a budget in the tourism organization to carry out this activity independently, the TOSB must encourage hoteliers and accommodation providers to conduct research among their guests, with the tourism organization proactively contacting service providers, devising issues important for destination development and managing the satisfaction of the visitors. The goal of this strategy is to get to know the guests better, to learn about their habits, needs, desires and perceptions.

**2. Development of a professional communication strategy**

This strategic task aims to define the communication strategy and tactics related to the target segments and strategic geomarkets (domestic, regional and international). Sokobanja must define which market segments it primarily addresses and from which (geographical) markets they come. Then, the experiences and offers that are offered to individual segments are defined, the manner and through which media they are to be communicated, as well as the share of the budget invested in an individual geomarket.


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3. **Public relations**

Currently, Sokobanja lacks recognition and awareness of the destinations outside the domestic market, at best the region (former SFRY and neighboring countries). However, taking into account the changes in the age structure of tourist demand, the former image and good reputation of Sokobanja is rapidly weakening. In the coming period, it is necessary to professionally manage public relations in strategic and priority geomarkets in order to create awareness and influence the image of the destination. Public relations is especially important when developing a product, where it is necessary to ensure that opinion leaders get to know the product and the offer and write about it. Here, it is necessary to aim at journalists and influencers who cover general, but also specialized topics related to the defined strategic products of Sokobanja in the coming period. It is necessary to ensure that consistent messages are sent, that the image of Sokobanja is connected with already established brands. Special attention is to be paid to the encouragement and control of online content (blogs, multimedia content, social networks, etc.), as well as to issues related to events (their internationalization and timely promotion) and product palette (recognizability, differentiation).

### 5.11.3. Sales and commercial development

1. **B2B Personal Sales**

This strategic task focuses mostly on (joint) appearances at trade fairs. Fairs are an opportunity to develop awareness of the destination's offer. It is proposed that in the next five years a greater focus be placed on the B2B market and that fairs be used to establish cooperation and reach concrete business agreements. Along with tourist factors, it is possible to participate in fairs of interest with a clear plan and goals. It is necessary to jointly structure the appearance at the fair and to convince business partners abroad about the key attributes of Sokobanja as a tourist destination and about the professional business culture of local partners. Attractive offers of product excursions and various itineraries are being created, which are offered to agencies and tour operators. Fairs should be used as opportunities to maximize the number of business meetings between local actors and agents in emitting markets and tour operators. The realization of this activity can be organized with other partners (within, for example, the Balkan Spa cluster), but it is necessary to harmonize the dynamics with the improvement of the tourist infrastructure in the destination (primarily through the opening of new hotel and complementary facilities).

2. **Education, workshops and seminars**

It is necessary to continue and further strengthen cooperation with local tourism actors. TOSB has already established itself as a local partner that, according to the agreed dynamics, provides all interested participants with timely and reliable data. In the coming period, it would be useful to share the results of market research and organize trainings through an adequate system so that all participants are familiar with the newly created brand, its importance, plans of the tourism entities community, the latest marketing tools and techniques, and to get timely information on the tourist market, key features of demand, supply, competitors, etc. Trainings and seminars must be conducted in a targeted and parallel manner with product development, so that each relevant factor,


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which enriches the tourist product with its service or activity, can adequately and timely improve its offer and quality.

3. **Starting an association of private rentiers**

   Given the dominant number of private accommodation service providers, it is proposed to establish an association of private rentiers that will integrate the offer of private accommodation, encourage the inclusion and networking of service providers, but also establish professional rules regarding the improvement of minimum conditions which must be satisfied, rights and obligations. Through the association, the service providers jointly appear on the market, with the help of the tourist organization they jointly promote and/or launch their own website on which the offer is integrated and promoted in an attractive way.


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# PART 6

# INVESTMENT PLAN

Tourism Development Program
of the Municipality of Sokobanja

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# 6. INVESTMENTS PLAN

In accordance with the strategic development of tourism, development projects have been identified that have a uniform goal - sustainable and long-term development of tourism in Soko Banja. The projects are divided into two categories. The first includes public sector projects, which aim to direct the long-term development of tourism, but also to provide an initial capsule to the private sector. The second category of projects includes private sector projects that contribute to the realization of all development and marketing goals of Sokobanja as a tourist destination.

A prerequisite for successful and sustainable growth of tourism is the implementation of a destination management system, based on equal involvement of both public and private stakeholders, as well as an adequate marketing system. In accordance with the previously stated, when defining investment projects, we started from the goals, which can be achieved in a relatively short time by the complementary development of individual projects and their parallel implementation. Realization of investment projects contributes to the achievement of the following goals:

- Increasing the average length of stay and the level of daily consumption of tourists annually;
- Even distribution through the development of tourist experiences (reasons for arrival) throughout the year, i.e. reducing the concentration of tourists during the summer season and an even distribution in other parts of the year;
- Development of accommodation offer in the domain of capacities with high categories, in order to create a basis for attracting categories of tourists with higher income;
- Development of complementary accommodation offer in quantitative and qualitative sense, in order to expand the profile of tourists with whom Sokobanja can communicate;
- Development of tourist experiences in a way that they represent additional value to tourists who are repeat guests in Sokobanja, but also a unique value and experience for those who come for the first time, in order to expand the set of categories of tourists to which Sokobanja is attractive, and in order to developed loyalty to guests who have a desire to experience something again or to experience what they did not achieve during their previous visit;

Public sector projects

1. Revitalization and touristification of the Soko Grad Site
2. Rtanj Interpretation Center - Visitor Center
3. Sokobanja Walking and Cycling Trail - lake, with transport options that do not affect environment (soft mobility)
4. Ethno-center
5. Soko ski park


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6. Adventure park Moravica

Private Sector Projects

1. "Detox, spa & wellness" resort and competence center Digital Detox resort - all year round
2. Water facilities and activities on Lake Bovan
3. Sports and family hotel Podina
4. Camp Sokobanja on the stretch Sokobanja - Lake Bovan

It should be noted here that one of the key projects should be resolving the status of facilities that previously operated within the "Lepterija" company, which could be a significant impetus for the future development of Sokobanja as a tourist destination. In that sense, the representatives of the municipality of Sokobanja, prominent businessmen and individuals should be adequately engaged and in communication with the competent institutions in finding a solution for these facilities.

## 6.1. DEVELOPMENT PROJECTS

### 6.1.1. Revitalization and touristification of the Soko Grad site

*Location*

- The Soko Grad site, together with the Lepterija picnic area and the Hajduk Veljko's cave, is a micro-location that with its qualitative bases provides significant space for further tourism.

*Arguments for investment priority*

- The growing importance of cultural tourism in international and domestic travel, makes it necessary to bridge the gap between historical remains that have a passive role, and the tourist attraction characterized by the ability to "move" tourists to the time of Soko Grad;
- Soko Grad site itself currently has an unobjective attractive power, which means that the image that tourists have is at a higher level of expectations than the experience gained, which creates a certain, albeit insufficient, level of satisfaction. On the other hand, private capital has already recognized the importance of the entire micro-location, and implemented certain catering facilities on the Lepteria stretch. Having in mind the historical importance, and the tendency to add cultural and historical values to the tourist experience of Sokobanja, the revitalization and touristification of the Soko Grad site is both logical and of great importance for fulfilling the raised expectations;
- With the introduction of the basic infrastructure and interpretation program, space is opened for a recognizable product of cultural tourism of Sokobanja, as well as opening to regional and international guests.


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*Basic concept*

- The first phase involves the preparation of technical documentation for the revitalization and touristification of sites, in cooperation with institutions in charge of projects for the preservation of cultural heritage and natural sites;
- The second phase is the process of making the Master Plan of the Soko Grad site, in order to define the tourist space and the manager, and with that the elements of touristification are obtained, the way of including all individual attractions in a meaningful whole;
- The goal of the reconstruction of the Soko Grad site itself includes the touristification of the remains of the city, the Hajduk Veljko's cave and raising the quality of gastronomic and other facilities that are already under the initiative of the private sector. In this way, an integral tourist experience is created;
- The first element of the experience is a passive experience of the history and culture of the locality, but the second much more important is the active participation of tourists in the experience, where through the concept of tourist interpretation, a sense of active participation in delivering the experience is created. Through the second approach, history and culture are adapted through various elements to certain categories of tourists who visit the site. Story Telling and Sight Living make the site interesting for different categories of tourists, from children in field classes and school in nature (fairy tales/legends), through corporate clients who come to the team building (historical events/challenges), to families with children or to adventurers for whom this is one of the passing points in the search for excitement in a designed environment.
- Among the first steps is the active branding of the site, through the process of developing a creative briefing, choosing of the symbol - a key artifact whose importance should be turned into a symbol by professional marketing work and then creative solutions should be developed, a book of standards to brand all communication (firstly, the signaling on the site, web and applications, brochures and printed production, souvenirs, etc.) with this symbol (symbols).
- Organizing events on the site is a matter of management, but the site lives if appropriate events take place there, whose content fits the ambience (festivals, exhibitions, competitions, etc.). The events can be of a cultural, entertainment or sporting nature, and it is useful for some of these events to be synergistically linked to other destinations (Varshets, Bulgaria).

*Approximate investment estimate*

- Preparation of technical documentation for revitalization and touristification of the site: 75,000 EUR
- Restoration of the Soko-grad site: 1,200,000 EUR
- Master plan of the Soko-grad site: 35,000 EUR


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- Marketing and branding plan: 25,000 EUR
- Public toilet - 12,000 EUR

*Inspiration*

- Fortress Golubački grad, https://tvrdjavagolubackigrad.rs/
- Fortress Ramska tvrdjava, http://velikogradiste.rs/ramska-tvrdjava/

### 6.1.2. Rtanj Interpretation Center (Visitor Center)

*Location*

- As the goal is to create year-round experiences in the wider territory of Sokobanja, the Rtanj Interpretation Center (Visitor Center) must be planned on the location of the mountain Rtanj, and with adequate infrastructure projects, as well as projects defined here, this center can generate turnover independently, but also can function as part of other and wider experiences.

*Arguments for investment priority*

- The destination of the Rtanj mountains does not have an organized system of interpretation of natural and other heritage, which is why tourists rely on alternative sources of information and enjoying the benefits of this mystical mountain. Having in mind the geo-location and connection to Sokobanja, it is necessary to initiate the launch of the Rtanj Interpretation Center. The focus is not only on building a facility that would be a meeting point for tourists and/or the departure of organized groups. First of all, it is a system of well-established ways and appropriate technology for story-telling and inclusion of tourists in the attractions of Rtanj, natural and cultural heritage and way of life. This center should become an entry point for those who go to the mountain in person, but also for those who only virtually tour the mountain using modern technology (for example, virtual reality - VR or augmented reality - AR).
- Investment in a visitor center would enable the prioritization of heritage and activities in a way that allows communication of ecological values (through Eco-tours), placement of indigenous products with geographical origin, as well as education of different segments of tourists whom we want to keep longer and have them coming whole year round.

*Basic concept*

- Physically, the Center has several units: a natural history exhibition with exhibits that can be seen up close with an explanation (maybe even touched), a projection hall for lectures and playing films about Rtanj (using modern technologies), sales and exhibition part with products with geographical origin and handmade on Rtanj, as well as a restaurant with the concept of serving local food and drinks (perhaps with a workshop and presentation of traditional ways of preparing products).


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- The interpretation concept can be thematically divided into several segments, such as Rtanj tea, Magical Rtanj, Rtanj health trails, Rtanj educational trails, Rtanj fruits, Rtanj fauna and the like. Each of them basically has the values of the mountain Rtanj, which adapt to the topics and tell a story according to different categories of tourist interest. In this way, each segment of visitors can find a reason to visit the Center and stay on Rtanj, which is especially important for group visits and fulfilling wishes of individuals with different interests.
- The center is also a place where the local population places its values and products, while they are also provided with education on how to produce these products respecting the standards, but also to present (for example, pack) them in the most authentic way possible.

*Investment estimate*

- Project technical documentation: 20,000 EUR
- Construction and equipping of the Center: 200,000 EUR for the facility and 50,000 EUR for the equipment
- Concept of content and training of employees and local population: 15,000 EUR

*Inspiration:*

- Shiretoko Nature Center, http://center.shiretoko.or.jp/en/
- Thingvellir National Park, Iceland, https://www.thingvellir.is/en/plan-your-visit/visitor-centre/

### 6.1.3. Sokobanja – Lake Bovan walking and cycling trail, with options for soft mobility on the entire network

*Location*

- Connecting Sokobanja with Lake Bovan via a network of trails, which are intended for pedestrians, cyclists and other options of the so-called soft mobility (e-cycle, Segway, rollers).
- Qualitative connection and further improvement of the existing network of trails (in the length of 400 km) and implementation of ecological mobility options (battery charging, bicycle service).

*Argument for investment priority*

- Soft mobility options are a tool for implementing the management of sustainable development of tourist destinations, and enable the paradigm shift from traditional to more environmentally conscious means of tourist transport. In this way, tourists are offered a movement that awakens their environmental awareness. It is a movement that is in line with the concept of Sokobanja as a destination that puts natural values in the


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foreground. Additionally, it is a movement that is an experience in itself, due to the innovations and excitement that new means of transport bring with them. Last, but not the least, a "car free" destination is being created, without the crowds, with better visuals and the overall experience of a green oasis of Serbia. The transport options themselves are very diverse: bicycles, electric bicycles, scooters, electric scooters, electric carts, electric golf carts, but potentially some ethnic types of transport (carriage) or cycle rickshaw. Eco-transport is being developed as a private sector initiative, through renting activities. However, it is necessary for the public sector to provide independently (or in cooperation with civil associations) the construction, marking and equipping of these trails (cycle service, chargers, Eco-taxi transport stations). Also, soft mobility includes winter options (skis, towing devices, etc.).

- Construction of the walking and cycling trail Sokobanja - Lake Bovan enables the touristification of Lake Bovan, while tourists are provided with two tourist experiences that they can achieve. The first is just using the trail and one of the soft mobility options, and the second is staying on the lake to enjoy the developed experiences. In this way, Lake Bovan becomes an integral part of the tourist offer of Sokobanja, which creates a complex offer, and additionally influences the improvement of the structure and consumption of guests.
- All trails must have an educational character, which means equipping them with adequate educational boards and places of interest.

*Basic concept*

- Return and stay in nature, where the transport of tourists becomes a means of further development of the destination in a sustainable way;
- Development of a set of proposals and options for walking and transportation, which also have an educational character
- Identification of points of interest and resting places, in order to improve the interpretation of heritage;
- Inclusion of Lake Bovan in the offer in a way that all tourists in Sokobanja see it as a real value of the total tourist offer.

*Investment estimate*

- Design and technical documentation: 10,000 EUR.
- Marking and construction of the Sokobanja – Lake Bovan trail: 50,000 EUR, with rest areas, stations and equipment (chargers, bicycle stands).
- Implementation and arrangement of the system of educational trails and rest areas on the entire network with one public toilet: 100,000 EUR


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*Inspiration:*

- Educational trails in Palić, https://www.park-palic.rs/atrakcije/obilazak-zasticenih-prirodnih-podrucja/
- Alpine Pearls, https://www.alpine-pearls.com/en/premium-activities/

### 6.1.4. Eco-Ethno Center

*Location*

- Central promenade in Sokobanja, so that the destination would have a meeting and departure point for tourists and locals.

*Argument for investment priority*

- Eco-Ethno Center is a meeting place for tourists and locals to exchange local experiences, food and drinks, culture and heritage, but also natural heritage, rare plant and animal species, all the while respecting the principles of communication of local, authentic values in an efficient and exciting way.
- With the development of the Eco-Ethno Center, Sokobanja gets
    - The central market of local products, which unifies the offer, but also the look of the main promenade;
    - A point of interpretation and connection with the local flora, fauna but also natural attractions. The Center should be equipped with screens that monitor protected species' lives through installed cameras, remotely, without disturbance and pollution.
- In this way, non-standard sales of local products and souvenirs with more or less improvised points of sale, get a clearly defined shape, visual identity and value in the tourist offer. Also, local producers will be protected from the unfair competition of "atypical" and "non-local" products and services (cheap non-authentic souvenirs).

*Basic concept*

- Direct and active participation of tourists in consuming local hand-made and natural products, through the engagement of all five senses in what the "host" prepares. Conceptualized "experience economy" implies the experience of natural, home-made, healthy food, which is based on a defined standard, preserved old recipes, selection of natural ingredients, avoidance of additives, natural conserving (drying), etc.
- Purchase of forest products (mushrooms, forest fruits), meadow fruits (grass) or rare photographs, natural objects (stone, wood), collected with the approval and in compliance with professionally defined collecting conditions.


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- Insight into nature in an ecological way, through installed cameras in nature and screens in the Eco-Ethno Center, while consuming eco-ethno products from local providers in a controlled and stimulating environment.
- The key is to present food products and services, which are delicious, without flavor enhancers, based on natural spices, meadow and forest herbs, home-grown plants and animals, prepared by traditional procedures of fermentation, drying, aging, etc. The products are fragrant, without fragrance enhancers, spiced with traditional spices exclusively from the environment, without spices from other continents. The aroma of dishes and products can be enhanced only by natural processes (drying, crushing, etc), and an important item is the correct combination, order of smells, and serving immediately after preparation (smell of fresh bread, freshly baked cakes). Local products, food and drinks are designed and served with respect for tradition and modern knowledge that the contemporary consumer evaluates food first. Food should be served (stored) in visually recognizable dishes associated with Sokobanja and its surroundings. According to recipes recommended by a professional and without artificial color enhancers, food colors should be carefully arranged. The ambiance is also realized by sound, and it is very often possible to achieve this (murmur when pouring, the sound that is heard when making belmuž, ajvar, etc.). The sound can also be supported by traditional melodies suitable for different dishes (the sound of a shepherd's flute with belmuž) or the accordion's selected sounds with barbecue specialties in pleura). And finally, the tactile feeling must be specific and give a unique sense of quality (hard cheese, thick honey, soft steaks, etc..
- Tourists participate in workshops through numerous activities: preparation of ingredients, preparation of traditional dishes, active learning at the classes of old crafts. This additionally influences the spread of the traditional values of Sokobanja.

*Investment estimate*

- Design and technical documentation: 20,000 EUR
- Construction and equipping of the Center: 250,000 EUR
- Concept of content and training of employees and local population: 15,000 EUR
- Installation of cameras in nature and video equipment in the Center: 35,000 EUR
- Development of the Center's content: inventory and standardization of content, collection and editing of eco-ethno heritage, production of materials: recording of photographic and video materials, printing 25,000 EUR

### 6.1.5. Soko Ski Park [9]

*Location*

[9] Certain parts are adapted according to the document "Soko Ski Park", which was created as a result of the Project funded by the European Union through the Bulgaria - Serbia Cross-border Cooperation Program number 2014TC16I5CB007


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- Near the Moravica hotel, easily accessible to all guests of Sokobanja, area up to one hectare.
- Necessary planning and development of additional parking infrastructure.

*Argument for investment priority*

- Creating content for year-round attractiveness of Sokobanja and covering new and additional consumer segments
- Winter facilities are poorly developed, and adequate planning of organized winter activities can affect the growth of tourists in the winter season, which raises capacity utilization.
- Although Sokobanja does not have morphological or climatic conditions for professional skiing, nor can it compete with winter centers, the concept of Soko Ski Park enables entry into the market of family winter trips and children's (recreational) trips. Namely, these segments emphasize the so-called soft activities on the snow and family activities on the snow and activities, such as ski lessons, intended for beginners in this sport.
- Ski parks, such as Kopaonik (ski-resort leaders), are under the jurisdiction of the public enterprise Skijališta Srbije, which takes on the attraction's investment and management. Such operators sometimes develop ski parks of lower rank (ski-resort breeders) such as Zlatibor, where less skilled skiers can hone their skills near their place of residence or near other attractions to later go to larger ski parks. In the case of local ski parks, such as Sokobanja (ski-resort feeders), ski schools are often located within some other facilities, as a secondary offer, with the idea of mastering the first steps and gaining essential skills. Large operators may be interested in "producing" their future customers in collaboration with the local tourism administration by providing professional assistance, standards and a crew that manages the attraction.

*Basic concept*

- Soko Ski Park includes attractions such as year-round ski trails, tubing trail, bobsleigh on rails, children's park, a climbing rock and a toboggan run, ice rink, skate school, etc., zorbing center, mountain carts, mountain tricycles, etc.
- The product is intended for tourists whose primary motive for coming to Sokobanja is a family vacation. Still, the properly promoted attractiveness allows a significant number of daily guests from local municipalities, at a distance of up to 60 minutes' drive.
- The product can be used by all ages and is as safe to use as possible.
- When setting up attractions, the existing flora and fauna will not be disturbed, nor will there be negative impacts on the natural environment
- All activities can be planned and performed modularly, which means that the implementation can start from less capitally demanding, i.e. from those that can be performed administratively faster and provide a return on investment.


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*Investment estimate*

- Year-round ski trail: 550,000 EUR
- Tubing: 200,000 EUR
- Bobsleigh on rails: 700,000 EUR
- Children's park: 40,000 EUR
- Additional technical equipment: 200,000 EUR
- Additional safety equipment: 50,000 EUR
- Ice rink: 220,000 EUR

### 6.1.6. Moravica Adventure Park [10]

*Location*

- Adventure Park follows the course of the Moravica River, upstream.
- A significant part of the location is protected as a landscape of exceptional features, so all activities must be realized with the consent of the Institute for Nature Protection, as well as the Property Directorate of RS, because the Republic of Serbia owns the land.

*Argument for investment priority*

- For modern tourists, a stay in a natural environment without adequate active content is not enough. Adventure park Moravica combines the extraordinary natural heritage of Sokobanja with activities adapted to different categories of tourists.
- Adding content completes the visitors' experience, creating the basis for extended **periods** of stay and average daily consumption.

*Basic concept*

- Adventure Park includes attractions such as zip line, Via Ferrata in the canyon of the Moravica river, adrenaline park, children's "extreme" playground and a suspension bridge to Sokograd;
- The product is intended for all categories of healthy and adventure-seeking tourists, especially those whose travel motive is an active vacation and active stay in nature. If the attractiveness is adequately promoted, it also enables a significant number of daily guests from local municipalities, at a distance of up to a 60 minutes' drive.
- The product can be used by all ages and is as safe to use as possible.
- When setting up attractions, the existing flora and fauna will not be disturbed, nor will it negatively impact the natural environment.

[10] Certain parts are adapted according to the document "Soko Ski Park", which was created as a result of the Project funded by the European Union through the Bulgaria - Serbia Cross-border Cooperation Program number 2014TC16I5CB007


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- All activities can be planned modularly, which means that the implementation can start from less capitally demanding, i.e. from those that can be performed administratively faster and provide a return on investment faster.

*Investment estimate*

- Zipline: 200,000 EUR
- Via ferrata: 30,000 EUR
- Adrenaline Park: 120,000 EUR
- Extreme children's playground: 70,000 EUR
- Suspension bridge to Sokograd: 150,000 EUR

### 6.1.7. „Detox, Spa & Wellness" Resort and Competence Center

*Location*

- The ophthalmological hospital on Ozren, separated from Sokobanja, in a natural environment but with complete infrastructure for a comfortable stay in an isolated environment.
- A state-owned space that can be easily remodeled for a modern concept. The proximity of forest and meadow areas allows the design and implementation of various detox activities that should "fill" the time and prevent the feeling of boredom after turning off digital "aids".
- The location is close enough to the main place to provide occasional "excursions" to the urban environment as a vacation from a vacation.

*Argument for investment priority*

- Adopted and implemented contents are attractive throughout the year. Their structure enables the existence of traditional and specific detoxification methods and techniques, thus covering growing market segments: professionals in various fields related to computer work and constant communications with associates, researchers and consultants who are constantly "online", managers, marketing experts and others constantly exposed to telephone communications, other urban residents endangered by separation from nature and "immersed" in constant and disrupted communications.
- It is necessary to upgrade the traditional view of the spa service with a new approach towards the modern concept of spa & wellness, which has been upgraded with innovative digital detoxification options. In this way, Sokobanja follows a new, modern development trend, which further encourages a clearer positioning in the local, regional, and international markets.

*Basic concept*


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- Scientific studies confirm the negative impact of "constant availability due to the Internet" on employees and their condition and work performance, which is reflected in growing tension, obsessive-compulsive behavior, dysfunctional social relationships and other behavioral deviations. The advent of portable devices has significantly accelerated the "pollution" of living space and the increasing time spent on updating information. Digital detox means when a person voluntarily gives up using the digital environment, i.e. time away from the use of mobile and smart technology.
- There are several methods of how detox can be achieved: “Sacred places” where the use of digital technology is prohibited; Renunciation of social networks; Use of simple mobile phones with a limited number of functions; Restricting the use of mobile phones in general. The goal is to limit "digital pollution".
- Instead of "digital pollution", Sokobanja detox offers real content in real life. These contents should be organized and supplemented around topics such as: Recreation and healthy, fun physical activity; Real socializing and having fun with similar people; Learning and research through discovering unknown historical, cultural and other contents; Relaxation and rest in nature; Healthy and fun food.
- In addition to the mentioned measures, the resort also enables various detox treatments of body and mind, which are based on combining with local medicinal plants and staying controlled in nature through meditation schools, spiritual walks, and the like.
- A 4* hotel, 70 accommodation units in the first phase, with possible modular expansion for another 50 units in the next stage of development; The facility is equipped with indoor and outdoor spa & wellness facilities, special spaces for treatments and workshops; The number of accommodation units must be reduced to an operating minimum that allows an adequate return on investment, but also create an atmosphere for living in an environment where there are not many people and which provides solitude and enjoyment in one’s individuality or in a chosen company.
- Digital Detox Competence Center (DDCC) – a center for the development of excellence, the study of digital impacts on a modern man with scientific and professional staff whose resource base consists of Sokobanja hospital, the University of Niš and other academic institutions and individuals. DDCC has space for researchers, a library, halls and rooms for training, counseling and work with visitors, but also with professionals from other institutions who come for training in this competence center. This center's main task is to monitor the visitors of the center, collect and analyze data, and contribute to the scientific and professional community through the publication of data and papers in this field.

*Investment estimate*

- Hotel with additional premises: 10-15 million EUR
- Development of Digital Detox Program: the content of activities, standards of work with guests; devices and aids; exercise and meditation fields in the area - 25,000 EUR


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- Digital Detox Competence Center (DDCC) with equipment, counseling and training center - 75,000 EUR

### 6.1.8. Water Facilities and Activities on Lake Bovan

*Location*

- Lake Bovan, a location that is accessible through the existing infrastructure, but also through the construction of a new trail that connects the lake with Sokobanja. The location implies the water surface's engagement with various attractions, where the occupation of the area around the lake with multiple constructions would be minimal, and it implies the necessary supporting infrastructure and prefabricated facilities for organizing the catering work.
- Other projects envisage that the lake is reached by a trail, using some of the options of soft mobility, but it is also necessary to provide public space for organized parking at the service of guests who come by car. Parking must not disturb the activities planned on the water.

*Argument for investment priority*

- The current role of Lake Bovan as an attraction is minimal because there is no adequate content whose experience structure corresponds to the structure of tourists of Sokobanja, or which will attract segments to come for the first time to Sokobanja.
- Water contents are activities for the whole family, groups or individuals. Their adequate design will provide for a prolonged stay of family and other guests on vacation and increase the average daily consumption. In addition to tourists, water facilities are attractive to the local population of municipalities within a radius of a 60 minutes' drive, which increases the market potential and allows the creation of a new market segment.
- The implementation of these contents is in partnership, where the municipality as a public sector takes over the infrastructural elements. In contrast, the private sector implements the contents, provides its maintenance and participates in the marketing of the entire destination of Sokobanja. The parking lots are in the municipality's jurisdiction, which provides revenue for the public budget.

*Basic concept*

- Water adrenaline park consists of a set of inflatable mattresses, which are of different dimensions, shapes, heights, and the goal is for the user to go through the entire trail for a certain period or to choose the part of the park that is most suitable for adrenaline games and hobbies. These water parks are planned like jigsaw puzzles, which means that the structure can be changed every season, and new elements can be added. It is suitable for animating children, but it is also a family party and a special activity for team building programs. Using it does not disturb or pollute the lake water in any way.
- Cable system for water skiing and wakeboarding is also an added value of the overall activities on the lake. The wakeboarding mechanism does not cause any environmental


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pollution. It is powered by an electric motor so that there is no pollution with exhaust gases, oils and the like, and it does not produce noise either. It is suitable for animating children, it is also family entertainment and a special activity for team building programs, but the most important users are the category of people up to 40 years of age, who also represent important consumers in tourism.

- Decks on which the beach, catering facilities and marina (ecological boats using oars, sails and battery-powered engines can dock) are placed. Such decks represent a connection with solid land at variable water levels. Also, they allow the swimmers or boat users to enter the water at a certain depth while "skipping" inaccessible shoals (mud, rocks, wetland). In the middle of the beach on the deck and near the bar, it is possible to place a shallow pool for children, filled with a lake or other water.

*Investment estimate*

- Decks - 50,000 EUR
- Adrenaline park: from 50,000 EUR
- Wakeboarding system: from 50,000 EUR
- Catering and accompanying facilities: 35,000 EUR
- Parking lot: 50 parking spaces and a public toilet: 50,000 EUR

### 6.1.9. Sports and family hotel Podina

*Location*

- It is necessary to provide a space of gross area of 4-6ha, on the location of Podina, with appropriate balneological resources and thermal mineral springs (temperature 26°C). The net minimum area of the hotel is 50a.
- The location of Podina has already been recognized as a location for the development of sports tourism and, with its summer content, attracts guests who are already in Sokobanja. It is necessary to promote content that would have attractive power to guests who are still deciding whether to come or not.

*Argument for investment priority*

- Sokobanja has a weak year-round offer, so it is necessary to introduce a hotel that, with its content structure, can attract guests throughout the year.
- The current trend, which will become even more important in the post-Covid-19 period, is that regional and domestic guests will seek adequate replacements for international travel, and in a situation where the hotel with its quality and content meets and exceeds expectations, will have returning guests.
- The new segment of tourists, young families (with and without children), tend to have more trips during the year, so family hotels that understand families' needs have great importance and role in the market.


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*Basic concept*

- The hotel, which has a family hotel's status, means that it offers its guests infrastructure and facilities for multi-day vacations of families with children and entertainment facilities for families and individuals without children. For this category of guests, children and families' needs come first, which must be kept in mind when planning it.
- Facilities for children, such as a playroom, digital playroom, classroom, ski jump, outdoor classes, creativity classes, are planned in a way that allows children to be interested in them for a more extended period during the day and that children use them in a controlled environment accompanied by an educator or teacher. They engage in these contents independently.
- In parallel with children's contents, it is necessary to plan contents only for adults, which can be based on balneological resources, spa & wellness treatments, or independent outdoor activities outside the hotel.
- The hotel must be rich in facilities that families can use together or in parallel, and in this category of hotels, it should include an organized stay on the water facilities and have a fun character. Having in mind the existing aqua park on the location of Podina, one integral whole can be made.
- As sports preparations are also a large market segment, it is necessary to prepare sports facilities in the form of a multi-functional sports hall, gym, and special rooms to check the health of athletes and sports fields. Sports fields and sports halls can be the subject of special projects under the jurisdiction of the municipality, or they can be the subject of a public-private partnership with a clear definition of the rights and obligations of the contracting parties and a transparent, integrated management model for the whole complex.
- A 4* hotel, 140 accommodation units, with indoor and outdoor water facilities; separate facilities for family activities and hotel guests as well as a direct connection to the public bath.

*Investment estimate*

- Hotel with an underground garage (perhaps a part for underground public garage): 8-10 million EUR
- Spa & wellness facilities: 1 million EUR
- Construction of a sports hall: 250,000 EUR
- Construction of a sports field: 150,000 EUR


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### 6.1.10. Camp Sokobanja on the Sokobanja – Lake Bovan stretch

*Location*

- On the Sokobanja - Lake Bovan stretch, with adequate access from the main road, access to the pedestrian and bicycle path will be built and pass by the camp.
- Location size up to 2ha

*Argument for investment priority*

- Camping tourism is a growing branch of tourism that records a significant growth of tourists every year. Tourists from Germany, the Netherlands, France and Slovenia point out this form of tourism as a favorite, and there is also a significant number of domestic camping tourists. Camping is also popular in Italy, Poland, but also in North Macedonia.
- They represent an interesting category of tourists whose unit consumption in the destination depends on developing the so-called non-board offers, i.e. content structures for additional activities and active holidays.
- These are tourists who choose destinations in nature and destinations that, with their concept, enable the sustainable development of tourism, which ideally fits into the market positioning of Sokobanja as the "Green Heart of Serbia". These are tourists who avoid hotels and accommodation in a closed (someone else's) space. They want to momentarily "step out into nature", they want to use their bicycles or the motorcycles they carry with them. They often travel with pets, which is why they additionally avoid traditional forms of accommodation.
- According to the Camping Association of Serbia, it is necessary to emphasize that camping and caravanning tourism are by no means related only to small camps with places for tents and accommodation of primarily young people. Camping and caravanning in EU countries are among the most attractive forms of travel and vacation and primarily attract married couples (families) with or without children. The average (new) camping trailer costs around 8,000-10,000 EUR, and an RV around 40,000-80,000 EUR. Also, the prices of accommodation in camps are not symbolic. The daily cost is estimated at around 33 EUR per person.

*Basic concept*

- It is necessary to provide an area of up to 2 ha in size, which is easily accessible from the main road and has good access by local road, which does not make a problem for the bulky vehicles' movement.
- It is necessary to provide access from (new) trails where soft mobility options can be used.
- A new and well-equipped camp would have 40-60 camping places with water and electricity connections (potentially for gas), and an additional 20 camping plots, as well as an equipped facility within which there is a sanitary block, summer house and a kitchen.


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It is also necessary to plan a designated area for emptying chemical toilets and a special space for garbage disposal.

- Camps traditionally provide various sports activities, but in this case, activities such as football, beach volleyball, tennis, etc. are concentrated on the lake's shores along with the water activities.

*Investment estimate*

- Arranging land and infrastructure: 60,000 EUR plus the land price
- Public toilet, shop and rest area that can be used by campers and passers-by on the bike trail – 18,000 EUR.


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# PART 7

# DEVELOPMENT OF THE DESTINATION'S COMPETITIVENESS

Tourism Development Program
of the Municipality of Sokobanja

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# 7. DEVELOPMENT OF THE DESTINATION'S COMPETITIVENESS

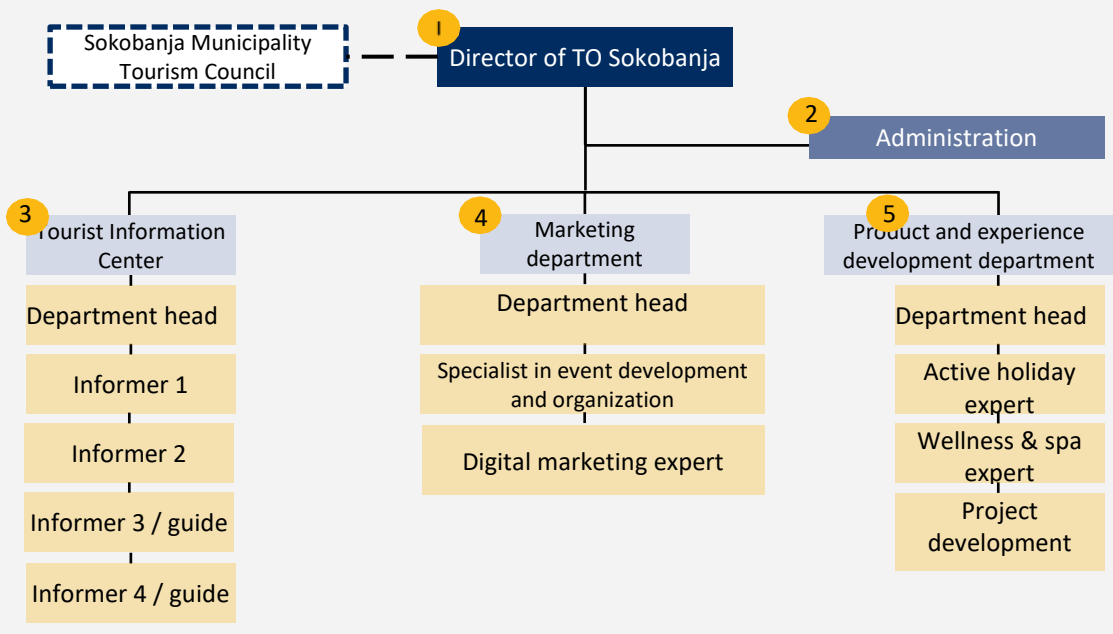
## 7.1. KEY PILLARS OF DEVELOPMENT OF A STRATEGY FOR RAISING COMPETITIVENESS AND PREREQUISITES FOR IMPLEMENTATION

### 7.1.1. Proposal for a New Organization of the Tourist Organization of Sokobanja

Given the operational needs of the destination development, a new organizational structure of TO Sokobanja is proposed, which could better meet the needs of modern tourists and support the implementation of initiatives defined by the Tourism Development Program of the Sokobanja Municipality. It should be borne in mind that the scope of activities of TO Sokobanja has outgrown the current capacity and simple organizational structure, which currently has two organizational parts: the organizational part for tourism and the organizational part for marketing and development.

Bearing in mind that the Tourism Development Program provides for placing the guest experience to the fore, it is necessary to introduce three new features – for product development and experience, development and organization of events, especially to utilize the capacity of the summer stage, as well as for digital marketing (department for development of products and experiences as a new department).

Fugure 24. Proposal for the new TO Sokobanja organization





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The new organization's primary condition is that qualified staff with the necessary knowledge, so some of the next projects should be training and selecting people in cooperation with the private sector.

Given the legal restrictions on the private sector's participation in the management of the tourist organization, the key novelty is the formation of the Sokobanja Municipality Tourism Council, which should serve as a platform for cooperation with the private sector.

### *7.1.2.* Re-establishment of the Tourism Council

***The concept***

The Sokobanja Municipality Tourism Council, or an "expert council" is a platform for cooperation between representatives of the private tourism sector (hotels, restaurants, agencies, private accommodation, rural tourist households, etc.), civil society organizations and representatives of the public sector and institutions – tourist organizations, special hospitals, the municipality of Sokobanja and public services. The key idea is the formalization of already established mechanisms of cooperation and good communication between these key stakeholders to successfully implement various tourism development initiatives or a kind of "advisory" role of public sector council representatives in further activities.

Given that the existing positive regulations do not provide for the explicit participation of private sector representatives in the management of a tourist organization and that there is no model for electing representatives to the tourist council according to a certain key, it is proposed to adjust the key concerning the activity. For example, the private accommodation sector may be represented by those representatives who paid the highest amount of residence tax in the previous year, restaurants by representatives who paid the highest amount of tax, etc.

To work more efficiently, the number of members needs to be limited, and it is necessary to ensure the active participation of representatives who have developed ideas and initiatives. Also, none of the activities may have an absolute majority to protect the interests of all activities in the tourism sector. The key role of the Council is not to supervise the activities of the tourist organization, but primarily as an advisory body and body for cooperation in the implementation of development projects and projects to strengthen the competitiveness of tourism in Sokobanja, as well as to support events and activities prepared by TO Sokobanja.

***Key activities***

1. Define the model of the election of members to the Sokobanja Municipality Tourism Council
2. Establish an effective mechanism of communication with representatives of various activities in the tourism sector and other organizations
3. Operationally found/establish the Council and hold the first session
4. Define the Rules of Procedure of the Council, electing representatives, the manner of convening sessions, etc.


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***Key success factors***

1. Selection of high-quality people – members of the Council with development ideas and initiatives
2. Setting a clear vision and mission, i.e., the reasons for the existence of the Council
3. Regular meetings and constructiveness of members in the Council's work
4. Assistance and coordination in the implementation of existing project ideas and development of new initiatives through pre-planned and communicated procedures

### 7.1.3. Managing the Flow of Tourists/Destination Visitors

***The concept***

Sokobanja is visited by a large number of tourists and visitors during the main season; however, due to a poor management system, large crowds are created and the quality of the experience of staying in the destination is impaired. In that sense, in the next period, it is necessary to devise a model that will improve the management of the flow of visitors in Sokobanja, so two steps should be considered:

1. Finding a drop-off and pick-up zone for tourist buses in the center and at several key tourist points, where space will be arranged and a short stay of buses will be allowed for the needs of guests who are arriving or leaving. The option includes arranging a location for more extended parking outside the center, where there will be a possibility of parking vehicles with supervision.
2. Arrangement of space for longer parking of vehicles under supervision outside the center of the municipality, with adequate infrastructural support – electric mini-buses that would transport tourists to defined tourist points, possibly provide for the rental of bicycles and electric bicycles.

At selected locations, it is necessary to organize the reception of groups and tourist guidance by licensed guides and, at the same time, collect payments. Also, sanitary facilities, covered areas (protection from rain, sun), etc. are included.

Designing a park & ride system for tourists is an additional long-term component that can be achieved in a period of 5-10 years, and the idea is to connect the center of the municipality in an innovative and environmentally sustainable way (bike sharing, e-bus, etc.) with the parking lots and other points of interest for tourists and visitors.

***Key activities***

1. Selection of an appropriate location for the implementation of the initiative and getting consensus/fulfillment of conditions for implementation
2. Preparation of appropriate documentation for locations (spatial planning, technical, etc.) and provision of financial support
3. Ensuring a sufficient number of licensed guides in cooperation with representatives of the tourism industry and starting the implementation of the project


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4. Designing long-term development of the park & ride system and launching the necessary infrastructure activities

***Key success factors***

1. Optimal location, convenience, quality of content, visual attractiveness and ambient harmony of the drop-off and pick-up zone
2. Clear communication of the designed system to agencies and tourists who come to the destination independently
3. High-quality and professional staff involved in the interpretation of the destination and meeting the needs in accordance with the appropriate demand
4. Active further development of connectivity and availability of different points of interest within the destination in the coming period

Illustration 2. Examples for inspiration

*Source: visitljubljana.com, nextbike.ba, Google, Horwath HTL 2020.*

### 7.1.4. Unification of the Tourist Points Marking System and Achieving Ambient Harmonization of the Destination

***The concept***

The initiative implies conducting an analysis of current tourist signalization and defining and removing invalid and, where necessary, introducing new road signs currently missing. In the area of the municipality of Sokobanja, the existing system of tourist signalization in certain parts meets the needs of the tourist market and tourist information.

However, while the markings are missing in some parts, there are too many markings that are inconsistent with each other, and their appearance is more confusing than they are fulfilling their main goal, i.e., timely and correct guidance towards key points of interest. Also, the


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signposts for Sokobanja from the motorway's direction are covered with tree canopies and are almost invisible, so it is necessary to use electronic maps and navigation.

After the initial investment in identifying the existing condition and the need to invest in the renovation of the existing and installation of new signalization, it needs to be continuous, on an annual basis, revised and adequately updated following changes in the destination.

The initiative involves setting standards for marking tourist facilities and points of interest to avoid visual inconsistencies. It is recommended that, in accordance with examples of good practice, appropriate materials and colors are used in marking tourist points in accordance with the Rulebook on Content and Manner of Displaying Tourist Signs.

It is necessary to define signalization design standards in accordance with the unique sales proposals of the destination and additionally prescribe the appearance of terraces, awnings, tables and chairs within catering facilities, which achieves visual harmonization of facilities, all with the aim of achieving higher visitor satisfaction and ambient sophistication of Sokobanja.

***Key activities***

1. Analyze the current state of tourist signalization and other ways of marking the points of interest of importance to tourists
2. Develop documentation and design the marking of points of interest and appearance of terrace inventory of catering facilities
3. Operationally implement new marking and design a model of support to caterers for remodeling terraces
4. Implement a public call for caterers and establish a system to control the implementation of set standards

***Key success factors***

1. Setting the signalization focus on key points of interest and avoiding an excessive number of markings
2. Regular maintenance of the signalization system with the addition of new markings, in accordance with new needs and destination development
3. Consensus with the owners of catering facilities in the center of the municipality regarding the initiative to achieve ambient harmonization of the destination
4. Designing an attractive appearance of terraces and signs of catering facilities with the implementation of a design that promotes the destination's key characteristics.

***Note***

The unification of the marking system and the achievement of ambient harmonization of the destination can be done/organized with some of the universities in Serbia (faculties and/or departments of architecture). Experiences from other destinations in this type of cooperation, where mostly master's students were engaged, gave excellent results in obtaining various ideas, which helped develop the concept.


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## 7.2. INITIATIVES TO STRENGTHEN THE COMPETITIVENESS OF SOKOBANJA AS A TOURIST DESTINATION

### 7.2.1. Key Strongholds of the Development of Competitiveness Strengthening Initiatives and Preconditions for Implementation

Within this part of the Tourism Development Program, there are initiatives for strengthening the competitiveness of Sokobanja as a tourist destination, developed through 10 development initiatives. Initiatives have no priority classification and are set concerning previously defined development measures (primarily in relation to the tourism products to which they relate). The elaboration of initiatives contains the following components: the concept (idea) of the initiative, key success factors, defining the main agencies for implementation, estimating the budget for implementation (where possible).

The defined initiatives aim to encourage a proactive approach of key stakeholders in Sokobanja tourism to help develop tourism products, a strategic approach to planning key locations and areas with the greatest potential for tourism development, development of complementary activities – agriculture and gastronomy. Besides, the focus is on designing a kind of system through which to provide more significant funds for rural tourist households from available sources of funding at the local and national levels. What is crucial is to create preconditions for further development of tourism in the direction defined by the vision and the desired market positioning.

Central to all proposed initiatives are two components: 1) improving the cooperation of local stakeholders from the private, public and civil sectors in relation to tourism initiatives; and 2) development of project documentation for various project initiatives, intending to make planned development of the tourist offer in the coming period.

Both components were defined at the Working Group meetings as key areas for improvement in the coming period, so according to the expert opinion of the processors of the Tourism Development Program, they were put in the focus of the proposed initiatives. Cooperation of local stakeholders implies establishing a better communication mechanism and the provision of support (financial, advisory, etc.) by the public sector to initiatives that will lead to the accelerated development of the tourist offer of Sokobanja. On the other hand, the precondition for the planned development of municipalities and other areas is spatial planning. For tourism needs, the mentioned documentation has one of the key roles in the initial planning phase, but also in the continuation of all defined projects within this Tourism Development Program.

Particular attention should be paid to rural tourism development, which is currently a scarce product but has a substantial development potential – this requires the public sector's support. One example of good practice from the surrounding countries is Istria, which has developed its rural tourism based on strategically designed incentives to farmers by the public sector to improve quality and tourist valorization of production.


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Part of the initiatives also refers to the general sophistication of spatial units on the territory of the Sokobanja municipality, which are tourist points of interest, or they can become so after the implementation of the proposed projects.

The following initiatives include laying the foundations for raising the tourist experience of Sokobanja to a high level of quality and enabling the development of micro and small entrepreneurship, and thus the controlled tourist valorization of the municipality. These are the following initiatives:

1. Activation of potent tourist locations on the territory of the municipality
2. Incentive system – rural accommodation and additional offer (encouraging the development of accommodation capacity in rural tourist households and creation of additional tourist offer of higher and high added value – tasting rooms for traditional products, catering facilities, interpretation centers/points for interpretation)
3. Activation of sports tourism potential
4. Development of specialized destination management companies/agencies (to improve the offer of active holidays)
5. Development of the bootcamp program (development of specialized programs of active vacations, with the use of tourist infrastructure of adrenaline and sports facilities)
6. Organization of outdoor events
7. Programs of cultural events – location of summer stage/amphitheater (musical performances and concerts, drama performances, thematic film evenings, historical festivals, philosophical debates, comedians' routines, poetry and oratory competitions, music and more events)
8. Improving the interpretation and further conservation of cultural resources
9. Digital interpretation of cultural and historical heritage (using "augmented reality" and "virtual reality")
10. Education program for tourism and catering

### 7.2.2. Activation of Tourist Potent Locations on the Territory of the Municipality

***The concept***

In Sokobanja, there are a number of commercially attractive locations that can be valorized for tourism, but it is necessary to develop a concept and solve the basis through spatial and urban plans and appropriate infrastructure assumptions. Therefore, the first step in implementing the initiative is the development of a high-quality spatial/urban plan that will define the purpose of several zones in the area of Sokobanja, and among others, the definition of zones for catering and tourist-recreational purposes.

The key goal of the initiative is primarily to define the best use of tourism concepts for locations such as Banja Jošanica (for which it is necessary to make a special planning document


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for tourism development in the form of a project master plan that would be a kind of amendment to this Tourism Development Program), but also for locations envisaged for realization of previously defined investment projects within this document.

The concepts must be based on several factors, the most important of which are: spatial characteristics, feasibility and attractiveness in the market, land ownership, available and necessary infrastructure, project positioning, etc., all the while respecting the principles of sustainable development and controlled environmental impact. Some of the purposes of potential locations can be resorts of different types, recreation centers, etc.

After developing the necessary documentation, it is necessary to start the investment cycle, and following the concept of the best use of space, it is required to define the business model and project implementation method.

This primarily implies a clear decision on one's own initiative to implement these projects by the public sector, the possible establishment of public-private partnerships, or offering the project to private investors in the investment market.

***Key success factors***

1. Engaging a professional consulting company to develop the concepts
2. Development of concepts in cooperation with all stakeholders in the destination
3. Identification of objective purposes of locations and defining the content needed for the further strategic development of the destination
4. Diversification of the destination's tourist product through activation of key tourist locations of the destination
5. Providing a sufficient amount of financial resources for successful project implementation
6. Respect for the principles of sustainable development and controlled environmental impact

The implementing agencies are appropriate services within the Sokobanja municipality bodies, and for private sector projects, efforts should be coordinated with the interested investors.

***Indicative budget***

The concept of best use for smaller projects is around 30 thousand euros, while the budget required for large projects can be up to several hundred thousand euros, depending on development level.

### 7.2.3. Incentive System – Rural Accommodation and Additional Offer

***The concept***

The initiative for establishing a support system is crucial for strengthening the competitiveness of the tourism sector in Sokobanja and includes primarily two components:

1. Encouraging the development of accommodation facilities in the countryside – types of accommodation that would be subject to the system include agritourism, rural holiday


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homes, rural, diffuse and boutique gastro hotels, rural resorts, ethno villages and resorts, etc.,

2. Creating additional tourist offer of higher or high added value – support intended for rural farms to enrich and diversify the offer, in the form of improvement of tasting rooms, catering facilities, construction of interpretation centers, etc.

The first step in creating the system includes establishing a special fund for financing preferential loans with a grace period, providing grants (for part of the investment), financing the development of project documentation, etc. It is recommended that the amounts be generous at first. Also, to more successfully finance various development projects, it is necessary, through the designed system, to provide interested users with institutional support in obtaining funds from international funds and thus potentially relieve their budget allocations while achieving the set goals.

The initiative of the support system for rural accommodation and further development of additional offers is directly in line with the future strategic direction of the destination and positioning in the context of upscale rural tourism, for the development of which there is a chance, which will further differentiate Sokobanja in the tourism market.

***Key success factors***

1. Establishment of an appropriate fund for the support system at the municipal level, with the support of the Republic
2. Design of assistance models and definition of activities acceptable for funding (e.g. may be complementary to the conditions that must be met for IPARD funding)
3. Raising awareness among local actors about the importance of further investment in strengthening the quality of the accommodation offer and supply chain, especially authentic, traditional products
4. Providing institutional assistance to withdraw funds from international funds
5. System for monitoring the success of the implementation of measures

The primary implementing agency for this initiative should be the municipality of Sokobanja – Local Economic Development Office, in cooperation with other services and bodies.

The budget depends on the available funds of the municipality of Sokobanja and on cooperation with the competent republic institutions and donors.

### 7.2.4. Activation of Sports Tourism Potential

***The concept***

Considering the future importance and potential of sports and active recreation, as one of the foundations for further development of tourism in Sokobanja, an initiative was proposed to activate sports tourism's potential. The aim is to devise a model for more successful commercialization of the existing and planned facilities, such as the Podina sports complex, etc., including the development and construction of other necessary infrastructure that is currently lacking. One of the initiative's goals is, through strengthening cooperation and


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synergy between relevant actors in the destination, the continuous work on improving the quality and professionalization of sports and sports activities in the city. In addition to the adaptation and construction of infrastructure, investments are required for the so-called soft components, which can include promotional and marketing activities, but also the design of various events in this segment, such as organization of preparations for sports clubs, organization of sports camps for different ages, lobbying and organization of sports tournaments and competitions and the like.

To ensure a balance between the public and private interests at the destination level and the successful implementation of the initiative, it is proposed to establish a working body or group. This body/group must be in the form of a public-private partnership, which will bring together all key stakeholders within the destination to implement joint activities of planning, promotion, lobbying, etc., or who will actively work on further professionalization of the sports segment and recognition of Sokobanja as sports tourism destinations. The key task of that body is to devise a model through which the potential of sports tourism in Sokobanja will be successfully developed and commercialized and thus activated.

***Key success factors***

1. Establishment of a working body/group at the destination level with a focus on designing a model of potential activation of sports tourism potential
2. Adapting and raising the quality of the existing infrastructure
3. Building missing infrastructure
4. Strengthening cooperation with regional sports clubs
5. Organization and planning of promotional activities aimed at positioning the destination as a destination of sports tourism

The main implementing agencies are the relevant services of the Sokobanja municipality, Tourist organization (Podina complex), with the support of sports clubs and interested individuals.

The implementation of the initiative does not require financial resources in the beginning, but the funds will be needed for the preparation of appropriate planning, project and technical documentation for the missing sports infrastructure in accordance with the defined goals.

### 7.2.5. Development of Specialized Destination Management Companies/Agencies (to Improve the Offer of Active Holidays)

***The concept***

The initiative for the development of specialized destination management companies (DMCs) aims to improve the offer of active holidays, based on public sector support for the creative tourism industry as a key pillar for the development of high value-added products through the following components:

1. Joint marketing activities of the existing and new travel agencies (or DMCs) with the tourism organization, through appearances at specialized fairs, cross-marketing


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activities, etc. A prerequisite for cooperation is designing an attractive offer of active holidays based on the built support infrastructure (which is also proposed within this Tourism Development Program).

2. Education, training and certification of service providers specializing in active holidays to professionalize and improve product quality and meeting high safety standards. The component is intended for the existing and potentially new service providers. Using this component, it is possible to provide support to current providers of such services (citizens' associations, clubs, etc.) to further commercialize and professionalize activities in relation to the current way of doing business.
3. Procurement of equipment for specialized DMCs means co-financing the purchase of quality equipment for the safe implementation of activities and meeting visitors' high expectations. For example, it can be procurement of paragliding equipment, kayaks, bicycles, mountaineering equipment, appropriate protective equipment, etc.

The public sector's primary task is to define priorities in cooperation with stakeholders within the destination and, in accordance with the agreement, animate the responsible institutions/departments/individuals and the necessary financial resources for the successful implementation of the initiative.

***Key success factors***

1. Cooperation model developed in cooperation with agencies currently operating within the destination
2. Focus on the quality of new experiences and diversification of the offer – for someone everything, for everyone something (a complete adaptation of the experience to the individual wishes and needs of clients)
3. Development of activities based on recognizable destination resources (Rtanj, Ozren, the Moravica etc.)
4. Articulation of interests of current and new organizations, individuals and cooperation agencies
5. Providing adequate financial support for the stable development of activities

The main implementation agencies are the Tourist Organization of Sokobanja and the Municipality of Sokobanja; Consideration should be given to a donor program to encourage this type of development for new services within the destination.

The budget will vary from year to year, depending on potential users' interests and available funds.

### 7.2.6. Development of the Bootcamp Program

***The concept***

Bootcamp is the name of an active holiday product based on the fact that this segment of the tourist offer will be one of the strategic pillars of the destination's future development.


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The planned development of the initiative is aimed at various ages and market segments, and the main motive for visitors is to overcome their challenges related to physical activities, including weight loss, giving up smoking, digital detox and others. The initiative is conceived in a way that the camp is organized in nature.

Bootsamp programs can vary but usually include intense aerobic training, strength and speed boosting and the like. Programs are most often designed, so that very intense segments and segments of weaker activity are constantly alternating at intervals.

A key advantage of this approach is that these programs provide a variety of training programs for the whole body by strengthening strength and endurance. The programs are also designed to be challenging and diverse, but they usually do not require additional special equipment.

The program is realized in a natural environment, depending on the available space – it is possible to make an agreement, for example, with PE "Srbijašume".

***Key success factors***

1. Recognizable product, strong online presence and targeted promotional activities
2. Professionally developed programs
3. Product accessibility in financial and geographical sense
4. Developed infrastructure and focus on safety, comfort and user experience
5. Successfully developed business model and financial sustainability of products

The main implementing agency of this activity is the Tourist Organization of Sokobanja, with the Special Hospital's help and support (in terms of completing the product with appropriate medical examinations and monitoring).

### 7.2.7. Organization of Outdoor Events

***The concept***

The initiative implies an international, attractive outdoor event in Sokobanja, in the time preceding or coming immediately after the main season, with the key goal of raising the visibility of active holiday products in the international tourism market diversification of the current event offers within the destination. The organization is possible through two approaches:

1) Organization in cooperation with a professional agency, which owns the license of an internationally known branded event or
2) Independent organization of an event that already exists at the destination (with significantly higher investment and professionalism), or designing a completely new event

It should be noted that the organization of a branded event ("event purchase") will significantly affect the visibility of the destination, given the already built reputation of the brand (e.g. Red Bull, Ironman, etc.). However, the costs of organizing such an event are significantly higher, compared to self-organized events. Also, through the organization of an internationally recognizable event, it is possible to create strong preconditions for co-branding activities and


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thus ensure long-term visibility of the destination. Both options must consider the possibility of improving already existing events within the destination. The final decision on the approach must be made by the key actors of tourism in the destination (Tourism Council) in accordance with the level of aspiration and the available budget. The event needs to be used so that, through attractive experiences, Sokobanja is presented as a "stage", where it is possible to realize several types of adrenaline events, thus attracting a specific segment of demand for the product of active holidays.

***Key success factors***

1. Successful establishment of cooperation with the event organizer
2. Provision of sufficient financial resources for realization
3. Implementation of strong marketing campaigns based on the idea and content of the event
4. Organization of events in pre- or post-season
5. Cooperation with local agencies and destination experts (especially important in terms of choosing the location of the event, access for a large number of visitors, solving parking problems, mobility, etc.)

The main implementation agency is either a professional event organizer or the appropriate entity proposed by the Tourism Council and the TOSB to implement such activities.

The activity should be commercial, covered through sponsorships and/or ticket sales for visitors, as it should be an extremely attractive event.

### 7.2.8. Cultural Event Programs

***The concept***

The summer stage – amphitheater, whose construction is in the final phase, has great potential for tourist valorization. Given the attractive location in the center of the village, the amphitheater is of great importance for improving the destination's cultural offer and is expected to enhance the destination's marketing visibility. In this regard, it is necessary to design a program of cultural events that will be realized in the summer season of high tourist attendance, which will further affect the number of tourists and the affirmation of the destination.

Some of the program elements that could be organized on the summer stage include the organization of music events and concerts, drama performances, historical festivals, philosophical debates, performances by stand-up comedians, competitions and poetry evenings, etc.

By designing additional festivals – such as, for example, Music and More SummerFest, we can attract a larger influx of guests in not so attractive parts of the season, when the number of tourists is traditionally declining.

An important assumption of quality design of cultural events in the amphitheater implies the inclusion of all relevant entities at the destination level, which with their engagement and ideas, can positively influence the design and implementation of the events themselves. Thus, for


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example, various actors from the field of art, music, film, history, and even gastronomy could be involved in the realization of the program of cultural events, which would communicate the cultural offer of Sokobanja in a comprehensive way. By establishing a program of cultural events in the amphitheater, the destination would significantly improve its recognizability of the cultural offers and valorize the new tourist infrastructure at its disposal.

***Key success factors***

1. Designing a creative program of cultural events
2. Availability of sufficient budget for the realization of planned events
3. Integration and cooperation of all relevant actors within the destination
4. Quality organization of those events in the amphitheater – summer stage
5. Design and implementation of a quality plan for the promotion of events

The main initiative implementation agencies are the Tourist Organization of Sokobanja and the cultural institutions of the municipality of Sokobanja. Cooperation with professional event organizers is of great importance.

The budget largely depends on the program's choice – performer, whether it is an independent organization or cooperation with professional agencies.

### 7.2.9. Improvement of Interpretation and Further Conservation of Cultural Resources

***The concept***

In the territory of Sokobanja there are a large number of cultural and historical resources that can be valorized for tourism but are not adequately marked and do not offer an appropriate level of tourism interpretation. It is the heritage located in settlement of Sokobanja and the surrounding settlements that are located on the territory of the municipality (in accordance with the description in which the resource-attraction basis of Sokobanja is analyzed).

To address the identified shortcomings, it is necessary to implement an initiative to improve interpretation to present the cultural and historical offer of the destination in a better way.

Soko Grad stands out as a special locality, where the interpretation is currently almost non-existent. The proposal is to provide appropriate infrastructure for all localities (appropriate plaques and inscriptions in Serbian Cyrillic and Latin script and at least in English) and take steps towards digitalization of interpretation, which would make the cultural and historical heritage attractive to all visitors.

The initial step of tourist valorization of all localities is their proper conservation, which would protect the historical value, increase attractiveness, and, thus, recognize it. After that, it is necessary to categorize the identified localities, in order to unite the cultural and tourist offer and communicate in an organized, joint way. Finally, the interpretation of all sites must clearly communicate the core values and relevant stories associated with the sites to attract visitors' attention. The preferred solution is the digital interpretation and inclusion of visitors in the consumption of experience at each site.


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***Key success factors***

1. Defining the operational model of the destination's cultural resources management
2. Conserving cultural and historical heritage and creating preconditions for tourist valorization
3. Designing a creative concept of interpretation of individual localities (collection, interpretation and finding the right channel for "storytelling")
4. Marketing communications to increase the recognizability of cultural sites within the place
5. Regular maintenance and modernization of the material used for interpretation (either physical or digital)

The main implementing agencies for this activity are the Tourist Organization of Sokobanja and the competent services and cultural institutions of the municipality of Sokobanja, in cooperation with the competent Institutes for the Protection of Cultural Monuments.

Budget estimation is not possible, and it depends on the necessary interventions at each of the sites individually.

### 7.2.10. Digital Interpretation of Natural and Cultural/Historical Heritage

***The concept***

As an additional activity/clarification of the previous initiative, the key elements of digital interpretation of cultural and historical heritage are given in particular. Initially, this program should include the most important localities, primarily Soko Grad. It is an interesting tourist potential, but difficult accessibility and low level of conservation prevent real tourist activation of this locality.

In this context, in the absence of fulfillment of essential preconditions for tourist valorization of Soko Grad, this measure proposes a digital interpretation of Soko Grad and at least two other selected localities through:

1. Use of augmented reality technology (AR), as well as
2. Use of virtual reality technology (VR) within the premises.

The main idea of the initiative is to create a new experience in the destination with the use of modern technology in a way that in the center of the municipality, in the appropriate facility (TOSB premises, for example), through virtual reality, Sokobanja will be shown in different periods of history, with particular emphasis on architecture settlements and historical heritage. The central location was chosen to improve the offer and increase the number of visitors (it may be possible to use the auxiliary space within the content of the summer stage).

The second component of the experience involves creating an application for the users who will present the content of the so-called " augmented reality " on their own smart devices (phones and tablets), present the content of the so-called "augmented reality". To realize the second component, it is necessary to choose two-three priority localities, with relatively easy


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accessibility and relatively easy navigation, where finding the "trigger" for launching augmented reality content would be relatively simple.

The content must be fun and educational at the same time (component of the so-called edutainment), which is an exceptional factor for increasing the attractiveness for younger ages, and accordingly the motive for visits for families with children, school groups and the like.

Apart from the cultural/historical heritage, using the same technology, it is also possible to interpret the natural heritage (for example, mountain Rtanj), with the entire experience of stories and experiences related to the appropriate natural heritage sites.

***Key success factors***

1. Engagement of professional associates (historians, archaeologists, biologists), to define adequate content for interpretation
2. Attractive and instructive content of interpretations of individual sites
3. Quality technical-technological realization and procurement of appropriate equipment needed for interpretation
4. Defining adequate locations where it will be possible to use digital interpretation instruments
5. High-quality marketing communication of the destination's new tourist attraction – augmented and virtual reality instruments in conditions of limited destination availability (such as the current Covid-19 pandemic), provide an excellent solution for accessing destinations from remote locations and stimulating (future) tourist demand.

The main implementation providers are employees in charge of cultural and historical heritage within the institutions of the municipality of Sokobanja, with the support of the Tourist Organization of Sokobanja and the municipality of Sokobanja (in project preparation and implementation of activities).

The estimated budget is between 50 and 70 thousand euros per location, although it can vary significantly depending on the choice of interpretation concept.

### 7.2.11. Education Program for Tourism and Catering

***The concept***

Knowledge, skills, and abilities of human potentials in tourism and catering are the basis of every guest's satisfaction. Quality is a prerequisite for achieving competitiveness and sustainable tourism development. Middle and senior management in tourism activities, create a decisive difference between mediocrity and excellence.

On the one hand, tourism education means training staff to manage a tourist destination. In contrast, education in hospitality and catering focuses on establishing a competitive business framework and effectively meeting guests' expectations within catering and accommodation facilities.

The idea is to use the available school capacities and adequate other space (in hotels), independently or in cooperation with potential partners, to organize additional education


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according to the principle of practical educational programs, i.e. a kind of training center for tourism and catering. In this regard, it is necessary to envisage, in addition to conducting regular teaching activities, also the additional activities within school practicums/training centers, such as: conducting additional training/retraining programs for adults with work practice (obtaining a certificate), organizing thematic workshops/courses in preparing and serving specific cuisines, with special emphasis on innovating traditional/regional cuisine. School practicums and classrooms are at the same time used as training centers, and lecturers could be teaching staff or externally engaged lecturers – depending on the topic, competence, available budget and interests of the sector. It is proposed to implement this initiative with minimal infrastructural investments, focusing on the organization and connection of factors interested in the initiative.

Given the dominant offer of private accommodation, the education program for private rentiers is of special importance. The program includes education of private accommodation service providers in terms of supply standards, conditions for individual classification of facilities, trends in the demand market and the possibility of differentiation. Rentiers are presented with examples of good practices and advantages brought by certain forms of offer. Those interested can be further motivated to improve their offer in terms of adding services and renovating existing facilities to improve facilities' categorization. For this purpose, it is necessary to inform the stakeholders about the existing valid categorization and preconditions for the classification of individual facilities, as well as about the possibilities of financing the improvement of existing facilities or programs for co-financing the construction of new capacities. Rentiers also need to be informed about how value can be added to the guest and the possibilities for placing an offer (association, joint advertising, the importance of the website, agency, etc.). It is also essential to provide appropriate instructions and training to use the "e-tourist" system.

It is especially important to note that it is useful to combine training with study visits to similar destinations that have set appropriate standards in delivering high-quality tourist-catering offers.

***Key success factors***

1. Implement an initial call to identify the number of interested people in targeted education programs
2. In cooperation with relevant institutions (primarily vocational colleges and universities, both in the country and from reputable destinations; provide collaboration with the line ministry) develop targeted training programs for stakeholders
3. Develop programs in cooperation with local educational institutions
4. Provide adequate space for training
5. Use internal communication mechanisms, advertise and explain the benefits for potentially interested parties in attending such a training program

This should be one of the key activities of the Tourism Council and TOSB.


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## 7.3. SUPPLEMENTARY IDEAS FOR IMPROVING THE COMPETITIVENESS OF THE DESTINATION AND THE TOURIST OFFER

In the previous parts, great attention was paid to the "greening" of Sokobanja as a tourist destination and the delivery of the promise of the "Green Heart of Serbia". Below is an overview of additional ideas for improving the tourist offer of Sokobanja, which have crystallized during talks and workshops with the Working Group formed to support the preparation of the Tourism Development Program.

At the end of the part of the Tourism Development Program on strengthening the competitiveness of the destination, individual contents are presented the private sector can independently develop that, and are focused on the "green character" of the destination; individually, these "small" initiatives do not have an attractive strength, but as one of the contents in the destination, they contribute to the added value that the tourists have when they are already in Sokobanja. It is necessary for the public sector, primarily the Municipality and the TOSB, to maintain regular and high-quality communication with private capital owners interested in such projects and provide them with free advice and administrative support.

1. Development of soft mobility options (soft mobility – as a precondition for building a destination without cars – Sokobanja "car free" destination)
    1.1. Multi-hour and multi-day rental of vehicles that do not pollute the environment, such as bicycles, scooters, electric bicycles, electric scooters, kayaks and the like. The developed network of existing and newly built trails enables completely independent movement of tourists while respecting the principles of eco-tourism.
    1.2. Group transport of tourists to points of interest by electric vehicles or specialized vehicles (abolition of the use of petrol/diesel vehicles)
2. Active involvement of tourists in the experience through workshops
    2.1. Workshops for collecting mountain herbs and making products from mountain herbs can be done in specially made or adapted facilities
    2.2. Workshops for collecting food according to local recipes can be done in specially made or adapted facilities
3. Cycling and mountain-cycling tours with a guide
    3.1. Development of organized tours accompanied by a guide
    3.2. Development of special races that can turn into traditional ones
4. Hunting tourism
    4.1. Development of hunting ground catalogs and hunting options
    4.2. Development of a system for introducing tourists to the fauna of Sokobanja
5. Rural experience of life


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5.1. Staying in local villages and performing regular rural activities

5.2. Socializing with animals on the farm and education

5.3. Back riding: horses, donkeys, etc.


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# PART 8

# ACTION PLAN GUIDELINES

Tourism Development Program
of the Municipality of Sokobanja

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# 8. ACTION PLAN GUIDELINES

The term plan guides the dynamics, key tasks and responsibilities of individual actors involved in the realization, i.e. implementation of key activities identified by this Tourism Development Program.

The dynamics of elaboration of the action plan for the implementation of initiatives are based on conditional and theoretical assumptions of current circumstances and prioritization defined in cooperation with the Working Group representatives at interactive strategic workshops and regular communication.

The actual dynamics of the implementation of the initiatives will largely depend on the financial priorities of the municipality of Sokobanja and the Tourist Organization of Sokobanja, through whose budgets the action plan is operationalized on an annual level.

In this context, the action plan needs to be viewed as a summary of the initiatives defined by the Tourism Development Program, so it needs to be operationally adapted to the changed circumstances (internal and external).

The availability of financial resources from various funds at the republic level and various donors is highlighted as a key external circumstance, which needs special attention in the coming period. In that sense, it is necessary to prepare appropriate projects and actively participate in competitions to allocate financial resources.

On the other hand, a number of proposed projects involve partnerships and/or cooperation with representatives of the private sector. In this context, the public sector's task is to prepare projects to the extent possible (resolved ownership of land, changes in spatial and planning documentation, defined model of cooperation with private investors, etc.). It should be noted that the implementation of these initiatives requires flexibility in setting the model of cooperation, because only in this way will the planned projects be implemented and the set strategic goals achieved.

Considering the Covid-19 pandemic and the crisis it caused, especially in the tourism sector, the number of activities to be implemented during 2021 is minimal and mostly reduced to activities that do not require significant budgets for implementation.

Given the multi-layered nature of the Development Program, below is a timeline divided thematically into several basic units:

- Private sector projects
- Public sector projects
- Destination competitiveness development projects
- Marketing, sales and commercialization activities.


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## 8.1. PRIVATE SECTOR PROJECTS

The Tourism Development Program in this segment has identified key projects (planned or existing ideas), which have the most significant positive impact on the further construction of the image of Sokobanja as an attractive tourist destination. In terms of activity planning, it is possible to plan the dynamics of preparatory activities that are the responsibility of the public sector and are predominantly related to project preparation and initial process facilitation. The dynamics of the implementation of private sector projects are planned in a way that is maximally coordinated with other activities of the public sector and raising the region's competitiveness. The planned dynamics of private sector projects in the project implementation phase is stated only illustratively.

Table 31. Private sector project schedule

| # | Activity | Responsibility | 2021. | 2022. | 2023. | 2024. | 2025. |
|---|---|---|---|---|---|---|---|
| 1. | **Detox, spa & wellness resort and knowledge centre** | LEDP private investors | | | | | |
| 2. | **Water content of the Bovan lake** | Municipality, private investors | | | | | |
| 3. | **Sport and family hotel Podina** | LEDP, private investors | | | | | |
| 4. | **Camp Sokobanja (between Sokobanja - Bavan lake)** | LEDP, private investors | | | | | |

## 8.2. PUBLIC SECTOR PROJECTS

In this segment of activity planning, the emphasis is placed on the public sector's activities in terms of the implementation of key investment projects in the tourism sector. These projects will be partially implemented through the public sector's initiative and engagement or public companies/organizations. Public sector projects also include significant projects but not of key importance; however, they have a strong potential to improve the tourist offer or create new products, i.e. prerequisites, for their professional commercialization.

Table 32. Public sector project schedule

| # | Активност | Одговорност | 2021. | 2022. | 2023. | 2024. | 2025. |
|---|---|---|---|---|---|---|---|
| 1. | **Modernization / privatization of existing facilities of the former HTP Lepterija** | Municipality Sokobanja (posibility of PPP or finding private investor) | | | | | |
| 2. | **Revitalization and touristification of the Soko Grad site** | LEDP | | | | | |
| 3. | **Interpretation centre Rtanj - visitor centre** | LEDP, TOSB | | | | | |
| 4. | **Walking and cycling trail Sokobanja - Bovan lake** | LEDP | | | | | |
| 5. | **Etno centre** | LEDP, TOSB | | | | | |
| 6. | **Soko ski-park** | LEDP, TOSB | | | | | |
| 7. | **Adventure park Moravica** | LEDP, TOSB (posibility of PPP or finding private investor) | | | | | |


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## 8.3. DESTINATION COMPETITIVENESS DEVELOPMENT PROJECTS

The implementation of destination competitiveness development projects is imperative for creating concrete development opportunities and a better business environment for engaging in tourism in the Sokobanja area.

Due to its multidisciplinary nature in implementing these activities, it is difficult to anticipate all the key stakeholders that need to be involved to better network and generate significant synergies. In this sense, only an indication is given as to who should initiate and monitor the proposed initiatives' implementation.

Table 33. Destination competitiveness development projects schedule

| # | Активност | Одговорност | 2021. | 2022. | 2023. | 2024. | 2025. |
|---|---|---|---|---|---|---|---|
| | **Key pillars of developing a strategy for raising competitiveness and preconditions for implementation** | | | | | | |
| 1. | **Proposal of a new organization of the Tourist Organization of Sokobanja** | Municipality of Sokobanja | | | | | |
| 2. | **Re-establishment of the Tourism Council** | Municipality of Sokobanja | | | | | |
| 3. | **Management of tourist / visitor destinations** | TOSB, Municipality of Sokobanja | | | | | |
| 4. | **Unification of tourist point marking systems and ambient harmonization** | LEDP, TOSB | | | | | |
| | **Initiatives to strengthen the competitiveness of Sokobanja as a tourist destination** | | | | | | |
| 5. | **Activation of tourist potent locations on the territory of the municipality** | LEDP | | | | | |
| 6. | **Incentive system - rural accommodation and additional offers** | LEDP | | | | | |
| 7. | **Activation of sports tourism potential** | LEDP, TOSB, clubs | | | | | |
| 8. | **Development of specialized destination management companies** | LEDP, TOSB, private etrepren. | | | | | |
| 9. | **Bootcamp program development** | TOSB, Special hospital, private entrepren. | | | | | |
| 10. | **Organization of outdoor events** | TOSB, specialized agencies | | | | | |
| 11. | **Programs of cultural events** | TOSB, cultural institutions, oranzators | | | | | |
| 12. | **Improving interpretation and further conservation of cultural resources** | LEDP, TOSB | | | | | |
| 13. | **Digital interpretation of natural and cultural-historical heritage** | LEDP, TOSB, associations | | | | | |
| 14. | **Education program for tourism and catering** | LEDP, TOSB, educational instutions | | | | | |

## 8.4. MARKETING AND PROMOTION ACTIVITIES

The proposed activities in the field of marketing, promotion and commercialization include a significant number of activities, many of which are continuous and are extremely important not only for better commercialization of the existing resources and tourism offer but also open a significant space for professional management of tourism and more efficient use of available budgets within the tourist system of the destination.


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Table 34. Marketing and promotion activities schedule

| # | Activity | Responsibility | 2021. | 2022. | 2023. | 2024. | 2025. |
|---|---|---|---|---|---|---|---|
| | **Development of marketing infrastructure** | | | | | | |
| 1. | **Creating a unique roof brand and region label** | | | | | | |
| | *1. Defining brand strategy* | TOSB | | | | | |
| | *2. Creating a branding brief* | TOSB | | | | | |
| | *3. Development of branding solutions and visual identity and labeling systems* | TOSB | | | | | |
| | *4. Professional brand and label management* | TOSB and Tourism Council | | | | | |
| 2. | **Centralization of offline communication** | | | | | | |
| | *1. Rationalization of offline advertising* | TOSB | | | | | |
| | *2. Revision of existing printed materials* | TOSB | | | | | |
| | *3. Creating new basic materials needed* | TOSB | | | | | |
| 3. | **Focus on online marketing** | | | | | | |
| | *1. Additional effort to develop a high quality website* | TOSB | | | | | |
| | *2. Active presence on social networks* | TOSB | | | | | |
| | *3. Content creation* | TOSB | | | | | |
| 4. | **Development of a multimedia content bank** | TOSB | | | | | |
| 5. | **Professional event management** | Events organizers, with assistance of TOSB | | | | | |
| | **Development of marketing communication** | | | | | | |
| 6. | **Introducing guests and adjusting the offer based on indicators** | | | | | | |
| | *1. Defining market segments* | TOSB | | | | | |
| | *2. Market research* | TOSB | | | | | |
| 7. | **Development of a professional communication strategy** | TOSB | | | | | |
| 8. | **Public relations** | TOSB, Tourism Council | | | | | |
| | **Development of sales and commercialization systems** | | | | | | |
| 9. | ***B2B personal sales*** | TOSB | | | | | |
| 10. | **Education, workshops and seminars** | TOCB, LEDP | | | | | |
| 11. | **Establishment of an association of private rentiers** | Tourism Council, LEDP | | | | | |

## 8.5. METHOD OF MONITORING THE IMPLEMENTATION

The system of monitoring the implementation of the Tourism Development Program of the Sokobanja municipality aims to include and consistently ensure key stakeholders' continuous commitment to achieve defined activities and goals. In this regard, a model for monitoring the implementation has been proposed here, which will determine the degree of fulfillment of key strategic tourism objectives in Sokobanja.

The system defined in this way should fulfill the following principles, i.e. should provide:

- Objectivity,
- Measurability,
- Comprehensibility, and
- Ease of monitoring

Continuous monitoring of the realization of set goals and activities based on defined dynamics (annual or semi-annual), enables clear monitoring of the speed of realization of the plan, where it is possible to identify potentially problematic goals, i.e. carriers of activities which are not able to fulfill appropriate tasks or defined goals.

The way of monitoring the project's realization creates a clear cause-and-effect connection and communication between all parties involved in the realization.


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### 8.5.1. Implementation Monitoring System

The guidelines for monitoring the implementation of the action plan should consider the identified stakeholders for the implementation of individual initiatives presented in the previous parts of the Tourism Development Program. Taking into account the existing framework of tourism management in Sokobanja, regardless of possible changes in the regulatory framework, below is the proposed system of monitoring the implementation of key determinants of the Development Program as well as individual stakeholders/responsible entities:

- **Tourist organization of Sokobanja**

  Represents the main operational body in the promotion of tourism in the municipality and is also one of the operational levers of the Tourism Council. It has the primary responsibility for implementing the marketing strategy and operational (annual) marketing plans.

- **Local Economic Development Office**

  Represents the main operational body in the identification and preparation of development initiatives, among other things for the needs of tourism as one of the main economic activities in the municipality of Sokobanja. It has the role of initiator and main coordinator of initiatives for the development and strengthening of the competitiveness of tourism in Sokobanja.

- **Tourism Council**

  The Tourism Council is an advisory body at the municipal level and consists of relevant professional enterprises representing the private sector, the Tourist Organization, key stakeholders in the tourism of Sokobanja, including health (Special Hospital) and educational institutions.

  The Council was established to consider key issues and has the following tasks: analyzes the state of tourism in Sokobanja, identifies key issues, analyzes the causes of identified problems and existing conditions; participates in the creation, adoption and implementation of annual and operational plans of TO Sokobanja, initiates and coordinates the preparation of development and other projects of importance for tourism in the municipality, organizes and strengthens tourism actors in the municipality, proposes to the authorities measures and activities to encourage tourism development in the municipality, etc.

  Representatives of relevant municipal services, public and utility companies, also attend the sessions of the Council. From the perspective of preparation and implementation of the key infrastructure and development projects at the destination level, representatives of these bodies and institutions participate in reporting progress in the scope of their activities.

  At its sessions, the Tourism Council assesses the speed, quality and degree of implementation of defined projects, activities and the achievement of set goals.


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### 8.5.2. Indicators for Monitoring the Implementation

The key elements for monitoring the success of the implementation of key determinants of the Tourism Development Program are defined as follows and largely rely on the guidelines for action plan and dynamics of activities/tasks defined under this document:

**Category: Realization of development projects**

- Degree of execution of preparatory actions for key investment projects in tourism, which are the responsibility of the public sector
- Degree of realization of public sector projects, following the defined dynamics in the action plan
- Degree of realization of other development projects defined by this Program and envisaged dynamics in the action plan

**Category: Tourist turnover and guest satisfaction**

- Number of visitors to key tourist points of interest for tourists in Sokobanja (natural, cultural and other attractions with control/entrance fee)
- Number of visitors in tourist information centers
- Annual turnover recorded by the Tax Administration/Business Registers Agency in the tourism and catering sector and through the newly established system of "e-tourists"
- Degree of satisfaction of visitors to key attractions and/or events; or general satisfaction with the visit to the destination (primary research)

**Category: Marketing, promotion and commercialization**

- Number of visitors to the TOSB website
- Number of followers of the TOSB Facebook page
- Number of followers of the TOSB Instagram profile
- Number of followers of the TOSB YouTube profile
- Degree of realization of activities defined by the Development Program in the category "Marketing, sales and commercialization."

**Category: EU and national sources of co-financing**

- Number of elaborated project proposals that could be the subject of an application for EU or national sources of co-financing
- Amount of allocated funds through different co-financing programs
- Defined needs for co-financing from the available EU funds for a new financial perspective starting at 2021 (clear negotiating recommendations to ensure the necessary funds for stronger infrastructural development of the destination's tourist offer – public and private needs) and a clear process of communication and lobbying towards adequate national decision-makers/negotiating bodies.

The dynamics of the implementation of activities envisaged by the Tourism Development Program implies defining the time frame and undertaking key activities to implement individual initiatives, and is based on optimal assumptions from the current perspective. Given the medium deadline for implementing the proposed measures and initiatives, minor changes in


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internal and external conditions can be expected, so it is necessary to adjust the plan under the circumstances at a given time in the future.

Qualitative and quantitative indicators of implementation are presented to monitor the implementation of individual initiatives as easily as possible, so the quantitative target values need to be determined by individual stakeholders and participants' aspirations.

Pre-presented budgets have been estimated for initiatives for which this is possible based on previous experience and field findings, but final amounts may vary significantly according to detailed planning recommendations.


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