

The Project of Increasing Tourist Attractiveness of City Sarajevo

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II. Practical part

- Define the current situation of the city, competition analysis.
- Identify relevant marketing plan and strategies in tourism marketing.
- Implement marketing plan and strategies in order to solve problems of city, costs, time and risk analysis.

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ABSTRAKT

Cestovní ruch představuje jedno z odvětví , které může pomoci rozvoji celému národního hospodářství jedné země . Atrakce spojené s odvětvím cestovního ruchu, jako je kultura , příroda, události jsou stále více a více důležité každý den . V dnešní době chtějí lidé cestovat na dlouhé vzdálenosti za účelem vidět to, co požadují za zajímavé. Sarajevo reprezentuje město s velmi příznivou geografickou polohou a s mnoho turistickými aktivitami , které mohou vést k jeho rozvoji . K tomu, aby odvětví cestovního ruchu mohlo uspět ve městě je požadován jako dlouhodobý projekt. Tato práce je napsána s cílem definovat , jak odvětví cestovního ruchu pracuje v Sarajevu a analyzovat a navrhnout projekt pro jeho zlepšení . Faktem je , že Sarajevo je nyní místem,kde jsou peníze mnohem více investovány do jiných oblastí , než do oblastí cestovního ruchu , a tím zanedbává možnost , kterou může odvětví cestovního ruchu nabídnout . S mnoho kulturními a přírodními zdroji , by Sarajevo rozhodně mohlo začít vytvářet různé projekty pro své odvětví cestovního ruchu , aby bylo možné této možnosti využívat správným způsobem a prezentovat pozitivní obraz o Sarajevu na světě.

Klíčová slova: Cestovní ruch, Turistika, marketing, cestovní ruch sdružení Sarajeva, marketingová strategie, kulturní a přírodní zdroje.

ABSTRACT

Tourism represents one of the industries that can help development of total economy of one country. Attractions with tourism industries like culture, nature, events are becoming more and more important every day. Today people will travel a long distance in order to participate in events they find interesting.

Sarajevo represents city with very favorable geographical position and many tourist activities that can lead to its development.

In order for tourism industry to succeed in city it should be understood as a long-term project. This thesis is written in order to define how tourism industry is working in Sarajevo and to analyze and suggest project for its improvement.

Fact is that Sarajevo is struggling with industries where money is much more invested than in tourism, thereby neglecting potential that tourism sector can offer.

Having so many cultural and natural resources, Sarajevo should definitely start to create various projects for its tourism sector in order to use it in a right way and to present positive picture about itself in world.

Keywords: Tourism, Tourism marketing, tourism association of Sarajevo, marketing strategy, cultural and natural resources.

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Zlin, Czech Republic, May 2nd, 2014

Alen Premilovac

CONTENTS

INTRODUCTION	11
I THEORY	13
1 TOURISM.....	14
1.1 MARKETING TOURISM	15
1.1.1 Research	15
1.1.2 Target Markets	15
1.1.3 Advertising.....	16
1.1.4 Internet	16
1.1.5 Tourism Bureaus	16
2 MARKETING IN TOURISM.....	17
2.1 FACTORS AFFECTING MARKETING IN TOURISM	19
2.2 TOURISM PROMOTION	20
2.3 8P'S IN TOURISM MARKETING	22
3 PRODUCT COMPONENTS OF THE CITY.....	23
3.1 DESTINATION ATTRACTIONS AND ENVIRONMENT	23
3.2 DESTINATION FACILITIES AND SERVICES	24
3.3 ACCESSIBILITY OF DESTINATION	24
3.4 IMAGES AND PERCEPTIONS OF DESTINATION	24
3.5 PRICE TO THE TOURIST	24
3.6 EVENTS	26
4 MARKETING STRATEGIES, TOOLS AND MARKETING PLAN.....	29
4.1 MARKETING STRATEGIES	29
4.2 MARKETING TOOLS IN TOURISM	30
4.3 MARKETING PLAN IN TOURISM.....	31
4.3.1 Marketing plan	32
4.4 EFFECTS OF TOURISM	33
II ANALYSIS	34
5 PROFILE OF CITY SARAJEVO	35
5.1 HISTORY OF SARAJEVO	35
5.2 FACTORS INFLUENCING TOURISM IN SARAJEVO	36
5.2.1 Destination attractions and environment.....	36
5.3 SWOT ANALYSIS OF SARAJEVO.....	40
5.3.1 SWOT conclusion	41
5.4 PEST ANALYSIS	42
5.4.1 Political factors.....	42
5.4.2 Economic factors.....	42
5.4.3 Social factors	43
5.4.4 Technological factors	44
5.4.5 PEST Conclusion	44
5.5 SARAJEVO IN NUMBERS	45
5.5.1 Method and reason of tourists visits in 2013	48

5.6	CHARACTERISTICS OF FOREIGN TOURISTS	49
5.7	CHARACTERISTICS OF DOMESTIC TOURISTS	50
5.8	CHARACTERISTICS OF AVERAGE TOURIST IN SARAJEVO	50
5.9	CHARACTERISTIC OF INTERNATIONAL TOURISTIC DEMAND AND IMPLICATIONS ON SARAJEVO	51
6	ANALYSIS OF COMPETITIVENESS OF SARAJEVO	53
6.1	BASICS OF COMPETITIVENESS	53
6.2	COMPETITIVENESS OF SARAJEVO AS TOURISTIC DESTINATION	54
6.2.1	Touristic organizations and rivalry	54
6.2.2	Demand conditions.....	55
6.2.3	Support sector.....	55
6.2.4	Production factors	55
6.3	VALUE CHAIN OF SARAJEVO	56
6.3.1	Information.....	57
6.3.2	Reservation and Shopping.....	58
6.3.3	Accommodation and other host capacities.....	58
6.3.4	Information within Sarajevo	59
6.3.5	Touristic attractions, capacities and activities.....	60
6.3.6	Documents.....	61
6.3.7	Traffic infrastructure	61
6.4	MAJOR COMPETITORS.....	64
6.4.1	Wien	66
6.4.2	Prague.....	67
6.4.3	Bratislava.....	68
6.4.4	Warsaw	69
6.4.5	Budapest.....	70
6.5	BENCHMARKING	72
7	PROJECT FOR INCREASING TOURISTIC ATTRACTIVENESS OF SARAJEVO	75
7.1	MARKETING STRATEGIES GOALS	75
7.1.1	Improvement of existing Touristic Association of Sarajevo.....	76
7.1.2	Transport infrastructure as a basis for tourism.....	81
7.1.3	Improvement and maintenance of existing touristic attractivities	85
8	TIME, RISK AND COST ANALYSIS.....	89
8.1	COST ANALYSIS	89
8.2	RISK ANALYSIS.....	94
8.3	TIME ANALYSIS	96
	CONCLUSION	98
	BIBLIOGRAPHY	99
	LIST OF ABBREVIATIONS	105
	LIST OF FIGURES	106
	LIST OF TABLES.....	107
	APPENDICES.....	108

INTRODUCTION

Tourism as an industry today is one of the most developed industries. Today there is a great number of countries that their development is based on tourism.

It represents a sector that can easily support economic growth of country but as well that can lead country to doom if tourism is main industry in it. Most of the touristic places are dependent on nature, like weather if tourist destination is dependent on time whether summer or winter is.

Going back 50 years tourism was not so well developed because of accessibility of destinations, because of lack of information about touristic places, lack of promotion, etc. Today if country, city or destination has potential to make revenue based on touristic offer it can provide, it is almost sure that it will be promoted through world.

Tourists on the other hand have great number of information disposable about destinations, as well as previous experience of their friends or they could even hear about some destination from other people (viral marketing).

What is characteristic for B&H is that its tourism is mainly about natural and cultural resources. B&H and its capital city Sarajevo had rough history, but as well very mixed history starting from Illyrian age, Roman, Ottoman Empire, Austro-Hungarian era, after that Yugoslavia, 2 World wars and finally breakdown of Yugoslavia on 6 pieces at 1992. Base on this history of B&H it is easy to conclude that there are many cultural things to be seen it, especially in Sarajevo as a city that was very important cultural and administrative city through all these years.

Main goal of this thesis is to present current situation in Sarajevo regarding tourism and to present project that could lead to increasing touristic attractiveness of Sarajevo.

Thesis is split into three parts: theoretical, analytical and suggested project. First part of thesis is mainly focused on theory about tourism, influence of marketing in tourism, tools used in tourism as well. Concerning second part or analytical one it has several phases where first starts with introducing Sarajevo, presenting SWOT and PEST analysis, current situation regarding tourists visiting, as well markets that should be targeted as potential visitors. Second phase of second part of thesis is connected with comparing Sarajevo as a touristic destination with several capital cities in Europe. Of course I took the one that are mainly most visited nowadays and it should be taken into consideration that those cities are

much larger and have much bigger population than Sarajevo. Despite that I think they are still competition to each other.

Third part of thesis is based on suggested project and activities that should be implemented in order to achieve greater number of tourists. As well, of great importance was to try to make cost, time and risk analysis for that project.

I. THEORY

1 TOURISM

Tourism is the temporary short-term movement of people to destinations outside the places where they normally live and work, and activities during their stay at these destinations; it includes movement for all purposes, as well as day visits or excursions. (Holloway, 2009).

Tourism can be defined as set of activities where person travels and stays in places that are founded outside of their normal or usual environment. According to Middleton (2009) it does not have to be longer than one consecutive year whether word is about holiday, business or any other purpose. It can be also seen as market that shows demand of customers for products and the supply of specific services by different organizations. *Effectively managed, tourism can play an important role in more sustainable developments at visited destinations; tourism is also of interest because of its ubiquitous nature* (Middleton, 2001).

There are very few regions of the modern world where tourism and the contribution of the visitor economy to residents' lives are not a relevant consideration and travel extends to all parts of most countries. According to (Bonita (2006) there are three main social changes that influenced tourism in modern age and those are: transportation system, way of communication (technology) and amount of income that tourist has. Also there are some negative effects of travel and tourism that can be seen in a way of great use of energy and water, CO2 emissions, global warning etc. David and Laura (2010) explain two types of tourists that countries are paying attention:

1. **International tourists** represent countries which they are visiting but not living in it. Main reason why they visit those countries is because of tourism purpose. They also represent main source of money in tourism sector for government because comparing them with home tourists they spend much more money, they are helping to balance of payments through foreign currency, etc. (David, Laura, 2010) As well one advantage is that it is much easier to measure visits of international tourists that domestic one.

2. **Domestic tourism** is considered as people, visitors that are visiting some destinations inside their own country as well as for travelling within country for specific tourism purposes. Talking about domestic tourism there are two categories of domestic tourists: the one staying for longer period as well the one that stays only during the day.

Candela and Figini (2012), define tourist as a person that spends 24h in a country that is not the one where he lives or an individual that spends time on a place that is not place of its residence.

1.1 Marketing tourism

Concept of Marketing Tourism can be connected with great number of social as well as business changes that appeared with introduction and evolution of industry. Why is industry important to define tourism marketing? For a simple reason, with its appearance industry brought great need for travel and holidays even in early stages as workers felt their need for relaxation and resting after long day of work. Kotler (2010) explains that whole travel industry has impact on tourism marketing. For example, guests often purchase travel insurances that is arranged by wholesalers and offered through tourist agents.

Tourism marketing can be as well defined as effective promotional strategy that is used by tourist destination in order to attract great number of visitors. What is important to say is that whether or not is word about vacation resort, city, some special event or an organization that is depending on tourists, all of them require some sort of product-specific marketing strategy in order to beat competition and attract tourists. It can be done through:

1.1.1 Research

In order for tourism marketing to be effective it has to start with research about what are the current tourism trends, what do tourists want, their wishes, their needs, in what are they really interested and on what do they want to spend their money. When this is done and when destination is determined after that it has to be determined by the tourist organization how to meet and satisfy those needs. Baines, Fill and Page (2013) define marketing research as a process undertaken in order to define characteristics of tourism place and its characteristics such as (demand, market share of tourists, tourist characteristics) where marketing research is done in order to understand which marketing strategy should tourism organization implement in order to achieve greater number of tourists.

Effective tourism planning, development and marketing depend on having good information and the thoughtful informed analysis of data and evaluation of alternatives. (Robinson, Luck and Smith, 2013)

1.1.2 Target Markets

For better understanding, not all of the people like same destination, tourist destination are made to satisfy all people, they are not made to market every person because if they are made for everyone then message is getting lost or diluted and it does not work as it should, it loses its meaning. By segmenting market on particular parts (target marketing) allows

making efficient tourism marketing plan about which I will tell more on next pages. This is done by making research and information about past visitors and based on those information future markets are determined.

1.1.3 Advertising

Once a destination is chosen and for which tourism marketing plan should be made and for whom to be made, it must determine what it can afford to spend on advertising. There are different sources of money for advertising. One of the biggest money sources are coming from government entities. Let say if a country that GDP is dependent on tourism as (Croatia), government will gladly invest significant amount of money in its tourism (to advertise its product). If it is word about other business advertising is considered as over heading cost of business. As well some places on earth are advertised for free through media, TV travel programs because of their natural beauty.

1.1.4 Internet

One view of advertising is through internet. As more and more people are relying on Internet for information it is easy for company or city to be advertised. Shimp (2013), explains that internet today is one of the best way for communication and information provider because of its versatility and superiority when targeting tourists.

1.1.5 Tourism Bureaus

Tourist information centers, convention and visitors bureaus are generally the primary tourism marketers in their areas. Main purpose and activities they offer are encouragement visitation by tourists to some local operators (accommodations, tours and attractions) and to try to persuade them to stay longer inside the region (Holloway, Humphreys and Davidson, 2009).

Efforts tourism bureaus do include different activities as: operating and sustaining official tourism website for specific region or city, launching some festivals or events that are attractive to tourists, leading media tours, planning tours for some groups of people, advertising area, attending events, shows, travels. These efforts are funded by hotel taxes and they are known as "BED TAX".

2 MARKETING IN TOURISM

Important thing that every leader or tourist organization has to know is whether or not he is running city, park, business organization or whole country he can't just sit and hope for people to visit it. In order to maintain or develop tourism in that place whether its country, city, organization leader has to figure out and made specific marketing strategy or marketing tourism plan (Tourism Marketing, 2012). It is simple like that; no one will visit you unless they know who you are. Ways through marketing influences tourism.

1. Raising awareness

The way how can marketing be used is to bring customers attention to some city, state, organization or whatever thing is marketed. For example if we speak about some unique parts of B&H that is rarely mentioned like monuments. Alternatively, the area you are marketing may have a limited period promotion going on that can attract people.

2. Motivating tourists

When tourist hears about city or park or state tourist destination is the one that has to convince customer to go visit that place. In that case marketing is the thing that helps customer to receive what he wants.

3. Promoting Image

For some people specific countries have a positive image, while for others their image is negative or expired. People that can control and make a clever marketing can also manipulate with tourists in a way how they see that country, as well clever marketing can influence their perception. For example when country is a host of Olympic games people can be persuaded to visit that city in time after Olympic games are over.

4. Convincing Consumers Of Hospitality

For consumers it is very important to look for certain qualities when time comes to buy some product. For example people that are buying cars some people are giving more value to safety then to other factors like speed, etc. When talking about tourism sector great number of tourists will want high quality hospitality. Job for marketing in this sector is to show tourists that they can provide the standard tourists demand.

In order to attract more visitors cities look for creative and effective ways to let tourists know what do they offer. Questions that should be answered:

What Should Tourism Marketing Include?

For efficient and effective tourism marketing to be it has to serve tourists.

What is the Point of Tourism Marketing?

Point of tourism marketing is to promote city, region, state in fair and honest manner.

Things to Consider When Creating a Campaign

Through creating a campaign it is desirable to emphasize the parts of city, of course without making any lofty promises for tourists..

How Does One Measure its Success?

Success is measured in a way that people that live in the city have benefits as well as tourists.

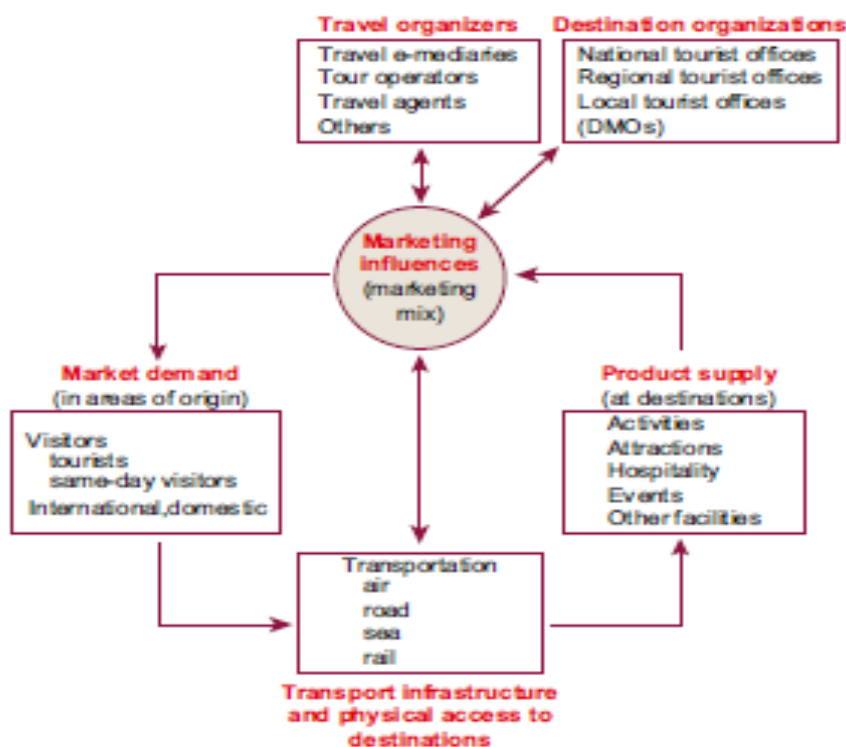


Figure 1: Importance of marketing in tourism (Kotler, Bowen and Makens, 2009)

This picture shows relations between demand and supply in tourism in which is shown the importance of marketing in travel and tourism.

2.1 Factors affecting marketing in tourism

Tourism marketing is mostly used by travel companies, by destination by suppliers in order to motivate and encourage people to visit specific places. According to McCabe (2014) factors that has most effect in travel and tourism is economy, which also depends of different number of factors ranging from man to natural factors. Those factors include:

Events

When particular destination has some specific event that is happening for example if its word about some festival, some music concert, holiday market then travel marketing is ratcheded. Positive thing is that if the word is about that special event there is form of *non-costing marketing*, which represents media attention, local hospitality industry and global focus on destination. On the other hand there is *Paid marketing* which serves for maximizing return on investment through idea that is processed about big event that is happening.

Seasons

Seasons as factors influence tourists destination by changing. For example all tourist destinations together with their product have at least one high and one low season. Logically low season means lower rates, low money flow, cheaper flights as well as low interest in that destination. Contrary high season refers to expensier flights, accomodations, higher interest in that tourist destination overall. Because of that great number of tourist suppliers and organization will try to make and adapt their marketing plans for high season. In this way season as factor effects amount of marketing that will take place during each season.

Currency Rates

The marketing is as well directly affected by by fluctuations that are happening on daily basis. Marketing will be reduced if country suffer losses from fluctuations as well, it will be in creased in order to revitalize market.

Development

When city or specific region or part of city is developing in order to attract and welcome tourists, marketing campaign is made and launched in order to announce that that destination is ready for tourists as well to introduce that destination to world stage. Dubai is example for this factor.

Government Support

When speaking about tourism boards and tourism marketing campaign it is important to notify that in great number of cases they are funded by government. Thereby in cases when there is crisis in economy of country then the cut will feel tourism sector first. In this way government support affects travel and tourism marketing.

Tourism Trends

Speaking about trends, its important to emphasize that trends are developing through years and they describe what market is about and what is most interesting in market. According to Roland (2011) future trends that can be expected in tourism are: city tourism, all inclusive trips, cruise trips, mountain and hiking, etc. Big thing is that trends are made by media and great number of tourism surveys.

2.2 Tourism promotion

When comparing other industries and tourism one, it is important to say that tourism industry is differentiating from others because instead of selling product tourism suppliers are selling place and all things that are connected with that place. Cooper (2012) explains that promotion does not only means informing the tourist about destination but also persuading, reminding and communicating with him. As well, promotion in tourism marketing is connected with pricing strategy because it can't stand alone. When promoting a place, city or region promoter always has to have in his mind that he is competing with entire world, which means that that high level of competition demands great level of creativity as well as unique approach. For successful promotion, marketing is important thing because through marketing image of place, region is created. (Clow and Baack, 2012).

Partnerships

Partnerships are very useful in promotion of a place, region or a city. They help with expanding the audience for promoted place. Through partnership tourist suppliers don't need to create a base of followers, they just need to make a relations with a partners that already have a great number of followers such as world known airlines, travel agencies etc. After that granting that agency some special deals, promotions etc will give those tourist suppliers world customer base. Dinnie (2011), explains that partnership are very important for branding a city as a place to live in. In order for city to attract as many tourist as possible partnerships between cities must be strong and based on long-term commitments as well trust. Fyall (2011), defines strategic alliances especially those on international scale as one of the important factors for tourism promotion through dealing with globalisation, increasing economic power as well as keeping with changes of technology.

Trade Shows

Trade shows allows destination to become well known to all tourists and tourism suppliers in specific region or area. Whether tourism suppliers organize their own trade show or they attend some other global it still helps a lot for destination to become famous and attractive (Raju, 2009). Main goal of trade shows is that they are connecting every aspect concerned in tourism sector on one place and thereby helps with interaction, deals, meeting and organizing new future plans. Of course trade shows can not pass by without media, journalists which also helps destination to become attractive to customers around world.

Sponsorships

There are lot of different versions of sponsorships from local parades to state events, national events. Each of them has its own characteristics and target audience, benefits. Televised events have the extra benefit of local and sometimes national media coverage, a factor that multiplies potential advertising reach significantly. It also tends to increase the cost of the sponsorship.

2.3 8P's in Tourism Marketing

Tourism marketing is different because the customer purchases a series of services, but is left with very little concrete value at the completion of his trip. As a result, the marketing initiatives have to emphasize the value of the memories, make the collection of services easily accessible and add value through additional programming and other factors. A key challenge is to convince potential customers that the item they are purchasing provides good value for the price, and that the services will be as described and expected.

Table 1: 8Ps in Tourism marketing

Product	<i>The product represents the collection of services that have features and benefits. Accommodation, attraction, transportation, recreation, shopping</i>
Price	<i>Every price has to match product, but good marketing makes the price seem more attractive. Cost, demand, competition, duration, destination</i>
Promotion	<i>Details about price and product. Characteristic of promotion is method of communicating information about price, product and cost of operator.</i>
Place	<i>Is destination where customer buys collection of services. Travel agents, tour operators, transport</i>
People	<i>Represents key for transaction to be successful. Operator has to be well educated for sale to be done. Contact with people may be high, low or medium.</i>
Process	<i>Providing best deals to customers after understanding their requirements. Guides about monuments, history, locations, etc. should be qualitative.</i>
Programming	<i>Adding value to ordinary product and distinguishing it from others.</i>
Partnership	<i>Partnership is a reality for most tourism specific businesses. Partnerships with airlines, bus companies, tour providers, travel agent.</i>

3 PRODUCT COMPONENTS OF THE CITY

Five main components that city can offer to tourists are:

1. Destination attractions and environment
2. Destination facilities and services
3. Accessibility of destination
4. Images of destination
5. Price to tourists

3.1 Destination attractions and environment

According to Charles (2009) attractions that define tourist choice and behavior inside the destination are:

- *Natural attractions*: can include various beaches, mountains, wild life, flora and fauna and all other factors that are included in natural resources.
- *Built attractions*: can include monuments, historical buildings, parks, golf courts, tourism infrastructures, etc
- *Cultural attractions*: music and theatre entertainment, religion, different culture, , museums, history of people
- *Social attractions*: the way that hosts live, their language as well as their behaviour.
- *Events*: festivals, megaevents, trade and sport events,
- *Recreation*: golf, tennis, hiking, snow activities, biking
- *Entertainment*: casinos, cinemas, shopping facilities, amusement parks

When combine all of these aspects represent something that is called Environment (Middleton, Fyall and Morgan, 2009).

Other important meaning is Capacity. Capacity represents the number of tourists that visit the environment on normal day with normal range of activities without damaging its elements and decreasing attractiveness of environment.

Today great number of business is making plans without taking into consideration of quality of environment and capacity.

3.2 Destination facilities and services

Destination facilities and services represent components which are located within destination or are linked to it, thereby helping tourists to stay and enjoy attractions destination offers.

- *Accommodation units:* hotels, farms, guesthouses, camps, caravan parks, etc
- *Restaurants, bars and coffee shops:* from fast-food to luxury restaurants
- *Transport to the destination:* taxi, rent a car, coaches
- *Sports, interest, adventure activity:* ski schools, golf clubs, centre for nature studies, sailing schools
- *Retail outlets:* shops, travel agents, souvenir shops
- *Other services:* information services, rent of equipment

Some of these elements can be confusing. Sometimes they might be the main reason for tourist to visit destination: For example main reason for visiting some place is to learn golf or to learn skiing.

3.3 Accessibility of destination

Represents transport for visitors that is determined by cost of it, speed and convenience it offers to tourists. It includes:

- ✓ *Infrastructure:* considers infrastructure of car roads, airports, railways
- ✓ *Equipment:* size, speed and range of public transport
- ✓ *Operational factors:* prices, frequency of services
- ✓ *Government regulations:* regulatory bodies influencing prices of public transport

3.4 Images and perceptions of destination

Attitudes and images visitor has toward its destination always influence his choice whether to visit it or not. They are one of the most powerful motivators.

3.5 Price to the tourist

When visiting destination, price is one of the main factors that influence visitor. It represents cost of traveling to the destination, accommodations as well range of activities. Larry

(2006) explains importance of pricing in tourism especially in cultural and natural resources.

Table 2: Tourism motivation factors (Robinson, Luc, and Smith, 2013)

<i>Push factors</i>	<i>Pull factors</i>
Working hours	Climate
Seeking time with family	Accommodation choice
Yearning for a sense of nostalgia	Heritage
Climate	Local culture
Boredom	Food and beverages
A desire to learn about new places	Nightlife
A desire to change	Sea and sand
Seeking rest and relaxation	Attractions

Table 3: Traditional marketing process VS marketing process for cities

<i>Traditional Marketing Process</i>	<i>Process for Marketing cities and towns</i>
Analysis of External Environment	Analysis of External Environment
Selecting a target consumer segment	Product analysis
Choosing a product	Selection of consumer segment to target
Deciding on price and distribution	Product packing and branding
Planning for promotion mix	Developing the message and promotion
Evaluating the results	Evaluating the results

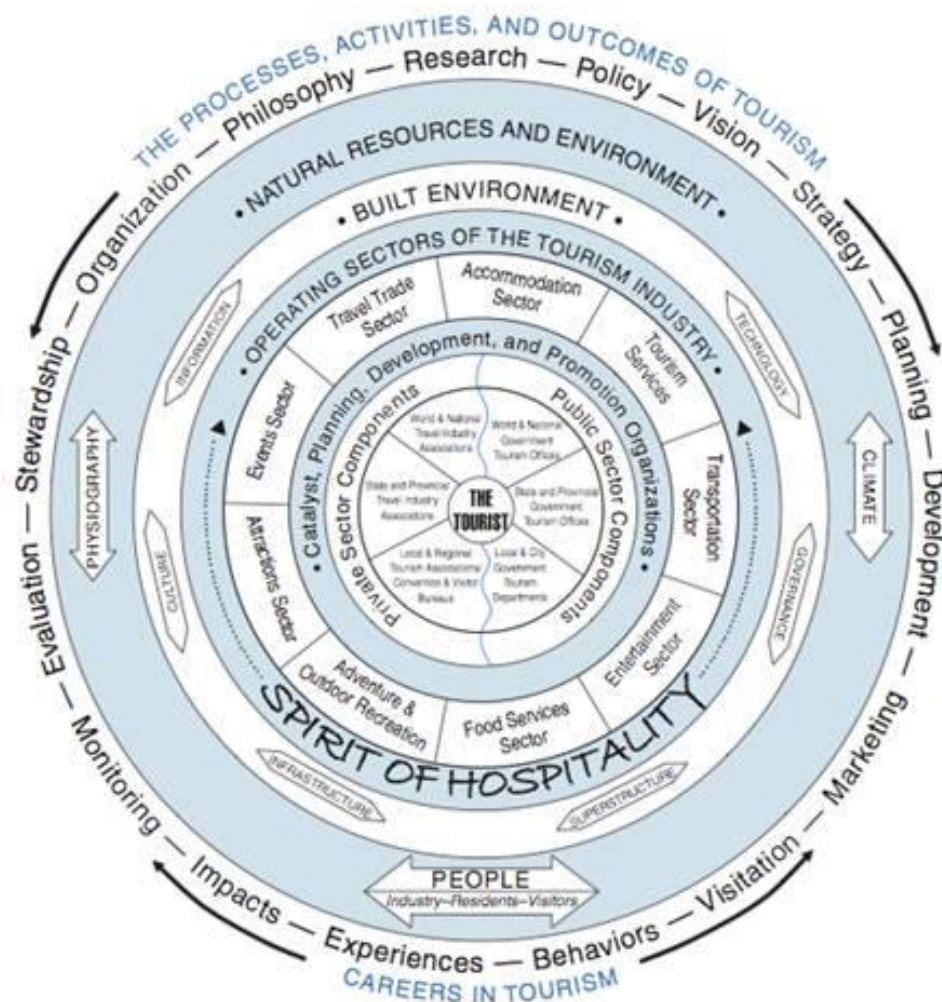


Figure 2: The tourism phenomenon (Goeldner, Ritchie, 2009)

3.6 Events

Basic rule for attracting tourists is that destinations have to respond to tourist’s costs, timeliness and their convenience.

Costs can be seen in tourists weighting costs against benefits he gains like invested time, effort, money in exchange for fun, activities, pleasure positive experience.

Convenience is made of his time involved in travelling, different barriers such as language, accessibility to attractions he desire like (beaches, mountains, etc.) and sort of special needs in case of disabled people, elderly, children, etc.)

Timeliness is made of factors that represent risk for travelling: different kind of disturbances, political and currency instability, safety of tourist.

(Kotler, Bowen and Makens, 2010) explains that events are one of the two main strategies used by tourist destinations to attract customers beside other attractions. Organizations responsible for organizing events and their promotion are tourism organizations (associations), ministries of tourism, tourism bureaus.

According to (Kotler, Bowen and Makens, 2010) in order to successfully organize and promote event organizations has to have next characteristics:

- Adequate organization skills and experience to plan an event, organize and promote
- Specific marketing plan that includes which markets are targeted
- Number or quantitative objective concerning how many visitors will come
- Method or application that will finally count how many visitors actually has attended event

Some of the important characteristics that events should have according to (Kotler, Bowen and Makens, 2014) are:

- They must attract minimum number of tourists
- They should be organized in future as well continuously, annually or semi-annually
- Events should not create any type of destruction of public and private properties
- Events should have partnership with local companies such as food delivers, etc
- They should be supported by local people
- Workers from local place should be employed if it is word about part-time payment.

MICE (Meetings, Incentives, Conferences and Events) are also an important subsector of visitor's attractions. All four categories draw large number of delegates and visitors; however, in the context of this volume meetings, incentives and conferences are seen as part of business travel and subsequently not discussed any further except to recognize that this activity can stimulate future inward investment as business people see the attractions of a destination while travelling on business or to attend a conference, exhibition or incentive, and then return to establish business operations there. (Robinson, Luck and Smith, 2013).



Figure 3: Simple process of event planning (Event concept planning, 2012)

In figure above there are shown 5 steps that are depending one on another:

1. Concept Planning
2. Research
3. Strategic Planning
4. Implementation
5. Evaluation

4 MARKETING STRATEGIES, TOOLS AND MARKETING PLAN

4.1 Marketing strategies

When speaking about marketing strategies in tourism, it is important to notify that successful marketing strategies is completed when is reached awareness of destination that is promoted. In order to achieve long term success and profit it is important to make a god marketing strategy for city. If strategy is good visits are repeated. Marketing strategies used in tourism are:

1. Promotions

Promotions are used in order to attract new tourists to visit destination and to keep already existing tourists. Promotions can include offering group discounts, special coupons, off season prices in order to attract tourists to spend their time, holidays on destination that is offered. Promotion of destination can be combined with promotion of other attractions in order to create greater package of attractiveness for tourists. As well touristic organization can give some discount to achieve larger number of visitors. For example if the word is about a small tourist city, promotion could be done with small busses, cars, museums, parks or any other attraction in order to provide package discounts. One more example of promotion is giving one free activities for one bought or half price activity. Discounts can lead to a positive number of visits, and choosing a destination over competitors.

2. Experience

Second strategy used for attracting tourists is Experience or targeting tourists based on their previous vacations. Through this strategy different activities should be offered for visitors who desire for learning experience, shopping, family relationships, relaxations etc. Of course there should not be any segmentation of experience. Greater number of tourists brings greater number of visions of their holidays. That is why creation of more experience is better for tourist organization. One good thing that can be done for destination is to place experience on website of destination. In order for this strategy to be maximized it is important to offer customized activities.

4.2 Marketing tools in tourism

Marketing tools which are often used in tourism are:

Internet

Internet can have some positive and negative sides in tourism promotion (Bailey, 2011). Problem of internet is that everyone knows how to use it, which means that not only we have advantage as tourist organization but all of the competition has it. For tourism organization to be successful it is very important to have its own website. Of course organization should not expect that internet will bring instant profit or any fame to it. It can be called as a "prerequisite for success" of an organization. As well tourist organization should not focus only on a website but also other social networks like LinkedIn, Facebook or Twitter.

Airline Magazines

Second tool that is used in tourism is called "Airline Magazine". It works very simple. An organization puts an ad in an airline magazine in order to achieve as many tourists as possible. People who often travel will be more interested in visiting tourist destination than normal person. With internet they are one of the most popular advertising tools that is used in tourism today. Ads can include discounts as well or some special offers for tourists. Clow (2012) explains some of the advantage of magazines such as: targeted audience, long life, market segmentation, reading them during leisure time) as well as some disadvantages (high costs, no flexibility, decline in reading, and big level of clutter).

Viral Marketing

Viral marketing represents a way of other people telling story about organization instead of organization. It is one of the most exciting and powerful ways to reach audience. Today it is very popular and used in tourism. It represents advertising of touristic destination, place and city in for example casual conversation. Viral marketing as well can be in view of books, of games, of pictures, video clips, etc. Kotler (2014) defines two major functions of viral marketing:

1. Pushing message by people to others
2. Pushing message by people most of the time to persons that they know asking them to push it to people they know.

4.3 Marketing plan in tourism

Tourism industry is one of the industries that are changing very fast over time and constantly as well, especially in this new Age with people booking tours and hostels over the internet. According to Fyall, Fletcher, Gilbert and Wanhill (2013) tourism destination should focus on getting people to their destinations thereby making accurate marketing plan that will provide best services and activities that that place can offer.

Know customer

First important thing for marketing plan to be successful is to know who the tourists that are visiting destination are (Nykiel, Jascolt, 2011). For that to be known, tourist association need to make survey for example to realize from where are those tourists coming, it is important to know their demographic. Doing that, it is much easier for destination to realize where is important to implement that marketing plan and go aggressively with it.

Set Specific Goals

After realizing who are the tourists that are visiting destination next step is to set some specific goals to be achieved through certain period. For example, increase profit compared to previous year by certain amount, attract more people in this quarter or focus on visitors that are coming for history of the city only, etc.

Identify Travel Trends

Third thing that has to be emphasized is travel trend. It is all about how well tourist associations know market in which they work. They should pay attention whether is growing number of people in adventure travel, how much is internet used for booking, what is the age of people that are biggest generator of revenue in tourism industry. By knowing this information, it is easy for tourism association to know on which action and activities to focus and to invest in order to attract more tourists.

Spread the word

Final thing important in marketing plan is to know how to spread the word about destination, place or city. It is important to know which mechanism is going to be used for spreading the word and promotion of place. Mechanisms used for spreading the word are Internet, magazines, travel forums, social networks, TV ads, etc. Biggest marketing tool in this case is positive experience of tourists that have visited destination.

4.3.1 Marketing plan

1. **Define objectives.** This point is important because without defining it organization does not know its purpose (Fletcher, Fyall, Gilbert and Wanhill, 2013). Objectives should be those goals that organization wants to achieve through creation of marketing plan. Easiest example of defining goal in tourism industry is increase number of visitors of place or increase amount of money that is spent in place that is promoted.
2. **SWOT analysis.** Second point that has to be emphasized is performing of SWOT analysis. As I previously mentioned SWOT stands for Strengths, Weaknesses, Opportunities and Threats. SW represents internal factors that could define position of destination on market (natural wealth or lack of infrastructure). OT stands for external forces that organization can not influence. In tourism it could be recession that can be cause of decreasing tourist visits.
3. **City profile.** It represents all features and activities city can provide for tourists. For example city offers some attractions, river, sea, mountains, water parks, restaurants, coffe shops, etc. All of these things should be included in city profile.
4. **Identification of tourists.** In order to know who are the tourists that are visiting specific place it is important to make survey among them. That survey should contain ordinary information about tourists such as their gender, age, income what do they like in the city, what do they do not like. Also good thing can be to segment market on nichas.
5. **Defining objectives for nichas.** Fifth step could be defining objectives for each of those nichas.
6. **Marketing strategies.** Six step represents creating specific marketing strategy for each of those segments. For example it refers to finding most suitable media for segements. Is it going to be through radio for people that are near city or through magazines and brochures for people that live outside of city.
7. **Implementation of marketing strategies.** This steps reffers to giving specific marketing tasks to operation level and determining who these tasks should be executed.
8. **Budget.** Represents the amount of money that tourist destinators wants to spend in order to attract more tourists. It is important to include indirect expenses that will definitely occur.
9. **Evaluation.** At the end of all marketing plans comes evaluation. It considers the amount of money that is invested in formulation and implementation of marketing plan and strategies and differences between expected and realized goals.

4.4 Effects of tourism

William (2005) explains that impact of tourism depends of several things such as: length of stay, touristic arrangement and way of transport or profile of tourist. Tourism industry was and will remain one of the biggest topics to debate on and its effects on economy. Effects that tourism industry has on economy are: Economic effects, Environmental, Social, Cultural and Political.

✓ **Economic effects**

Fletcher (2013) explains that there are positive and negative effects that tourism has toward GDP, employment, earnings and investments. Positive economic effect of tourism can be viewed in profit that it gives to local or regional places. Negative effect is seen in that by its developing tourism is also giving the offshore organizations to provide their own services to area thereby taking great amount of money from that area.

✓ **Environmental effects**

From viewpoint of environmental effects tourism in most of the cases is destroying ecosystem but sometimes it is preventing the landscape such as mountains, seas, rivers to stay untouched by industry.

✓ **Cultural effects**

Tourism has positive impact on culture in a way that tourists can learn many different cultures through tourism plus profit it provides to community. Negative impact can be seen through pushing traditional cultures to modern world even though they are not yet ready. As well David (2011) explains loss of resources and traditional livelihoods.

✓ **Social effects**

Tourism affects society by providing new flow of money to society. That new flow can cause people to stop working normal job thereby becoming dependent of tourism which in most cases is not good thing.

✓ **Political effects**

Tourism industry is considered as a way to introduce people to discover their religion, culture but in a place where there are extreme differences then it is better not to close that gap between people because it can cause an anger or rage.

II. ANALYSIS

5 PROFILE OF CITY SARAJEVO

Sarajevo represents the capital city of Bosnia and Herzegovina. Sarajevo also represents B&H administrative, cultural, educational and sport center (City of Sarajevo, 2014). Sarajevo as city is divided into four municipalities: Old Town, Center, New Sarajevo and New Town. When speaking about tourism it is the city in B&H that is most visited and that I will show later on.

5.1 History of Sarajevo

Data are showing that Sarajevo region was inhabited since Neolithic age. History of Sarajevo can be divided into two parts: Old period of city Sarajevo and modern Sarajevo. In Ottoman era Sarajevo was developing very fast and it represented biggest and most important city on Balkan in that period especially because of its marketplaces, great number of mosques etc. Old period of this city has a great number of positive and negative things that happen through its history. Sarajevo had a significant number of crises and wars through its existence that influence tourism in this city. I think that most important historical period about this city happen in period of 1992-1995. Before 1992 Sarajevo as B&H whole was a part of former Yugoslavia. Former Yugoslavia was made by six countries: B&H, Croatia, Serbia, Slovenia, Macedonia and Montenegro. In 1992 war started on territory of Yugoslavia thereby dividing it into 6 new independent countries. In period 92-95 lot of innocent people died and this war represent a negative thing for tourism industry. Lot of tourists that were on that date in that place as well died which reflect negative information about this city through world.

Nowadays Sarajevo is still repairing from war that happens. Also when war ended it split B&H into two entities: Republic of Srpska and Federation of B&H. This was done by agreement called "Dayton Agreement". Sarajevo is a part of Federation of B&H. Sarajevo is not only a well-known touristic place in B&H it is also biggest city and the most developed one when counting industries.

5.2 Factors influencing tourism in Sarajevo

When speaking about factors that could influence attraction of specific destination it is imperative to say that those factors are not same for all destinations. But for sure every tourist has several common factors when deciding which destination to visit. Factors I am going to write below are the main one influencing attractiveness of Sarajevo.

5.2.1 Destination attractions and environment

First factor is culture and history. Today most of tourists are visiting places in order to find and to learn more about different culture and history that that destination can offer. It is the most common factor influencing tourism of one destination. Culture and history of city Sarajevo is wide so I will try to narrow it and make it interesting for readers. Destination attractions and environment include as I previously wrote *natural attractions, built attractions, cultural attractions and social attractions*.

Natural attractions of Sarajevo

When speaking about natural attractions of one destination it often includes beaches, rivers, mountains, hills, wild life, caves, waterfalls or anything that is special about that place that human had no impact on creating it. Sarajevo is city that is oriented toward its mountains around it and nature that is surrounding it. Sarajevo has one river called Miljacka that flows through same center but it is polluted due to great number of population.

Through its history Sarajevo was always a touristic place. Mountains that are surrounding Sarajevo had great impact on tourism especially during winter season. Mountains that are found near Sarajevo are: Bjelašnica, Igman and Jahorina. One important note to say about these mountains is that in 1984 they were hosts of 14th winter Olympic game.

Bjelašnica is found 20km from Sarajevo on South-East direction. The thing that is separating Bjelašnica from other mountains is its combine climate. This mountain is very relevant for developing winter sports. Also Bjelašnica is only mountain that has two villages. Lukomir and Umoljani represent those two villages that have managed to survive for over several hundred years. They also represent touristic attraction because ***Lukomir*** represents most populated village in Southeast of Europe. It is famous because of traditional man-women wearing as well traditional meals, dances.



Figure 4: Mountain Bjelašnica (Bjelašnica, 2014)

Igman is found on Southwest of Sarajevo bordering with Bjelašnica. It is famous because it was mountain made for ski jumping during 1984 winter Olympic game. Also one characteristic is that it represents lowest peak of all mountains surrounding Sarajevo with highest point 1502m called "Crni Vrh".

Third Mountain that is important to mention and that play great role during Olympic game and still playing important role for tourism in Sarajevo as well in B&H is Jahorina.

Jahorina is very popular mountain for its outdoor activities such as skiing, hiking and sledding. Also main role during Olympic Games was to host women alpine skiing events.

Beside these three main mountains that I've mentioned there is also one famous mountain called Trebević. That mountain is not used for winter season because it is not equipped so usually people go with bikes in spring, summer. Mountains are not only used during the winter season, they are touristic destinations during whole year. Lot of activities are provided on them such as various number of sports, mountain climbing, hiking etc.

When speaking about geographical position of city Sarajevo it is city surrounded by mountains but also has great number of plains.

River Miljacka is yet another factor that can influence tourism of city Sarajevo in near future in a positive way. So far it only reflected negative impact of city. It originates from

mix of two rivers Paljanska Miljacka and Morkanjska Miljacka. It represents small river with longitude of 38km.

It is decorated with 18 bridges from which famous one is called "Latinska Ćuprija". It is famous because next to it Franz Ferdinand was assassinated by Gavrilo Princip.

Because of poor discharge and people who don't care about this river it is known for its peculiar smell and brown filth water.

Other natural attractions tourists come to visit in Sarajevo are:

- ✓ River Rakitnica
- ✓ Waterfall "Skakavac"
- ✓ Bijambare Cave
- ✓ Two lakes on mountain Treskavica

Built attractions

Built attractions can be viewed as people made attractions that tourists are coming to visit such as mosques, monuments, historical buildings, churches, parks etc. Capital city of Bosnia and Herzegovina has many built attractions to offer to its tourists. Great number of churches, mosques, building, bridges, alejas and fountains are all decorations to this beautiful city.

Mosques were part of Sarajevo through its development. They were built and destroyed in war 92-95. Some of them managed to survive. Today most famous mosques from tourism perspective are Gazi-Husrev Bey's Mosque, Tsar Mosque (Careva Džamija), Ali-Pasha Mosque. Beside these there are many more mosques in Sarajevo around 100.

Sarajevo as city through its history was a home of three people: Bosnians, Croatians and Serbs as well as many other populations. Thereby today in Sarajevo mosques are not the only historical buildings that exist and attract tourists, as well great number of Catholic and Orthodox Churches can be found, Synagogues. Beside these religious buildings Sarajevo is decorated with great number of bridges, markets and buildings that have their historical meaning.

One of the main reasons tourist visit Sarajevo is to visit the heart of old Sarajevo. It is called Baščaršija and it is built in 1462 by Ottomans. Baščaršija is decorated by wooden fountain called Sebilj which represents the most recognizable symbol of Sarajevo.



Figure 5: One of the most visited places in Sarajevo: Sebilj in heart of Baščaršija

When speaking about cultural attractiveness Sarajevo has plenty of them. As well great number of tourists is coming to this country to meet its culture because here exist three types of culture: Bosnians, Serbian and Croatian. As well official languages in B&H are these three.

But tourists are not coming to visit Sarajevo only because of its buildings, culture and history they are also coming to try delicious kitchen that Sarajevo offers. It is world famous food.

5.3 SWOT analysis of Sarajevo

Table 4: SWOT analysis of City Sarajevo (own source)

<i>STRENGTHS</i>	<i>WEAKNESS</i>
Vast geography (mountains, lakes and plains)	Inadequate and insufficient representation of attractions for tourists (tours, cultural and historical monuments, events, etc.
Central position in countries of Ex-Yugoslavia	Weak infrastructure (railways, airports, roads) because of war
World fame (due to positive and negative events)	Not well connected with other cities
Great number of historical monuments,	Weak chances to find a job for foreigners
Capital and largest urban city of B&H	Lack of promotion and advertisement of city in the world
Various food	Non-existence of City card
Three culture at one city	Not enough of hostels and pensions capacity
Great number of special events during the year	No connection with low-cost flights
<i>OPPORTUNITIES</i>	<i>THREATS</i>
Developing city and new projects	Competition from other destinations
Positive movements on side of touristic demand	Unstable economic and political situation in city and in countries surrounding it
Improving the image of Sarajevo	Non-inclusion of all essential in total offer of city
New investments in city especially in tourism industry	Inadequate regulation of traffic in city
Active membership in international associations of cities	Continuous threat to green space due to construction projects

Increasing accommodation capacities

Decreasing number of visitors within B&H

5.3.1 SWOT conclusion

Sarajevo as a city has a great number of strengths that are not used in a proper way. All these natural resources that it has should be used in a way to increase economic development for city. Mountains, lakes, nature and surrounding of Sarajevo are representing its main strength as well an opportunity for various projects and investments. Of course it is of imperative to mention that Sarajevo suffered war 1992-1995 which caused one of the main weaknesses that Sarajevo has today-Political instability. It world known that country or city that has political instability will hardly position itself in world especially in tourism sector.

My suggestion would be for Sarajevo to focus on its opportunities (different donations from EU, UAE countries, investment projects in cultural and natural heritage) that are given to it and use the strengths (geographical position, various cultural and natural resources, its uniqueness) that it poses to overcome weaknesses such as (division among people, lack of promotion of city, political instability) and threats that are coming.

5.4 PEST analysis

5.4.1 Political factors

Political factors can influence tourism in one country or in city in a various ways. This is the case of city Sarajevo. There are various political factors that are preventing development of tourism in Sarajevo or preventing investments for tourism sector. Factors include:

- Not enough tolerance between religions since war (since war 1992 people are divided into three nations (Bosnian, Serbian, Croatian). Today in B&H there are around 190 political parties which makes it world recorder in that aspect)
- Relations with other cities is pretty bad. For example amount of money is first invested in Sarajevo, remains (and if there is one) is invested in smaller cities. Not enough support between cities.
- Government spendings are not focused on tourism as much as they should be due to political corruption. Low amount of money is invested in tourism even though in my opinion it is the industry that should make biggest profit for Sarajevo and for Bosnia and Herzegovina in total.
- International representatives of city Sarajevo are pretty poor and need a greater education in this sector. Representatives of Sarajevo are as well not doing their job in a sense of tourism. They are not promoting city as they should do.
- Laws of Bosnia and Herzegovina are very complicated since 1992. Each nationality understands them in their own way. F.e: for establishing company in Sarajevo it has to be waited for 22 days which is long period. In other part of Bosnia and Herzegovina it is possible to finish papirology in 10 days.
- For visiting B&H and Sarajevo visa is not needed.

5.4.2 Economic factors

Economic factors are of course of same relevance as political one. Economic factors in past years had most impact on tourism sector of Sarajevo. Economic factors influencing Sarajevo are:

- Disposable income of people withing B&H is low which leads to decreased tourism of capital city even though it is main touristic place of B&H. Economic situation in B&H and in Sarajevo is very poor which leads to not maintenance of cultural and natural heritage thereby not making the more attractive for visits.

- Costs of airlines, buses and trains are pretty expensive. Costs for people wanting to visit Sarajevo are not so low. Especially because this city is not so well known in world as for example Vienna, where people will give triple large amount of money to visit it.
- Tourism contribution to GDP in B&H is 2.6% of total GDP which means it is not sector to be invest in. Based on statistical data this sector is left behind with investments. Of course this is bad choice by institutions involved in this sector. (referenca).
- Positive economic factor for visitors of Sarajevo is that it is very cheap city compared to other capital cities that I will compete with later on. Accommodation, food, events, public transport is relatively cheap.
- Currency of B&H is BAM and it is very related to Euro which means that it is not changing.

5.4.3 Social factors

Social factors in B&H probably have the most impact on tourism than in other countries of Balkan. Reason for that is:

- Differentiation of culture, religion, culture, cuisine: three nationalities have great impact on structure of Sarajevo thereby influencing tourism. One of the rare countries in world that suffered that kind of war and still remained in one piece even though its people is splitted into three nationalities.
- Caution between people after war, intensive connection between people. Of course because of war that happen it is very easy for tourist that comes to visit tensions between these nationalities.
- Great number of festivals during year. Sarajevo is offering greate number of festivals during the whole year, where the most famous one is SFF (Sarajevo film festival during summer).
- Hospitality of people toward its consumers in this case tourists is enormous. Even though there is a great number of people that doesn't speak English they will give best of them to help tourists.
- Not developed media for promotion abroad of Sarajevo.
- Safety as one important Social factor is on low-medium level. Due its bad promotion abroad many tourist think that Sarajevo is not safe city.

5.4.4 Technological factors

Technological factors are mainly connected with tourism in a way they influence its promotion, its better functionality. For example:

- Great use of internet and e-booking increased reservations of hotels in Sarajevo that has 62 hotels of 525 in whole B&H which makes it 11.8% of total hotels (reference sa booking hotels Sarajevo)
- Poor facilities at airport and railway station of Sarajevo. One of the main factor that is influencing tourism of Sarajevo is accessibility of it as a tourist destination. Sadly transport (air, railways) is very poor developed.
- Increase use of Wi-Fi zones in Sarajevo as well payments with debit and credit card. More and more of tourists that are coming to visit Sarajevo or any other destination want to have access to internet wherever it is possible.

5.4.5 PEST Conclusion

Above mention are main factors from PEST analysis that are influencing tourism of Sarajevo. Biggest impact on tourism attractiveness and development of Sarajevo has Political and Economic factors that are sadly more negative than positive. On the other hand social and technological factors can lead to increase of tourist attractiveness, especially social because of its uniqueness and three life culture people.

Again strongly recommendation is focus improvement of political instability and exploit of social factors.

5.5 Sarajevo in numbers

Table 5: Accommodation in Sarajevo (Sarajevo hotels, 2014)

	Number	Number of rooms	Number of beds
Hotels	62	3121	6378
Motels	7	85	179
Pans ion	5	56	118
Hostels	8	52	218
Lodging for night	24	202	478
Hotel resort	1	52	120
Private accommoda- tion	17	234	779
Apartment resort	1	27	114
Auto camp	1		700-1000

Further on I will show movements of tourists for years 2009, 2011, 2013.

Table 6: Movements of tourists in Sarajevo through years (Touristic info, 2013)

Municipality	Domestic tourists	Foreign tourists	TOTAL TOURISTS	Domestic nights	Foreign nights	TOTAL NIGHTS	Capacity usage
Stari Grad	6.921	40.195	47.116	10.600	89.143	99.743	14%
Centar	5.419	28.778	34.197	8.991	57.159	66.150	19,2%
Novo Sara- jevo	3.097	10.227	13.324	4.983	18.294	23.277	12,3%
Novi Grad	3.782	11.196	14.978	5.369	18.966	24.335	10,9%
Ilidža	14.847	44.087	58.934	24.258	79.740	103.998	15,1%
Vogošća	3.299	4.170	7.469	6.115	9.142	15.257	14,8%
Trnovo	2.578	1.279	3.857	5.328	2.624	7.952	6,1%
Hadžići	3.552	473	4.025	7.108	850	7.958	16,9%
UKUPNO	<u>43.495</u>	<u>140.405</u>	<u>183.900</u>	<u>72.752</u>	<u>275.918</u>	<u>348.670</u>	<u>14,3%</u>

In year 2009 number of tourists increased for 7.7% and number of nights spend in city is increased by 5.5% compared to year 2008. Biggest number of tourists in 2009 came from Croatia, Slovenia, Turkey, Serbia, Germany, Austria and Italy.

Table 7: Spent nights of tourists in 2013(Statistical yearbook, 2013)

Municipality	Domestic tourists	Foreign tourists	TOTAL TOURISTS	Domestic nights	Foreign nights	TOTAL NIGHTS	Capacity usage
Stari Grad	6.982	48.011	54.993	10.561	98.168	108.729	14,4%
Centar	6.162	28.224	34.386	11.069	60.769	71.838	21,2%
Novo Sarajevo	4.250	14.603	18.853	7.373	30.168	37.541	13,2%
Novi Grad	4.696	14.692	19.388	6.777	24.734	31.511	5,4%
Ilidža	18.071	74.553	92.624	30.155	139.320	169.475	26,0%
Vogošća	4.008	3.175	7.183	7.422	7.072	14.494	14,4%
Trnovo	2.042	1.181	3.223	8.024	3.246	11.270	7,4%
Hadžići	704	158	862	1.995	378	2.373	6,2%
Ilijaš	11	14	25	19	17	36	0,2%
UKUPNO	<u>46.926</u>	<u>184.611</u>	<u>231.537</u>	<u>83.395</u>	<u>363.872</u>	<u>447.267</u>	<u>15,3%</u>

Compared to 2009 in 2011 there on tables it can be seen that there is a little increase in domestic tourists compared to foreign. Same thing is with total nights spend in capital city Sarajevo. In 2011 most tourists came from Croatia, Turkey, Slovenia, Germany, Kuwait and Austria.

Based on data that I've found on official site of Touristic association of city Sarajevo in 2013 it was official registered 302.570 tourists which is increase of 24% of tourist compared to table above (2011 year). Out of this number there were 49.045 domestic tourists and 253.525 foreign tourists (Touristic info, 2013). Again there is big increase in number of foreign tourist than domestic. When speaking about nights spend based on data there were 595.637 nights spend in Sarajevo. Out of this number there were 84.075 domestic nights spent and 511.572 foreign nights spend. Compared to 2011 it can be seen that there is a great increase in foreign visitors. (Statistical yearbook, 2013)

In 2013 biggest number of tourists came from Turkey (17.3%), Croatia (16.7%), Slovenia (7%), Serbia (4.9%) and Germany (3.7%). When speaking about nights spend on first place is Turkey with 16.8% then Croatia with 14.8%, Kuwait with 5.8%, Slovenia with 5.7% and Serbia with 4.6%.

When observing countries of origin where tourist come from to Sarajevo in table below it can be seen from which countries most tourist visit Sarajevo for period 2013.

Table 8: Foreign tourists and night spends by countries (Tourism, 2014)

Country	Percentage of Arrivals	Percentage of Nights spend
Turkey	51,2	59,4
Croatia	16,9	20,9
Slovenia	4,4	6,7
Serbia	20,1	20,3
Germany	3,6	7,2
Italy	9,3	1,5
South Koreja	24,6	24,8
Austria	6,2	11,5
SAD	3,7	8,6
Poland	16,4	16
Great Britain	19,7	27,2

Fall in 2013 came from tourists from Kuwait in 24,9% arrivals and 26,3% in night spend.

Also what is need to be emphasized, tourists from countries that earlier had small percentage of visiting Sarajevo like Argentina, Brazil, Bahrein, Bulgaria, Katar, Rusia, Lithuania, UAE had great impact on tourism industry in Sarajevo as well as on profit.

When summarizing total arrivals in Sarajevo 83,8% was by side of foreign tourists and night spent in total night spent was 85,9% for 2013.

Average time of domestic tourist spend in Sarajevo was 1,9 night spent on arrival while foreign tourists made 2,1 night spend on average or more than 3 days. Sarajevo has been visited by 131 different country in 2013.

5.5.1 Method and reason of tourists visits in 2013

In next tables I will show purpose of tourist visits to Sarajevo, whether it is Business trip or other purpose plus number of tourists coming with tour organizations and individually. Period I've taken is from April 2013-December 2013.

Table 9: Method of tourist visits in 2013 (Statistical yearbook, 2014)

	Individually		Organized	
	Domestic tourists	Foreign tourists	Domestic tourists	Foreign tourists
April	3.202	13.723	1.072	10.531
May	3.249	18.092	2.151	14.991
June	2.606	13.224	1.413	15.732
July	2.682	15.633	514	8.426
August	2.396	21.564	920	13.081
September	3.661	21.968	473	8.967
October	3.764	21.334	797	8.430
November	2.801	9.427	2.175	5.472
December	4.701	9.285	699	2.248

Table 10: Reason for visiting Sarajevo 2013 (Statistical yearbook, 2014)

	Business arrivals		Other reasons	
	Domestic tourists	Foreign tourists	Domestic tourists	Foreign tourists
April	2.810	11.179	1.464	13.075
May	3.774	14.991	1.626	18.092
June	2.631	12.679	1.388	16.227
July	2.430	10.903	766	13.156
August	1.832	10.299	1.484	24.346

September	2.949	17.414	1.185	13.521
October	3.267	18.706	1.294	11.058
November	3.394	7.208	1.582	7.691
December	3.003	6.009	2.397	5.524

5.6 Characteristics of Foreign tourists

Sarajevo represents the leading destination in Bosnia and Herzegovina when the word is about foreign visitors. When comparing last 3 years it can be seen in previous tables that foreign tourist traffic has a positive dynamic. Number of foreign visitors in 2013 was 253.525 thousand which represents increase of 27.2% compared to 2011. In that same period it was registered 511.572 nights spend which represent increase of 29% compared to 2011. Importance of Sarajevo as destination can be seen in that out of 100% of total foreign visits in B&H, Sarajevo has 47.9% of foreign visits.

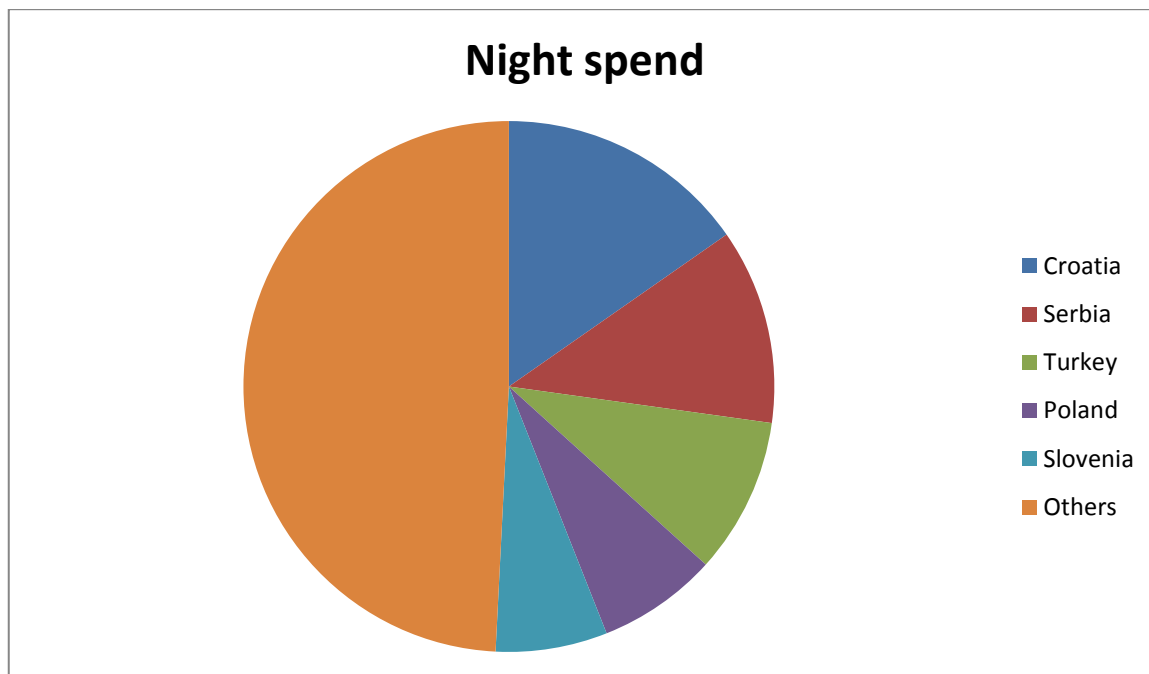


Figure 6: Night spend in 2013 in Sarajevo by countries (Tourism Statistics, 2014)

5.7 Characteristics of domestic tourists

When speaking about domestic tourists visits it can be noticed slight increase in it during 2013 as well as in night spend on area of Sarajevo. Comparing 2009 up to 2013 domestic visits increase by 11.4% and night spent by 13.5%. It is important to say that difference in night spend in year 2013 compared to 2012 was almost the same. Biggest percentage of visitors was coming from part of Bosnia, and small number of Herzegovina. Approximately they were spending around 2 nights.

5.8 Characteristics of average tourist in Sarajevo

Based on research that has been made by Tourist association of Sarajevo, there can be found some of important characteristics of average tourists coming in Sarajevo:

- Middle age (30-45)
- Middle or high education (officials, managers)
- Coming because of business and trade fairs (45%), sport events and other events (34%), vacation and other relaxing activities (21%)
- Previously was not spending much time in this region
- Arrival individually by plane (25%), by car (40%), over touristic agency (20%), based on recommendations (15%)
- Spending around two nights and more most of the time hotels and hostels
- Visiting city individually (70%) without guides
- Extremely happy with beauty of nature, food and hospitality of local population

Based on these results collected by Tourism association of Sarajevo, it can be seen that main criteria for making touristic supply in Sarajevo are profession, age, income and numbers. In order to make a comparison with other cities in Europe it is important to search data about spending, relation between price and value, quality of tourist agencies, information, accommodation, food, etc.

5.9 Characteristic of international touristic demand and implications on Sarajevo

In order to define more and deep economy development of Sarajevo it is important to take into consideration tourism as sector where with small quantitative but important qualitative move, there can be realized great achievements in economy of Sarajevo. Strategic resources of Sarajevo are very plentiful and ecological very worth space which means it will continue to develop in future time. Strategic advantage that Sarajevo has over its competitors is wealth of touristic resources and great number of attractions. First of all it is important to make concept of strategic marketing in order to define tourist product thereby emphasizing those aspects which differentiate Sarajevo from other cities, or makes it enough competitive compared to other touristic places. Prediction of growing tourism in world is around 4-5% yearly. Today's trends in supply in tourism are connected with ecology, culture, image of destination, recreation, health, vacations.

When speaking about development of tourism in Europe there is emphasize on factors:

- ✓ Total expenditure for travelling to Europe, visiting areas within it are growing faster than other expenditures
- ✓ Travelling on far distances have higher growth rate than trips than in Europe
- ✓ Trips between countries of EU are havin bigger percentage than domestic trips within countries of EU
- ✓ Visits to mountain centres in summer period, cruiser travels and cultural tourism have bigger growth rate than standard trips
- ✓ Airplane traffic has more impact than any other view of transport, but it is expected fast growth of railway transport based on its speed, quality and price
- ✓ Special offers for individual persons are becoming popular
- ✓ Last-minute booking is going to grow comparison to early booking
- ✓ Computer booking is becoming more and more popular
- ✓ Elder and young people are travelling more than the other population groups
- ✓ Demand for different activities as well as for vacation is growing faster Family trips are becoming less popular
- ✓ Relation between price and quality is having more and more impact on choosing destination as well as accomodation
- ✓ Main factor of attractiveness is quality of surrounding

There are many other factors that can influence change in tourism such as political factors like (expanding EU, reaching political stability in countries like B&H, strengthening laws because of black market), some economic factors would be strengthening of Euro, economic prosperity etc., social factors (population is getting old, increase role of medias, strengthening woman in social life), and technological factors can include (development of e-marketing in tourism, development of new products, development of new aggressive promotion techniques with help of brand new technology).

Development of Sarajevo as a touristic destination should be based on today's popular trends, taking into consideration of comparative advantages that Sarajevo has and that destinations as over Sarajevo. This means creating a high quality supply based on results of researching of specific target of groups. Product that Sarajevo is offering has to satisfy great number of different tourists. Touristic product should be created starting from demand in order to create and to align every service and infrastructure with all demands that tourist is demanding. This should be win-win position for Sarajevo, to provide best product/service to its customers from one side and from other every business subject that is involved in providing this product/service should be able to achieve profit and its goals. When looking at today's environment and market it is obviously that it is very dynamic and stressful. It is one of the reasons why tourists are searching for calm rhythm and why they demand new content. Tourists search for full safety thereby avoiding places that are under crisis or that are connected with any other problems. Safety is also important for tourists when they search accommodation and public traffic that I will speak about later on. Based on information collected today's modern tourists has next characteristics:

- Finding closer and safer destinations
- Growth of shorter, often and weekend trips
- More interest in culture content
- More interest in active vacation and special events
- Increase of demand for quality of service and destination
- "Value received for money spent"

Movements toward individual life of tourists is becoming challenge for tourist destinations because more individuals means more specific supplies that needs to be made for them. Adaptation of supply brings to development of destination, loyalty of tourists and continuously improvement of touristic attractions.

6 ANALYSIS OF COMPETITIVENESS OF SARAJEVO

6.1 Basics of competitiveness

Competitiveness of one destination is based on attitude or experience that tourist receives on touristic destination and it represents main product in tourism. Competitiveness of one touristic destination is ability of the same to expand tourism spending, to attract more tourists providing them pleasant experiences and in the same time achieving profit in a way to increase wealth of local population. For one destination to be competitive it must have bigger ROI (return on investment) than other touristic destination. In this way destinations become more popular and attractive for investitures, employees and local population. Competitive advantage of destination is connected with elements of tourism offer of same like number and quality of accommodation capacity, historical and cultural heritage, infrastructure, hospitality, value tourist receives for money, availability, natural resources, etc. Said in a different way for one destination to be competitive it must have all of these elements well-coordinated and placed.

To realize how Sarajevo is competitive, especially on foreign market it is important to make question how Bosnia and Herzegovina is competitive as tourist destination. Based on questionnaire I've made for representatives of group that are connected with tourism on the graph it can be seen competitiveness of Bosnia and Herzegovina based on criteria.

Scale I used is from 1 (lowest) to 6 (highest) marks.

Table 11: Competitiveness of B&H and Sarajevo (Blanke and Chiesa, 2013)

	Bosnia and Herzegovina	Sarajevo
Information and presentation	2,8	3,0
Natural and cultural resources	4,9	4,5
Events	3,2	3,5
Safety and security	5	4,6
Tourism infrastructure	2	2,7
Accommodation	2,3	2,5
Prices	4,9	4,4

Restaurants	3,9	4,2
Qualified workforce	2,9	3,1
Hospitality	4,1	4,3
Average mark	3,6	3,72

From the table it can be seen that total competitiveness of Bosnia and Herzegovina is above average 3.5 and that Sarajevo has slightly bigger grade than B&H. Above average grade are natural and cultural resources, safety and security, hospitality, and events which mean that these are the main elements which are important for B&H and Sarajevo. Factors like tourism infrastructure is below average and still it does not represent competitive element for Sarajevo but it has potential to be in future.

6.2 Competitiveness of Sarajevo as touristic destination

Economic competition is dependent on several characteristics of destination: Touristic organizations and rivalry, demand conditions, support sector and production factors.

6.2.1 Touristic organizations and rivalry

- Small number of accommodation capacities is satisfying quality standards which represents condition of Sarajevo to be competitive on international level
- Lack of categorization of alternative accommodation capacities
- Lack of investment for improving quality of accommodation
- Accommodation capacities do not offer extra services like tours around cities, some special informations, etc
- Lack of cooperation between hotel sector and touristic organizations, travel agencies
- Lack of cooperation between public and private sector in order to achieve development of touristic product
- Low level of control and inspection of quality in accommodation sector
- Low level of diversification and sepecialization of touristic products, activities and services

6.2.2 Demand conditions

- Lack of image and positioning on touristic market in order to develop products of city vacations, round tours, special events as for domestic same for international demand
- Lack of specific information connected with activities and services mentioned above

6.2.3 Support sector

- Lack of special Destination Management Company (DMC), as organisator of product, activities and package for domestic and foreign tourists,
- Lack of special PCO (Professional Congress Organisers), as an organisator of product, activities and package for business tourism,
- Lack of additional activities and services for business tourism,
- Unsufficient organization and promotion of existing events on international market (for example, Sarajevo fair trade)
- Lack of specific packages for promotion of city vacations in Sarajevo, products for business tourism, tour operators, events
- Low level of using local attractions as a touristic attractions that would help tour operators to develop their business and lack of direction for their further promotion

6.2.4 Production factors

- Accessibility by car toward touristic attractions in Sarajevo is limited because of low quality of roads,
- Access by railway to some destinations within city is limited as well due to low quality of whole railway infrastructure (will speak about it later on)
- Accessibilty through air is also limited because of non-existance of low-cost flights tha connect Sarajevo with important tourism markets
- Low quality of public transport (busses, taxi, tram)
- Non-existance system of public transport for tourists and visitors
- Lack of organised transport for tourist due winter season towards Sarajevo mountains (Bjelašnica, Igman and Jahorina)
- Crowded city with cars, lack of parking places and garages
- Lack of specialized tour guides,

- Low level of performance system for protection and conservation of city heritage
- Cultural resources are not enough exploited in touristic purposes
- Low quality system for protection, conservation and sustainability of cultural and natural resources.

6.3 Value chain of Sarajevo

Value Destination chain of tourist destination represents set of various activities that tourist is doing before traveling, in process of traveling, spending time on specific destination and after the traveling. Grade of value chain is based on grades that all of these activities will get considering all of their positive and negative aspects.

Grading value chain has a goal to maximize the connection between touristic product, service and activity in order to define their weaknesses in tourism system of Sarajevo and to try to create set of measures in order to prevent or decrease these weaknesses.

To grade value chain of city Sarajevo first I had to grade next factors:

1. Information

- *Promotion material (printed)*
- *Internet promotion*
- *Positioning*

2. Reservation and shopping

- *Communication with travel agencies and tours organizers*
- *Systems for reservation*

3. Legal documents

- *Information about legal questions concerning visiting Sarajevo*

4. Accommodation and other host capacities

- *Quality of total offer*
- *Quality of products and services*

5. Information within destination

- *Tourism association*
- *Promotion material*

6. Public services

- *Quality of total offer*
- *Quality of products and other public services*

7. *Touristic attractions, capacities and activities*

- *Quality of total supply*
- *Quality of products and services*

8. *Traffic infrastructure*

- *City and between cities traffic, trams and railway traffic*
- *Availability*
- *Signalization*
- *Parking slots*
- *Traffic Jam*

6.3.1 Information

Table 12: Information as first element of value chain (own source)

Promotion Material	
<i>Positive grade</i>	<i>Negative grade</i>
Presenting Sarajevo through great number of international trade fairs	Promotion materials are oriented toward informing not selling
Qualitative info-tourism printed material	Non-existence of touristic centers outside country for distribution of tourism material
Existence of printed guidelines on some international markets (Germany, Turkey)	Lack of information for potential tourists that are planning to visit Sarajevo in their country
Internet promotion	
Qualitative presentation on the internet	Lack of information on the other languages except on Bosnian and English
Big number of internet presentations about Sarajevo and its tourism attractions	
Positioning	
Competent authorities and organizations recognize need for positioning of Sarajevo	Sarajevo is still not well positioned as an touristic destination

6.3.2 Reservation and Shopping

Table 13: Reservation and Shopping as second element of VOC (own source)

Communication with travel agencies and tour organizations	
<i>Positive grade</i>	<i>Negative grade</i>
Increasing number of travel organizations that have Sarajevo in their destinations	Number of travel organizations that have Sarajevo in their program is still small
Bigger number travel organizations that want to put Sarajevo in their programs	
Reservation systems	
Online reservation of airplane ticket to Sarajevo	In great number of cases there is still no possibility to do online reservation of accommodation
Presence of some key global distribution systems	Small number of hotels is in international reservation system
	Hard to do reservation of some service or activity

6.3.3 Accommodation and other host capacities

Table 14: Accommodation capacities as third element of value of chain (own source)

Quality of total offer	
<i>Positive grade</i>	<i>Negative grade</i>
Various offer of all types of accommodation capacities	Not enough of qualitative hotels with 3* which tourists prefer the most
Increasing number of accommodation objects that are renovating and new objects that are building	Not well provided internet, especially in other accommodations objects than hotels
Big number of restaurants, bars and patisseries	Categorization of hotels is not responding to ISO standards

Quality of products and services

Great choice of homemade food that is one of the most popular in Europe, especially food called "Ćevapi"	In some of the objects workers do not speak English language or menu is only on Bosnian
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6.3.4 Information within Sarajevo

Table 15: Info within Sarajevo as fifth element of value of chain (own source)

Touristic organization	
<i>Positive grade</i>	<i>Negative grade</i>
Employees mostly speak native and English language	No clear marks how to reach tourist information center
In addition to sharing and selling promotion material, tourist centers are starting to offer tours to city attractions	Information centers in Sarajevo are mostly providing information about Sarajevo attractions not other parts of B&H
Employees are mostly hospital, patient and ready to help	Complaints by tourist are not registered as they should be
	Lack of technical equipment
Promotion material	
There are different and diverse promotional material that is made by Touristic association of Sarajevo and other organizations covering the most important touristic parts of Sarajevo	Not enough promotion material in touristic information centers
Public services	
Based on reports Sarajevo invests a lot in infrastructure, roads, railways, sewers	Unfortunately that is only statistic that is not true
	Lack of effective waste disposal system and recycling

6.3.5 Touristic attractions, capacities and activities

Table 16: Attractions, capacities and activities as sixth element of value of chain (own source)

Quality of total supply	
<i>Positive grade</i>	<i>Negative grade</i>
The wealth of historical monuments, museums, natural resources	Not enough organized tours to visit all natural resources and history monuments
Great number of special events during the year	Not enough activities organized by side of tourist associations for tourists that are coming
Sarajevo is city that is oriented toward sport which means it has great number of sport halls, stadiums	Relatively hard to find ticket and invitations for entry to festivals, and other special events
Rich and fund night life	Non-existence of City Card which would provide tourists possibility of discount on prices of tickets of events
Founding of pyramids next to Sarajevo	Small number of tourist agencies and other organizations that are doing receptive business
Mix of culture, religion	Great number of natural attractions and resources is not included in tours that are organized
One of the cheapest cities for young population	
Quality of products and services	
Great number of souvenir shops	Lack of efficient system for maintaining cultural-historical monuments
Investments in maintaining of main touristic attractions	Small number of additional services (public bathrooms, touristic information, etc.)

6.3.6 Documents

Positive side is that for visiting Bosnia and Herzegovina most of countries do not need visa permission.

6.3.7 Traffic infrastructure

Traffic infrastructure can be one of the biggest factors influencing tourism of destination. That is the case with Sarajevo. When speaking about traffic infrastructure it is important to say what it refers to. It refers to:

- *City and between cities traffic, trams*
- *Railways of the city and its connection*
- *Parking slots of the city*
- *Signalization*
- *Traffic Jams*
- *Airports*

When speaking about infrastructure that Sarajevo has it is important to say that its quality is relatively low comparing to other cities that I will compare with Sarajevo. Development of airport, railways and roads is low quality. There are no big investments to fix this. This is one of the biggest problems for tourism aspects in Sarajevo. I will try to present some data about current situation on cities airports and railways from tourism view. In B&H there are total of 4 airports: Sarajevo, Tuzla, Banja Luka and Mostar. Airport that has most passengers today is Sarajevo. It is important to say that Mostar airport has a lot of problems due politic in that region, which is main problem why there is a small number of tourists.

In order to provide better picture about tourist services and products quality of Sarajevo, I have tried to make Value chain that is consistent of all of these factors that are influencing tourism.

Airport in Sarajevo

First airport line was in 1930 with line Beograd-Sarajevo. In that period airports were mostly used for military exercises. Other important date is 1947 after ending World War II when Sarajevo airport is starting to transport civilians as well. (Historical overview, 2014). Also Sarajevo airport has suffered great damage during war that happen in 1992 but still it managed to work again. Comparing Sarajevo airports with other European airports it is important to say that it is still much undeveloped. There are many things that are of need to develop in order to attract bigger number of tourists. For example:

- It has no transport from center of city or railways to airport (distance is around 10km)
- Small number of air-organizations using it
- Prices are big comparing what it offers
- No low-cost flights
- No connection with other airports in B&H, no flights

Positive things about Sarajevo airport are:

- Winning award in 2005 for best airport in Europe up to 1 million passanger yearly
- Become popular since Winter Olympic games in 1984 in Sarajevo

Sarajevo airport has 18 arrivals and 18 departures every day which is small number compared to other destinations in Europe, and has 10 air operators or organizations that are flying over this airport. (Airlines, 2014)

However statistical data is showing different than the facts about airport. Year 2013 based on data collected was most travelling year for Sarajevo airport. Number of passengers reached 665.538 thousands that represented increase by 15% compared to 2012. Negative percentage was during winter period while positive was during summer. Predictions for Sarajevo airport are positive in 2014 as well. During first three months number of people travelling increased by 9%. What is important to say is domestic aircraft traffic decreased from 2009-2013 from 1757 to 520, while foreign aircraft traffic increased from 4592 up to 5301. Later on I will discuss about things that should be implemented in work of airport in order to maximize its profit as well to attract many tourist as possible to Sarajevo.

Railways in Sarajevo

When visiting tourist destination tourists have options, to travel by bus, by airplane, own car, ship or by train to specific destination. In most of cases in Europe tourists are traveling by trains, of course first checking prices and quality of trains. Sarajevo has a low quality railway infrastructure. One of the main negative things from tourism aspect of railways is that there are only two international trains connecting B&H with other countries and both are in Sarajevo. Still those two are connected with Croatia, lines Sarajevo-Zagreb and Sarajevo-Ploče.

In December 2012 there was a line with Budapest but due to money losses Sarajevo railway had to shut down that international line. Today most of railway travelling is going through Sarajevo. Out of 21 trips there are 17 connected with Sarajevo. When speaking about prices there is a great number of frauds with people in charge when buying tickets so it is one more negative thing about railways in Sarajevo. Other negative thing about railway transport is that trains are low quality. Last train that was bought was from Croatia in 2009 but due to low railways it had to be returned to Croatia. As well there is no possibility of booking ticket online.

City and between city traffic, trams, busses and traffic jam

Taking in consideration that Sarajevo is not a small city, as well that tourist attraction are on different points in the city, tourists are forced to travel within city in order to visit all attractions that Sarajevo is offering. Of course most of the tourists will use public transport like trams, trolleybuses and taxi. Those who came with own car will have to taste the roads of city Sarajevo.

When speaking about roads in Sarajevo and in total B&H based on data of World Economic Forum B&H is placed on 134 spot with 2.5 points out of 144 countries (Schwab, 2013). That gives picture about roads in Sarajevo. As well what is important to say there is only one high way in B&H and that is the one connecting Sarajevo-Zenica with its length of 47km. In order to reach some attractiveness that Sarajevo is offering like mountains, tunnel of Savior, lakes, etc., roads toward there are pretty bad and there is a small number of tour operators.

When speaking about trams in Sarajevo they make around 50% of public transport. It is one of the oldest trams in Europe. It has long history behind itself. Today unfortunately

quality of trams has not improved since those ages. Lack of investments is the biggest problem and as well debts to electrical. Also problem concerning trams is their timetable. Due to many malfunctions and as well traffic jam, it is very poorly organized. There is a great number of frauds of control revisers with foreign tourists like frauds. Their website is also non-functional most of the time. Lack of air-conditioning during summer and heating during winter is one of the problems as well. Busses and the trolleybuses have the same situation as trams because everything is held by one company. All of these factors of public transport can and are influencing to touristic attractiveness of Sarajevo.

Today tourists are also giving attention to traffic jam in city and parking slots. That is one thing that Sarajevo is not missing, whether is snow, sun, rain there is always traffic jam and full parking slots.

6.4 Major competitors

Based on next criteria I choose competition destinations for tourism of Sarajevo:

- ✓ Capital cities-administrative, cultural and educational centres of own countries
- ✓ Cities from Europe, mostly from central and South-East Europe
- ✓ Cities that are leaders in city tourism and as well cities that are emerging as tourist destinations
- ✓ Very well developed tourist and traffic infrastructure
- ✓ Great number of tourist, cultural and sport manifestations
- ✓ Rich gastronomical offer (great number of restaurants that offer national and international food)
- ✓ Various number of coffee shops, bars, pubs, clubs –wealthy night life

I tried to minimize these cities so I choose five of them:

- ✓ Vienna (Austria)
- ✓ Bratislava (Slovakia)
- ✓ Budapest (Hungary)
- ✓ Warsaw (Poland)
- ✓ Prague (Czech Republic)

Data that I will further write on is collected through official internet presentations of these cities and reports.

Based on report from (World Economic Forum, 2013) data for touristic competitiveness has been collected and ranking was made for 140 countries of the world. Beside general index ranking was done for three other sub-indexes:

A- Legal frame (Laws and regulations, safety and security, maintained of environment, health and hygiene, priority given to tourism),

B- Business environment and infrastructure (infrastructure of air traffic, land traffic, tourism infrastructure, price infrastructure)

C- Human, cultural and natural resources (human capital, positive attitude toward tourism, natural resources, cultural resources)

All three of these rankings influence tourism of one destination.

In table below there are data about countries of capital cities that I have chosen for competition set.

Table 17: Countries and their competitiveness rank (Blanke and Chiesa, 2013)

Country	Total Rank	A	B	C
Austria	3	2	11	9
Czech Republic	31	28	37	28
Hungary	39	26	49	54
Poland	42	49	58	32
Slovak Republic	54	43	60	55
Bosnia-Herzegovina	90	75	95	85

In overall rank Bosnia and Herzegovina took 90 place based on its tourism competitiveness out of which based on sub-indexes 75 place based on A, 95- B, and 85-C.

Based on this table it can be seen that Austria, Hungary, Slovakia, Serbia and Bosnia-Herzegovina have bigger focus and competition on Legal Frame of tourism (Rank A), while Poland and Czech Republic competition is focused on Human, Cultural and Natural resources.

When analyzing competition of these destinations besides taking into consideration data's about country (geographic position in Europe, population, area, length of membership in EU) other characteristics are also taken into consideration:

- Touristic attractions
- Development of MICE (number of organized meetings in 2013)
- Availability (low-cost flights connection)
- Tourism infrastructure (number of accommodation objects based on categories)
- Results (number of foreign tourists in 2013)
- Organisation of tourism on level of destination and promotional budget
- Logo and slogan

6.4.1 Wien

Population 1.7 million, river Dunav

Main touristic attractions

- Historical center of Wien on list of UNESCO
- Imperial Palace Hofburg and Schonbrunn
- Panoramic wheel in Prater park
- National Theatre
- Wien's state opera
- Spain school of ridding in Hofburg (horses lipizzaner)
- More than 100 museums
- Vienna Ringstrasse
- Beethovens houses and grave
- Mozzarts grave
- Great number of Churches
- Danube tower
- Architecture: romantic, gothic, modern, art nouveau

Number of organized MICE in 2012: 195 meetings (Brauner, 2013)

Low cost flights (LCF):

- Air-Berlin (Berlin, Dusseldorf, Hamburg, Hannover, Osterbrock, Nurnberg)
- Clickair (Barselona)

- easJet (London)
- Germanwings (Koln/Bon, Dortmund, Stuttgart)
- Intersky (Friedrichshafen)
- SkyEurope (Alikante, Amsterdam, Athene, Barcelona, Brugge, Brussels, Bucharest, Catania, Copenhagen, Dubrovnik, Cracow, Larnaka, Lisbon, Milano, Napoli, Nice, Olbia, Paris, Rimini, Sofia, Solun, Treviso, Varna, Warsaw, Zadar)
- Jet2.com
- Pegasus
- Norwegian

Accommodation Capacities

435 objects, hotels and pensions. There are 24 five star hotels, 4* are 167 objects, 3* are 147 and 1* and 2* are 97. Beside these there are a great number of unregistered accommodation objects. (Vienna hotels, 2014)

Number of tourists in 2013 visiting Vienna was 5.836.669. Out of this number there was 4.564.276 of foreign tourists and 1.272.393 domestic tourists. (Tourist arrivals, 2013)

Tourist overnights stay in 2013 is 12,262,828. Tourists from Austria comprised 2,240,750 while foreign tourists 10,022,078. (Overnight Statistics, 2013)

Top five markets: Germany, USA, Italy, Russia, Great Britain. Others are: Spain, Switzerland and France.

6.4.2 Prague

Population 1.2 million. River Vltava

Main touristic attractions:

- Prague Castle
- Charles Bridge
- Old Town Hall (Astronomical Clock)
- Petrin View Tower
- Powder Tower
- Prague Ghetto
- Great number of Churches (St. Nicholas)
- Vyshehrad

- Great number of Museums
- Theaters
- Dancing House

Number of organized MICE in 2012: 112 (Brauner, 2013)

Low cost flights (LCF):

- EasyJet (London, Manchester,)
- Jet2 (Manchester, New Castle, Bradford,)
- RyanAir (Stansed, Dublin, London,
- GermanWings (London,
- Smartwings
- Norwegian
- Brussels airlines
- AirBaltic
- Bmibaby

Accommodation capacities

Number of tourists in 2013 was 5,502,591. Out of this number there were 748,767 domestic tourists and 4,753,824 foreigners. Overnights stays in 2013 were 13,668,892. Domestic overnights were 1,399,354 while foreign were 12,269,538. (Tourism in Prague, 2013)

Top five markets were: Germany, Russia, USA, Italy and United Kingdom. Beside these there is great number of tourists from other countries like: France, China, Slovakia, Spain etc.

6.4.3 Bratislava

Population: 411,228. River Dunav

Tourism attractions:

- Old Town, complex of 3 buildings raised in 14th and 15th century (Now city Museum of Bratislava)
- Mihailo Gate (one and only gate remained from middleage fortress)
- Univeristy library
- Barok palaces
- Bridges: New bridge and Apollo bridge

- Churches and cathedrals
- National theatre
- Great number of museums (National, museum of historical nature)
- Castles (Bratislava, Devin, Rusovce)
- Parks and natural and artificial lakes

Number of MICE events: 17 (Brauner, 2013)

Low-cost flights (LCF):

- SkyEurope (season: Athene, Barcelona, Brugge, Catania, Dubrovnik, Malaga, Solun, Varna. Regular: Birmingham, Kosek, Dublin, Istanbul, Kosice, London, Manchester, Paris, Rome)
- RyanAir (Barcelona, Birmingham, Brussel, Frankfurt, London, Milano, Edingburgh, Dublin, Stockholm)
- SmartWings

Accommodation capacity: 87hotels, 8 tourist accommodations, 26 other group accommodation. Hotels comprises out of: 5*- 5 hotels, 4*-42 hotels, 3*-26 hotels, 2*-10 hotels and 4*hotel. In 2013 Bratislava had 856,844 visitors. Domestic 265,259 and foreign tourist 591,585. Total overnights were 1,722,958. (Statistics, 2013)

Top five markets: Great Britain, Austria, China, USA and Germany.

6.4.4 Warsaw

Population 1.7 million, River: Visla

Tourism attractions:

- Old Town, obelisk
- King route: classical palace, president palace, university of Warsaw
- Ograd Saski (oldest park)
- Severeal known cemetery
- Lavienski park (biggest public park)
- Jewish cemetery (biggest in Europe)
- Great number of museums and theaters
- Unesco sites

Number of MICE events: 46 (Brauner, 2013)

Low-cost flights (LCF):

- Centralwings (Bologna, Catania, Dublin, Faro, Lisbon, London, Rodos, Solun, Varna, Edinburgh, Haugesund)
- Clickair (Barcelona)
- Iceland Express (Reykjavik)
- Volare Airlines (Milano)
- Bmibaby (Birmingham, Cardiff)
- Germanwings (Koln, Bo, Stuttgart)
- Norwegian Air Shuttle (Alikante, Athene, Bergen, Birmingham, Copenhagen, Malga, Oslo, Paris, Rome, Split, Stockholm, Stavanger, Trondheim)
- Ryanair (Dublin)
- Wizz Air (Belfast, Brugge, Brussel, Krf, Kosek, Doncaster, Sheffield, Dortmund, Durham, Glasgow, Goteborg, Grenoble, Liverpool, London, Malme, Milan, Oslo, Paris, Rome, Stockholm)
- AirBaltic
- AirBerlin
- AirBrussels

Accommodation objects: 225

Hotels 5*-12, 4*-25, 3*-23, 1* 10, uncategorized- 62 , hostels, pans ions, apartment-93.

Number of tourists 2,711,800 whereas 39% or (1,068,700) were foreign and the 61% were domestic tourists. There were 4,633,900 of overnights staying. 1,946,000 were foreign tourists while 2,687,900 were domestic. (Statistical yearbook of Warszawa, 2013)

6.4.5 Budapest

Population: 1,7millions, River: Dunav

Tourism attractions

- UNESCO (quarter of castles in Buda, Andraši avenue and coast of Dunav)
- Sinagogue (biggest in Europe)
- Szechenyi (biggest medical spa in Europe)
- Parliament (third biggest parliament building in world)

- Gödöllő (second biggest barok castle in world)
- Andrassy út (avenue of shops and houses for living, stands on oldest railway in Europe)
- Heroes square
- Museums
- State opera
- Palaces
- 7 Islands on Dunav

Number of MICE events: 98 (Brauner, 2013)

Low-cost flights (LCF):

- EasyJet (Geneva, London, Dortmund, Berlin)
- SkyEurope (Trst)
- GermanWings (Koln, Stuttgart)
- Jet2 (Manchester)
- Norwegian Air (Oslo)
- RyanAir (Bremen, Dublin, Frankfurt, Glasgow, Liverpool, Bristol)
- Wizz Air (Brussels, Brugge, Eindhoven, Corona, Krf, Goteborg, Heraklion, London, Malme, Milano, Oslo, Majorca, Paris, Rome, Stockholm, Venezia, Varna, Rodos, Targu Mures)
- Steerling Airlines (Copenhagen, Stockholm)
- AirBaltic
- AirBerlin
- Brussels Airlines

Accommodation capacities

203 accommodation objects. 5* hotels: 8, 4*hotels: 45, 3*hotels: 67, 2*, 1*: 14 and 69 are pans ions and motels.

Number of tourists in 2013 was 3,287,621. Foreign tourist comprised around 2,863,356 and the rest were domestic tourists. Number of total overnights staying was 7,810,414. Foreign overnights comprised 6,909,673. (Tourism and catering, 2013)

Top five markets: USA, United Kingdom, Italy, Sweden, Germany.

6.5 BENCHMARKING

Benchmarking refers to process of defining own area of business and identifying and analyzing business of competitors in order to gain advantage and lower the disadvantages with the goal of gaining larger market share. Important thing to say before doing benchmark is that all of these cities are much larger and have greater population than Sarajevo but still in my own opinion I think Sarajevo as a city can reach great number of tourists based on its proportion to other cities.

For benchmarking tourism of Sarajevo I used capital cities in Europe that are most successful when comparing touristic attractiveness. Based on data I have collected it is obvious that all of these cities are disposing with various touristic attractions starting from cultural-historical heritage, interesting architecture, natural resources and many other things. One of the most interesting cities are that have their locations on list of UNESCO (Wien, Budapest, Prague) thereby attraction tourists out of Europe. When comparing values of the city Sarajevo is not lagging a lot behind these cities, but the biggest problem is that those values are not promoted as they should be. Cultural-historical heritage is not prepared well enough in a way it should be for foreign tourists. In summer there is no sightseeing of city. National museum is not working thereby tourists do not find it attractive. Programs of cultural manifestations and regular cultural programs are not available up to beginning thereby foreign travel organizations can't include into program. Except in tourist info centers, there cannot be found offers about Sarajevo tourist attractions.

One of the biggest disadvantages of Sarajevo compared to other cities is that there is no *City Card*. When tourists buy this card they should receive discounts on events, public transport, etc. Biggest number of visitors that is coming to Vienna, Prague and Budapest (as tourist leaders) is from Europe and UK. This is great opportunity for Sarajevo where today's number of tourist from countries like Turkey, Qatar is rapidly increasing.

When speaking about organization of tourism on the level of city best organization has Vienna because it has Vienna Tourist Board while other cities have independent touristic organizations. Sarajevo as well has its own independent touristic organizations. As well important thing to say is that of all cities Wien has biggest promotion budget.

Public transport is yet one of the disadvantages of Sarajevo. All of the cities have metro except Sarajevo and Bratislava.

Quantitative comparison can be done through:

- MICE (events) organized in 2012 (data about 2013 are not available yet)
- Low-cost air operators
- Number of accommodation objects
- Number of tourists in 2013
- Overall price of accommodation and the city

Table 18: Number of MICE events during 2013

City	Number of events
Wien	195
Prague	112
Budapest	98
Warsaw	46
Bratislava	17
Sarajevo	0

NOTE: These events refer to events with at least 50 participants held each year in a different country and they include participants from at least three countries.

This table is important for arrivals of foreign tourists. As it can be seen Sarajevo did not had privilege yet to get allowance for MICE. What is important to say is that Sarajevo still has no single congress center for international events.

Table 19: Low cost operators (Source: Web presentation of all airports in cities)

City	Number of low-cost operators
Wien	9
Prague	9
Warsaw	12
Budapest	11
Bratislava	3
Sarajevo	3

One of the major transport used today for tourist are these low-cost flights. For every destination that wants to earn money and develop tourism it must have connections with other countries through low-cost operators. Obviously city that has most low-cost operators are Warsaw and Budapest. Sarajevo has 3 but still it is important to note that in previous year it had 0 of low-cost flights.

Table 20: Ranking by foreign visitors

City	Foreign visitors
Wien	4.564.276
Prague	4,753,824
Warsaw	1,068,700
Budapest	2,863,356
Bratislava	591,585
Sarajevo	253,525

Out of this table it can be seen that cities that attract greatest number of tourists are Prague and Wien. Of all capital cities that I have compared Sarajevo is last with 253,525 foreign tourists. It is important to say as well that Sarajevo is not so big city as all of these five so when taking proportions into consideration this number shows that tourism is definitely something that needs to be work on in Sarajevo.

When speaking about prices for tourists in all of these cities based on my experience and data from internet I've managed to compare that Sarajevo is the cheapest city compared to these five taking into calculations spending night in hotel, accommodation, daily supplies, tours, etc.

7 PROJECT FOR INCREASING TOURISTIC ATTRACTIVENESS OF SARAJEVO

7.1 Marketing strategies goals

Marketing plan goals of Sarajevo are defined on basis of total development of tourism in B&H as well in Sarajevo. In previous analysis I explained what are the main things that are attracting Sarajevo tourists as well what main problems for tourism of Sarajevo are. Considering that tourism is very wide industry I will try to emphasize most important things influencing tourism in Sarajevo.

From my point of view most important thing today that are preventing Sarajevo to become one of the top tourist destinations are low investment in tourism industry. Thereby major goals of this project would be to:

- Position Sarajevo as tourist destination on international and domestic market
- Significantly increase in foreign and domestic tourist followed by corresponding increase in the volume of sales in all parts of tourism business
- Establish and implement a system that will continuously manage development of tourism in Sarajevo especially in promotion of city

Choosing right strategies for development tourism of one city is not easy but based on my knowledge that I have about Sarajevo and about tourism at all I can conclude what are the key aspects for Sarajevo to increase its attractiveness:

- Improvement of existing Touristic Association of Sarajevo
- Infrastructure of transport as a basis for tourism
- Improvement, maintenance and sustainability of existing touristic activities

For each of these three marketing strategies I will try to define objectives, define risk, costs and time analysis needed for achieving those goals and as a final step it will be result and evaluation after implementation

7.1.1 Improvement of existing Touristic Association of Sarajevo

For tourist destination to be promoted it has to organization behind it. In case of Sarajevo it can be said that it doesn't have one unique and well-developed organization that represent it tourism. By representing I mean going to tourist events all around world, promotion all around world which is main weakness why Sarajevo is not world-wide recognized as a touristic destination.

So far Sarajevo is promoted by several private tours operators and Touristic Association without any support of Federal Ministry of environment and tourism in B&H.

First step to increase tourism attractiveness of Sarajevo is to improve this Association. When improving this organization I would pay attention on next steps:

- It has to have office in center of city on recognized place like Baščaršija (most recognized place in Sarajevo)
- Airport and railway have to have map that will guide tourist to this organization
- Organization should be connected with all private tours operators as well with public transport for better promotion

Objectives of organization

For organization to be successful it is of imperative to make specific and precise goals.

1. *Improve connections between all other tourist organizations in B&H*
2. *Organize tours for visiting most important attractions for tourist in Sarajevo during whole year*
3. *Evaluate in which period of the year the greatest number of tourist is coming and from which country*
4. *Organizing events for visiting Sarajevo*
5. *Promote Sarajevo in world, going to tourism events*
6. *Improving and creating new ways of promotion*
7. *Budget*
8. *Well-educated personnel*

Plan, time and cost for goals

Taking into consideration that so far small amount of money was invested in Tourism Association of Sarajevo this has to change in order for Sarajevo to attract tourists.

For example Vienna budget for 2013 was 22 million of Euros. Even though Vienna is much bigger city I consider it as a competitor to Sarajevo because I think Sarajevo can achieve much greater number of tourist visits with promotion budget proportional to its size.

Therefore suggested budget and time for increasing tourist attractiveness would be:

- 1,5 million Euros annually
- 1 year

Second goal: well-educated personnel

This should include young personnel with finished faculty of Tourism. It has to be multi-lingual personnel (English and other major languages).

Time for training how to promote city and city tourist attractions: 2 weeks.

Salary monthly: 700Euros for personnel in Sarajevo

Number of employees: 5 + 2 persons for representing Sarajevo in the world.

Third goal: evaluation of target segment, and period of most visits in year

In order to do all need analysis and evaluation, technical equipment is of need:

Costs: 7.000 Euros (Computers, telephones, faxes, printers, etc.)

Fourth goal: organization of tours through city and most important attraction yearly:

Time: Four times per week

Beginner investment 2 busses: Approximately 100.000 Euros

Cost: 200 Euros Weekly: Monthly: 800 Euros. (Cost for driver as well for fuel)

Fifth goal: Promotion of Sarajevo in world, going to tourism events

Time: Visiting events 1 times per month:

Cost: Around 3.000 Euros per month, depends on distance (Tickets for airplane, accommodation and food).

Sixth goal: *Improving and creating new ways of promotion*

This goal is a bit complicated but I will try to make it very clear for Sarajevo.

Promotion of Sarajevo is very weak due lack of funds, due to low organization of touristic association. One of the main things for attracting tourists is the way how to promote place in this case Sarajevo. There are several things that I would like to create and change with promotion of Sarajevo.

First of all nowadays most of the places are promoted through Internet via Social networks like Facebook. Of course this page should have all information about Sarajevo its attractiveness I have explain in analysis, it should be as well frequently updated. This means:

- *Creation of Facebook account for Sarajevo tourism (will be of value especially for domestic tourists) in domestic as well in English language.*

Time: 1 day plus daily updates

Cost: 1 employee for maintaining and updating account on a daily basis. 250Euros.

Second thing I would change is official website of Tourist Association of Sarajevo. So far it contains only general information about Sarajevo and it's only available in 2 languages: Bosnian and English. It is of imperative to place several more major languages as well as Arabic one because in last year's great number of tourists are coming from those countries.

- *Improvement of official website of Sarajevo and creating it available in more major languages (especially in Arabic).*

Time: 1 day

Cost: same employee that is updating and maintaining Facebook account.

By changing official website I mean adding information about:

- Accommodation, map of hotels, hostels and pans ion.
- Commercials on website
- Promotion of places through videos and picture of famous places
- Updating the website about most important events that are going to happen in future months (not done so far).

Thirdly visiting and hosting the events about tourism during whole year. Today there are many numbers of events that are happening in the world when people can promote their

own countries, cities, destinations, etc. So far Sarajevo has also been one of the participants on some of these events. In picture below it can be seen award that Bosnia won for best stand award in London 2007.



Figure 7: Award for best stand in London 2006 (Business news, 2007)

In a picture above it can be seen promotion circle that when u step on it starts to spin and shows main attractions of B&H.

- *Create 3 more promotion circles and place them onto airport, railway and next to tourist association of Sarajevo.*

Time: 2 weeks

Cost: 450 Euros

Fourth type of promotion that I would suggest is partnerships with tourist Associations abroad especially in countries like: Croatia, Turkey, Serbia, Austria and Kuwait. I am mentioning these countries because they recorded biggest tourism visits to Sarajevo.

Having partnerships in these countries would allow Sarajevo to promote itself on even better way.

- *Establishing partnerships abroad in order to promote Sarajevo through different campaigns, events*

Time: Month, duration of partnership (hard to know, depends on various factors).

Example would be organizing sport tournament in area of Sarajevo simultaneously as well organizing tournament in football in partnership country (Croatia). Winners in both countries will travel to other country for free.

Cost: 700 Euros

Time: 10 weeks (tournament 3 days, traveling and enjoying each country 7 days).

Sixth way of promotion is word-of-mouth that is today bad for Sarajevo due to last months of demonstrations. World websites and social networks delivered this news like it is a war in B&H. Tourists who found themselves in that period in Sarajevo will spread word that Sarajevo safety is low. Based on studies it is shown that most of the people would rather spread bad word then good one.

Bad word-of-mouth can be used in a different way to show world that things are not so black in Sarajevo. For example, use of social network could change bad word of mouth to good one: Touristic Association in Sarajevo organizes tour through city. Personnel pleasure all of the demands that tourists wants. After those personnel takes a pictures, record videos and many other interactive games. When tourists leave Sarajevo, tourist Association posts photos about that tour on its Facebook page thereby showing friends of those people that were on that trip that things are not so bad.

- *Using social networks (Facebook) in order to prevent bad word-of-mouth*

Finally last way for promotion I suggest is standard one but more improved using magazines, other material including (pens, hearts, cups, t-shirts, flags, etc.) that have marked Sarajevo or some cultural or natural attraction of Sarajevo on it.

- *Make a partnerships with small shops on Baščaršija in order to sell a promotive material to international as well to domestic tourist.*

7.1.2 Transport infrastructure as a basis for tourism

In previous analysis that I've done when saying Transport infrastructure in one city it implies to:

- ✓ Airline transport to Sarajevo
- ✓ Railway transport
- ✓ Public and private transport within city

From exposed analysis it is very obvious that transport infrastructure is much undeveloped in Sarajevo which is one of the main weaknesses for Sarajevo as whole but also has great impact for tourism industry. If tourists want to visit Sarajevo they can do it on a several ways: by airplane, by railway, private car or by private bus organization. Sadly to say if tourists decide to visit Sarajevo by airplane tickets are expensive, by railway (no possibility, no international connections), if they decide by car or private bus roads are pretty undeveloped.

My proposal for developing infrastructure of Sarajevo as a basis for tourism will have two steps:

1. Define objectives
2. Define risk, budget and time used for achieving goals

Define objectives

Objectives for improving transport infrastructure of Sarajevo as a basis for increasing tourism attractiveness are:

- Improvement of airline infrastructure
- Establish international railway connections
- Improvement of public transport and tour operators
- Creating City Card

Improvement of airline infrastructure

When speaking about this factor it is important to improve 2 things connected with it:

- Increasing number of low-cost flights
- Creating a bus line from airport to center of city
- Establishing flights within country.

When speaking about transport infrastructure on first sight it is mostly repaired or created in order to satisfy people within city, without thinking about tourists. Of course people that are in charge for transport infrastructure within city should think about tourists because improving infrastructure of city that is popular destination would lead to even great profit of not just city but whole state as well. Taking into consideration that increase in low-cost flights in Europe is constantly growing it is of imperative to involve Sarajevo in this process.

In previous part I did analysis about Sarajevo airport and low cost flights as well. As it is familiar there are only 3 low-cost flights so far. Of course for destination to be more accessible it is important to improve it.

Based on research that I have done best low-cost flights destination should be:

- Sweden
- Germany
- Istanbul
- Dubrovnik
- United Kingdom
- Belgrade

Time: 2 years, after that expanding to more countries

Creating a bus line from airport toward center represents other suggestion that I would implement in infrastructure because it is very important for tourist to know where to go when they come. Instead of this there are a great number of frauds that is happening with taxi drivers today.

Bus should operate after every flight arrival.

Establishing airlines within country would mean lines from:

Sarajevo-Mostar,

Sarajevo- Tuzla

Sarajevo- Banja Luka

Reason for this is increasing tourists visiting Sarajevo as well other cities in B&H.

Establish international railway connections

Railways represent second most important transport infrastructure of a city not only for domestic people and tourist but also for foreigners. Problem Sarajevo today is facing is that there is no single international railway connection except the one that goes to Ploče (Croatia).

Reason for non-having international connections is mainly political and lack of investment. There is also problem of low quality railways within Bosnia and Herzegovina in total and their connections.

Sarajevo politicians obviously do not pay too much attention toward its railways as one of the main transports for tourist in and out of Sarajevo.

My suggestion would be to improve train qualities as well to introduce international railway connection toward:

- ✓ Croatia
- ✓ Vienna
- ✓ Prague
- ✓ Belgrade
- ✓ Budapest

These five lines for start would make great impact on tourism of Sarajevo and B&H as whole.

After improving quality of railways of course they should be promoted, new lines established toward other countries should be promoted in a way as a new way of transport, cheap transport and pleasant trip.

Problem with railway in Sarajevo is also that it is not well promoted, no magazines, no WI-FI within station, no small shops and souvenir shops. All of these should be implemented.

Improvement of public transport and tour operators

For tourists that are coming without their own car it is imperative for city big like Sarajevo to have very well developed public transport.

In case of Sarajevo public transport is on low quality. Currently there are two ways of public transport: by trolleybuses and trams. Main problems that are affecting tourists visiting Sarajevo are:

Table 21: Problems facing public transport in Sarajevo (own source)

Problem	Effect on tourism
Timetable is incorrect	Anger of tourists, hard to use it again
Frauds of employees working in public transport	Effecting culture of whole nation, representing it in a wrong way
Lack of knowledge of English language within transport	Tourist often think that there is a lack of educational system
Non-existence of machines to buy tickets (only available at driver)	Making tourist suspicious and afraid of frauds because most of the time it is crowded, no chance to buy ticket

In order to improve public transport and to provide tourists transport they deserve it is of imperative to do next steps:

- Install machines on every second station of trams (current number of station is 27, which means 14 machines for buying tickets),
- Place a map of Sarajevo on every second station (14 maps) on English language
- Teach employees English language beside native one

Creating city card

One of the main things that Sarajevo should create and implement for tourist visiting Sarajevo is City Card.

City Card should give different benefits to tourists like:

- Discounts on week tickets, monthly tickets for public transport
- Tickets for special events happening due to whole year
- Providing leisure activities

7.1.3 Improvement and maintenance of existing touristic attractivities

First of all this strategy should be connected with improvement in promotion and maintenance in way of how good tourist attractions are maintained.

Sarajevo's organizations that are responsible for tourist attractions (especially natural and cultural) are not doing their job as they should. In my opinion most of these attractions should be under obligation of Tourist Association that I have proposed of course connected with partners from abroad like European Union.

Improvement and maintenance of main tourist attractions should be done in several phases:

1. Define main tourist attractions and problems
2. Suggest program for problem
3. Evaluate risk, time and cost analysis

Today for sure main tourist attractions in Sarajevo are:

- 2 mountains: Bjelašnica and Jahorina
- Baščaršija as a part of Old Sarajevo
- Spring Bosnia
- Bijambare Cave
- Waterfall Skakavac
- National Museum

Problem #1: Bjelašnica and Jahorina

Mountains of B&H are considered one of the best tourist attractions for Bosnia and Herzegovina. Sadly they are not maintained and promoted in world as they should be. Starting with winter season Bjelašnica and Jahorina are facing problem of lacking tourists. Most of the people go in winter for ski sports on these mountains. Problems that are occurring are:

- Lack of domestic tourists because they are expensive for them
- Lack of foreign tourists because they are not well known

These mountains are not only visited during the winter, they are also visited during the summer. Great number of people has wishes to visit these mountains during the summer because of climate and attractions they offer. During the summer period problems these mountains are facing are:

Lack of tourists because of insufficient leisure activities they offer.

Table 22: Suggested solution for problems that are facing mountains of Sarajevo (own source)

Solution #1 Bjelašnica and Jahorina winter season	
<i>Suggested program</i>	<i>Goal</i>
Improvement of cable car	Comfortable seats
Increase artificial snow	Increasing time for skiing on mountain
Reduce prices for domestic tourist	Great number of domestic tourists
Better promotion on European scene	Increase number of foreign tourists
Organize tours for students and school of skiing with special discounts	Positive Word-of-Mouth
Organize ski tournaments	Better promotion of mountains
Solution #1 Bjelašnica and Jahorina summer season	
Improve bicycle paths, hiking paths, roller paths	Providing sport life for tourists
Organize event “Skiing on grass”	Provide pleasure to tourists and positive thoughts about mountain
Built of mini parks for children	Providing activities for all type of age
Provide busses tours during whole summer not only up to April (so far)	Allow tourists to visit mountains whenever they want

Problem #2: National Museum

National Museum should be one of the greatest buildings of one city. Sadly that is not situation with Sarajevo. National Museum was closed during 2012 in January. Reason was that employees did not receive their salaries. When speaking about National Museum, biggest number of tourist was domestic.

Solution #2: National Museum

Of course, Sarajevo has a goal to attract great number of tourist no matter they come from other cities within B&H or from abroad. In appendix picture of it is shown.

Previously biggest number of visitors was students from primary and high school so I think Tourist Association of Sarajevo should take a lead as a promoter of National Museum.

Plan is to:

- Ask funds from country to pay debts so Museum should open again
- Organize events for students all around B&H for one day visit of this museum and guidance through it.
- These events should continue happening through whole year in order not to happen same thing with museum.
- Offer special discount for group of students more than 50 (1 buss)
- Promotion of museum through magazine, internet and souvenirs

Problem #3: Spring Bosnia

Spring Bosnia is most visited in period from May to September. It is founded at the end of Sarajevo and it represents natural resources. Most of tourist that comes from abroad goes to visit as well as domestic ones. Problem that is facing Spring Bosnia is lack of investment as well promotion in B&H. In appendix there is a picture of it.

Solution #3: Spring Bosnia

Suggested projects on Spring Bosnia in order to attract more tourists:

- Install small shops (shops for food, souvenir shops)
- Install a shop for renting (bikes, rollers and pedal)
- Provide stand with info points
- Offer tents and other things needed for people who wish to spend night at Spring Bosnia.

Problem #4: Bijambare Cave

Taking into consideration that this represents cave that is world famous as a tourist destination but not used for right purposes I would suggest project for its usage.

1. Provide a path towards Bijambare cave with signs (so far no relevant signs on English)
2. Opening info pult (for information, selling tickets for entrance into Bijambare Cave)
3. Hiring a guide
4. Due to most visits during the summer (1.6-30.9) I would provide guide through Bijambare Cave every day at 11, 13, 15 and 17 hours. Other three months that this cave is visited based on data is during April, May and October. In this period entrance would be organized from Monday-Friday at 12 and 14 hours. Minimum person number would be 8 and maximum 30.

Table 23: Suggested way to earn profit for Bijambare cave (own source)

Price list	
Older persons	2 Euro
Students, pensioners and disabled	1,5 Euro
Children up to 6 year	Free
For organized groups above 20 persons	1 Euro

Of course tourists don't come here only to visit the cave, this area represents a protected landscape which means a great number of people come here for bicycling, hiking and other relaxation activities.

8 TIME, RISK AND COST ANALYSIS

8.1 Cost analysis

When doing cost analysis of project for increasing tourist attractiveness it is important to emphasize that next data will not be totally accurate due to lack of information and because it is wide topic as well. I will try to list activities that I described in project as well costs needed for their implementation. My suggestion is to split costs on 2 organizations:

- *Touristic association of Sarajevo*
- *Ministry for traffic, tourism and environment together with private funds*

Table 24: Costs of Touristic Association of Sarajevo on suggested project (own source)

Activities	Costs
1. Employment of 7 persons (costs refer to total number of employees). <i>Monthly payment</i>	4.900
2. Technical equipment (computers, printers, phones and faxes)	7.000
3. Buss investment (2 busess)	100.000
4. Tours through city (drivers plus fuel costs) <i>Monthly payment</i>	800
5. Tourist events in the world (2 persons, 1-2 time per month) <i>Monthly payment</i>	3000
6. Creation of Facebook page and update of official website (1 person updating and maintaining) <i>Monthly payment</i>	200
7. Create 3 more promotion circles like	450

on picture in project above total cost	
8. Promotion of Sarajevo events through magazines, especially online promotion: -SFF (Sarajevo Film Festival as one of the biggest events in Sarajevo)	1.200
9. Establishing partnerships with other TA of countries (organizing campaigns, events) F.e: football tournament: - Rent sport hall for 3 days (9-17h) - Promotion material for tournament (papers, water,etc) - 5 persons to trip to other country and accommodation with discount (7 days).	(9h x 20Euro for one hour x 3 days)= 560 50 2.000
10. Creation of promotion material for small shops on Bašćaršija: - T-shirts (300 pieces) 1piece= 2€ - Pens (240 pieces) 1piece= 0.5€ - Clock (200 pieces) 1piece= 4€ - Magnets (300 pieces) 1piece= 0.5€	1.670
11. Installing panel maps of Sarajevo on every second tram station (14 maps x 2= 28 maps in different languages) 1piece = 20 Euro	560
12. Creating City Card and maintenance (for start print out 10,000). Material for creating 1 piece = 1 Euro	20.000

<p>13. Organization of tour events all around B&H in order to visit Natuional Museum (primary and highscool). Costs reffers to:</p> <ul style="list-style-type: none"> - Material for promotion (paper and online advertisement) 50 Euro per month - Souvenir gifts given to students (max number of students in one day is 100). Cost of one souvenir to design = 1€. For start design 1000 souvenirs. 	1050
<p>14. Install info point on Spring Bosnia along with small shops offering different activities:</p> <ul style="list-style-type: none"> - Infopoint (400€) - Shop for renting bikes, rollers (3.000€) - Shop for renting pedals (3.500€) - Shop for fast food (1.000€) 	7.900
<p>15. Bijambare Cave Project:</p> <ul style="list-style-type: none"> - Provide legit signs on English toward it (150€) - Install infopult (70€) 	

In table above costs for Tourist Association of Sarajevo are shown. Due this project is based on one year strategy then Total costs would be around 250.080€. Of course important things that need to be taken into consideration that will affect costs through year are:

- Souvenirs, promotion material should be done through whole year, I've placed costs only for start (2-3 months max.)

Table 25: Costs of Federal Ministry of tourism, environment and traffic (own source)

<p>1. Developing bus line from airport to center:</p> <p>1 bus = 18.000€</p> <p>1 driver = 600€ (monthly)</p>	18.600
<p>2. Installation of machines for buying ticket on every second tram and trolleybuss station:</p> <ul style="list-style-type: none"> - 14 tram stations - 12 buss stations <p>Price for 1 machine is 350 Euro</p>	9.100
<p>3. Project for mountains:</p> <ul style="list-style-type: none"> - Repairement of 2 cable car 10.000€ -Investment in skii equipment 7.000 <p>€ per each mountain = 14.000€</p> <ul style="list-style-type: none"> -Increase artifiical snow 3.000€ -Improve bicycle paths, hiking paths and path for walking (1.500€) -Built a mini park for kids activities (1.800€) 	30.300
<p>4. Organization of bus tours from period April- September (current bus tours toward mountains are in period (October-March):</p> <ul style="list-style-type: none"> -4 bus drivers (400€) <i>monthly</i> -fuel (4 buses x 4 times per day x 40€ daily for fuel = 2400€) <i>monthly</i> 	4.000

Total costs that ministry should have in order to fulfill this project on yearly basis should be approximately: 113 200€.

These are the projects that are measurable but not totally accurate. Major things that are slowing tourism of Sarajevo are connected with International railway connection that Sarajevo doesn't have as well low-cost flights.

Costs for these two things are hard to measure because great number of organization and procedures is involved in it.

8.2 Risk analysis

As any other project this one as well carries potential risks with its implementation. Current situation in Sarajevo today is whatever you want to do; to change you will always have risk to fail it. Of course, it is very important to create as better plan as possible in order to reduce that risk. One of the main causes of risk in Sarajevo is economic and political situation. Reducing risk of this project would be significantly better if one political body would lead all of the activities instead of several.

Tourism as an industry represents one of the main sectors in Sarajevo that can increase wealth and profit of city. In order to implement this project and thereby increase attractiveness of tourism in Sarajevo it is important to make a barrier for next risks:

1. **Human resources risk.** First and very important risks that is Sarajevo facing today is frauds that are done during any project. In order to implement this project great amount of funds are needed. Approximately 1/3 of funds that are collected are not invested in planned project. Also importance of finding right persons for the jobs in Touristic Association. There is no Tourism faculty in Sarajevo only department within SEBS (School of Business and Economics in Sarajevo). People might not have the sense for communication with tourists in a right way.
2. **Failed investments.** Today situation in Sarajevo is not so bright. Protests because of bad economic situation spread all around world with negative influence on tourists. Even though this project is implemented it can be done for nothing. Bad reputation on safety of city as well is one of the factors that are causing potential risks. This could lead to failure of project and waste of money.
3. **Not well developed tourism industry.** One more factor that causes potential risks is that tourism industry in Sarajevo is not developed, which means funds needed for protection of heritage and culture attractions will not be collected. There is not enough money to maintain them. Even this project can help with economic growth there is a fear of failed projects before, so this could lead to not accepting this project.
4. **Administration risks.** Establishing Tourism Association of Sarajevo requires great number of papirology and laws. As well getting permit by Canton Sarajevo to build small shops on cultural places like Spring Bosnia can be problem too.

5. *Political and economical instability.* For sure this represents the main potential risk that this project have. Division in people within city is of main importance for success of this project at the same time it can be main cause for its failure.

8.3 Time analysis

Table 26: Project of increasing attractiveness of Sarajevo (own source)

List of activities	Time needed for activity
A- Improvement of TAS	30 days
B- Establishing partnerships abroad	17 day
C- Organizing events (sports, festivals)	35 days
D- Creation of promotional material	21 days
E- Development of transport infrastructure	180 days
F- Improvement in public transport	60 days
G- Improving condition and accessibility toward mountains and other natural and cultural attractions and promotion of the same	90 days
H- Establishing international connections (railways, low-cost flights)	42 days

In a table above there are shown activities that I have choose to be implemented in order to increase tourist attractiveness of Sarajevo.

Solution of PERT analysis is shown in appendices where it is possible to find results about, critical path, earliest start, earliest finish, latest start, latest finish, activities mean time and slack time. As well it can be seen the overall time needed for this project to be implemented and that is around 365 days or one year.

Table 27: Activities (own source)

Activity Number	Activity Name	Immediate Predecessor (list number/name, separated by ',')	Optimistic time (a)	Most likely time (m)	Pessimistic time (b)
1	A		24	30	35
2	B	A	15	17	23
3	C	A,B	26	35	42
4	D	A,B,C	15	21	27
5	E	A	168	180	220
6	F	E	54	60	68
7	G	E,F,D	77	90	105
8	H	E	35	42	58

In table above there are shown list of activities and their dependences of each other. As well in order to be more precise about time needed for project it is important to take into consideration optimistic, pessimistic and most likely time of ending project.

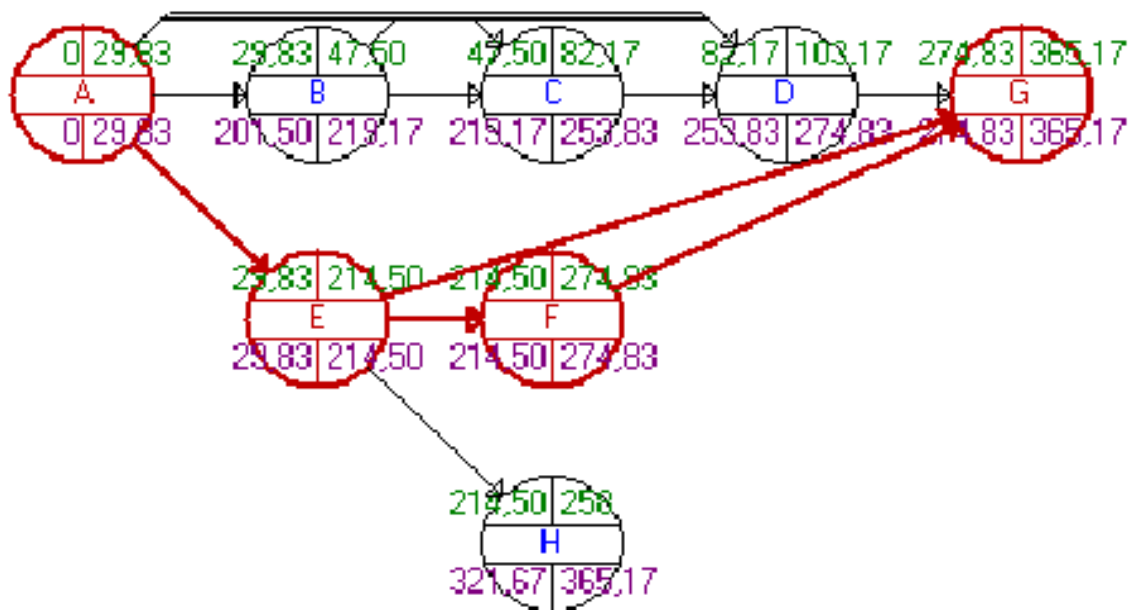


Figure 8: PERT graph (own source)

Pert graph shows activities and their connection, as well as critical path that is marked with red line.

CONCLUSION

Sarajevo as a capital city was and still is today much more included in industries that are not connected with tourism. In my opinion Sarajevo is a city that should be mainly focused on tourism. Reasons for that are many. Great number of tourists today wants to see something new, something unique. Sarajevo has many unique things that can offer to people. It is relatively unknown city for Europe not to speak about world. It can be said that it is amateur. But just because of that it has one big advantage. As well Sarajevo's history has many things to offer. It is a city that was totally destroyed 22 years behind and still it manage to develop itself.

Based on information presented in analysis it can be seen that Sarajevo has much to offer but more time and money should be invested in tourism sector.

When speaking about today's trend in world of tourism, most of visitors are searching places to relax, natural places as well trend in world was and still is cultural tourism. Those are things that are giving chance to Sarajevo to become one of the top destinations in Europe.

So far Sarajevo can't be compared with its competitors or capital cities in Europe that I've placed in analysis part. It should be taken into consideration that those are much bigger cities, with bigger population and most important thing with very developed economic and political situation in their countries.

Economic and political situation of country is one of the important factors influencing tourism sector. Sadly in B&H and Sarajevo situation is bad. There are no significant investment in developing, maintaining and promoting touristic attractions like in Vienna for example. Vienna had 22 million Euros only for promotion budget.

Tourism as industry is very complicated and should not be taken as a sustainable industry. Of course it is considered as one of the industries that can easily sustain itself but before reaching that point there should be invested time and money.

Sarajevo as a city should seriously start to invest more into tourism industry because definitely it will pay off in near future. It will encourage whole economy of city in a short period and total country in a long period.

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LIST OF ABBREVIATIONS

B&H	Bosnia and Herzegovina
TAS	Tourist association of Sarajevo
SWOT	Strengths, weaknesses, opportunities, threats
PEST	Political, economic, social, technological
FMTET	Federal ministry of tourism, environment and traffic
WEF	World economic forum
LCF	Low-cost flights
SA	Sarajevo
PERT	Program evaluation and Review technique
BAM	Convertible mark
ZFBH	Railways of Bosnia and Herzegovina
GDP	Gross domestic product
SFF	Sarajevo Film Festival
VOCS	Value of chain Sarajevo
ROI	Return on investments
MICE	Meetings, incentives, conferencing, exhibition
DMC	Destination management company
PCO	Professional congress organizers

LIST OF FIGURES

Figure 1: Importance of marketing in tourism.....	18
Figure 2: The tourism phenomenon	26
Figure 3: Simple process of event planning	28
Figure 4: Mountain Bjelašnica.....	37
Figure 5: One of the most visited places in Sarajevo: Sebilj in heart of Baščaršija	39
Figure 6: Night spend in 2013 in Sarajevo by countries.....	49
Figure 7: Award for best stand in London 2006.....	79
Figure 8: PERT graph.....	97

LIST OF TABLES

Table 1: 8Ps in Tourism marketing	22
Table 2: Tourism motivation factors.....	25
Table 3: Traditional marketing process VS marketing process for cities.....	25
Table 4: SWOT analysis of City Sarajevo	40
Table 5: Accommodation in Sarajevo.....	45
Table 6: Movements of tourists in Sarajevo through years.....	45
Table 7: Spent nights of tourists in 2013	46
Table 8: Foreign tourists and night spends by countries.....	47
Table 9: Method of tourist visits in 2013	48
Table 10: Reason for visiting Sarajevo 2013	48
Table 11: Competitiveness of B&H and Sarajevo	53
Table 12: Information as first element of value chain	57
Table 13: Reservation and Shopping as second element of VOC	58
Table 14: Accommodation capacities as third element of value of chain.....	58
Table 15: Info within Sarajevo as fifth element of value of chain.....	59
Table 16: Attractions, capacities and activities as sixth element of value of chain.....	60
Table 17: Countries and their competitiveness rank	65
Table 18: Number of MICE events during 2013.....	73
Table 19: Low cost operators.....	73
Table 20: Ranking by foreign visitors	74
Table 21: Problems facing public transport in Sarajevo	84
Table 22: Suggested solution for problems that are facing mountains of Sarajevo.....	86
Table 23: Suggested way to earn profit for Bijambare cave.....	88
Table 24: Costs of Touristic Association of Sarajevo on suggested project.....	89
Table 25: Costs of Federal Ministry of tourism, environment and traffic	92
Table 26: Project of increasing attractiveness of Sarajevo	96
Table 27: Activities.....	97

APPENDICES

APPENDIX I: PROJECT COMPLETION TIME

APPENDIX II: PRICES FOR SKIING ON MOUNTAIN BJELAŠNICA(Ski lifts, prices, 2014)

APPENDIX III: SPRING OF BOSNIA (Sarajevo, 2014)

APPENDIX IV: CLOSED NATIONAL MUSEUM IN SARAJEVO

APPENDIX P I: PROJECTION COMPLETION TIME

04-29-2014 12:52:24	Activity Name	On Critical Path	Activity Mean Time	Earliest Start	Earliest Finish	Latest Start	Latest Finish	Slack (LS-ES)	Activity Time Distribution	Standard Deviation
1	A	Yes	29,8333	0	29,8333	0	29,8333	0	3-Time estimate	1,8333
2	B	no	17,6667	29,8333	47,5	201,5	219,1667	171,6667	3-Time estimate	1,3333
3	C	no	34,6667	47,5	82,1667	219,1667	253,8333	171,6667	3-Time estimate	2,6667
4	D	no	21	82,1667	103,1667	253,8333	274,8333	171,6667	3-Time estimate	2
5	E	Yes	184,6667	29,8333	214,5	29,8333	214,5000	0	3-Time estimate	8,6667
6	F	Yes	60,3333	214,5	274,8333	214,5000	274,8333	0	3-Time estimate	2,3333
7	G	Yes	90,3333	274,8333	365,1667	274,8333	365,1667	0	3-Time estimate	4,6667
8	H	no	43,5	214,5	258	321,6667	365,1667	107,1667	3-Time estimate	3,8333
	Project	Completion	Time	=	365,17	days				
	Number of	Critical	Path(s)	=	2					

APPENDIX P2: PRICES FOR SKIING ON MOUNTAIN BJELAŠNICA

Rb	Ski Pass	Children	Adults
1	One ride		5.00 KM
2	Half day (9:00 to 12:30 and 12:30 to 16:00 h)	17,00	20.00 km
3	Daily tickets for the ski school		18.00 KM
4	Daily Chart-organized group (20 persons)	18.00 KM	27.00 KM
5	Day ticket (9:00 to 16:00 h)	20.00 km	30.00 km
6	Day ticket (11:00 to 16:00 h)		27.00 KM
7	Night skiing		18.00 KM
8	A two-day ticket		54.00 KM
9	A three-day ticket		81.00 KM
10	Four-day ticket		108,00 KM
11	The five-day ticket		135,00 KM
12	Six-day ticket		160,00 KM
13	Seven-day ticket		185,00 KM
14	The five-day ticket (in season)		140,00 KM
15	The ten-day ticket (in season)		260,00 KM
16	One hundred points: sofa = 3 = 2 seater ski lift = 1		110.00 km
17	Seasonal (not transferable)		550,00 KM
18	Seasonal (athletes, coaches, ski instructors)		400,00 KM
19	Baby lift individual	2.00 KM	
20	Baby lift half-day (9:00 to 12:30 and 12:30 to 16:00 h)	8.00 KM	
21	Baby Lift Day	10.00 KM	

NOTE*: Prices are in BAM (Currency of B&H). 1 Euro =1,95 BAM.

APPENDIX III: SPRING OF BOSNIA (Sarajevo, 2014)



APPENDIX IV: CLOSED NATIONAL MUSEUM IN SARAJEVO

