

Challenges in Developing Sustainable Tourism Products in Undeveloped Destinations

The Case of Krajina Tours

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Presentation script

Introduction

This session addresses the practical challenges of developing sustainable tourism products in less developed destinations, using the case of Krajina Tours in north-western Bosnia and Herzegovina. Rather than focusing on theory alone, the presentation is grounded in real implementation experience, showing how initial assumptions about tourism development often collide with on-the-ground realities related to capacity, skills, market access and governance. The case illustrates how sustainability in tourism is not only about natural resources, but also about people, organisational readiness and viable business models.

Objectives of the session

The presentation aims to:

- Provide context on the tourism potential of the Krajina region
- Explain the initial challenges faced by local tourism service providers
- Share the evolution and pivots of the Krajina Tours business model
- Highlight key lessons learned when developing sustainable tourism products in underserved destinations
- Stimulate reflection on what a sustainable tour operator and destination management model really requires

Main content

The core of the session is built around the practical experience of developing Krajina Tours and the progressive understanding of what sustainable tourism development really requires in an underdeveloped destination.

The presentation first introduces the context of the Krajina region, highlighting its strong natural and cultural tourism assets, such as rivers, national parks, outdoor adventure routes and rich heritage. Despite this potential, tourism development remained weak, fragmented and unable to generate sufficient income for individual service providers.

Krajina Tours started from a seemingly logical assumption: that the main problem was insufficient promotion. Individual offer providers were experiencing low turnover, poor capacity utilisation and unstable revenue streams, largely due to limited visibility in the market and lack of promotion skills and resources.

The initial response was therefore to create Krajina Tours as an online travel agency, focusing on promotion, information and booking. However, as the implementation progressed, the project revealed deeper structural challenges. Through extensive mapping of tourism resources and more than one hundred meetings with potential suppliers, it became evident that the issue was not only promotion, but the lack of developed, market-ready experiences. Many providers lacked availability, professionalism, operational capacity and understanding of how to work with tourists. In addition, a significant part of tourism activity operated informally, outside regulated frameworks.

This reality triggered a series of business model iterations, moving from an online promotional portal to various destination management company concepts. Each iteration brought new insights, gradually shifting the focus away from pure market intermediation towards capacity building and destination-level development.

One of the key lessons learned was that sustainable tourism development requires working simultaneously on supply and demand. Promotion and online visibility are necessary, but insufficient if the quality, structure and readiness of tourism experiences are not in place. Another crucial insight was the need to support service providers beyond marketing: developing their skills, professionalism and mindset; helping them package experiences; and encouraging a shift in perspective towards understanding tourism from the visitor's point of view.

The experience also highlighted the limits of isolated initiatives. Sustainable tourism development cannot rely solely on individual operators or platforms. Destination-level coordination, governance and collective effort are essential, including stronger engagement with outbound markets and public-private collaboration.

As a result, the project ultimately evolved into a different role: positioning Stratega d.o.o. as a sustainable development consultancy and establishing CORETUR as a tourism development agency and destination management organisation. This shift better reflected the real needs of the destination and offered a more sustainable long-term model.

The session uses this journey to raise a broader question for reflection: what does a truly sustainable tour operator or destination management model look like in underdeveloped destinations, and how should roles, expectations and business models adapt to local realities?

Conclusion

The session concludes by emphasising that sustainable tourism development in less developed regions requires patience, flexibility and a willingness to adapt initial assumptions. Building platforms and marketing tools is not enough if local capacities, governance structures and experience quality are not addressed at the same time. The case of Krajina Tours demonstrates that sustainability is as much about institutional development and human capacity as it is about natural assets, and that destination-level collaboration is essential for long-term impact and viability.