

# INNOVATION IN TOURISM AS A MODEL OF RECOVERY IN THE POSTPANDEMIC PERIOD

Rade Ratković<sup>1</sup>, Milica Jablan<sup>2</sup>, Milan Liješević<sup>3</sup>

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<sup>1</sup> Faculty of business and tourism Budva, Montenegro

<sup>2</sup> Faculty of business and tourism Budva, Montenegro

<sup>3</sup> Faculty of business and tourism Budva, Montenegro

### Corresponding Author:

PhD Rade Ratković

Email: [dekan@fbt-budva.me](mailto:dekan@fbt-budva.me)

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## ABSTRACT

The COVID-19 virus pandemic has influenced tourism policy makers to change their decisions and management methods due to the new challenging situation. The inability to establish normal tourism business, due to difficult mobility of tourists and unfavorable epidemiological situation, has led to finding various innovative solutions that could help improve results in tourism. In addition to improve the current situation, the innovations introduced during the pandemic were aimed at bringing certain changes in the coming period, when the tourism industry is not burdened by the pandemic, which will accelerate the growth of the tourism economy. The main goal of this paper is to point out certain models of implementation of innovative solutions, which could affect the more dynamic development of tourism in Montenegro. The subject of research in this paper are innovations in tourism and their application with special reference to Montenegro. Montenegro has not yet fully recognized the importance of introducing innovations in tourism, so the next period should be dedicated to their implementation. The tourist offer of Montenegro should be enriched by the introduction of new specific forms of tourism, in order to adequately meet the demands of the main emitting markets. In addition to the innovative tourist offer, solutions should be sought in the integration of digital and virtual technologies into marketing functions, because the modern tourist business is increasingly relying on these technologies. Research has shown that it is necessary to work on creating new strategies and plans that will more studiously deal with this issue.

**Keywords:** *innovation, pandemic, tourism, Montenegro, trends.*

## 1. INTRODUCTION

Tourism is very sensitive to various forms of crisis. Depending on their duration and strength, negative effects can be projected. Crises that threaten the health and safety of tourists are particularly unfavorable for tourism, so in such circumstances, the tourism business has been put in a very unfavorable position. The pandemic of the COVID-19 virus has fully justified these claims, since it is still not possible to say with certainty when the normalization of tourist movements will take place, and thus the achievement of the results from 2019. Montenegro, as a country that bases most of its economy on the tourism industry, has suffered serious economic setbacks due to the fact that it was almost impossible to establish normal tourism business in an environment that had a strong pandemic character. Apart from the pandemic, the tourism industry is facing other challenges, which need to be overcome in order to minimize the negative effects of tourism and maintain competitiveness in the market. Specific forms of tourism are recognized as an alternative to mass tourism (D Arcy, Omar, 2015). Recovery from the consequences of the pandemic will take time, and it will also be necessary to work on restructuring the tourist offer, which will reflect more serious progress in solving major problems related to tourism in Montenegro, such as seasonality and

insufficient participation of key countries in tourist arrivals and overnight stays. One of the ways in which it is possible to achieve the set goals is the introduction of innovations in Montenegro tourism. Development of specific forms of tourism, which would be a kind of innovation of the tourist offer of Montenegro and the implementation of certain digital and virtual solutions for promotional and operational purposes, would result in strengthening the competitiveness of Montenegro in the tourism market. Through innovations, the tourist offer that has remained unchanged for several years would be refreshed, so as such it is less and less interesting for tourists. Continuous monitoring of changes in the tourism market and the application of innovative solutions in tourism can be achieved through the implementation of good practice of countries that successfully manage tourism.

## 2. INNOVATIVE TYPES OF TOURISM – SITUATION AND PERSPECTIVES

The needs and desires of tourists in modern tourism business are quite specific and over time they take on new characteristics. It is for these reasons that the creators of tourism policies, together with the bearers of the tourist offer, must take into account the improvement of products and services, which can be achieved through the introduction of innovations. In the traditional approach to tourists, the goal was exclusively focused on meeting the basic needs of tourists, such as the need for accommodation, food and rest. Modern business in tourism has significantly changed the traditional concept, based on which the needs and desires of tourists who want to spend their travels through learning about new cultures, researching destinations and the possibility of acquiring new skills have expanded. A large number of countries consider tourism as an activity that needs to be improved because it is one of the key components of their economy, so competition in the tourism market is increasing in modern business. Due to such a situation, it is necessary to develop the tourist offer in accordance with the demand on the market, in a way that we will harmonize the offer with the needs and wishes of tourists, which are changing very quickly. Carriers of innovations in tourism in recent decades have been large corporations and companies, due to the fact that they found information on new knowledge, procedures, inventions, technologies in a much easier way, based on which they managed to enter the market by developing brands and increasing competitiveness. On the other hand, if we are talking about smaller companies, then it should be noted that they usually followed the experiences of market giants just before preparing analyzes on the profitability of investing in innovative solutions (Milicevic 2016).

European Union countries are striving to become the most competitive economic region, which can only be achieved through investment in human resources, innovation and entrepreneurship. Innovation and research have an essential role to play in strengthening a company's competitive advantage (Carvalho and Costa, 2011).

In the conceptual definition of innovation, through the literature we can meet with a large number of interpretations that are in principle quite similar to each other. Innovation is the introduction of something new that has not existed before - whether we are talking about improving the existing or introducing something that was not previously part of the business, offer or service as such. It can be based on completely new business directions, new products, but also on updating the current business strategy (Golob, 2009). Earlier, innovations were largely conditioned by technical and technological achievements on the basis of new ideas were developed. Types of innovations in tourism have been dealt by numerous authors and the focus of their research has been mostly focused on determining the categories of innovations. As a basis for a more studious approach to this topic, a large number of authors took Schumpert's five areas of innovation development, where they stand out: creating new or improved products, introducing new production processes, developing new sales markets, developing new supply and reorganization markets or company restructuring. In terms of areas where innovation can occur, Prester has identified three categories of innovation, and these relate to product innovation, production processes and managerial

innovation. Product innovations can refer to the introduction of a completely new product on the market, but also to changes in certain characteristics or improvement of an existing product. On the other hand, if we talk about innovations in the production process, then we mean the implementation of some more economical or better models of the production process. The third category of innovations is managerial innovations which, due to the scope of responsibilities of the main decision makers, are extremely complex and can relate to changes in various aspects of business, such as standards, existing practices, staffing, etc. Innovations in the tourism industry are due to other global processes: intellectualization as the growth of the intellectual component and the change of people in the context of education and progressive development. They are also affected by the informatization of all spheres of the tourist company, cooperation between the subjects of the tourist market, liberalization, increasing competition and transnational activities of tourist companies (Sardak, Dzhyndzhoian and Samolienko 2016).

The role of the state in the development of innovation is multiple, it should provide industrial development that will be based on innovations that are much more important for developing countries than for already developed economies. The private sector does not have the strength to deal with the risk of research and development of certain innovative solutions (HallAnd Williams, 2008). Governments have a significant role in the process of creating innovations in tourism because they, together with organizations and institutions dealing with tourism, are the main generators and policy makers in tourism.

As for innovation in tourism, they can be reflected in the development of specific forms of tourism, such as thematic, adventure, eno-gastro, rural, eco, cultural, sports, camping and smart tourism. By introducing specific forms of tourism within their tourist offer, destinations become much more competitive, given that there is a high demand for such forms of tourism in the market. In addition to specific forms of tourism, we can add to the innovative solutions various software solutions. Examples of such solutions can be various applications that introduce tourists to the main features of the destination. The world's leading tourist destinations use virtual technologies to bring their offer closer to potential visitors in the most convincing way possible. Also, the use of cryptocurrencies in modern payment transactions has become more frequent, so it has found its application in the tourism industry, which is confirmed by providing opportunities for users of certain travel agencies, users to pay in the form of digital money. Currently, there are several online travel agencies, which deal with the sale of arrangements, airline tickets, rent a car services and insurance, which, in addition to standard forms of prices and payments, have formed new processes tailored to the needs of Bitcoin or other cryptocurrencies. Some of the online travel agencies that have already implemented these payment models in their offer are Destinatia, PointsHound as well as BtcTrip which uses exclusively Bitcoin as a means of payment (Radović, Maranović, Radović, 2018). In this regard, it is to be expected that the growing influence of modern technologies on the tourism business will continue in the coming period.

## 2.1. TRENDS IN TOURISM ENCOURAGED BY PANDEMIC

Tourist movements in 2020 were almost impossible, given that the pandemic reached its peak in that period. Restrictive measures taken by the health authorities to prevent the transmission of the virus were extremely unfavorable for tourism businesses because international movements of tourists were limited and for the most part completely stopped. International tourist arrivals decreased by as much as 79.3% compared to the record 2019 (UNWTO). In this regard, organized tourist arrivals were completely absent, which further complicated the difficult situation faced by countries for which tourism is their primary economic activity. Due to such a situation, the tourism industry had to turn to finding alternative and innovative solutions that could improve the current situation and in the future be one of the key features of the destination itself.

As previously mentioned, organized tourist arrivals were almost impossible in this period, so

adjusting the offer for individual tourist arrivals was a business imperative. Due to this fact, the need has developed to create a new offer and content that will be designed based on the needs and desires of customers. The environment for the development of tourism during the pandemic is extremely unfavorable due to the fact that the safety of tourists is in question and this is another additional reason why tourists decided to create their own trip. Particularly interesting were the destinations that offered holidays in nature and in the fresh air, so specific forms of tourism were a chance to achieve certain results that will improve the results in tourism, to the extent possible. Rural tourism stood out as a trend even before the outbreak of the COVID-19 virus pandemic, due to the fact that this form of tourism is basically based on preserving the environment. As for rural tourism, it is important to note that it is defined as a form of tourism that includes all activities in rural areas, not just those that can be treated as agro tourism (Pavlin, Koščak, 2018). Also, tourists in rural tourism have the opportunity to get acquainted in a special way with the place they visited, by getting acquainted with the customs, culture, gastronomy and nature of the region. Thus, as can be noticed, rural tourism is very often intertwined with other specific forms of tourism, which is an additional incentive for tourists to visit a particular destination.

In addition to rural tourism, as a positive trend in the tourism market in the post-pandemic period, they also recognize eno-gastro tourism, which is often associated with wine tourism. The offer of these forms of tourism is based on the presentation of gastronomic offer that is specific to certain areas. Visitors have the opportunity to enjoy food and drink but also the production process. This is especially emphasized in wine tourism, where activities related to wine production are very often an integral part of the offer.

Special emphasis is placed on eco-tourism, which refers to nature-oriented tourism or as defined by many authors, as tourism of special interest, sometimes borders on adventurous, rural and alternative forms of tourism. Eco-tourism has become popular due to the increased interest in natural tourist attractions, which is based on natural and socio-cultural attractions, all in line with sustainable tourism development from an environmental perspective. Although eco-tourism is a trend that has been actively developing over the past years, in the post-pandemic period it has gained even more importance and attention, when tourist demand is focused on staying in nature. A positive attitude towards a healthy and safe environment is increasingly expressed, with an emphasis on a sustainable approach to action on natural and cultural resources, development and opportunities for valorization of protected areas.

Adventure tourism is another trend in the tourism market, it is very often associated with activities related to nature, so it has a strong connection with other similar forms of tourism. An important segment for the development of adventure tourism is the untouched nature and favorable geographical position of the tourist destination. Adventure tourism is very popular among European residents. Eurostat and UNWTO data show that in the pre-pandemic period, about 10 million trips a year were recorded by the European population, where the main motives for travel were sports activities, while around 100 million Europeans enjoyed sports activities each year. Users of adventure tourism contribute significantly to local economies, given that two thirds of the total funds allocated for travel are spent at the destination, which is estimated at about € 350 per day per visitor (CBI, 2021). It is in these claims that there are potentials for the development of the northern region, ie adventure tourism, which in combination with rural, eco, gastro and other types of tourism would be the driving force for the future tourist and economic sustainability of the northern region. Destinations with unusual and rare natural resources, which are unexplored and adequately managed, will be highly ranked among these tourists and will more easily gain a competitive advantage. According to the ATDI (Adventure Tourism Development Index) for 2020, Montenegro is in 19 of 163 places when it comes to developing countries (ATDI, 2020).

Thematic tourism is completely in line with the views that speak of trends based on the possibility for tourists to create their own arrangements. In thematic tourism, the classic perception of tourism and tourist offer, based on basic services such as accommodation and food, is completely bypassed,

and the focus is placed on the specific wishes and needs of tourists. This specific form of tourism is desirable for development in destinations that want to avoid the character of mass tourism, because the emphasis is placed on individual tourist arrivals.

The use of modern technologies in business, regardless of the activity we are talking about, is an indispensable element. That is why in the last decades, the tourism industry has started to rely more and more on digital technology, information and communication systems. Basic technologies in smart tourism are websites, internet portals, social networks and smartphones that tourists use as a basic tool when planning a trip (Brdar, Zivkovic, Gajic, Stankovic and Kilibarda, 2018).

Also, in the post-pandemic period, one of the trends in the tourism industry is camping tourism. As mentioned earlier, tourists increasingly want to spend their holidays in nature and outside the big city crowds. Camping tourism conceptualizes the management in its offer in these segments, so it is to be expected that this market segment will have a continuous growth of demand in the upcoming period.

Another trend observed by business travel statistics is the Mice sector or Bleisure (Business and Leisure). During the COVID-19 pandemic, different destinations have different travel restrictions and measures in general, especially when it comes to business travel. Business travel is projected to slowly return in 2022, but there is still a long way to go to fully recover, as the trend of teleworking and virtual meetings is becoming more popular day by day. The largest business travel market is in China, with a total of \$ 346.5 billion in 2017. India and Indonesia are among the fastest growing business travel markets, with 11.3% and 8.7%, respectively. New York is the most expensive city for business travel (799 dollars per day), followed by Geneva (\$ 716 per day), Zurich (\$ 661), Washington (\$ 621 per day) and Paris (\$ 617). Hong Kong is the most expensive city in Asia for business travel, with a price tag of \$ 515 per day.

Bleisure travel increased by 20% from 2016 to 2017.

- About 40% of business trips are extended for leisure purposes.
- 43% of conferences or congress business trips will turn into entertainment outings.
- 84% of tourist trips shorter than three days in one city, while 20% of trips longer than three days take place in more than one city

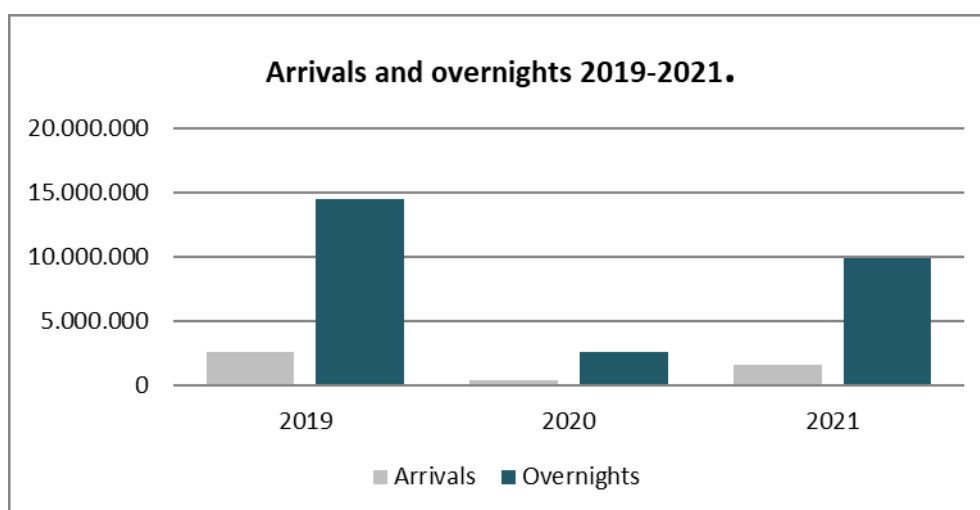
### **3. INNOVATIVE TOURISM AND PANDEMIC – THE CASE OF MONTENEGRO**

The Montenegrin economy relies for the most part on the tourism economy, so the instabilities that threaten the normal tourism business have a strong negative impact on the stability and sustainability of the entire economy. Until the outbreak of the pandemic, tourism had not encountered a crisis of this magnitude for several decades, so the tourism industry was put at a disadvantage. The consequences of the pandemic can still be felt in Montenegro and around the world, and given that the ambience of pandemic tourism is still present, it is impossible to say with certainty when there will be a complete recovery of the tourism industry.

Table 1. Arrivals and overnight stay in Montenegro for period of 2019 to 2021.

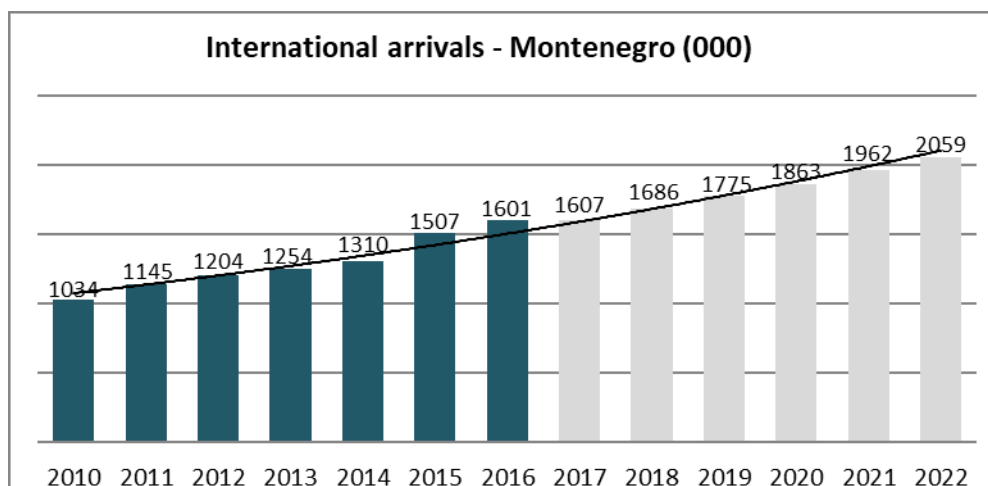
	2019		2020		2021	
	Arrivals	Overnights	Arrivals	Overnights	Arrivals	Overnights
<b>Costal region</b>	2.270.313	13.714.814	357.727	2.338.477	1.473.802	9.348.706
<b>Central region</b>	234.846	425.291	50.825	142.734	113.045	271.475
<b>Northern region</b>	140.058	315.815	35.872	106.044	84.032	252.392
<b>Total</b>	2.645.217	14.455.920	444.424	2.587.255	1.670.879	9.872.573

Source: Monstat.

**Figure 1.** Arrivals and overnights in Montenegro for the period of 2019 – 2021.

Source: Monstat.

Based on the data from the Table 1. it is clear how much the pandemic has strongly affected the tourism business in Montenegro. Indicators related to tourist arrivals and overnight stays show that in 2020 there were as many as 2,200,763 fewer arrivals in Montenegro, which is a decrease of 83.2% compared to 2019, while the total number of overnight stays in individual and collective accommodation was lower by 82.1%. When it comes to 2021, a certain recovery was recorded in it, on the basis of which we notice that in the previous year, 63.1% of tourist arrivals from 2019 were realized, ie 68.3% of overnight stays.

**Figure 2.** International arrivals in Montenegro with predictions to 2022.

Source: Monstat.

Looking at the period from 2010 to 2016, arrivals increased by 7.5%. Tourism Economics predicted a slower growth in the number of arrivals from 2016 to 2022 by 4.3%. As a final result, the number of arrivals in 2022 is expected to be 29% higher than in 2016. The cause of the slower growth is attributed to world events and the fact that the global increase in the number of arrivals is primarily driven by Asia-Pacific, which is not relevant for Montenegro. Changes in the global market and the negative impacts caused by the pandemic have led to a decline in international arrivals during 2020 and 2021.

Also, one of the problems faced by the coastal region in particular is the gray market, ie the dominance of the private in relation to collective accommodation. As a result, the maximum reception capacity of the destination is exceeded. In order to be in line with sustainable tourism development, innovations in the field of accommodation capacities are necessary. The integration of private accommodation into diffused or integral hotels is one of the key activities and is carried out with the aim of creating a new tourist product in the destination, development and improvement of the quality of accommodation units, joint market advancement and market recognition, increasing the number of employees and strengthening competitiveness (Zupanovic and Krivokapic, 2020). Innovations in tourism during and after the pandemic aim to encourage a faster recovery of the tourism industry, through possible solutions to key tourism-related problems the destination faced just before or during the pandemic. Unfortunately, Montenegro has not yet recognized the importance of innovation in tourism, so it cannot boast of any serious progress in this area. If we are talking about innovations that would be based on expanding the tourist offer through the introduction of new-specific forms of tourism, then it should be pointed out that there is a huge space for progress. The natural resources that Montenegro has at its disposal are impressive and represent a suitable ground for the integration of various forms of tourism. Some of the main problems of tourism development in Montenegro are related to the pronounced seasonal nature of business, regional inequality and unfavorable structure of emitting markets. In recent decades, Montenegro has focused too much on the sun and sea resources, while other resources have not been adequately valorized. Thanks to this relationship, a large number of tourists who visit Montenegro spend their holidays during the summer months, while the number of tourist arrivals and overnight stays outside the main tourist season is much lower. Due to the huge influx of guests in a short time interval, the maximum carrying capacity is exceeded. Therefore, it is necessary to work on the maximum extension of the tourist season, in order to reduce the pressure during the main part of the season and reduce the destination to the level of sustainability. This goal can be achieved through innovations in the tourist offer, which would significantly rely on the introduction of specific types of tourism for which there are adequate resources. The innovation of the tourist offer should cover

the entire country, especially the central and northern part, in order to reduce the difference in the economic and tourist level of development in relation to the coastal part. The most efficient way of regional development is tourism. In order to promote Montenegro as a tourist destination, all in accordance with the new situation caused by the Covid - 19 pandemic, it is necessary to work on improving the tourist offer in accordance with new trends and digitalization. If digital solutions are used in an adequate way, we come to the creation of a concept that includes smart tourism, ie one of the drivers of high-level interactivity and personalized approach city (Buhalis&Amaranggana, 2013). In this sense, a city could be classified as smart when sustainable economic growth and a high quality of life are achieved by investing in human capital, an appropriate level of Government involvement and infrastructure that supports the proper dissemination of information within the destination.

Generally speaking, smart tourism aims to develop information and communication infrastructure and capabilities to (ConcettaPerfetto, Vargaz - Sanchez &Prezenza, 2016):

- improve governance;
- facilitate the implementation of service / product innovation;
- improve the tourism experience;
- improve the competitiveness of tourism companies and destinations

The smart tourism ecosystem can be defined as “a tourism system that takes advantage of smart technology in creating, managing and providing intelligent tourism services / experiences and is characterized by intensive information exchange and joint value creation (Gretzel, Werthner, Koo &Lamsfus, 2015).” In fact, it includes various “types”, which apply to tourism and residential consumers, tourism suppliers, tourism intermediaries, support services, platforms and media, regulators and NGOs, carriers, consulting services, tourism and housing infrastructure and companies that are usually awarded other industries. Smart tourism brings many benefits to industrial heritage by increasing its value and identifying itself as a cultural resource (Pardo, 2019). In addition to information technology, the role of data in smart destinations is very important from different points of view. First, because they enable more efficient management of tourist locations. The data provides the necessary information to understand what strategies should be for better promotion and destination management. Second, the data facilitates the connection between visitors, visited spaces and available resources, as well as the interaction of these three elements with the environment. The result is the emergence of new competitive capacities, the projection of the destination in a modern and attractive way and the promotion of a model that is generally more sustainable. The definition of a new smart and efficient tourism model is achieved only through the use of new digital technologies. The concept of the smart industrial tourism business ecosystem (SITBE), which is interesting in an area not yet explored, refers to the fact that industrial heritage requires investment in the physical recovery of buildings, as well as in creating new organizational structures based on technological competitiveness and intelligent information. The application of virtual technologies should be directed towards bringing the destination closer to the tourists themselves, in a way that through interesting solutions, the natural resources available to Montenegro will be presented to tourists much more closely. In addition to the promotional function, solutions need to be found in the development of software and applications that will help control and plan results in tourism, as Monstat data on the number of arrivals and overnight stays in collective and individual accommodation can be characterized as inaccurate. A system that deals exclusively with tourism indicators should be based on accurate and easily accessible data so that decisions on future courses of action can be made in a timely manner. Also, applications that would provide tourists with information about quality restaurants, hotels, landmarks, beaches, lookouts



and other activities in the destination, would be useful support to tourists during their stay. In many countries, there are a number of applications that serve to provide tourists with information of similar content, and also by collecting data from other Internet users, tourists can be informed about possible crowds in certain places.

### **3.1. THE PLACE OF INNOVATIVE TOURISM IN THE TOURISM DEVELOPMENT STRATEGY OF MONTENEGRO**

Innovative tourism is recognized as an important segment of future tourism development within the previous Tourism Development Strategy of Montenegro until 2020. Within the mentioned strategy, special emphasis was placed on the development of innovations in the northern part of the country with the aim of improving the level of tourism development in this area as quickly and efficiently as possible. Unfortunately, most of the recommendations and projects listed in the Strategy have not been implemented.

The assessment of tourism potentials, based on statistics from previous years, which served to define strategic approaches to the Tourism Development Strategy until 2020, was related to extending the season, increasing revenue, diversifying the tourist offer, creating jobs that will contribute to better living standards and optimizing infrastructure for recreation and sustainable aspects of the tourist destination. The assessment of tourist potentials tended towards the formation of a unique offer, which requires innovative roads, given the exhaustion of the capacity of the coastal region during the summer season, and the need for investment in the northern part of Montenegro. The development of the tourist product is aimed at integrating the coast, mountains and lakes through innovative panoramic roads into a unique experience of natural, sports and cultural tourism.

Diversification of the tourist offer must be aimed at continuous quality improvement, based on sustainable tourism development. Primary process of developing should be focused on segments of supply based on staff work. Products are needed that will be available throughout the year, with adequate tourist infrastructure, both in the coastal and in the continental and northern parts of Montenegro. In the coastal and northern region, products and offers that are not conditioned by weather conditions, which are competitive on the tourist market and guarantee sustainability, must be developed. As potential leaders in the Mediterranean, when it comes to rural tourism, the focus should be on improving capacity in this segment. Encouraging agriculture, employment and improving living standards, development of various types of thematic tourism, would significantly contribute to the extension of the tourist season in the coastal region and the long season in the mountainous area, as well as the year-round agricultural season. According to the Tourism Development Strategy until 2020, Montenegro needs to develop its own USP (Unique Selling Point - unique product).

Montenegro has one trump card on the international tourism market that it has not yet used, because it is one of the three main requirements of the Central and Northern European market to experience beautiful, untouched nature. In tourist reports from Germany and their holiday experiences, nature and landscapes are at the top of all topics with almost 77%. However, landscapes and nature must become accessible. Very little has been done in this area.

According to the Tourism development strategy until 2020, the concept of panorama trails is important, with the vision that Montenegro will be visited throughout the year, as is the case with Switzerland, South Tyrol and Tuscany.

Based on the benchmarking of destinations with a similar concept, Germany proposed valorization of tourist routes. Routes used cultural and natural themes, which was of great importance for economic development and the improvement of international traffic (Tourism Development Strategy until 2020, according to ADAC 'Touristische Routen in Deutschland').

Also, when it comes to Montenegro, there is a possibility of networking these trails, ie the concept can be extended beyond the borders. Prerequisites for development are to preserve the natural state, ie to adapt the infrastructure only in areas where it is necessary.

The concept of 'Hiking & Biking' has in mind the target groups that can be included in the name of vacation in nature. The offer of activities according to the content and level of difficulty should be as diverse as possible in order to suit as many groups of all ages and different abilities. Due to the effect of advertising, the most striking element of the product 'Hiking & Biking through the wild' should be put in the center, with special reference to Mountain biking (Tourism Development Strategy until 2020).

The specific offer would be based on activities such as hiking, biking, rafting, horseback riding, quad tours, adrenaline parks as well as various activities on farms. This tourist offer would be relevant throughout the year, where during the winter months in the tourist cluster Durmitor (Zabljak, Pluzine, Savnik) and Kolasin the emphasis would be on improving ski - winter tourism based on extreme trails and standard ski offer (Ratkovic, 2009).

The regions of Durmitor, Sinjajevina, Bjelasica and Komovi have the potential for a uniquely created product related to nature tourism, fitness and health tourism. This requires the development of a product that will benefit from summer initiatives, whose equipment will be used to the fullest extent and thus will support it economically. In the realization of 'Wilderness Trails', five fields of work should be covered (Tourism Development Strategy until 2020):

- Hiker-Biker route research, refinement and signaling
- Arrangement of rest areas on sections at a great distance from the accommodation
- Staging landmark trails
- Marketing: cartographic material, description, advertising and sales
- Maintenance and care of H&B routes constant inspection and cleaning

The existing problems of the Northern region, such as depopulation, the difference in the level of development of local self-governments, as well as the high unemployment rate, have significantly degraded the development of tourism in this area. Towards the valorization of the resources of the north of Montenegro, it is necessary to implement innovative solutions that will enable faster and more sustainable construction of new capacities, which are harmonized with the natural environment, and which will offer domestic products and attract new target groups. It is necessary to work on networking on the principle of clusters or other informal groups of all relevant actors at the national and local level, in order to create synergies that will result in sustainable rural tourism, which will lead to improving the tourist offer of Montenegro. The development of different types of tourism, in accordance with innovative solutions, would achieve a multiplicative effect, which would directly generate other economic activities.

Devastation of space, unplanned construction and maximum reception capacities of beaches in the months of July-August have reached their limit, without having achieved the three most important goals (Tourism Development Strategy until 2020):

- extension of the summer season until spring or autumn;
- construction of the entire infrastructure for greater tourist load;
- creating a sufficient number of attractive jobs throughout the year.

Montenegro needs a strategic development concept, which will be focused on supply and revenues throughout the year, precisely because of the limited resources and the great importance of tourism revenues for the entire economy and the country's progress. In the formation of tourist experiences / products, and in accordance with demand trends, creativity and innovative ways of using cultural resources must be in focus.

## 4. DISCUSSION

Future action should be directed towards the development of innovative solutions in tourism in Montenegro. As stated earlier, innovation would encourage solving the main problems we face. Given that the tourist offer of Montenegro, for several years, has not experienced serious changes, innovations should primarily relate to its expansion. Forms of tourism that can produce more efficient tourism business can be rural, gastro, wine, adventure, camping and smart tourism. An additional advantage, which is in favor of Montenegro, are the significant natural resources that it has at its disposal, which can be put into the tourist function. The northern region could achieve growth by implementing these forms of tourism within its offer. Rural households in the north of the country, with the improvement of infrastructure and conditions for the development of tourism, could use the benefits that tourism brings in full capacity, which has not been the case so far. In addition, knowing that tourism produces a multiplier effect on other economic activities, strengthening the tourist offer in the northern region would achieve better results in activities such as agriculture and livestock in a way that domestic products, authentic to these areas, will be a special feature and quality of innovated tourist offer. As it could be noticed in the previous part of the paper, the Tourism Development Strategy until 2020 offered a number of quality solutions that have not been implemented to date. It is necessary to work on the integration of individual service providers in rural tourism due to their budgetary limitations in marketing activities (Telfer, 2000). An innovated tourist offer, based on specific forms of tourism, would also have an impact on changing the structure of emitting markets. The largest number of tourists who have a motive to travel and explore specific forms of tourism, comes from the countries of Western and Northern Europe. Tourists who come from these markets have much higher purchasing power, compared to others, and are also extremely mobile, ie they do not stay in one place much, which can have a positive effect on avoiding problems related to creating large crowds. An interesting segment in the tourist offer of Montenegro would be wine tourism, which would require certain investments in infrastructural adaptation. Tourists would have the opportunity to participate in the process of wine production and tasting. The central region has optimal conditions for the development of wine tourism, because there are the largest number of vineyards on its territory, where the area of Skadar Lake stands out. This area has the largest number of wineries included in the Wine Route of Montenegro, and also in this region there are Planatze, which is the largest producer of wine and grapes in Montenegro (Savic, 2014). Of course, the tourist offer in wine tourism it is necessary to continuously innovate and make tourists as interesting as possible. It is therefore useful to follow the examples of good practice of other countries, which have successfully implemented wine tourism within their offer. A good example is Slovenia, which in an interesting way managed to fully valorize an abandoned rural household. Today, Matjez's household is organizing a program for group visits, as part of a renovated household that is between 150 and 200 years old. Tourists are welcomed by the hosts in traditional costumes, and the program is based on tasting local wine and food. During the tasting, visitors have the opportunity to get acquainted with a presentation that talks about the history, production and characteristics of the wines they taste (Matjaz, Pavlin, 2018).

Tourism can develop in parallel with environmental protection. Investments in accordance with the concept of green business, which includes efficiency in water and energy consumption, reducing the amount and better waste management, protection and preservation of natural and cultural heritage, strengthening ties with the local community, are possible in all types of tourism products. Such investments would have a positive impact on the environment as it is estimated that they lead to 18% savings in electricity consumption as well as 44% when it comes to water consumption. In addition, this kind of tourism development, which is in line with the principles of sustainability, is more competitive and achieves faster growth by 3 to 7%, affects job growth and contributes to the satisfaction of the local community (Institute of Tourism, Zagreb, 2016).

According to the data of the Ministry of Sustainable Development and Tourism from 2019, there

were 23 certified “green” hotels in Montenegro. This concept of hotel business implies reducing electricity and water consumption, preserving the environment, reducing waste and promoting sustainable modes of transport. In addition to the fact that this concept enables lower business costs, it also provides a marketing advantage, increases the quality of service, and one of the advantages is positioning in non-Western and northern European markets (Ministry of Sustainable Development and Tourism, 2019).

Increased investments in the development of green tourism would significantly improve the current situation in Montenegro. As tourism is the main economic branch of Montenegro, its development must be given special attention. It is necessary for tourism development to be in accordance with the principles of sustainable development, ie to ensure the minimization of negative effects from the sociological, economic and environmental aspects. This is exactly what investments in green tourism contribute to. Increasing the number of hotels with a “green” certificate would mean reducing the consumption of resources such as water and electricity, preserving the environment. Such an offer would mean better quality, and thus the willingness of consumers to pay a higher price, which further achieves a greater economic effect, the possibility of new jobs and the like. That is, investments in green tourism would contribute to the overall sustainability of the tourism product and the development of Montenegro as a tourist destination. Also, the development of green business is in line with global trends such as the importance of preserving the environment, which have emerged as mandatory aspects of business after the pandemic caused by the emergence and spread of coronavirus.

The innovation process in Montenegro should not be based exclusively on the development of new-specific forms of tourism, but also in the development of innovative solutions that will relate to the inclusion of virtual technology in the promotion and during the stay of tourists in the destination. During the COVID-19 virus pandemic, digital technologies were almost the only way of informing tourist about destinations. Montenegro is a participant in several projects related to innovation and integration of digital content into the tourism function. One of the significant projects is Fortress ReInvented, which is based on the introduction of digital content in tourist places with significant cultural and historical monuments. One of the goals is to revive the cultural and historical heritage through the use of digital technologies. Montenegro’s partners in this project are Croatia and Bosnia and Herzegovina. It is planned to realize the digitalization of historical fortifications in two cities in Croatia, and the fortress of St. Mihaela in Sibenik and the Klis Fortress in Klis. As for Bosnia and Herzegovina, the revitalization of two towers in the Vranduk Fortress in Zenica is planned. When it comes to Montenegro, the project envisages the revitalization of the Kanli Tower in Herceg Novi (EUSAIR and Interreg, 2021).

## 5. CONCLUSION

The main conclusions of the study may be presented in a short Conclusions section, which may stand alone or form a subsection of a Discussion or Results and Discussion section. Conclusions should provide a summary of important findings and their implications to the area of research that is the focus of the article. Montenegro, as a country that bases most of its economy on the tourism industry, has suffered serious economic setbacks due to the fact that it was almost impossible to establish normal tourism business in an environment that had a strong pandemic character. The fact that tourism with multipliers in complementary areas participates with 25% in the total GDP of Montenegro shows how much impact Covid - 19 has had on Montenegro as a tourist destination. The recovery of Montenegrin tourism, compared to the achievements of 2019, can be expected at the earliest in 2023, if we take into account the estimates of UNWTO experts (43% of experts), who estimate that recovery is not possible before that year, while 41% of experts predict recovery only in 2024. To successfully manage the recovery of tourism, it is necessary to adopt an appropriate strategy, with an action plan for the short, medium and long term. In the tourism recovery phases, the primary focus should be on strategic adjustment to relaunch tourism. A strategic orientation is proposed that specifies strategies and specific areas. One of the proposed directions is the development of sustainable tourism, with a focus on responsible tourism behavior and cooperation with stakeholders. For further development of tourism, it is necessary to be based on innovative methods of participation in tourism planning, which enable control of results and prevention of risks associated with projects of economic renewal and development of tourism. The shortcut to faster recovery is actually innovation, as one of the crucial drivers in tourism, necessary to strengthen the quality of services and thus the competitiveness of the entire tourism sector. Conceptualization of innovative ideas is necessary in order to extend the tourist season, i.e. reduce seasonality, which is the main challenge of tourism in Montenegro. Rebranding on the example of Montenegro should be based on the interpretation of the central identity of Montenegro, i.e. identity and value characteristics such as diversity, content, authenticity, preservation of the natural environment, richness of water, good food and wine, hospitality and beauty. Innovation of the tourist offer should cover the entire country, especially the central and northern part in order to reduce the difference in economic and tourist level of development in relation to the coastal part, in the way defined by the Tourism Development Strategy of Montenegro until 2020.

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