

Tourism performance of the Military Institution "Tara": development trends and challenges

Rezultati turističkog poslovanja vojne ustanova "Tara": trendovi i izazovi razvoja

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Abstract

The paper analyzes the development trends and key business challenges of the Military Institution "Tara", with special reference to its tourist capacities on Tara and in Vrnjačka Banja in the context of the development of tourism in Serbia. The aim of the research is to identify key trends in the movement of arrivals, overnight stays and the structure of tourists in the period from 2016 to 2024, while considering the degree of capacity utilization. The results indicate the growth of tourism in Serbia, but also the decline of key indicators in the "Tara" Military Institution, including a decrease in the number of users, overnight stays and length of stay. Underutilization of capacity and uneven development of the hotel, with the dominance of domestic tourists and a modest growth of foreign guests, was determined. Key challenges relate to insufficient promotion, weak innovation and competition from the private sector. It is concluded that in order to improve competitiveness, it is necessary to modernize the offer, strengthen marketing and develop sustainable tourist products.

Keywords: Military Institution "Tara", tourism performance, tourist arrivals, overnight stays

Sažetak

U radu se analiziraju razvojni trendovi i ključni izazovi poslovanja Vojne ustanove „Tara“, sa posebnim osvrtom na njene turističke kapacitete na Tari i u Vrnjačkoj Banji u kontekstu razvoja turizma u Srbiji. Cilj istraživanja je identifikacija ključnih trendova u kretanju dolazaka, noćenja i strukture turista u periodu od 2016. do 2024. godine, uz sagledavanje stepena iskorišćenosti kapaciteta. Rezultati ukazuju na rast turizma u Srbiji, ali i na pad ključnih pokazatelja u Vojnoj ustanovi „Tara“, uključujući smanjenje broja dolazaka turista, noćenja i dužine boravka. Utvrđena je nedovoljna iskorišćenost kapaciteta i neujednačen razvoj hotela, uz dominaciju domaćih turista i skroman rast stranih gostiju. Ključni izazovi odnose se na nedovoljnu promociju, slabu inovativnost i konkurenciju privatnog sektora. Zaključuje se da je za unapređenje konkurentnosti neophodna modernizacija ponude, jačanje marketinga i razvoj održivih turističkih proizvoda.

Ključne reči: Vojna ustanova "Tara", turističko poslovanje, dolasci turista, noćenja

1. Introduction

Tourism is a key determinant of economic and social development at the national and global level, as it generates income, stimulates employment and contributes to regional development (Dimitrijević & Ristić, 2020). Dašić & Labović (2020) point out that the development of tourism in rural areas of Serbia is an important instrument for diversifying the local economy, increasing

employment and activating underused natural and social resources. Its multiplier effect is reflected in its strong impact on related sectors, such as transport, trade and hospitality (Počuča et al., 2020). The importance of tourism is growing due to changing lifestyles and the need for rest, recreation and health preservation (Dedić et al., 2020). Modern tourists choose destinations that combine nature and active vacation, which has a positive effect on physical health (Alexander et al., 2021). Recreational

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tourism is gaining importance (Ladkin et al., 2021), and wellness and spa tourism improve the quality of life (Gyasi et al., 2023). The growth in demand is confirmed by more recent research (Colas et al., 2024). The authenticity of the offer is becoming a key factor of competitiveness (Bojović et al., 2024). The concept of Destination competitiveness is one of the central analytical frameworks in tourism (Kostadinović & Stanković, 2021) and refers to the ability of a destination to attract and retain tourists. It is necessary for tourism entities to continuously innovate their offer and follow digitalization trends, as tourists increasingly use online platforms (Turčinović et al., 2025).

In 2024, Serbia recorded 4.4 million tourist arrivals and 12.7 million overnight stays, generating foreign exchange earnings of EUR 2.8 billion (Republic of Serbia, 2025). Compared with 2016, the number of tourist arrivals increased by 60.98%, while the number of overnight stays increased by 68.07%. Despite the decline caused by the COVID-19 pandemic in 2020, the data indicate a clear long-term growth trend in Serbian tourism (Statistical Office of the Republic of Serbia, 2016, 2025).

In modern development trends, destinations that combine natural resources and diverse content are particularly distinguished. Tara Mountain bases its competitiveness on preserved nature and the development of eco-tourism, while Vrnjačka Banja bases its attractiveness on the infrastructure and tradition of health tourism. The Military Institution (MI) "Tara" has significant capacities and represents an important segment of the offer of these destinations. However, despite comparative advantages, capacities are not fully utilized and turnover shows stagnation, indicating structural problems in management, promotion and adaptation to market trends. The subject of this paper is the analysis of tourism development in Serbia, with a focus on the potentials of Tara Mountain and Vrnjačka Banja, as well as the business of MI "Tara". The aim of the research is to identify key trends, potentials and limitations through the analysis of statistical indicators on arrivals, overnight stays and the structure of tourists, and to propose measures to improve the competitiveness and sustainability of the tourist offer of this entity. In order to gain a deeper understanding of the identified problems, the paper theoretically relies on the concept of destination competitiveness, which enables the analysis of the relationship between resources, management and market performance of tourist destinations.

2. Tourist potential of Tara Mountain and Vrnjačka Banja in the function of development of the Military Institution "Tara"

Mountain and spa tourism in Serbia are complementary, but insufficiently integrated segments of the tourism system. Although they have significant natural and infrastructural resources, their development often takes place partially, without a clear strategic synergy, which limits the creation of integrated products and reduces the competitiveness of destinations in the international market. Mount Tara stands out as one of Serbia's most

valuable natural resources, with a high level of ecosystem conservation and potential for sustainable tourism. Its valorization has evolved from excursion and health tourism to eco and recreational tourism. The proclamation of the National Park in 1981 provided an institutional framework for nature conservation and controlled development. However, the supply is predominantly based on natural resources with a low level of market valorization. A lack of innovative content, limited online visibility, and poor integration with broader streams indicate underdeveloped governance. Mount Tara functions more as a resource than a market-oriented destination, which directly affects competitiveness. Vrnjačka Banja is a more developed and market-affirmed system, based on the tradition of health tourism. Its competitiveness stems from a combination of thermo-mineral springs, infrastructure and continuous improvement of the offer (Milićević et al., 2020). The attractiveness is further enriched by cultural events and wellness programs (Milićević et al., 2020). It has over 15,000 beds and a variety of facilities throughout the year, while rural communities play a significant role in development (Lazović et al., 2024). The highest number of visitors is recorded in the summer, which confirms the seasonality. Among the resources, the Belimarković Castle, the Bridge of Love and museums stand out. However, a 7.3% drop in turnover (Statistical Office of the Republic of Serbia, 2016, 2025) indicates a saturation of the destination. Further development requires a transition from a quantitative to a qualitative model, based on innovation and personalization of the experience.

MI "Tara" occupies a unique position thanks to the capacities on Mount Tara and in Vrnjačka Banja, which opens up space for the creation of an integrated tourist product. However, this potential is not sufficiently exploited – business runs in parallel, without a clear strategy of joint appearance. The key disadvantage is the absence of modern destination management and market orientation, while the offer remains uniform and insufficiently adapted to different segments of demand. Weak internationalization and limited cooperation with agencies and digital platforms further reduce the visibility and attractiveness of the destination, resulting in a low participation of foreign tourists and modest foreign exchange inflows. To overcome these challenges, it is necessary to transform the business model towards an integrated and innovative system, by connecting mountain and spa tourism into a single whole. Independently considered, Mount Tara and Vrnjačka Banja represent significant resources, but their full potential can only be realized through strategic integration and modern management. In this context, the results of this work show that MI "Tara" has not sufficiently used the possibility of connecting mountain and spa tourism into a single product, which is in line with previous warnings about the fragmentation of the tourism system in Serbia. Creating joint packages – such as the concept of "weekend on Mount Tara + wellness in Vrnjačka Banja" – would enable a differentiated offer, increase the attractiveness of the destination and contribute to strengthening competitiveness in the domestic and international markets.

3. Tourist capacities of the Military Institution "Tara"

Hotels in Serbia play a key role in the development of tourism. They provide the basic infrastructure for accommodation and extend the stay of tourists. Their development raises the quality of the tourist offer. They have a direct impact on the growth of tourist arrivals and overnight stays, as well as on the foreign exchange inflow in the country. As business systems, hotels need to keep up with changes and apply modern achievements in technology and management in order to maintain competitiveness (Sredojević & Njeguš, 2023). MI "Tara" hotels are located in attractive locations in the Tara National Park and in Vrnjačka Banja. Despite quality resources and comparative advantages, MI "Tara" is not purposefully included in the tourist offer of Serbia (Ranisavljević, 2018). The hotels are open and accessible to members of the defense system, as well as domestic and foreign tourists. MI "Tara" is one of the most organized tourist complexes on Mount Tara. It combines mountain tourism with health and recreational facilities. It is suitable for family vacations, sports preparations, seminars and eco-tourism.

MI "Tara" hotels were built with the aim of improving the quality of life of members of the defense system and their families, with the primary function being recreation, health, sports and business tourism. The development of the institution went through four phases: from 1977 to 1990, the facilities were intended exclusively for members of the defense; The period 1990–2000 was marked by war conflicts and a decline in the number of tourist arrivals, which led to the opening to the civilian market; the third phase (2000–2010) and the fourth (2010–2015) are characterized by the transition in Serbia and the transformation of the defense system (Ranisavljević et al., 2017). Today, the institution has four hotels and a total of 485 accommodation units, i.e., 874 beds. Hotel "Omorika" with the annex "Javor" has 200 rooms and 399 beds, it is categorized with three stars and opened in 1973. Hotel "Beli bor" has 127 rooms and 250 beds, categorized with two stars, opened in 1980. Hotel "Breza" in Vrnjačka Banja has 158 rooms and 234 beds, categorized with three stars, opened in 1977. The hotels are suitable for individual guests, families and groups, and the offer includes swimming pools, saunas, gyms, game rooms, discos, cinema halls, restaurants and conference facilities. "Omorika" additionally offers a trim track, ski slope and sports fields, "Beli bor" disco and summer classrooms, while "Breza" has a swimming pool, sauna and pastry shop. According to the Tourism Development Strategy of the Republic of Serbia (2025), MI "Tara" has the potential for the development of natural and eco-tourism, health, rural, cultural, as well as business and congress tourism.

4. Analysis of statistical indicators of tourism development in the Military Institution "Tara"

In this paper, a quantitative research approach based on secondary data obtained from official sources, including the Statistical Office of the Republic of Serbia and the Ministry of Defense of the Republic of Serbia, was

applied. The analysis covers the period from 2016 to 2024, which enables the observation of long-term trends in the development of tourism and the competitiveness of MI "Tara". The methodological framework of the work is based on a combination of several analytical techniques to provide a comprehensive understanding of the observed phenomenon. Trend analysis was used to identify long-term trends in the number of arrivals, overnight stays and the average length of stay of tourists, which provides insight into the dynamics of growth or decline in tourist traffic, as well as the assessment of the stability of key indicators. Comparative analysis was used to compare the performance between individual facilities (hotels "Omorika", "Breza" and "Beli bor"), as well as between different categories of service users (domestic, foreign tourists and members of the Ministry of Defense and the Serbian Armed Forces (MoD and SAF)). In this way, differences in the degree of capacity utilization and market positioning of individual segments of the offer were identified. The structural analysis made it possible to examine the participation of different groups of tourists in total arrivals and overnight stays, which examined the change in the structure of demand and the level of diversification of the tourism market. The results of the analyses are interpreted in the broader context of economic, social and infrastructural factors, which enables a deeper understanding of the causes of changes in tourist traffic and capacity utilization. The consistent application of uniform criteria in data processing ensures methodological consistency and reliability of the results, thereby minimizing subjectivity in interpretation. Such an integrated methodological approach provides a solid basis for the evaluation of competitiveness and the development of the tourist offer, as well as for the formulation of strategic and management recommendations based on empirical and objective indicators.

According to the data from Table 1, in the nine-year period, there was a decrease in the number of tourist arrivals by 6.23%, the number of tourist nights by 7.85% and the average number of days of service use by 1.47%, which indicates a decline in the overall development of tourism in MI "Tara". Although these changes may at first glance be assessed as moderate, their consistency indicates the existence of a long-term negative trend. Such dynamics suggest that MI "Tara" fails to keep up with the growing trends at the national level, but shows elements of relative stagnation. A particular discontinuity in the movement of indicators was observed in 2020, when there was a sharp decline in tourist arrivals and overnight stays due to the Covid-19 pandemic. However, at the same time, an increase in the average length of stay has been recorded, which indicates a change in the behavior of tourists. This phenomenon can be interpreted as a consequence of limited travel opportunities, with tourists opting for less frequent but longer trips. Although this is an external shock, the post-pandemic recovery has not led to a return to previous development trajectories, further confirming the existence of structural weaknesses. Similar tendencies of stagnation in some institutional capacities have been noted in other studies. For example, Ranicavljević et al. (2017) point out that military tourism facilities in Serbia often lag behind the private sector

precisely because of insufficient innovation and limited market orientation. Comparing with these findings, the results of this research confirm that MI "Tara" follows the

same pattern – stable infrastructure, but insufficient adaptation to modern trends.

Table 1. Tourist arrivals and overnight stays in MI "Tara"

Year	Number of arrivals	Number of nights	The average number of days of service
2016	53.745	182.202	3.39
2017	52.227	181.071	3.47
2018	53.617	179.534	3.35
2019	57.795	209.851	3.63
2020	28.120	125.503	4.46
2021	32.960	144.472	4.38
2022	53.850	192.811	3.58
2023	50.424	167.988	3.33
2024	50.392	168.533	3.34

Source: MoD data and authors' calculations

The trend of decreasing the average length of stay in MI "Tara" is related to the limited material possibilities of Serbian citizens and insufficiently attractive extra-board offer, which does not encourage tourists to take a longer vacation. Poor positioning of the institution in the domestic and foreign markets further slows down growth (Ranisavljević, Tešanović, et al., 2017). The average capacity utilization rate was 47.4%, or 170 days per year. Compared to the Serbian average of about 30%, the result seems more favorable, but the European average of 80% clearly shows room for improvement (Ranisavljević et al., 2017). This discrepancy indicates insufficient market efficiency and a limited ability to attract stable demand throughout the year. The reasons for the lower utilization are reduced to insufficient promotion, competition from private capacities and ethno-villages, as well as reliance on traditional models without innovation. Compared to global trends that favor personalized and authentic experiences, the offer of MI "Tara" remains partially standardized (Ranisavljević, Tešanović, et al., 2017). The annual rate of decline in tourist traffic – 0.70% in the number of tourist arrivals and 0.87% in the number of tourist nights – confirms the negative tendencies. Without the improvement of content, stronger marketing and strategic positioning in the market, capacities can hardly reach the competitiveness of European destinations. MI "Tara" has

a significant infrastructure, but its potential remains underutilized and requires systemic changes (Ranisavljević et al., 2017). This decline may be due to strong competition from private capacities on Tara, which offer personalized content and better digital visibility. In accordance with the theory of competitiveness of destinations, MI "Tara" failed to differentiate its offer, which led to stagnation in relation to the growth of national tourism.

Structural analysis by hotels reveals heterogeneity in performance. Hotel "Omorika", as the central facility, recorded a decrease in the number of tourist arrivals of 22.03% and tourist nights of 15.28%, with a simultaneous increase in the average length of stay of 8.77%. This pattern indicates the ability to retain existing guests, but also reduced attractiveness in attracting new ones. Hotels

"Omorika", "Breza" and "Beli bor" show different patterns of market positioning. "Omorika" is characterized by stable guest loyalty, but without a significant expansion of the market base, which can be linked to the lack of innovation and increased competition of private accommodation on Mount Tara (Ranisavljević, Tešanović, et al., 2017).

Table 2. Tourist arrivals and overnight stays in MI "Tara" hotels

Year	Number of arrivals			Number of nights			The average number of days of service		
	"Omorika"	"Breza"	"Beli bor"	"Omorika"	"Breza"	"Beli bor"	"Omorika"	"Breza"	"Beli bor"
2016	25.884	16.117	11.744	82.593	53.674	45.935	3.19	3.33	3.91
2017	24.066	15.268	12.893	81.300	50.519	49.252	3.38	3.31	3.82
2018	24.049	16.023	13.545	79.590	54.592	45.352	3.31	3.41	3.35
2019	26.054	16.821	14.920	85.044	57.560	67.247	3.26	3.42	4.51
2020	16.166	5.859	6.342	69.361	25.886	30.256	4.29	4.42	4.77
2021	20.048	7.434	5.478	82.046	35.583	26.843	4.09	4.79	4.90
2022	23.069	14.729	16.052	90.609	49.570	52.632	3.93	3.37	3.28
2023	19.089	14.893	16.442	66.833	44.369	56.786	3.50	2.98	3.45
2024	20.181	15.139	15.092	69.972	48.501	50.060	3.47	3.20	3.32

Source: MoD data and authors' calculations

"Breza" is in a more unfavorable situation, as it records a decrease in arrivals of 6.06%, tourist nights of 10.47% and the average length of stay of 3.90%. These trends indicate a weakening of the market position and the inability to compensate for losses through a longer stay of guests,

which further confirms the problem of competitiveness in relation to alternative offers, including more modern wellness capacities in other destinations (Ranisavljević, Tešanović, et al., 2017). On the other hand, "Beli bor" achieved an increase in arrivals of 28.50% and tourist

nights of 10.89%, but with a decrease in the average length of stay of 15.08%, which indicates a trend of shorter, but more frequent visits. Although the hotel manages to attract new guests, the limitations in the content offer affect the shorter stay. The structure of tourists continues to show the dominance of the domestic market with a slight decline in participation, which represents a risk in terms of insufficient diversification (Ranisavljević, Tešanović, et al., 2017). The COVID-19 pandemic has further negatively impacted tourist arrivals and overnight stays, although the average length of stay has increased. Overall, "Omorika" and "Breza" are stagnating or declining, while "Beli bor" shows the potential for growth with the need to modernize the offer.

In the period 2016-2024, according to the data shown in Table 3, domestic tourists achieved the largest share in overnight stays, while members of the MoD and SAF took the second place, and foreign guests the least. The segment of members of the MoD and SAF recorded a growth of 6.52%, especially during the pandemic, which indicates a stable but administratively conditioned

demand. Such a model creates a "protected market" thanks to regressed prices of 20% and a better material standard, but the growth would be higher with a stronger orientation of management towards this category (Ranisavljević et al., 2017). Although it provides business security, such an approach can have a disincentive effect on competitiveness and market orientation. The share of foreign tourists increased by 7.58% but remains low, indicating insufficient standardization of the offer and poor integration into international flows. The limited visibility of destinations in foreign markets confirms this problem. Domestic tourists continue to dominate, but they recorded a drop of 1.66%, which is associated with the high price of services and insufficiently competitive vouchers of 5,000 dinars, which covered only one night. The pandemic has further reduced arrivals, while poor out-of-board supply and inadequate pricing policies have hampered growth. The growth of foreign tourists, although present, is not sufficient for a significant foreign exchange inflow, so strategic improvement of the offer is necessary (Ranisavljević et al., 2017).

Table 3. Structure of participation of tourists in MI "Tara"

Year	Members of the MoD and SAF	Domestic tourists	Foreign tourists
2016	12.72	80.70	6.59
2017	12.94	81.44	5.62
2018	13.64	77.18	9.18
2019	14.35	78.14	7.51
2020	26.49	71.85	1.66
2021	28.04	66.01	5.95
2022	19.92	74.38	5.71
2023	12.24	80.31	7.45
2024	13.55	79.36	7.09

Source: MoD data and authors' calculations

Comparative results of other studies show that the dominance of domestic guests is characteristic of most mountain destinations in Serbia. These findings are in line with the results of MI "Tara", where the share of foreign guests remained low despite the potential for eco and wellness tourism. A critical analysis shows that the main problem of the development of MI "Tara" is not the lack of resources, but their inefficient management. The existing offer remains standardized and insufficiently differentiated, which is contrary to the trends of modern tourism that favor personalized and experiential travel. The lack of a stronger digital presence and collaboration with global distribution channels further limits market reach. Statistical indicators indicate latent potential, but also pronounced basic problems in the organization. Without the transformation of the offer, strengthening of marketing and globalization, MI "Tara" can hardly achieve significant growth and get closer to the standards of developed destinations. The following tables (4-6) show the data on the percentage share of different categories of users of the MI "Tara" hotel, observed through the number of tourist nights in the total tourist turnover.

The data from Table 4 show that the participation of members of the MoD and SAF in the hotel "Omorika" increased by 41.70% compared to the initial year, with the highest values during 2020 and 2021 (32% and 34%,

respectively). After 2022, there is a decline, but participation remains higher than before.

The analysis shows that "Omorika" is becoming the dominant choice of members of the defense system, which can be linked to greater capacity, infrastructure and facilities tailored to their needs (Ranisavljević et al., 2017). On the contrary, in the hotel "Breza" there was a decrease of 12.39%, while in "Beli bor" the decrease is almost complete, with 94.89%. Trends in the number of overnight stays of tourists at MI "Tara" hotels show that there was an increase in "Omorika" during the first five years, but from 2022 there is a decline, which indicates a change in the preferences of members of the defense system. In "Breza," there is an alternation of decline and growth, which suggests fluctuations in demand and reorientation towards spa tourism, "Beli bor" records the fewest overnight stays of tourists, with an alternation of growth and decline until 2021, and the last three years have brought a continuous decline. The analysis shows a sustained decline in interest, associated with lower capacity and weaker supply. "Beli bor" is recording a continuous decline, which indicates the need for a deep transformation of the offer.

The data from Table 5 show that domestic tourists have a dominant share in the structure of guests of MI "Tara", but different trends are recorded by hotels. In "Omorika," the

share of domestic tourists decreased by 14.13%, with an average annual rate of decline of 1.57%. The trend of analyses indicates that part of the capacity is increasingly occupied by members of the MoD and SAF, which affects the decrease in the participation of domestic guests

(Ranisavljević et al., 2017). On the contrary, in "Breza" the share of domestic tourists is growing by 7.70%, with an annual growth rate of 0.85%, while "Beli bor" is growing by 4.51%, or 0.50% per year.

Table 4. Participation of members of the MoD and SAF in the number of overnight stays in MI "Tara" hotels in relation to other categories of tourists

Year	"Omorika"	"Breza"	"Beli bor"
2016	14.10	20.41	1.24
2017	14.23	22.86	0.64
2018	17.98	17.82	0.99
2019	20.07	21.46	1.03
2020	32.84	37.00	2.94
2021	34.52	32.20	2.72
2022	28.46	23.15	2.17
2023	19.77	16.07	0.39
2024	19.98	17.88	0.37

Source: MoD data and authors' calculations

Table 5. Share of domestic tourists by the number of overnight stays in MI "Tara" facilities in relation to other categories of tourists

Year	"Omorika"	"Breza"	"Beli bor"
2016	80.82	70.19	92.74
2017	79.26	69.82	96.96
2018	71.82	73.17	91.39
2019	69.94	71.60	94.13
2020	64.83	61.88	96.48
2021	61.66	54.25	94.91
2022	63.84	71.54	95.19
2023	69.67	76.93	95.47
2024	69.40	75.59	96.93

Source: MoD data and authors' calculations

Observed trends indicate that a more affordable price, family-friendly amenities, and a better location are all contributing to this trend.

The data from Table 6 show that the share of foreign tourists in the hotel "Omorika" is growing by 108.85% compared to the initial year, with an average annual growth rate of 12.09%.

Table 6. Participation of foreign tourists in half-board services in MI "Tara" facilities in relation to other categories of tourists

Year	"Omorika"	"Breza"	"Beli bor"
2016	5.08	9.40	6.02
2017	6.52	7.32	2.41
2018	10.20	9.00	7.62
2019	9.99	6.94	4.84
2020	2.33	1.13	0.58
2021	3.82	13.55	2.37
2022	7.70	5.32	2.64
2023	10.56	7.00	4.15
2024	5.08	9.40	6.02

Source: MoD data and authors' calculations

A comparative analysis shows the successful positioning of "Omorika" on the international market and greater recognition among foreign guests. There is an indication that the growth in the participation of foreign tourists in the hotel "Omorika" results from better promotion, better service and infrastructural advantages (Ranisavljević et al., 2017). On the other hand, in the hotel "Breza" the share of foreign tourists decreases by 30.53%, with an annual rate of decline of 3.39%, while in "Beli bor" the decline is even more pronounced and amounts to 44.68%, with a rate of 4.96%. Trends show that "Beli bor" records an increase in arrivals by 2019 and again from 2022 to 2023, which can be linked to the diversification of the

offer and the attraction of tourists looking for a quieter environment. At the same time, "Breza" shows a decline from 2021 to 2024, from 28.25% to 19.19%, which indicates reduced attractiveness and stronger competition. There are significant changes in the structure of overnight stays of foreign tourists in MI "Tara" hotels. In 2016, "Breza" was the leader with 42.06%, while "Omorika" and "Beli bor" had a smaller share. However, by 2020, "Breza" recorded a decrease to 14.04%, while "Omorika" strongly rose to 77.55%. The sudden change in 2021, when "Breza" jumps to 56.12% and "Omorika" drops to 36.46%, can be assumed to be a consequence of pandemic circumstances and restructuring of supply. From 2022 to 2024, the values

stabilize: "Omorika" between 56–63%, "Breza" about 24–26%, and "Beli bor" between 11–18%.

The analysis of the operations of MI "Tara" in the period 2016–2024 shows that the destination, despite its rich natural resources and developed capacities, does not achieve satisfactory market efficiency and competitiveness. The main challenges include a decline in tourist traffic, insufficient internationalization, reliance on domestic and institutional demand, as well as limited attractiveness of the offer. There is a need for a systematic improvement of the business model and strengthening of market orientation.

5. Discussion

Analysis of statistical indicators indicates stagnation in the development of tourism in MI "Tara", despite the growth of national tourism. To understand the causes of these trends, it is necessary to consider the broader context and factors affecting the competitiveness of the destination. Digitalization is one of the key challenges. Insufficient online visibility and limited integration with global booking platforms have led to low participation of foreign guests. Modern tourism is increasingly dependent on digital channels, so it is necessary for MI "Tara" to develop a stronger digital strategy in order to increase international recognition. Another important factor is the pricing policy. Vouchers of 5,000 dinars covered only one night, which was not enough to motivate domestic tourists to stay longer. Compared to private facilities that offer more flexible packages and discounts, this model seems uncompetitive. Adjusting prices and subsidies could increase capacity utilization and extend the average length of stay.

Seasonality is also a problem. The highest number of visitors is recorded in the summer, while the winter and spring months remain underutilized. This pattern leads to low annual capacity utilization (47.4%), which is far below the European average of 80%. The integration of mountain and spa tourism through joint packages ("weekend on Tara + wellness in Vrnjačka Banja") could mitigate seasonal fluctuations and increase demand stability. Finally, it is necessary to introduce innovation and personalization. The offer of MI "Tara" remains partially standardized, without a clear differentiation by segments. Modern tourists are looking for authentic and individualized experiences, so the introduction of packages for family vacations, sports preparations or eco-tourism would enable the differentiation of the offer and increase guest loyalty. In accordance with the theory of destination competitiveness and the concept of experiential tourism, the sustainable development of MI "Tara" requires an integrated approach that includes strengthening digital visibility, developing joint tourism products, adjusting the pricing policy and differentiating the offer of individual hotels through personalized content aimed at different market segments.

Trend analyses show that it is crucial for "Omorika" to retain domestic tourists through more flexible pricing policies and additional cultural facilities, since part of the capacity remains reserved for the Municipality and the

Municipality. For "Breza" and "Beli bor" it is important to continue the development of family and recreational facilities, with the introduction of loyalty programs and seasonal packages in order to motivate domestic guests (Ranisavljević et al., 2017). Seasonal packages, loyalty programs and additional cultural content could contribute to the retention of domestic tourists in the "Omorika". It is necessary for the management of MI "Tara" to differentiate the strategy by hotels: "Omorika" requires loyalty and cultural programs, "Beli bor" the continuation of price competitiveness with family facilities, and "Breza" more intensively strengthening recreational programs in order to increase the average number of overnight stays of tourists.

6. Conclusion

The research has shown that in the period 2016–2024, MI "Tara" recorded a decrease in the number of arrivals, overnight stays and the average length of stay of tourists, which indicates stagnation in relation to the growth of national tourism. The main findings point to insufficient capacity utilization, dominance of domestic guests with poor growth of foreign guests, as well as significant dependence on members of the MoD and SAF. These results confirm that the problem is not the lack of resources, but the limited market orientation and insufficient integration of modern trends.

The practical implications relate to the need to strengthen digital visibility, a more flexible pricing policy and mitigate seasonality through the integration of mountain and spa tourism. It is particularly important that the modernization of the offer is based on the introduction of innovations and personalized content. Modern tourists are increasingly looking for authentic and individualized experiences, so creating packages for family vacations, sports preparations or eco-tourism would enable the differentiation of the offer and increase guest loyalty. Personalization is becoming a key factor in the competitiveness and long-term sustainability of MI "Tara", because it enables the offer to be adapted to different segments of demand and to respond to modern trends in tourism. These findings are in line with previous research indicating that institutional capacities in Serbia often lag behind the private sector in terms of innovation, digitalization and personalization of offerings. By comparing it with the works of Kostadinović and Stanković on the competitiveness of destinations, it can be concluded that MI "Tara" has a strong resource potential, but that its scientific and practical importance lies precisely in showing how insufficient integration of modern trends leads to stagnation.

The limitations of the study relate to the reliance on secondary data and the lack of qualitative insights into tourist behavior. Future research could include comparative studies with private capacities, as well as analysis of the effects of digital strategies and loyalty programs. In this way, a deeper basis would be provided for the formulation of policies that would bring MI "Tara" closer to the standards of competitive European destinations.

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