



**RECONOMY**

Case Study

# Transforming Tourism Through Regional Cooperation

Facilitating a Regional Cycling Tourism Market:  
Evidence and Lessons from Trans Dinarica

October 2026

# Executive Summary

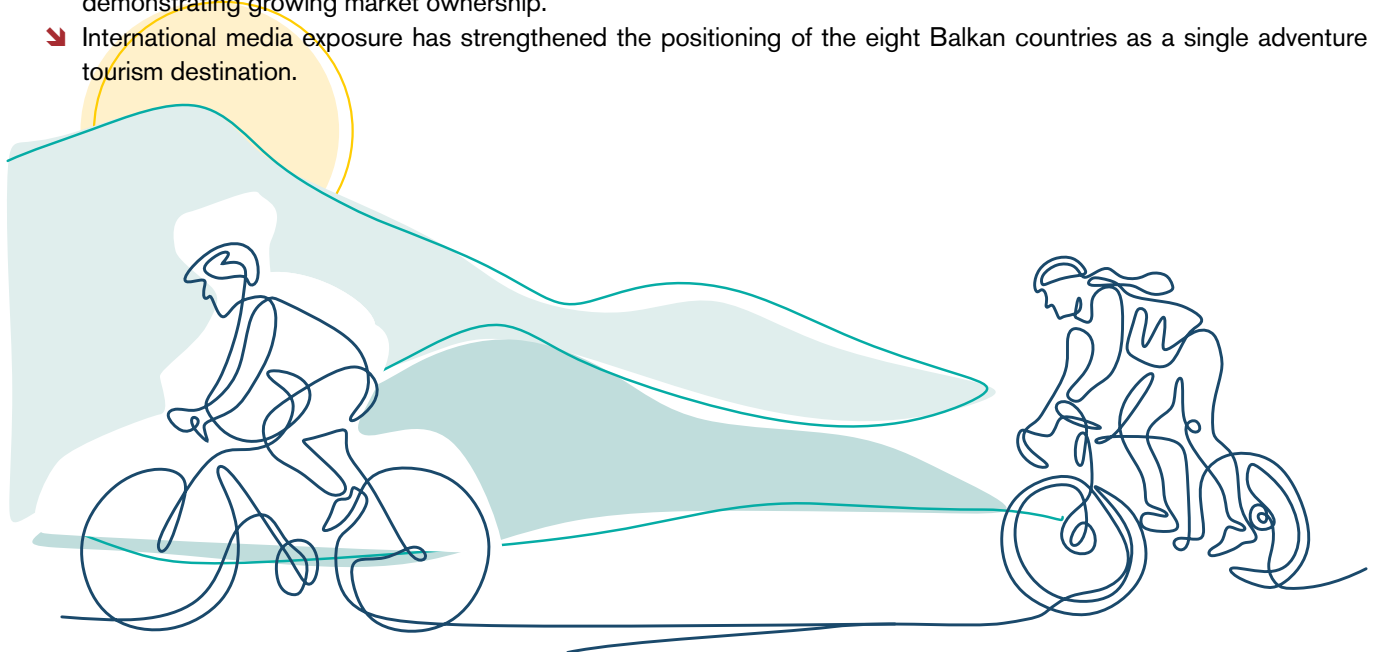
## At a Glance:

### Transforming Tourism Through Regional Cooperation

Tourism in the Balkan countries has long been constrained by fragmented destination promotion, weak cross-border coordination, and a limited supply of integrated regional tourism products. Although international travellers increasingly seek multi-country experiences, tourism actors have traditionally operated within national markets, limiting the region's ability to leverage its collective tourism assets and generate broader economic benefits for rural communities, women, and young people. To address this systemic constraint, RECONOMY partnered with Institute of Sustainable Tourism Good Place, specialized in sustainable tourism development, to facilitate the further development of the Trans Dinarica Cycle Route, a 5,540-kilometre cross-border tourism product connecting six Western Balkan economies plus Croatian and Slovenian economies. Rather than directly supporting individual businesses, by supporting the development of regional tourism product, RECONOMY believes that it will increase the demand and produce sustainable benefits for local businesses, usually located out from the main tourist destinations. This created the first regional market infrastructure capable of packaging, marketing, and distributing a cycling tourism product at scale. Early results demonstrate significant market uptake and behavioural change. Tourism businesses are increasingly investing in cyclist-friendly services, collaborating across borders, and accessing international markets through a shared regional platform. By mid-2026, more than 13,500 cyclists had used the route. Over 1,270 tourism businesses were benefiting from increased visitor flows, and the intervention had generated more than CHF 4 million in additional business revenues.

## Key takeaways

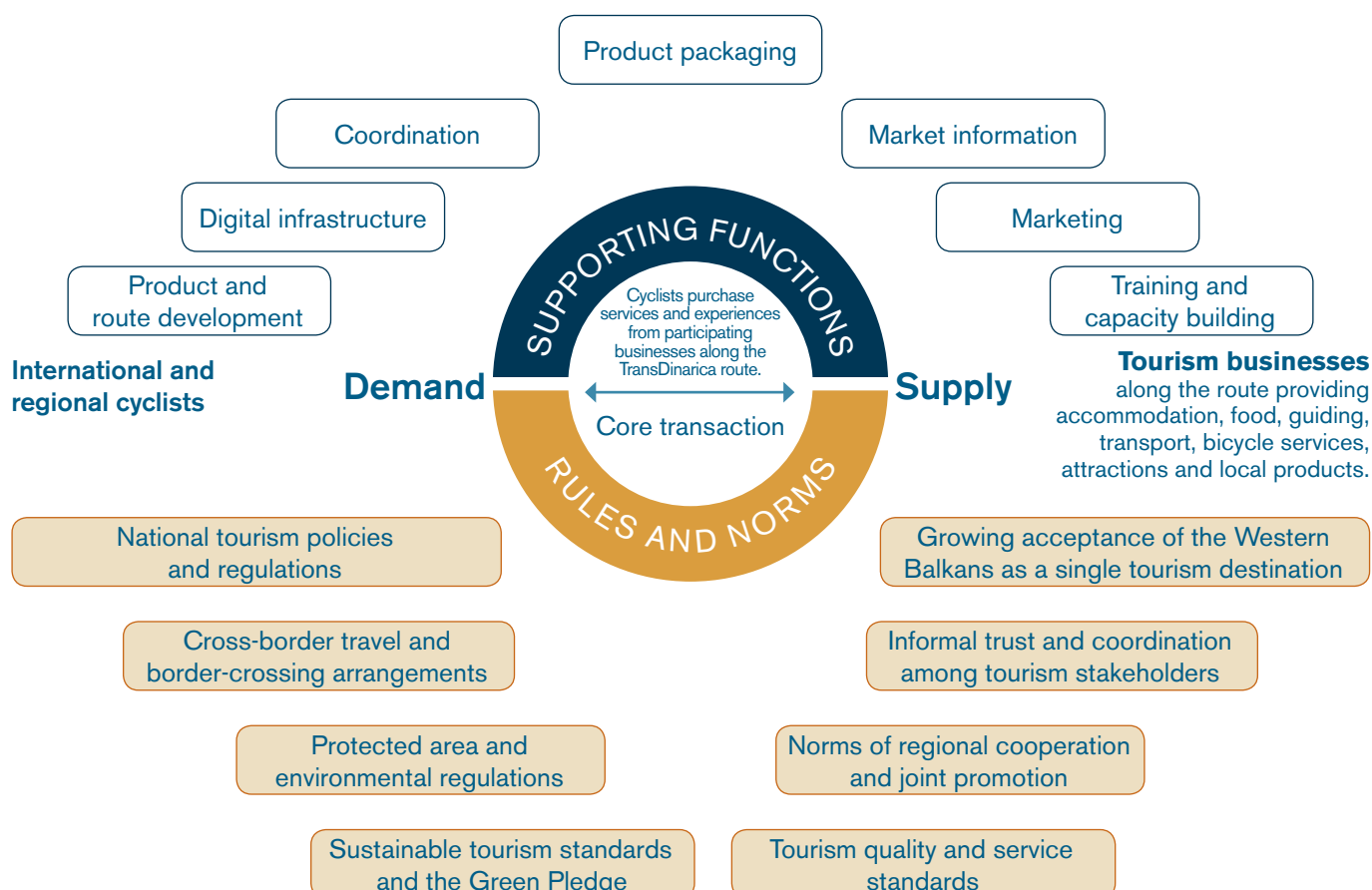
- Trans Dinarica transformed a fragmented tourism landscape into a marketable regional tourism product connecting six Western Balkan economies plus Croatian and Slovenian economies.
- Tourism actors increasingly collaborate around shared commercial opportunities rather than competing through isolated destination promotion.
- More than 1,270 tourism businesses have benefited from increased cyclist spending and visitor flows along the route.
- Private businesses have invested in new services, accommodation upgrades, and cycling-related infrastructure, demonstrating growing market ownership.
- International media exposure has strengthened the positioning of the eight Balkan countries as a single adventure tourism destination.



# 1. Context & Market System Overview

## The Market System

The tourism market in the Balkan countries is built around a core transaction between international visitors and tourism service providers. Tourists purchase accommodation, guiding services, transportation, food experiences, cultural attractions, recreational activities, and tour packages from a wide range of market actors, including hotels, guesthouses, restaurants, destination management companies (DMCs), tour operators, local guides, and rural tourism enterprises. Despite the region's rich natural and cultural assets, these transactions have historically taken place within national tourism markets rather than through integrated regional offers. As a result, the six Western Balkan economies plus Croatia and Slovenia have struggled to position themselves as a single destination capable of attracting higher-spending, and/or international travelers. The market system is supported by a range of functions that enable tourism transactions. These include route and destination information, digital platforms, marketing and promotion services, transport and connectivity infrastructure, tourism associations, destination management organizations, training providers, media outlets, and international distribution channels. Prior to the intervention, many of these functions operated in isolation. Smaller tourism businesses often lack access to international buyers, market intelligence, and cost-effective promotional channels. Participation in international tourism fairs was expensive and generated uncertain commercial returns, while practical mechanisms for coordinating regional tourism offers were largely absent. The sector is also shaped by a set of formal and informal rules. Formal rules include national tourism strategies, border-crossing arrangements, tourism regulations, and protected-area management frameworks. Informal rules have been equally influential. Tourism promotion has traditionally followed national interests, creating incentives for destinations to compete rather than collaborate. At the same time, limited trust and weak coordination among tourism operators, tourism associations, and public institutions reduced opportunities for cross-border product development and joint market positioning. These norms reinforced fragmentation and prevented the emergence of regional tourism value chains.



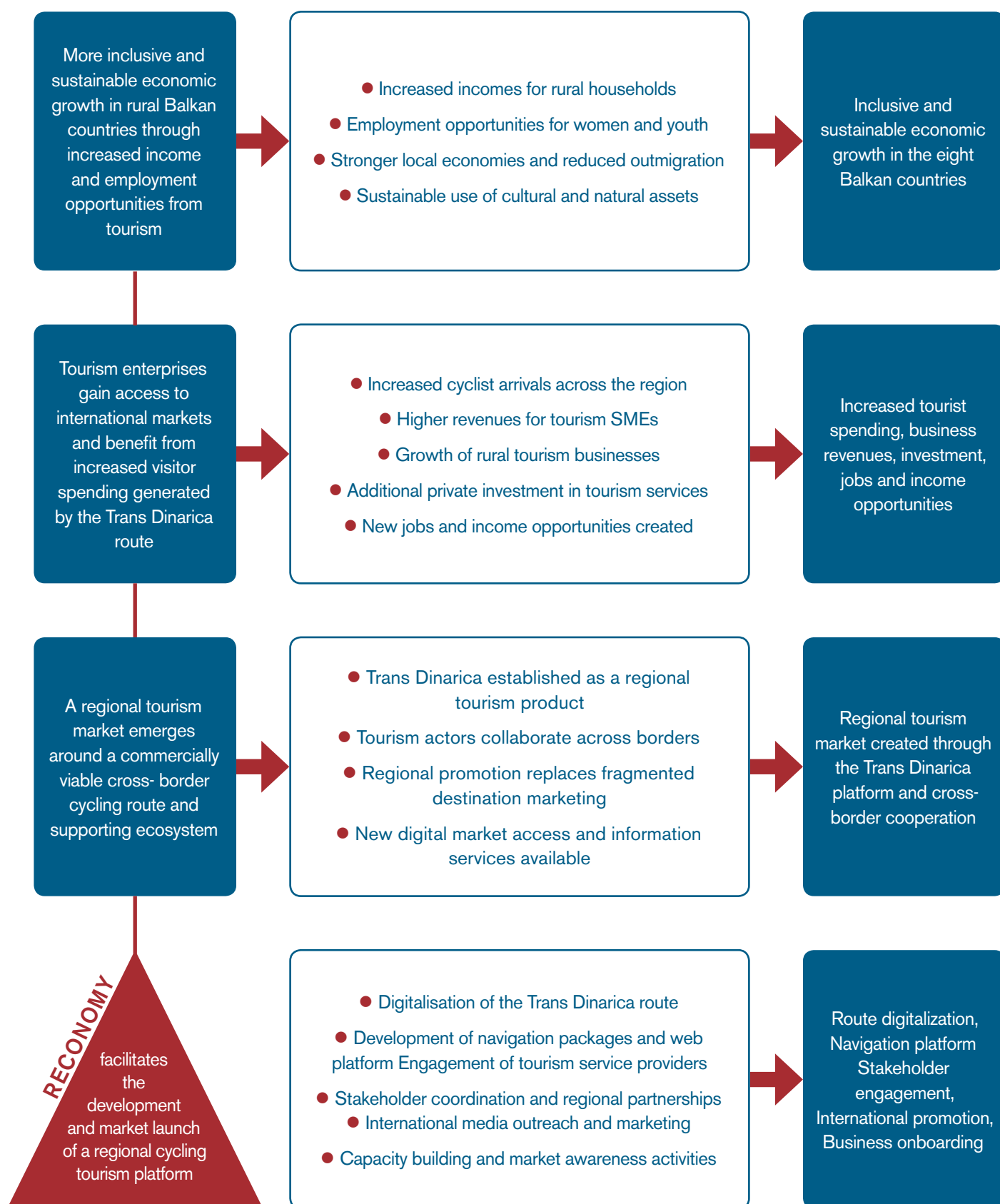
## Socio-economic, Political and Environmental Context

The eight Balkan countries possess significant comparative advantages for tourism development. The region combines diverse landscapes, internationally recognized cultural heritage, national parks, vibrant local food traditions, and comparatively low travel costs. At the same time, many rural and peripheral areas continue to face limited economic opportunities, outmigration of young people, and under-employment, particularly among women and youth. Tourism offers one of the few sectors capable of generating income and employment in remote communities while building local assets and entrepreneurship. Politically, the region consists of multiple economies with different tourism policies, institutions, and market development priorities. Although regional cooperation has increased over the past decade, tourism promotion and product development have remained largely country specific. This has constrained the development of multi-country travel experiences despite growing international demand for exactly such products. The absence of strong regional tourism brands has limited the region's ability to compete with more established European destinations. The intervention emerged within a broader opportunity to promote the eight Balkan countries as a unified destination rather than a collection of national tourism offers. This regional positioning responds to growing international demand for experiential, active, and sustainable tourism while creating opportunities to distribute tourism benefits to lesser-known destinations, rural communities, and small enterprises. From an environmental perspective, the Balkan countries offer extensive opportunities for nature-based and low-impact tourism. Adventure tourism, hiking, and cycling align well with increasing global demand for responsible travel experiences. Cycling tourism is particularly relevant because it distributes spending across local economies while generating relatively low environmental impacts. Cyclists typically rely on local accommodation, food providers, repair services, and community-based experiences, creating broad economic multipliers across rural areas. The Trans Dinarica concept was designed around these principles, promoting sustainable mobility while encouraging environmentally responsible behavior through route design, communication, and engagement with tourism service providers.

## Regionality and Inclusion

Regionality sits at the heart of the Trans Dinarica intervention. The route is the first tourism product designed to connect all six Western Balkan (Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia, and Serbia) destinations and Slovenia and Croatia through a single cross-border travel experience. Rather than marketing destinations individually, it positions the countries as a unified tourism region and creates a practical mechanism for cooperation among tourism actors across borders. By linking destinations, services, and experiences into a coherent regional offer, the route generates value that no individual country could create independently. This regional positioning expands international market access, strengthens the tourism brand, and encourages tourism actors to collaborate around shared commercial opportunities. Inclusion was embedded in the intervention from the outset. The route intentionally passes through rural areas where tourism opportunities are often limited and where economic benefits can have the greatest impact. The intervention targeted local accommodation providers, family-run businesses, guides, food producers, and tourism entrepreneurs, many of whom are women and young people. By connecting these actors to international visitor flows and regional tourism circuits, the intervention increased opportunities for income generation, enterprise development, and employment. The underlying theory was that a more inclusive tourism market requires not only more visitors, but also stronger market linkages that enable underserved groups to participate in and benefit from growth.

RECONOMY facilitated the development of the Trans Dinarica regional tourism ecosystem, enabling market actors to collaborate around a shared commercial opportunity that generated increased visitor flows, business growth, and inclusive economic benefits across the eight Balkan countries.



The logic of the intervention was based on the premise that strengthening regional coordination and creating commercially viable cross-border tourism products would stimulate changes in market behaviour, unlock new market opportunities, and generate wider benefits for local businesses and communities. The pathway from intervention to impact is summarised below.

## Intervention

RECONOMY identified that the key constraint was not a lack of tourism assets, but the absence of coordination mechanisms capable of transforming those assets into a marketable regional tourism product. In partnership with Good Place, RECONOMY facilitated the creation and launch of the Trans Dinarica Cycle Route. Support focused on the digital mapping of the route, development of an integrated web platform and navigation package, onboarding of tourism service providers, stakeholder engagement, international media outreach, and the creation of partnerships across the regional tourism ecosystem. Rather than delivering services directly to tourists, the intervention strengthened the market functions required for tourism actors to collaborate and access international markets.

## Systemic change

The intervention introduced a new market mechanism: a commercially viable regional tourism platform connecting tourism businesses across the six Western Balkan economies plus Croatia and Slovenia. The Trans Dinarica route, navigation packages, digital platform, and international promotional activities created incentives for tourism actors to cooperate around a shared tourism product. At the same time, tourism associations, tour operators, accommodation providers, media actors, and destination stakeholders began interacting through new coordination and promotional mechanisms. This shifted industry behavior from fragmented destination marketing towards joint product development and regional market positioning.

## Growth and access

As awareness of the route increased, cyclists began travelling across the region and spending money with local businesses along the corridor. Tourism enterprises experienced increased sales, invested in cyclist-friendly services, and expanded their offerings to capture growing demand. International media coverage, participation in international fairs, and digital promotion generated visibility for previously overlooked destinations and enabled small tourism providers to access international markets through a regional platform. Businesses that previously operated in isolation increasingly became part of a larger tourism value chain.

## Better and higher income and decent employment opportunities for women, young people and disadvantaged groups

Over time, the intervention contributes to more inclusive economic growth by expanding tourism-related income and employment opportunities in rural communities. Increased visitor spending generates higher revenues for guesthouses, guides, restaurants, transport providers, food producers, and other local enterprises along the route. As these businesses grow, they increase their demand for labour, creating new employment opportunities and improving income prospects for local populations. The intervention is particularly relevant for women, young people, and disadvantaged groups, who are strongly represented in tourism and hospitality activities and often operate or work in micro and small enterprises. By increasing access to international tourism markets and generating commercially sustainable business growth, Trans Dinarica enables market actors to create better and higher income earning opportunities and support more decent employment. Through its regional approach, the intervention helps distribute economic benefits across multiple countries and rural communities, contributing to more resilient livelihoods, greater economic inclusion, and reduced vulnerability to economic shocks in the eight Balkan countries.

## 2. Systemic Constraints Addressed

The Balkan countries possess a rich combination of natural landscapes, cultural heritage, gastronomy, and outdoor tourism assets. However, despite this strong tourism potential, the region has struggled to attract larger volumes of high-value international visitors and to distribute tourism benefits beyond a small number of established destinations. The core challenge was not a lack of attractions, but rather weaknesses within the tourism market system that prevented market actors from collectively responding to international demand. At the core transaction level, tourism businesses primarily operate within national boundaries, offering products and services that reflect individual destinations rather than integrated travel experiences. International visitors increasingly seek multi-country journeys that combine nature, culture, and adventure, yet few mechanisms existed for tourism operators to develop, package, and market such experiences across borders. As a result, the eight Balkan countries were promoted as a collection of separate destinations rather than as a cohesive tourism region.

A key root cause sat within the market system's supporting functions. Tourism actors across the six Western Balkan economies plus Croatia and Slovenia operated in a highly fragmented market characterised by weak commercial linkages, limited market intelligence, and underdeveloped distribution relationships with international tourism buyers. Small and medium-sized tourism businesses, particularly those located in rural areas, faced significant barriers to accessing international markets due to limited marketing capacities, high customer acquisition costs, and a reliance on fragmented local and national promotion channels. While international demand for multi-country cycling and adventure tourism experiences was growing, individual market actors had insufficient information about demand trends, visitor preferences, and regional tourism flows to make informed investment decisions. Market coordination challenges were reinforced by high first-mover costs and demand uncertainty. Developing a regional tourism product required substantial upfront investment in route development, mapping, digital infrastructure, promotion, and stakeholder coordination before commercial returns could be demonstrated. Individual businesses and tourism organisations were reluctant to make such investments because benefits would be shared across many market actors, creating a free-rider problem whereby investors could not fully capture the returns generated by their efforts. As a result, potentially valuable regional tourism opportunities remained underdeveloped despite the existence of attractive tourism assets and growing international interest.

A second root cause was located within rules and norms. Tourism promotion across the eight Balkan countries was traditionally organised around national priorities, reinforcing a culture of competition rather than collaboration. Public tourism institutions, destination management organisations, tourism associations, and private sector actors operated within fragmented mandates and planning frameworks, with limited incentives or mechanisms for joint regional product development. Coordination structures capable of supporting cross-border tourism initiatives were weak, and there were no commonly accepted approaches for collecting, sharing, and using tourism market data across countries. This limited trust, reduced opportunities for collaboration, and constrained the emergence of commercially viable regional tourism products.

The consequences of these constraints were particularly visible in rural areas. Many local accommodation providers, guides, food producers, and tourism entrepreneurs were unable to access international visitor markets despite being located near attractive cultural and natural assets. Weak market linkages and limited participation in international distribution networks reduced visitor flows and restricted business growth. Women and young people, who represent a significant share of the tourism workforce and tourism-related entrepreneurship, were disproportionately affected because many depend on small tourism enterprises for income and employment opportunities. As a result, the tourism sector's potential to generate better incomes and decent employment in rural communities remained largely unrealised.

From a Market Systems Development perspective, the challenge persisted because market actors lacked the combination of incentives, capabilities, and relationships needed to address the problem themselves. Individual businesses could not justify investing in a regional tourism product whose benefits would extend beyond their own operations. Tourism associations lacked commercially sustainable mechanisms for coordinating regional promotion, while public sector institutions were primarily focused on national tourism priorities. Consequently, the market system remained trapped in a cycle of fragmented promotion, limited product innovation, and underinvestment in regional tourism development. The Trans Dinarica intervention was therefore designed to address these root causes by strengthening supporting functions, facilitating collaboration among market actors, and creating a commercially attractive regional tourism product that aligned incentives across the tourism system. By doing so, the intervention sought to stimulate greater service adoption by tourism enterprises, improve employment and income opportunities for women and youth through tourism growth, and strengthen coordination and market efficiency within the regional tourism system.

### 3. RECONOMY's Role

RECONOMY's role was not to develop, own, or operate the Trans Dinarica product. Instead, it acted as a facilitator, addressing underlying market constraints that prevented tourism actors from developing and commercialising regional tourism products on their own. The programme recognised that no single market actor had both the incentive and the capability to coordinate a cross-border tourism product spanning the entire six Western Balkan economies plus Croatia and Slovenia. RECONOMY therefore focused on reducing the risks associated with innovation, strengthening market functions, and building partnerships that could enable market actors to capture new commercial opportunities. RECONOMY also played a risk-sharing role. Developing a regional tourism product spanning six Western Balkan economies required substantial investment in route mapping, digital infrastructure, stakeholder engagement, and international promotion. Given the uncertainty surrounding market demand, few actors were willing to bear these costs independently. RECONOMY's support reduced the risks associated with innovation and enabled Good Place and other market actors to test a new business model that could later be sustained through commercial revenues and private investment.

The primary market partner was Good Place, a Slovenian sustainable tourism company and the owner of the Trans Dinarica concept. Good Place brought specialist expertise in tourism product development, route creation, destination management, digital tourism tools, and international tourism promotion. Its commercial incentive was clear: a successful Trans Dinarica product would generate revenue through navigation package sales, business listings, partnerships, and future tourism services, while strengthening its position as a regional tourism innovator. Building on earlier investments by other development partners that had supported specific route segments and tourism product development in individual countries, RECONOMY focused on strengthening and operationalising the Trans Dinarica route as a coherent regional tourism product. This included supporting the physical marking of the route in North Macedonia, Kosovo and Montenegro, as well as financing the digitalisation of the entire route, including the development of its navigation package and mobile application. Through Good Place and other partners, RECONOMY also facilitated engagement with a broader ecosystem of market actors, including accommodation providers, tour operators, destination management organisations, tourism associations, media outlets, local tourism service providers, and public tourism stakeholders across the eight Balkan countries. While these actors already possessed tourism assets and services, they lacked an effective mechanism for collective market access and regional product development. The Trans Dinarica platform created a commercial incentive for collaboration by connecting these actors to international demand and increasing visitor flows along the route. RECONOMY further played a convening role by bringing together public and private stakeholders around a shared regional vision for cycle tourism. The launch and promotion of the Trans Dinarica navigation platform engaged tourism ministries, development partners, private businesses, destination managers, and tourism operators, creating a broad coalition supporting regional tourism development.

A key element of the facilitation strategy was aligning incentives rather than substituting market functions. RECONOMY provided catalytic support for route digitalisation, platform development, stakeholder engagement, and international promotion, while Good Place and tourism businesses increasingly assumed responsibility for product management, marketing, and service provision. As demand grew, businesses invested their own resources in cyclist-friendly infrastructure, accommodation upgrades, promotional activities, and complementary tourism services, demonstrating emerging market ownership. The intervention also strengthened partnerships across the tourism system. Previously, many actors operated independently within national tourism markets. Through the development of the route, joint promotional activities, webinars, stakeholder consultations, and market outreach initiatives, new relationships emerged among tourism associations, destination management organisations, local businesses, international media, and private tourism operators. These partnerships helped establish the trust, coordination, and information flows required for a regional tourism market to function more effectively.

| Who does / Who pays?                                                    |                                                                        |                                                      |                                                                               |                                                                                                          |
|-------------------------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------|-------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|
| Before/During                                                           |                                                                        |                                                      | After                                                                         |                                                                                                          |
| Function                                                                | Who does                                                               | Who does                                             | Who does?                                                                     | Who does?                                                                                                |
| Development and digitalisation of the Trans Dinarica route              | Good Place, supported by RECONOMY                                      | RECONOMY                                             | Good Place                                                                    | Consumers and tourism businesses through platform fees, navigation package sales and commercial revenues |
| Development and maintenance of digital platform and navigation packages | Good Place                                                             | RECONOMY                                             | Good Place                                                                    | Consumers and tourism businesses through platform fees, navigation package sales and commercial revenues |
| International promotion and market positioning                          | Good Place, media partners, tourism stakeholders                       | RECONOMY                                             | Good Place, tourism businesses, tourism stakeholders                          | Tourism businesses, commercial partners and consumers                                                    |
| Business onboarding and tourism service provider engagement             | Good Place and local tourism stakeholders                              | RECONOMY                                             | Good Place and tourism stakeholders                                           | Tourism businesses and participating providers                                                           |
| Regional stakeholder coordination and networking                        | Good Place, tourism associations, destination management organisations | RECONOMY                                             | Tourism associations, destination management organisations, private operators | Membership fees, private sector contributions and commercial revenues                                    |
| Investment in cyclist-friendly services and infrastructure              | Tourism businesses with catalytic support from the programme           | Tourism businesses and RECONOMY-supported activities | Tourism businesses                                                            | Tourism businesses                                                                                       |
| Route usage and navigation services                                     | Good Place                                                             | RECONOMY                                             | Good Place                                                                    | Cyclists through navigation package purchases                                                            |

## Partnership Structure

The intervention brought together actors that traditionally operated separately:

- Good Place provided technical expertise, product ownership, route development, and international marketing capabilities.
- Tourism SMEs and rural service providers provided accommodation, food, guiding, transport, repair services, and local tourism experiences along the route.
- Tour operators and DMCs integrated Trans Dinarica into commercial tourism offers and international sales channels.
- Tourism associations and destination management organisations supported coordination, outreach, promotion, and stakeholder engagement.
- International media partners increased visibility and awareness of the six Western Balkan economies plus Croatia and Slovenia as a single adventure tourism destination.

Through this facilitative approach, RECONOMY strengthened supporting functions and relationships within the tourism system, enabling market actors to assume ownership of a regional tourism product that could continue generating benefits beyond programme support.

## 4. Changes Observed (Systemic Change)

The Trans Dinarica intervention was designed to stimulate changes in how tourism market actors interact, invest, and respond to emerging commercial opportunities. Rather than measuring success solely through the creation of a new tourism route, the intervention sought to influence the behaviour of businesses, tourism associations, destination management organisations, media actors, and tourists themselves. The evidence emerging since the launch of the route suggests that changes are taking place not only at the level of individual enterprises but also within the wider tourism market system. These changes can be understood through the Adopt-Adapt-Expand-Respond (AAER) framework.

### Adopt: Market Actors Take Up the New Model

The first signs of change were observed through the adoption of the Trans Dinarica model by tourism market actors directly engaged through the intervention. RECONOMY and Good Place introduced a digitalised regional cycling tourism product connecting destinations across the six Western Balkan economies plus Croatia and Slovenia and engaged more than 400 tourism stakeholders through workshops, webinars, stakeholder consultations, and promotional activities. Tourism businesses, tour operators, destination management organisations, and other tourism actors began participating in regional cooperation activities, exploring new approaches to joint promotion and recognising the commercial potential of cycling tourism. Adoption was further reflected in the willingness of private sector actors to integrate the route into their business models. Accommodation providers, restaurants, guides, cycling service providers, and tour operators joined the Trans Dinarica ecosystem, improved services for cycling tourists, and positioned themselves along the route. By early 2025, 12 official tour operators across the Balkan countries had integrated the route into their commercial offerings. Growing tourist uptake also demonstrated adoption of the new market infrastructure, with more than 13,500 cyclists travelling along the route and thousands of navigation package and mobile application downloads recorded.

### Adapt: Market Actors Improve and Sustain the Innovation

After the initial introduction of the model, market actors began adapting and improving the innovation using their own resources. Good Place continued investing in route maintenance, digital platform improvements, navigation package updates, newsletters, workshops, promotional activities, and content development beyond the period of initial intervention support. The launch of the Trans Dinarica Navigation Pack 3.0 and the continued expansion of route information demonstrate ongoing investment in the quality and functionality of the tourism product. Adaptation was also visible among tourism businesses and service providers that continued upgrading facilities and refining services in response to cyclist demand. The navigation platform expanded from approximately 2,850 to 3,260 points of interest (POI), reflecting ongoing efforts to improve the visitor experience and increase the product's commercial value. These changes suggest that key market actors are not simply using the model as originally introduced but are actively refining and sustaining it based on market feedback and commercial incentives. By mid-2026, more than 1,270 tourism businesses reported benefiting from cyclist spending generated through Trans Dinarica. Businesses also invested more than CHF 3 million in new or improved tourism services designed to attract and serve cyclists. These investments indicate that market actors perceived a viable commercial opportunity and were willing to commit their own resources to capture it.

### Expand: Crowding-In and Replication Beyond Direct Participants

Evidence of expansion is visible through the growing participation of actors that were not directly supported or initially engaged through the intervention. As awareness of the route increased, international tour operators began integrating Trans Dinarica into commercial travel packages, while tourism businesses outside the original network sought inclusion in the platform and route ecosystem. The addition of new points of interest following the launch of Navigation Pack 3.0 provides evidence that expansion is increasingly being driven by market actors themselves. New accommodation providers, restaurants, cycling services, attractions, and tourism operators are often identified through recommendations from cyclists, traveller reviews, and direct approaches from businesses that became aware of the route through existing users rather than through project outreach. For example, an accommodation owner contacted the Trans Dinarica team after learning about the route from visiting cyclists and subsequently sought to adapt his services to attract cycling guests. Similarly, accommodation providers have been added following recommendations from bikepackers travelling the route. These developments suggest that participation is increasingly driven by commercial incentives and market demand rather than project support. As additional actors join independently, the value of the ecosystem increases for both service providers and visitors, creating a reinforcing cycle of market growth.

## Respond: Changes in the Wider Market System

The response stage is reflected in broader changes within the tourism system that go beyond the actions of the original partner. Tourism actors are increasingly viewing regional cooperation as a commercially attractive strategy rather than a donor-driven objective. Businesses are investing their own resources in service upgrades, destination promotion, and cyclist infrastructure. Tourism associations and destination management organisations are engaging more actively in regional promotion and coordination activities. Tour operators are developing products that cross national borders rather than focusing exclusively on single-country itineraries. Perhaps most importantly, the intervention contributed to a shift in how the six Western Balkan economies plus Croatia and Slovenia are positioned internationally. The region is increasingly being presented as a connected adventure tourism destination rather than a collection of individual markets. This represents a change in market norms and incentives that may continue to influence future tourism product development beyond the cycling sector itself. Good Place has also continued investing in route updates, digital platform improvements, newsletters, workshops, and promotional activities. The launch of the Trans Dinarica Navigation Pack 3.0 and the expansion of route information demonstrate continued adaptation and investment by market actors after initial development support, signaling increasing local ownership of key market functions. A notable systemic change is the growing recognition of the eight Balkan countries as a shared tourism destination rather than separate national markets. Government representatives, tourism authorities, tour operators, and private businesses increasingly reference the route as a mechanism for regional cooperation, destination development, and investment attraction.

## Changes in Supporting Functions

Several supporting functions have strengthened as a result of the intervention:

- A regional digital tourism platform and navigation service now provides information, route guidance, and market access for tourism businesses.
- International marketing and media outreach functions have expanded significantly, improving awareness of the region among international cyclists and tour operators.
- Information flows between tourism stakeholders have improved through webinars, stakeholder engagement activities, and regional collaboration mechanisms.
- Tourism businesses have gained access to new knowledge on product development, marketing, and cyclist-friendly service provision.

## Changes in Rules and Norms

Although no formal policy reforms were targeted, important changes in informal rules and industry norms are emerging:

- Tourism actors increasingly perceive regional cooperation as commercially beneficial.
- Cross-border tourism products are becoming more accepted as viable business opportunities.
- Private businesses are increasingly willing to invest in collective destination promotion and shared tourism products.
- The concept of the six Western Balkan economies plus Croatia and Slovenia as a single tourism destination is gaining legitimacy among industry stakeholders and international buyers.

## AAER Framework

Adopt-Adapt - Expand - Respond

### ADOPT

- Tourism businesses join the route
- Service providers upgrade offers
- Tour operators integrate Trans Dinarica
- Private actors invest in cyclist services
- Stakeholders engage in regional collaboration

### EXPAND

- New businesses join independently
- Additional tour operators market the route
- Cyclist recommendations generate new POIs
- International media amplifies visibility
- Increased cyclist arrivals across the region

### ADAPT

- Platform and navigation tools continuously improved
- Navigation Pack 3.0 launched
- Businesses refine services based on market demand
- Route content and POIs regularly updated
- Private investment continues beyond initial support

### RESPOND

- Regional cooperation becomes commercially driven
- Tourism actors jointly market the eight Balkan economies
- Private investment continues without project support
- Cross-border tourism products emerge
- Eight Balkan countries increasingly positioned as one tourism destination
- Public and private actors recognise regional tourism as a development strategy



## 5. Results & Impact Pathway (From Systemic Change to Livelihoods)

The Trans Dinarica intervention was designed around RECONOMY's objective of creating better and higher incomes and more decent employment opportunities for women, young people, and disadvantaged groups through sustainable market system change. The intervention did not seek to directly create jobs or increase incomes through project-funded activities. Instead, it aimed to address systemic constraints that limited tourism enterprises' ability to access international markets and grow commercially. The underlying theory of change is that improved access to international tourism demand enables tourism enterprises to increase sales and revenues. As businesses grow, they invest in expanding and improving their services, creating additional demand for labour and generating new income-earning opportunities. The intervention assumes that women, young people, and disadvantaged groups benefit because they are significantly represented within tourism and hospitality activities, including accommodation, food services, guiding, transport, handicrafts, and family-owned tourism enterprises. The extent to which these groups benefit depends on businesses translating increased revenues into employment, improved earnings, and procurement from local suppliers. By strengthening supporting functions such as market information, digital services, promotion, route infrastructure, and stakeholder coordination, the intervention enabled tourism businesses to participate in a regional tourism product and access customer segments that were previously difficult and costly to reach. This strengthened the commercial performance of enterprises and created conditions for more inclusive economic opportunities in rural areas across the six Western Balkan economies plus Slovenia and Croatia.

### Results Chain Systemic Change

A commercially viable regional tourism product was established through the Trans Dinarica route, associated navigation packages, digital services, international promotion, and cooperation among tourism stakeholders across eight Balkan economies. The intervention addressed key coordination and market access constraints that had previously limited the development of cross-border cycling tourism. Tourism businesses, tour operators, destination management organisations, and tourism authorities increasingly collaborated around a shared regional tourism offer, creating a mechanism through which international demand could be channelled to local market actors.



## Improved Market Access and Business Growth

The regional tourism product increased international visibility and reduced barriers to accessing international tourism markets. Through the Trans Dinarica website, navigation packages, media coverage, tour operators, and digital marketing channels, tourism businesses gained access to international customers that many would not have been able to reach individually. By mid-2026, the route had attracted more than 13,500 cyclists and generated almost 6,700 navigation package downloads. More than 1,270 tourism businesses reported benefiting from visitor spending associated with the route. Increased customer traffic and market visibility strengthened enterprise performance, creating incentives for businesses to invest in service improvements, cyclist-friendly facilities, accommodation upgrades, guiding services, food experiences, and complementary tourism products.

## Income and Employment Effects

Improved enterprise performance translated into increased revenues, creating opportunities for businesses to expand operations, retain workers, hire additional staff, and generate higher earnings. Tourism enterprises reported more than CHF 4 million in additional revenues linked to cyclist spending along the route, while 229 new jobs were created. The intervention contributes to RECONOMY's target outcomes through the assumption that increased business revenues lead to additional employment opportunities and higher incomes among workers, self-employed individuals, and small business owners participating in the tourism value chain. These benefits are particularly relevant in rural areas, where accommodation providers, guides, restaurants, food producers, transport providers, and other tourism enterprises often have limited access to growth opportunities.

Women and young people are expected to benefit because they represent a substantial share of employment and entrepreneurship within tourism and hospitality sectors. Increased business activity creates opportunities for wage employment, self-employment, family businesses, and local service provision. However, the scale of benefits reaching these groups ultimately depends on business hiring practices, ownership structures, and participation in tourism-related economic activities.

## Long-Term Impact

The emerging impact is a more competitive and inclusive regional tourism market that creates sustainable economic opportunities across multiple countries and communities. By strengthening connections between international demand and local tourism enterprises, the intervention contributes to stronger enterprise performance, increased income-generation opportunities, and growth in decent employment. Over time, the sustainability of these outcomes will depend on continued private-sector investment, market-driven expansion of the Trans Dinarica ecosystem, and the ability of tourism enterprises to maintain and grow their participation in international tourism markets. At launch, the route was projected to contribute to the creation of more than 3,000 jobs and generate approximately CHF 14.1 million in direct economic impact over its first three years. While these projections remain subject to validation, they illustrate the potential scale through which systemic improvements in market access can translate into enterprise growth and improved economic opportunities for women, young people, and disadvantaged groups throughout the six Western Balkan economies plus Slovenia and Croatia.

## Market Reach and Visibility

The route's growing market presence demonstrates the scale of demand generated through the intervention and the extent to which market access constraints have been reduced. During 2024, the Trans Dinarica website attracted more than 177,000 visitors from key cycling markets including the United States, Germany, Italy, France, Belgium, and Australia. In the first two months of 2025 alone, a further 46,000 visitors accessed the platform, indicating continued growth in international interest. Social media channels reached more than two million people, while the dedicated newsletter community expanded to approximately 7,000 subscribers. These results demonstrate increasing market visibility and provide an indication of the demand channel through which participating enterprises can access new customers and generate commercial growth.

## Quantitative Results

| Indicator                                            | Results Achieved                         |
|------------------------------------------------------|------------------------------------------|
| Cyclists travelling the route                        | 13,500+ cyclists                         |
| Navigation package downloads                         | 6,700 downloads                          |
| Tourism businesses benefiting                        | 1,270 businesses                         |
| Private sector investment                            | CHF 3,000,956                            |
| Additional business revenue                          | CHF 4,134,125                            |
| Increased income                                     | CHF 1,242,165                            |
| New jobs created                                     | 229 jobs                                 |
| Tourism actors trained and engaged through workshops | More than 400 participants               |
| International media coverage                         | 80+ major international media placements |

## Economic Impact

Survey data collected by Good Place indicates that cyclists spend, on average, more than CHF 66 per day and remain approximately eight days in each destination. Based on download figures, travel patterns, and average group sizes, the route had generated an estimated CHF 2,6 million in direct economic impact by February 2025. Applying tourism multiplier effects, the wider economic contribution is estimated at approximately CHF 6,3 million. While these estimates should be interpreted cautiously, they provide a strong indication of the route's potential to generate significant economic benefits for businesses and communities across the region.



Jan Klavora,  
CEO, Visit  
GoodPlace  
and  
Founder of  
Trans Dinarica

**“** *TransDinarica is the first cycling route that truly connects the Western Balkans as a tourism product. People have cycled through the region before, but what we created was a complete package - a route, a website, an application, and international marketing. It's not designed only for hardcore cyclists. The idea is adventure combined with culture and cuisine, where the bicycle becomes a way to travel between cultural sites, natural landscapes, and local food experiences across the region.* **”**

## Sustainability and Scale

The strongest evidence for sustainability is the increasing ownership demonstrated by market actors. Tourism businesses are investing their own resources to attract cyclists, Good Place has established commercial revenue streams through navigation package sales and business services, and the route continues to attract new operators and tourism providers without direct programme management. Similarly, evidence of scale is visible through growing participation across the system. Additional businesses continue to join the route ecosystem, international tour operators are integrating Trans Dinarica into their portfolios, and international media exposure is expanding awareness among potential visitors. The intervention's success is therefore no longer dependent on a single actor but is increasingly driven by a broad network of businesses, tourism organisations, and market players responding to commercial opportunities. From an MSD perspective, this progression from project-supported innovation to market-led investment reflects movement through the AAER pathway and provides evidence that the intervention is contributing to both achievement of targets and inclusiveness. Growth is increasingly driven by market actors themselves, while benefits are reaching a diverse range of rural businesses, women, youth, and local communities across the six Western Balkan economies plus Slovenia and Croatia.

## From Regional Tourism to Local Livelihoods

The experience of Boškova Voda, a family-run accommodation business in the village of Ljubiš near Zlatibor, Serbia, illustrates how a regional tourism product can generate tangible economic opportunities for rural communities. Before the introduction of

Trans Dinarica, visitor flows were concentrated on weekends and peak summer periods, making income unpredictable and limiting incentives for investment. Following the launch of the route, cyclists began arriving more regularly throughout the tourism season, creating a more stable demand pattern and increasing occupancy during weekdays. Today, cyclists account for approximately 20% of the business's guests, contributing to higher turnover, more consistent bookings, and growing confidence in future growth. The increased demand has enabled the family to employ additional local workers during peak periods, particularly women from the surrounding community. Importantly, these results were not achieved through subsidies or direct support to the business, but through improved market access and participation in a regional tourism ecosystem. The case demonstrates how systemic changes in tourism coordination and market access can create direct livelihood benefits for rural households while strengthening incentives for further private investment.

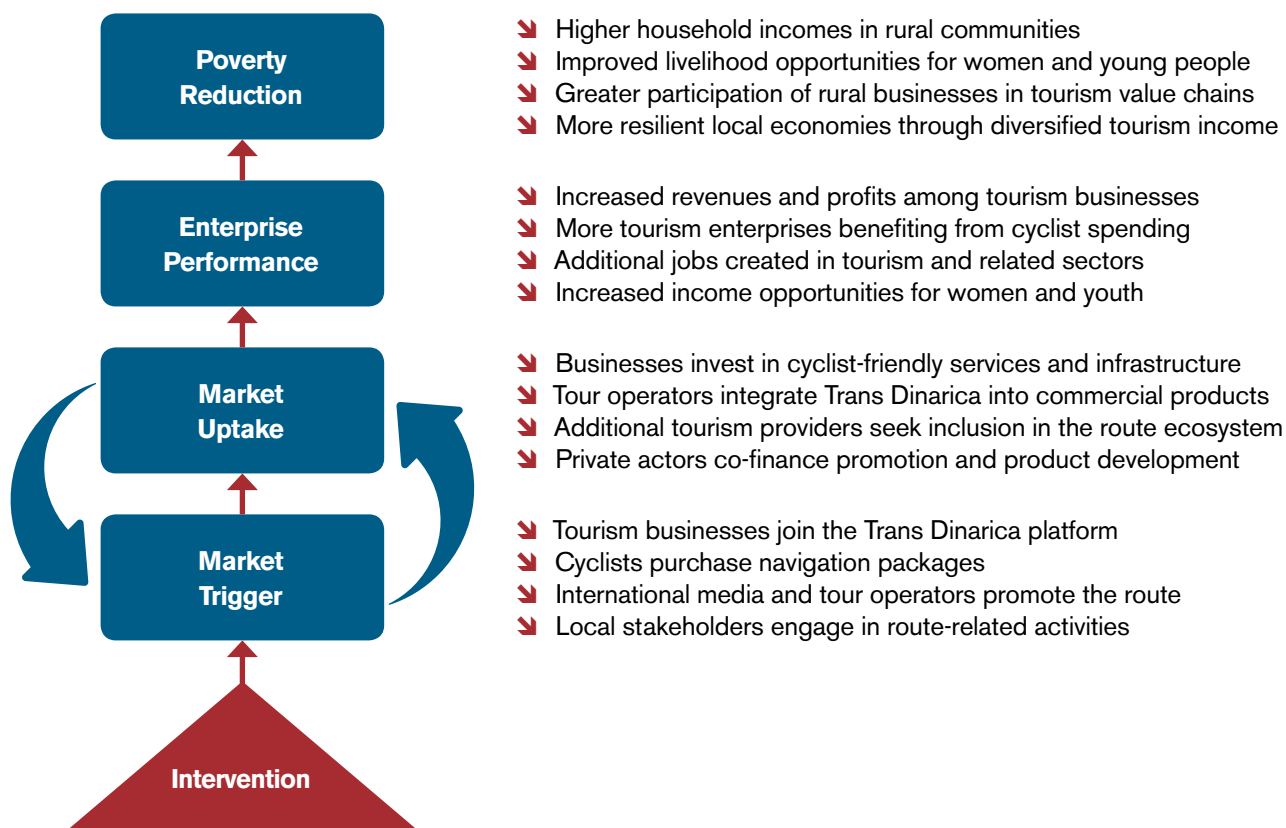
As demand continues to grow, the family is planning additional investments in cyclist-friendly services, including secure bicycle storage, e-bike charging facilities, and improved signage. These investments are driven not by project requirements but by confidence in the commercial opportunities created by Trans Dinarica, providing a strong indication of sustainability and local ownership.



**“** The route didn't change us. It just connected us to the world and showed us that our future can stay right here, at home. **”**

*Uroš Dacović, Boškova Voda, Serbia*

## Indicators for SUSTAINABILITY and SCALE are crucial for understanding whether Trans Dinarica is becoming a self-sustaining market system.



## Sustainability indicator examples

- Revenue generated through navigation package sales
- Number of businesses renewing participation voluntarily
- Private investment in cyclist-oriented services
- Continued route maintenance and content updates by Good Place
- Tourism actors contributing resources to promotion

## Scale indicator examples

- Number of cyclists using the route
- Number of tourism businesses benefiting
- Number of tour operators offering Trans Dinarica packages
- Number of countries and destinations actively promoted
- Growth in international media reach and visitor referrals



# 6. Management Considerations and Future Potential

The long-term viability of Trans Dinarica depends on whether the market functions introduced through the intervention continue to be performed and financed by market actors after programme support ends. Early evidence suggests that the initiative is progressing in this direction. Good Place has established a commercial model based on navigation package sales, business listings, and tourism-related services, while tourism businesses are increasingly investing their own resources to improve products and attract cyclists. This shift from donor-supported development to market-financed operation is a strong indication that ownership is moving from facilitation towards adoption and adaptation by market actors.

A second positive signal relates to investment behaviour. Businesses along the route have already invested more than CHF 3 million in cyclist-friendly services and infrastructure, while more than 1,270 tourism businesses have reported benefiting from increased visitor spending. These investments were not project requirements but responses to emerging commercial opportunities, suggesting that market actors perceive long-term value in the Trans Dinarica ecosystem. The fact that businesses continue to upgrade services and seek inclusion in the platform indicates growing confidence in the route's future market potential. There is also evidence that new market norms are beginning to emerge. Historically, tourism promotion in the eight Balkan countries have been organized around national identities and destination-level competition. Through Trans Dinarica, tourism stakeholders increasingly view regional cooperation as a commercially attractive strategy. Tour operators, tourism associations, destination management organisations, and service providers are engaging around a shared tourism product and increasingly promoting the six Western Balkan economies plus Slovenia and Croatia as a connected tourism destination. While this behavioural change remains at an early stage, it represents an important shift in incentives and market relationships. Strong international recognition has become an important enabling factor. Coverage by major international outlets and designation as a "Best in Travel" experience helped establish credibility, attract cyclists, and reduce market-entry barriers for participating tourism businesses. This visibility also encouraged additional market actors to engage with the route ecosystem.

Evidence of crowding-in and scaling is already visible. International tour operators have begun incorporating the route into their commercial offers, additional tourism providers continue to join the ecosystem, and international media coverage has expanded far beyond the initial promotional activities. Coverage by outlets such as Lonely Planet, CNN, National Geographic, The Guardian, and others has increased international awareness and generated demand well beyond the reach of the original intervention. These developments suggest that the market system is attracting new actors and resources independently of programme support. The concept also demonstrates significant regional scaling potential. The route already connects six Western Balkan plus Croatia and Slovenia economies and provides a platform that can support additional tourism products, thematic routes, and experiences in the future. The coordination mechanisms, digital infrastructure, and partnerships established through Trans Dinarica could be replicated for hiking, cultural heritage, gastronomy, or other forms of sustainable tourism. More broadly, the intervention demonstrates how regional cooperation can create commercial opportunities that individual destinations would struggle to achieve independently.

Several enabling factors support future growth. The eight Balkan economies possess strong natural and cultural assets, growing demand for adventure and sustainable tourism, increasing international recognition of the region, and a private sector willing to invest when commercial opportunities are visible. The route's digital platform and navigation tools also provide an efficient mechanism for connecting tourists with local service providers and expanding market participation over time. However, several risks and constraints remain. Sustaining route quality across multiple countries requires ongoing coordination among numerous stakeholders. Maintaining accurate route information, updating digital content, and ensuring consistent visitor experiences will require continued management and investment. In addition, the success of the route depends on the ability of local businesses to maintain service quality and respond to changing market expectations. Uneven levels of tourism development across countries and destinations could also limit the consistency of the overall visitor experience. From a management perspective, one of the most demanding aspects of the intervention was coordinating a large number of stakeholders across different countries, tourism systems, and institutional environments. Building trust among actors who were accustomed to working within national boundaries required sustained engagement and facilitation. Another challenge involved balancing regional branding with the interests of diverse local stakeholders. These challenges were addressed through continuous dialogue, stakeholder workshops, transparent communication, and by building a strong commercial case for cooperation rather than relying solely on development objectives.

Looking forward, the key management priority will be ensuring that market actors continue to assume greater responsibility for financing, promoting, and expanding the Trans Dinarica ecosystem. The strongest evidence of sustainability will be the continued willingness of businesses, tourism associations, and tourism operators to invest their own resources in maintaining and growing the platform. The strongest evidence of scalability will be the continued entry of new actors, destinations, and tourism products into the system without requiring direct programme support. If these trends continue, Trans Dinarica has the potential to become not only a successful tourism product but also a lasting model for regional market development in the six Western Balkan economies plus Slovenia and Croatia.

## Sustainability

Early evidence suggests that Trans Dinarica is moving beyond a project-supported initiative towards a commercially sustainable market system. A key indicator of sustainability is that market actors are increasingly investing their own resources to maintain and benefit from the route. Tourism businesses along the corridor have upgraded services, adapted their offers to cyclists, and invested in facilities without direct programme financing, demonstrating confidence in the commercial value of the tourism product. At the same time, Good Place has established revenue-generating mechanisms through navigation package sales, business listings, and other tourism-related services, creating a business model that supports the continued operation and promotion of the route. Another important sign of sustainability is the gradual shift in ownership and responsibility. Functions that were initially supported through RECONOMY facilitation, such as promotion, stakeholder engagement, and route development, are increasingly embedded within the market system itself. Tourism operators, associations, and service providers have strong incentives to continue collaborating because the route generates visitor flows and commercial opportunities. As a result, participation is increasingly driven by market incentives rather than external support. This indicates a transition from project-led facilitation towards locally owned and market-financed solutions.

## Communities as Co-Creators

A critical lesson from the development of Trans Dinarica is that local communities should not be viewed only as beneficiaries of tourism growth. The route's success depends on the active participation of local businesses, guides, accommodation providers, food producers, and residents who collectively shape the visitor experience. Future growth will therefore rely not only on increased visitor numbers but also on continued co-creation and ownership by communities along the route.

## Scalability Potential

The intervention demonstrates strong potential for scale because it is based on a market opportunity that continues to attract new actors and investment. The number of participating tourism businesses continues to grow, while international demand for cycling and adventure tourism creates opportunities for additional destinations, accommodation providers, guides, transport operators, and tourism entrepreneurs to join the ecosystem. The value of the Trans Dinarica platform increases as more actors participate, creating positive network effects that encourage further expansion. Additional evidence of sustainability can be observed in the continuous improvement of the tourism product. The expansion of the navigation package from 2,850 to 3,260 points of interest, the organisation of supplier workshops, and ongoing investments in marketing, newsletters, and platform development demonstrate that market actors are adapting and improving the product beyond its original design.



There are already signs of crowding-in, with additional tourism businesses seeking inclusion in the platform and tour operators incorporating Trans Dinarica into their commercial offers. Extensive international media coverage has also increased awareness of the six Western Balkan economies plus Slovenia and Croatia as a regional destination, attracting interest from new tourism stakeholders and strengthening demand for cross-border tourism experiences. Importantly, the model is not limited to cycling tourism. The same coordination mechanisms, digital infrastructure, and regional partnerships could be applied to other tourism products, including hiking, cultural heritage, gastronomy, and nature-based tourism.

The regional nature of the intervention further strengthens its scalability. By connecting destinations of eight Balkan economies, Trans Dinarica demonstrates how regional cooperation can generate value beyond what individual countries could achieve alone. As market actors continue to invest and collaborate around shared commercial opportunities, the route has the potential to become a platform for future tourism innovations and a model for regional market development in other sectors and geographies.

## **Trans Dinarica as a Regional Platform**

An important indicator of future potential is that Trans Dinarica is increasingly functioning as a platform rather than a standalone tourism product. The route spans 5,540 kilometres, physically connecting all six Western Balkan plus Croatian and Slovenian economies through a single tourism product and creating a scale of regional cooperation that would be difficult to achieve through national tourism initiatives alone. The route now combines digital infrastructure, a tourism business database, international marketing channels, commercial partnerships, and a recognised regional brand. These assets can support future tourism products, including hiking, gastronomy, culture, and nature-based tourism routes. As more users and businesses join the platform, the value created for all participants increases, creating strong network effects that favour both sustainability and scale.

# Annex

## Key References

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