MANAGING-TECHNOLOGY ENHANCED TOURIST EXPERIENCE: THE CASE OF SCATTERED HOTELS IN ISTRIA

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Abstract

Many of the recent research studies in tourist behavior pointed to the fact that contemporary tourists, particularly millennials, are very prone to innovative experiences and enjoy co-creating the tourist experience. Technological advancements drive changes in the way tourists experience their vacation and have transferred power to the tourists in terms of decision-making. Scattered hotels bring back life into empty and abandoned homes in the old parts of the city. They boost the trickle-down effect on the local economy, contribute to the revival of villages and old parts of the town, preservation of the local culture and identity of the place, and minimization of negative social and ecological impacts of over-tourism. With the implementation of innovative technological solutions, customized to such particular accommodation establishments and the ecosystem of the tourist destination, this product would be able to modify the complete nature of the tourism experience. In this paper, the authors aim to explore how technology reinvigorates creativity and boosts destinations' innovativeness and competitiveness by enriching the overall customer experience and by creating ecosystems in which tourism contributes to sustainable development. Technological advancements that can unlock innovation potential in scattered hotels are presented, as well as perceptions of tourism suppliers on personalized experiences, boosted with technological innovations. Factors hampering innovation are identified, as well as other important obstacles in delivering such services (financing, cooperation with other stakeholders, uncertain demand, etc.). From a possible functional angle, this study presents significant implications for small entrepreneurs – experience providers in horizontally developed accommodation structures, as well as destination managers and all levels of government.

Keywords: *technological innovation in tourism, growth strategies, transformational tourist experiences, co-creation, Istria*

1. INTRODUCTION

Contemporary tourists, especially Millennials, are looking for transformational (From, 2017) and authentic experiences and enjoy co-creating them (Paulauskaite et al., 2017, Mya, 2020). Experiences mean everything to them whilst traveling (Expedia, n/d). Moreover, once they participate in creating their own travel experiences, ultimately, they positively impact their

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level of satisfaction with travel. (Lončarić, Prodan and Dlačić, 2017, 332).

Technology is an important game-changer in tourism. Technological disruptions are altering the traditional competitive landscape, transforming industry structures, processes, and practices (Buhalis et al., 2019), thus impacting the way experiences are created by tourism suppliers, experienced by tourists in the destination, as well as shared and reflected, once the trip/holiday ended. Technology drives changes in the way tourists experience their vacation and it has also transferred power to the tourists, in terms of decision-making. Technological advancements, no doubt, promise more interactive and exciting experiences (Vidal, 2019), simultaneously driving tourism suppliers to reinvigorate creativity, find new ways to create and capture value and experience opportunities. Literature indicates that ICT, especially smart technologies, impact customer journey at all three phases, but the pre-trip period and active phases are underlined as the most momentous (Shen, Sotiriadis, and Zhang, 2020). In line with this, tourism businesses and destination management organizations should use technology to their advantage.

Customers are pickier than ever before. Competing in experiences is the question of moving boundaries and implementing personalized, carefully designed, aesthetic and emotional value. It is also much about enhancing the importance of co-living, co-creation, cooperation, sharing, networking in creating experiences in tourism destinations. Technology can play an important role in this process.

There is a lack of empirical research on the impact technology has on the process of (co)creation of experiences, in particular, in the case of scattered hotels (diffused

type) at one hand, and the perception of service providers (owners of rooms and apartments) at another. No empirical research exploring these specific environments has been done so far. The three above-mentioned factors (technology, co-creation, and experiences) are important determinants of tourism destination competitiveness. In line with this, in this paper, the authors provide not only the first theoretical overview of tourism experiences, co-creation process, and importance of technology in enhancing tourism experiences in scattered hotels but also an important contribution to the empirical research, focused on this specific type of hospitality organizations. The relationship between the three constructs has been underlined in the theoretical part of this paper, as related to the model, which can be applied to scattered hotels (diffused type).

In the second part of the paper, the summary of the methodological concept and the data collection process is presented. Scattered hotels (diffused type) have been selected as a best-case study for their specifics and their uniqueness as well as bearing in mind the needs and wants of the so-called, third generation of tourists. The authors aim to explore how technology could reinvigorate creativity and boost destinations innovativeness and competitiveness, by enriching overall customer experience and creating ecosystems, in which tourism becomes the driver of the positive impact and sustainable development.

Benchmark analysis has been performed, to view and summarize up to date, case study examples of the best scattered hotels, the services provided and technology implemented, as to be able to discuss whether scattered hotels keep up with the latest technology, as well as how technology contributes to creating exceptional experiences. Semi-structured interviews

were conducted with owners of rooms and private apartments in the historical part of the City of Labin and research results are discussed.

Authors propose staffless check-in as a seamless experience that can be implemented in scattered hotels. Significant conclusions of the study and indications for academics and practitioners (owners of rooms, private apartments, small hotels, heritage hotels as well as destination managers) are stressed in the concluding part of the paper.

2. LITERATURE REVIEW

2.1. Achieving competitive advantage with technology-enhanced tourist experience

Achieving competitive advantage is a milestone contemporary question. Competitiveness is a range of ideas connected originally. It's a process that includes education, research, brave investments, understanding the future, etc. The ingredients for achieving destination competitiveness are challenged. They are seriously affected by: (1) the globalization processes (establishing new values around the world); (2) social changes („hybridization " of lifestyles and practice); (3) environment-related risks (different concerns about living environment, new forms of individualization, exacerbated by the digital society- new ways of making a community or society); (4) micro and macro-economic changes (changing consumer society); (5) knowledge economy (person's relation to real and virtual world), (6) digital technology (changing the position of people) and (7) trust. Manrai, Manrai, and Friedeborn (2020) accentuated twelve environmental determinants of destination competitiveness, namely: society, technology, culture,

demographics, economy, geography, history, infrastructure, opponents, politics, and resources. They further pointed out the fact that the level of technological developments favorably influences destination competitiveness. The traditional destination's competitiveness model was challenged in the work of Koo et al. (2016) by developing their own 'DestCompST' model and accounting for the smart tourism specifics. Smart technology was added as a new factor that links core resources and attractors. The *smartness* concept supports the application of technological achievements and automation to increase efficiency, lower costs and achieve more sustainable, interactive, and entertaining values in tourism. As highlighted in the research of Buhalis et al (2019), the Internet of Things and autonomous devices, artificial intelligence, virtual and augmented reality are shaping smart environments that shake tourism ecosystems.

Notwithstanding, different competitiveness attributes and the strength of their significance are much dependent on destinations' developmental stages in business settings (Dwyer et al., 2014). In other words, it gets more and more difficult to compete in new (both virtual and physical) reality with new expectations of users. Although offers for tourists are, in some way, unique (include destination, food, culture, religion, etc.) ways of providing experiences whilst incorporating technology, local culture, customs and practices are the magical tricks for assuring business sustainability in the long run.

To compete with more worthwhile and tailor-made tourist experiences that add significant value to the tourism ecosystem, businesses need to consider the potentials of digital technologies. Technologies do not serve for optimization of processes only (Neuhofer et al., 2015). Ultimately,

competitiveness depends on customer satisfaction (Hardinata, et al., 2019), which is determined by the expectations of consumers towards a certain product/service and the experiences in real-time, when it comes to the delivery process (Stickdorn and Zehrer, 2009). Tourists' destination loyalty, regardless of the many loyalty measurement scales, is dependent on smart technology, as well as the unforgettable experiences, provided in the destination (Azis et al., 2020; Pai et al., 2020). Pai et al. (2020) even highlighted that satisfaction with travel is positively correlated with the tourists' happiness and their intention to revisit certain destinations in the future. However, the tourists' satisfaction with a certain tourist experience is intertwined with the level of and access to noteworthy information provided to them, favorably in real-time. This is what permanent interactivity with visitors/tourists is all about, as pointed out by Liberato, Alen, and Liberato (2018).

By embracing a novel experience, the co-creation paradigm "*Technology-Enhanced Destination Experiences*" proposed by Neuhofer, Buhalis, and Ladkin (2019), can help businesses and destinations to enhance tourist experiences. As emphasized by Femenia-Serra and Neuhofer (2018, 129), smart destinations, underpinned by concrete geographical ambiance and technology, make the co-creation of intense and vibrant smart tourism experience easy. From a tourist's perspective, the experience hierarchy already changed from a staged to an empowering experience that is more sophisticated and focused. As explained by Larsen (2000), tourist experiences are "*psychological phenomena, based in and originating from the individual tourist*". There is a need to understand factors and trends to deliver services and experiences that will exceed tourist's desires. The memorable tourist experience is affected by novelty, involvement, and social interaction (Wei et al., 2019). This is further supported by Campos et al. (2015), who draws attention to the importance of dynamic participation and interaction, as significant factors impacting the joint creation of tourist experiences. Co-creation is strengthening the attention of tourists and, ultimately, the intensity of their memories (Campos et al., 2016). Findings illustrate that the willingness to participate in the online co-creation of tourist experiences is strongly dependent, amongst other, on the website quality (Jiménez-Barreto and Campo-Martínez, 2018). It has been found that social media has a considerable impact on tourist behavior in destinations (Javed, Tučkova, and Jibril, 2020). Cultural exchange, engagement, and quality of the service provided affect tourist experiences in the destination (Seyfi, Hall, and Rasoolimanesh 2019).

The focus today should, therefore, be changed to the '*New VUCA[1] World*'. Traditional revenue generation business models are constantly threatened by regulation and innovations in technology (World Travel and Tourism Council, 2019; Deloitte 2018). Telecoms, media, and technology are shaping lives and, to secure competitiveness, by providing innovative products and services, business organizations need to take advantage of the digital convergence. The ultimate goal should be *network sharing, collaboration, value-added services, investments in human resources, software, and equipment, a „do it alone" mindset, workforce reduction, etc.* Tourism organizations are remodeling their operations to become more agile and able to capture values in their environment. They are also starting to form partnerships/alliances that enable them to be globally present. The co-creation of experiences is not only the foundation for innovation and value creation, as

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[1] Volatility, Uncertainty, Complexity and Ambiguity.

it has already taken over the product and company-centric innovation (Binkhorst and Den Dekker, 2009). Scattered hotels, as special accommodation facilities, have the interest to respond and use local competitiveness and trends in creating a valuable and competitive tourist experience. They should choose to push organizational and technological boundaries and change the way of providing tourist experience. Usage of technology provides important information to suppliers of experiences, gives them feedback, points to the tourists' dissatisfaction moments, etc. The rationale of co-creation implies that tourism organizations will try to explore tourists' past experiences, to be able to better capture the value and create tailor-made and purposeful experiences (Berrada, 2017). Tourist experiences today seek to balance social and economic dimensions in creating experiences. It is expected that tourist experiences will connect people and locals, not only in a traditional way but also through technology, for the new generation of tourists believes in online information, given promises, easier access, virtual testing, etc.

Tourism products are "experience goods/services" *par excellence*. Consumers validate them *ex post facto,* alongside committing their experience to memory and leaning on it. Likewise, tourist activity is dependent on heritage, various attractions, and accommodation services in a certain destination. Consumption has a sequential dimension that affects the quality of the tourist's overall experience (Decelle, 2004, 1). One of the most important needs for tourists in the 21st century is to create new and authentic memories that resonate with their motivation to explore and uncover novel experiences. They are in constant search of experiences that will deliver cultural immersion through cuisine, local hotspots, and activities.
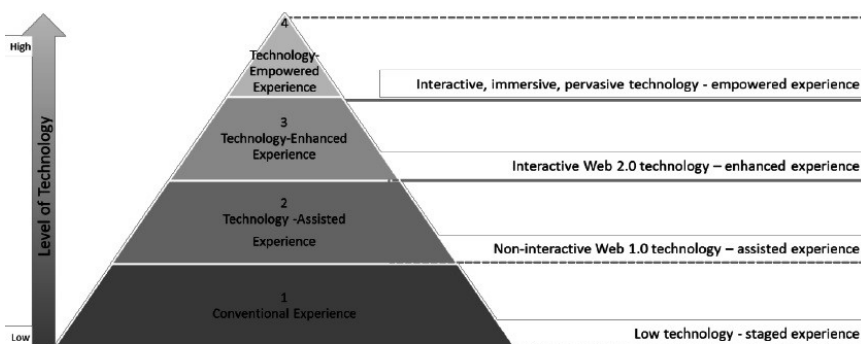

Figure 1. Experience hierarchy
Source: Neuhofer, Buhalis and Ladkin (2014)

Tourism suppliers can deliver better technology-enhanced experiences in different ways, e.g. by:

- encouraging co-creation (trying, testing, preparing),

- providing a connection with other attendees (connect with like-minded persons, people with same interests…),

- making participants a part of the "same" community (sharing ideas, reviews, recommendation, announcements ...),

- raising excitement (before and after using a service),

- providing opportunities to explore the destination (in physical or virtual reality),

- using VR goggles (attract attention to destination, accommodation),

- connecting customer to destination partners,

- creating social media sharing moments,

- using robots for check-in,

- using drones, etc.

Technological solutions inspire, provide information about a destination, and can act 24/48 hours after booking, as well as 48/24 hours before departure, by reminding users on what can be done additionally in a destination, as to create more lasting experiences. According to Frost & Sullivan and Amadeus (2015), it is expected that by 2030 artificial intelligence (AI) will be integrated into the travel agency processes and authorization will be provided, to collect tourists' data (i.e. real-time location, emotional state, health status, live video-feed, social updates, and conversations) from a variety of sources. Experience value (Prebensen et al., 2014) is changing and focuses on: functional value (quality, standards, organization), social value (acceptable, social capital – shared moments, networks, enabling connectivity, real-time comments, being in touch with situations in real-time), emotional value (well-being, exciting, stimulating, service-minded) and epistemic value (authentic experiences, curiosity, adventure, education, connection with destination). There is a need to understand how the travel experience changes, as to understand how to meet these changing needs.

The level of tourist satisfaction is impacted by functional and emotional values (Jun Song et al., 2015). Whilst creating experiences, tourism organizations need to touch the heart and emotions of tourists, design inviting environments through the integration of cultural heritage and the local community. All this requires tourism stakeholders to collaborate and offer the tourists a comprehensive and delightful experience that overcomes their initial expectations. Local knowledge is crucial in creating the 'WOW moments'/moments of truth. It can enhance and foster experiences and leave an impact on creating memories. Moments of truth positively impact customer loyalty, word-of-mouth marketing, and increased long-term business (Hotels News Resource, 2019).

As concluded by O'Koshy (2011), experience is playing on the heart, including culture, emotions, values, senses, feelings, and synthesis. Technology-enhanced tourist experiences can enhance hospitality, create new, delightful and surprising effects. Finally, emotions are a stimulus for happiness and well-being. The myriad of complementary activities that foster experience co-creation contribute to achieving competitiveness – at the organizational and destination level. After all, the post-COVID-19 tourism environment will be more favorable to those, focusing on innovation and excelling at different new forms. Ultimately, the World Bank provides support to the tourism industry to leverage these new opportunities (World Bank Group, 2020, 35).

2.2. Technology and tourist experiences with possible implications on scattered hotels

Consumers today are in constant search of unique experiences that create lasting memories. Conventional tasks, architecture, and mechanisms of tourist experiences have deeply changed and are transforming

the global tourism ecosystem. Obtaining a tourism destination competitive advantage on a global scale means creating and offering the so-called technology-enhanced tourist experiences (as introduced by Neuhofer and Buhalis, 2012). They add value to successful differentiation in the competitive tourism market. But, whilst competing innovatively, tourism destinations must accept two fundamental assumptions: (1) consumers are co-creators of their own experiences (Binkhorst and Dekker, 2009; Chandralal and Valenzuela, 2013) and designers of innovation (Binkhorst, 2005), in pursuit of personal growth (Prahalad and Ramaswamy, 2004) and customer satisfaction (Lončarić, Prodan and Dlačić, 2017) and (2) integrated service delivery in tourist destinations requires the collaboration of interested stakeholders, as argued by McCabe, Sharples, and Foster (2012). They propose the scenario-based design (SBD), as practical means to removing barriers to collaboration among various tourism stakeholders and the generation of innovative ideas in destination service development.

The tourism industry today is at the heart of a profound metamorphosis (Vidal, 2019). As emphasized previously, technology started to be strongly embedded in creating tourist experiences, thus increasing business efficiency and raising the attractiveness and competitiveness of tourism destinations. Technology has transformed ways of how experiences are created (Crouch and Desforges, 2003) and it turned travelers into experience seekers. Millennials and Generation Z have played a significant role in this paradigm shift (Mohd et al., 2019), which leads to the development of digital tourism ecosystems (Benckendorff, Xiang and Sheldon, 2019, 22). Although tourist experiences are still only rudimentarily understood, they require further investigation (Cutler

and Carmichael, 2010; Larsen et al., 2019) and are even questionable to some degree (Gretzel and Jamal, 2009), although some of them have already been technology-mediated (Tussyadiah and Fesenmaier, 2009). Technology impacts not only the decision-making process but also numerous other activities, preceding the decision-making phase, such as inspiration, information-gathering, and analysis. The same applies to the experience and post-travel phase. Having decided where to travel, tourists start deciding on the type of experiences they wish to co-create for themselves (Nuraeni, Pradiva Arru, and Novani, 2015: 313). Neuhofer, Buhalis, and Ladkin (2014, 346) highlight technology as the dominant factor in the enhancement of experiences. As to do that, technology needs to be available to tourists once a co-creation process starts. With a high level of co-creation, technology strongly impacts customer revisit intentions. This cannot be applied to situations with a low level of co-creation (Sugathan and Rakesh Ranjan, 2019).

New types of tourist experiences have proliferated and have started to redefine the entire process of product/service development in tourism. This is supported by Gretzel and Jamal (2009), who highlight not only the strong influence of ICT on changing the existing type of activities but also to introducing novel types of tourist experiences. New types of technology-enhanced tourist experiences have different manifestations: augmented virtual reality, virtual reality, IoT personalized tourist experiences, social media experiences, recognition technology, robotics, etc. This has already been transforming the '*business as usual*' model of creation and design of tourism products/services. For instance, Hyungsoo Jung and Tom Dieck's study (2017) in the field of cultural heritage, suggests that multiple technologies advance the

co-creation of value for cultural organizations, simultaneously contributing to the tourist pre-visit, on-site and post-visit experience. At another hand, the recent study by Danny Han, Tom Diek, and Jung (2019) revealed the attributes of visitors' adoption of augmented reality (AR) in cultural tourism, whilst Danny Han et al. (2020) discuss the design of AR and VR for enhancement of experiences. Suppliers of tourism services have to be aware that they are no longer offering products/services, but are in urgent need to offer competitive experiences to keep up with the dynamics of the market. Thus, Neuhofer and Buhalis (2014) agree that one of the challenges in the future will surely be to understand ways technology could be used in the process of creating successful, irresistible, and valuable tourist experiences.

Varying types of technology-enhanced tourist experiences were addressed by Neuhofer, Buhalis, and Ladkin (2014), with a nine-field experience typology matrix, based on the increasing intensity of co-creation and technology implementation. Technology can enhance customer satisfaction, loyalty, and future spending in the destination (Huang et al., 2018). Active technologies provide many opportunities for verbal and physical interactions with other visitors (Ponsignon and Debaix, 2020). Some scholars are likely to be suspicious about technology and deep experiences in tourism for those tourists who wish to be disconnected and unplugged thus looking for escapism. Whilst smartphones and many different applications have the potential to develop unknown tourism destinations, there are some remaining uncertainties about the use of mobile technology in tourism. The negotiations go around the constant dilemma between the value of connectivity, versus the desire to '*get away from it all*' (Dickinson, Hibbert, and Filimonau,

2016). On the contrary, negative experiential outcomes may arise when tourists stay in locations with limited or no Internet access. They are mostly associated with stress, related especially to social and work communication (Pearce and Gretzel, 2015).

Tailor-made services that boost experiences are facilitated with smart technology. Buhalis and Amaranggana (2015) discuss how smart tourism destinations can greatly enhance tourist experience by offering personalized products/services, meeting unique tourists' needs, wants, and preferences. In this way, they facilitate the discovery process in the tourism destination. Following on the previously mentioned, Gretzel et al. (2015) illustrated the idea of the smart tourism ecosystem (STE), supported by technologies that impact the ways value is created, exchanged, and, ultimately, consumed. Tussyadiah, Hyungsoo Jung, and Tom Diek (2017) found that integration of technology affects enjoyment and enhances the experience with tourism attractions, whilst He, Wu, and Li (2018) highlight a positive correlation between information type, environmental augmentation, and visitors' willingness to pay a higher price. Neuhofer, Buhalis, and Ladkin (2013) suggest strategical use of technology in the co-creation and support of high-touch experiences. Almost three decades ago, Stipanauk (1993) distinguished six dominant roles for technology in tourism: creator, protector, enhancer, focal point, tool, and destroyer. Today, those roles are even wider, with technology fitting into multiple major roles within tourism experiences (Travelopment, n/d): enabler, creator, attraction, enhancer, protector, educator, substitute, facilitator, tool, reminder, and destroyer.

Many historical parts of cities, villages, hilltop towns in Croatia and Italy are at risk of becoming ghost towns. Local authorities

and governmental bodies need to find alternative options to sustain life in the historical and old parts of towns and villages. One way is to convert abandoned buildings into modern accommodation establishments whilst keeping the old spirit, tradition, and identity of the place, while simultaneously offering unique and attractive experiences. In Europe, similar initiatives started with the enthusiasm and vision of Mr. Giancarlo Dall'Ara - an Italian who developed the concept of '*albergo diffuso*', i.e. the scattered, diffused hotel, being a real "Made in Italy" hospitality project. In his mind, the '*albergo diffuso*' is a sustainable hotel, transformed from an old building with an interior that reminds of the hotel's former life, retaining some of the building's original elements. Territory and culture are an integral part of the service offered (Droli, 2019). Such a hotel needs to conform with the following criteria (Dall'Ara, 2019; Droli, 2019): (1) be an original hospitality idea; (2) should not be newly built; (3) should consist of restored and recuperated abandoned buildings only, formed by a developing network of already existing buildings, close to each other; (4) provides common areas, such as reception, lobby, restaurant, etc.; (5) should adopt a professional *modus operandi* that is not standardized, as comparable to a classical hotel; (6) there should be a limited distance between buildings and shared rooms, as to enable guests to enjoy hotel services throughout the year; (7) the management style should be integrated with the social reality and local culture, as to serve as the engine of development, capable to mobilize local resources.

A similar hospitality model was developed in Japan. It is today known as Ryokan - accommodation facilities, which are imbued with the traditional culture of Japan and are charging one-night stays with two meals served in '*heya-shoku*' – the most common style of eating in Japan. Other services, typical for Japanese culture, are offered to guests of the Ryokan, as distinguished special Japanese experiences (e.g. slip-on geta - traditional wooden clogs, hot spring baths, massage, etc.).

Differences between a scattered hotel, a standard hotel, and private accommodation are systematically described by Dropulić Ružić, Krajnović, and Ružić (2008, 609). The scattered hotel was formally recognized by Croatian national legislation in 2016. (Official Gazette 56/2016). Regulation differentiates an integral from a diffused hotel ('*albergo diffuso*'). The main difference is in the location of accommodation facilities, whereas with a diffused hotel, only those accommodation facilities, located in the historical parts of the city, can be recognized. Unfortunately, due to strict regulation, cooperation problems, lack of communication, and relying on the more conventional offer of accommodation through intermediaries, such as Booking.com and different travel agencies, diffused hotels have not become a reality. As a consequence, many Croatian tourism destinations, particularly those of smaller size, but possessing abundant cultural heritage, are not able to maintain, strengthen and protect their competitive advantage. The failure to adapt and innovate is crucial for losing a competitive edge in the global tourism market. Huge potential for smaller destinations and historical cities is being able to strategically value its heritage and support the sustainable tourism lifestyle. Restoring abandoned buildings, whilst transforming them into attractive and competitive hospitality spots and ensuring (co)creation of experiences is a good growth strategy for such tourist destinations.

With the integration of ICT, the experiences scattered hotels offer to their guests can be enhanced. A scattered hotel is used as a good case for delivering exceptional, sustainable services to the tourists, since it responds to the needs of the ever so demanding tourists of the 'third generation'. In addition, the integration of technology to the co-creation process of service-delivery and creation of experiences is quite simple. The needed requirements are creativity, openness, acceptance of innovation, understanding demand, partnership, and cooperation at the local level. However, numerous challenges will be further addressed in this study.

3. EMPIRICAL RESEARCH

3.1. Methodology

The main purpose of this study is to: (1) attain a deeper understanding and clarification of the potential value of scattered hotels for ecosystems of tourism destination; (2) analyze potentials of technology solutions to enhance tourist experiences in scattered hotels and (3) identify areas for further research. For this purpose, we decided to conduct empirical research on a sample of room and private apartment owners in the city of Labin, since they have announced their interest in developing the concept of scattered hotel experiences in Istria.

Since the research topic is new and has not been addressed previously, qualitative research methods were employed, as the best possible alternative to achieve the main purpose of the study. The research approach was adapted from the previous literature and altered to fit the requirements of the study. According to Binkhorst and Den Deker (2009), if tourism suppliers want to design more experiential products/services, they mostly look for the best cases of successful experiences in their sector. Thus, Neuhofer, Buhalis, and Ladkin (2013) adopted the multiple case study approach to identify the intensity of technology in the experience co-creation. When it comes to exploring collaboration challenges among the tourism stakeholders, many studies (Krce Miočić, Razović, and Klarin, 2016; Azizpor and Fathizedeh, 2016; Towner, 2018) applied the case-study approach and semi-structured interviews as the best methods. Moreover, a systematic review of research methods and concepts, related to stakeholders in the tourism industry (Van Huy, 2018), has shown that almost all the included studies used the semi-structured interview as a qualitative research method. When it comes to sample size, according to Patton (2002) there are no rules, as it depends on many factors (for instance, what authors are keen to discover, the practicality and purpose of the study, etc.). This is further grounded in the work of Yin (2003), who supports the view that sample size is a matter of judgmental choice.

Case study research is based on: a) semi-structured interviews with key stakeholders, b) website analysis and c) analysis of other relevant documents. Semi-structured interviews were conducted with owners of rooms and private apartments (individual entrepreneurs), as a part of the case study research strategy. The non-probability sampling method was a reasonable selection for several reasons. Owners of rooms and private apartments are the most important stakeholders that deliver services, i.e. (co)create experiences for/with guests in the dispersed type of accommodation establishments. Data were collected in a single destination – the old town of Labin, which has been selected as a relevant case study for the development of scattered/diffused

hotels since individual accommodation units are distributed across many historical residences and houses in the historical part of the city of Labin. There are six individual entrepreneurs, operating in the historical part of the city of Labin. Four of them are very much involved and most interested to finalize the idea of developing a diffused hotel in the old part of the city of Labin. The other two have still not made the final decision on whether to join the project. The authors managed to conduct semi-structured interviews with three of those entrepreneurs. All of them were women, with some work experience in the hospitality sector.

In this study, the authors also conducted a qualitative benchmark study, to compare the operating practices — product/service/experiences provision techniques, quality of services and experiences, technological innovations, and sustainability practices – with the selected examples of best practices from Italy. Selection criteria were further grouped into several, logically connected segments. For these purposes, the authors analyzed the websites of selected examples of best practices in Italy and compared them to the online offer of six individual entrepreneurs, providing accommodation services in the old part of the city of Labin. Finally, to provide possible improvement suggestions, the authors analyzed all the relevant documentation.

3.2. Results

The following section provides the results of the competitive benchmarking analysis. For the case of scattered hotels in Labin, benchmarking analysis was supported with findings and conclusions obtained from semi-structured interviews.

The selected benchmark criteria were grouped into general observational topics with common characteristics:

1. General information

2. Shared facilities

3. Experiences – check-in, services offered in all stages of guest's stay: arrival, during the stay and departure

4. Basic technology implementation

5. Sustainability

6. Quality vs. product/experience attributes and positioning strategy

7. Guest satisfaction, expectations, and product attractiveness

8. Experience typology, co-creation, and ICT.

The grouping was done to facilitate comparison and was applied to all selected best practice examples in Italy (2)[2] and the case study of Labin (1) in Croatia. The obvious common characteristics shared in all three (3) cases were highlighted in grey.

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2 All the information retrieved from the hotel's website: https://www.mannois.it/en/index.html and https://www.ilborro.it/en/holiday-villas-in-tuscany/suites, summarized and the most relevant data included (05/01/2020)

Table 1. Benchmark analysis of the best-case examples vs. scattered hotel project in Labin

Destination	Common in all cases	MANNOIS, Orosei (Nuoro, Sardinia, Italy)	IL BORRO MEDIEVAL VILLAGE (Toscana, Italy)	OLD TOWN OF LABIN (Labin, Istria, Croatia)
CRITERIA				
Type of accommodation units	+	Rooms, suites, lofts, apartments	Rooms, suites, farmhouses, villas	Rooms, apartments
Number of units		50	38 exclusive bedrooms and suites: (3 superior bedrooms of 20 – 50m², 8 spacious 30-40 m2 luxurious premium rooms, 17 deluxe suites of 30 – 50m², 10 prestige suites)	36 rooms, 1 studio apartment, and 1 apartment (6 individual entrepreneurs)
Location of units	+	All are located in the historical center of Orosei.	All are located in the restored and preserved medieval village.	All are located in the historical center of the city of Labin.
Promoted and categorized as a scattered hotel (type of tourist accommodation facility)	-	Yes (Mannois „Scattered Hotel") Has its VAT registration number. Limited liability company.	Yes (Il Borro Toscana) Has its VAT number. Limited liability company. Apart from rooms in the medieval village of Il Borro that have been taken as the most appropriate for this kind of benchmark, under the same umbrella few other types of accommodation establishments included: 9 farmhouses and 3 villas)	No, individual entrepreneurship, but confusing. Some of the owners promote rooms as a diffused hotel, although the Ministry of Tourism of the Republic of Croatia has not approved the categorization for diffused hotel, but rooms only. Officially categorized as rooms and/ or private apartments, mostly with a rating of 3*** (based on the official categorization of catering and hospitality facilities in Croatia and the hotel classification system).
Star rating (nomenclature 1 – 5 stars)	+	All accommodation units are rated 4****.	Star rating not visible online. It is presumed that accommodation facilities are rated as 4**** and 5*****. Member of the prestigious Relais and Chateaux association.	Different star ratings for different accommodation units: (2**; 3*** and 4****)

		By electric car, suitable for those with disabilities.	Possible but not advertised online.	On foot. Problems with the limited number of parking places. Not able to agree with local authorities to provide parking places to owners of rooms in the historical part of the city of Labin. Owners of rooms and apartments have had several appointments with the local government, but the problem persists. Few options are possible. A bigger parking area exists in the immediate vicinity where parking places could be provided for the needs of a 'diffused hotel'. Electric or van transport could be provided and owners of apartments and rooms would be willing to pay extra for such services. Negotiations will continue in the future, as noted whilst conducting interviews. Very good initiative as the lack of parking causes negative perceptions and a bad first impression.
Transportation to the buildings and rooms				

Shared facilities	-	**Front desk** (reception) located in the historic Su Rosario. **Restaurant Antica Locanda Sa Turre** serving simple, authentic dishes, made following the ancient rural recipes, passed down from the forefathers (called "mannois" in the local dialect).	**Front desk** (main reception) **Two restaurants** (The Tuscan Bistro, Osteria del Borro). All rooms are under the management of Executive Chef Andrea Campani.	No common front desk service. Owners of rooms and apartments waiting for guests to check-in. Sometimes, keys are only left in the hall of the building, where the room is located. Later appointment with the owner agreed to finalize the check-in process (registration of guests via the eVisitor system, payment, etc.). Owners open for alternatives, either as technological innovation, such as staff-less check-in or a special area in the old town that can be used as a common reception. Owners have already discussed alternative possibilities but were more focused on finding a physical place for the reception. The solution that has arisen is the location on the main square, with the old city loggia dating back to the 15th century, where one of the individual entrepreneurs has restored a house. He is willing to offer his reception for common use. Owners still believe that having a front desk manager is good for such a service, although not refusing technological options. Some of them were already discussing a central smart screen, with check-in possibilities. Three different restaurants offer breakfast and dinner (Kvarner, Velo kafe, and Napoli), based on the previous confirmation with owners of rooms and apartments.

Reception services (check-in, provision of information to the guests during their stay, booking of different (extra) services/tours /experiences	-	Yes. Personal welcome and guided service towards their buildings, information on excursions, tours and places to visit, booking possibilities for various services, or relaxing in the comfortable communal area. The human factor is important.	Yes, the main reception building for all of the guests staying in different types of accommodation offered. The Concierge located in the center of the village provides additional information about all the services offered by the hotel. Booking of different tours possible. The human factor is important.	No front desk (reception) services. Owners personally welcome guests and guide them to the selected room/apartment. At the same time, if requested, owners provide guests information on where different services can be booked and what places are worth visiting (apart from promotional materials and brochures left in the room/apartment). Owners do not offer direct booking possibilities for different services (excursions, taxis, restaurants, etc.).
Other hotel services (included in the price of overnight)	+/-	Mannois breakfast with typical local produce (detailed explanation and photos available online) Free parking Evening aperitifs served at the bar at the reception	Breakfast Access to spa Free parking	Free parking, but only offered by two entrepreneurs and subject to change. If no vacancies, problems arise. Breakfast in different restaurants, if confirmed in advance.

On request (extra) services available	+/-	Transfer service to/from Sardinia's airports and sea ports Bicycle hire Booking of taxis Rental of cars through the selected partners in Orosei Visit the Bidderosa Nature Reserve, with a dedicated transfer The organization of tours and excursions, in partnership with the leading companies and associations	Wine tasting A tour of the Il Borro Cellars is a journey to the heart of Tuscan wine-making tradition and a chance to learn more about this 'art' (their cellar). Golf - a 3-hole golf course, a project that perfectly integrates with Il Borro's 'green' philosophy, as exemplified by the decision not to use pesticides. Golf clinic with individual and group lessons. Wellness – gym, yoga, exclusive Spa Suite, and regenerating treatments at the hands of expert therapists. Horse riding - ride at any time of the morning or afternoon, choosing from several original routes. Riding lessons for children. Craft workshops - guests can take part in various activities, watch the craftsmen at work and create their small hand-made objects. Children's program is available. Mountain Biking - bikes are available for hire during the stay either for individual or guided excursions. Trekking - Il Borro has plenty of paths to enjoy on foot, on horseback, or by bicycle. Specially created routes that can be downloaded on the desktop, viewed on GPXSee, or used as the application on the phone. 4 routes available for guests. Exclusive activities (i.e. helicopter ride, hot-air balloon, Ferrari ride, shopping tour)	Transfer service to/from the airport of Pula/Rijeka Booking of taxis. No tours or excursions are organized by owners. Lack of cooperation with travel agencies and local DMO evident.

Focus on providing special experiences		Conclusion based on the detailed and trendy description of the services of-fered. Focus on local cuisine, gastronomic delicacies of Italian origin.	Absolute focus. Conclusion based on the existing web-site information, extra ser-vices provided to the guests to increase their satisfaction.	Basic services available and offered to the guests (i.e. providing directions on where guests can book excursions, have meals, buy local products, such as olive oil and wine). Everything is based on an individual entrepreneur's willingness to help. Some individual entrepreneurs offer their local products to guests, others are more prone to directing them to local producers, but occasionally buy local products, such as wine and olive oil, and provide them upon guest request, with an extra charge.
Bookable online	-	Yes, on the hotel's website (dynamic, modern).	Yes, on the hotel's website (dynamic, modern) Online booking invitation for target customers: "*To experience an exclusive and beneficial experience, book from the official website*".	Not as a scattered hotel. Guests can only book rooms and apartments through intermediaries, such as Booking.com, Atraveo, HomeAway, Chambre-Hotels, etc.
Online promo-tion (slogan of the scattered hotel)	-	"*Your hotel, 'scat-tered' across five sites in the town of Orosei*" Own website	"*Welcome to a place like no other*" Own website	Not promoted online on a specially designed website, but promoted separately through differ-ent intermediaries. No slogan for the above-mentioned reasons.
Online check-in	+	No	Not possible to observe from the website, but more likely to have a personal check-in due to the main concept and philosophy of the place.	No

Sustainability (cultural aspect)	-	Sardinia Library Service: local narrative and culture (available in the Sa Corte building).	Local human resources employed. The Ferragamo family reopened the doors of the workshops in the medieval village to local artisans who are now creating shoes, pottery, gold jewelry, paintings, hats, etc.	Difficult to observe. Locals direct guests to the official website of the Tourist Authority. The website is old-fashioned, with limited content.
Sustainability (environmental aspect)		The Mannois Green Philosophy: 100% Commitment to conserving and protecting our natural environment and unique culture 100% Commitment to using typical produce and local, "0 km" services 100% Commitment to promoting and offering eco-friendly means of transport for their excursions into the local area Mannois E-Car, an electric car that is also suitable for those with disabilities. Service Card (available for a one-off fee) provides access to a city bike for the entire duration of the stay. Pedal-Assisted electric bikes, in both single and tandem versions.	Renewable energy Use of natural fertilizers and no pesticides Sustainable agriculture Solar panels Golf – no pesticides Orto del Borro, a special project. Certified as organic in 2014. It is a natural balance that must be respected here and this is why they use the centuries-old farming practice of crop rotation which ensures not only that the quality of the products is kept high and yields meet demands but allow the land to regenerate itself and maintain its fertility. The certified, fresh, and wholesome produce is regularly used.	Waste selection Control of air conditioner remotely on the mobile phone (turning the air conditioner off and on and monitoring room temperature) Air conditioner responding when a sensor detects an event, such as opened window

Quality vs. product/ experience attributes, positioning strategy (author's personal views)	-	Focus on the destination, thereby increasing its attractiveness Good market positioning strategy of the scattered hotel within the destination. Focus on product attributes. Excellent association of the product with high quality. Efficiently determined scattered hotel's uniqueness.	Focus on the destination, promotion of Il Borro's beauty and integrity. It is important to cite the following statement: "…*at the heart of the entire restoration project was a desire to bring the estate back to life, preserving its traditions and history, while at the same time making those improvements that make this place a perfect continuum between past, present, and future*". The above put a very strong focus on providing heartful experiences to the guests, whilst respecting the history, culture, and tradition of the restored village. Excellent positioning strategy of the scattered hotel within the destination. Focus on product attributes. Excellent association of the product with very high quality (higher price – higher quality). Efficiently determined scattered hotel's uniqueness.	Destination not in the focus. The scattered hotel does not promote destination attractiveness or competitiveness, as the service is not provided in an organized manner. Unattractive position of scattered units within the destination. Not efficiently determined scattered hotel's uniqueness.
Guest satisfaction	-	Focus on increasing guest's satisfaction.	Focus on increasing guest's satisfaction.	Individual initiatives to increase guest's satisfaction.
Evolving consumer expectations	-	recognized	recognized	recognized
The attractiveness of the service/ experiences provided		excellent	excellent	Owners believe the services they offer today are attractive to the customers but should be improved because long-term sustainability is not assured. Self-assessed level of service quality 90%.

		some	some	Entrepreneurs mostly associate technology with e-mail communication, online promotion through intermediaries, and individually created websites. Out of six, only two have their websites, while three individual entrepreneurs have the Facebook page and keep it active.
Use of ICT in providing services	+			
Nine-field experience typology matrix based on the increasing intensity of co-creation and technology implementation (Neuhofer, Buhalis, and Ladkin, 2014)		Traditional tourism experience with limited levels of technology and co-creation. Focus on getting the human elements right.	Traditional tourism experience with limited levels of technology and co-creation. Focus on getting the human elements right.	No technology for improving experiences, no co-creation (technology and experiences).

Source: Authors

The findings illustrate that technology has not been implemented in (co)creating experiences. According to Neuhofer, Buhalis, and Ladkin's (2019) matrix, stages 1 – 4 can be applied to this specific case.

In the next section, the authors present the analysis of semi-structured interviews, by revealing individual entrepreneur's knowledge, views, understanding, interpretations, and experiences regarding technology adoption, to customize their service, facilitating the management process, reducing costs, increasing revenues, enhancing guests' experiences and destination competitiveness. When interviewing individual entrepreneurs, authors/interviewers presented the idea of a virtual reception companion and a (remote) staff-less check-in that could be applied in the case of providing experiences in a diffused hotel in Labin.

Staff-less check-in is based on modern IT technology, providing the advantage to manage the check-in process remotely, without physical interaction with the guests and without a conventional reception desk. The virtual reception desk is an application, running on the cloud or the local server. Its database stores information from various sources: guests, hotel owners, hotel maintenance staff, events, traffic information, possible urgent information, etc. The front-end application should be created for each of the users (guests, hotel staff, maintenance staff, system administrator) by using the web interface, or the mobile phone/tablet application, which can be downloaded by users and locally input the required data, to manage the check-in. The usage should be intuitive and simple to follow, requiring the minimum basic information, comparable to the standard desk check-in. The amount of data should be limited to comply with the local authority e-visitor system requirements. Besides the standard check-in information, the guest should answer several simple questions, by choosing from the predefined set of answers. In this way, the guest's profile can be automatically

created. Information should be dispatched through the same check-in application they used, check-in companion on their mobile phones/tablets, or the web-based front-end. The advantage of using this kind of communication over the standard paper printed catalogs and advertising materials, usually found in the hotels, is related to flexibility, updated information, less expense for the hotel owner, and paperless, eco-friendly management, promoting environmental awareness. On the other hand, the guest is constantly updated with the present and on-going offers on their mobile device through the check-in companion.

A guest fills the online check-in form and answers the additional profile questions. When all fields match the criteria, the safe box password is issued to the guest. The password is used to unlock/open the safe box at the hotel entrance, where the key (physical smart card, RFID… key) is stored.

When leaving the hotel, the key should be deposited in the same safe box. The password remains the same during the guest stay and the new safe box password should be issued for each new check-in. If a problem occurs during the check-in, the guest can always contact the help desk through the offered chat or phone assistance. According to the guest preferences and the profile created, the guest will be served with the information through the same virtual reception desk application, including the city guide, recommendations for places to see, restaurants, cultural events, concerts, taxi/Uber/bus service, etc. In case of an undesired event, an emergency, or a natural disaster, a guest is informed by the application, during their stay in the hotel. Depending on the guest profile, one may choose to visit some of the restaurants, cultural events, museums, or other historical places, all listed

and displayed in the check-in companion. Galleries, with their locations, opening hours, and samples of artwork, created by the number of the local painters could be also displayed. Guests, preferring natural beauty spots, sports activities, or gastronomy, could choose from local walking or bicycle routes, the wine roads with locally-owned restaurants and shops, offering local produce and regional vines, etc. The map of all routes should be displayed by the check-in companion application. Finally, a guest should be able to rate in the application all the visited places, their quality of service, and the overall experience, which would be useful for future guests, visiting the same area. This way the guests will promote the local tourist offer through the places they visited during their stay.

Individual entrepreneurs do not deny that technology implementation and co-creation of experiences through technology impact a destination's attractiveness and facilitate achieving destination competitiveness. They would fully support a smart technological solution, which would be able to present the local culture, identity, and gastronomic offer, as well as provide the special experiences co-created in co-operation with the local destination management companies. One entrepreneur was particularly sensitive and very keen to hear more and acquire a better knowledge of the progressive and accumulative effects of the smart technology that could be used to reshape the traditional front desk, provide cost savings and generate revenues to accommodation owners. Remote check-in and check-out through the mobile device could assist owners in better prediction/management of their time, their staffing needs and save considerably on labor costs. Instead of having 24/7 staff available, they could save money and employ one concierge, who can help guests with suggestions for making the

most of their stay. This person can work normal working hours, handle all the management and organizational tasks and assure the above-expected experiences to the guests of a diffused hotel. Today, most individual entrepreneurs face bigger problems with the check-in, as multiple check-ins during the day cannot be handled properly.

Entrepreneurs have shown a high level of awareness of the impact, technology could have on increasing the attractiveness of the tourist product and co-creation of experiences. They fully agree that information and communication technologies have started to change the tourism landscape. However, there are evident obstacles that divert entrepreneurs from adopting information technology to implement long-term strategies. Respondents were asked to indicate their confidence in different hindering factors, where the value of 100 indicated they were extremely confident this was the greatest hindering factor, while the value of 0 indicated they were not confident at all that this could be a hindering factor. Research revealed the most prominent hindering factors:

- insufficient involvement of other stakeholders (78.33%),

- the time needed for investment (63.33%),

- lack of knowledge (56.6%),

- resistance to innovation and lack of willingness to innovate (50%),

- financial resources (43.33%),

- lack of trust in themselves (40%),

- lack of motivation (33.3%).

When it comes to creating experiences, owners of accommodation facilities in the city of Labin are aware that a scattered hotel could provide different experiences to tourists. They were asked to assess their level of agreement on a scale, with values ranging from 0 to 100%, where the value of 80-100% points to a very high level of agreement. The findings are as follows:

- culture (100%),

- emotions (100%),

- values (80%),

- feelings (93.3%) and

- integration of destination offer/supply (93.3%).

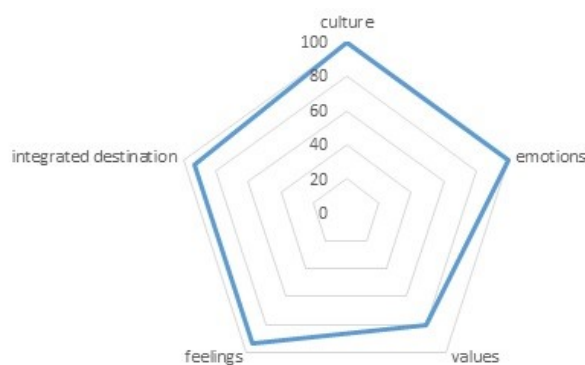Figure 2 shows the strength associated with particular experiences.

Figure 2. Possible experiences in a scattered hotel in the old town of Labin

Experience values are changing. Respondents were asked to indicate their confidence in different experience values scattered hotels could provide, with the measurement scale ranging from 0% to 100% confidence. The social value of a scattered hotel, i.e. association to the tourists' social position (enhancing reputation, social status, personal image, etc.) is accepted with high confidence (90%). As shown by Waheed and Hassan (2016), the social value is positively correlated with the tourist intention to revisit a certain place. The confidence level of 70% was attributed to emotional value. Emotion is what tourists are looking for. Epistemic value is mostly recognized through adventure, curiosity, and authentic experience and was associated with the 66.6% confidence level. The confidence level of 60% was attributed to the functional value of a scattered hotel. Once integrated with technology, all of the values can easily become more memorable, stimulating, and competitive, particularly if based on specific and unique destination stories.

The real situation in Labin showed respondents are using technology predominantly for booking (100%); exploring post-trip experience (60%) mostly through sharing memories and reviews and on–trip communication, based on mobile technology (26.6%). Simultaneously, they do not recognize the value of 24/48 after booking and 48/24 before departure possibilities for motivating tourists, sending personal offers, which, in reality, foster creating much longer and more memorable experiences. Additional technological advancements should be used in the 'pre-arrival experiences and 'post-arrival experiences phase. It is further noticed that respondents do not recognize technologies, such as smartphone, PC/tablets, Virtual Reality (VR) headset, smartwatches, Augmented Reality (AR)

glasses, advanced robots as inspiration, communication, sales channels, and means for collecting information about tourists' needs and interests, which can help to better shape future tourist experiences.

4. DISCUSSION AND CONCLUSIONS

4.1. Discussion

The research yielded some important findings. Individual entrepreneurs have shown a significantly high level of agreement on the role of technology as (1) an important determinant of destination competitiveness, as previously emphasized by Manrai, Manrai, and Friedeborn (2020), and (2) a facilitator in transforming conventional tourism experiences towards technology-enhanced and technology-empowered, as presented in the experience hierarchy by Neuhofer, Buhalis & Ladkin (2013). Those should contribute to the overall enhancement of experiences, the co-creation process, the higher satisfaction of tourists, and their loyalty. These results are comparable to other studies, even some of the more recent ones, related to the role of technology implementation in the creation of tourist experiences and their impact on destinations (Neuhofer, Buhalis, and Ladkin, 2014; Neuhofer et al., 2015; Neuhofer, Buhalis, and Ladkin, 2019; Azis et al., 2020; Pai et al., 2020).

Individual entrepreneurs strongly support the view that implementation of smart technological solutions is dependent on the stage of development of a tourism product, which is aligned with the conclusion of the study by Dwyer et al. (2014). Based on Butler's Tourism Area Life Cycle (1980), the scattered hotels are in the second phase of development, i.e. the involvement phase.

When exploring the views of individual entrepreneurs on different experiences scattered hotels provide, research has emphasized culture and emotions as the most valuable experiences. Culture and heritage have the potential to amplify tourist experiences in numerous ways. Preservation and repurposing of old buildings can restore cultural values for the local communities (Lee and Chhabra, 2015), but also provide different educational experiences to tourists. It has been recognized that tourism service providers are not sure about the values tourists expect to gain during their travel and exploration of a destination. They do not know which trade-offs tourists would be willing to make (Holbrook, 1999).

Individual entrepreneurs in Labin have recognized emotional values of experiences in scattered hotels as the most important since they generate feelings or emotional changes. According to the findings of Waheed and Hassan (2016), functional and emotional values have a positive and significant impact on tourist satisfaction. The emotional value affects electronic word-of-mouth (Sukaris, Hartini, and Mardhiyah, 2020). Our results are supportive and show that individual entrepreneurs are highly aware of the importance of perceived value and its dimensions, particularly the social and emotional ones, as they directly impact tourists' satisfaction and their intention to revisit the place. These values, if obtained by tourists, will directly contribute to the promotion of the destination and the related experiences, as tourists share their experiences online (Sukaris, Hartini, and Mardhiyah, 2020). This will permit entrepreneurs to better meet the tourists' expectations, which can result in more favorable attitudes and the customers' willingness to recommend a destination and a service provider (Hosany and Gilbert, 2009). Furthermore, this should also positively impact the willingness to implement digital technologies more strongly, as to facilitate the online process of word of mouth promotion.

Based on the opinion of individual entrepreneurs, further development of this particular product and its enhancement with technology requires strong stakeholder cooperation. The same conclusion was supported by McCabe, Sharples, and Foster (2012). Simultaneously, the respondents showed a very low level of satisfaction, when it comes to cooperation with different stakeholders, themselves included. Entrepreneurs do not cooperate with the local destination management companies, or the local destination management organization, which was highlighted as a possible threat for retaining and strengthening the destination competitiveness in the future. This is aligned with the results of another study in Croatia, where insufficient communication and cooperation were highlighted as the most important factors, hindering sustainable destination management and development (Krce Miočić, Razović, and Klarin, 2016). One entrepreneur mentioned that the local government had recognized the need for more innovative tourism products that could revive the old part of the city of Labin. However, the public budget remains tight, although there are indications that the local government wishes to proceed with the development of this specific tourism product. Respondents also emphasized the insufficient cooperation between themselves. Some cooperate just to maintain mutually beneficial neighbor relationships and assist each other when needed (in situations like overbooking, key handover, etc.). The authors support this view. Without mapping the value chain and stimulating strong networks and cooperation, none of the future activities, required for developing the project of a diffused hotel would be

achievable. Co-creation initiatives enhance the speed of innovation and joining forces is the only way to support co-creation with technology for many reasons, first and foremost – the financial ones. Individual entrepreneurs lack financial strength and collective power to achieve the potential benefits. Financial reasons and insufficient cooperation are perceived as the main obstacles not only in technology adoption but also in the successful finalization of the diffused hotel project. Insufficient cooperation is a strong hindering factor, as some entrepreneurs have just started with the tourism business and lack knowledge. Others are not interested in cooperating, as they still do not recognize the business case for it and are primarily involved in other businesses. During the field research, entrepreneurs agreed they would require some additional education in the field of hospitality, particularly related to dispersed (diffused) hotels. They lack knowledge of operating practices, management, and organizational skills. Defining the clear roles and responsibilities of each entrepreneur would be of the utmost importance. One entrepreneur has tried to gain better insights into the Italian business models. However, because of limited financial resources and the lack of time, the process has never been completed. The good initiative was getting in touch with Mr. Giancarlo Dall'Ara, who invented the concept in Italy and is working as a consultant in this field. He expressed his interest in helping and consulting with individual entrepreneurs and the local government on the model of diffused hotels. Unfortunately, this initiative was not realized.

Legislative requirements were another critical point, noted by most entrepreneurs in Labin. This is, once again, aligned with the findings of similar studies, conducted in Croatia by Krce Miočić, Razović, and Klarin (2016) as well as by Azizpour and Fathizadeh (2016), who explored the obstacles to collaboration among tourism stakeholders in Mashhad. The legislation makes it impossible for entrepreneurs to categorize their facilities as a diffused hotel, without forming a limited liability company. This is something entrepreneurs are very unlikely to do and has to be bypassed with other alternatives. Authors suggest: (1) to form a cooperative; (2) to establish a public-private partnership with the local government (City of Labin); (3) to negotiate with the Ministry of Tourism and propose changes in the obligatory requirements for categorization of facilities within the current legislative framework.

4.2. Conclusions

It is argued that innovative and competitive tourist experiences created with technology and used as a platform of co-creation, could be a good driver for the development of new business models in tourism destinations, where a huge share of beds in rooms and private apartments are owned by individual entrepreneurs. Through capitalizing on technological innovations, scattered hotels would be able to achieve competitive advantages and stand out in an otherwise saturated market (i.e. private accommodation in Croatia, accounting for more than 50% of accommodation facilities). The main challenge, however, will be the willingness to cooperate between individual entrepreneurs and their likelihood to adopt technological innovation.

The scattered/diffused hotels are perfectly suited to Istria, where almost every hill is topped with an ancient settlement, rich in historical and cultural heritage, but mostly depopulated. The new models are assuring the long-term competitiveness of tourist destinations and provide a strong

opportunity to revive historical parts of the tourist destination.

The *albergo diffuso* concept can support the achievement of sustainable development goals, particularly contributing to (United Nations, 2019):

- sustainable development goal 9 - Build resilient infrastructure, promote sustainable industrialization and foster innovation (investment in information communication technology),

- sustainable development goal 12 - Ensure sustainable consumption and production patterns (promoting resource and energy efficiency, sustainable infrastructure, and providing access to basic services, green and decent jobs, and a better quality of life for all) and

- sustainable development goal 17 – Partnership (partnerships between governments, the private sector, and civil society in tourist destination)

4.3. Practical and theoretical implications

There are arguments, supporting the novelty of this study. According to the results and the context of the study, the authors propose some practical solutions for entrepreneurs – the application of an innovative technological solution. The so-called '*seamless experience*' application would boost destination competitiveness, facilitate co-creation of technology-enhanced experience for tourists, facilitate communication and enhance operational efficiency. Based on the nine-field experience typology matrix, developed by Neuhofer, Buhalis, and Ladkin (2014), the intensity of technology and co-creation in experiences, indicate field 5 (Technology-Enhanced Co-Creation Experience), as the most relevant for this particular case. This field reflects the high intensity of technology and co-creation. However, tourists choosing to stay in scattered hotels could always define the level of interactions and use of technology to co-create experiences based on their preferences. From the business perspective, this study will also help individual entrepreneurs understand:

- how tourist experiences could be created with the implementation and intensification of technology,

- how experience values change,

- how legislative requirements may be met with the implementation of specific technology,

- the unexploited potential for development of a scattered hotel in the historical part of the city and

- how to evaluate their competitive position in the market.

This research also offers practical implications for destination management organizations, local, regional and national governmental bodies. For destination management organizations, it is crucial to understand ways technology-enhanced experiences could and should be created, especially as tourists become central in the process of co-creation of experiences. In such a way, they will be able to better plan future tourism product development budget and some other financial allocations, when it comes to technology implementation. Critical questions regarding the rigidity of the Croatian regulatory system are raised. The Republic of Croatia has gradually started to set up legal norms for the scattered hotels, but the overregulation is still present. This does not simplify or help entrepreneurial innovation and initiatives. Thus, this study aims to highlight the specific procedures that could help policy-makers and legislative

framework creators to observe technology as a determinant of destination competitiveness and address it by relevant regulatory frameworks.

Theoretically, the authors analyzed best practices to understand different ways experiences could be provided in scattered hotels. It is the first empirical research that was undertaken on the sample of scattered hotels in the historical part of the city of Labin. It extends the knowledge in the field of experience co-creation in scattered hotels, as it provides theoretical contributions to the current understanding of technology-enhanced tourist experiences that could be provided in this particular type of accommodation structure. On the other hand, it also provides a better understanding of suppliers' behavior in the current environment. Furthermore, it underlines the need for a participatory approach in tourism management and the development of experiences. The research proposes the implementation of smart technology in these particular settings. The research scheme applied may be suitable to other destinations of a similar kind.

4.4. Limitations and further research

As this research included a single case study – the old city of Labin, the results cannot be generalized to entire Croatia and beyond. However, the legislative framework is applied throughout Croatia, so most of the hindering factors would surely be confirmed in other cases, as well. Therefore, the obtained results are beneficial to understand the concept of co-creation of experiences in scattered hotels.

Whilst presenting the first empirical exploration of the possibility of (co)creation of technology-enhanced tourist experiences in scattered hotels, authors hope it will stimulate further research in this field.

It would be recommended to conduct a similar study on the sample of tourists, as co-creators of tourist experience, by conducting personal interviews with tourists, who choose to spend their holidays in scattered hotels. The focus of future research should be on tourist's perception of technology implementation in the co-creation of tourist experiences. There may be other factors that impact the co-creation process stronger than technology, when it comes to scattered hotels, as specific tourism products, with their niche markets. Results would help to construct a more profound and holistic understanding of the acceptance and the co-creation of technology-enhanced tourist experiences in scattered hotels and validate the previous findings.

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UPRAVLJANJE TEHNOLOŠKI USMJERENIM TURISTIČKIM ISKUSTVOM: SLUČAJ RASPRŠENIH HOTELA U ISTRI

Sažetak

Mnoga recentna istraživanja turističkog ponašanja ukazuju na činjenicu da su suvremeni turisti, posebno milenijalci, skloni inovativnim iskustvima, kao i ko-kreiranju turističkog iskustva. Tehnološki napredak upravlja usmjerava promjene načina na koji turisti doživljavaju svoj odmor te su preusmjerila moć odlučivanja na turiste. Raspršeni hoteli vraćaju život u prazne i napuštene dijelove grada. Njima se pojačavaju korisni efekti za lokalno gospodarstvo, doprinosi oživljavanju sela i starih dijelova grada, očuvanju lokalne kulture i identiteta te minimiziraju negativni društveni i ekološki utjecaji prerazvijenog turizma. Implementacijom novih tehnoloških rješenja, prilagođenih zahtjevima navedenog oblika turističkog smještaja, kao i ekosustavu turističke destinacije, ovakav bi proizvod mogao promijeniti čitavu prirodu turističkog iskustva. U ovom se radu istražuje kako tehnologija podupire kreativnost i unapređuje inovativnost i konkurentnost putem poboljšanja cjelokupnog korisničkog iskustva i kreiranje ekosustava, u kojima turizam doprinosi održivom razvoju. Prezentiraju se tehnološki razvoj, koji može pokrenuti inovacijski potencijal raspršenih hotela, kao i percepcije dobavljača turističkih usluga o personaliziranim iskustvima, usmjerenih tehnološkim inovacijama. Utvrđuju se čimbenici koji ometaju inovaciju, kao i druge značajne zapreke ovakvim uslugama (financiranje, suradnja s drugim dionicima, nesigurna potražnja, itd.). S funkcionalnog gledišta, u ovom se radu prezentiraju i značajne implikacije za male poduzetnike – kao pružatelje usluge doživljaja u horizontalnim strukturama turističkog smještaja, ali i za menadžere destinacija te sve razine vlade.*

Ključne riječi: *tehnološka inovacija u turizmu, strategije rasta, transformacijska turistička iskustva, ko-kreacija, Istra*