STRATEGY OF TOURISM IN CROATIA FOR COMPETING ON THE EUROPEAN TOURISM MARKET

Assist. Prof. Ph.D Grzinic Jasmina
University Jurja Dobrile in Pula
Department of Economics and Tourism
«Dr. Mijo Mirkovic» Pula, Croatia

Abstract: The paper deals with the problems that have arisen due to the rapid development of traveling motives in the world tourism market. Croatia, as Mediterranean tourism country still does not have a clear solution of alternative tourism offer. There are other problems that are generated by the growing number of tourists and changes in tourism consumption. In the paper author have demonstrated the results of influences of trends in the tourist demand side. The changes in the tourist demand have resulted in the change in the concept of mass type of tourism. Such trends have influenced the emergence of specialized producers and offers of typical Croatian products.

Key words: Strategy, Tourism, Croatia, Alternative tourism, European market.

1. Introduction

Tourism is now one of the global engines of development. Every year, more people are in motion than ever before in history.

The supply and the demand of the tourist product meet on the market. This product includes natural beauties, goods and services. With good planning and management, tourism can be a positive force, bringing benefits to destinations around the world. Also, the tourism could be one of the important sectors that create the GDP.

The transformation of the European tourism market caused also major changes in the Croatian tourism offer. Fast and efficacious restructuring of the Croatian tourism sector is a prerequisite for successful adjustment to the EU tourism market. The subject of analysis of this paper is basic tendencies and competitiveness of the tourism sector. Basic causes of the long-term (negative) trends are identified through the alternative tourism offer today and in the future tourism trends. Lack of innovation in this way disenables the faster expansion, which would consequently result in the decrease of competitive abilities of the tourism industry and of the entire Croatian economy.

The article focus is on the use of alternative/selective tourism as a central instrument for improved planning and development of today's tourism sector.

2. Contribution of Tourism to the Croatian economy

Tourism in 2006 realized 3% more overnight stays than in the previous 12 months and by that the level of overnight stays from 1990 was exceeded. The greatest number of tourists still comes from Germany, Italy and Slovenia. During the course of the year an increase in number of tourist capacities has been recorded and now Croatia has almost 860,000 tourist beds at disposal. The occupancy rate is still low approximately 60 days. According to the data of the Croatian National Bank, tourism has realized foreign currency income of approximately EUR 6 billion, which is in comparison with 2005 more by 3.7%. On the other side, expenditures in foreign currencies, consumption of domestic tourist abroad are by 13.6% lower in 2006 if compared to the year 2005[29].

It is estimated that Croatia will achieve about 65 million nights till 2010 (80% of which by foreign tourists). According to the WTTC estimation, tourism in Croatia would employ 380 thousand people till 2010, from which 180 thousand directly.

Table No. 1. Tourism in the Croatian economy

Years	**2004**	**2005**	**Index 2005/2004**
GDP (in mil. EUR)	27.379	30.950	113,00
Revenues (in mil. EUR)	5.505,6	5.998,9	108,96
Share of tourism in overall economy in %	20,1	19,4	

Source: Croatian National Bank

Table No. 2. Basic indicators of tourism development

Years	**1970**	**1990**	**1995**	**2005**
Number of beds (in 000)	616	863	609	909
Number of tourists (in 000)	6.454	8.498	2.438	9.995
Number of overnights (in 000)	42.411	52.523	12.885	51.421
Average number of overnights per bed	72	61	21	57
Average number of overnights per tourist arrival	6,6	6,2	5,3	5,1

Source: Central Bureau of statistics, Croatia

In 2010 tourism will directly bring 7,5 billion USD, total effect (direct and indirect) of tourism and travel industry will be about 12,6 billion USD which will make 28,8% of GDP.

Tourism is now concentrated mainly on the coastal part of Croatia including seven counties in which 96% of total number of tourist nights is realized.

3. Croatian tourism attractions

Since its beginnings in the 1960s, the development of Croatian tourism was based on the sun and the sea as products. Mass tourism, predominant in Croatia seldom used natural advantages as a tourist attraction.

[29]Croatian Chamber of economy, 2006.

Table No. 3. Structure of daily tourists spending in Mediterranean receptive countries (in euros, 2005)

	Croatia	Italy	Spain	France
Bed & Breakfast (Hotel, camp, Private rooms)	28	30	30	31
Hospitality services (food, beverage)	8	14	14	15
Trade services (shopping)	7	14	15	16
Fun, recreation, other	4	11	12	15
TOTAL	47	69	71	77

Source: Cerović, Z. (2006), Struktura turističke potrošnje u zemljama Mediterana, VEZ, Krk – Rijeka, p. 8.

Structure of tourist spending by Mediterranean countries (table 3.) shows the difference in all categories except Bed & Brekfast. It is the disproportion of all tourism spending structure categories except Bed & Breakfast category. We can conclude, from the table above, that Croatia does not develop alternative ways of tourism satisfaction although it has all predispositions for it.

Dr. Eduard Kušen in his book gave the detailed specification of possible tourist attractions that draw tourists in individual destination. He stated 16 attractions in the following order: geological characteristics of the place, climate, water, flora, fauna, protected natural inheritance, protected cultural and historical inheritance, famous people and historical events, manifestations, cultural and religious buildings, natural healing places, sport and recreational buildings and playgrounds, tourist paths, routes and roads, attractions for attractions and tourist para attractions.[30]

The only developmental way out of the used product and out of the type of tourism that is definitely out on the market is a diversification. The Master Plan of Croatian tourism recognizes diversities of individual units - clusters, whose particular features will be shaped into new products that need to be competitive on the market and mutually complimentary[31].

Continental part of Croatia is neglected as tourism resort, although it is rich in attractions like: old towns, castles, thermal water-springs, pilgrimages, rivers, panoramic roads, wine roads, national parks and other protected areas. In that part of Croatia there are preconditions for development of congress tourism, farm and rural tourism, hunting tourism, health tourism, cultural tourism etc.

Table No. 4. Type of visitor tourism attractions in Croatia

	2004	2005	INDEX 2005/2004
Museum and Galleries	2.261.222	2.274.700	100,60
Pilgrim places	730.422	710.000	97.20
castles	70.427	74.202	105,36
Parks of nature	364.704	323.534	88,71
Memorial areas	2.219	2.129	95,94
Sports events	71.995	89.105	123,77

[30] Kušen, E. (2002), Turistička atrakcijska osnova, The Institute for Tourism, Zagreb. P. 67-141.
[31] www.istra-istria.hr/masterplan/okvir.htm

	2004	2005	INDEX 2005/2004
Other events	176.100	259.986	147,64
Old cities	722.920	886.186	122,58
Fairs	720.460	620.049	86,06
Carnivals	54.880	10.000	18,22
National parks	1.775.907	1.986.708	11,87
Aquariums	134.025	155.834	116,27
Casions	271.151	390.688	144,09
Festivals	154.783	188.366	121,70
Archaelogical sites	4.839	9.755	201,59
Forest parks	10.009	17.035	170,20
Protected landscapes	15.630	16.800	107,49
Monasteries	4.817	3.764	78,14
Zoological gardens	387.315	401.632	103,70
Cultural monuments	394.781	710.677	180,02
Arboretums	31.423	30.424	96,82
Famous peoples birth houses	3.586	6.461	180,17
Other natural monuments	20.873	22.272	106,70
Special reserves	65.875	89.061	135,20
Fish - ponds	236	214	90,68
Other	95.265	92.120	96,70
TOTAL	**8.545.864**	**9.371.701**	**109,66**

Source: Ministry of the sea, Tourism, Transport and Development, 2005.

The seasonality is one of the main weaknesses of the Croatian tourism. The alternative forms of tourism are an optimal solution in the current tourism position. Other tourism products, apart from the sea can extend tourism season during the year. (table 4.). It is mainly concentrated on two months in a year. Over 63% of total number of nights is realized in two summer months, July and August. Other tourism products, apart from the sea can extend tourism season during the year.

The importance of the attractions can be diminished by deficient image of destination and bad organized visits. Potential tourism offering is described in the second part of the article.

4. Managing alternative form of tourism

Selective tourist activities have not been sufficiently utilized until now, but have huge potentials in cultural rural tourism, but also in wider cultural tourism, especially archaeological, speleological, adventurous, hunting, trip, curative, wellness and gastronomic tourism. In the text below are listed the most important forms of alternative tourism that Croatia can successfully valorize as alternative forms of tourism offer.

4.1. Adventure tourism

Adventure tourism is attractive form of selective tourism in Croatia. Croatia has great possibilities for the development of adventure tourism because of its natural resources and healthy environment as comparative advantages (especially its archaeological, speleological, adventurous, hunting resources).

4.2. Health tourism

In this sector of tourism, Croatia has 6000 beds in 18 health establishments. In 2005 health resorts were visited by 22,213 tourists and there were 202,859 overnight stays in total. The main potential and support for future and up-to-date development of health tourism lies in the diversity of natural resources, ecological quality of Croatian regions, curative waters, sea, favorable climate and healthy food[32].

4.3. Cultural tourism

The wealth of Croatian material and non-material heritage is a resource for the development of Croatian culture tourism. Culture tourism is manifested in heritage tourism, UNESCO sites, museums, archaeological sites, rural cultural tourism and eco-tourism. Croatia has to offer the autochthonous atmosphere of Mediterranean coastal towns. On the other sides there are urban centers and traditional rural areas.

In 2005 there were 309 tourist rural households registered in the Republic of Croatia with 84 beds, out of which 210 or 68% offered food and drinks while 167 or 54% has brandy and wine tasting facilities. The largest number of registered tourist rural households can be found in the County of Istria, almost 80 (26%) with 408 beds or 52% of the total number of beds in Croatian rural tourism industry[33].

The County of Dubrovnik-Neretva is the second largest with 75 beds (24%), but with significantly smaller number of beds - only 17 or 2% of the total number of beds in Croatian rural tourism industry.

4.4. Nautical tourism

Croatia has 50 marinas. In the past few years it is noticed an increase in the marina traffic. At the same time, there were more than 320 charter companies with approximately 2,600 boats in 2006. The visitors in Croatian Marines are mostly from Croatia, Austria and Germany. It has been estimated that nautical tourism will be on a rising trend. Croatia has a great potential to become a leading Mediterranean country in nautical tourism.

5. Future actions in tourism at local destinations

Below is an indicative list of needed cooperation in each destination in the process of developing alternative forms of tourism offer.

Local knowledge can be a key source of unique information on such factors as local use of resources, key traditions, and the values they hold most important regarding the destination. Local residents often will have clear ideas regarding the current situation and strong opinions on what is likely to be acceptable in the future.

Table No. 5. Potential stakeholders in tourism at local destinations

Communities
Local community groups
Native and cultural groups
Traditional leaders
Private sector employees
Property and building owners (night live in the community or night be outsiders)

[32] Croatian Chamber of economy

[33] Ibid

Communities
Tenants
Public sector
Municipal authorities
Regional authorities (planning areas, conservation authorities, coastal zone, regional parks, authorities)
National (end State, Province, County, Departments or equivalent) ministries responsible for tourism and its key assets
Other ministries and agencies in areas affecting tourism (transport, natural resources, environment, culture, infrastructure, planning, heath, etc.)
Agencies with an interest in the planning or maintenance of special attractions (parks protected areas, museums, marketplaces, cultural sites and events).
Private sector
Tour operators and travel agents
Accommodation, restaurant and attractions, and other associations
Transportation and other service providers
Guides, interpreters and outfitters
Suppliers to the industry
Tourism and trade organizations
Business development organizations
NGOs
Environmental groups (in the destination and outside but with an interest)
Conservation groups (wetlands, native species, parks, cultural heritage)
Other interest groups (hunters, fishers, sports and adventure associations)
Tourists
Organizations representing tourists interests at the point(s) of origin
International tourism bodies

Source: Indicators of sustainable Development for Tourism Destination, (2004), A guidebook, WTO, Madrid, Spain, pg. 27.

In most tourism destinations there are many different governmental, semi-governmental and private bodies involved in the planning and management of the resources and programs affecting tourism and conditions at the destination. A challenge lies in bringing these agencies, organizations and firms together to participate in indicators development and use. In particular, local authorities, planners, and the tourism industry are key players. In most destinations there are utilities, economic planning groups, hotel associations, transport organizations, unions or labour boards and organizations charged with the development or maintenance of key assets such as parks, beaches, or cultural sites. Any participatory process should recognize both the interest of such bodies, and also the constraints associated with their participation in public processes[34].

[34]Indicators of sustainable Development for Tourism Destination, (2004). A guidebook, WTO, Madrid, Spain.

6. Conclusion

In the European Union, especially in the globalization process, tourism is regarded as having a core role in regional development. The key role in strategic positioning of Croatia is played by small hospitality companies which are important part in the process of increasing the destination attractiveness. The same is a more recent mechanism to achieve economic and social objects. The potential for tourism to contribute to regional development will depend on a quality level of all offered tourism events in Croatian tourism. The research has been made on the basis of alternative/selective tourism offer. The same factor should be increased in the future tourism development.

Tourism administrations and other public authorities at the regional and national levels, should aggregate data from several sites or destinations. On the other hand, tour operators, transportation companies and other service providers are also important part in the development process of specific attractions, natural and cultural sites or protected areas. Researchers and students dealing with tourism-related development issues should actively participate in the process of interaction members of interest groups, community organizations and the host community.

REFERENCES

1. Cerović, Z. Struktura turističke potrošnje u zemljama Mediterana, VEZ, Krk – Rijeka, 2006
2. Javor, A. Using tourism statistics to measure potentials for regional development of Croatia, Central Bureau of Statistics, Croatia, 2005
3. Kušen, E. Indicators of sustainable Development for Tourism Destination. A guidebook, WTO, Madrid, Spain, 2004
4. Petrić, L. Constraints and possibilities of the rural tourism development with the special stress on the case of Croatia, ERSA, Congress University of Jyväskylä Finland, 2003
5. Sullivan, S. 'Cultural Heritage and Local Government' in: *Australian State of the Environment Committee*, Department of the Environment and Heritage, Canberra, 2006
6. Vukonić, B Regional Environmental Center 'Bolji okoliš i bolje gospodarstvo', Budimpešta, REC, 1999
7. Wallis, A. 'The New Regionalism', MuniMall: the University of Alberta, 2000.
8. **** Statistical Yearbook, CBS, Zagreb, 2005
9. **** Statistical Report Tourism, No. 1296, CBS, Zagreb, 2006
10. **** Tomas-nautical survey 2001, Institute for tourism, Zagreb, 2002
11. **** Tomas-summer 2004 survey, Institute for tourism, Zagreb, 2005

12. **** Turistička atrakcijska osnova, The Institute for Tourism, Zagreb, 2002
13. **** Tuizam u susret budućnosti', Mikrorad, Zagreb, 1994
14. **** www.ruralis.hr
15. **** www.mmtpr.hr
16. **** www.hgk.hr
17. **** www.wttc.org
18. **** www.hnb.hr
19. **** www.dzs.hr
20. **** www.istra-istria.hr
21. **** http://www.munimall.net/eos/2002/wallis_regionalism.nclk
22. **** http://www.deh.gov.au/soe/2006/emerging/local-heritage/index.html
23. **** http://www.croatialloyd.hr/izvjesce_report_2006.pdf