
Tourist Offer Management in Globalisation Processes

RUDANČIĆ, Andreja¹, GUZOVSKI, Marina², AKMAČIĆ Marko³

^{1, 2, 3} *Libertas International University (CROATIA)*

Emails: arudancic@libertas.hr, mguzovski@libertas.hr, makmacic@libertas.hr

Abstract

As one of the most dynamic economic activities, tourism is a global engine for the development of the economy in a large number of countries around the world. Due to changes in demand and increased competition, one of the basic strategies in tourism is to innovate existing and develop new tourist products. In an effort to adapt to different wishes and needs of new customers in product development, growing emphasis is placed on experience, i.e., emotional component of a journey, and a tourist product can be viewed through the economy of the experience. The starting point of this paper is empirical research on tourist offer management on the model of the town of Opatija. Opatija has the possibility to establish itself in the international tourist market as a competitive year-round tourist destination, and therefore it is necessary to build a quality integral product that will satisfy the wishes and needs of potential demand. In this sense, the role of the current holders of the tourist offer as well as the tourist boards participating in its unification and promotion on the international tourist market is important. By a survey, and for the purpose of scientific value of the paper, the authors further investigated the opinion and views of the citizens of the town of Opatija on the present situation and management of the tourist offer. Based on the results of the research in this paper, corresponding judgements have been made and certain conclusions and subjective opinions projected that could be of relevance to the interested stakeholders in perceiving both encouraging and warning factors.

Keywords: tourist offer, tourist destination, tourist promotion, globalisation, town of Opatija

1. Introduction

Tourism as a global phenomenon carries economic strength, but its development also brings a large number of different social and environmental influences. Due to changes in demand and growing competition, one of the basic strategies in tourism becomes innovation of existing and development of new tourist products adjusted to the different wishes and needs of new customers, where increasing emphasis is placed on the experience, i.e., emotional component of a journey and a tourist product is considered an experience. How and in what way should a tourist destination be managed is one of the most pressing issues facing tourism policymakers in Croatia today. Tourism management in destinations is currently carried out to a certain extent by the public sector, primarily the system of tourist boards and other public sector. Tourist boards base their 2020 work programmes on the legislation from 2019, i.e., the Act on Tourist Boards and the Promotion of Croatian Tourism (OG 52/2019), the Tourist Tax Act (OG 52/2019) and the Tourist Membership Fee Act (OG 52/2019) and follow the guidelines of the “Strategic Marketing Plan for Croatian Tourism 2014-2020”. The private sector is the offer holder, while tourist boards have so far focused primarily on promotional activities, dissemination of information to tourists in the destinations and organization of festivities and events.

2. Tourism Trends Influenced by Globalization

Modern tourists are experienced travellers, well-informed, want more eventful tourist experiences, try to meet their needs optimally considering the time and money invested in their journey. They are characterized by dynamism, curiosity, the desire to get to know new environments, the desire for attractive events. This is why they choose tourist destinations that offer an appropriate quality and choose other destinations if the quality does not meet their expectations. Natural beauties are no longer a sufficient attraction factor, especially for more demanding market segments seeking a more eventful and active leisure. The need for non-standardized services and individualized behaviour of tourists is directly linked to [1]:

- a) the search for self-determination (emancipation) and do-it-yourself principle,
- b) greater travelling experience of the population, which goes hand in hand with a more selective, critical and quality-oriented approach, individual planning of holidays, but also with increasing refinement of demand and rationality of choice,
- c) growing desire to connect with nature, to gain first-hand experience and to spend active holidays (e.g., “holidays for hobbies”),
- d) greater ecological awareness and sensitivity towards the quality of life in general.

Changes caused by the globalisation processes directly influence business operators in the tourism sector and if a segment on the tourism market wants to become competitive, it simply cannot avoid joining forces with world groups that can push it out of the market. It is a challenge for all tourist destinations competing in the global tourist market to build an individual brand, i.e., convey to the client its authentic offer profile, which will separate one tourist destination from another. Agents of tourist activities reach for different forms of vertical and horizontal integration strategy. This results in consolidation in the tour operator business and the hotel industry, which brings strengthening the competitive advantage, strengthening the image, introducing a unique reservation system, and more efficient research of the global tourism market [2]. According to the Booking.com survey, among more than 22,000 passengers on 29 markets (including the Republic of Croatia) and information from more than 180 million verified guest reviews, some of the trends in the world of travel are [3]:

- Increase in the number of trips to less-known destinations in order to reduce the impact of mass tourism and protect the environment,
- Application of innovative technologies through intuitive and reliable recommendations in obtaining personalised proposals of destinations to visit, accommodation facilities and activities based on previous travel and preferences of users,
- Longer journeys for more enjoyment – using slower means of transport to reduce harmful environmental impacts,
- Visiting destinations that offer a range of interesting experiences and attractions in the immediate vicinity of each other in order to save time or make the best use of destinations offering various entertainment sources,
- A new era of travel where pets are the centre of attention,
- Grandparents’ travels with grandchildren,
- Travel related to culinary delicacies – study of the local gastronomic experience
- Adventure trips.

Therefore, globalisation processes have contributed to the change in social relations, progress in the field of leisure time, education, health status, dissemination of information, and communication.

3. Concept and Characteristics of Tourist Destinations – Destination Management

In today’s turbulent time and an environment full of uncertainty and increasing challenges, management has a crucial impact on success in tourist destination management as well as in the business of modern organisations. To a certain extent, a new, more sophisticated traveller has

emerged as a result of experience. Education has also played a role, along with improved communication, and led to more sophisticated demands from tourists who are now looking for new experiences combined with useful activities. For a new tourist, travel is not just a stay in a destination, but an experience of staying there, as the journey becomes a medium for personal fulfilment and identity [4]. If it wants to be competitive, destination offer must respond to this demand in the right ways. Differentiation through creative interventions, especially in relation to the ways “how” the product is delivered, is a key factor in maintaining a more stable competitive position of the destination. Tourist destinations should base the development of tourism on the concept of sustainable development which implies the preservation of resources, does not create irreparable damage, encourages environmentally friendly tourism and equal development, and is socially responsible.

Although it is impossible to implement all of this in practice, it is necessary for tourist destination policy-makers to be sufficiently aware so that they can direct the development of tourism and try to get closer to this ideal scenario, all in order to ensure a long-term and successful future of tourism.

Tourist organisation and destination management can be defined as a process of design, management and development of the tourist system, public offer and public interest in a destination [5]. Tourist destination management is a long-term process that should ensure that high quality of life of the population is reached and that cultural identity of the entire tourist destination is preserved.

Such a long-term goal contains several components, which are reflected in optimal economic development of the destination, high level of living standard of the population, preservation of the necessary level of ecological preservation, and preservation of cultural and historical heritage and its placement in the function of economic and general development [6]. Considering that competitiveness is the main goal of tourism destination management, there are numerous competitiveness factors. It is primarily necessary to start from demand, because its structure determines pressure on the holders of the tourist offer who have to differentiate the offer, create added value through a superior service that will stand out from the competition's, thus affecting the satisfaction of service users, recognisability of the tourist offer and the destination and their promotion [7]. Today's tourist destination must meet the needs of global trends in a way that tourists make the most of their free time and that today's tourist destinations have all the facilities that should provide satisfaction to tourists.

4. Tourist Offer Determinants

Receptive tourist destinations can be considered places where tourist offer and tourist demand meet; these are areas providing the tourist offer which becomes the goal of every tourist trip. Since a large number of different stakeholders operates in the tourist market, from those who are direct, operational stakeholders to, for example, various government and scientific institutions indirectly influencing tourism turnover, they all contribute to the development of this market with their activities [8].

The factors forming a complex tourist offer consist of three groups of basic factors [9].

- a) attractive or alluring factors are fundamental to attracting potential tourists,
- b) communication or transport factors are factors that enable us to familiarise potential tourists with the advantages of a destination (promotion), arrival of tourists (means of transport and development of transport connections) and market communication,
- c) receptive factors are factors that enable stay in a certain destination (hotels, motels, campsites, and other offer holders) and ensure that attractive factors are highlighted.

Recognition, monitoring and understanding of qualitative trends that shape the world tourism industry are a precondition for viewing the characteristics of tourism as a social phenomenon, but also of wider social changes for the simple reason that these processes both reflect and influence the needs and preferences of consumers and should therefore direct tourism policy at all levels of governance.

5. Promotion of a Tourist Destination – Example of the Town of Opatija Tourist Board

In addition to the elements: product, promotion, price, and distribution, it is necessary to include additional three elements in the marketing mix of services: processes, physical environment, and people (employees), in order to meet expectations, needs and wishes of end users of services through all seven elements, which is also the goal of marketing. A serious approach to marketing analysis of the offer elements must also take into account promotion as the only possible communication process linking the supply to the demand market. The goal of each promotional activity is to attract attention and interest, create a desire and encourage activity which will ultimately lead to the effect of purchasing a tourist product. Given the diverse range of tourist products, tourist boards in the destination have the key role in the promotion of these products; they use various promotional instruments to make a particular product more exposed and accessible to tourist demand. Priority operational development strategies of the document called Strategic Plan of Tourism Development of Kvarner with strategic and operative marketing plan 2016-2020 [10], point out increasing market recognition of marketing (branding, markets, products, consumer segments). Recent studies of the 'Kvarner' brand strength indicates that awareness of the region is rather weak, with the exception of certain destinations, specifically the island of Krk, Rijeka, and Opatija, that are somewhat more famous than Kvarner itself. Considering the fact that it is crucial to understand your customer in order to successfully create supply and manage demand, i.e., create additional value for the customer – future tourist – by adapting to their needs, Opatija Tourist Board was used as an example in this paper, since it continuously works on branding Opatija as a stronger destination identity and offering more complete tourist products and services. Furthermore, it encourages a higher level of networking between the public and the private sector in destination management as well as marketing activities with a clearly defined goal, namely increasing the number of arrivals and overnight stays outside the main tourist season to which all activities will be subordinated. In accordance with its 2020 Work Programme, Opatija Tourist Board, in accordance with the Act on Tourist Boards and the Promotion of Croatian Tourism (OG 52/2019), as a local destination management of the organisation, has the following tasks:

1. Development of products through planning and implementation of the key public sector projects and key projects of improving the competitiveness of the destination; coordination and communication with private and public sector stakeholders in the destination; development activities related to connecting supply elements into packages and products – incubators of innovative destination experiences and products; development of events in the destination and other motives for arrival to the destination for individual and group guests; monitoring and applying, either independently or in co-operation with the local self-government unit and other public or private sector entities, to tenders for the development of public tourist offer and infrastructure through co-financing from national funds, EU funds and other sources of financing; participation in the development of strategic and development tourism plans in the destination area.

2. Information and research through the development and distribution of information materials; design, maintenance and regular creation of content on the websites of the destination and social network profiles; establishment, coordination and management of tourist information centres; operational participation in the implementation of activities of the eVisitor system and other tourist information systems.

3. Distribution through coordination with the regional tourist board in the implementation of operational marketing activities; preparation of destination marketing materials in accordance with defined standards and sending them to be harmonised and approved by the regional tourist board. In accordance with the adopted Development Strategy for the Town of Opatija until 2020, Opatija Tourist Board places emphasis on the tourist products that can constantly be successfully developed (resting, health, MICE, cultural, rural, sports and recreation, educational, and nautical), all based on principles of excellence with a focus on year-round business.

Table 1. Promotional activities of branding the town of Opatija and creating a destination identity

ACTIVITY	AMOUNT (in HRK)
DESIGN OF VALUES	2.836.000,00
1. I Love Croatia project	60.000,00
2. Events	2.766.000,00
3. Development of new destination products (DMC)	10.000,00
COMMUNICATION OF VALUES	1.476.844,00
1. Online communication	400.098,00
2. Offline communication	1.076.746,00
DISTRIBUTION AND SALE OF VALUES	550.000,00
1. Fairs	170.000,00
2. Study travels and public relations	100.000,00
3. Special presentations	280.000,00
INTERNAL MARKETING	141.260,00
1. Education	35.000,00
2. Coordination of entities involved in tourism turnover	106.260,00
MARKETING INFRASTRUCTURE	186.000,00
1. Co-operation with international and national institutions	70.000,00
2. Photo bank and preparation for publishing	116.000,00
SPECIAL PROGRAMMES	
Support for tourism development in underdeveloped areas	150.000,00
OVERALL PROMOTIONAL ACTIVITIES	5.190.104,00

Source: Authors' processing according to data from the 2020 Work Programme of the Opatija Tourist Board [11]

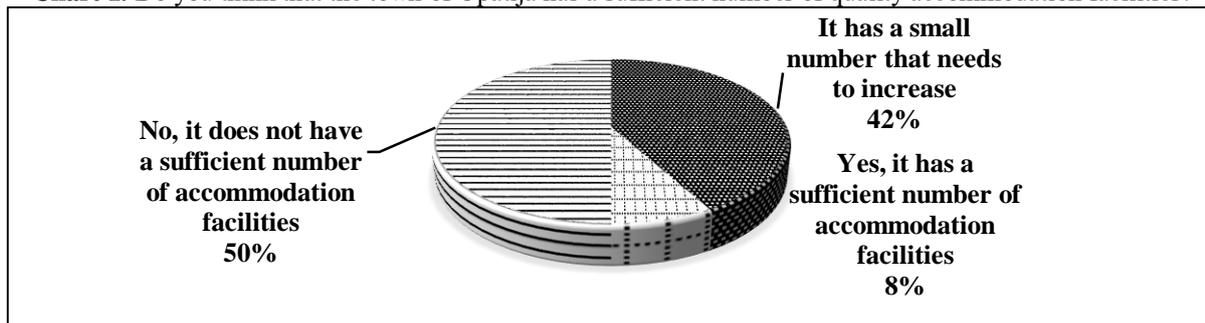
It is evident from the above table that Opatija Tourist Board invests the most funds in events (HRK 2,766,000.00), which are one of the most important elements in creating the value of the destination of Opatija and should as such become a motivation for tourists to come to the destination. The promotional activities of the destination are aimed at strengthening the pre-season and post-season, and these periods attract an increasing number of guest's year after year, justifying the tourist destination's commitment to doing business throughout the year.

6. Methodology of Research on Tourist Offer Management of the Town of Opatija

The research in this paper is descriptive, one-time, using the random selection method. The respondents answered eight questions in the questionnaire; the answers will be analysed graphically and descriptively using a follow-up text with the main findings and characteristics of the research.

The first question was about availability of a sufficient number of quality accommodation facilities in the town of Opatija; 50% of respondents replied that Opatija does not have a sufficient number of accommodation facilities because there are hotels in the town of Opatija that are closed during the winter months and are closely linked to the seasonal fluctuation of business operations in the destination. 42% of the respondents think that Opatija has a small quantity of quality accommodation facilities that have to be increased, while only 8% of the respondents thinks that Opatija has a sufficient number of quality accommodation facilities.

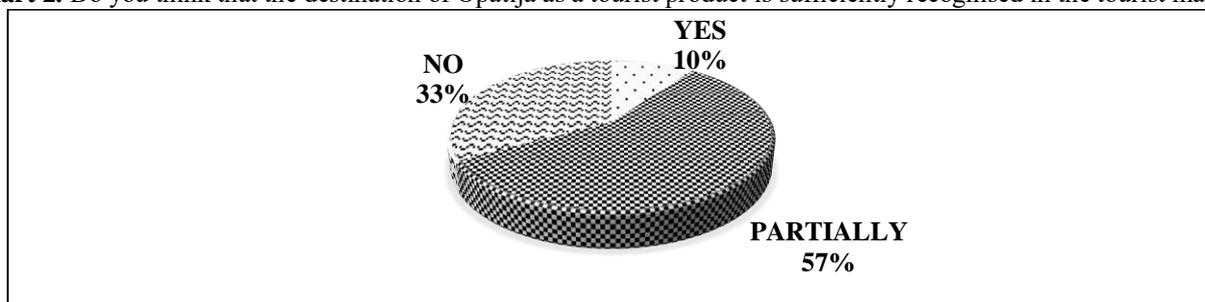
Chart 1. Do you think that the town of Opatija has a sufficient number of quality accommodation facilities?



Source: Authors' processing according to the filled-in questionnaires

The next question was about the recognisability of the destination of Opatija as a tourist product in the tourist market.

Chart 2. Do you think that the destination of Opatija as a tourist product is sufficiently recognised in the tourist market?

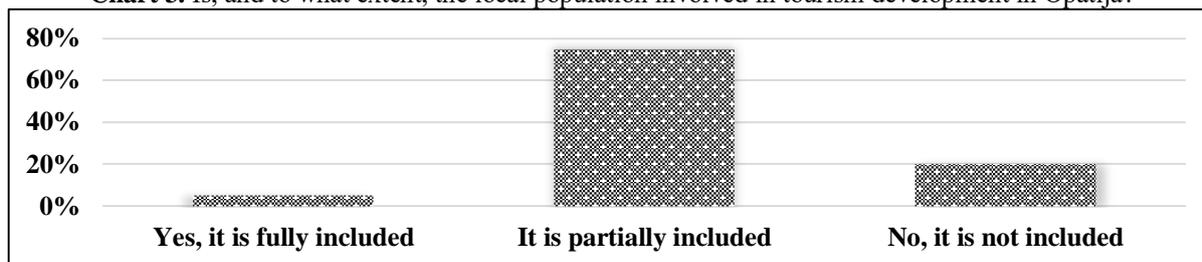


Source: Authors' processing according to the filled-in questionnaires

The next question referred to market recognition of Opatija as a tourist product where 57% of respondents think the current product is only partially recognised in the tourist market. 33% think it is not recognised at all, while only 10% think it is recognised. This answer suggests that the destination of Opatija is probably partially recognised in the tourist market as a monoturism destination. This situation insists on the implementation of the concept of tourism development in general, where new promotional activities obligations are placed before Opatija Tourist Board. To the question referring to professional personnel in tourism, where out of 100 respondents 78% answered that the tourist destination of Opatija does not have enough professionals, while only 22% think that the tourist destination of Opatija has a sufficient number of professionals.

These answers of the respondents provide alarming results of the tourist destination of Opatija related to personnel in tourism. Like all tourist destinations in the Republic of Croatia, there is also a lack of seasonal labour force in the tourist destination of Opatija, and another problem are quotas for the import of contingent workers which should be harmonised with the needs in hospitality and tourism. Namely, the respondents' answers to this question point to a low awareness of the importance of the quality of human resources and an increase in the trend of a lack of quality labour force in tourism, which is becoming the greatest constraint for high-quality tourism development in the tourist destination of Opatija.

Chart 3. Is, and to what extent, the local population involved in tourism development in Opatija?

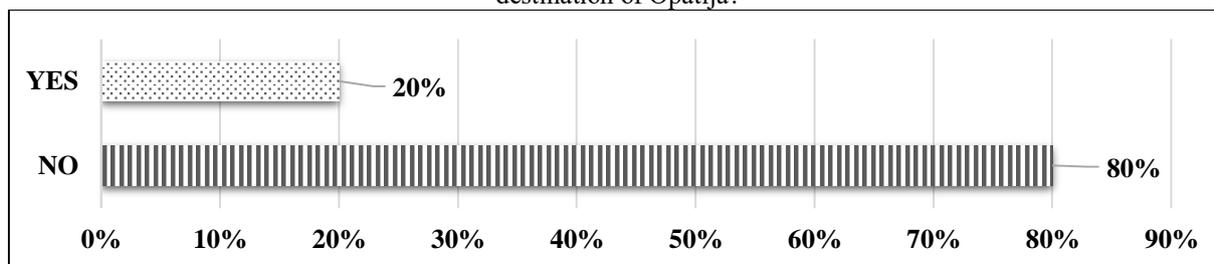


Source: Authors' processing according to the filled-in questionnaires

It can be concluded from the above chart that the answers show dissatisfaction of the local population regarding involvement in tourism development in the town of Opatija. Out of 100 respondents, 75% responded that they were partly involved in tourism development in the town of Opatija. Furthermore, 20% of the respondents replied that they were not included, while only 5% replied affirmatively, i.e., that they were fully involved in tourism development in the town of Opatija.

According to the conducted survey, the next question relates to the involvement of local self-government units in the unification of tourism in the tourist destination of Opatija.

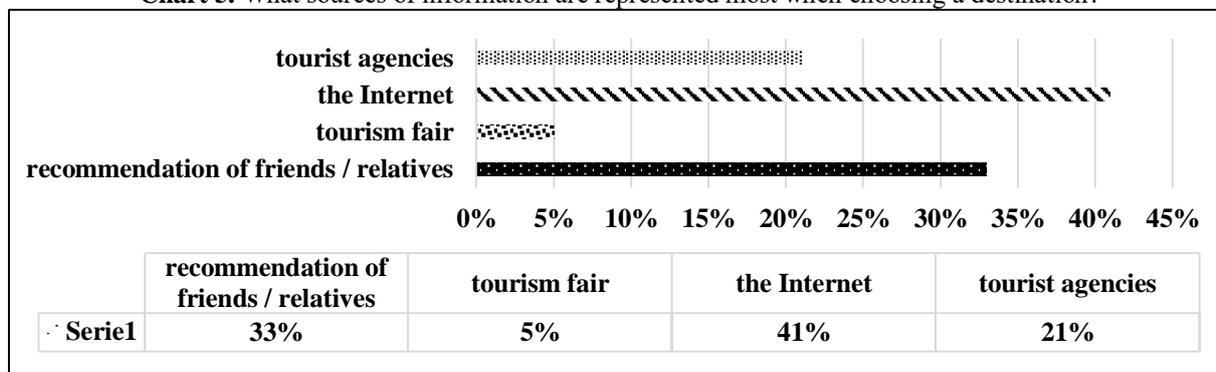
Chart 4. Are local self-government units sufficiently engaged in the unification of the tourist offer of the tourist destination of Opatija?



Source: Authors' processing according to the filled-in questionnaires

Considering that local self-government units also influence the formation of tourism and tourist offer, as many as 80% of respondents responded that, in their opinion, local self-government units are not sufficiently engaged in the unification of the tourist offer, while the other 20% think they are sufficiently engaged. Considering the results presented in the above chart, it should be noted that local self-government units evidently do not have a sufficiently dominant development function of this area in their activities, as pointed out by the local population in their answers. The following question was aimed at finding out which sources of information are represented the most in the selection of the destination of Opatija.

Chart 5. What sources of information are represented most when choosing a destination?



Source: Authors' processing according to the filled-in questionnaires

The majority of respondents, 41%, replied that the Internet is a source of information when choosing a desired tourist destination, and 21% answered that the most important source of information for choosing a tourist destination are tourist agencies, while 33% answered that recommendations of friends/relatives are important when choosing a tourist destination, while only a small proportion of 5% of respondents thought that promotion of the tourist destination of Opatija was carried out through tourism fairs. These answers show the importance of the Internet, given the global connection of markets, including the tourist market. Furthermore, the majority of the respondents (93%) answered that they think that the coordination of Opatija Tourist Board should be further strengthened, while 7% think that this is unnecessary and that everything is fine with the business and management of Opatija Tourist Board. According to the conducted survey, the next question is in a way based on the previous one, since it shows the work of local self-government units in order to unify the tourist offer of the Opatija Riviera. Asked whether the population of the town of Opatija deems it necessary to unify local self-government units in order to unify the tourist offer of the Opatija Riviera in order to further enrich the tourist offer, 92% of the respondents think this would be necessary, while only 8% of respondents do not see the need for unification, because they think that each area of the Opatija Riviera is separate and should be improved separately.

6. Conclusion

From this research and a review of all aspects, it can be concluded that the product of the tourist destination of Opatija has been reduced to monotourism despite all efforts to diversify the tourist offer.

Marked seasonality should be reduced by marketing activities and price policy. It is clear that there is a visible lack of destination management at every step, and it has still remained unclear to many who is responsible for its management. Overlapping functions and lack of responsibility, either in the public administration or in the system of tourist boards, or in major offer holders, are reflected in the lack of harmony and coordination between the important stakeholders of the offer, and there is no function of managing the overall offer of the tourist destination. Thus, the tourist destination of Opatija has to choose a modern and competitive tourist offer, i.e., improvement of all aspects of the offer, but it also has to respect the interests of the local population, who have shown their discontent in the conducted research with their integration into the development direction of tourism in Opatija.

Local culture and lifestyle also often attract tourists and the local population should always be aware of the benefits that tourism brings, but also involved in the decision-making process related to it. In the context of the future management of the tourist destination of Opatija, it is concluded that it is necessary to think in the direction of the possibility of forming a body for destination management of Opatija in accordance with future legislation. From the above-mentioned research results, it is evident that the destination of Opatija must actively, and not declaratively, decide to take advantage of the positive effects of globalisation which are no longer just a trend, but also of the fact of life of the surrounding competitors. Although investments were made in hotel accommodation, raising the quality of accommodation facilities to four or five stars, it is evident that there has been a disproportion of quality accommodation and insufficient destination management, because there is a greater gap between what the hotel offers when it comes to accommodation and service than what tourists can experience and feel (entertainment, culture, sports, and other programmes). In the big global competition, Opatija as a tourist destination has to face the challenge of shifting towards a new development and marketing cycle, with special emphasis on creating added value by adjusting to the needs, expectations, and habits of modern tourists.

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