

CREATIVE APPROACH IN DESIGNING FAMILY HOTELS IN CROATIA

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Abstract

Hotel industry is becoming a leading segment of tourism in Croatia, evident from the constant increase in accommodation capacities, number of overnights, and employees in the hotel industry. To succeed, hotel managers need to identify the needs of their clients and find creative ways to please them. Hence, the future of small family-owned hotels is likely in differentiation by design. It implies a wide spectre of areas of applicability. The design is implemented in marketing strategy in the primary stage of creative thinking during project planning. It is later followed by original name selection. Those are the foundations upon which visual identity is built and style of architecture is selected- traditional or modern, as well as stance towards energy consumption. Further education, especially for small and medium business owners, is needed for small family hotel owners in Croatia to choose a concept of sustainable development- alternative source of energy, waste-water treatment, conservation and refinement of natural environment.

H1: Small family-owned hotels in Croatia are not adequately recognizable and do not reflect the uniqueness of Croatian tradition and cultural heritage in architecture, interior design, gastronomic supply, and other amenities (content).

H2: State government did not create clear legal framework, education system or instruments to stimulate and support creative and original concepts of small family hotels.

Hypotheses will be proven with the results of primary research as well as with the analysis of annual brochures from Association of Family and Small Hotels in Croatia.

Keywords: family-hotels, differentiation, marketing strategy, design, Croatia

1. Introduction

Tourism is the largest world industry, and hotel business is becoming a leading part of such a diverse industry. To survive, hotels need to follow changing customer demands and industry trends. An increased attention needs to be paid to the study of trends in tourism because they determine the trends in hotel industry. The importance of hotel industry is in developing tourist economies. The Croatian government recognized that and made a Tourism Development Strategy focusing on hotel industry.

“The goals are the following: regulation of property relations and termination of the privatization process of hotels, lasting protection, implementation and respect of high ecological standards and long-term sustainable valorisation of tourist potentials, education of management and all employees is tourism, raising the quality of all accommodation capacities, basic and complementary, and the adjustment of the criteria of quality to the international standards, the entrance of known international hotel brands on the Croatian market, a more efficient distribution and usage of modern trends in communication and marketing, encourage large national and multinational companies to act in less developed countries within the concept of sustainable development and to continuously adopt strong measures of social responsibility towards local communities and to undertake various measures in order to lower the rate of unemployment; etc.” (Grzinic, 2008).

The National Board for Competitiveness, as a partner of World Economic forum, on 08.03.2011 has announced the newest results about competitiveness of tourism where Croatia is in 34th place in competition with 139 countries from the world. Last year’s report labelled “After the crisis” put special emphasis on moderately optimistic perspective, but also mentioned numerous obstacles that are expected in tourism industry, which have to be bridged to ensure stronger growth of the sector in the future. The crisis accentuated the need to understand the influence of economic cycles on the industry, the importance of price competitiveness in attracting tourists and the role of tourism in developing so-called “green economies”.

The most competitive tourism countries for the third year in a row are Switzerland, Germany, and France followed by Austria and Sweden. The results clearly show that before-mentioned countries have supporting business frameworks and natural resources and invest great efforts in creating surroundings that foster growth of travel and tourism sector, something Croatia has to still work on.

Croatia is a country heavily dependent on tourism as a source of revenue. According to official statistics from 2010, the accommodation structure is as follows: private accommodation facilities (45%), camping sites (28%), apartments and tourist resorts (7%), hotels (14%), other facilities (6%). The biggest increase in accommodation facilities is in hotel industry that grew by 6% from 2007 to 2010. In the first half of 2010, the biggest number in overnights was in hotels (44%), camps (22%), and private accommodation (16%). While hotels do not account for large percentage of capacity (only 14%), almost half (44%) of tourists stay in hotels. Hotels have poor occupancy rate of 45% on average, making such industry uninteresting for investors. The biggest occupancy rates are seen during summer in the prime season, while the offseason produces poor results. There are number of reason why hotels underperform, one of which being out of touch with modern guests. Of the ways how to be in touch with the growing demands is the hotel design. Daily cost of hotel visitors is 100 euros per person. A study by Roland Berger where industry managers and professionals discussed the hotel industry clearly states their hopes for recognized international hotel brands to enter the Croatian market. According to them, increasing the level of quality of all accommodation facilities and adopting categorization criteria to international hotel “brands” is for the betterment of all stakeholders. But why invest in hotels? Sheer numbers, a 40% increase in 5 years (from 2006 to 2011), speak of the growth rate in tourist arrivals. However, that did not reflect on the investors of which 79% were interested in buying hotels/ real estate in Croatia to 62% in 2011, a 11% decrease from 2006. Of the major challenges in Croatian hotel industry, one of the major issues is hotel privatisation (11% of the respondents felt that way).

According to the ministry of tourism in Croatia, the available accommodation had a count of 935 thousand beds in 2011., which is 25 thousands more (a growth of 2.7%) than previous year, with an average capacity of 64.6 days. On average, tourists stayed for 5.3 days. Hotels account for only 14% of all capacity, while camps and private accommodation account for 25% and 48% respectively. On the other hand, hotels and aparthotels had the biggest occupancy rates of 169 days (4 more the previous year), and the average stay of 3.6 days. The number of beds in Croatia rose by a rate of 1.3%, and total capacity usage rose by 1%. On average, hotels rose by 2.5% a year, but the capacity usage fell by 1%. 29% of all business units are hotels and aparthotels (636 out of 2,189), which is an increase of 3% from 2010, and an increase of 8.3% from 2008. The number of hostels rose by a rate of 14% from 2008 to 2011. There are 56 hostels with 2.6% market share in business units.

The global economic recession did not affect Croatian tourism. There were 11.5 million arrivals in 2011, which is 8% more than the previous year, with a total of 60.4 million overnights or 7% more than in 2010. Foreign tourists make up 87% of all tourist traffic. 9.9 million arrivals (an increase of 9% from 2010) who had 54.8 million overnights (an increase of 7.4% when comparing it with 2010.). Domestic tourism increased 2.4% in arrivals and 3.3% in overnights, making it the first increase in tourism traffic from year 2008.

2. Creativity and Business

“Symbols are the instruments which convert raw intelligence into culture. Whether it all happened by a slow dawning consciousness, or through a series of spontaneous mental sparks which ignited a dormant imagination, at some point the mindless became mindful.” (Alan Fletcher¹, p.12) In incredibly creative and witty book “The Art of Looking Sideways”, for which Alan Fletcher himself says: „*This book attempts to open windows to glimpse views rather than dissect the pictures on the wall. To look at things from unlikely angles...*“ quoted are thought of a scientist, artist, philosopher, and designer on creativity topic of which some are mentioned here (Fletcher, 34):

“The unlike is joined together and from differences result the most beautiful harmony.”

Heraclitus, philosopher

“Creativity involves the power to originate, to break away from existing ways of looking at things, to move freely in the realm of imagination..”

Oliver Sacks, physician

“The ways of creativity are infinite: the ways of formal learning are numbered. Restless, curious, playful, contriving, the innovative mind feeds on challenge”

Robert Grudin, writer and philosopher

“It is not so hard to be original, what is hard is to be original with continuity.”

Andrés Segovia, musician

¹ Alan Fletcher, British graphic designer, cofounder of Pentagram studio

“The prerequisite of originality is the art of forgetting, at the proper moment, what we know. Creativity is the defeat of habit by originality.”

Arthur Koestler, writer

We are adding a female perspective to this sequence:

“Being creative means being different, starting to think from the other side, connect in different way. Creativity can be encouraged but not forced.”

Bettina Von Stamm, writer, lecturer, expert in innovation, founder of Innovation Leadership Forum

What is creativity in terms of business? And how should an entrepreneur or a manager be creative?

“ ... one of the hallmarks of a creative person is the ability to tolerate ambiguity, dissonance, inconsistency, things out of place. But one of the rules of a well-run corporation is that surprise be minimized. Yet if this rule were applied to the creative process, nothing worth reading would get written, nothing worth seeing would get painted, nothing worth living with would ever get designed.”

Ralph Caplan, communications consultant, writer and former editor-in-chief of I.D. magazine

In this paper we will point out concerns about creativity in a specific area of entrepreneurship: tourism.

Today, design skills are not only used in creating visual identity of a product or a brand, innovative new products or in the promotional activities, but are spread to creative thinking and original design approach, not only related to products and services, but also to business processes and relations in each organisation. Design connects creativity and innovation. It formulates ideas in a way that they become attractive to users and consumers. (Rocco, Hodak, 2008, p. 7)

The truth is, and we know it from our own experience, that the educational system does not help us to be creative. Even from our childhood we are learned to fit to some standards. Most of teachers will not support original expression of a child with rich imagination. That is the reason why children at the age of three still produce original drawings, but at the age of six most of them become similar: sun, clouds, trees, houses, animals, people... same symbols, same colours.

Lately, great deal of effort is invested in changing educational methods developing creative techniques. However, in practice, lot of professors still require learning (nowadays easily accessible) information by heart. It is no wonder that managers rarely, after years of systematically ignoring creative thinking, find themselves in a situation where they are expected to be creative and the business and innovation of ideas.

The research undertaken in Croatian business educational institutions (marketing and management business schools or faculty departments) by interviewing heads of higher educational institutions during 2007 presented the range and manners of teaching design for business. The concept of teaching design and design skills can be defined as: idea creation; brainstorming and creative techniques; using design to develop a brand; the role of design in new product development or design management of the company. (Rocco, Hodak, 2008, p. 2)

Results showed that most of such design skills were not enough thought and also that there were not enough teachers to teach design subjects. The first question was related to the participation of design and design management in the school programme, either as an individual subject or in the scope of another subject. The results indicate that the majority (63%) of schools include design and design management in other subjects, while in only 17% it is thought as an independent subject. One of the questions was to state which design fields should be included in their programme in future. From a range of offered answers, most of examinees, 61% would include the two fields: *Creative thinking and innovation* as well as *Design as the element of differentiation*.

Innovation, creativity and design are surely amongst the most frequently used – and abused – words in business today, not least because excelling in these areas is widely acknowledged to be associated with business success. But while most managers agree that innovation and creativity are essential to assuring long-term success, many struggle with realizing it in their businesses and translating it into everyday reality. (Von Stamm, p. 1)

How to create positive atmosphere to encourage creativity and innovation?

When BusinessWeek's journalist in 2004. asked Steve Jobs what was the way Apple systemizes innovation, the answer followed: *"Our system is that there is no system. It does not mean there is no process. Apple is very disciplined company and we developed great processes. But that is not the essence."* (Gallo, str.139)

When talking about tourism in Croatia, the development started in mid 20th century. It was not until the mid-1960s that tourist development really began to boom, in the wake of the 1964–65 socio-economic reforms promoted by Tito and his leading political advisers... Croatia, with its more than 6,000 kilometres of picturesque coastline, was ideally suited for the nascent "industry of tourism" and the ideological imperatives of "leisure" and "free time". Gradual extension of the Adriatic motorway (Jadranska magistrala), construction of which had begun in the mid-1950's, increased the accessibility and popularity of the Croatian/Yugoslav coast and drove the development of mass-tourism. It triggered an accelerated wave of construction, and gave rise to numerous large-scale hotel complexes, generally characterized by high standards and high-quality architecture. And yet here, more keenly than in any other sphere of economic development, it was quickly realized also, that the success of tourism relied directly on the preservation of spatial and environmental qualities. The institutionalized practices of urban planning and environmental preservation were therefore developed at this early stage. (Mrduljaš, p.2)

Hence, during socialism, urban plans were made and top Croatia (and Yugoslav) architects designed hotels and hotel complexes taking into account the landscape and cultural heritage. When Croatia became independent, some institutions ceased to function or lost their power (urbanism institute of Republic of Croatia got privatised), and government did not create a firm legal framework so that local communities could inflict standards for new buildings. Unfortunately, it led to quality tourist complexes devastation, them being not cared for or simply unprofessional reconstruction. On the other hand, the tourist sector was first to recover after the civil war by becoming the leading driver of Croatian economy. Private initiative is becoming more important in tourism. However, if one was to take the brochures from National association of small and medium family hotels, one could see the mediocrity in architecture, uninventiveness and frequent kitsch.

A high quality offer of small boutique and design hotels is practically non-existent in Croatia which is closely followed by thematic hotels which would be inspired by Croatia's cultural heritage. In other words, there is a small number of hotels and agro-tourist facilities that are special, different, noticeable and recognizable, that tell their own story. (Rocco, Hodak, 2011, p. 8) 3. 3.

3. Methodology

Therefore the primary research has been conducted in the small and medium hotel sector in Croatia to examine the decision making process concerning the hotel design identity and the state of creative thinking of tourist managers. The research consisted of a survey by questionnaire. The first stage was conducted during 2009 and 2010 and then supplemented during 2011. It involved small and medium-sized hotels and family-run estates (agro-tourism) in Croatia. The focal point of this research was the way in which crucial elements of tourism products affect quality, originality and competitiveness, in terms of choosing the name, designing the trademark, the logo and the website, choosing an architectural style and designing the exterior and interior of the facility.

A questionnaire consisting of 12 basic questions with multiple choice answers referring to the start of an entrepreneurial project in tourism, with emphasis on the features listed above. An additional form also had to be filled out. It contained statistical data referring to the respondent – age, occupation, qualifications and the function of the person in the accommodation facility – and data referring to the facility – its location (starting from the county and ending with the size of the place/village/city where the respondent could choose a location that is not an inhabited area) its type and capacity.

The respondents and tourist facilities were chosen from an Association of Family and Small Hotels in Croatia 2009 brochure containing data on 106 small and medium-sized family-run hotels. This list was extended by the Association's associated members as well as other sources from the Internet, primarily connected to agro-tourism businesses.

The upper limit regarding the size, specifically the capacity, of the facility was 50 rooms or apartments. During the first year the questionnaire was sent by e-mail to 70 chosen address and a total of 19 filled out questionnaires were returned. In the introduction of the e-mail message it was highlighted that the questionnaire would be used for research purposes and that the results would be statistically processed, while any personal information as well as the names of the facilities included in the survey would not be mentioned (guaranteed anonymity).

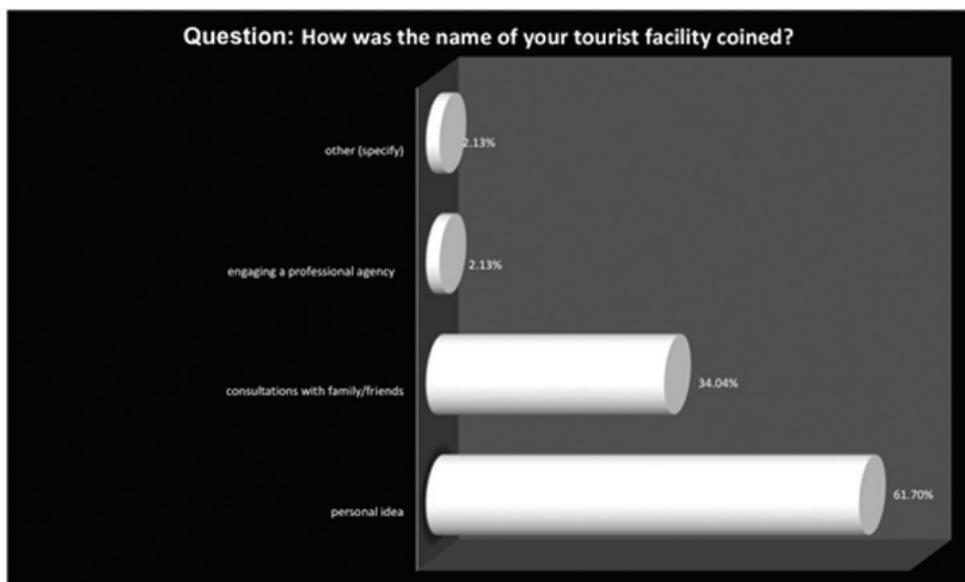
Since the response in the first round of the research was relatively small, during the summer of 2010 a number of individual interviews with owners/managers of small hotels were conducted on the field. In the fall of 2010 e-mail messages were again sent to all those who did not respond in the first round as well as to other available addresses. In this second round, however, before sending the questionnaire via e-mail, almost all of the respondents who were available (some telephone and mobile phone numbers were out of service) were contacted by telephone and the purpose of the research as well as the significance of the results was explained to them.

The initial instruction in the questionnaire said that it should be filled out by the initiator of the business, that is the entrepreneur, owner or manager of the hotel if (s)he is familiar with the data pertaining to the establishment and design of the tourist project the questionnaire is covering. This fact most certainly could be the reason of the small number of responses because the questionnaire required input from the owners themselves who are often unavailable or unwilling to reveal data about their entrepreneurial project. The reception clerks who usually check the electronic mail were not informed enough to answer the question so they forwarded it to the owners or managers. After the second stage, 34 filled-out questionnaires were collected and statistically processed. However, the research is continued during 2011 by conducting individual interviews in order to ensure a more uniform representation of Croatian regions.

Finally, 47 filled-out questionnaires serve as relevant indicators for the analysis of the situation in the segment of creativity and design quality of tourism products of Croatian small and medium tourism entrepreneurship.

4. Results

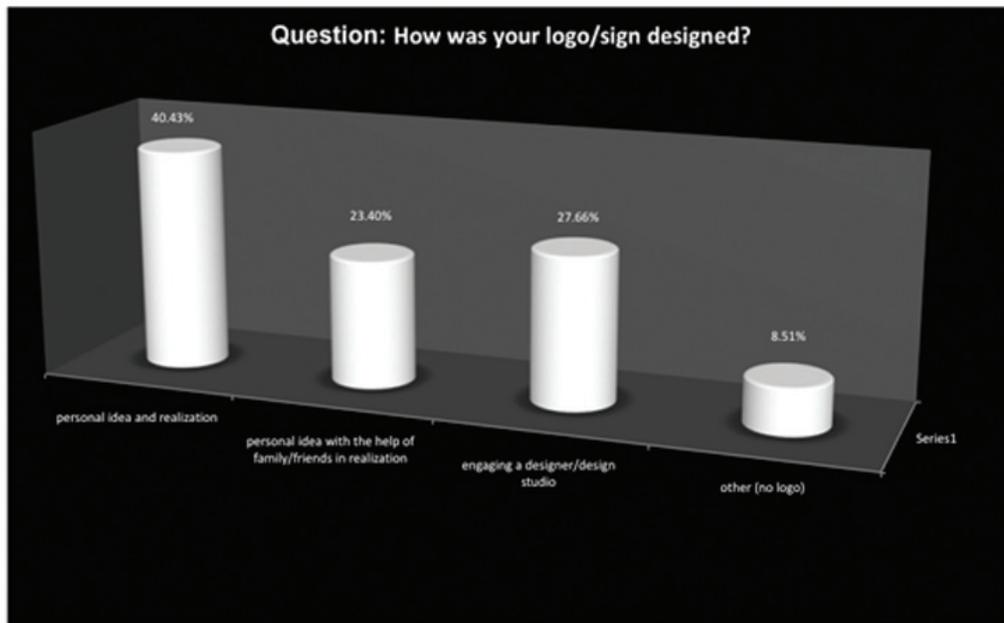
We will present only a few most important results concerning name, logo design and interior design.



Graph 1: The origin of property name

Source: S. Rocco/M. Hodak 2010-11 research results

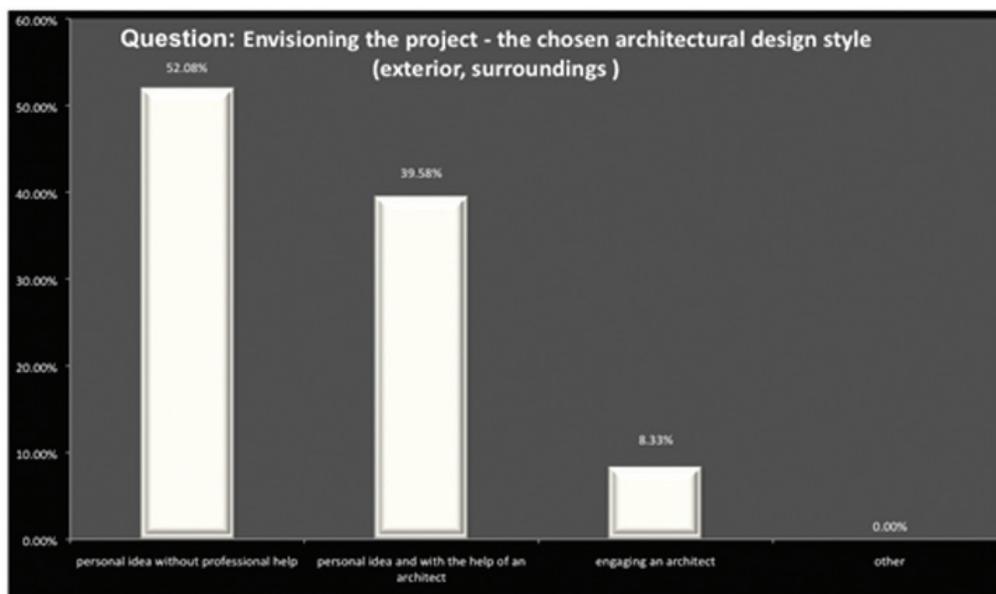
Results to the question: “How was the name of your tourist facility coined?” are as follows. With over 60% of the respondents the name of the facility was a personal idea, while 34% coined the name by consulting family and friends and only 2,13% asked the agency to create the name. It would not be a problem if names were creative and original but most of them are not. It makes them totally unrecognizable.



Graph 2: Logo design

Source: S. Rocco/M. Hodak 2010-11 research results

The next question read: “How was your logo/sign created/designed?” Of course everybody can be a designer. That is why hotel logos are predictable, unoriginal and badly designed. Most of them are just written with some common typography, without any sign or symbol. Therefore, it is not surprising that 40% of managers personally designed their logo and only 27% engaged a designer/design studio while the other logos were done with a little help of friends or family (23.4%).



Graph 3: Architectual design style

Source: S. Rocco/M. Hodak 2010-11 research results

And at the end, to the question read: “How was the project envisioned, namely how was the architectural style and design of the facility as much as 52% of the respondents said that it was their ‘personal idea without professional help’, while only 8,33% entrusted the choice of the facility’s architectural style to professional architects.

5. Conclusion

The results of the research show that most of the small family-owned hotels in Croatia do not use professional designers, are not adequately recognizable and do not reflect the uniqueness of Croatian tradition and cultural heritage. They also prove that there is no legal framework, education system or instruments to stimulate and support creative and original concepts of small family hotels. To finish in a positive tone, we will show one of the rare positive examples from Croatian practice of small and medium hotels. It is about hostel *Goli+Bosi* in Split.

The creativity is first recognized in the actual name of the hostel (eng. *Naked and barefoot*), and furthermore intrigues and wittily communicates with customers and the name of the restaurant *De Belly* (word game. “*debeli*” in Croatian means “*fat*”). The food on the menu has similar funny names. The game continues by tagging all the hostel: visual communication - textual messages and direction lines - marked in black on yellow floors, and the room names connected with years of different events that tell a story of life in the city of Split. All the messages are translated to English in slang (according to Dalmatian). Hostel is situated in the city centre, in old secession palace, a former shopping centre. In only a hundred days, the building was transformed from an old empty building to the most original hostel on the Adriatic, by architects of Studio UP, designer Damir Gamulin and copywriter Sebastijan Vukušić. An original mix of traditional and modern was created by keeping the elements of a shopping centre, like elevators and stairwells, functional space organization, simple materials and colour. Multi bedrooms are projected as Japanese capsule rooms, and other rooms that offer more intimacy come with a price increase. All public spaces are warm and attractive due to yellow walls, ceilings and floors, while signs are implemented directly on the wall and floor areas with black colour, getting the effect of strong graphism. Hostel was opened in 2010, and besides young “backpackers”, its originality is recognized by other tourist segments like business people and families.



Image 1: Hotel Goli+Bosi exterior, Split, Croatia

Source: www.gollybossy.com



Image 2: Hotel Goli+Bosi interior, Split, Croatia

Source: www.gollybossy.com

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