

Model for Tourism Clusterisation of Dalmatia as the Umbrella Brand

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Abstract: Comprehensive strategic and marketing plan in tourism is necessary to define certain attractive features and products within the tourism umbrella brand and its constituent units - tourism clusters, in order to make them recognisable on the market. Since natural scenic spots are not the only determining factor when choosing a destination anymore, it is necessary to perform a comprehensive branding of other tourist attractions too. This paper presents a model for tourist clusterisation of Dalmatia as the umbrella brand of the region. A portfolio of tourism products and appropriate target markets are defined for each cluster. The paper gives an example of Istria region which defined its tourism clusters by designing the master plan for tourism development for the period 2002-2012. The authors have used the Istria example as the basis for their model for clustering Dalmatia as the regional umbrella brand of tourism. The authors also indicate the characteristics of the model and the opportunities and obstacles to its implementation.

Key words: umbrella brand in tourism, tourism clusters, tourism regions, tourism product destinations, Dalmatia as a tourism umbrella brand.

1 Introduction

Given the strategic role that tourism plays in the overall economic and social development of the Republic of Croatia, it should be managed in line with the needs and newest trends on the global tourist market. Likewise, the tourism should be managed in accordance with the principles of strategic management and marketing, where innovative policies are of utmost importance. This applies to all levels of tourism management. The paper specifically deals with the model for managing the tourist region of Dalmatia and its clusters.

Nordin (2003) states that the clusterisation concept can be applied to many businesses and sectors. The clusterisation theory has been traditionally used in the production industry despite the fact that the service industry, including tourism, has enormous potentials. A correlation between the tourism growth and the innovation level is obvious. The concept of tourism clusterisation has resulted in certain innovations in the area of tourism industry, specifically at the tourism region level.

Istarska County in Croatia is a good example of defining tourism clusters at the level of the region as the umbrella brand. The authors of this paper have used this example to design their own model for clustering Dalmatia, another Croatia's region, as the umbrella brand in tourism.

The model provides the characteristics of the tourism product of the Dalmatia umbrella brand, specific features of each tourism cluster, and basic elements of the tourism product of each individual cluster.

The market segmentation has been carried out in line with the attractive features and main products of the individual clusters. Revival of the authentic local elements turned into a tourism product has been primarily taken into consideration while defining the main products of the individual tourism clusters and their target markets.

The methodology used in the research follows the general approach to building and implementing a model of this kind, yet in this particular case the research also features some elements of a "pilot project" as it engaged graduate students of management who, at the early stage, participated in the development of the model using the Delphi method, brainstorming and creative groups.

2 Importance of the clusterisation marketing concept in tourism at the regional level

When marketing is perceived as a market orientation directed towards consumers, and when tourism is perceived as a sociological category whose changeable nature has become the groundwork for research aimed to meet the demands of the consumers by applying the social concept of marketing, then we actually deal with a growing population of visitors whose expectations during travel and sojourn outside their residence include not only rest and leisure, but also the fulfilment of their creative and cultural curiosity (Gredičak, 2008).

Vrtiprah (2006) asserts that modern tourists make decisions regarding their destination by considering whether the supply meets their needs. Given the increasing competition, many tourist destinations make efforts to find out how to increase the value of their overall tourism service. Today, the most frequently visited destinations are the ones that allow tourists to engage in various activities and the ones that cherish their tradition while adjusting their services to the interests, needs, motivation and behaviour of the tourists. There is an increasing demand for custom services and for meeting individual expectations as the tourists look for eventful vacations that are customised according to their wishes and needs. They expect to be motivated, drawn and kept by the service (Moutinho, 2005).

The main recognisable elements of regional marketing are authentic products. They allow a region to be recognised and form the groundwork for the development of genuine regional brands. By processing authentic products into regional brands, a region is able to preserve its identity and, at the same time, it creates a positive image in the mind of consumers. Genuine products ensure the quality that the consumers seek and the sound publicity the region needs (Oliva, Paliaga, 2012). The process

of regional branding involves the regional culture, landscape, cuisine, genuine products and the like, i.e. it involves a wide range of specific products and services that the region is able to offer (Messily et al., 2009).

Cassel (2007) states that, in order to make one tourism region more attractive, the region must use its specific tradition and local culture as tools to be used by local administration in the process of branding the region and producing the positive image. Kim and Wicks (2010) affirm that many researchers, tourism experts, regional economists and policy makers have found out strategic ways for maximising the positive and minimising the negative effects of the tourism development. Such a strategic way in the process of the tourism development has been based on the tourism clusters which encourage regional development and tourism industry.

Gržinić and Saftić (2012) believe that Croatia's tourist destinations should adjust to market demands and improve the competitive quality of their tourism service because the implementation of modern approaches to tourist destination management is still insufficiently carried out in Croatia. In their paper, Bošković and Vukčević (2001) state that the lack of market communication, in particular regarding the insufficient or inadequate promotion and distribution of tourism products, results in adverse image and consequences in the development and modernisation of tourism in Croatia, particularly in the Adriatic macro-region. A proper marketing approach would considerably enhance the communication with tourists and help develop selective forms of tourism in the 21st century.

3 Tourism clusters – the Istria case

According to the Master Plan for tourism development in Istria from 2002 to 2012¹, the only development solution lies in abandoning the "consumed" product and the outdated form of tourism and in diversification of the services provided by Istrian tourist destinations which is based on the natural and the acquired development prerequisites and, accordingly, in rapid development of new market-oriented products, intended for specific target populations. The Master Plan for tourism development in Istria "recognises" the diversities of individual clusters whose intrinsic features will be shaped into new tourism products which will be mutually complementary and competitive on the international market.

The following paragraphs provide an overview of the Istrian clusters according to the Master Plan.

The POREČ cluster

Poreč is an appealing family destination, as the children and the adolescents are attracted by a variety of entertainment and sports facilities and events, whereas the adults can indulge in attending numerous cultural events and sightseeing famous monuments that are listed as the pearls of the world cultural heritage². A typical Poreč visitor enjoys socialising and active holidays, seeks diversified experience, complete service and high quality accommodation.

¹The Master Plan for tourism development in Istria 2002–2012 is the essential development and marketing strategic document defining the strategic goals of the region of Istria as well as the boundaries and marketing identity of its tourism clusters (Find more information at: www.istra-istria.hr).

² The Euphrasius Basilica Complex in Poreč, for instance, is one of the most beautiful preserved Early-Christian monuments in the Mediterranean. Built in the 6th century, the basilica entered the UNESCO World Heritage List in 1997 (further information is available at: www.istra.hr).

VRSAR – FUNTANA cluster

Creative individuals, art lovers and apostles of the traditional values and the way of life in idyllic settings are the target tourist population of Vrsar/Funtana cluster. Visitors who are educated and willing to learn and express themselves in artistic ways can find their spiritual treasure in the rich cultural and authentic environments of typical Mediterranean little towns. Those who prefer to stay outdoors represent the target market of the high quality camping sites in this cluster.

ROVINJ cluster

The target tourists visiting Rovinj cluster are romantic explorers who wish to relax after being exposed to daily stress, tend to indulge all their senses and seek to recover both physically and psychically. They look for an active vacation, but not frenetic parties, and are interested in anything associated with nature, recreation, good food and wines. These tourists attend traditional events and festivals, concerts, exhibitions and cultural itineraries. They are a higher purchasing power clientele and prefer to be accommodated in high quality facilities having 4 to 5 stars.

LABIN – RABAC cluster

Spiritually independent and environmentally aware explorers, desirous of direct contact with immaculate nature, are the target population of the Labin/Rabac cluster. This type of clientele is particularly attracted and inspired by beautiful beaches and clear seas embraced by the hilly scenery in the background, which is typical for this cluster.

ISTRIA HINTERLAND cluster

The interior of Istria represents a target destination to tourists who wish to spend their holidays in an authentic environment evoking the traditional and healthy way of life. The target visitors are hedonists enjoying domestic cuisine, wine, clean air, inherent customs and quiet. The feeling of exploring such a destination makes them both thrilled and relaxed.

The tourist boards of Pula and Medulin did not sign the agreement that had been supported by 21 administrative bodies and entities in Istarska County (County of Istria). However, the agreement was signed by the hotel company Arenaturist who owned tourist facilities in Pula and Medulin. The implementation of the Master Plan for Istria was supposed to result in a number of tangible benefits to this region. The key objective of this strategic document was to create a higher quality tourism product and eventually improve the standard of living of the Istarska County residents.

4 Dalmatian tourism clusters

Miletić et al. (2012) believe that the tourism product of each Dalmatian tourism cluster should be straightforwardly geared towards clearly defined market segments. The following paragraphs present the model for tourism clusterisation of Dalmatia (Figure 1), describing the specific features of each cluster in detail.

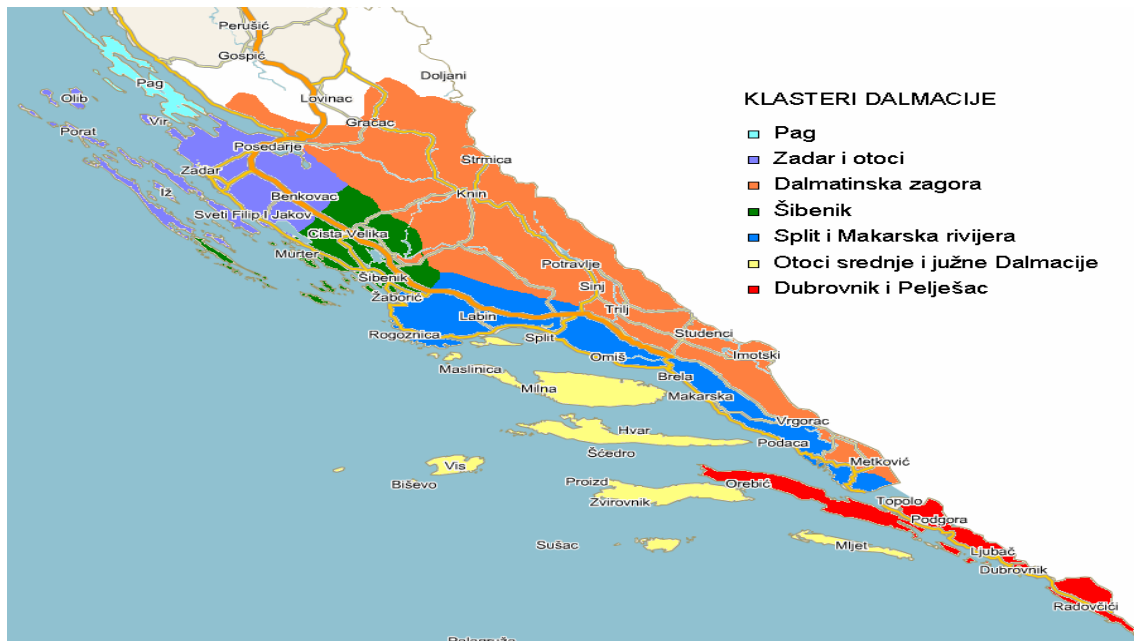


Figure 1. Model for branding of Dalmatia as the umbrella brand – the tourism region and tourism clusters

(Source: original research of the graduate students of management in the Department of Economics at the University of Zadar, course in Brand Management, generations 2010/11 and 2011/12).

PAG cluster

According to this model, Pag Island represents a unique cluster. This paper's authors believe that, from the administrative point of view, the island of Pag should entirely belong to Dalmatia as the region, although it is presently split into two parts and governed by Zadarska County and Ličko-Senjska County.

The characteristic authentic products of this cluster include the famed cheese (*paški sir*), sea salt, lace (*paška čipka*) and rusk (*paški baškotin*). The Pag cheese is one of Croatia's most famous traditional sheep's milk cheeses. It has long been one of the island's best brands due to the home-style production that has not been changed for centuries. Granting the geographical appellation / trademark to the Pag cheese, the product would be protected, the market and tourism service would be enriched and so would the income of the farmers who produce the cheese. Consequently, this would slow down the moving out of the people and contribute to the economic development of Pag Island (Mesić, Cerjak, 2011).

Peričić (2001) asserts that the sea salt production and sale have existed on Pag Island since early Middle Ages. The business had a great impact on the island and the entire Dalmatian region. The Pag salt farms are among the oldest facilities at the eastern Adriatic coast. It has been confirmed that they were highly valuable and therefore often subject to sale, acquisition, investment, donation, and rent. All this was evidenced by documents confirming huge revenues gained by the owners and the operators of Pag salt farms. The farms generated large income to Venetian Republic who had the monopoly on salt production and distribution on the eastern side of the Adriatic for a long time.

It remains known when exactly the women of Pag started manufacturing lace products but we do know that Dalmatian lace handicrafts were highly admired as early as in the 16th century. These products were made all along the Dalmatian coast, particularly in Dubrovnik. During the last few centuries of Venetian Republic, the lace handicrafts produced by the women of Pag used to be bought

by Venetian merchants who then sold these items on the European markets as their genuine products (Peričić, 1989).

Pag rusk (*paški baškotin*) is a sort of hard crisp biscuit. It is a hand-made traditional product that has been baked for over 300 years according to the original recipe. It is interesting to learn that, traditionally, it has been baked by abbey nuns in silence and prayer. According to the custom, the nuns say the Rosary prayers while kneading dough then shape the dough into individual rusks and bake them. After that the rusks are dried in the oven or, as the nuns say, they are "biscuitised" (*baškotati* is the local word). This unique delicacy is exceptionally dear to people, both inside and outside the country (*Zadarski list* weekly, 2012a).

Young people, of course, recognise the beach at Zrće near Novalja town as the most appealing Pag brand. In the past decade, Zrće beach has become a unique young tourist destination, a party mecca, home to greatest international musicians and DJs, the most frequently visited beach in the entire Adriatic. The events that take place in Novalja town, Zrće beach and the clubs are covered by the leading media, including BBC, MTV, DJ Mag, Daily Star, Wizzair magazine, Music News, Travel Chanell, Guardian, News of the World, Telegraph, Cosmopolitan UK, Fashion TV and others. The destination has been pretentiously dubbed by the media as the "Croatian Ibiza" (Aktualno, 2012). The target market of Pag cluster includes the tourists who appreciate authentic products and the young who seek eventful night life and beach parties.

ZADAR TOWN AND ISLANDS cluster

The Zadar area is one of the largest and most renowned Croatia's historical regions. The area comprises over three hundred islands that form one of the densest island groups in the Adriatic Sea. The largest ones are Pag, Dugi otok, Ugljan, Pašman, Vir, Silba, Olib, Molat, Premuda, Iž and others, and each is characterised by certain specific geographical features.

Many places of the Zadar region, especially the ones on the islands, abound in natural riches such as sand beaches, fragrant Mediterranean flora and the like. These assets should be used for designing specific tourism products such as hiking treks, wine pathways, gastro-tourism (smoked ham, cheese, etc.).

The ancient walled town of Zadar is a treasure chest displaying archaeological and monumental wealth from Antique, Roman, Middle Age and Renaissance eras. On the other hand, the town also boasts numerous modern architectural achievements, including the first sea organ in the world³. A long history of devastation and creation has left many marks in the town, including Roman ruins and fragments of their monuments, medieval churches and other sites that represent a valuable cultural heritage.

Probably the loveliest description of Zadar's exceptional sunset was written by the famous movie director Alfred Hitchcock in May 1964. While observing the sunset from the room 204 of the former Hotel Zagreb he wrote: "Zadar has the most beautiful sunset in the world; it is by far more beautiful than the one in Key West, Florida. (Zadar Tourist Board, 2012a).

Maraschino is Zadar's worldwide famous liqueur that even appealed to one of the 19th century's greatest conquerors, Napoleon Bonaparte, who loved to have it after dinner and supper. The sour cherry liqueur was also adored by French kings Louis XVIII, Charles X and Louis Philippe, Russian tzar Nikolai I and British king George IV who sent his naval ships to Zadar and shipped hundreds of cases of maraschino to the King's court in London and to the governors of Malta and Corfu (Zadar

³The sea organ – unlike traditional church organ where the sounds are produced by air forced from the bellows through pipes, the sea organ is an experimental musical instrument which plays music by way of sea waves randomly forcing the air through the tubes located at the sea level underneath a set of large marble steps. Designed by the architect Nikola Bašić, the device is located at the western promenade of the city peninsula (More information at: www.tzzadar.hr).

Tourist Board, 2012b). Maraschino should become an integral element of this cluster's tourism product. Likewise, it would be wise to re-establish the Nin specialty called *šokol*⁴ and other authentic gastronomic products.

The target tourist population of the Zadar Town and Islands cluster are the explorers that appreciate the challenges of the Zadar archipelagos. These visitors love the sense of discovering new places and experiences, they try to get away from daily stress, indulge their senses and recover both physically and psychically.

HINTERLAND OF DALMATIA (ZAGORA) cluster

The karsh interior of Dalmatia – the area known as Dalmatinska Zagora – has been home to proud highlanders and warriors who knew well how to preserve their old customs, tradition, and their identity as they often found themselves living on the borderline between great invasive civilisations. The most famous event, a reminder of their turbulent history, is The Sinjska Alka (a knights' tournament), held each August in Zagora's largest town of Sinj on the anniversary of the 1715 battle when 500 Croatian knights repulsed Ottoman soldiers.

Besides the Alka, Sinj is also a famous pilgrims' destination where worshippers from all over the country attend religious ceremonies dedicated to Holy Mary on the 15th of August. One of Dalmatia's most monumental sights, Klis fortress, is located in the little town of Klis, on the road leading from Split to Sinj. The magnificent and well preserved fortress is the reminder of the battles against Ottoman forces in the 16th century. Barely ten kilometres away from the coastline, the fortress provides a breath-taking view of Split city, the surroundings and the islands (Klis Municipality Tourist Board, 2012).

Poljički soparnik is an authentic dish made of yeast-free dough stuffed with chard and cheese which was once prepared in the area matching the boundaries of the medieval Republic of Poljica (*Poljička Republika*) in Omiš hinterland. It has now been granted the recognition as the genuine specialty with the geographical appellation. The recipe was known even before the 15th century Ottoman attacks on the Dalmatian coastline and hinterland (*Zadarski list* weekly, 2012b).

The cluster defined by the interior of Dalmatia is a suitable destination of the tourists who like to spend their vacation in authentic ambience evoking the traditional and healthy way of life. Rural tourism should be developed and promoted by emphasising the traditional life-style of the Zagora people; yet it should be diversified with various sports, cultural, entertainment and gastronomic events.

ŠIBENIK cluster

The cluster of Šibenik is famous for its national parks, archipelagos and events such as the International Children's Festival, concerts featuring a *cappella* ensembles (*klape*), and other cultural events.

Due to scenic beauties, interesting geomorphology, indented coastline and exceptionally rich marine life, the largest part of the Kornati archipelago was declared a national park in 1980. The archipelago consists of hundreds of islands, islets and rocks; the biodiversity is well preserved both under the sea and ashore where seemingly serene half-desert rocky islands actually teem with life, including very rare species such as the stone-marten or white breasted marten (*Martes foina*). Kornati islands are an ideal and safe destination for boating and the so-called Robinson tourism which has become increasingly popular (*Croatia travel guide*, 2012).

⁴Šokol – cured-meat product made from pork that has been long produced in Nin and the surrounding area (Further information is available at: na.www.nin.hr).

The Krka River is a karsh phenomenon whose source is at the foot of Dinara mountain in the vicinity of Knin town. Making its way towards the sea, the river flow created deep canyons, lakes, bays, waterfalls and rapids. Due to the wonderful natural sights and geological characteristics, a large area surrounding the Krka River was declared a national park in 1985. The national park covers 109 km² and stretches from its northern edge, two kilometres off Knin, down to Skradin, a picturesque town which can be reached by yachts through the Krka canyons where the river meets the sea water. The most impressive and most frequently visited waterfalls are Skradinski buk and Roški slap. Roški slap waterfall is easy to access and can be visited year-round. It is 650 metres long and consists of 12 falls with the water level difference of 27 meters. On the left bank of the Krka River are the *mlinice*, small water driven mills for grinding wheat and corn; some of them are still in use.

The unique design of *šibenska kapa* (Šibenik cap) has been internationally recognised and, owing to the support of the Ethnographic Department of the Šibenik City Museum, has been included in the UNESCO List of Non-Material Cultural Heritage. The oldest painting portraying the *šibenska kapa* can be seen in the church of Saint Mary of Srim (*crkva Gospe Srimске*). It is 800 years old. Initially the cap was red and the embroidery was more complex while it was hand-made. The design changed over the centuries but has remained stable and recognisable since 1880: the cap is now orange, woven with black embroidery, the so-called *boule* (Šibenik Tourist Board, 2012).

In addition to the rich material and non-material heritage, one of the modern trademarks of Šibenik City is the traditional International Children's Festival, a unique cultural event dedicated to encouraging the development of all forms of children's creativity and affirmation. The festival takes place in downtown streets and squares in summertime and is broadcast directly on national television.

The target visitors of Šibenik cluster are the environment aware apostles of traditional values who seek pleasure in exploring spiritual and cultural heritage and enjoy staying in the pristine nature, both national and nature parks, tourists who highly value the natural bonds between the humans and the wilderness, who prefer to spend their holidays outdoors, onboard their own or rented boats, or in high quality camping sites.

SPLIT AND MAKARSKA RIVIERA cluster

Founded 1700 years ago, Split is the urban, cultural and traffic centre of Dalmatia. The city abounds in archaeological, historical and cultural sights. Probably the largest and most impressive monument is Diocletian Palace. Together with the city's medieval core, the palace has been entered into the UNESCO World Heritage List. At the same time, the downtown Split is busy, attractive and warm in a Mediterranean way, a place that is "forever young" (Split Tourist Board, 2012a).

Apart from Diocletian Palace, there are numerous historical monuments such as the Iron Gate – through which people and life have been passing all over the 17 centuries, Golden Gate – through which the tzar Diocletian entered the palace for the first time, on 1st June 305, Silver Gate – somewhat less decorated than the Golden Gate, but equally famous as this is where the pope John Paul II entered the city core by his papa-mobile.

The city of Split is surrounded by sea in the north, west and south. The largest part of the long and indented shoreline is available for walking, hiking, cycling and swimming. The most popular beaches include Bačvice (sand), Žnjan (pebble), Kaštelet (pebble), Kašuni (pebble), Bene (pebble and rocks), Trstenik (pebble), Firule (sand) and Ovčice (pebble). The most famous downtown beach is Bačvice which has been granted the Blue Flag certificate in recognition for its clean seas and facilities that meet the required Blue Flag standards. Most of it is covered with sand, whereas the rocky parts protect the bay at the western and southern edges; the sea is turquoise and its quality is regularly monitored, just like at the rest of the town beaches. One of the most popular activities at Bačvice is *picigin*, a small ball play in shallow waters. This unique form of "sport" is played all year long and it has already

become a recognisable image of the city and can be easily turned into a specific tourism product (e.g. summer school of *picigin*, tournaments played between residents and tourists, etc.).

In 1911, Split students attending the university in Prague brought the first ball and introduced football in this region. Three years earlier they familiarised their community with an unusual game called waterpolo. Considering the fact that the waters at Bačvice and the nearby beaches were shallow, they were not able to play waterpolo according to the rules of the sport and it is believed that the unsuccessful efforts eventually evolved into the sport that is now known as *picigin*. The latter has been popular ever since the end of World War II and has been played according to the rules that more or less have not changed (Split Tourist Board, 2012b). The sport was named after the prominent Split writer and a passionate *picigin* player Anatolij Kudrajcev; the etymology of the term stems from *pizzicato*, a musical term that means "picking the strings with fingers". Both activities are exciting, quick and interesting, with clear rules and goals (Hrvatska Info, 2012a).

Split has a rich cultural and entertainment life, particularly during summer time when many of the squares, courts, streets and other locations turn into open-air stages under the skies. Tourists can try a variety of local specialties and drinks in a number of downtown and uptown restaurants and taverns. Omiš is a town at the mouth of the Cetina River at the coastal edge of the area called Poljica, 26 km south-east from Split. In the 13th and 14th centuries the town was the home of buccaneers (*omiški gusari*) who used fast vessels called *sagittae* (arrows) for attacking merchant ships passing by. If the attacks were successful, the buccaneers would move up the river, where the ships and their suite could not follow. In those days the Omiš buccaneers represented the greatest threat to navigation along the eastern Adriatic so that the powerful merchant and political forces such as the republics of Venice and Dubrovnik made a peace accord with the buccaneers and paid them high taxes. Venetian Republic and the Pope sent crusaders in an effort to conquer the buccaneers. It did not work out at first, but the second attack was fatal for the buccaneers of Omiš (Hrvatska Info, 2012b).

Makarska Riviera stretches along the shoreline where the blue Adriatic meets the foot of the magnificent massive of Biokovo Mountain. The area is about 60 kilometres long, from Brela in the west to Gradac in the east. It is famous for long sand and pebble beaches. Its picturesque beauty has been luring tourists for decades and is one of the most attractive rivieras on both sides of the Adriatic Sea.

The target visitors of these areas are primarily families looking for diversified and active experience, complete service and high quality accommodation. This clientele is particularly attracted by activities at beautiful beaches and crystal-clear sea.

MIDDLE AND SOUTHERN DALMATIAN ISLANDS cluster

Middle and Southern Dalmatian islands form a unique cluster (Figure 1). The famous American magazine *Traveller* declared the island of Hvar one of the ten most beautiful islands in the world (*Dalmatia-Express*, 2012). Hvar town and other sights on the island are home to a number of archaeological and cultural sights that are monuments to a rich and turbulent history. The walls of Hvar town are seven centuries old and the town core consists of one of the largest squares in Dalmatia, paved with marble and surrounded by renaissance and baroque palaces.

The Hvar wines are really worth noting. There are a number of award-winning wines, both red and white. One of the most popular wines is *bogdanuša*, a fine white wine that pairs well with fish dishes. Indented coastline, numerous picturesque and crystal clear beaches, immaculate nature, rich historical and cultural heritage, scents of lavender, olive products and wines, along with the traditional hospitality of the islanders, represent the assets that make Hvar island glamorous worldwide. It is particularly interesting to point out that the island is the sunniest place in Croatia, with an average of 2726 sunny hours per year (Hvar Island Tourist Board, 2012).

The largest and the highest Dalmatian island of Brač does not feature as many Antique monuments as Hvar island. Instead, it attracts thousands of visitors by magnificent panoramas, lovely beaches and white marble that is used as building material for houses, monuments and infrastructure. It is precisely from Brač quarries that the white marble was used to build villas and palaces in Dalmatia, Venice and elsewhere. Even a part of the White House in Washington was made from white Brač marble.

In addition to other diversified specific characteristics, Brač Island is famous for beautiful beaches, in particular the pebble beach Zlatni Rat by the small town of Bol. It is one of the most beautiful and recognisable beaches in the Adriatic Sea, one of the few known beaches in the world stretching vertically to the mainland in the form of a triangle. The beach's sharp pebble end changes its inclination according to the action of sea currents and waves. Swimming and other activities at this beach represent an unforgettable experience. Smaller towns of Milna, Supetar and Bobovišća are quiet and silent places that abound in pine woods and authentic stone and marble architecture.

The cluster of Middle and Southern Dalmatian islands is ideal for developing elite tourism. The target population should be yachtsmen and tourists having high purchasing power and requiring high quality customised service. The cluster should be promoted as an oasis of peace and eventful day and night life.

DUBROVNIK AND PELJEŠAC cluster

The authors of this paper believe that the famous town of Dubrovnik should be united with Pelješac Peninsula and form a joint cluster. Due to its global reputation, Dubrovnik could serve as the basis for recognising this cluster and Dalmatia as the umbrella region.

Situated at the foot of Srđ mountain, in a small valley surrounded by the slopes of Lapad hill where the core of the town was created, Dubrovnik has an exceptionally rich and diversified tourism and cultural-historical assets. It has long been a famous year-round destination, recognised for meeting environmental criteria and preserving the unique political and cultural heritage. It is undoubtedly one of the most attractive Mediterranean towns, featuring numerous museums, tourism and catering facilities, exquisite beaches and panorama sights. It is the home of international music and drama festivals and concerts of classic and modern music. George Bernard Shaw, the Irish writer and a great admirer of Dubrovnik, visited the city in 1929 and said: "If you want to see heaven on earth, come to Dubrovnik." City walls and towers are particularly attractive sights. Traditional cuisine include specialties such as cream confectionery with caramel and raisins called *dubrovačka rožata* (Dubrovnik Tourist Board, 2012)⁵.

Dubrovnik owes its successful historical development to its good geographical position and the economy based on trade and maritime affairs. Recent researches have shown that the settlement existed as early as in the course of the 6th century. Croats arrived in the 7th century and the place grew ever since together with Epidaurus, the modern town of Cavtat.

The most renowned cultural event is the Dubrovnik Summer Festival whose repertoire includes drama and music shows performed by distinguished artists almost every night over four to five weeks. The performances take place across the town, indoors and outdoors, and are supported by numerous exhibitions in galleries, churches and palaces. These events attract culture seekers and all those who appreciate art, nobility and culture (Adriatica, 2012).

The most valuable part of the Pelješac Peninsula product consists of rich historical and cultural heritage. There are a number of churches, villas and other sights. The peninsula used to be the home of wine-growers, fishermen and seafarers, whereas today it is a tourist destination famous for top quality wines and dishes. Gourmets are familiar with an exquisite selection of seafood, e.g. oysters from the bay of Mali Ston, and red wines from the areas of Dingač and Postup.

⁵Dubrovačka rožata is one of the most delicate and popular home-made confectioneries. It is a cream made of eggs, flour and milk, served cooled and covered with melted caramel, decorated with whipped cream, candied orange strips and toasted almonds (Find more information and recipes at: www.tzdubrovnik.hr).

There are many ways to spend holidays actively. High hills of Sveti Ivan and Sveti Ilija are ideal for hikers and climbers, there is a network of walking and cycling treks on the western part of the peninsula, whereas Viganj is a mecca for wind-surfers due to north-westerly *maestral* that is typically twice as strong as anywhere else in the Adriatic. It has been an ideal destination for professional and recreational surfers for years.

The target visitors of the Dubrovnik and Pelješac cluster are romantic people of all ages who are fond of pristine nature, good food and wines, who value traditional customs and heritage, who are interested in concerts, exhibitions, festivals and cultural itineraries. They have considerable purchasing power and prefer to be accommodated in the facilities categorised by 4 to 5 stars.

5 Characteristics of the model and possibilities for the implementation

The approach to building a model as described in this paper corresponds to the approach that should be implemented in practice. It consists of the following steps:

1. Inventorying and analysis of the resource base of a wider tourism region, typically the one (like Dalmatia) whose general features as well as micro-locations are well-known among most "non-residents".
2. Determining the boundaries of tourism clusters on the basis of their specific geographic and socio-historical features, distribution and characteristics of the tourist attractions, and similar factors.
3. Creating an integrated tourism product of the region and individual tourism products of the clusters, and defining their key "points-of-parity" and "points-of-difference" that will serve as the groundwork for building the recognisable elements and visual identity of the umbrella brand and its tourism clusters.
4. Identifying crucial target markets for each separate cluster and the umbrella region because these markets will affect the design and development of tourism products of the region and its clusters, which will eventually result in defining the "portfolio of individual tourism products" and the region's overall tourism product based on the "balance of resources". The final stage in the process of building and implementing the model involves the design of the marketing mix and the definition of the marketing strategy and policy and their finalisation in the form of a document, i.e. the brand marketing plan.

In practice, this model's implementation should be monitored by conducting annual surveys about the satisfaction of the tourists visiting the region and its clusters, and evaluated at annual meetings of the stakeholders. The surveys, evaluations and making adequate decisions would represent one cycle of quality. In this way, the architecture of the brand and its constituent elements – tourism clusters, their products and associated marketing activities – would be redesigned and improved year after year, and the development of the recognisable and distinguishing features of the umbrella brand – in this case Dalmatia – would be consistent and balanced.

The advantages of the described model's implementation are as follows:

General social benefits of the model's implementation:

- The model encourages the optimum valorisation of the region's tourism resources and its geographical features. As a rule, all relevant regions developing coastal tourism in Europe and worldwide have a geographical concept of the region (although the notion of the tourist destination is geographically flexible).
- The model is based on the EU guidelines for the development of rural, coastal and urban destinations, in compliance with EU directives dealing with this issue.
- The model fosters the sustainable development of tourism owing to the systematic and planned tourism development and the valorisation of the natural and social attractions, as suggested in the model.

- The model's implementation assists in tourism valorisation of the attractions that are not recognised "at first sight" by visitors, e.g. non-material cultural heritage.
- By promoting even development of tourism throughout geographic areas in the region, the model encourages the development of the so-called "passive" areas such as islands, hinterland etc.
- There is a synergy of tourism valorisation of geographic areas at different levels of attractiveness, as well as tourist attractions of various types and forms; the attractions and the areas are integrated into a complex, but unique and recognisable tourism product of the region, which contains "sub-products" created at the lower levels – tourism clusters.
- The process of making decisions on tourism development involves all stakeholders of the region, which makes this model a modern development model acknowledging democratic principles.

Economic benefits of the described model:

- Systematic strategic planning of the tourism development in the region and its tourism clusters amplifies the multiplex and inductive effects of tourism on the social-economic growth of the region.
- The model's implementation results in the optimisation of the marketing costs since it eliminates the duplication of marketing activities, facilitates joint advertising at all levels and achieves economic balance given the fact that the name of the region as the umbrella-brand is used as a "common marketing denominator" for all marketing activities.
- This strengthens the tourism competitiveness of the region as the central entity of the social-economic development of the country, which is in line with the European Union's guidelines.
- The implementation of the described model results in consistent and harmonised tourism strategy and policy at all levels, both vertically – from the tourism places and towns up to the regional and state levels – and horizontally, by harmonising and coordinating the tourism strategy and policy across different clusters and among various stakeholder (through joint advertising in particular).
- In this way, the existing distinguishing features of the region are valorised within a wider social and economic context. This is very noticeable in case of Dalmatia, but similar cases exist in other well renowned tourism regions in the developed European countries (e.g. Tuscany, Spanish tourism regions, and the like).
- This model's implementation allows the creation and growth of marketing differentiation in several directions at the same time. At the overall regional level, a strong brand is built and developed to compete with other European and world regions – this is where the region of Dalmatia has huge potentials. Another development direction leads to the development of clusters as the lower entities. In this way, the tourism clusters are "entitled" to build their own intrinsic recognisable features, under the powerful brand-name of the region. The model also reveals a third direction – towards comparative differentiation of recognisable Croatian regions, where each region could develop its own tourism identity within Croatia as a "unique set of branded tourism regions", marketed as a country of "diversified beauties".
- The described model largely emphasises the application of the portfolio strategy. Careful inventorying of attractions available in a certain area results in finding and defining all attractions, including the ones that are seemingly hidden or intangible (e.g. non-material cultural heritage), which are then converted into tourism products.
- The described model is based upon most recent marketing insights according to which a modern complex umbrella brand consists of a range of unique but mutually interrelated sub-products; each of them is "dedicated" and designed to suit individual target markets.

Requirements for introducing such a model:

- Political and social consensus of all key participants in the region and its tourism clusters,
- Adopting the joint advertising policy, i.e. joint advertising performed by tourist boards, hotel companies, low-cost airlines, local government units, and other stakeholders that jointly create the strategic marketing plan of the region as the umbrella brand and the lower units, clusters, following the principles of the public-private partnership,

- Coordination of the national tourism development strategy with individual regional strategies and development strategies at the tourism cluster level,
- Engaging all stakeholders in the process of designing and implementing the tourism strategy and policy – in addition to the key stakeholders mentioned above, the participants in the process also include small craftsmen, hotel entrepreneurs, private renters, owners of agro-tourism facilities, tourist agencies, sports and cultural associations, and others.

The constraints regarding the implementation of this model mainly refer to the human factor and insufficient political willingness, awareness and/or knowledge about the need for a consistent and strategic tourism development of a wider region as a centre or a "hub" of tourism development. This particularly refers to the well-known fact that administrative-political boundaries of a region do not match its tourism and economic boundaries, which may present a considerable constraint for the strategic development of the regions in the countries where political power is excessively tangible and affecting all social sectors.

6 Conclusions

It can be generally concluded that this model, the model for tourism development of a region as an umbrella brand consisting of tourism clusters as its sub-brands, which has been implemented in the most developed and the most successful tourism regions in Europe and across the world for years, presents an optimal strategic development model for Croatian tourism. The model provides an ideal blend of the principles of the strategic sustainable development of tourism and the most modern marketing insights, and is entirely in accordance with the Directives of the European Union, which Croatia joined recently.

The scientific contribution of this research lies in applying most recent insights from the areas of modern management and sustainable development of tourism, and thereby enhancing an already existing model for tourism clusterisation that has been implemented in practice. Furthermore, this scientific research aims to raise awareness of all tourism development stakeholders about the necessity of merging their efforts in representing the region and creating a harmonised tourism strategy and policy focused on a wider region. This is also a requirement which the European Union imposes on Croatia both in economic and tourism development. The example of Dalmatia has been chosen with reason, as this region has an exceptional tourism potential and all forms of diversified natural and social attractions. In the example of Dalmatia, the implementation of such a model is not only feasible, but may as well result in strong economic and social effects.

The professional contribution of this research lies in the feasible implementation of the above described model in Dalmatia and other Croatian regions and elsewhere. A similar model has been already running in Istria and it has already displayed maximised marketing and economic effects in tourism as well as all the benefits of tourism development based on the principles of sustainability and harmonised and consistent tourism strategy and policy. The overall objective is to make Croatia and its regions globally recognisable in tourism, in economy, and in general.

In this regard, the discussed example of Dalmatia describes how to build a strong tourism (and not only tourism) recognisable image of Dalmatia as a wider region, and its individual geographic areas at lower levels, and how to achieve the maximum marketing use of the invested resources in tourism. A similar model has been applied and has yielded considerable results in the region of Istria over the past ten years. Practice and scientific research have proved that the "marketing fragmentation" and insisting on a non-consistent tourism development of the recognisable features of the individual micro-locations lacking a common horizontal and vertical interrelationships with other entities within the region and the state, can not produce the desired marketing and, subsequently, economic effects, particularly with regard to the competitiveness with the strong European tourism regions. Due to a growing need for large investments of marketing resources on the increasingly competitive tourism market, the "real formula of success" of the tourism development can be achieved only through the vertical and

horizontal strategic harmonisation and marketing merger of all relevant stakeholders within the framework of a wider region (in this case Dalmatia), as it is the good business practice elsewhere in the world. Particular interests have to be overcome and subjected to achieving a general objective of the higher order.

It should be noted that the political boundaries of municipalities, towns or counties do not mean a thing to tourists. In their mind, a region's boundaries have psychological quality and in most non-residents the perception of a region (e.g. Istria, Kvarner, Dalmatia) relies on the general intrinsic and distinguishing features that the region has been recognised by. Therefore tourists travel, or would like to travel, exactly there – to a region whose name sounds "familiar" somehow. These distinguishing features present a precious quality that has to be further enhanced in order to be recognised and successful on the demanding tourism market.

The model for tourism clusterisation which is presented in this paper should encourage local and regional authorities to pay more attention to the importance of branding regional specific features, in this case – defining Dalmatia as the umbrella brand. However, it is essential to point out that the model is subject to changes. The authors do hope that the presented clusterisation is an initial and motivating step forward and that the model could serve as the groundwork for designing the future Master Plan for tourism development in Dalmatia.

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