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STRATEGIC MANAGEMENT IN CULTURAL TOURISM WITH EMPHASIS ON EVENT MANAGEMENT: THE CASE STUDY OF CROATIA

UDC / UDK: 008+338.48]:005.21

JEL classification / JEL klasifikacija: L83, Z32

Review / Pregledni rad

Received / Primljeno: August 1, 2017 / 1. kolovoza 2017.

Accepted for publishing / Prihvaćeno za tisak: November 28, 2017 / 28. studenog 2017.

Abstract

Sustainable tourism should be one of the key goals of every developing tourism destination. One of the biggest challenges is the question of how to manage a complex tourism destination system in a way that meets the needs and interests of three key stakeholders – temporary visitors, business entities in tourism, and local community. Solutions are sought in the application of the so-called stakeholder theories, based on network partnership and the collaboration of stakeholders in a tourism destination at all levels – micro, mezzo, and macro level. In this paper, the authors advocate the application of this approach, examining the applicability and effectiveness of their own strategic management model in tourism destination, called SMCT – Strategic Management in Cultural Tourism. This was tested on the example of the tourism cluster of Northwestern Istria, Croatia. The authors believe that implementing the presented and similar management models makes it possible to optimise the effectiveness of managing cultural tourism, where, in the opinion of the authors, events are one of the key segments of the integrated tourism product of the destination and are "organically" related to the core values of the tourist site itself. The authors, therefore, advocate a further elaboration of the SMCT model and also call for its wider application in the practice of managing tourism destinations because it may lead toward saving financial, time, and human resources, reducing redundancies, such as the organisation of similar events at the same time, but

most importantly, it may lead to achieving a common consensus of stakeholders about the key events of a tourism destination that need to be continually and strategically developed. In addition to these functions, the authors emphasise quality tourism valorisation as the most important function of event management, as well as the presentation of autochthonous values of the destination – precisely through events.

Keywords: *event management, destination management, stakeholder theory, sustainable tourism, cultural tourism in Croatia, tourism clusters in Croatia*

1. INTRODUCTION

Sustainability has become an important topic and concept in relation to tourism planning and development. For sustainable tourism development to be successful, stakeholders have to be involved in the process (Byrd, 2007).

The presented analysis of the 2002 ATLAS survey data as well as research conducted at the Rotterdam Cultural Capital Event in 2001 indicate that cultural tourism growth is being driven by a growing supply of cultural attractions and the increasing number of tourists. Market growth is accompanied by market fragmentation and greater competition. This makes it increasingly hard for new destinations to attract tourists, but also offers new market opportunities (Richards, 2002). Timothy and Boyd (2003) claim that heritage and culture are a significant part of nearly half of all international trips.

The concept of cultural tourism refers to special interest tourism where destinations of tourist visits are cultural events or objects that represent monumental sites of a particular area (Jelinčić & Zović, 2012, p. 38).

This paper deals specifically with the model of strategic management of tourism events as one of the segments of cultural tourism. The purpose of this paper is to verify the business management model of SMCT – Strategic Management in Cultural Tourism, which was presented by the authors in an earlier work (see also: Gortan-Carlin & Krajnović, 2016, p. 215) and partially implemented in Croatian practice within the management of the tourism destination of the Istria tourism cluster – the case shown below. The following key issues are addressed in this paper: (1) who should be considered as a stakeholder in cultural tourism development within coastal tourism, and (2) how should planners and developers involve stakeholders in the development of cultural tourism in coastal tourism destinations? Similar issues have also been raised by other authors (Gretzel et al., 2006; van der Zee & Vanneste, 2015) but the authors here re-examine this model and its example in coastal tourism destinations. In order to provide answers to these questions, this paper investigates cultural tourism development and, more specifically, events as an integrated product of a tourism destination, while it also examines how the inclusion and involvement of stakeholders are incorporated in the basic concept of cultural tourism development, particularly in event tourism within coastal tourism.

The aim of this paper is to support earlier works in this field (Jamal & Getz, 1995; Byrd, 2007; Križman Pavlović & Živolić, 2008; Gržinić & Saftić, 2012; Gortan-Carlin & Krajnović, 2016; and others), which pointed to the need for strategic tourism destination management. In addition, this paper puts an emphasis on event management and provides an example to verify the SMCT model based on IQM – Integrated Quality Management (Cetinski, 2005; Krajnović, 2006), which implies a consensus of key strategic goals and network partnership of all stakeholders in a tourism destination.

The authors propose the following research hypotheses:

- H1. There is a significant discrepancy between the level of visitors' satisfaction with tourist events and the total value of investments in tourist events.
- H2. The above indicates the need for a new approach and new models of strategic event management in tourism destinations.

The following methodology is used in this paper: an overview of relevant academic literature, a critical analysis of strategic development documents, a critical analysis of secondary research, the statistical analysis of data, case studies (the Northwestern Istria tourism cluster, an unstructured interview with the representatives of key stakeholders which was conducted in August 2016 – the tourist board directors of the cluster were the correspondents during the set-up of the organisational cluster model), the business documentation of the Northwestern Istria tourism cluster, and field insight – the authors' managerial experience in cultural tourism (in the towns of Umag and Novigrad).

2. EVENT TOURISM AS PART OF AN INTEGRATED TOURISM PRODUCT

Events are an important motivator in tourism and they figure prominently in the development and marketing plans of most destinations. The roles and impacts of planned events in tourism have been well documented and are of an increasing importance for destination competitiveness (Getz, 2008, cit. in: Težak, Saftić & Šergo, 2011, p. 122). Van der Wagen and White (2010, p. 4) stated that “events play a vital role in profiling a country as an attractive tourism destination and event tourism contributes significantly to a country's economy,” also noticing that, although this contribution is “hard to quantify,” “events are often the trigger for spikes in the tourism industry.” (Van der Wagen, 2010, 4). According to Getz (1991, cit. in: Težak, Saftić and Šergo, 2011, p. 122), festivals and special events are among the fastest-growing forms of leisure- and tourism-related phenomena. Getz (1997) has defined events as “attractions motivating locals and tourists to voyage, which can increase tourist spending and extend the stay in a tourism destination”. Vrtiprah (2006, p. 287) has stated that “it is necessary to create events for tourists, either as 'products' or as part of the overall

attraction of the location, taking into account the authenticity of local culture,” highlighting the close links between tourist events and the authenticity and local values of the tourism destination.

Earlier authors also wrote about cultural tourism and tourist events. Previous research has been focused on the motivation of tourists in cultural tourism, i.e. on events as a subset of special interest tourism. Thus, for example, citing McIntoch and Goeldner (1986) and Cooper, Fletcher and Wanhill (1996), Vrtiprah (2006, p. 281) points to the division of tourist motivation into four basic categories:

1. Psychological motives – focused on physical and mental reflection, health, sport and enjoyment;
2. Cultural motives – identified in the pursuit of discovering and learning about other cultures, people, ways of life, music, art, folklore, dance, etc.;
3. Interpersonal motives – including the desire to meet new people, visit friends and relatives, and enjoy new and different experiences;
4. Status and prestige motives – including desire for constant hobbies and personal education as well as the desire to gain recognition and attention from others to strengthen one’s own ego.

A close examination of these categories of motives reveals that event tourism does not merely satisfy the so-called cultural motives; attending cultural events also satisfies the motives classified in other groups, namely, psychological motives, interpersonal motives, and status and prestige motives. Furthermore, citing Richard Prentice (1995, p. 39), Vrtiprah (2006, pp. 282-283) presents a list of tourist attraction types, whereby event tourism in its broader or narrower sense – that is, as an event itself – can be created primarily on the basis of the following attractions:

- Socio-cultural attractions (prehistoric and historical attractions, houses, costumes, furniture, social life, etc.);
- Historical personalities (sites and areas where writers and painters lived and worked);
- Art (theaters, street performances, circuses, etc.);
- Parks (arboreta, ornamental parks, historic parks, etc.);
- Galleries, primarily art galleries;
- Festivals and events (historical fairs, festivals related to past events, country festivals, etc.);
- Stylish and old houses (palaces, country houses, nobility castles, etc.);
- Religious attractions (cathedrals, churches, chapels, mosques, etc.);
- Cities (historic cities, buildings);
- Villages (rural architecture);
- Valuable areas (national parks, rural areas);
- Coastal cities (mostly old coastal towns);
- Regions (historical and geographical areas that are specific in their lifestyle).

The authors of this paper consider that events as tourist attractions – as parts of an integrated tourism product of a tourism destination – deserve additional scientific and professional attention. Furthermore, it is also necessary to consider event as a self-contained tourism product which may, in some cases, constitute a self-contained attractive element of a tourism destination. In this way, event is seen not only as part of an integrated tourism product, but also as an indigenous, authentic product of a specific tourism destination. This principle is based on the theses of some earlier authors. Thus, for example, Vrtiprah (2006, p. 287) points out that “in order to stimulate the interest of tourists for cultural attractions, cultural attractions should be maintained, shaped and highlighted in the context of the destination offer together with other services,” while Keller points out that “effective marketing management of cultural attractions is important alongside the combination of different areas of interest in each arrangement while at the same time providing tourists with different benefits and services” (Keller, 2000, p. 11).

According to the ATLAS survey from 2002, only 20% of the surveyed tourists found the primary motive for travelling in the discovery of cultural heritage. Most tourists who visit cultural attractions do not consider themselves to be “culture” tourists. They visit cultural attractions during their visits to cities – “city breaks” (25%) or when on tour (28%). However, the share of tourists who usually take a “culture” vacation gradually increased – in 1997 their share was 21.5%, and in 2002 it was 29% (Vrtiprah, 2006). The results of the TOMAS 2014 survey showed that, among other activities in a given destination, around 50% to 70% of visitors to Croatian coastal tourism destinations visit sites and enjoy local entertainment, while around 30% to 50% of them said they were visiting concerts, museums, and exhibitions (TOMAS, 2014).

Težak, Saftić and Šergo (2011) emphasise the importance of events as one of the key success factors of a tourism destination. Interestingly, earlier authors often called them *festivals*, pointing out, for example, that “the staging of festivals or major events is very important from the perspective of destination marketing,” according to Mules and Faulkner (1996, cit. in: Težak, Saftić & Šergo, 2011, p. 123). Težak, Saftić and Šergo (2011, p. 123) confirm the thesis by quoting Chang (2006), who claims that “community festivals and special events have grown rapidly throughout the world during the past decade,” and continue to state that, according to Felsenstein and Fleischer (2003), “[l]ocal festivals are increasingly being used as instruments for promoting tourism and boosting the regional economy.” Furthermore, Težak, Saftić and Šergo (2011, p. 123) quoted Getz (1993) and Formica and Uysal (1998), who “showed that the economic gains from festivals can be substantial because festivals provide interesting activities and spending venues for both local people and tourists.” Gursoy, Kim and Uysal (2004) also argue that festivals are a unique travel attraction “because of their frequent interdependence with the physical environment” (cit. in: Težak, Saftić & Šergo, 2011, p. 123). The authors further state that “[f]estivals, in essence, are an indispensable feature of cultural tourism” (Formica & Uysal,

1998) and have, therefore, often been labelled as cultural events (Frisby & Getz, 1989, cit. in: Težak, Saftić & Šergo, 2011, p. 123).

Some market research data may point to the wrong argument that event tourism and cultural tourism are only a narrow niche of the total tourist offer. For example, in 2014 only 7% of tourists visiting Croatia mentioned cultural attractions and events as motives for their vacation in Croatia (TOMAS, 2014). However, given the above mentioned thesis that events need to be upgraded and added to the existing tourist attractions and destination values, but also the general fact that events are organically linked to the tourism product and the very image of a tourism destination, it can be concluded that event tourism today is one of the key areas of sustainable tourism destination development. In addition, the authors of the present article advocate that events make a significant contribution to the tourist experience of a destination, which tourists often describe as “the desire for new experiences.” The importance of new experiences for temporary visitors is growing rapidly, from the previous 25% to 30% in 2014 (TOMAS, 2014), which is an argument in favor of the fact that events should be adapted to this trend and turned into a unique experience for visitors (e.g. multimedia presentations, the inclusion of visitors to actively participate in activities related to the event, etc.). Research results have shown that visitors are looking for authentic experiences or specialised holidays that also carry educational or cultural contentment. They plan their journey and activities on the go, so it is immensely important to develop good destination management, product management and tourist offer, as well as visitor experience (Master Plan, 2014, p. 39).

This confirms Getz's earlier thesis, which described the tourism of experience (Getz, 1997, p. 16, cit. in: Gračan, Zadel & Ivančić, 2013, p. 2) as a process that includes the planning, development and marketing of tourist events in the form of tourist attractions, whose primary task is to maximise the number of tourists participant in tourist events as a form of primary or secondary tourists' motives.

This opens a huge marketing space in the field of event tourism, which can be expected to polarise in two directions: high-quality cultural events for “sophisticated cultural tourists” whose primary motive is to visit cultural events, and a “more profane” form of tourist events, whereby the experience of the events is actively managed and the visitor becomes part of that experience. To this effect, solutions should be sought that will not vulgarise and excessively commercialise local values and customs, but rather display them in the fullness of all their values, without disturbing and diminishing them to plain “tourist consumption.”

It should be added that the events organised in this way are one of the most obvious ways to preserve the specifics, values, tradition, way of life and other indigenous “products” of the tourism destination and present them to both the domestic population and visitors to the destination.

This confirms the authors' thesis that events are one of the key factors of the success and competitiveness of a tourism destination. The authors also believe that events have a multidimensional component – they simultaneously meet economic, social, cultural, educational, conversational and other functions of a tourism destination, which can be considered one of the most important factors in sustainable tourism.

Lynn van der Wagen (2010, pp. 2-3) describes the following characteristics of events:

- They are often 'once in a lifetime' experiences for participants.
- They are generally expensive to run.
- They usually take place over a short time span.
- They require long and careful planning.
- They generally take place once only, although many are annual or more frequent.
- They carry a high level of risk, including financial and safety risk.
- There is often a lot at stake for the individuals involved, including the event team.

“...the final characteristic of events is that they can be unpredictable and require quick thinking, based on a sound knowledge of procedures and contingencies. Decision-making is one of the most important roles of the event organiser, and these analytical skills are the reason why successful event managers are highly sought after in most industries.” (Van der Wagen, 2010, 2-3)

3. STRATEGIC PLANNING OF TOURISM DESTINATION DEVELOPMENT: PROBLEMS AND CHALLENGES

According to a recent domestic survey conducted in Zadar County, Croatia, the main disadvantages of tourism valorisation of the events organised by tourist boards are the lack of human resources (in education and experience) which should organise and manage events by creating added value, the lack of financial resources and sponsors, and ultimately, the lack of cooperation of the local population (Krajnović, Buškulić & Bosna, 2016, p. 185).

Heath (1999, p. 176, cit. in: Križman Pavlović & Živolić, 2008, p. 102) has already pointed out that “most tourism destinations have a fragmented and myopic approach to management, which is to say that there is insufficient and inappropriate cooperation between the public and private sectors and the absence of strategic, systematic, and information-based management.” Križman Pavlović and Živolić (2008) point to a necessary of a strategic approach to planning a tourism destination. The same authors (Buhalis, 2000; Križman Pavlović & Živolić, 2008) emphasise that, in turn, the strategic goals of marketing a tourism destination are the following:

- To provide long-term progress for the local population;
- To maximise visitors' satisfaction;
- To maximise the economic effects and profit of local entrepreneurs;
- To optimise the effects of tourism by ensuring a sustainable balance between the economic benefits and socio-cultural and environmental costs.

On the other hand, the tourism market research in Croatia has been showing a level of dissatisfaction over the years, tourism market being rated as "less satisfactory" regarding the elements connected with the quality of tourism destination products (cultural happenings, beaches, shopping, local transport) (TOMAS, 2010). It is interesting to point out the results of the TOMAS survey from the summer of 2014, where three out of the five elements that tourists evaluated with a poor rating (low level of satisfaction) were related to cultural tourism, event tourism and entertainment. These were: "Quality of marking sites," "Ample entertainment content," and "Variety of cultural events." The content called "Cultural heritage presentation" was rated with an average grade. Among the contents rated with a "very high" and "high" degree of satisfaction there was no content related to cultural tourism, event tourism or entertainment! It is also devastating to know that out of EUR 66.36 of the average daily tourist spending only EUR 0.93 is allocated to entertainment (TOMAS, 2014).

Apart from the cited research, TOMAS, which is conducted in tourism regions throughout Croatia, the above mentioned theses have also been confirmed by the results of the local market research. For example, according to "The satisfaction of tourists with the attributes of the tourist offer of the town of Umag" survey, conducted in 2012, the content of "The richness of cultural happenings" was rated by tourists with an average rating of 3.38 on a scale from 1 to 5, while "Cultural richness" was rated with 3.28 and was the lowest-rated element in this research. For the sake of comparison, "Quality of food in restaurants" was rated with 3.93 in the same survey, while "Richness of gastronomic offer" was rated with 3.92 (Golob, Sirotić & Golob, 2014).

Similar research was conducted in Opatija, and the results show that "cultural events take the fifth place on the scale of all the motives to visit Opatija, which is unsatisfactory" since Opatija "does not have a problem with lack of historical attractions or programs," or with the supply of cultural tourism events (Gračan, Zadel & Ivančić, 2013, p. 6).

It should be noted that a relatively high share of funds is invested in events. For instance, the town of Novigrad, one of the towns located within the Northwestern Istria cluster shown below, has an annual budget for events in the amount of HRK 1.678.944 (the data refer to the funds planned for the 2016 Support for happenings). The Umag Tourist Board allocates funds from its annual plan for the common "cluster" happenings and organises other funds individually. Thus, according to the business documentation of the tourist boards of the towns of Umag and Novigrad, in the same year the Tourist Board planned to spend HRK 5.5 million and HRK 312.000 for the development of destinations at the

destination level of Umag. It should be added that these data do not take into account other costs of events (other stakeholders) such as hotel companies, local government units, etc.

To conclude, there is still a significant discrepancy between a “relatively dissatisfied” tourists’ view of the offer of cultural products in Croatian tourism destinations and the relatively high investment of financial, personnel and other resources on the part of tourism destinations in this important segment of an integrated tourism product of a destination.

4. THE APPLICATION OF STAKEHOLDER THEORY IN MANAGING A TOURISM DESTINATION

Following the aforementioned, the authors of this paper advocate the application of the so-called stakeholder theory in managing cultural tourism and community-based tourism planning at the level of tourism destinations (Jamal & Getz, 1995), which is to be based on the principles of network partnership, sustainable tourism, relationship marketing, and relationship management (PRM – Partner Relationship Management; Kotler & Keller, 2008) at the level of tourism destinations. Collaborative approaches to tourism planning have been extensively discussed in the literature (Bramwell & Lane, 2000, cit. in: Ruhanen, 2012; Jamal & Getz, 1995). Among previous studies, Sautter and Leisen should be mentioned as authors who have stated that “collaboration among key players is a fundamental ingredient in sustainable development efforts” (1999, p. 312) and called for the implementation of stakeholder theory and its application as a normative planning model to represent the relationship/transaction strategy continuum as a tool for applying this theory in development. In their study, they further stated that “in this application, planning authorities are directed to identify and proactively consider the transaction vs. relationship orientations of key stakeholders. Congruency across this orientation increases the likelihood of collaboration in service delivery.” (Sautter & Leisen, 1999, p. 312)

Ritchie and Crouch (2000) have also pointed to the need to reach a consensus on strategic management of a tourism destination. They have pointed out the difficulties in applying this approach, given the large number of stakeholders with frequently divergent interests. They pointed out that developing a consensus on a shared 'ideal future state' of a destination is not always easy within diverse, democratic societies. However, they considered it important that target stakeholders agree that the final vision statement should provide both a meaningful and operational 'dream' for the future of their destination – one that reflects the values of target stakeholders, while not ignoring the realities and constraints of the marketplace (Ruhanen, 2012).

This 'gap in interests' seems to be particularly present in cultural tourism. Carlsen and Getz (2006, cit. in: Težak, Saftić & Šergo, 2011, p. 124) have stated that “[a]lthough arts and tourism linkages have been advocated by many, and certainly exist with regard to festivals, concerts and staged performances, there will always remain tension between these sectors.”

It follows that the meaningful engagement of the community with industry stakeholders and relevant public sector institutions is an essential ingredient in the visioning process. Such an engagement of stakeholders is essential if the vision of an event is to provide an accurate reflection of a truly shared position of all the concerned parties and if it is to provide a relatively stable reference point for future action (Faulkner, 2003, cit. in: Ruhanen, 2012).

The process of creating a common strategic vision was seen by Faulkner (2002, p. 6) as a catalyst for a successful destination management process: “the visioning process can provide a catalyst for establishing a collaborative approach among the multiple stakeholders” within a tourism destination.

Ruhanen (2012) has stated that Bramwell and Lane (2000) note that one of the primary goals of collaborative arrangements is to develop a strategic vision or plan for a destination. Indeed, collaboration is a process through which parties who see different aspects of a problem can constructively explore their differences for solutions that go beyond their own limited vision of what is possible (Gray, 1989). Furthermore, Ayers (1996) has noted that strategic visioning is particularly valuable in a tourism destination context, while Ruhanen and Cooper (2004) have claimed that it can help to overcome fragmentation within tourism industry (Ruhanen, 2012).

5. STRATEGIC MANAGEMENT IN CULTURAL TOURISM

Van der Wagen and White (2010, p. ix) stress that “events management requires sophisticated skills in strategic planning, risk analysis, marketing, budgeting, cash flow planning and human resource management.”

Figure 1 shows a framework for strategic management of sustainable tourism in tourism destinations. There is a clear need for the implementation of stakeholder theory as well as for bringing together the vision, mission, and strategic goals of development at all levels, and also for the inclusion of the local community.

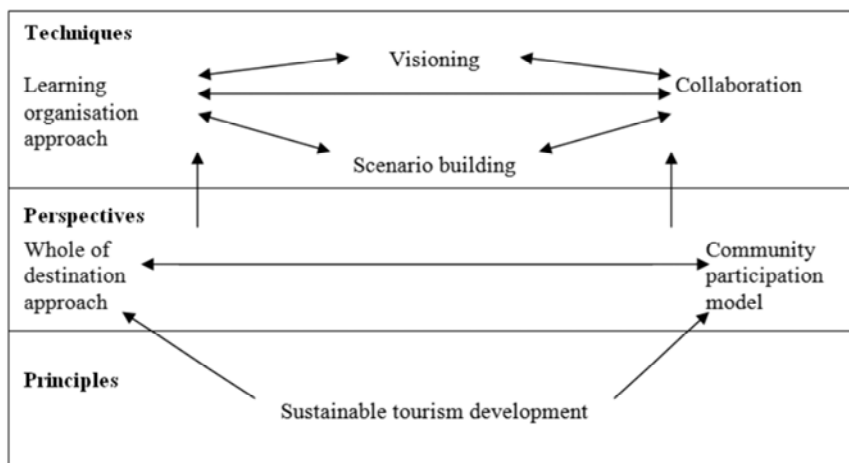


Figure 1. A Framework for Destination Strategic Management and Planning

Source: Faulkner, 2003, cit. in: Ruhanen, 2012.

In the above mentioned study, Gortan-Carlin and Krajnović (2016) presented their own model of the strategic management of cultural tourism (Figure 2) – SMCT (Strategic Management in Cultural Tourism) – which points out that, when making a strategy for cultural development as well as a tourism development strategy, it is necessary that both tourism and cultural sector come up with a key point of compliance, and that these key points “overlap” in both systems. In this way, the synergy between the two systems is achieved and it enables the networking of stakeholders and coordination of their strategic, tactical, and operational activities at all levels – from the state level, through the regional level, to the town as tourism destination level, but also the continuous monitoring of the whole process through a monitoring system, with the possibility of re-auditing strategic goals.

The model takes the form of a pyramid, because of the three key levels in both systems – the macro- (national), mezzo- (county), and micro- (towns and municipalities as tourism destinations) levels and their hierarchical relationships. The focus of the model is presented by its vertical system, which coordinates the three levels, and horizontally, when it comes to the mutual harmonisation of the three key segments: the system of cultural activities, tourist boards (which bring together all the stakeholders, both public and private sectors in tourism), and public sector at all levels – national, regional, and local. For the management of cultural tourism the authors advocate a holistic approach because they believe that only an integrated approach to strategic management – both horizontal and vertical connection between the elements of all the subsystems of a comprehensive management system – can achieve an optimum short- and long-term performance to bring the (direct or indirect) benefits to all subjects involved in the system.

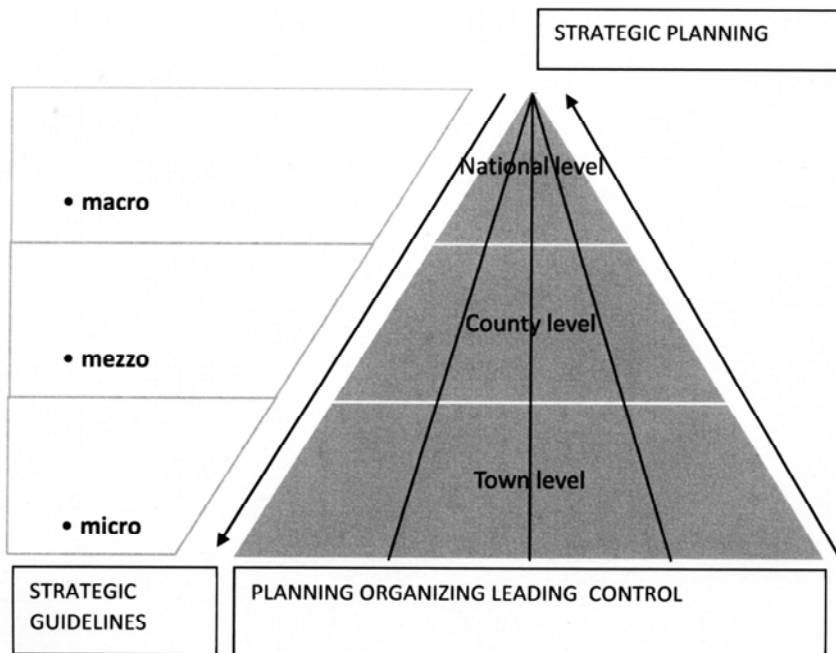


Figure 2. The strategic management model in cultural tourism (SMCT model)

Source: Gortan-Carlin & Krajnović, 2016.

6. VERIFICATION OF THE SMCT MODEL, BASED ON THE EXAMPLE OF THE NORTHWESTERN ISTRIA TOURISM CLUSTER

The purpose of this subsection is to verify the SMCT model on the example of the Northwestern Istria tourism cluster. The implementation of this model achieves significant savings and improves the efficiency of event management.

Istria is a Croatian region that accounts for about one third of Croatia's total tourist traffic. In 2016, it had 3.875.839 arrivals and 25.291.608 overnight stays, which in comparison to 2015 is 9% more arrivals and 7% more overnight stays (TAN, 2016). This region has to thank, among other things, the strategic approach to regional management for its continuing growth. Planned solutions and development planning documents that are being issued as one of the basic principles have shown that strategic goals are set and consensus accepted by all the main stakeholders of the public and private sectors of tourism in Istria. The previous Master Plan of Istrian Tourism, which covered the period between 2003 and 2012, as well as the new Master Plan of Tourism of the Istrian County 2015-

2025 (issued in 2016), included the following as one of the basic goals: to “[e]stablish Istria in 7 tourism clusters that would assume responsibility for product development, operational activities, and the delivery of tourism destination profiles according to their attractions and dominant motives for arrival.” The business model of tourism clusters within the main brand – the tourism region of Istria – has thus become one of the key assumptions of the strategic development of Istrian destinations, with tourism clusters becoming one of the main determinants of tourism development. In the Master Plan they are defined as follows: Istrian experience clusters and roof positioning through the compromise of Green and Blue Istria (Master Plan, 2014, pp. 10-11).

However, it should be emphasized here that among the tourism clusters set out in the 2002 planning documents only the Northwestern Istria cluster has been put into practice. The Master Plan for tourism development in Istria states that only one (Northwestern Istria) of seven Istrian clusters has been put into practice and that the situation in other clusters ranges from relatively productive voluntary cooperation to the absence of the functionality of clusters at all levels (Master Plan, 2014, p. 12). This is the first cluster in Istria, but also in Croatia, where the marketing concept was agreed upon and which relies on the promotion of the destination by defining the brand and the common visual identity of individual tourism communities within the cluster and private sector entities. At the initiative of the Istraturist d.d. Umag hotel company and with the cooperation of local tourism communities within the cluster, the Laguna Novigrad d.d. hotel company, and other cluster stakeholders, a common brand of the destinations and a joint marketing approach were created in 2011. The synergy of the private and public sectors is developing products designed to extend the tourism season (Turistički list, 2013, pp. 18-19). The key stakeholders of the cluster shown below – the tourist boards of Umag, Novigrad, Brtonigla and Buje, and the towns of Umag, Novigrad, Brtonigla and Buje, together with Istraturist Umag and Laguna Novigrad – jointly work on the further development of Northwestern Istria, which strengthens its position of an ideal holiday destination by improving the quality of its offer. The Umag-Novigrad-Brtonigla-Buje cluster is presented under the joint “Colours of Istria – in all the colours of Istria” label. This is how individual towns and municipalities which belong to the cluster have united into a unique tourism area and branded it, taking into account the features of the Istrian region (Turistički list, 2013, p. 3).

Frank Medica (2017) has stated in his study that the development of the Northwestern Istria tourism cluster is “guided by the vision of the Umag, Novigrad, Brtonigla and Buje cluster, which will have the reputation of a top cluster in Croatia due to its diversity and high quality of accommodation, recreational facilities, good food and wine, strong traditions, and authentic hospitality [...] year-round programme of activities, and unique events [...] a system of themed products/experiences that will support the differentiated development of tourism on the coast and inland” (CLUSTER, 2011, p. 4, cit. in: Frank Medica, 2017, p. 100). In the cluster they point out a clear commitment to the sustainable development of tourism destinations and stress that “[t]he notion

of tourism development is not only in attracting guests, although they are extremely important to us, but also in the constant growth of the well-being of all of us who live in the areas of developed tourism. Investing the tourist offer increases the quality of the local community's life. Every new investment in the preservation of natural beauty, sports or hospitality facilities must not only strengthen the position of domestic producers and service providers, but also be of direct benefit to the inhabitants of our area." (Turistički list, 2013, p. 3).

The first results of joint action in the promotion of Northwestern Istria are already visible. At the Umag-Novigrad-Brtonigla-Buje cluster level, joint projects have been launched and carried out, having encouraged the development of offers concerning cycling, soccer and tennis playing, wellness, and gourmet offer. In this way we are creating new motives for our guests to arrive in order to extend the tourism season (Turistički list, 2013). The results have been shown in the Master Plan: even though seasonality is a challenge for whole Istria, even for the cluster of Northwestern Istria, where 86% of the total number of overnights are realized in the period from June to September, unlike other clusters, where the rest of overnights is concentrated in April and May, this cluster boasts over 25.000 overnights in February and November (Master Plan, 2014). The annual plan of the Umag Tourist Board envisages that as much as 50% of the events will be funded for the period outside the high season, thus clearly proposing its the extension.

The management model and the successful management of a tourism destination has been explained in Frank Medica's study (2017): "[t]he tourism cluster of Northwestern Istria has decided to take advantage of the cooperation of the public and private sectors and give special importance to the development of thematic events as an important development potential of the destination." The report from the 2010 Destination Marketing Management (DMM) workshop includes a detailed analysis of all events in the Northwestern Istria cluster, which are classified according to the thematic group (sport and recreation, eno gourmet, culture, entertainment and casino). Furthermore, the structure, organisation, and results of the cluster have resulted in a decision to set out on a joint investment venture at the cluster level for 21 events. Figure 3 shows an overview of cluster events in 2016, which were organised by a joint tourism community cluster and/or Istra D.M.C. d.d. This overview does not cover those events which were also organised by individual tourism communities separately or in cooperation with other stakeholders in the cluster, which are covered by the aforementioned Destination Marketing Management report.

Joint cluster events	Sport	Food and drinks	Wellness
Istria Winter Cup	<input checked="" type="checkbox"/>		
Shellfish days in Northwestern Istria		<input checked="" type="checkbox"/>	
Wellness Moments			<input checked="" type="checkbox"/>
Days of Istrian asparagus		<input checked="" type="checkbox"/>	
Istria Wine & Walk		<input checked="" type="checkbox"/>	
27. Croatia Open Umag*	<input checked="" type="checkbox"/>		
5. Istria Granfondo*	<input checked="" type="checkbox"/>		
1. Istria Youth Cup*	<input checked="" type="checkbox"/>		
Days of the plaice fish		<input checked="" type="checkbox"/>	
Days of Adriatic squid		<input checked="" type="checkbox"/>	

Figure 3. Events in the tourism cluster of Northwestern Istria in 2016

*Organized by Istria D.M.C. d.o.o.

Source: Calendar of events in 2016, at: www.coloursofistria.com.

It is interesting to note that the annual plans of tourist boards belonging to the cluster (the examples of Umag and Novigrad) present the three-level financial plan for events separately: at the macro-level, which includes events organised at the level of the tourism region of Istria, the mezzo-level, which includes events organised at the cluster level (as shown above), and the micro-level, which includes events organised at the town or municipality level.

It can be concluded that the Northwestern Istria tourism cluster is one of the possible practical solutions for implementing the SMTC model to tourism destination management. This demonstrates the applicability of the model as well as its effectiveness, which is reflected in the following: reaching a consensus on key events at the cluster level (which can be seen from the presented theoretical model at the mezzo-level); increasing the competitiveness of a tourism destination; expanding the tourist offer – enriching the integrated tourism product of a destination; adding value to a tourism destination and strengthening its distinctiveness (brand strength); valorising the autochthonous tourist location values; the consequential “spilling” marketing effects on particular stakeholders in the destination and individual subjects that have direct or indirect relation to the event – the same goes for tourist attractions which are valued at events; multiple economic, social, educational, and cultural impact on all stakeholders (visitors, tourists, etc.), and consequently the preservation of the autochthonous values of a destination and thus the promotion of sustainable tourism development.

It should be emphasized, in considering the implementation of the SMCT model at the macro-, mezzo-, and micro- levels, that these levels do not

have to match in every case. In an optimal model, the macro-level may refer to the state, the mezzo-level to a tourism region, and the micro-level to a tourism cluster, but this depends mostly on the level at which a strategic tourism master plan is made. Therefore, in verifying this model, the tourism region (Istria in this case) for which the strategic master plan is being presented is the macro-level, the tourism cluster is the mezzo-level, while the towns and municipalities with their associated tourist boards are the micro-level.

7. CONCLUSION

In this paper the authors have confirmed both proposed research hypotheses.

There is a significant discrepancy between tourist satisfaction with tourist events and the investments in tourist events. This paper has shown, on the one hand, how insufficiently coordinated the activities of systematic tourism destination planning are, while it has also pointed to the relatively abundant financial and other resources invested in this aspect of tourism. When it comes to tourism demand, however, there is latent and constant dissatisfaction with the elements of tourist offer related to tourism events and even cultural tourism in general. This thesis is proved, year after year, by the results of the primary survey of temporary visitors to Croatia, both at the level of the whole country and at the level of individual tourism destinations, especially on the coast. All this points to a continuing need for a planned, systematic, and coordinated approach to managing tourist events as a tourism product par excellence.

Through the presented business model of strategic tourism destination management, based on collaboration and stakeholder theory in destination management, the authors reiterate the need for further development, but also for a better and more systematic approach to managing tourism destinations in general, specifically as part of cultural tourism, which requires significant investments as well as the unavoidable cooperation of the public and private sectors. The authors have found a verification of their own SMCT model – Strategic Management in Cultural Tourism – in the example of the Northwestern Istria cluster, which – as far as Croatia is concerned – went furthest in the application of a strategic approach to modern management of a tourism destination.

At the same time, this paper represents a further academic contribution to stakeholder theory in tourism management. The authors of this paper have given a special contribution to the field as they have constructed and verified their own model of cultural tourism management, which was also applied in practice. Particularly emphasised is the authors' contribution to the theoretical knowledge of the economic and multifunctional dimensions of events and their role as one of the key factors for the competitiveness of a tourism destination. In particular, the authors emphasise the organic link between events and the image of a tourism destination, believing that events today have outgrown the earlier concept of

narrow market niches and become part of the core product, in fact, the core brand of a tourism destination, which is daily confirmed in practice in numerous tourism destinations, including those in Croatia.

The authors suggest a further elaboration of the presented model, especially considering the three basic types of tourism destinations (according to the EU Directives) – coastal, rural and urban. It would also be desirable to further investigate the return link, a certain “metric of success” of marketing investments in events, as well as to present more elaborate management models in the communion of public-private partnerships in a tourism destination. As regards the theoretical aspect, the authors propose a further elaboration of the thesis on the concept and development of cultural tourism, with a more precise and better differentiation among the terms and concepts of tourist attractions, tourist events, cultural tourism, event management. In the paper titled “Progress in Tourism Management – Progress and Prospects for Event Tourism Research,” Getz and Page have claimed that “while a complete ontological mapping of event tourism remains to be attempted, this review has identified major claims to knowledge that delimit event tourism, with insights on how this knowledge has been determined through various research methods. This process has also provided a research agenda by suggesting new and emerging topics and specific methods that can prove useful. To make progress ontologically will require a systematic analysis of all the pertinent literature, both from the research journals and from praxis, with the aim of pinpointing all claims to knowledge (including all concepts being employed), and an effort made to codify and standardize terminology.” (Getz & Page, 2016, 620)

These concepts are mutually similar and complementary, but in a methodological sense, as the authors see it, there is not yet a sufficiently developed and complete conceptualisation of each of these terms, with a clear distinction between them made, or with the clearly defined specifics of each of these concepts. The practical contribution of this study is reflected in the commitment of the authors to the cluster approach and further application of stakeholder theory in other tourism destinations in Croatia and elsewhere, which will surely lead to the increased competitiveness of tourism destinations, increased saving, and increased marketing investment efficiency. However, what is certainly the authors’ most valuable thesis is that the presented model builds an autochthonous tourism product, in the form of a tourist event, which inevitably contributes to the preservation, valorisation, and adequate presentation of the most prized and often the most sensitive element of a tourism destination – the autochthonous values. Every contribution in this regard is definitely an important incentive to the further development of sustainable tourism at all levels.

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STRATEŠKO UPRAVLJANJE U KULTURNOM TURIZMU S NAGLASKOM NA UPRAVLJANJU DOGAĐAJIMA: STUDIJA SLUČAJA – HRVATSKA

Sažetak

Održivi turizam trebao bi biti jedan od ključnih ciljeva svake turističke destinacije u razvoju. Jedan je od najvećih izazova pitanje kako upravljati složenim sustavom turističke destinacije, a da bi se zadovoljile potrebe i interesi triju ključnih dionika – privremenih posjetitelja, poslovnih subjekata u turizmu i lokalne zajednice. Rješenja se traže u primjeni takozvane teorije dionika utemeljene na mrežnom partnerstvu i suradnji dionika u turističkoj destinaciji na svim razinama – mikro-, srednjoj i makrorazini. U radu autorice zastupaju primjenu ovog pristupa, istražujući primjenjivost i učinkovitost svoga modela strateškog upravljanja u turističkoj destinaciji pod nazivom Strateško upravljanje u kulturnom turizmu (SMCT). Ovakvo upravljanje ispituje se na primjeru turističkog klastera u sjeverozapadnoj Istri u Hrvatskoj. Autorice smatraju da primjena predstavljenog i sličnih modela upravljanja omogućava optimizaciju učinkovitosti upravljanja kulturnim turizmom, gdje su događaji, prema njihovu mišljenju, jedan od ključnih segmenata integriranog turističkog proizvoda destinacije te su organski povezani s temeljnim vrijednostima turističkog mjesta. Stoga autorice zagovaraju daljnju razradu SMCT modela i pozivaju na širu primjenu u praksi upravljanja turističkim destinacijama jer on može dovesti do uštede u vremenu te financijskim i ljudskim resursima, smanjujući suvišan rad poput organizacije sličnih događaja istovremeno, ali što je još važnije, može dovesti do postizanja konsenzusa dionika o ključnim događajima u turističkoj destinaciji koje treba kontinuirano i strateški razvijati. Osim ovih funkcija, autorice ističu valorizaciju kvalitetnog turizma kao najvažnije funkcije upravljanja događajima, kao i predstavljanje autohtonih vrijednosti destinacije – upravo kroz događaje.

Ključne riječi: upravljanje događajima, upravljanje destinacijom, teorija dionika, održivi turizam, kulturni turizam u Hrvatskoj, turistički klasteri u Hrvatskoj

JEL klasifikacija: L83, Z32