

THE RISE OF NEW OUTBOUND TRAVEL MARKETS WITHIN GLOBAL ENVIRONMENT, THE CASE OF CROATIA

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ABSTRACT

Globalization presents new challenges and opens up new opportunities for growth in tourism. There is a more uniform geographical distribution of international tourism in the world and the growth of demand in countries that have not recorded more significant tourist travel. The paper explores the influence of the globalization of tourist inbound market composition in Croatia. The aim of the paper is to analyze the changes in inbound markets composition in the period 2005 – 2017, based on international tourist overnights and identify the new source markets. The findings indicate the slower growth of international overnights from traditional European source markets and the significant growth from the Republic of Korea, China and other Asian countries, USA and Brazil. By identifying trends in global travel, the new source travel markets and behavior of tourism demand, it is possible to discover new opportunities and to adjust to consumer differences among international tourism markets.

KEYWORDS: globalization, Croatia, changes, inbound travel markets.

1. INTRODUCTION

Globalization in tourism has opened up new opportunities for growth through the development of digital technology, communication and transportation. Many regions and countries are rapidly developing and becoming sources of tourists. In Croatia more than 90% of international arrivals and overnights are realized from the European region. Although the number of visits from European countries recorded moderate growth over the years, the inbound markets composition is changing. The paper analyzes the changes in the structure of international tourist arrivals and overnights in Croatia by country of residence and identifies growing/new source markets. By identifying trends in global travel and changes in inbound markets composition it is possible to discover new opportunities for Croatian tourism.

2. TRENDS IN THE TOURIST MARKET

Tourism is a global business and one of the most important drivers of economic development. Changes occurring in the global tourism market should be seen from the aspect of factors that affect the behavior of tourism demand, such as technological, economic, political and other factors.

The trend of growing globalization of tourist demand has been present for more than two decades. Tourist demand has gained global proportions thanks to the growing dispersion of tourist travels from intraregional to interregional travel. With increasing mobility of tourist demand, there is an ever-increasing match between tourist consumers' affinities creating a global lifestyle; there is similarity in choices of tourist product, etc. leading to standardization and homogenization of the tourist market. Market competition is intensifying globally. These and other globalization effects, such as the use of the internet led to greater awareness of global competitors, both between producers and consumers (Pike, 2010, p. 221). Regions like Eastern Europe and countries like China and India are experiencing an accelerated development, they are now also sources of tourists as well as destinations for tourists (Kotler, Bowen & Makens, 2010, p. 726).

Table 1. Characteristics of globalization in tourism

ECONOMY
<ul style="list-style-type: none"> • Horizontal and vertical strategies for the integration of tourist companies • Foreign investments in hotels and tourist attractions (“global tourism markets”) • <i>Global players</i> and strategic alliances (airline companies, hotels, tour operators, etc.) • Global Tourism Management • Global competition of travel areas
TECHNOLOGY
<ul style="list-style-type: none"> • Global reservation systems • Standardized technologies for transport systems
CULTURE
<ul style="list-style-type: none"> • A Global “World Tourist”: Unifying the behavior of travelers • The emergence of a global “travel village”
ECOLOGY
<ul style="list-style-type: none"> • Tourism as a “Global Environmental Problem Syndrome” • The consequences of climate change on target areas
POLITICS
<ul style="list-style-type: none"> • The growing importance of international tourism organizations • The necessity of global coordination and regulation of passenger traffic • <i>Sustainable tourism as a quality and guiding idea</i>

Source: Feige, M. (2000), Turizam na početku novog tisućljeća. Turizam : znanstveno-stručni časopis, Vol. 48, No.2, p. 2

Around the world, measured as arrivals or trips, the numbers of international tourists and their expenditure have grown strongly since the 1950s, notwithstanding temporary fluctuations caused by the three major international energy and economic crises of the early 1970s, 1980s and 1990s (Middleton & Clarke, 2002, p. 5). While the number of international tourists exceeded one billion for the first time in 2012. that number is expected to increase to 1.8 billion by 2030. The World Tourism Organization (UNWTO) long-term forecast - Tourism Towards 2030- envisaged an annual average growth in tourism arrivals of 3.3% over the period 2010.-2030 (OECD, Tourism Trends and Policies, 2014, p. 18).

Table 2. International Tourist Arrivals and Tourism Receipts, 1950 – 2017

Year	International tourist arrivals	Receipts (billion US\$)
1950	25	2
1970	166	18
1980	288	103
1990	435	271
2000	680	495
2010	952	961
2015	1.195	1.221
2016	1.235	1.245
2017	1326	1340

Source: According to UNWTO (2013), Tourism Highlights, Edition 2013; UNWTO (2015) Tourism Highlights, Edition 2015; UNWTO (2017) Tourism Highlights, Edition 2017.; UNWTO (2018) Tourism Highlights, Edition 2018

Also, there is a more uniform geographical distribution of international tourism in the world. Europe still remains the world's largest source region for outbound tourism with market share 51% of world's international arrivals in 2017. Emerging economies in Asia, Central and Eastern Europe, the Middle East, Africa and Latin America have shown fast growth over recent years. Currently, one out of 4 trips originates in Asia and the Pacific. South-East Asia enjoyed the highest growth of all Asian subregions with average annual growth of 7.8 % in period 2005 - 2017 (UNWTO, Tourism Highlights, Edition 2018, p.14). As population levels and travel proclivity reach a state of maturation within Europe and North America, it is enormous potential of tourist markets in China and other less developed countries. (Weaver, 2013, p. 4)

Table 3. International Tourist Arrivals by (Sub) region

International Tourist Arrivals (million)						
	2005	2010	2015	2016	2017	Average annual growth (%) 2005-2017
World	809	952	1.195	1.240	1.326	4.2
Advanced economies	469	515	655	686	730	3.7
Emerging economies	339	437	540	554	597	4.8
By UNWTO regions						
Europe	452.7	487.7	605.1	619.5	671.7	3.3
Asia and Pacific	154.3	208.2	284.1	306.0	323.1	6.4
Americas	133.3	150.4	194.1	201.3	210.9	3.9
Africa	34.8	50.4	53.6	57.7	62.7	5.0
Middle East	33.7	55.4	58.1	55.6	58.1	4.7

Source: UNWTO (2018.) Tourism Highlights, Edition 2018, p.5

According to UNWTO long-term forecasting the strongest growth is expected in Asia and the Pacific, where arrivals are forecast to increase by 331 billion to reach 535 million in 2030. (+4.9% per year). The Middle East and Africa are also expected to more than double their arrivals in period 2010 to 2030, from 61 million to 149 million and from 50 million to 134 million respectively. Europe (from 445 million to 774 million) and Americans (from 150 million to 248 million) are projected to grow comparatively more slowly (UNWTO, Tourism Highlights, 2017, p.14).

The populations on the developed world are aging rapidly-meaning that the facilities and experiences demanded are subject to many pressures for change in order to accommodate the preferences and needs of an older traveler (Goeldner & Ritchie, 2012, p. 467). It is estimated that more than half of the population in the developed world will be over 50 by 2040. (Čavlek et al., 2011, p.74). The highly populated, newly affluent countries of China and India will become the top two countries for outbound tourists, supplying the world with a huge demand for travel services. Chinese and other Asian-born tourists are most likely to be motivated to travel by the cultural values of group engagement, learning and status elevation (Cook Hsu, ed., 2014, p.312)

Globalization and the new political and economic world also brought changes to the tourist profile and preferences for products and services. They have become more globally oriented. The new tourist has developed new, intrinsic travel motivations and cultural needs, such as seeking new identity, self-actualization and self-development, rather than physical recreation and rest (Reisinger, 2009, p.11).

3. CROATIAN TOURISM IN 2013 – 2017 PERIOD

Croatia's 15.6 million tourist arrivals in 2017 and a growth trend over the years makes it one of the most visited countries in the Mediterranean. Croatian tourism in 2017, according to international competitiveness index, occupied 32th place in the world (Travel&Tourism Competitiveness Report 2017)

Table 4. International tourism in Croatia, 2005 - 2017 (000)

Year	International tourist arrivals	Change (%)	International tourist overnights	Change (%)
2005	8.467		45.987	
2010	9.111	-	50.992	-
2011	9.927	8.96	54.751	7.37
2012	10.369	4.45	57.522	5.06
2013	10.948	5.58	59.680	3.75
2014	11.623	6.17	61.324	2.75
2015	12.683	9.12	65.863	7.40
2016	13.809	8.88	72.193	9.61
2017	15.593	12.92	80.222	11.12

Source: according to Statistical Yearbook of the Republic of Croatia 2013, Croatian Bureau of Statistics, Zagreb 2013; Statistical Yearbook of the Republic of Croatia 2017, Croatian Bureau of Statistics, Zagreb 2017; Tourism 2017., Statistical Reports, Zagreb, 2018.

In 2017 total number of tourist overnights in Croatia amounted to 80.2 million. The annual average growth of international arrivals was 5.2% and tourist overnight 4.7% in period 2015-2017. The share of tourism in total GDP is 19.6 % (Tourism in figures 2017, Croatian Ministry of Tourism, 2018, p.43), which makes tourism one of the key components of national economy and foreign trade.

Table 5. International tourist overnights by country of origin in Croatia 2005 – 2017 (000)

	2005	2010	2015	2016	2017	Average annual growth (%) 2005-2017
Germany	11.001	11.476	15.770	17.082	19.526	4.9
Italy	5.699	4.732	4.800	4.961	4.915	-1.1
Slovenia	5.099	5.885	6.678	7.140	7.140	2.9
Czech Republic	4.052	4.170	4.815	4.770	5.067	1.9
Austria	3.757	4.420	5.902	6.511	6.991	5.3
Hungary	2.405	1.605	2.266	2.528	2.770	1.2
France	1.920	1.464	1.709	1.886	1.970	0.2
Netherlands	1.910	2.245	2.478	2.661	2.904	3.3
Poland	1.375	2.895	4.323	4.964	6.056	13.2
United Kingdom	1.349	1.173	2.419	3.027	3.810	9.0
Slovakia	1.183	2.084	2.560	2.606	2.794	7.4
Other European Countries	4.154	7.614	9.082	10.614	11.500	8.8

Other countries	831	1.229	3.061	3.443	4.779	15.7
Total	45.987	50.992	65.863	72.193	80.222	4.7

Source: according to Statistical Yearbook of the Republic of Croatia, Zagreb, 2010. Zagreb, 42. Year, December 2010. p. 415. https://www.dzs.hr/Hrv_Eng/ljetopis/2010/Sljh2010.pdf; Statistical Yearbook of the Republic of Croatia 2011, Zagreb, 43. Year, December 2011. p. 418. https://www.dzs.hr/hrv_eng/ljetopis/2011/sljh2011.pdf; Tourism, 2017. Statistical Reports, Zagreb, 2018. https://www.dzs.hr/Hrv_Eng/publication/2018/SI-1616.pdf

Europe is major source region for international tourism. The traditionally leading source travel market for Croatia is Germany, generating almost 25% of Croatian international overnights. Italy, Slovenia, Austria and Czech Republic are also key travel markets for Croatia. These five markets together account for more than half of the total number of international overnights in Croatia. The number of overnights from Central and Eastern Europe and other continents have shown fast growth during the period 2005-2017.

4. THE CHANGES OF INBOUND MARKETS COMPOSITION IN CROATIA

Over the period 2005-2017 Croatia's inbound markets composition was changed. According to indicator of international tourist overnights, the share of five leading European travel markets (Germany, Italy, Slovenia, Austria and Czech Republic) decreased from 64.4% in 2005 to 54.3% in 2017. Fast growth, based on number of international overnights, has shown Poland with annual average growth 13.2%, United Kingdom (9.0%) and Slovakia (7.4%). The market share of advance and emerging economies of Americas, Asia and Pacific, Australia and Africa increased from 1.8% in 2005 to 6.0% in 2017.

Table 6. International tourist overnights in Croatia by country of origin (%)

	2005	2010	2015	2016	2017
Germany	23.9	22.5	23.9	23.7	24.3
Italy	12.4	9.3	7.3	6.9	6.1
Slovenia	11.1	11.5	10.1	10.0	8.9
Czech Republic	8.8	8.2	7.3	6.6	6.3
Austria	8.2	8.7	9.0	9.0	8.7
Hungary	5.2	3.1	3.4	3.5	3.5
Poland	3.0	5.7	6.6	6.9	7.5
France	4.2	2.9	2.6	2.6	2.5
Netherlands	4.2	4.4	3.8	3.7	3.6
United Kingdom	2.9	2.3	3.7	4.2	4.7
Slovakia	2.6	4.1	3.9	3.6	3.5
Other European countries	9.0	14.9	13.8	14.7	14.3
Other countries	1.8	2.4	4.6	4.8	6.0
Total	100	100	100	100	100

Source: Ibid. table 4.

Number of overnights from non-European markets (Americas, Asia and Pacific, Australia etc.) grew from 831 thousand in 2005 to 4.8 million in 2017. The travel markets, which showed four-digit growth in overnights, were China, Republic of Korea and other Asian countries, USA and Brazil.

Table 7. International tourist overnights in Croatia by non- European source markets, 2005– 2017 (000)

	2005	2010	2015	2016	2017
South African Republic	-	14	30	37	49
Other African countries	-	23	51	76	65
Canada	67	115	244	295	364
USA	292	341	806	881	1178
Other North American countries	-	8	5	8	12
Brazil	-	36	131	109	141
Other South and Central American countries	-	46	135	190	221
Israel	158	80	101	118	142
Japan	54	204	227	183	221
China	-	23	130	154	235
Korea, Republic of	-	26	407	450	549
Other Asian countries	-	100	395	471	668
Australia	95	158	332	399	488
New Zealand	22	28	57	63	78
Other countries of Oceania	-	7	10	9	5
Other non-European countries	143	-	-	-	-

Remark: Until 2007. the categories Republic of South Africa, Other African countries, Other northern American countries, Brazil, Other South and Central American countries, China, the Republic of Korea, Other Asian countries and Other countries of Oceania were included in the category Other non-European countries.

Source: according to Statistical Yearbook of the Republic of Croatia, Zagreb, 2010. Zagreb, 42. Year, December 2010. p. 415. https://www.dzs.hr/Hrv_Eng/ljetopis/2010/Sljh2010.pdf; Statistical Yearbook of the Republic of Croatia 2011, Zagreb, 43. Year, December 2011. p. 418. https://www.dzs.hr/hrv_eng/ljetopis/2011/sljh2011.pdf; Tourism, 2017. Statistical Reports, Zagreb, 2018. https://www.dzs.hr/Hrv_Eng/publication/2018/SI-1616.pdf

Croatia's source markets are becoming more diversified. Although the market share of new source travel markets is modest, although rising significantly, they represent important potential travel markets in the future. Marketing experts should keep track of the main trends in global travels so that they can adapt tourist offer better to these changes.

5. CONCLUSION

Globalization has opened new opportunities for tourism growth and has brought changes to the source markets. In 2017 over 1.3 billion international tourist arrivals were realized in the world. About half of the total international arrivals in the world are recorded in Europe. Croatia's 15.6 million international tourist arrivals in 2017 make it among the most visited countries in the Mediterranean. Croatian tourism, according to international tourism competitiveness index, occupied the 32th place in the world. The leading inbound travel markets for Croatia are Germany, Italy, Slovenia, Austria and Czech Republic. Over the period 2012-2017 the market share, based on number of international overnights, of these travel markets was declined and significant growth was recorded from Poland, United Kingdom, Slovakia and non-European countries. China, Republic of Korea and other Asian countries, Brazil and USA have become growing source markets for Croatia.

Tourism as an industry recorded a big growth on global level. Variable economic conditions, changed behavior of consumers and new technologies cause new markets to develop. Proper positioning on a dynamic and competitive

tourist market is subject to following modern trends and adjusting to market demands. Competition of new destinations will undoubtedly continue to grow on global scale. Croatia is one of the most visited countries in the Mediterranean, primarily attracting visitors with characteristics of its natural surroundings and wealth of cultural and historical heritage. In order to keep and improve position on the European and global tourism market, Croatia has to follow market trends, adapt the tourist offer to demand from different countries faster than the competition and develop communication skills to suit particular consumer characteristics. Consumers are now experienced and informed while digital technology enables fast data and information transfer. With regard to tourist resources, Croatia has the opportunity to achieve competitiveness based on innovative products and affirmation of local values in order to differentiate its offer and successfully position itself on the global market. Croatia needs to analyze new target markets and adjust the offer to the demands of new consumers in order to take advantage of emerging markets potential while taking into account the characteristics and demands of consumers from traditional markets. Efficient strategic planning is crucial for further development of Croatian tourism, taking into account all elements of development: economic, social, ecological and cultural, in order to properly exploit market opportunities and successfully position itself as a Mediterranean country offering a unique tourist product.

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RAZVOJ NOVIH EMITIVNIH TRŽIŠTA U GLOBALNOM OKRUŽENJU, PRIMJER HRVATSKE

SAŽETAK

Globalizacija predstavlja nove izazove i otvara nove mogućnosti za razvoj turizma. Dolazi do ravnomjernije geografske distribucije međunarodnog turističkog prometa u svijetu i rasta turističke potražnje u zemljama koje ranije nisu bilježile značajnija turistička kretanja. U radu se istražuje utjecaj globalizacije na inozemnu dolaznu potražnju u Hrvatskoj. Cilj rada je analizirati promjene u strukturi emitivnih tržišta u razdoblju od 2005. do 2017., prema ostvarenom udjelu noćenja inozemnih turista i identificirati nova emitivna tržišta. Nalazi ukazuju na sporiji rast međunarodnih noćenja s tradicionalnih europskih emitivnih tržišta i značajan rast iz Republike Koreje, Kine i drugih azijskih zemalja, SAD-a i Brazila. Identificiranjem trendova na globalnom turističkom tržištu, novih emitivnih tržišta i ponašanja turističke potražnje, moguće je otkriti nove prilike i prilagoditi se sklonostima turističkih potrošača sa različitih tržišta.

KLJUČNE RIJEČI: globalizacija, Hrvatska, promjene, emitivna turistička tržišta.