THE KEY STAKEHOLDERS' SATISFACTION AND PERCEPTION OF THE TOURISM ORGANISATION SYSTEM EFFECTIVENESS: EVIDENCE FROM NORTH AND CENTRAL DALMATIA

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Abstract

The paper analyses the key stakeholders' satisfaction and the perception of the effectiveness of the tourist board system in North and Central Dalmatia and the compatibility of the system with the principles of the Destination Management Organisation (DMO). The methodology used is the Importance-Performance Analysis (IPA). The results have shown that the critical tourism stakeholders do not consider the existing tourist board system practical or functional. All the local, regional and national system tasks are positioned in the "Concentrate here" quadrant, which must be improved. In addition, the findings indicate that the existing tourist board system is not compatible with the DMO principle and needs to be improved in several aspects. The paper provides valuable recommendations for improving the tourist board system in the Republic of Croatia and future studies on this topic.

Keywords: *DMO, tourism organization effectiveness, IPA methodology, tourism stakeholders, North and Central Dalmatia*

1. INTRODUCTION

Destination Management Organisation (DMO) plays a central role in destination planning and marketing (Reinhold et al., 2015; Nagai et al., 2018; Pearce, 2015). Contemporary DMOs are in charge of destination marketing and branding, coordination/facilitation activities, and development of sustained competitive advantage (Pearce, 2015; Pike & Page, 2014). The importance of these tasks has been changing to respond to shifts in tourism trends and market, such as the pressures for increased DMO decision transparency (Pike, 2016), over-tourism and rising tourism numbers in the pre-COVID era (Rivera, 2021), survival of the tourism industry, preserving jobs and ensuring safety for tourists and workers in times of pandemics (Guerreiro, 2021), and more recently, the demands for intelligent DMOs (Gretzel, 2022). The ability of DMOs to fulfill their broad missions and the need for their existence have been questioned (Dredge, 2016a, 2016b; Hall & Veer, 2016; Reinhold et al., 2015); the need for such a tourism organization persists (Hall & Veer, 2016; Nagai et al., 2018). The roles and challenges of DMOs illustrate that

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their position requires them to consider the interests of diverse stakeholders (UNWTO, 2007). Consequently, stakeholder satisfaction with the DMO's role and performance are quintessential. Surprisingly, not many studies in the academic literature address this aspect (Bornhorst et al., 2010; Oggionni & Kwok, 2018). This study aims to fill this research gap by applying the Importance-Performance Analysis (IPA) to investigate tourism stakeholders' attitudes towards DMOs' activities. The setting of the study is the coastal region of Croatia, North and Central Dalmatia, a country and region whose economy is highly dependent on tourism.

2. LITERATURE REVIEW

2.1. The DMO activities and performance from the stakeholder's perspective

DMO is *"the leading organizational entity which may encompass various authorities, stakeholders and professionals and facilitates partnerships towards a collective destination vision"* (UNWTO, 2019). DMOs are established for a specific geographic area, i.e., the tourism destination, and are responsible for its management and marketing (World Tourism Organization, 2004). Historically, DMOs have focused their efforts on promoting the destination, developing a specific destination image, coordinating the public and private tourism industry, providing information to visitors, and conducting promotional activities for the destination's tourism industry (Prideaux & Cooper, 2003). In contemporary tourism, the primary roles of DMOs include strategic planning, system management and oversight, quality management, product development, stakeholder coordination, tourism infrastructure development and management, destination sustainability, promotion, branding and image of the destination, and marketing infrastructure (Cooper et al., 2005; Pearce, 2015). They are also portrayed as policy instruments serving the interests of the tourism industry (Dredge, 2016), as governing bodies and stakeholders (Bornhost, 2010), and as organizations with catalytic and networking functions (Pechlaner et al., 2012; Čorak & Živoder, 2017). DMOs thus interact with a wide range of stakeholders from the public and private sectors, including national, regional, and local governments, development agencies, city governments, national park authorities, transportation service providers, attractions, event, and cultural organizations, accommodation providers, restaurants, tour operators and conference organizers, media and various agencies that support the business development (World Tourism Organization, 2007). The more numerous the stakeholders, the more prominent the role of the DMO in defining and implementing destination management (Beritelli et al., 2007) and establishing a consensus on the role of each stakeholder in the implementation of jointly achieved destination vision (Line and Wang 2017). DMOs have faced many challenges in recent decades, including funding cuts from the government and increased demands for DMO transparency (Pike, 2016), overtourism (Higgins-Desbiolles et al., 2019), the COVID pandemic (Sharma et al., 2021), and changes in the destination technological environment (Gretzel, 2022).

Due to its importance, the topic of DMO has attracted considerable research attention. However, the perspective of various DMO stakeholders has not been as appealing. The existing studies have found that stakeholders rely on DMOs' knowledge of general tourism trends and their ability to generate more business (Sheehan &

Ritchie, 2005). Social inclusion strategy is found essential for the relationship between the DMO and tourism businesses and their ability to implement jointly relevant activities, translate business goals into an acceptable DMO vision, and achieve stable relationships (D'Angella and Go, 2009). Furthermore, Bornhost, Ritchie, and Sheena (2010) unveiled that communication of DMO activities within the destination and the DMO's marketing activities influence stakeholders' perceptions of tourism success. Sheenan and Ritchie (2005) found that formal contracts and stable participation in DMO activities are prerequisites for linking the most important stakeholders to the DMO over the long term, while Epp (2013) revealed a correlation between the stakeholder engagement and satisfaction with DMO activities. The engagement was also found to partially mediate the relationship between DMO performance and stakeholder satisfaction (Al Alawi, 2015). Hallman, Breuer, and Roth (2012) found evidence that key stakeholders perceive different dimensions of destination competitiveness differently as an aspect of DMO responsibility. However, Al Alawi (2015) demonstrated that stakeholders in Oman were satisfied with the overall performance of the DMO with no differences in satisfaction. Oggionni and Kwok (2017), on the other hand, found that DMOs and hoteliers essentially differ in their assessment of the value of DMO services, demonstrating the contradictory findings in this area.

One of the few studies addressing this issue in Croatia examined the involvement of different stakeholders in tourism management groups in Zadar County and found that the lack of communication between different stakeholders is one of the main problems for sustainable tourism development (Krce Miočić et al., 2016). Furthermore,

Golja (2021) recently found that regional DMOs in Croatia have not sufficiently applied or managed new communication approaches to promote engagement with internal stakeholders. Further studies on stakeholders' perceptions of the roles and performance of DMOs are needed to improve knowledge and practice in this essential aspect of the tourism industry.

2.2. IPA methodology

Importance-Performance Analysis (IPA) was developed initially for understanding customer satisfaction (Martilla & James, 1977) but has been used extensively across disciplines, including tourism (Boley et al., 2017; Lai & Hitchcock, 2015). In tourism studies, the IPA is used to identify the gaps between stakeholders' opinions about the critical components of a particular problem and their perceptions of how well the issue is being managed (Boley et al., 2017; Lai & Hitchcock, 2015; Oh, 2001). The issue can be related to a business or a destination (Boley et al., 2017). IPA allows researchers to identify discrepancies between attribute importance and performance by visually identifying areas needing improvement and areas of effective performance (Skok, Kophamel & Richardson, 2001) by categorizing attributes into four quadrants (Figure 1). Most IPA studies in tourism deploy a demand-side approach, i.e., they focus on the importance tourists attach to a particular experience, service, or product and how well a business or destination meets tourists' expectations (Chen, 2014; Coghlan, 2012; Sheng & Taplin, 2012). Studies with a supply-side approach examine the attitudes of experts (Dwyer et al., 2012; Griffin & Edwards, 2012; Murdy & Pike, 2012); the hospitality industry (Cvelbar & Dwyer, 2013), and residents (Frauman & Banks, 2011; Boley et al., 2017).
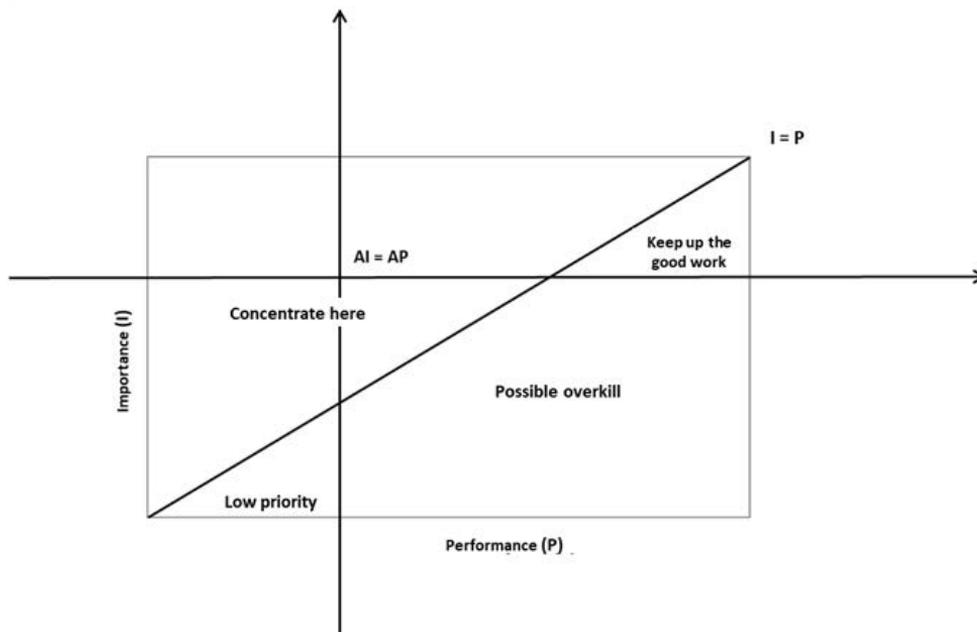
Figure 1. Illustration of the IPA methodology
Source: Authors, based on Lai & Hitchcock (2015)

The first step in IPA is to identify critical elements for evaluation through a literature review or qualitative research (Lai & Hitchcock, 2015; Magal & Levenburg, 2005). Researchers have discretion in the placement of the crosshairs to identify key findings (Murdy & Pike, 2012). Due to the direct measures used, we apply the data-centered with diagonal method (Azzopardi & Nash, 2013; Lai & Hitchcock, 2015). Thus, we use the mean values of the importance and performance ratings to place the crosshairs of the IP matrix and the upward sloping 45° line. The iso-rating or iso-priority line (Bacon, 2003) indicates where importance equals performance (Rondan, 2017). All points above the line are areas where performance is lower than importance and thus belong to the "Concentrate here" section, while the areas below the line are divided into three other quadrants. (Bacon, 2003; Lai & Hitchcock, 2015; Skok et al., 2001).

3. EMPIRICAL RESEARCH

3.1. The study setting – DMOs in the Republic of Croatia

The tourism organization in the Republic of Croatia is organized as a system of tourist boards (TB). Since its establishment in 1994, its mission has been to promote and improve tourism in the Republic of Croatia and to act in the interest of all legal and natural persons providing hospitality and other tourist services (Act on Tourist Boards and Promotion of Croatian Tourism, Official Gazette 52/19, 42/20). According to administrative boundaries and territorial organization, the TB system is organised on three levels - national, regional/county, and local. The system includes about 300 TBs (Croatian Ministry of Tourism and Sport, n.d., 2022).

After years of calls for the system restructuring to a DMO-based model, the

Croatian TB Main Office commissioned an expert comparison of the TB system with the DMO model (Horwath Consulting Zagreb, 2013). The analysis revealed the incompatibility of the two models and proposed implementing the DMO model. The DMO model was included in the National Tourism Development Strategy (Croatian Parliament, 2013). However, it took six years for the new Law on Tourism Boards (2019) to formally introduce the concept of DMO as: *"the organization which gathers stakeholders from the public, private and civil sector for strategic and operative planning of the destination and the realization a common, agreed vision."*

A thorough analysis of the Law (2019) and the scarce official data available has revealed that little has changed other than the wording. The TB system is still based on administrative criteria rather than the geographic, historical, or thematic principles of tourism supply inherent in the DMO model. Rare exceptions are the historical and geographical region of Istria, the region of Imotski (Imota), and the island of Hvar. In contrast and in support of the DMO-based approach, the National TB has defined 10 Croatian tourism regions in the Strategic Marketing Plan since 2008 (Horwath Consulting Zagreb, 2013; Croatian Tourist Board, 2022).

Other elements of the discrepancies between the current TB system and the DMO model identified in the earlier comparison (Horwath Consulting Zagreb, 2013) are still valid today. The primary sources of revenue for local and regional TBs are still the sojourn tax and tourism membership fees. The sojourn tax is paid per overnight stay or available beds (Act on Sojourn Tax, Official Gazette 52/19, 32/20, 42/20). All legal and natural persons pay the tourism membership fee with their headquarters or

subsidiaries in the destination who generate permanent or seasonal revenues from hospitality, tourism, and other activities directly related to tourism (Act on Tourist Board Membership Fees, Official Gazette 52/19, 144/20). The majority of this revenue goes to the TB of the municipality or city (65%), 15% to the county TB, and 20% to the Croatian National TB. Many local TBs cannot maintain their financial self-sufficiency, one of the basic principles of destination management (Horwath Consulting Zagreb, 2013).

Furthermore, the share of revenues that goes to regional TB does not allow them to perform the tasks established by Law. The organization of the TB system further reinforces the enclosure in administrative units. Namely, the president of the city or municipality TB is the mayor, the county TB is the county head, and the president of the national TB is the minister of tourism. If the principles of DMO were followed, TB would be free of politics and run by adequately trained tourism management and hospitality professionals. In addition, destination management prescribes the division of tasks into strategic and operational functions (Horwath Consulting Zagreb, 2013). The strategic tasks are performed at the higher levels of the system and the operational ones at the lower levels, with all system levels cooperating and coordinating their activities. Many strategic and operational tasks are simultaneously distributed among several system levels, resulting in a significant overlap. The management of tourism infrastructure and marketing activities are examples of such practices.

Recent studies in Croatia have confirmed that the TB system in Croatia has not shifted its role towards integrated management. Regional (Golja, 2021) and local DMOs (Seric Honovic & Hlapan, 2021)

must be reconceptualized. This study aims to provide new insights into the potential for improving the existing TB system.

3.2. Research methods

Empirical research was conducted in the three largest cities in North and Central Dalmatia on the Croatian coast - Split, Šibenik, and Zadar – to explore key stakeholders' attitudes towards TB activities and performance. Based on the literature review and legislative framework, the research aim was to determine: (a) whether tourism stakeholders perceive the existing TB system in the Republic of Croatia as functional and efficient, (b) how they perceive the importance and performance of the critical TB tasks, and (c) what suggestions they have for improving the organization of the TB system. Due to the lack of similar research, a tailored questionnaire based on the IPA methodology was developed.

The literature review was related to reviewing the TB tasks listed in the Tourism Board Act and their reduction to the most important ones at all three TB levels. The relevance of the selected tasks was validated and consolidated by two tourism experts/researchers. The final selected tasks were formulated as survey questions on a 5-point Likert scale. The questionnaire consisted of (1) general information about the respondents, (2) questions about the importance of the tasks and the performance of the tasks at all 3 TB levels (Likert scale questions), and (3) open-ended questions and suggestions about the existing TB system. The timing of the empirical study (2017) was the introduction of the new Law, i.e., the previous Law on Tourist Boards and Promotion of Croatian Tourism (2008) was still in force. To ensure the timeliness of the study, a detailed comparison of TB tasks from both versions of the Law was conducted. It was found that the vast majority of TB tasks at all three levels did not change significantly and that the tasks included in the study were also included in the new Law. This proves the relevance of the study and confirms the relevance of the tasks included in the research.

The stakeholder database was created through an independent internet search that resulted in a list of 750 subjects. The search included a comprehensive review of key tourism stakeholders listed on the websites of the Split, Šibenik, and Zadar tourist boards. The questionnaire was sent by e-mail in three successive waves with two telephone reminders. Finally, 110 correctly completed questionnaires were received, corresponding to a response rate of 14.67%. Cronbach's alpha test was applied to test internal consistency and reliability. Values greater than 0.7 for each dimension are considered reliable (Hair et al., 2010; Lai & Hitchcock, 2015). The six dimensions (importance and task performance at three TB levels) vary from 0.922 to 0.981. Descriptive statistics, Kruskal-Wallis H test, pairwise post-hoc test, paired-samples t-test, nonparametric Wilcoxon signed-rank test, and IPA mapping were used to analyze the quantitative data. In the analysis of open-ended questions, qualitative methodology was applied - all data collected were carefully read in detail, grouped by theme/category, sorted, and counted (Ritchie et al., 2013).

3.3. Results

Most of the respondents in the sample are from Split, and the fewest are from Šibenik. Most of them are tourist agencies, private landlords, and hotels in business activity. Most stakeholders have been in operation for 0-5 years, have 0-50 employees, and have a master's degree (Table 1).

Table 1. Sample characteristics

			Number	Percentage
Characteristics of the stakeholders	**Headquarters**	Split	43	39.1
		Šibenik	31	32.7
		Zadar	36	28.2
	Activity	Tourist agency	19	17.3
		Hotel	16	14.5
		Hostel	13	11.8
		Museums, galleries, and similar	13	11.8
		Tour guide	13	11.8
		Private landlords	18	16.4
		Restaurant	10	9.1
		Other	8	7.3
	Years in business	0-5	37	33.6
		6-10	22	20
		11-15	14	12.7
		16-20	14	12.7
		21 and more	23	21
	Size (number of employees)	0-50	96	87.3
		51-200	8	7.3
		201 and more	6	5.4
	Education	Three-year high school diploma	2	1.8
		Four-year high school diploma	25	22.7
		Professional Bacca-laureus	11	10
		Baccalaureus	17	15.5
		Master's Degree	50	45.5
		PhD	5	4.5

The ratings of performance and importance (Table 2) show that perceived performance was lower than perceived importance on each task at all three levels. Paired samples t-test and nonparametric Wilcoxon Signed-Rank Test show that all differences were statistically significant (0.00 level).

Table 2. Importance and performance ratings for TB tasks at all levels

	Performance	Importance	Difference
Local-level			
Promotion of the city ▲	3,0291	4,3868	-1,3577
Organization of events ▲	3,0566	4,3832	-1,3266
Developing tourism awareness ▲	2,8058	4,2430	-1,4372
Landscaping for tourists ▲	2,7573	4,3119	-1,5546
Coordination of stakeholders ▲	2,2952	4,2150	-1,9198
Balancing the benefits ▲	2,3444	4,1414	-1,797
Collecting data on the tourism offer ▲	3,0000	4,2661	-1,2661
Data verification at check-in and check-out ▲	3,5778	4,1414	-0,5636
Average grade	*2,8583*	*4,2611*	*-1,4028*
Regional (county) level			
Promotion of the county ▲	2,902	4,3832	-1,4812
Developing strategic plans ▲	2,4624	4,3333	-1,8709
Defining goals with the national TB ▲	2,4944	4,3069	-1,8125
Managing tourist infrastructure ▲	2,5109	4,1333	-1,6224
The preservation and improvement of resources ▲	2,6237	4,3981	-1,7744
Combining projects of lower levels of TB ▲	2,3763	4,2913	-1,915
Summary reports of towns and municipalities ▲	2,9054	4,0714	-1,166
Average grade	*2,6107*	*4,2739*	*-1,6632*
National level			
Developing tourism strategy and other developmental plans ▲	2,5000	4,3333	-1,8333
Adopting strategic marketing plan ▲	2,4713	4,3168	-1,8455
Coordinating the work of all TBs ▲	2,4819	4,2268	-1,7449
Consulting leading professional associations ▲	2,2805	4,1170	-1,8365
Developing the selective forms of tourism ▲	2,3936	4,2549	-1,8613
Promotion at home and abroad ▲	2,7579	4,3235	-1,5656
Operational research of domestic and foreign markets ▲	2,4353	4,2900	-1,8547
Average grade	*2,4744*	*4,2660*	*-1,7917*

In addition, for all three TB levels, the differences in performance/importance ratings were examined concerning stakeholder headquarters, and activity - posthoc tests determined the pattern of their variation.

Table 3. Kruskal-Wallis tests for TB task performance and importance

Level	Task	Variable	Result	Chi-square	Df	Asymp. Sig.
Local	Promotion of the city	I	In Šibenik, less than in Split and Zadar	7.191	2	.027
	Developing awareness of tourism	I	In Zadar, less than in Split and Šibenik	6.357	2	.042
	Coordination of subjects	I	In Šibenik, less than in Split and Zadar	7.011	2	.03
	Promotion of the city	P	In Split, more than in Šibenik and Zadar	11.794	2	.003
	Defining goals with the national TB	I	In Šibenik, less than in Split and Zadar	6.112	2	.047
Regional	Data verification at check-in and check-out	P	In Zadar, less than in Split and Šibenik	7.623	2	.022
	Promotion of the county	P	In Zadar, less than in Šibenik and Split	7.496	2	.024
	Combining projects with lower levels of TB	P	In Zadar, less than in Šibenik and Split	11.542	2	.003
	Summary reports of towns and municipalities	P	In Zadar, less than in Šibenik and Split	7.748	2	.021
National	Adopting a strategic marketing plan	I	In Šibenik, less than in Split and Zadar	6.507	2	.039
	Consulting leading professional associations	I	In Šibenik, less than in Split and Zadar	6.75	2	.034
	Developing the selective forms of tourism	I	In Šibenik, less than in Split and Zadar	7.757	2	.021
	Operational research of domestic and foreign markets	I	In Šibenik, less than in Split and Zadar	9.278	2	.010
	Consulting leading professional associations	P	In Šibenik, more than in Split and Zadar	6.812	2	.033
	Developing the selective forms of tourism	P	In Šibenik, more than in Split and Zadar	6.244	2	.044
	Promotion at home and abroad	P	In Zadar, less than in Split and Šibenik	7.382	2	.025

Regarding the headquarters (Table 3), differences in importance and task performance were found at all TB levels except the regional level. Post-hoc tests revealed that subjects from Šibenik gave different ratings, in most cases lower than other subjects from Zadar and Split. On the other hand, differences in subjects' activity (Table 4) were found only for importance, with private landlords, tour guides, and restaurants being the subjects that gave lower scores for all TBs levels. It is important to emphasize that the negative difference between the mean scores for importance and performance was found in all cities and activities for all tasks at all levels.

Table 4. Kruskal-Wallis performance/importance test of the local level tasks and the stakeholder activity

Level	Task	Variable	Result	Chi-square	Df	Asymp. Sig.
Local	City-level promotion	I	Less for tour guides, restaurants, and others	21.153	7	.004
	Stimulating and organizing events	I	Less for tour guides and restaurants	23.005	7	.002
	Developing awareness of tourism	I	Less for private landlords, tour guides, and restaurants	25.087	7	.001
	Landscaping for tourists	I	Less for tour guides and restaurants	18.027	7	.012
	Coordination of subjects	I	Less for private landlords, tour guides, and restaurants	18.755	7	.009
	Balancing the benefits	I	Less for private landlords, public institutions, tour guides, and restaurants	15.07	7	.035
	Collecting data on the tourism offer	I	Less for tour guides and restaurants	14.542	7	.042
Regional	Promotion of the county	I	Less for tour guides and restaurants	22.076	7	.002
	Developing strategic plans	I	Less for tour guides and restaurants	19.247	7	.007
	Defining goals with the national TB	I	Less for private landlords, tour guides, and restaurants	19.097	7	.008
	Preservation and improvement of resources	I	Less for private landlords, tour guides, and restaurants	18.167	7	.011
	Combining projects with lower levels of TB	I	Less for private landlords, tour guides, and restaurants	16.211	7	.023
National	Developing tourism strategy and other developmental plans	I	Less for private landlords, tour guides, and restaurants	26.075	7	.000
	Adopting a strategic marketing plan	I	Less for private landlords, tour guides, and restaurants	21.23	7	.003
	Coordinating the work of all TBs	I	Less for private landlords, tour guides, restaurants, and other	18.884	7	.009
	Developing the selective forms of tourism	I	Less for private landlords, tour guides, restaurants, and other	25.582	7	.001
	Promotion at home and abroad	I	Less for private landlords, tour guides, and restaurants	15.721	7	.028
	Operational research of domestic and foreign markets	I	Less for private landlords, tour guides, and restaurants	20.46	7	.005

Finally, plotting the importance and performance of TB tasks on the IPA grids (Figure 2) shows that all tasks at all three TB levels are in the "Concentrate here" quadrant.
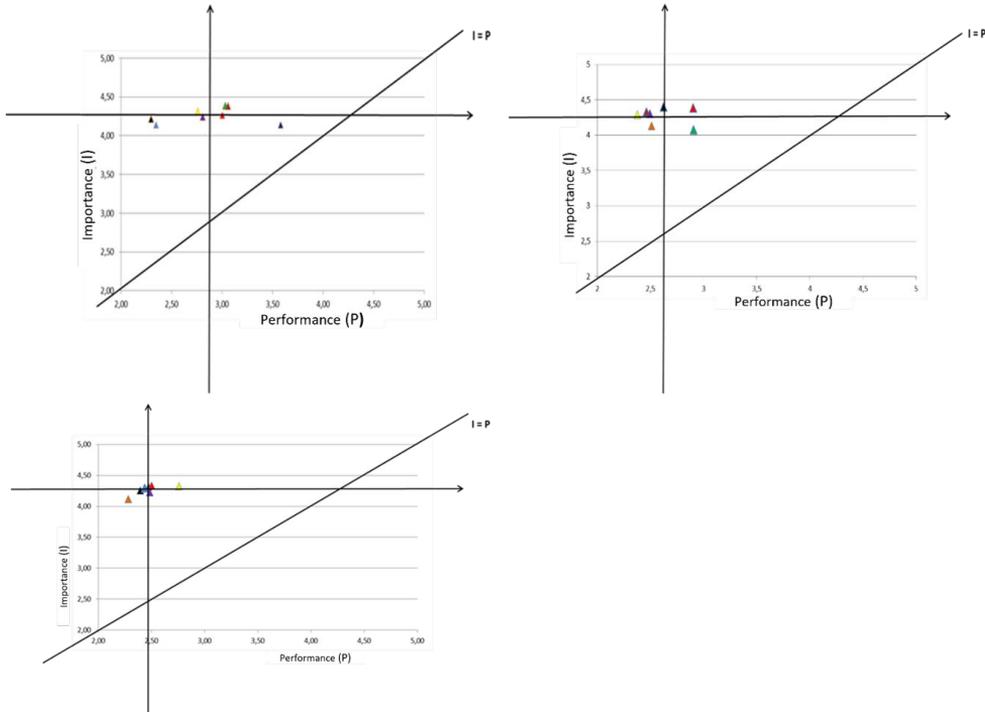

Figure 2. IPA grid for the local tourist board level (top left), the regional level (top right), and the national level (bottom)

Survey respondents were also asked about the existing system functioning, the financing of the system, the distribution of revenues, and how satisfied they were with the operation of the system overall (Table 5). The average satisfaction with the TB system is 2.9, which means it tends toward dissatisfaction, with 43% of the respondents neither satisfied nor dissatisfied with the system's functioning. The majority (76%) support the establishment of TBs in the areas and regions instead of the existing TBs in municipalities, towns, cities, and counties. Likewise, the majority favors primary funding through sojourn tax and tourist membership fees and the current distribution of the collected revenues.

Table 5. Respondents' attitudes about the existing system

Average satisfaction score (score 1-5)	Split	3.2
	Šibenik	3
	Zadar	2.5
	Total	2.9
Overall satisfaction with the functioning (in %)	Extremely dissatisfied	8
	Dissatisfied	22
	Neither satisfied nor dissatisfied	43
	Satisfied	25
	Extremely satisfied	2
Establishment of TBs in areas and regions (in %)	YES	76
	NO	24
Financing of TBs through sojourn tax and tourist membership fees (in %)	YES	67
	NO	33
Support for the existing distribution of revenues from the sojourn tax (in %)	YES	69
	NO	31

Responses to the open-ended questions (Table 6) indicate that the respondents want to remove politics from the system and have a tourism expert rather than the mayor as the head of the TB, hire professionals, and invest in staff. Likewise, political patronage, unprofessional staff, lack of synergy and strategy, inaction, inertia, and slow change are cited as critical problems of the system.

Table 6. Answers to open questions regarding the existing system

		Number of answers
The person who should head the local tourist community	A tourism professional with many years of relevant experience	27
	Neither the mayor nor a politician	14
Critical problems of the existing system	Politics, political patronage, non-professional staff	20
	Inaction, inertia, slow change, idleness, lack of interest, inefficiency	15
	Lack of coordination and synergy, strategy	13
Suggestions for improving the system	Hiring professionals, investing in professional staff and education	16
	Depoliticising the system, abolition of political staff	14
	Better coordination and communication between all levels of the system, communication with the private sector, fieldwork, and implementation of the tourism strategy	11

4. DISCUSSION

The study results show that the existing TB system is neither efficient nor functional from the point of view of the crucial players in the tourism industry in the cities studied. A positive result is that the stakeholders consider the TB tasks as necessary. The score for all tasks is higher than four, and there are no significant differences between the tasks at the three TB levels. However, the results for task performance are not favorable as these scores are much lower, ranging from 2.28 to 3.58. The vast majority are below three, expressing the stakeholders' dissatisfaction. Only one task has received a satisfactory score – "*data verification at check-in and check-out*, "the task of local TBs. Three other tasks of the local TB are rated about three, i.e., neutral. This reveals that local TBs perform their tasks slightly better than regional and national ones. A look at the overall average performance scores for each of the three TB levels shows that as the levels of TBs increase, the performance score decreases (Table 2). Aside from the possible differences in performance, it is essential to keep in mind that stakeholders are primarily in contact with local TBs and know their activities best. This could also affect their perceptions.

Nevertheless, the fact remains that the performance of all tasks is graded relatively low at all levels. As a result, all tasks at all TB levels are in the "Concentrate here" quadrant. This means that all TBS must improve their efficiency on these tasks by allocating additional resources in time, personnel, finances, and other activities. This is an important finding and a warning sign for the TB system. The overall satisfaction with the TB system supports these findings, in contrast to the results in other countries (Al Alawi, 2015; Epp, 2013), where stakeholders were satisfied with the overall DMO's performance. Previous studies have shown

(Bornhost et al., 2010; Dinu & Triandafil, 2021) that good communication is crucial for effective destination management, and studies in Croatia (Golja, 2021; Krce Miočić et al., 2016) have already found it to be insufficient. Thus, it could well be that inadequate communication is also among the roots of abysmal performance. It follows that bidirectional communication needs to be improved at all TB levels.

Regarding the differences that arise from the stakeholders' location, the results show that they are evenly distributed between importance and execution of the tasks, with eight tasks represented in both aspects. In most cases, stakeholders from one target location (Šibenik) gave lower scores, indicating that they perceive TBs activities worse than their colleagues. In terms of stakeholder activities, the results show differences only in the importance of tasks, while the performance of all activities is equally unsatisfying. Those who rank importance lower tend to be private landlords, tour guides, and restaurants, suggesting that other tasks might be more important from their perspective. For example, these stakeholders find that promotion is less critical at all TB levels. The implication for TB is that communication about the importance of DMO tasks needs to be customized and intensified among these stakeholder groups.

Regarding the positive results, stakeholders support the financing of the TB system through sojourn tax and tourist membership fees and their existing distribution. However, as in previous studies (Golja, 2021; Seric Honovic & Hlapan, 2021), stakeholders support the need to redefine the territorial dimension of the TB system and establish DMOs for areas and regions.

The insights gained through the open-ended questions are exceptionally insightful and constructive. Stakeholders believe

that professionals, not politicians, should preside over TBs and that politics and non-professionalism should be removed entirely from the system. In addition, they believe that inaction, inertia, slow change, sluggishness, lack of interest, and inefficiency are among the biggest problems facing the system. This suggests that in addition to replacing the role of the president with professional, educated, experienced, more active, and motivated individuals who are open to new ideas and changes are needed throughout the whole TB system. They also believe that communication and synergy between all levels of the TB system should be improved. Similar critical issues have been identified in previous studies in Croatia (Krce Miočić et al., 2016, Golja 2021).

5. CONCLUSION

An efficient and effective tourism organization system that meets the stakeholders' expectations should be the goal of any country striving for sustainable tourism. The tourism organization of many highly developed countries is based on the principles of destination management. However, the literature review revealed that the views of different stakeholders on DMO had not been sufficiently explored. Although the recent Law on Tourist Boards and Promotion of Croatian Tourism (2019) requires it, the empirical study revealed that the DMO model is not yet operationalized in the Republic of Croatia. Moreover, tourism stakeholders are not satisfied with the performance of the current TB system at all levels. Therefore, the study has important implications for reorganizing and improving the TB system: (1) the improvement of the performance of all TB tasks at all system levels; (2) improvement of communication of the TB system with its stakeholders;

(3) system reorganization in terms of depoliticization and professionalization; (4) the need for more proactive, committed, motivated, and enthusiastic staff in the TB system; and (5) strengthening the regional TBs.

However, the study entails several limitations that must be considered when interpreting the results. These can be summarised as: (1) the potential drawbacks and inherent limitations of the methodology used; (2) limited geographic coverage (three cities); (3) limited stakeholder involvement (only tourism-related stakeholders); (4) small sample size due to a low response rate, (5) a single-point study, and potential time-dependent respondent bias. Future studies should address these limitations to validate the findings of this study further.

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ZADOVOLJSTVO I PERCEPCIJA KLJUČNIH DIONIKA O UČINKOVITOSTI SUSTAVA TURISTIČKIH ZAJEDNICA NA PODRUČJU SJEVERNE I SREDNJE DALMACIJE

Sažetak

Rad analizira zadovoljstvo i percepciju ključnih dionika o učinkovitosti sustava turističkih zajednica u sjevernoj i srednjoj Dalmaciji te njegovoj kompatibilnosti sa načelima destinacijskog menadžmenta (DMO-a). U radu je korištena IPA metodologija, odnosno analiza važnosti i zadovoljstva (engl. Importance-Performance Analysis). Rezultati su pokazali kako ključni dionici u turizmu ne percipiraju postojeći sustav turističkih zajednica kao učinkovit i funkcionalan. Na lokalnoj, regionalnoj i nacionalnoj razini sve zadaće su smještene u kvadrantu „koncentrirati se ovdje", što ukazuje na potrebu za unapređenjem. Nadalje, nalazi rada ukazuju na to da sustav turističkih zajednica nije kompatibilan s DMO načelima i treba biti unaprijeđen u više aspekata. Rad pruža smjernice za unapređenje sustava turističkih zajednica u Republici Hrvatskoj te preporuke za buduća istraživanja ove tematike.

Ključne riječi: *DMO, učinkovitost turističkih organizacija, IPA metodologija, turistički dionici, Sjeverna i srednja Dalmacija*