

PRECONDITIONS FOR A QUALITY TOURISM DESTINATION STRATEGY AS A RECOGNIZABLE TOURISM PRODUCT

PREUVJETI ZA KVALITETNU STRATEGIJU TURISTIČKOG ODREDIŠTA KAO PREPOZNATLJIVOG TURISTIČKOG PROIZVODA

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Abstract: *This paper analyses high-quality and recognizable tourism product, the coherence of all involved holders of the tourism as well as a good organization in the tourism destination, a strong brand, image and how to fulfil or even exceed the tourist expectations by ensuring a recognizable tourism product that creates positive experience. The aim of this research is to define the major preconditions for a quality tourism destination strategy as recognizable tourism product by including experts and their experience in a focus group interview.*

Key words: *destination strategy, tourism product, quality, organization*

Sažetak: *Ovaj rad analizira visokokvalitetni i prepoznatljivi turistički proizvod, koheren-tnost svih uključenih turističkih nositelja, kao i dobru organizaciju turističke destinacije, jak brend, imidž te kako ispuniti ili čak nadmašiti očekivanja turis-ta, osiguravajući prepoznatljiv turistički proizvod koji stvara pozitivno isku-stvo. Cilj ovog istraživanja je definirati glavne preuvjete za kvalitetnu strategi-ju turističkog odredišta kao prepoznatljivog turističkog proizvoda uključiva-njem stručnjaka te njihovog iskustva kroz fokusiranu grupu razgovora.*

Ključne riječi: *strategija odredišta, turistički potizod, kvaliteta, organizacija*



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1. Introduction

The emergence of the term “strategy” dates to ancient Greece (circa 5th century BC) and has been largely used and developed in military terminology. The strategy is to set long-term goals and to show directions how to achieve them. In the original sense of the term, the strategy signified “the art of warfare” [1]. First modern author who confront with the term “strategy” was Alfred D. Chandler. In his book *Strategy and Structure* (1963) he defined strategy as “defining the basic long-term goals of the company, adjusting the business activities directions, that is determining the conceptions by selecting resources necessary to achieve the set goals” [2].

The term “quality” has been changing for centuries, dating back to ancient times. The prescribed quality (standards) were already known by the ancient Chinese, Phoenicians and Egyptians in the construction of temples, pyramids, etc. In modern business, quality is given more importance only after the 1960s, when the concept of mass production ceased to give the desired market effects. This term is often in daily use in many industries and situations, as well as in the economy and business, beginning to assume a key role. Due to the nature of the quality itself, the paradigm (quality from the point of view of the customer, the producer, the market and society) and the frequent subjectivity of the quality experience (for example, the quality of the tourism service, the quality of the tourism product), lead to the conclusion that is demanding to define the term “quality”. The general definition of quality: “Quality (quality) is a measure or indicator of the volume, amount of usable value of a product or service to meet a specific need at a particular place and time, when that product and that service confirm as a commodity in social exchange process” [3]. Unlike the term “quality”, the term “quality management” (management, ie quality or quality management) means “a set of actions of a general management function that defines quality policy, goals and responsibilities achieved within the quality system through planning, quality, quality monitoring, quality assurance and quality improvement” [4]. The main purpose of managing the quality of products and services is to increase market competitiveness in order to maximize profits. The basic measure of quality management success of a product or service is the actual customer satisfaction that can be evident by reusing the product or service. In order to achieve the highest level of customer satisfaction, a system of total quality management (TQM) began to develop in the late 20th century. It is specific management organization concept focused on quality achievement and improvement. In this concept, all members of the organization co-operate striving to reduce long-term costs, improve business operations and satisfy consumers with the long-term success and well-being of members of the organization and the community. Due to the complexity of quality tourism product management in terms of destination, the concept of IQM (Integrated Quality Management), an integral quality management, finds application in destination management. This concept implies a high level of satisfaction that does not come from the individual elements of the offer, but from the integral product of the destination. There are already contradictions in the very concept of a tourism product. Tourism is a tertiary activity and the core of services can’t be defined as a

product, while the concept of the product itself is predominantly related to tangible material structures of primary and secondary activities. A tourism product involves tangible elements such as natural beauties and parks, cultural and historical monuments, accommodation facilities, restaurants, amusement parks, various settlements, cities etc. Therefore, a tourism product is made up of two elements: destination (content) and pleasure (experience), [6]. The tourism product can be viewed from multiple perspectives; from the perspective of tourists (overall travel and stay experience), destination (set of individual tourism products) and business units (individual tourism product), [6]. A tourist destination can be thought of as a "virtual enterprise" to be managed. Unlike the concept of tourism product and tourism destination, "management of a tourism destination or destination management can be defined as the coordination of those tourism functions in the destination that can't be performed by individual holders of the offer therefore joint prospects give them a greater chance of goal accomplishment" [7]. Different approaches to strategic management of quality tourism product result from different management strategies. By strategy analyses selection it is necessary to analyse the general environment (using PEST analysis: analysis of political-legal, economic, socio-cultural and technological environment), business environment (stakeholder analysis and analysis of the competitive environment) and internal environment (resource analysis, competency analysis, value chain analysis, portfolio models and company performance analysis). The multiplier is an indicator of a decrease or increase of economic effects. The multiplier, as the name implies, multiplies economic effects and its functioning model can be applied to different economic sectors, regions, macroeconomics, etc.

The multiplier principle can also be applied in tourism. The complexity of strategic management of the quality tourism product derives, on the one hand, from the tourist destination's business complexity and on the other hand, from the breadth of definitions of the problem. A quality tourism product would be the one characterized by a high degree of excellence.

According to the tender issued by *Institute of tourism, Croatia* (2014-2020), „Defining and increasing the quality of individual tourism destinations" that has been recently conducted in the way that both: specific destinations within the country as well as specific destinations in different countries are connected and networked, all in order to define their destinations as a special tourism product with common value that connects two cities or two destinations. The goal of the S.LI.DES project is to encourage cross-border cooperation between destinations in order to develop cultural tourism, covered by the Program Area, as well as joint planning of smart strategies aimed at sustainable and balanced territorial development through the promotion of tangible and intangible cultural heritage, especially those that reflect the destination identity. The project will provide local authorities with access to an innovative and dynamic information system that will improve the decision-making process related to the management of the most visited as well as less visited tourist attractions in order to revitalize the urban and social environment and stimulate local economic diversity and recognizable tourist product. This is a good example of cooperation between

multiple countries, multiple cities and institutions such as: Ca 'Foscari University Venice, CISET - International Center for the Study of Tourism Economics, ECIP, SIPRO Provincial Agency for Lo Sviluppo-Ferrara, City of Bari, City of Venice, Alma mater Studiorum - University of Bologna, Institute of Tourism, Vocational School - Institution for Adult Education, Development Agency of the City of Dubrovnik DURA, Šibenik Tourist Board. The total project value is 2,504,981.90 € [8].

2. Research Methodology

This research pilot study was based on several interviews with tourism professionals, destination management specialists, revenue management experts, government representatives, city and tourist board representatives, hotel directors, mayors, heads of travel agencies and local tourist boards.

3. Research Results

Quality tourist destination strategy as a recognizable tourist product strategy demands harmonizing, implementing, controlling and improving all elements of the tourism product. That's a lengthy process that needs to be carried out in a systematic and planned manner.

The research findings show three main preconditions and requirements that must be achieved in order to implement the quality tourism destination strategy as a recognizable tourism product faster and more efficiently:

- Process should be entrusted to an organization - These organizations must have a clear vision of the tourist destination as well as all destination offer providers and their representatives, such as: mayor or an appropriate person in charge of tourism, the director of the tourist board office, a representative of the brokerage association, a representative of the hotelier / caterers association, a representative of the renters association, representatives of non-profit associations (eco, cultural and artistic societies...), leisure providers, representatives of crafts, representatives of agriculture, representatives of political parties, representatives of the Church, representatives of communal and transport administrations, representatives of security and emergency services (police, hospitals and ambulances, fire services). It is not necessary that only one DMC company is represented. There should be more than one company/organization, but it is important that they are coordinated. According to the Croatian Tourist Board website (2020), it can be concluded that this challenge has been recognized as a crucial one. A tender of non-refundable funds has been announced for all tourist agencies and DMC (destination management companies) [9].
- Cooperative and educated local government representatives - Community representatives often have different interests therefore strategic destination management of tourist product is a complex project. On the other hand, the consent of all relevant offer providers, good organization and professional

service are not necessarily a guarantee of the success and quality of a tourism product if the experience of the tourism product does not meet satisfaction that depends on the tourist demand and expectations. Unfortunately, some local governments do not reach a consensus on the strategy and quality of the destination and its tourism product. It is mostly caused by political disagreements in which political and personal interests take priority over development strategy. Therefore, it benefits only individuals who neglect development strategy interest of the entire destination. As a consequence it causes destination stagnation; destination doesn't follow trends and additionally doesn't use its full potential and resources. Education and more interaction with locals should be set as a priority. The best example of destination strategy change is to create a recognizable tourism product as it occurs during each local political authority elections on the famous Croatian Island of Hvar.

- Central government destination management website - This "all in one" website or application would be accessible to everyone, and would mostly serve to the local government, the tourist community, entrepreneurs, hoteliers, caterers and all stakeholders in each destination. The main purpose of the website or application is prompt and quality information "all in one place". In one place, the strategies of each destination in Croatia would be available, which would speed up the networking of similar destinations, all with the aim of better cooperation and savings. This means that the search method would be predominantly the type of destination. This approach would definitely network "local stories" and raise small local destinations to a much higher level. Similar destinations could cooperate in joint promotion and presentation of their potentials. Wine roads are a good example in Croatia. Wine roads connect several counties and cities in particular regions that promote viticulture and winemaking. Also, such a platform would unite all financial grants and programs of Croatian institutions. Therefore, it would be unnecessary to research from website to website, and everything would be unified.

Today, dozens of ministries, cities, counties, institutes, tourist boards, agencies, offer grants and financial EU or Croatian arrangements, but this information is not readily available.

4. Discussion

The role of the state and relevant ministries is crucial in terms of the national tourism strategy, but the tourist boards and local government hold the key in their hands. The current role of the tourism representatives is to balance all elements of the tourism product (in terms of functionality, destination characteristics and quality) so that the total product has its value. Tourist boards are legal entities and non-profit organizations for the general benefit of all entities in the area in which the tourist board operates. Unfortunately, due to insufficient level of education, lack of understanding and old-fashioned habits, the expectations of the stakeholders result

with unrealistic expectation that the tourist board is in charge of destination strategy definition in order to create a recognizable tourist product. The strategy should be adopted at the national level which respects the specifics of each destination and local stakeholders. The public call of the Croatian National Tourist Board (2020) directs all stakeholders to this process. The subject of the Public Invitation includes allocation of grants from the Croatian Tourist Board to destination development programs. All legal and applicable persons registered as a travel agency may apply for support in accordance with the applicable regulations on the provision of tourism services in the Republic of Croatia (proved by an excerpt from the court or other appropriate register and the decision on meeting the conditions for providing travel agency services) state administration offices in counties or the city of Zagreb. The funds are paid in accordance with the State Aid Act (NN 47/14 and 69/17) and Commission Regulation (EU) no. 1407/2013 of 18 December 2013 [10]. From this example, we can see that state institutions allocate support funds exclusively to DMC companies (travel agencies). Travel agencies are also given the opportunity to create a quality management strategy that over time becomes a recognizable tourism product. It is important that this measure envisages the possibility of hiring experienced professionals which raises the level of competence and competitiveness.

Very often tourist boards are unfamiliar with the applicants and the programs for which they are applying for. In this case, there is an information gap between the destination management companies (travel agencies), the local tourist board and the local government. As noted earlier, in this case the destination stagnates, does not follow trends thus does not use its full potential and resources. Education and more interaction with locals should be set as priority. Preconditions for grant allocation are good information, detailed tender knowledge, but also a well-designed project that will guarantee success and realization. It isn't sufficient to contact development agencies for this endeavor as they can only offer advice. It is necessary to hire consultants/consulting agencies to prepare a project documentation based on their previous tender experiences.

Local authorities need to take into consideration all their resources as well as the experience of people running small businesses, restaurants, souvenir shops, travel agencies and others because they all contribute to the success of a destination. They all make small but important part to the overall recognizable tourist product. Seminars, panel discussions, debates and daily communication with all local government stakeholders, tourism community employees and entrepreneurs contribute as well to success of destination in creating recognizable tourist product.

5. Conclusion

Quality tourist destination strategy as a recognizable tourist product is a long term process which requires the involvement of all government institutions, several ministries, local government, tourist boards and overall small, medium and large enterprises with several specific responsibilities. Government and local authority must be a generator of teamwork among the main actors in the planning and decision-making processes. Unfortunately, the above-mentioned public call for grants to

tourism and destination management companies (DMC) is not sufficient. Finance is a driver and a great motivator. Public awards of grants and tenders must be extended to other stakeholders of the tourism destination and not only to DMC-s. Development guidelines should be based on clearly defined national and local strategies and adopted at the national level with full respect for the specifics of the destination and all local stakeholders. From the above it can be seen that more programs are needed to encourage creativity, innovation, competitiveness, reward programs, promotion, image strengthening, development of themed tourism products and employment of competent professionals. The process of quality tourism destination strategy as a recognizable tourism product should be entrusted to agencies or DMC. Therefore, a special tender might be required. Cooperative and educated local government representatives play the key role to ultimate success and fulfilling important preconditions. Political disagreements must not be a reason for slowing down decisions by causing delays. Centralized availability of all necessary data (web pages) is needed. In order to create a quality tourism product it is also necessary to "switch roles" between "consumers" and tourist service providers. This means that the creators of tourism strategies must experience both; their own as well as a competitive tourism product. This leads to a better understanding and significant contribution to destination quality strategy improvement.

6. References

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