

MASTER PLAN AND DESTINATION POSITIONING: TOURISM CLUSTERS IN ISTRIA

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Abstract

The new demand calls for repositioning of the traditional tourism offer while maintaining uniqueness and destination quality. Istria, the Mediterranean tourism destination with a longstanding tradition is available to a large number of tourists from Central Europe that search for new quality of accommodation structures. The offer of the destinations aims at enriching the quality and diversity by introducing selective programmes, a variety of activities and valorisation of culture, all defined by the strategic planning. The Master Plan for the development of tourism in Istria defines tasks for setting up the infrastructure and superstructure. The paper will explore the current state of destination and accommodation offer and assesses the implementation of the plan guidelines.

Keywords: *positioning, destination, accommodation mix, Master Plan, quality.*

Resumen

La nueva demanda exige el reposicionamiento de la oferta turística tradicional reteniendo la autenticidad y las calidades del destino Istria como destino turístico mediterráneo de una larga tradición está al alcance de un gran número de turistas de Europa Central. Tiende a elevar la calidad y la diversidad de su oferta con programas selectivos, riqueza de contenidos y la valoración de su cultura, todo ello contenido en su planificación estratégica. El objetivo de este trabajo es investigar y determinar si la nueva organización de destinos según el Master Plan del desarrollo del turismo de Istria se adecua a los requerimientos de la demanda moderna y si la organización de los clusters turísticos sigue las directrices del Master Plan. Se observará el posicionamiento estratégico y se evaluará su compatibilidad con la categoría de la oferta de alojamiento de los destinos turísticos de Istria. La categoría de las compañías se calculará a través del método estadístico de promedios. En el trabajo se ofrecerá una visión general de la dinámica y las posibilidades del cambio dependiendo del importe de la inversión necesaria.

Palabras clave: *posicionamiento, destino, oferta de alojamiento, Master Plan, calidad.*

Introduction

The issue of conformity of hotel and destination supply with demand is increasingly preoccupying all stakeholders in the tourism economy. The hotel companies striving to maximize revenue and achieve better macroeconomic indicators have contributed to a better understanding of the importance of sound strategic planning and forming of tourism supply through sustainable development. The subject of this research is the organisation and positioning of tourism destinations in accordance with the strategic guidelines of the Master Plan. In Croatia, hotel companies are the main providers of tourism accommodation. The mix of hotel accommodation, apartments and campsites defines the segment of guests, who, by their demographic characteristics and demands, affect the trend of destination supply development. The main hypothesis is focused on the compatibility of hotel and destination offer and it states: "In a destination that wants to promote itself as a 4- or 5-star category range, both the accommodation facilities and overall destination offer should provide corresponding quality services". For the realisation of positioning strategy and forming a system of experiences, it is important to plan and host various events and to promote special selective programmes through private and public partnership. These tasks are described in the Master Plan and analysis of fulfilment is important for future development.

The purpose of this paper is to, theoretically and practically, prove, by taking Istria as an example, that a strategic and quality organisation of hotel offer, in terms of destination offer and according to strategic planning, is necessary for a successful presence in the international tourism market, as well as for sustainable development of the destination itself. For the development of tourism it is not enough for it to be based solely on destination offer nor is it possible to develop high-class hotel accommodation in poorly organised destinations with many low-category facilities. The purpose of this paper is also to identify the main goal of proving the importance of synergistic simultaneous development of all factors of tourism in a destination.

Tourism destination positioning: a challenge for Istria

The organisation of a tourism destination is a current topic in the contemporary organisation of Croatian and Istrian tourism. Magaš (2003) studies the management of a tourism organisation and destination with a special emphasis on planning, and strategic management of offers. The same author (Magaš 2008) analyses destination management through management models and techniques with an emphasis on the function of control in a tourism destination which affects all segments of the organisation. Pavlović (2008) examines marketing of tourism destinations and emphasises the importance of marketing in terms of sustainable development. Chacko (1996) explores tourism destination positioning and its relationship with new competitiveness. Tourism destination positioning, branding and image are issues analysed by Cleverdon and Fabricius (2006). Dulčić and Petrić (2001) write about tourism management development, Čavlek et al (2011) analyse the tourism

organisational system, and Kušen (2002) studies the basis of tourism attractiveness. Avelini (1998) presents a new methodology for calculating mean scores of a category used to determine the objective state of the number of units, as well as consumers of quality of tourism products. The Master Plan of Tourism Development of Istria County, as well as the Croatian Tourism Development Strategy by 2020, accompanied by documents prepared by Istrian hotel companies are the type of resources that abound in data, and along with research conducted by authors, lead to new scientific insights.

Research methods

The process of preparing this paper was based on data collection methods, techniques of creative thinking and different scientific research methods. The statistical method includes processing and displaying statistical information and data, and was used for obtaining results by contrastive method, that is, by comparison of parameters. Meta-analysis and the historical method were used during the analysis of numerous scientific and technical works with the aim of understanding the importance of evaluation of hotel and destination offers and comparing the actual implementation with the provisions of the Master Plan. The descriptive method and the parsing method provide theoretical and practical views of the variables of the hotel offer organisation in one destination and examine where the offer corresponds to the desired image and destination category. The contrastive method used in the research allows for the comparison of accommodation mix in a given destination. It presents the similarities and differences from which one can draw conclusions and see assessment potentials. The interview method provided data about the implementation of tourism destination development that are crucial to reach a conclusion on the effectiveness of the Master Plan implementation. The results obtained by the method of analysis and synthesis, induction and deduction, facilitated identification of certain laws and making certain conclusions in the development of the importance of positioning hotel and destination offers with regard to the Master Plan strategies.

Istria: Croatia's leading tourism destination

The destination is a whole, and the development and resource basis of this whole should be managed in the best possible way. Top-quality management of a tourism destination is based on the cooperation of all stakeholders in both the public and private sectors. Considering the fact that establishment, construction and equipping of a destination transforms the area into a resource, one reaches the conclusion that strategic planning for sustainable development is of critical importance. According to the number of available tourism accommodation facilities and the tourism traffic volume, Istria County is the most developed Croatian tourism region.

The favourable geographical position, preserved environment, landscape diversity and abundance of plant and animal species, as well as the existing infrastructure are

important resources for the development of tourism, organic farming and other economic activities in the County of Istria. Along with the coast and islands of the Istrian archipelago with their offer and cultural tourism, an important resource for the development of the tourism industry can be found in inland Istria, where the possibilities for development of family-run farms and eco-tourism abound.

Istria has approximately 30% of the total tourism capacity and generates approximately 24.2% of the total number of visitors and 34.1% of the total number of overnight stays in Croatia reports the Department of Tourism of Istria County (2012). In 2009, Istria had 171,815 domestic arrivals with 870,079 overnight stays by domestic guests; the number of foreign arrivals was 2,650,838, with 18,184,191 overnight stays. The share of domestic arrivals in the total number of tourism arrivals is only 6%, while the share of overnight stays is 4.6%. Istria has 248,663 beds in all of its tourism capacities. Data presented by the Ministry of Tourism, of the Republic of Croatia (2012) shows that in 2010, in basic accommodation (i.e. hotels, aparthotels, tourism resorts, apartments, pensions, etc.) there were 57,309 beds, or about 23% of the total accommodation; in campsites there were 112,586 pitches or 45% of total capacity; in the private accommodation facilities 55,082 beds or 22% of total capacity; and in ports of nautical tourism 15,369 beds, or 6% of overall capacity.

By analysing the duration of stays, it has been concluded that tourists on average stay 6.7 nights in Istria, while the average for Croatia is 5.3. Istria is a tourism destination that predominantly pursues foreign tourist's stays. The remaining 4% of the overall accommodation is located in resorts, youth hotels and hostels and other uncategorised facilities. According to the final objective of this paper, the review and assessment of accommodation facilities' categories, since this is critical for positioning and creating a destination image and in accordance with the provisions of the Master Plan for Tourism Development in Istria County 2004 to 2012, will be detailed on the following pages.

Master Plan of Tourism Development in Istria

At the turn of the century the need for systematic planning of modern tourism in Croatia, and Istria County as the leading Croatian tourism region, was recognised. The Master Plan for Tourism Development, in which public and private sectors in synergy pursue profiling destinations as segments of a high-quality tourism offer, was then drawn up. Integrated planning involves allocation of duties and responsibilities of various participants and stakeholders in the development process, in which different people take care of the development of different segments.

It is stated that strategic planning for a destination involves vision, mission, goals and strategy of the development (Čavlek, Bartoluci, Prebežac, Kesar 2011). The vision of the Istria destination is developed and based on market research, external environment evaluation and organisational assumptions which determined the condition of the destination. After the condition of the destination was determined, general defining goals of development were established. It is of extreme importance

that the defined goals be precisely and clearly stated, and measurable. All entities involved in tourism activities at a destination should participate in the creation of the destination mission. After elaborating the mission, goals for destination development can be set. Goals determine the intentions, objectives and strategies of development. The connection between goals and business entities in a destination can be established through plans for tourism development.

These plans include: appropriate forms of tourism, infrastructure development, new developmental programmes, increasing visitor satisfaction and increasing economic impacts (Čavlek et al 2011). They impact new market positioning of the destination as a form of market communication that plays a vital role in enhancing the attractiveness of a tourism destination, argues Chacko (1996). Evaluation of the image that customers have of a tourism destination can be used to identify the vital elements which comprise the benefits. Consumers gain tangible and intangible benefits that are based on objective and psychological positioning aspects. Personifying the destination includes a unique combination of characteristics and added values which have taken on a relevant meaning that is inextricably linked to the destination, awareness of which may be conscious or intuitive, explain Cleverdon and Fabricius (2006). Modern market positioning aims towards emotional, less tangible elements that include destination branding and image development.

Goals for destination development lead to formulating development strategies. A strategy defines various activities that will help achieve the intended goals and follow the provisions of destination development. It is argued that holders of tourism offer in a destination formulate development strategies that involve all the stakeholders in tourism of the destination (Čavlek et al 2001). It should be noted that the strategies should be developed within the limits of sustainable development. Existence of feedback is extremely important for the strategic planning of a destination because it enables control or, more accurately, monitoring of the implementation of the destination development plan. Furthermore, destination management stems from the need for cooperation of various entities in tourism, such as the private sector and the local population. Strategic planning is aimed at improving the competitiveness of a receptive tourism country. The competitive position of destinations has been classified in three main clusters that include (i) natural and historical features of the destination, tourism services supply, and (ii) pricing for the product mix of accommodation, recreation, and culture offer. In the third cluster there are (iii) promotional strategies and commercial channels, suggests Gardini (2010:4).

Considering the aspect of competitiveness in world tourism, Croatia, including Istria, is in the 34th place, 24th in Europe, and in 8th place among the 9 assessed Mediterranean countries, explain Blanke and Chiesa (2011:XV). The need for improvement in these rankings is recognised and can be effectuated through implementation of the document "Strategies for Croatian Tourism Development by 2020". According to the provisions of the document (adopted in February 2013) Croatian tourism is facing a big challenge considering that the Croatian Ministry of Tourism set a goal of reaching 20th place among the leading world tourist destinations.

It is planned that better ranking and placement will be achieved within 7 years by implementing *four strategic objectives* (Ministry of Tourism, the Republic of Croatia 2012: 37).

The first involves a total investment of 7 billion Euros in addition to regulating the fiscal policy and a reduction in the VAT rate in tourism from 22 to 10%. The second focuses on improving the structure and quality of accommodation facilities, especially in campsites and private accommodation. The third goal of the strategy is to create about 30,000 new jobs in tourism and related industries, while the fourth deals with the increase in tourist consumption. In 2011 there were 6.6 billion euros of revenue from tourism, which makes 14.4% of the Croatian GDP, states the Ministry of Tourism of the Republic of Croatia (2013). The increase in tourism spending should reach 14.3 billion euros by 2020, which would be equal to more than 31% of Croatian GDP. Croatia can thus be defined as a tourism country which bases its economic development on the planning and development of sustainable modern tourism.

Operational development strategies include a variety of marketing activities, defining ten key tourism products in terms of selective supply forms, and reducing the intensity of the seasonality of Croatian tourism. Investment cycle and the law to support it would end the cycle of privatisation of state companies, solve the issue of tourism land and intensify the use of European Union funds for tourism infrastructure development, entrepreneurial ventures and projects for education, promotion and environmental protection in tourism.

Both documents, the Master Plan of Tourism Development in Istria and the Strategy of Croatia Tourism Development set the same objectives and goals for future development and positioning. Investments are recognised as a key impetus for the development of new quality and service in the tourism industry. The authors of the Master Plan of Tourism in Istria 2004-2012, THR from Barcelona and Horwath Consulting Zagreb, in coordination with the public and private sectors, divided Istria into eight clusters. For different cluster localities, they attempted to identify attractions, resources, key success factors, barriers and guidelines for future development which foresee investments for realisation of planned activities for improving destination and hotel offers in Istria. They recognised the importance of developing a system for perceiving Istria as a tourism destination, as well as of nature and environment preservation. Dulčić and Petrić (2001:58) suggest that new tourists look for integral quality, that is, technically standardised and diverse possibilities enriched with a human touch and authenticity. Sectorial development plans are made to emphasise the importance of preserving natural resources as a basic comparative advantage and a key element of branding Istria as a tourism destination.

The selected scenario of Istrian tourism development under the strategy entitled "Restructuring and Repositioning" anticipates developments in the tourism offer of Istria in terms of an increase of accommodation of 18.7%, and the creation of new specialised products aimed at reviewing the structure of secondary and higher class guests with the extension of the tourism season from the current 4-5 to a desirable 7-8 month period, describes the Department of Tourism of Istria County (2012). Magaš

explains that in order to achieve the goal by following sustainable development concept, it is necessary to raise the level of quality of the infrastructure, while also considering the parameters of the carrying capacity of the observed destination.

Given that the economic crisis has slowed down the Master Plan realisation and the plan for 2012 was not entirely implemented, the realisation was extended to the following 4 years. The plan predicts investments of 2.95 billion euros, 12% of which from the public sector, 69% from the private sector, and 20% from mixed sources. The dynamics involved in the implementation of the first phase (2004 to 2007) included 25% of the investment, 42% in the second phase (2007-2010), and 33% in the final phase. The bulk of investments, over 45%, from the private sector are aimed at reconfiguring the accommodation supply in clusters, while 22.5% will be directed to the improvement of attractiveness, as well as development of services offered. It is planned that investments in the destination infrastructure will amount to 10.5% of the total investments and will be carried out by the public sector (THR & Horwath Consulting Zagreb 2003:66).

The Master Plan describes investments that are divided into three groups: basic investments, strategic investments and planning of new business opportunities. Basic investments are those that are necessary to sustain the current model of tourism development, while strategic investments refer to improving the competitiveness of the Istrian tourism model. Aiming to achieve the investment plan, the activities based on key products are planned; the project financing model is provided (public, private or mixed) as well as the type of investments (i.e. attractions, services, accommodation or infrastructure).

Regarding the accommodation capacities, the plan envisages the repositioning of facilities and specifies which category the facility should pertain to in order to be considered for investments. The plan includes investment amounts, locations where the investment is intended for, and the timing to carry out investments. It is important to take into account that the Master Plan was made at a time when the economic crisis was not in sight so the time frames have not been fully followed. In the coming years, in which the crisis will be overcome, all planned activities and investments should be implemented according to plan.

In line with the investment plan, the hotel companies have started the cycle of repositioning their products so that they can comply with the newly organised complete destination offer. Destination offer is defined with 9 basic competitiveness programmes relating to access and signalling, improvement of the shoreline, tax and fiscal incentives, raising the accommodation standard, study tours, quality labels, urban aesthetics, collaboration and "tourfuture" as defined by the Department of Tourism of Istria County (2012). The new marketing plan promotes a newly created "System of experiences" that consists of 94 experiences in Istria. That impacts on the design of special tourism programmes which provoke authentic and original experiences related to the advantages of the destination and positioning strategy. An example of this is a newly created programme; "Istria Inspirit" that develops 9 themed

events which are taking place in Istrian clusters (Association Istra Inspirat 2013). The programme includes presentations, performances and traditional folklore based on historical and cultural heritage with tasting of special traditional delicacies and dishes of a certain time-period thematically related to a particular cluster. Thus, Labin developed a project called Labin Art Republic, in Medulin a performance of Crispo is played out next to archaeological sites on the Vižula peninsula; in Pula there is a historic performance for children entitled Mare; and others.

The Marketing Plan, apart from the "Umbrella" plan, consists of 9 sectorial plans: Marketing Plan for hotels and apartments; campsites; private accommodation; rural tourism; a special interest plan; a plan for organising events; a nautical tourism plan; a plan for meetings (congresses) and a touring plan. Finally, the Master Plan includes a plan for implementation of activities which defines the organisation and management of implementation of a particular activity as well as implementation programmes. It defines who will be responsible for performing the task, the tasks themselves and investment projects as well as the set time frames of the implementation.

The analysis of positions and categories of accommodation in Istria will be detailed below. Positioning strategies will be compared with the current situation of the accommodation mix as well as with defined objectives of the Master Plan. Finally, provisions of the plan implementation for two destinations, Labin and Rabac, within clusters will be outlined along with the assessment of future potentials.

Organisation of accommodation in Istria

It is argued that accommodation and other elements of the tourism destination's offer are factors that interact with, and influence the personal attitudes of tourists, and that together form the destination image (Križman 2008:92). In the total of tourism accommodation, both in basic structures and campsites, 3-star accommodation is prevalent. However, with new investments pouring in, the number of 4-star facilities is increasing and that is what Istria strives to achieve. During the period between 2002 and 2010, the number of beds in 4-star hotels increased by nearly 7,000, and the number of beds in 2- and 1-star hotels was reduced by more than 7,000. A similar trend is also present in campsites, where in 2002 only 4.8%, i.e. 5,130 beds in all campsites had four stars, while in 2010 the figure reached 15.7%, or 17,535 beds. In 2010, Istria County achieved tourist traffic of 2.75 million tourist arrivals and over 18.1 million overnight stays, according to the Department of Tourism of Istria County (2012).

As a legacy of the socialist era, accommodation in Croatia, including Istria, is organised by large hotel companies operating in one destination alone and they present the dominant accommodation of the destination. Hotel companies were in such a manner organised in Istrian tourism centres, and those companies are crucial for the development of the tourism destination and must be included in the strategic planning for individual tourism destinations. An overview of the physical indicators of tourism traffic and accommodation in Istrian destinations is shown here

Table 1: Accommodation and overnight stays in largest Istrian hotel companies

ISTRIAN HOTEL COMPANIES	CAPACITY (beds)					OVERNIGHTS					Penetration factor		
	2011	share	2012	share	IND	2011	share	2012	share	IND	2011	2012	IND
		%		%			%		%				
ARENATURIST Pula	22551	18,3	22727	18,5	101	1663135	14,5	1802516	15,0	108	79,1	81,3	103
ISTRATURIST Umag	17870	14,5	17916	14,5	100	1793536	15,6	1841479	15,3	103	108	105	98
MAISTRA Rovinj	30658	24,9	30658	24,9	100	2868413	25,0	2990121	24,9	104	100	99,9	100
PLAVA LAGUNA Poreč	20962	17,0	20834	16,9	99	2287974	19,9	2293488	19,1	100	117	112	96
RIVIERA ADRIA	30981	25,2	31020	25,2	100	2861269	24,9	3093138	25,7	108	99	102	103
Poreč&Rabac													
TOTAL	123022	100,0	100,0	100,0	100	11474327	100,0	12020742	100,0	105	100	100	100

Source: Arenaturist Pula Ltd (2012): Corporate report of Arenaturist Ltd Pula, Pula

The data indicates that the largest hotel company in Istria is Riviera Adria Poreč and Rabac, followed by Maistra Rovinj, Plava Laguna from Poreč, Arenaturist from Pula and Istraturist from Umag. The last two companies are peculiar because of their cooperation with international hotel brands. Hotels and apartments of Arenaturist Ltd Pula are branded by the international brand Park Plaza Hotels & Resorts and the facilities of Istraturist Ltd Umag operate under the brand name of Sol Meliá. All hotel companies, and in particular those that have recognised the importance of market branding, are developing their business with the goal of maximising quality and market competitiveness.

The limiting factors are the low quality and category of some types of accommodation, and poor profitability and indebtedness, which inhibit new investment. After recent restructuring and combining of hotel offers that included merger of companies Riviera Poreč and Rabac, and Maistra Rovinj and Vrsar, Istrian tourism is managed by 5 dominant hotel companies that differ in the structure of their accommodation mix - the shares of the number of accommodation units in hotels, apartments and campsites. In order to be able to analyse the position of accommodation in a defined and strategically positioned destination and cluster under the Master Plan, the mean score of a category is investigated by Pavia and Floricic (2012:587–599). The research methodology is based on the calculation of the statistical average after Avelini-Holjevac (1998), which indicates a dominance of a certain category of consumers, and this in turn affects the demand and points to the purchasing power of tourists. Therefore all stakeholders of destination offer should be involved in repositioning, aiming to target selected consumers' segments. Results are shown in the tables below.

Istraturist Ltd. Umag

The accommodation portfolio of Istraturist is as follows: 7 hotels which make up 28% of the company's accommodation, 4 apartment complexes and 5 campsites, with a

total of 20,000 beds. The data indicates that the Umag hotelier continually invests in improving the quality of hotel accommodation and the overall product. The outcome is high class four- and five-star hotels, apartment complexes and campsites. Compared to other local hotel companies in Istria, campsites in Umag under the management of Istraturist are categorised as 4-stars facilities which is the top rating for this category of accommodation structure. Camper guide ADAC rated the Camping Park Umag in Umag as the best campsite in the region, and awarded it a special quality label. Given the dominance of the camping offer, which presents about 50% of the total capacity, the quality score is reflected in the overall hotel product.

Table 2: Assessment of accommodation categories of Istraturist Ltd Umag

	HOTE	APARTME	CAMPSI	TOT	POIN	RESU
5	251			251	5	1255
4	1024	314	3573	491	4	1964
3	229	1126		135	3	4065
2	0	262		262	2	524
	1504	1702	3573	677		2548
	Score	result	:	tota	=	
		25488	:	677	=	3.75

Source: Researcher's adaptation of data according to the: IstraturistUmag Ltd: Accommodation capacities of IstraturistUmag Ltd. Corporate document 2010

The positioning strategy for clusters in Umag is "Active and short stays including sports and healthy lifestyle", while for the town of Novigrad is "Fishing village with a peaceful way of life". Strategies are related to strengthening the local identity, and, development is focused on quality and protection of the environment. Since the town of Umag under the Master Plan aims at positioning the destination image of sport and recreation facilities, with an emphasis on wellness, and active holidays accompanied by gastronomic and excursion programmes, it is concluded that the assessment of receptive accommodation facilities corresponds to the development of the overall destination offer.

Riviera Adria Poreč Ltd. – Valamar

Plava Laguna Ltd. Poreč and Valamar Riviera Poreč together make Poreč, the strongest destination in Istria and one of the largest tourism destinations in Croatia. In 2009, Riviera accomplished 2.36 million overnight stays which, along with the 26,956 beds, ranks it at the very top of Istrian tourism. Since 2010 it has encompassed the tourism traffic of Rabac accommodation facilities, and that makes the company the largest Istrian hotel company. Accommodation in Poreč is mostly in 3-star facilities as evident from the presented category data. This is also conditioned by the sheer number of campsites in that category and apartment accommodation which is mostly at two-star level. It causes the decline in the score of the overall category of this hotel company

since it negatively affects the position of hotel accommodation with a high portion of 4-star accommodation types.

Table 3: Assessment of accommodation categories of Valamar Riviera Adria Poreč Ltd

	HOTELS	APARTMENTS	CAMPSITES	TOTAL	POINTS	RESULT
5*	0			0	5	0
4*	978	87		1065	4	4260
3*	1128	368	5,884	7380	3	22140
2*	162	871	0	1033	2	2066
	2268	1326	5884	9478		28466
	Score	result	:	total	=	
		28466	:	9478	=	3.00

Source: Researcher's adaptation of data according to the: Valamar Riviera Adria Ltd(2010): Accommodation capacities of Valamar Riviera Ltd. Corporate document

Plava Laguna Ltd, Poreč

According to the number of accommodation facilities, in second place in Poreč is the hotel company Plava Laguna Ltd. Poreč. This hotel company has 20,834 beds in hotels, apartments and campsites which recorded 2.29 million overnight stays in 2012. Plava Laguna Poreč is the only hotel company in Istria that offers two marinas, with a total of 443 moorings, which gives it a competitive advantage over other local hoteliers. This hotel company develops complete tourism packages offering a different service like mooring boats in the marina, stays in the destination's hotel facilities and engaging in various activities on the shore (i.e. excursions, gastronomic experiences) as one provider.

The quality of the company product extends in the range of mostly 3 and 4 stars which indicates the trend of tourism development of high middle class with high quality hotels, apartments and campsites. Indicative data is that the hotel company with a total of 3,114 campsites has 2,322 4-star pitches, which implies recognition of the demand for modern and well-kept campsites with a variety of services and facilities. In the apartment structure, 4-star accommodation is also prevalent, while 3-stars accommodation is the most common among hotel facilities. This results in a mean score of 3.34 points but also indicates the possibility for investment and improvement of the structure of the hotel accommodation.

Table 4: Assessment of accommodation categories of Plava Laguna Ltd Poreč

	HOTELS	APARTMENTS	CAMPSITES	TOTAL	POINTS	RESULT
5*	0			0	5	0
4*	713	471	2322	3506	4	14024
3*	1962	72	688	2722	3	8166

2*	793	136	104	1033	2	2066
	3468	679	3114	7261		24256
	Score	result	:	total	=	
		24256	:	7261	=	3.34

Source: Researcher's adaptation of data according to the: Plava Laguna Ltd: Accommodation capacities of Plava Laguna Ltd. Poreč Corporate document 2010

Both companies from Poreč, which bore the title "champion of Croatian tourism" for years, invest heavily in repositioning their hotel supply pursuant to the development of destination tourism products. The positioning strategy for the cluster Poreč is "Abounds in active experiences with a rich cultural heritage" and it is focused on sustainable development, improving local values and the development of a destination that offers a full service. Observed from the point of view of hotel offer, it can be concluded that the company Riviera Adria has a lower quality category hotel mix, while Plava Laguna, despite having a somewhat uneven structure, has a better rating. Both companies continually invest in improving their supply and are approaching the achievement of targeted quality of accommodation and destination offer.

Maistra Ltd. Rovinj, Vrsar

The tourism product of Maistra Ltd. in 2012 consisted of 10 hotels with 1,781 units, 8 tourist resorts with 2009 units and 7 campsites with 7,876 plots. The total capacity of Maistra is 11,671 units which can accommodate more than 30,600 guests. The accommodation facilities are located in a cluster - destinations Rovinj - Vrsar. Hotel accommodation facilities of Maistra Ltd Rovinj present high class and exclusive hotel offer and the company is facing challenge of positioning it in a cluster which is not yet ready and compatible with the hotel offer. The same applies to a significant financial investment in the renovation of Monte Mulini hotel and building the design hotel Lone which both fall into the five-star category. On the other hand, the company is characterised by the number of facilities (hotels, apartments and campsites) with two to three stars that are waiting for investments.

By analyzing the camp's offer, it is evident that the 3-star category dominates with over 50% of the total number of units of Maistra Ltd Rovinj. It is followed by the 2-star category with 35% of accommodation units. To sum up, the image of the hospitality cluster Rovinj - Vrsar could be viewed as an organisation of high category hotel offer with four and five stars in a destination where most of the tourism offer (and campsites) have two and three stars. This is an issue which could be solved by standardisation of accommodation categories and modification of destination offer of the total accommodation offer category. Namely, the mean score of accommodation facilities' quality of 2.83 points is an indicator of poor accommodation structure. Assessed in terms of solid facilities (hotels and apartments), the mean score is 3.15 and it influences the perception of this particular destination.

The positioning strategy of cluster Rovinj is "Romantic town in sleepy Mediterranean surrounding" and according to this slogan, destination offers with special programmes and events is organized. Since Rovinj is, following the provisions of the Master Plan, trying to position itself as a romantic 5-star destination with a focus on indigenous values, the necessity for repositioning camping and apartment offer is recognized, as had been predicted by the plan. The positioning strategy for Vrsar-Funtana "Nature experience, including traditional fishing activities and an artistic touch" is focused on tourism development which is in harmony with the preservation of the environment, supports local identity and improves the quality of the local experience. Organised activities, facilities and programmes in the destination affirm the experiences that contribute to the implementation of the strategy.

Table 5: Assessment of accommodation categories of Maistra Ltd Rovinj

	HOTELS	APARTMENTS	CAMPSITES	TOTAL	POINTS	RESULT
5*	365			365	5	1825
4*	783	653	0	1436	4	5744
3*	229	262	5,130	5621	3	16863
2*	410	1147	2450	4007	2	8014
	1539	2062	7580	11429		32446
	Score	result	:	total	=	
		32446	:	11429	=	2.838919

Source: Researcher's adaptation of data according to the: Maistra Ltd: Accommodation facilities information 2011

Riviera Adria Ltd. Rabac – Valamar

Riviera Adria Rabac Ltd. from Rabac is a hotel company that operates within the Croatian hotel brand Valamar. Hotels that operate in Rabac are characterised by a lower accommodation category compared to the facilities operated by Adria Riviera Ltd. in Poreč. The average score of the quality of hotel product is 2.85, while the Poreč part of the company has been rated 3.0. Considering the structure of the accommodation, it is evident that the average category of hotels and campsites is three stars while the category of apartment complexes is generally a low 2-star category, indicating the necessity for investment in order to achieve new quality in line with plans for positioning of this destination.

Table 6: Assessment of accommodation categories of Valamar Ltd Rabac

	HOTELS	APARTMENTS	CAMPSITES	TOTAL	POINTS	RESULT
5*	0			0	5	0
3*	462	176	293	931	3	2793

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2*	110	480	0	590	2	1180
	723	830	293	1846		5273
	Score	result		total	=	
		5273	:	1846	=	2.856446

Source: Researcher's adaptation of data according to the: Valamar Riviera Adria Ltd(2010): Accommodation capacities of Valamar Riviera Ltd. Corporate document

The positioning strategy of the cluster Rabac - Labin is "A combination of nature and heritage, a haven for artists ... where the hills meet the sea." It is focused on environmental protection, creating new experiences for guests and supporting the local identity. The analysis of destination and accommodation supply shows the need for faster changes to follow the guidelines of the Master Plan.

Arenaturist Ltd. Pula

Arenaturist Ltd. Pula is a hotel company that manages accommodation in two destinations – Pula and Medulin. The hotel product of Arenaturist Ltd Pula is diversified and includes hotels, apartment resorts and campsites which offer accommodation on pitches and in mobile homes. The overview of the assessment of the company's accommodation follows in table 8.

Table 7: Assessment of accommodation categories of Arenaturist Ltd Pula

	HOTELS	APARTMENTS	CAMPSITES	TOTAL	POINTS	RESULT
5*	0			0	5	0
4*	432	425	0	857	4	3428
3*	464	194	829	1487	3	4461
2*	737	512		1249	2	2498
1*	0	0	3227	3227	1	3227
	1633	1131	4056	6820		13614
	Score	result	:	total	=	
		13614	:	6820	=	1.996188

Source: Researcher's adaptation of data according to the: Arenaturist Ltd.(2012):Corporate report of Arenaturist Ltd Pula

This data shows an extremely bad structure of campsites managed by the hotel company Arenaturist Pula, and that spoils the overall assessment of the quality of hotel product. The supply of solid facilities, hotels and apartments has the average score of 2.85, and in principle it is not significantly different from other Istrian hotel companies. On the other hand, the campsites are categorised with a very poor category and offer a poor range of services. When this facilities are included in the

analysis, the score falls down to 1.99 which is a below average rating indicating an imbalance in the quality of hotel and campsite supply in Southern Istria. Consequently, it does not correspond to the trends and strategies of development of the tourism destinations of Pula and Medulin which focus their strategic development on cultural resources, sports and recreational offer and gastronomic tourism. Arenaturist Company undertook a major investment in hotel and apartment structures, but the problem of inadequate campsite offer presents an issue in positioning of the hotel 4-star offer with the lowest campsites offer in Istria.

The positioning strategy for the cluster Pula is "Culture, history ... and the beaches, your meeting point." It affirms congress tourism with cultural and historical heritage valorisation as well as natural resources, presents Berc (2009:58). The destination Medulin positioning strategy is "Preserved shoreline for active family vacation based on natural resources." The protected area of Donji Kamenjak, a 3.4 km long cape and plant and animal life reserve, alongside sustainable development, implements facilities and programmes aimed at guest experiences. Accommodation in Medulin, particularly campsites, which predominantly belong to 1-star category accommodation, emphasise the necessity for repositioning according to the guidelines of the Master Plan.

Revision of Programmes and Activities

The Implementation Plan is an instrument aiming to integrate all of the actions identified in the Competitiveness Plan, Investment Plan and Marketing Plan. To all entities and operators involved in the Istrian travel system it represents a well-defined, clearly structured and practical model for their future development activities. It points to: (i) what must be done; (ii) by whom it must be done; (iii) necessary resources; (iv) time frames and deadlines; (v) priority levels, depending on the implementation strategy of the cluster; and (vi) risks associated with the completion of the task. The tasks for the stakeholders implementing the Master Plan are divided into three groups: basic tasks for improving and raising the level of the current tourism model in clusters; tasks for strengthening competitiveness; and tasks associated with business opportunities THR & Horwath Consulting Zagreb (2003:257).

Further to the research of categories and assessments of hotel companies as holders of accommodation supply in clusters, the activities and programmes defined by the Master Plan were analysed. The analysis included two destinations within the cluster Labin-Rabac.

Analysis of activities in Labin-Rabac

Tourism destinations Labin and Rabac are located on the eastern coast of Istria. Accommodation of these destinations was rated with a score of 2.85 (Riviera Adria Rabac company), which shows a needed improvement through renovation and

repositioning of supply. Accommodation operated by Maslinica Rabac has a mean score of 3. The Master Plan proposes changes in the supply and transfer to the 3-star category so that it can be confirmed that the accommodation supply follows the objectives of restructuring. Regarding the implementation activities of the plan for different segments of destination offer, the director of the Tourism Board of the cluster was interviewed and the findings of research are following:

Table 8: Tasks for implementing the Master Plan for Tourism Development in Istria - Cluster Rabac - Labin

TASK	REALIZATION
Improving promenades by the sea	YES
Development of promenades with gazebos	YES / Partially
Development of bicycle paths	YES
Improving the quality of beaches	NO
Plan to improve the old town of Labin	YES
Mining Museum	YES
Sculpture Park Dubrova	YES / Partially
Preserving fortifications in Kršan	YES
Information Center Labin - Rabac	YES
Rabac - development and expansion	YES
Marina Plomin	YES / In progress
Public parking	YES / Under construction
Access and local roads	YES
Water Supply	YES
Sewer system	YES
Wastewater treatment	YES
Concert hall and open-air theatre	YES
International full-service diving centre	NO
The development of transport ships	NO
Nature Park - where Prklog	NO
5 family-run boutique hotels	NO (1 3-star hotel)
3 city hotels	NO
5 rural tourism projects	YES
5 agritourism projects	YES
5 "stancija" projects	YES (2 "stancija" facilities)
3 campsites	NO
Camp in Raša bay	YES
Resort Ravni-Crna Punta- multi-purpose area	NO
Developing 5 international restaurants	NO
Developing 5 local restaurants	YES

Source: Author's research – interview with LabinRabac Tourism Board Director 2012

Based on the research - interview results, it is evident that the realisation of tasks to improve the current model of tourism in Istria meets the planned pace. Certain tasks are being executed with delays, but investment activities are being implemented according to the plan. The same applies to the repositioning of accommodation

properties that transfer from a low 2-star category to premium 3-star category. Problems in the plan implementation can be seen with regard to new business opportunities. They are the consequence of delayed investments due to the economic crisis; thus, longer periods for their implementation are needed.

Destination positioning of the cluster Labin-Rabac is supported with special events that are taking place at historic locations. Labin Art Republic, Mining underground city, and the Goddess Sentona tourism project are programmes organised upon sustainability principles and targeted to provoke "experience plus", as an intangible benefit of destination positioning.

Conclusion

This paper analyses in detail the structure of the supply of tourism clusters and examines its conformity with positioning strategies. It presents an overview of the implementation of tourism destination Labin-Rabac which is defined by the Master Plan. It also provides with an understanding of the importance of tourism destinations harmonisation with the strategies of the Master Plan. Spontaneously developed destinations without consent and co-operation with all stakeholders and, in particular, the tourism accommodation supply leads to disproportion resulting in a weak market positioning. The positioning strategies of clusters were derived from the particularities of each area, which has a value system for the development of specific forms of tourism. Although some forms of tourism offer overlap (for example, all clusters offer "sun and sea"), it is the special identity that the cluster wants to communicate to the market, and present as "experience-plus", what really matters.

The purpose of this paper is to confirm or refute the hypothesis "In a destination that wants to promote itself as a 4- or 5-star category range, both the accommodation facilities and overall destination offer should provide corresponding quality services". The hypothesis is confirmed by the results of the statistical method of mathematical average and qualitative analysis - interview. An average category of the total number of accommodation units was obtained through this calculation, and this indicates mixing and grouping of the buying power in one cluster. For example, guests arriving in Rovinj at 5-star hotel have consumption patterns and supply requirements at a much higher level than the guests of a nearby 2-star apartment. Both guests are consumers of the destination supply, but in the end none will be entirely satisfied with it. It will be too cheap for one, and too expensive for the other, and the very interaction of guests accustomed to different standards and lifestyles brings the guests' satisfaction into question.

The implementation of the positioning strategy and creation of a system of experiences is related to the organisation of various events and special selective programmes which are based on the particularities of the destination. The Master Plan defines positioning strategies focused on specific selective activities, excursions and events.

For organising tourism clusters, it is necessary to form public-private partnerships and synergies for tourism development. An example of the destination Labin-Rabac is presented alongside data obtained by the interview method. The results indicate that all holders of the Performance Plan, including local governments, public utility companies, private sponsors, local tourist boards, County tourist boards and other entities at the regional level (i.e. IRTA, Convention Bureau as well as other businesses, organisations and government institutions) need to act synergistically following a single strategy, and provide support to other stakeholders in the implementation. For example, the implementation plan of the Labin cluster prescribes: "Developing 5 local restaurants specialised in local cuisine." This task is allocated to private entities as key figures, while units of local government, public utility companies and other entities have an advisory role, and the local tourism board, and other entities of the destination are managers collaborating in the implementation of the task. Certain performance priorities are very high, the investment cost is high, and the risk level is also defined as high by the plan. There are time issues to be considered as well because the investment process is scheduled, but dependant on the global economy and the event of recession.

The aim of this paper was to investigate and determine whether the new organisation of destinations and new proposed quality of hotel offer according to the Master Plan of Tourism Development of Istria is adequate in relation to the demand of modern facilities, and whether the organisation of contemporary clusters follows the Master Plan guidelines. Although the level of quality of hotel supply has not yet reached the set goals, hotel companies continually improve the offer of the accommodation mix with the implementation of innovations and new technologies necessary to communicate a positive image in the modern tourism markets.

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