THE MODEL OF EASTERN CROATIA RURAL TOURISM DEVELOPMENT BASED ON THE EXAMPLE OF AUSTRIA

MODEL RAZVOJA RURALNOG TURIZMA ISTOČNE HRVATSKE PO UZORU NA AUSTRIJSKI MODEL

ABSTRACT

There are major differences in the development of the certain regions in Republic of Croatia. These regions that are located on the Adriatic coast are considered more developed in contrast to the regions of eastern Croatia. Maritime tourism has a significant influence on previously stated given that in professional and scientific literature it is presented that tourism of certain regions significantly affects their development. Therefore, in eastern Croatia it is necessary to evolve rural tourism to a more important level considering the current situation. The key spatial unit in tourism is region – in this case the eastern Croatia that should be managed by the kind of Destination Management Company, which would be responsible for the implementation of organizational, marketing and other strategic and operational tasks at the regional level. This article presents the Austrian model of rural tourism development and by its exemplar authors have presented their vision of the future model of rural tourism development in eastern Croatia, with the purpose of combating the problem of touristic regional disparities and achieving numerous other benefits referred to in the text.

Key words: rural tourism, touristic region, branding, Holidays on the Farm, eastern Croatia

SAŽETAK

Postoje velike razlike u razvijenosti pojedinih regija u Republici Hrvatskoj. One regije koje se nalaze na obali Jadranскog mora spadaju u razvijenije za razliku od regija Istočne Hrvatske. Maritimni turizam ima itekako utjecaja na navedeno s obzirom da se u stručnoj i znanstvenoj literaturi navodi kako turizam pojedinih regija utječe na njihovu razvijenost u značajnoj mjeri. Stoga, potrebno je u Istočnoj Hrvatskoj ruralni turizam dovesti do jednog većeg stupnja s obzirom na sadašnju situaciju. Cilj rada je oformiti model razvoja ruralnog turizma na razini regije Istočne Hrvatske. Ključna prostorna jedinica u turizmu jest regija – u ovom slučaju Istočna Hrvatska koja bi trebala biti upravljana od strane svojevrsnog Destination Management Company-a koji bi bio...
zadužen za provedbu organizacijskih, marketinških i ostalih strateških i operativnih zadataka na razini regije.
U radu se navodi Austrijski model razvoja ruralnog turizma te su po uzoru na njega autori iznijeli svoje viđenje budućeg modela razvoja ruralnog turizma Istočne Hrvatske a sve sa svrhom suzbijanja problema regionalne turističke nejednakosti te ostvarivanja ostalih mnogobrojnih koristi koje se navode u tekstu.

Ključne riječi: ruralni turizam, turistička regija, brendiranje, Holidays on the Farm, Istočna Hrvatska.

1. Introduction

Tourism is one of the fastest growing and most dynamically developing sectors of economic activity which can be identified as a potential economic development tool. It can increase the net benefits to rural people, but also increase their participation in managing the tourism product which on long term leads to sustainable development of the rural areas, especially of the ones which face serious economic difficulties (Cvetanovska – Gugoska et al., 2013, 10).

Authors present their development of rural tourism model of Eastern Croatia which is based on example of Austria as the most successful pattern of rural tourism according to the professional and scientific literature. Austria has achieved this by systematic management of their touristic regions through umbrella of the regional brand. As the sun and the sea are basic appealing factors for tourists coming to the shore, so are rural economies with their natural beauty and traditional way of life basic appealing factors for tourists coming to the rural areas.
Rural economies in Europe and world cannot cover basic expenses by their own food production which necessarily leads to decrease in life standard and depopulation of villages. Just because their production is insufficient for survival, a large number of rural economies is starting with agrotourism as additional source of income. Di Domenico and Miller (2012) in their paper claim that farmers achieve significant results in the form of increased revenues by expanding their business on rural tourism.

Rural tourism has increasing share in global touristic “industry”, especially in Europe where it exists for more than 100 years. A number of tourists who are coming to the rural areas is significantly increasing each year and today, according to estimates, it participates with about 10 to 20 % in total touristic activities in Europe. According to the share of households that are engaged in rural tourism in total number of households that are engaged in agriculture leads Austria with even 8%, than France with 6%, Ireland and Germany with 3%, while in Italy it is only 0,3%. For comparison, in Croatia just 0,1% of agriculture households is engaged with rural tourism.

Currently every family farm in eastern Croatia promotes itself marketing independently which results in a lack of marketing efficiency of entire region. The authors of the paper discuss also Croatian example of branding of rural tourism in the region of Istria, through umbrella brand Ruralis. The aim is to establish a model of rural tourism development at the regional level of eastern Croatia.
The hypothesis of this paper is: eastern Croatia as the region, if it is to become competitive, must systematically manage the development of rural tourism by models of successful regions.

2. The importance of rural tourism development

Although the definition of rural tourism is a subject of many debates in the literature, a strong consensus has not been reached yet. In countries with developed tourism in rural areas there are certain accepted specifics that define the concept of rural tourism as an example:
– in Finland it means tender/rent of small rural cottages to tourists,
– in Hungary means the offer of services and activities offered to tourists in the country setting (an affordable/cheap accommodation, participation in agriculture work etc.),
– in Slovenia the most important form of rural tourism is tourism on family farms (the emphasis is on gastronomy and visiting the farm)
– in Nederland prevails primarily camping in family economies with an emphasis on additional activities such as biking, hiking, horseback riding etc.
– in Greece the main product of rural tourism is “bed and breakfast” with accommodation in traditional furnished rooms, with a traditional, breakfast often made of local products (Grgić et al., 2011, 46).

Rural tourism offers potential as an economic instrument. It is a growing sector of the world's fastest growing industry - tourism. The benefits of well-implemented and coordinated activities cause the increased competitiveness of the region itself.

Rural tourism is seen as potential source of social, economic, cultural and environmental benefits for rural areas. The tourism activity can create growth potentials for rural areas; it can provide income for local businesses, help to protect the traditional values and the community assets and help to sustain local services.

Cvetanovska-Gugoska et al. (2013, 13) state that three main reasons why it is important to develop tourism in the rural areas of the regions are:

- **Bring economic benefits the rural areas**: economic growth, economic diversification and stabilization, employment creation, reduced outmigration and even re-population, improvement of public services, infrastructural improvement, revitalizing crafts, customs and cultural identities, increasing opportunities for social contact and exchange, protection and improvement of both natural and built environment, increasing recognition of rural priorities and potential by policy-makers and economy planners.

- **Increase participation of the people in the development of tourism**: the tourism activities require to be organized by the involvement of many people, so one key opportunity is to develop tourism enterprises where they live. Rural people can become managers of the process of rural tourism and this way they will be directly involved into the development process of their community;

- **Lack of other viable alternatives**: having in mind that rural areas have little economic possibilities, rural tourism is one of the few sectors that can be suitable for them. The daily activities on the farm, the existing structures-houses, etc. can be used to attract tourists and assure additional incomes.

The development of rural tourism offers potential solution of many of the problems that rural areas face. Therefore the support for creating the appropriate conditions for the development of rural tourism is needed. It should be kept in mind that the quality is the main point for the continuity of tourism. As a result, trained and knowledgeable labor would definitely make a great contribution to regional development, especially in the tourism business relying on service (Andac, 2009, 11). Specific forms of rural tourism which combine marketing tools for products originating in these territories like geographical indications, in this perspective, represent a suitable approach to generate a regional added value with positive benefits for the whole community and enhance local development (FAO, 2009).
Rural communities can especially benefit from cooperative branding. A common challenge for tourism development in a single rural community is its limited drawing power. Coupled with the absence of a distinctive image, individual rural destinations are often too small to form a critical mass required of a primary destination. In order to make the most of rural tourism resources, communities must approach their marketing activities from a cooperative perspective. Rural tourism marketing through cooperative branding, helps individual rural communities increase efficiency in the use of tourism resources and synergizing drawing power of their attractions (Cay, 2002, 738). Rural tourism is one of the instruments for suppression of regional disparities within countries (Afrodita, 2012).

3. **Branding the region as key spatial units in tourism**

Tourism soon became a global phenomenon and tourism regionalisation was a response to global processes. The tourism regionalisation is aimed to "create optimum tourism market services responding to modern tourist preferences". Hence tourism regions are formed as a response but also as a necessary supplement to standardisation trends that the globalisation requires in all fields. As the tourism regionalisation insists on specific features, the process is most often related to notions of decentralisation, diversification, regional specialisation of the product, and fostering and re-creating of regional identities (Blažević and Peršić 2009, 53 stated in Krajnović et al., 2013).

Research findings show that, during their sojourn, visitors remain within a range of approximately 50 km from their temporary residence (the accommodation facility in the "mother" tourist destination), whereas their interest in trips remains, on average, within a range of about 100 km from the temporary residence. This means that such a space range corresponds to the perception of the destination as an area that a potential tourist chooses as his/her tourist travel. This also implies that such a space range corresponds most closely to a region and it is exactly the regional tourist services that correspond to a visitor's expectations with regard to the quality of experience and services featuring diversified and complementary elements (Luft 2000, 212-218). Tourist region represents a key functional and geographical entity which requires branding and development of marketing activities (Petroman et al., 2013, Murphy et al., 2007).

In the regional branding process, cooperation and networks are very important. Successful results can only be obtained through cooperation among the different actors (entrepreneurs, government, associations and so on). Coordination over all these actors is necessary, however this coordination should not be too bureaucratic. It is also very important to take into account the desires and ideas of residents and local organizations. There’s little chance of success if they are not convinced of the benefits of the project or if they don’t feel involved (Messely et al., 2009, 10).

Region represents a key functional and geographical entity which requires branding and development of marketing activities (Krajnović et al., 2013). Regional branding stimulates the regional economy, creates added value for the regional products and services (Hegger, 2007). Orth (2011) states that the strength of touristic regional brand affects the demand of regional products.

A region with an effective brand emphasizes elements such as: nature, landscapes, good weather, relaxing ambiance, accessibility, infrastructure (all form the artistic image), and also historical traces, art monuments, regional culture (customs and traditions, spectacles and events), tourism reception facilities (hotels, motels, restaurants, bars, etc.), regional gastronomy (all form the psychological image), stimulates the regional economy (through own products and services that are offered and consumed) and may contribute to the sustainable development of the whole region (Stancioiu et al., 2011, 142).
4. Austrian model of rural tourism

In the manual on rural tourism Baćac (2011) states that during start of any business including rural tourism, it is wisely to examine and explore the existing experience of others, especially those who are in actual business, in this case, rural tourism, and who started much earlier and already have come to remarkable level of development of touristic products and services in rural areas. Therefore, the authors disclose the successful Austrian model of rural tourism development.

Tourism and the leisure industry are vitally important to the Austrian economy and play a key role in economic growth, employment and the balance of goods and services.

From the total Austrian tourist supply, some 15,500 farmers offer 170,000 tourist beds (in bedrooms or in apartments), this means that app. 8 % of all Austrian farmers offer tourist accommodation. They represent 1/5 of all tourist enterprises and 1/7 of the total Austrian supply of tourist beds. Therefore farm holidays are an important economic segment in agriculture and tourism and predominantly in the economy of rural regions stated Hans Embacher – managing director of the Austrian Farm Holiday Association.

The marketing of the 3,400 member farms is based on five key strategies:

• Branding (logotype “Holidays on the Farm”).
• Quality categorization.
• Differentiation and specialization through special offers for target groups.
• Cooperation to reduce the weaknesses of the small scale enterprises on the market.
• Internet / New media.

To make the actual quality of Farm Holidays more transparent, a nationwide categorization system was introduced in Austria in 1993. Apart from the evaluation of facility features, the system centred on assessing the quality of the holiday experience and the authentic farm character. The farms are surveyed by a commission (advisors, members of the Austrian Farm Holiday Association) at least every four years (new edition of the respective provincial catalogue). The farms are awarded 2, 3 or 4 flowers according to their rating. The provider may then use the awarded flowers and the Farm Holiday logo in all farm’s advertising media.

Sign of marking the farms is daisies flower (Marguerite) (2, 3 or 4 flower) according to the quality of accommodation (Figure 1).

![Figure 1 Daisies flower as a sign of quality of accommodation in Austria](source: Manual for rural tourism, 2011.)

The most important organization for rural tourism in Austria is „Urlaub am Bauernhof“ as the national organisation responsible for the promotion, quality policy, product differentiation and education. This organization works marketing activities based on branding, quality categorization and cooperation with the use of the Internet and other modern technologies. Organization logo Urlaub am Bauernhof shown in Figure no. 2.
Forbord et al. (2012, 899) state that the main objective of the association “Urlaub am Bauernhof” is to create a high quality and professional tourist offer for and with the member farm enterprises. Specific goals include the following topics:

- The professional marketing of member farms via the Internet, direct marketing, media contacts, fairs, and catalogues;
- The quality management and assurance via standardized quality categorization (including regular controls), specialization (into different special offers) and brand management;
- A price policy to fix minimum prices in order to prevent dumping prices.

Some major effects in the past 10 years were:

- Considerable improvement of the product-quality: every year on average some 50-60% of all member farms have invested in their farm holidays-offer. Thus this field is a very dynamic section of the agricultural industry in Austria.
- Quality orientation amongst the landlords has increased.
- Clear, coherent strategy and strict criteria help to position the farm-holidays-product in the agricultural as well as the tourist industry.
- The image of the farm-holidays-product in the market (amongst the – actual and potential – customers) has improved.
- The very diverse holiday offer on the farms becomes more accessible. The quality and theming system facilitates decision making for the customers.
- Grading and theming both support the search for the individually ideal holiday farm on the internet.
- Ministries and other public bodies have a tool to assess quality when deciding on investments and their effects resp. when granting subsidies or when lining out strategies for subsidies.
- Overall the income from farm holidays has increased, nicht zuletzt through the system of minimum prices for each quality level.

On average the members of the farm holidays-organisation reach a load factor of 106 days (on bed-basis) per year, thereof 60 days in summer, 46 days in the winter season. The average price is about € 32,-- per person/night bed & breakfast (summer 12), and about € 75,50 for a self-catering
apartment for 4 persons/night. The member farms achieve about 50% of their annual bed nights with repeat business (and earn on average app. 1/3 of their family income via farm holidays). This is an important basis as these guests are in general more loyal in times of fluctuating demand e.g. due to economic problems in the regions where the visitors come from (Embacher, 2005).

5. **Review of the state of rural tourism – example of eastern Croatia and Istra**

Tourism is an important economic sector and driver of economy development of Republic of Croatia. During the touristic season in Republic of Croatia a relatively large number of tourists are coming every year in greater numbers to the Adriatic coast. Besides the dominant form of maritime tourism Republic of Croatia should focus its efforts on the development of tourism in continental eastern Croatia, which is ideal for rural tourism development considering its considerable natural and cultural conditions.

One of the few studies that has been conducted in Croatia on rural/agri tourism reveals some interesting information regarding the characteristics of rural communities and the expectations of rural entrepreneurs involved in tourism. Among other things, entrepreneurs/owners of rural farms that participated in the study, stressed the need for:

- more favorable credit lines (91,11% of the respondents);
- greater assistance form the local government, tourism boards and scientific and educational institutions in the field of education, promotion and enrichment of offers (80% of respondents);
- higher state subsidies, especially for farmers who are engaged in the production of ecologically clean and healthy food (33,33% respondents);
- greater involvement of local travel agencies in promoting this type of tourism (13,33%) (Križman – Pavlović, 2001).

Rural tourism, as an important element of sustainable touristic, economic and social development of rural areas encounters with greater development, marketing, managerial and economic difficulties in their development while on the same time touristic demand presents more significant interest in this form of tourism. Development solutions should be sought in the implementation of an adequate model of managing this very sensitive area of social and economic development and operationalization of quality at all levels (Krajnović et al, 2011).

Eastern Croatia comprises a total of 6 counties including: Osječko-baranjska, Požeško-slavonska, Bjelovarsko-bilogorska, Brodsko-posavska, Virovitičko-podravska and Vukovarsko-srijemska county. It is devastating fact that all of the 6 counties of eastern Croatia belong to underdeveloped counties what implies the fact that the region of eastern Croatia is also globally underdeveloped (DZS, 2013). In paper, Curić et al. (2012) argue that tourism in eastern Croatia is underdeveloped and that on this point should take adequate measures to combat underdevelopment. It is exactly the rural tourism one of the ways by which regions can develop (Memis et al., 2007).

The most important form of agritourism in Croatia is exactly tourism on family farm economies, and it is largely developed in Istria (Klarić, 2012). So far only in area of Istria progress has been done by disburdening coastal touristic destinations, thanks to the touristic development of the hinterland and connecting coastal destination with those in the hinterland (Curić et al, 2012, 39).

County of Istria and the Istrian Tourist Board in 1996 have already made the strategic decisions which caused direct stimulus to the development of tourism in rural households in the interior of Istria. Istria is the strongest touristic region that has developed coastal tourism and a strong rural bid. The “green Istria” rural tourism in 2008 counted as many as 64 households with 1,430 beds of different categories and namely of actual agritourism. There you can taste traditional specialities.
made by the original, domestic recipe with products from their own production and rest in rural houses, rural family hotels, rooms and apartments in rural households (Klarić, 2012, 49).

Also, in 2006, the consortium „Ruralis“ was established which aims to promote and articulate rural tourism of Istria as year-round stationary destination.

6. Proposal model of rural tourism development in eastern Croatia

Region of eastern Croatia has recognizable elements on which should be based production of distinctive visual identity. Bolfek et al. (2014) state that in the market, according to conducted research, eastern Croatia should position itself as a destination of preserved nature, tradition, rich and recognizable gastro offer, which includes producers of premium wines, and as destination in which stay is pleasant and safe. Guests who visit eastern Croatia experience calm, quiet, hideout home, which respects traditional values with pride and emphasizes tradition. It is recognizable by the hospitality of the locals and the rich gastronomic offer.

In accordance with the above characteristics of eastern Croatia, it would be recommendable to create its visual identity.

By following the example of Austrian model it should be recommendable to unite the individual marketing efforts of eastern Croatia rural economies. From the aspect of regional development and the importance of regional branding it is necessary to create a real and recognizable brand of Eastern Croatian region.

Therefore, for eastern Croatia it is necessary to form a professional association of rural households, a kind of Destination Management Company which will be responsible for the development of eastern Croatia rural tourism (Figure 3).

Figure 3 The model of rural tourism development in eastern Croatia

A kind of DMC should be in charge of managing regional brand, checking the quality of rural economies, provide marketing and advisory assistance, training of staff, and other strategic activities.
Brand of eastern Croatia should be based on preserved nature, return to the traditional way of life, rich gastronomic offer so that guests could perceive the region as calm, quiet, hideout home.

Since the eastern Croatia is recognizable for its fields of wheat and it is called Croatian granary, the authors suggest that the label of quality for rural economies of eastern Croatia should be ear of corn.

*Figure 4* Ear of corn – Proposal for label of quality for rural households in the region of eastern Croatia

Source: Authors’ proposal

The country should support this model by its laws, financial support and other activities.

7. **Conclusion**

There is an option to offer a product as eastern Croatia and its rural tourism to tourists who come to Republic of Croatia during the tourist season. Therefore, synergistic effect could be achieved in order to tourist who visit the Croatian coast also visit the eastern region.

By combining marketing efforts, through a sort of Destination Management Company which could manage touristic activities in the region and the umbrella brand of eastern Croatia, it would lead to higher attendance of eastern Croatia touristic region. Finally, this would result in higher income from tourism.

The result of management and branding of eastern Croatia region ultimately will result in following:
- Maintenance and strengthening of agricultural production on family farms (if products marked by brand of eastern Croatia become available on the market to the guests who have visited the rural economies of eastern Croatia, it is assumable that they will become loyal customers of these products, especially if they like eastern Croatia region)
- provide higher income to rural economies and the entire area of eastern Croatia as well as to Republic of Croatia
- reducing depopulation of eastern Croatia
- villages renovation
- development of new touristic attractions of eastern Croatia which will serve as a means of enriching the touristic offer
- the inclusion of hotels and restaurants in the overall concept that will offer local specialities of the area
- providing incentives to entrepreneurs for better utilization of existing natural and cultural resources (as hunting and fishing)
- rural economies as starting point for developing other forms of rural tourism
- reducing the gap in development the coastal tourism and rural tourism

This will result in improved regional competitiveness of eastern Croatia.

Since the company Ruralis, which is responsible for the promotion of rural tourism in Istria, does not have its own website and there is no information on the Internet on its activities, the authors conclude that it is hardly to speak about the branding of Istrian rural tourism.
However, by following the example of other countries in Europe, Istria is the first region which has recognized the importance of joint association of rural economies but its improvement did not last for long. The authors believe that the brand of Istrian rural tourism “Ruralis” does not promote sufficiently and that there is a need to examine efficiency of Company Ruralis in future research. The authors have opinion that the Croatian National Tourist Board does not perform enough because they do not use by benchmarking the successful model of rural tourism development in the European Union. The presented model is subject to change and it could be used as a starting point in rural tourism development of eastern Croatia.

Given all the above, the hypothesis of this study: “eastern Croatia as a region, if it is to become competitive, must systematically manage the development of rural tourism by models of successful regions”, confirms.

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