

**Jelena Kljaić Sebrek**

Center for civil initiatives

B. Adzije 22, Zagreb, Republic of Croatia

Doctoral candidate at Faculty for tourism and hospitality management Opatija

Phone: +385 47 423 164

E-mail address: jelena@cci.hr

**Draženka Birkić**

Karlovac University of Applied Sciences

Trg J.J.Strossmayera 9, Karlovac, Republic of Croatia

Phone: +385 44 886 555; Fax. +385 44 886 499;

E-mail address: drazenka@topterme.hr

**Mateja Petračić**

Karlovac University of Applied Sciences

Trg J.J.Strossmayera 9, Karlovac, Republic of Croatia

Phone: +385(0)47/843-542

E-mail address: mateja.petracic@vuka.hr

**TOURIST FAMILY FARMS IN FUNCTION OF DEVELOPMENT OF  
TOURIST DESTINATION EASTERN CROATIA**

**TURISTIČKA SEOSKA OBITELJSKA GOSPODARSTVA U FUNKCIJI  
RAZVOJA TURISTIČKE DESTINACIJE ISTOČNA HRVATSKA**

**ABSTRACT**

*Although area of Eastern Croatia is rich in various attractive natural resources, valuable cultural and historic heritage, present level of tourism development is underdeveloped comparing to the tourism development of other Croatian regions.*

*This paper analysis possibility of tourism development in the region of Eastern Croatia through the development of tourist family farms in the region. Further, this paper provides an overview of present situation in tourist family farms, critical analysis of the current development stage and analysis of potentials of future development of tourist family farms.*

*Rural farms are insufficiently valorised as potential of tourist development of rural areas despite the comparative advantages of rural areas such as location, natural resources, local population and tradition.*

*Initial hypothesis of the paper is: Tourism in Eastern Croatia can be founded and successfully developed on development of tourist family farms and can significantly contribute to the overall development of the region.*

*The paper presents author's cognition that tourism development at rural family farms can be a segment of recognition of Eastern Croatia as a tourist destination through the development of tourist supply at family farms. Purpose of the paper is to determinate level of perception of Eastern Croatia as a tourist destination of tourist family farms.*

*Methodology applied in this paper is desk research where all relevant domestic and foreign expert and scientific literature about the research theme has been studied. The results of the research have been interpreted by using methods of comparative analysis, economic analysis and descriptive methods. Primary research method is also applied through the survey in regional centers of the*

*Republic of Croatia. Survey refers to the development possibilities of eastern Croatia as recognized tourist destination of tourist family farms in the Republic of Croatia.*

**Key words:** rural tourism, tourist family farms, tourist supply, Eastern Croatia, tourist destination

## SAŽETAK

*Područje istočne Hrvatske bogato je raznolikim atraktivnim prirodnim resursima, kulturno povijesnom baštinom visoke vrijednosti, no ipak dosadašnji razvoj turizma zaostaje za turističkim razvojem drugih regija. U ovom radu se analiziraju mogućnosti razvoja turizma u regiji istočna Hrvatska kroz razvoj turističkih seoskih obiteljskih gospodarstava te regije. Kritički se analizira dosadašnji razvoj turističkih seoskih obiteljskih gospodarstava, daje se prikaz njihova postojećeg stanja, te se analiziraju potencijali budućeg razvoja turističkih seoskih obiteljskih gospodarstava. Seoska gospodarstva nedovoljno su iskorištena kao potencijal u svrhu turističkog razvoja ruralnih područja usprkos komparativnoj prednosti ruralne sredine kao što su položaj, prirodni resursi, lokalno stanovništvo i tradicija.*

*Polazna hipoteza rada je razvoj turizam istočne Hrvatske možese temeljiti na razvoju turističkih seoskih obiteljskih gospodarstava te uspješno razvijati i značajno doprinijeti cjelokupnom razvoju regije.*

*U radu se prezentiraju spoznaje autora da razvoj turizma na seoskim obiteljskim gospodarstvima može biti segment prepoznatljivosti istočne Hrvatske kao turističke destinacije upravo kroz razvoj ponude turističkih seoskih obiteljskih gospodarstava te je ujedno i cilj ovog rada utvrditi u kojoj mjeri se istočna Hrvatska kroz razvoj turističkih seoskih gospodarstava percipira u javnosti kao turistička destinacija. U radu je primijenjena metoda istraživanja za stolom tzv. desk research pri čemu je proučena sva relevantna domaća i strana stručna i znanstvena literatura o temi istraživanja, a rezultati su interpretirani korištenjem metode komparativne analize, ekonomske analize te metode deskripcije. Također je u radu primijenjena metoda primarnog istraživanja putem anketnog upitnika u regionalnim centrima Republike Hrvatske. Istraživanje se odnosi na mogućnosti razvoja istočne Hrvatske kao prepoznatljive turističke destinacije turističkih seoskih obiteljskih gospodarstava u Republici Hrvatskoj.*

**Ključne riječi:** ruralni turizam, turistička seoska obiteljska gospodarstva, turistička ponuda, istočna Hrvatska, turistička destinacija

## 1. Introduction

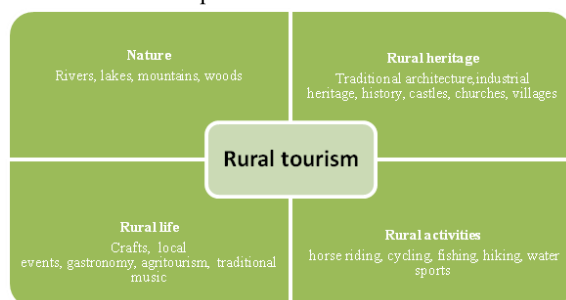
Rural area is going through numerous demographic, social and economic changes. On one hand it is affected by the depopulation trend, but at the same time, citizens of big urban areas find their vacation place in rural areas where they can enjoy natural sites, traditional dishes, rural heritage or sport activities. The increase of demand for this type of holiday resulted in intense yearly world increase of rural tourism up to 11% (Katica, D., Cukrov, S., 2010, 21.); especially on tourist family farms that present basic unit of rural tourism. Croatia is influenced by the same trend followed by intense development of rural tourism, especially development of tourist supply on tourist family farms. This phenomenon is also notable in eastern Croatia which is rich in natural resources and cultural and historical heritage values. Rural farms are insufficiently valorised as potential of tourist development of rural areas despite the comparative advantages of rural areas such as location, natural resources, local population and tradition.

## 2. From Rural tourism to tourist family farms

By researching foreign and domestic literature on rural tourism and by analysing the actual situation in Croatian rural tourism, the authors profiled three main terms on which development of family

tourist farms is based: rural tourism, agritourism and tourist family farms. According to the World tourist organisation, rural tourism is based on natural resources, rural heritage, rural lifestyle and rural activities i.e. activities in rural area such as demonstrated in the picture below.

Picture 1 The concept of rural tourism



Source: WTO, *Strategy of rural tourism development of Split-Dalmatian County*, Horwath and Horwath consulting, Zagreb, 2009

The importance of rural tourism is visible through the interaction of agriculture production, production of traditional products, presentation of tradition, domestic gastronomy and tourist services where the role of tourist family farms is irreplaceable.

The distinguishing feature of rural tourism products is effort to offer a personalised service to the guests and to bring closer physical and human characteristics of the rural area and to provide as much as possible participation in activities, tradition and lifestyle of local people. (Horwath and Horwath Consulting Zagreb (2009), *Strategy of development of rural tourism in Split-Dalmatian County for Tourist board of Split- Dalmatian County*, 7).

Tourism has emerged as a popular rural development strategy, due to associated entrepreneurship opportunities and its ability to bring in dollars, generate jobs, and support retail growth (Wilson et al., 2001, 134). The demand for touristic utilization of rural areas has increased in recent years (Gartner, 2004, 155) due to the inherent qualities that many rural settings possess. These qualities include: personalized attention and genuine interaction with the customer, enthusiasm for sharing local culture/heritage, and overall authenticity of character.

A subordinate term to rural tourism is agritourism and is associated to the village ambience and its surroundings and its activities (agriculture, events, gastronomy, ethnology etc.). More narrow term is tourist family farm that is associated to a certain farm and activities on that farm. A production of farm products is organized on the farm and served and sold to the farm guests (Williams, 1995; Hill et al. 1996; Swarbrooke, 1996). Brscic, Franic and Ruzic provide the following definition of tourist family farm: Tourist family farm is a small economy unit settled in a tourist attractive area that provides authentic product or a service, where all family members are included in farm work. Family farm that provides tourist product or a service obtains a status of Tourist family farm. Tourism on a family farm presents a supplement service of the farm (Bršćić, Franić and dr., 2010, 33).

### 3. Rural tourism in Europe

The roots of rural tourism in Europe are found in 18th century in France through different forms of peasant cooperatives with aim to improve agriculture, but also in humanism and renaissances' influence that encouraged returning to the nature (Geić, 2011, 369).

The share unit of tourist family farms within family farms in Europe is as following: Austria is leading with share of 8%, followed by France (6%), Ireland and Germany (3%). Italy's share is only

0, 3 % (Bacac, 2011, 175). In Croatia, there are only 0, 1% tourist family farms within family farms.

France is associated with the early beginnings of agritourism in Europe. In 2011 there were 44.000 Tourist family farms (French: gites) registered with 450.000 beds with average income of 1, 2 billion dollars (Bacac, 2011, 176). In France, there are few different types of tourist family farms: Rural holiday house, Bed and breakfast, large farms, camps and farm specialised for children. Each of these types is divided in several theme sub types.

Austria's A distinguishing feature of Austrian Tourist family farms (German: Urlaub am Bauernhof) is bi-seasonality, summer and winter season. In 2011, there were 15.500 tourist family farms registered with 170.000 beds. The average occupancy is 108 days per year. (Bacac, 2011, 180).

Slovenia: Agritourism in Slovenia has been developing intensively for the last 30 years. In 2011, there were 630 tourist family farms registered (Bacac, 2011, 185).

#### **4. Development of tourist family farms in Eastern Croatia**

In Croatia, there is 92% rural territory. Tourism on family farms, associated to distinctively rural areas, started developing more intensively in 1998. when 32 tourist family farms were registered. Number of registered tourist family farms is continuously increasing and today there are 688 registered tourist family farms. (State administration office, Department for economy, 2013). Eastern Croatia includes five counties: Virovitica-Podravina, Pozega - Slavonija, Brod - Posavina, Osijek- Baranja and Vukovar-Srijem County. The area of eastern Croatia makes 22% of the territory of Croatia with 19% of total population (Central bureau of statistics, 2013). Population density is lower than average in Croatia<sup>68</sup> and is 73 people/km<sup>2</sup> (Central bureau of statistics, 2013). According to OECD<sup>69</sup> 98,5% of eastern Croatia is rural territory. Region of eastern Croatia is predominantly oriented to agriculture and industry, and is underdeveloped comparing to the rest of Croatia. GDP per capita is 30% lower than state average (Central bureau of statistics, 2013).

Together with agriculture<sup>70</sup> and industry, tourism is becoming widely spread economic activity in eastern Croatia. Eastern Croatia is developing in tourist sense and acquires main characteristics of developed tourist destination on the map of Croatian tourism. However, share of tourism and hospitality in the overall income of eastern Croatia is still rather low-less than 2% (Central bureau of statistics, 2013). Tourist family farms belong to the subjects of Croatian economy whose status and development is regulated by state law and monitored and supported by the measures of the state policies that are, comparing to the competition surroundings, slowly adapting to the market conditions in developing new and insufficiently developed product on Croatian market. Family tourist farms grew in a new tourist product and we witness their quantity and quality development every year primarily because of its natural developmental preconditions for traditional orientation on agriculture and village life. Disposable researches prove that about 160.000 people visit wine roads and 61% of them buy local wine and 63% buy local food. (Strategy of tourism development of Republic of Croatia till 2020, 2013). In spite of positive development trends, analysis show that development is not well balanced in all parts of eastern Croatia due to small size of family farms, low educational level of local entrepreneurs, and large number of legislative rules. Considering this, developmental estimation of tourist family farms should be based on objective possibilities of the future development and investments in supporting infrastructure and development of other specific tourism forms such as hunting, fishing and health tourism. It can be said that this tourism

<sup>68</sup> Population density in Croatia is 78 people/km<sup>2</sup> (Central bureau of statistics, 2013)

<sup>69</sup> The most often used definition used by international organisations in distinguishing rural and urban areas is the one from OECD: Rural regions are the ones with population density up to 150 people / km<sup>2</sup>. European Union defines rural area as the one with population density up to 100 people/ km<sup>2</sup> ( Strategic programme of rural development of Istria county 2008-2013, p.7.)

<sup>70</sup> Agriculture is primary economic activity in many counties like Virovitica-Podravina where agriculture share makes 23% of GDP, the share of GDP in Eastern Croatia is 13%, and on national level only 5%. ( Central bureau of statistics, 2013)

form is insufficiently valorised due to a lack of system approach to the development of this form of tourism. What is more, it is insufficiently and inadequately included in the Strategy of development of Croatian tourism till 2020. Table 1 shows that in some counties of Eastern Croatia there are much more tourist family farms comparing to other counties with less tourist family farms and with recent date of registration. In Vukovar-Srijem County it is confirmed that most family farms were registered for tourism activities in 2010 and 2011 which witnesses of the beginning of rural tourism in this area. (Sudraić, Zmajić, Nedić, 2012, 229). The same situation is in Pozega - Slavonija County.

Table 1 Number of registered tourist family farms in counties of Eastern Croatia in 2012

County:	Number of registered Tourist family farms	Number of beds	Registered tasteries
Brod - Posavina	7	26	2
Osijek-Baranja	56	281	4
Pozega-Slavonija	11	40	2
Virovitica-Podravina	19	33	1
Vukovar-Srijem	19	59	7
<b>Total Eastern Croatia</b>	<b>112 (16%)</b>	<b>439 (33%)</b>	<b>16 (8%)</b>
<b>Total 2012. Croatia</b>	<b>688</b>	<b>1345</b>	<b>208</b>

Source: Made by authors (data collected from Counties departments of The State administration offices)

As shown in the table, there are 112 tourist family farms registered in eastern Croatia which makes 16% of number of registered tourist family farms in Croatia. Eastern Croatia is characterised by unequal distribution of tourist family farms. There are 50% of registered tourist family farms in Osijek - Baranja County, followed by 17% in Vukovar - Srijem county and Virovitica - Podravina County. At this point it is appropriate to say that official statistic data does not provide overall insight in the development of tourist family farms, therefore is it necessary to combine data from different sources.<sup>71</sup> Namely, Central bureau of statistics gathers data only from the tourist family farms that provide accommodation. On the other hand Department for tourism of the Croatian commerce chamber collects data on the rural tourism subjects providing other services, like catering, serving food and beverages to the visitors. What is more, tourist family farms include tastery services, wine cellars etc. that should be included in integrated monitoring system. Statistics about arrivals and overnight stay is monitored only for Osijek- Baranja and Vukovar – Srijem County and is shown in the table 2.

Table 2 Arrival and overnight stay in tourist family farms in Osijek - Baranja and Vukovar -Srijem County

		Arrivals			Overnight stay		
		2012	2011	2010	2012	2011	2010
Tourist family farms-total tourists	Osijek-Baranja	2377	2697	1963	5930	6880	4618
	Vukovar –Srijem	268	240	81	792	998	81
Tourist family farms-domestic tourists	Osijek-Baranja	1868	2104	1525	4674	4611	3550
	Vukovar –Srijem	203	231	75	570	989	75
Tourist family farms-foreign tourists	Osijek-Baranja	509	593	438	1256	2269	1068
	Vukovar –Srijem	65	9	6	222	9	6
<b>Total</b>		<b>2645</b>	<b>2937</b>	<b>2044</b>	<b>6722</b>	<b>7878</b>	<b>4699</b>
<b>Domestic</b>		<b>2071</b>	<b>2335</b>	<b>1600</b>	<b>5244</b>	<b>5600</b>	<b>3625</b>
<b>Foreign</b>		<b>574</b>	<b>602</b>	<b>444</b>	<b>1478</b>	<b>2278</b>	<b>1074</b>

Source: Central bureau of statistics, 2013

<sup>71</sup> Central bureau of statistics, Croatian commerce chamber, Croatian farmer, Eco-Ethno group and State administration office who solely provided data on registered tourist family farms in Croatia

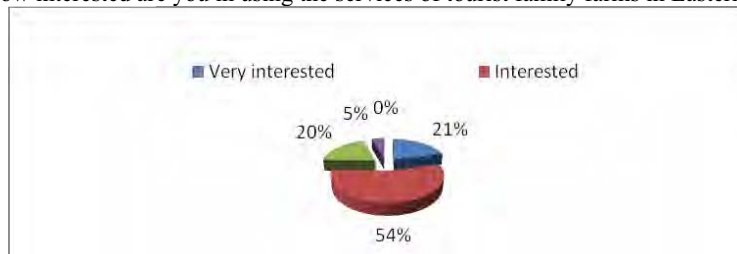
Arrival and overnight stay data in 2010 and 2011 in Osijek- Baranja County and Vukovar-Srijem county is increasing and in 2012 has dropped for 10% as a result of economy recession. Very interesting point is that there is significant number of arrivals and overnight stay of foreign tourists. Also, length of stay at tourist family farms is increasing and in 2010 it was 2,3 days, in 2011 2,7 days and in 2012 2,5 days. Unfortunately, share of overnight stay at family tourism comparing to the overall overnight stay in Osijek- Baranja County farm is rather low and is around 0,3%.

##### **5. The analysis of the results of the empiric research of the role of tourist family farms in tourism development in eastern Croatia**

The method of primary data collection is used in the empiric part of this paper through the method of online poll and method of interview with the leading experts in the field of rural tourism in Croatia. Occasional sample is used for the purpose of survey and questionnaires have been directed to the persons of different age and from different parts of Croatia: from Northwest Croatia there were 33% respondents, from Central Croatia 40% and from Coastal Croatia 27%. There were 250 questionnaires sent and 90 people from Croatia approached the survey, which makes 36% return rate and is considered to be representative sample.

The purpose of this research is to confirm the hypothesis: Tourism in Eastern Croatia can be founded and successfully developed on development of tourist family farms and can significantly contribute to the overall development of the region. In the conducted survey among the respondents there were predominantly women (70%) as potential tourists, middle and high education level (67%) and between 25 and 30 years old (24%). Tourist family farms are now suppliers on the market and respondents have following perception of them: 63% of the respondents consider tourist family farms a modern form of tourism and that it is not expensive 60%. Also, 74% of the respondents consider tourist family farms interesting and unique form of tourism. There are 76% of respondents who finds it attractive tourism form.

Picture 3 How interested are you in using the services of tourist family farms in Eastern Croatia?

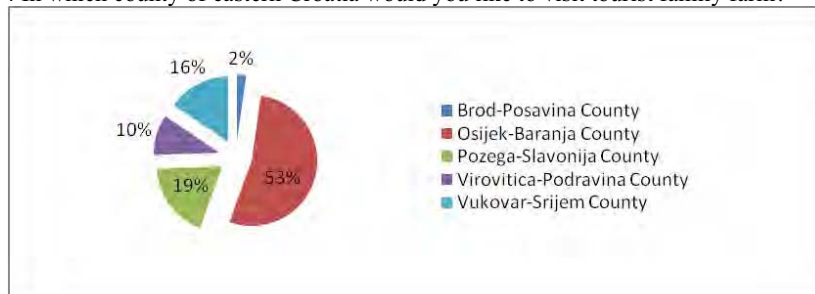


Source: Authors analysis

From the graph above it is visible that there is a high level of interest for visiting tourist family farms in eastern Croatia (21% of very interested and 54% interested). There are no respondents who are not interested at all in visiting Tourist family farms in eastern Croatia. The interested respondents expressed basic motives for visiting tourist family farms: attractiveness of the area, new experiences, natural sites, holiday in the nature, escaping for urban areas, homemade food and gastronomy. Among 12 given factors that can influence the development of the rural tourism in Eastern Croatia, the respondents selected 5 most important: natural sites (33%), enjoying gastronomy (23%), healthy food (17%), pure water and air (14%) and mentality of local population (11%).

The respondents expressed their opinion about the counties they would like to visit as following: Osijek- Baranja County (53%), Pozega - Slavonija (19%), Vukovar-Srijem (16%), Virovitica-Podravina (10%) and Brod - Posavina (2%).

Picture 4 In which county of eastern Croatia would you like to visit tourist family farm?

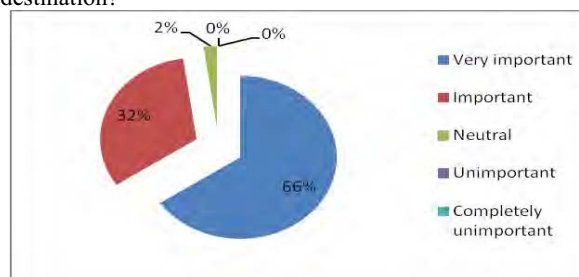


Source: Authors analysis

It is very interesting that more respondents chose Pozega - Slavonija County than Vukovar-Srijem what is not followed by the tourist supply of Pozesko-slavonska County. In that county there are only 11 tourist family farms registered with 40 beds and 2 tasteries. Even 70% of respondents said that they plan to visit tourist family farm in eastern Croatia within next 2 years. Only 27% of respondents expressed that they have no attention to visit tourist family farm in eastern Croatia because of one of the reasons: insufficient tourist supply, distance, lack of finances etc.

The perception of the respondents about the role of tourist family farms for the development of eastern Croatia as a tourist destination is visible in the picture 5.

Picture 5 How important is the development of tourist family farms for the development of eastern Croatia as a tourist destination?



Source: Authors analysis

The respondents in this survey confirm that development of tourist family farms is very important for Eastern Croatia as a tourist destination (66%) and exactly through the development of tourist family farms they perceive it as a tourist destination. They especially perceive Osijek - Baranja County (that has the most tourist family farms) and Pozega - Slavonija County being important for development of tourist destination eastern Croatia through the development of tourist family farms.

## 6. Conclusion

The results of the survey showed that development of tourist family farms is significantly behind the development of tourist family farms in other parts of Croatia. Rural farms are insufficiently valorised as potential of tourist development of rural areas despite the comparative advantages of rural areas such as location, natural resources, local population and tradition. According to this research there are 112 tourist family farms registered in eastern Croatia, which is 16% of total number of tourist family farms registered in Croatia, with 439 beds which is insufficient for stronger economic impacts of this segment.

The development of tourist family farms is successfully supported by numerous measures that were fruitful, but still inadequate comparing to the competitive surroundings (Hungary and Slovenia and Austria).

Development of tourism in eastern Croatia can be founded on the development of tourist family farms, but due to the small size of rural tourist farms, low educational level of local entrepreneurs and complex legislation and in spite of competitive advantages of eastern Croatia is not successfully developing. Unfortunately share of overnight stay on tourist family farms comparing to the total overnights stay in Osijek- Baranja county and Vukovar-Srijem county is extremely low and is around 0, 3 % and it is essential for the growth and development of tourist family farms to foster development of designed and organised rural tourist destinations in Croatia.

The development of tourist family farms can be intensively bounded to the agriculture development and development of specific tourism forms such as: cultural tourism, religious tourism, event tourism, hunting and fishing tourism that could contribute to the increase of number of arrivals and overnight stays. The survey showed that tourist family farms can be and is a recognition segment of eastern Croatia as tourist destination through the development of the supply of tourist family farms. According to the survey results, eastern Croatia through the development of tourist family farms is perceived in public as a tourist destination, especially Osijek- Baranja County which has the largest number of registered tourist family farms and beds.

There are neither precise definitions of tourist family farms nor adequate balanced parameters for measuring economic impacts of this tourism form. Therefore it is required to implement integrated monitoring system within Croatian Chamber of Economy and Central Bureau of Statistics.

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