

Involving Communities in Tourism Development Croatia



Case Study

This case study outlines the approach from our project in two villages in the Makarska Riviera, Croatia, to explore the issue of local community inclusion in tourism development.



Naturally, tourism is developed to meet the needs of tourists. However, there would be no tourism without vibrant destinations; the people, places and history that make tourists want to visit. Yet the needs of the tourist are often put in front of the needs of the destination and the people who live there.

Consequently, local requirements are usually not well-understood or met, and opportunities to integrate international tourism into the local economy are routinely missed. In extreme cases, residents become increasingly alienated from, or resentful of, the tourism in their midst and the political mandate for tourism development subsides. This is demonstrated in many “hotspots” across the globe, including European cities such as Barcelona and Dubrovnik.

The 2018 Resident Sentiment Index from TCI, reports that 4 in 10 citizens living in 20 European cities consider their town’s tourism policy does not take into account the impact on the life of locals. Recognising the issue, European Cities Marketing (ECM) advocates a ‘residents come first’ approach to tourism planning in its report ‘Managing Tourism Growth in Europe’. Similarly, the WTTC emphasises that good tourism management means “all stakeholders are engaged throughout the process”, in the 2017 report ‘Coping with Success, Managing Overcrowding in Tourism Destinations’.

Within this context, the Travel Foundation has explored how to foster more inclusive tourism development through a project in Croatia where, in partnership with the TUI Care Foundation and with cooperation from TUI Group, we trialled ways to strengthen relationships between new hotels and small businesses across two coastal village resorts on the Makarska riviera. The lessons learned from this pilot project have potential for wider application for a number of stakeholder groups including hotel developers, tour operators, hotel managers, tourism authorities and local businesses, and can inform future efforts to develop more inclusive tourism development models.

The Case in Croatia - Makarska Riviera

This case study outlines the approach from our project in two villages in the Makarska Riviera, Croatia, to explore the issue of local community inclusion in tourism development.

The challenges faced in this region reflect those that will be familiar in many parts of the world. The Makarska Riviera has seen rapid growth in international tourism

over the past decade and tourism development is now attracting a new type of customer. This presents both challenges and opportunities for businesses and tourist boards more accustomed to catering for domestic and regional tourists. In such circumstances, local people, businesses and attractions are often overlooked as they are unaware of the required international standards

or the requirements of different customer markets. This can result in imported employment and local businesses being excluded, causing tension and conflict that escalates over time. Plus, in smaller villages, such as in the Makarska Riviera, tourism developments and increased numbers of visitors can have a disproportionately large impact on the local community and the natural resources they use.

To attempt to address these issues, the Travel Foundation, in partnership with the TUI Care Foundation, trialled ways to strengthen relationships between the tourism sector and local communities by taking a more inclusive approach to tourism development.





The Project - our approach

The focus of the project was on two newly refurbished TUI hotels which opened in 2015 in the neighbouring villages of Živogošće and Igrane. Both were previously two-star hotels and were converted to five-star, Karisma hotels. Both now cater to UK and Scandinavian markets and changed their board basis, one to all-inclusive, the other offering half board.

In principle, the refurbished hotels offered positive economic opportunities for the two villages through:

- increased number of jobs and training/skills development (through catering to higher-star guests)
- increased revenue for local businesses from higher spending tourists and extended seasonality
- new business development opportunities catering for tourists interested in experiencing local culture and heritage

In order to capitalise on these opportunities, we established a variety of initiatives to build relationships between international, regional and local stakeholders, as well as to build the capacity of local people and businesses to improve their market access.

Stakeholder relationship building

A key aim for the project was to ensure a structure was in place that enabled stakeholders to work together effectively. We focussed on creating destination councils in each village to support efforts that improve the impacts of the hotel developments on local communities.

The process began with individual meetings with community members, tourism sector representatives, hotel and resort team managers. These were a critical first step in understanding local concerns about the impact of the redevelopment, as well as sharing individual perspectives and expectations. We then facilitated a series of meetings and events to promote communication and collaborative working between the hotels, village tourist boards and local businesses.

Networking events, hosted by the hotels, were one of the activities that proved critical to transforming relationships between stakeholders. For these events, the hotels opening the door to the local business community was symbolic of their intentions to work together.

As well as helping to change perceptions, destination council meetings functioned as the primary structure through which the product development and marketing and promotion initiatives (outlined below) were conceived and delivered.



Both villages now have operational destination councils with representation from the local tourism boards, hotels, TUI and small local businesses. Meetings are held regularly and action plans developed and implemented.

The new decision-making councils involve a total of 26 public and private sector organisation representatives.

Regional seminars in Split were organised at the end of 2016 and 2017 to promote the project and its achievements to a wider audience. These seminars highlighted to the audience the need to consider how hotels can be integrated into local economies at the planning stage, and the benefits of doing so, as well as providing ongoing motivation to local stakeholders to continue working collaboratively.

Local Product development and marketing

“We had a great experience working with TUI Care Foundation and the Travel Foundation, improving marketing and presentation of the restaurant, as well as providing a more tailored approach to our customers.”

Stipe Morović, Owner of Kanoba Turan Restaurant, Igrane.

Supply-side initiatives

To build local capacity so that small businesses were able to meet new tourism market needs, training was delivered to managers of local bars and restaurants across both villages. The training focused on hygiene and quality standards, as well as adapting the ‘tourist offer’ in relation to menus, service etc.

The training was delivered in collaboration with corporate volunteers from TUI UK & Ireland and attended by resort staff, the village tourist boards and hotel managers. The involvement of TUI and hotel staff was critical since it demonstrated to the local business owners a commitment to collaborative working.

Demand-side initiatives

To ensure that tourists are aware of local products and services on offer, the Travel Foundation worked with TUI and hotel staff to develop initiatives that would encourage hotel guests to explore the villages. These included:

- raising awareness with staff of the tourism ‘offer’ in the villages
- organizing staff visits to bars and restaurants
- promoting the local businesses at ‘welcome meetings’
- ensuring that the tourist board shares information with hotels and tour operators, and vice versa
- setting up new ‘Taste the Village’ excursions, which visit local restaurants. Within these excursions, hotel guests can meet the owners and try out specialty dishes and small bites on their way

“Every time I share different specialties during the [Taste the Village] walk, such as olive oil with homemade bread, Dalmatian prosciutto, local cheeses, fresh fish or bruschetta, I see that dish selling more later that evening.”

Filip Biočić, restaurant owner from Živogošće



Promoting local culture and heritage

Research was conducted with hotel guests to explore their interest in potential culture and heritage products.

From the positive feedback received, two self-guided cultural heritage walking itineraries were produced and disseminated via the village tourism boards.

The tourist boards also worked with heritage sites to increase accessibility for visitors. New signs have been erected around the villages to direct people on the self-guided tours to monuments, churches and other sites, and opening hours of the churches have been extended outside of mass hours.

The tourism boards also shared information on forthcoming events with hotel and TUI staff, to encourage promotion to guests and participation. As a result, one of the hotels also sponsored the Fisherman's Night - the biggest local event of the year in the villages. This was significant in building hotel-village relationships as it was public display of support from the hotel.



After just one season, we found positive signs that the initiatives were beginning to bear fruit.

- 17 of the 20 bar and restaurant owners trained (85%) had implemented changes to business practices, including using social media and changing menus and opening hours.
- Over 800 hotel guests participated in the new 'Taste the Village' excursions across the first season.
- Business owners reported an 11% increase in footfall from hotel guests to the villages and 53% reported increased sales.

It is anticipated that, with continued communication and collaboration between stakeholders, a more significant positive impact can be achieved in the longer term.



Youth employment and enterprise



We also ran workshops to improve local employment opportunities for young people (the demographic with the highest unemployment rate) in response to concerns expressed by the local community on this issue.

The workshops aimed to stimulate interest in the tourism sector and build basic skills. 12 out of the 20 young people trained secured employment by the following season.



60%

**of those trained
secured jobs**

We also fostered linkages between the hotels and local vocational training institutes and commissioned a skills gap analysis report, to establish knowledge and skills requirements for hotel employment, and disseminated to the institutes, enabling them to better align training content to hotel needs.

Conclusions

Fostering a more inclusive approach to tourism development in destinations clearly requires greater attention among tourism leaders and managers. Giving residents a voice at the earliest opportunity in the tourism development process is vital to ensuring a successful and sustainable tourism product that enables community benefits to be realised.

Our project in the Makarska Riviera effectively explored how new tourism developments could be more effectively integrated to provide greater benefits to local economies, but this is just the beginning. To ensure all tourism development is more inclusive, future enquiries will need to consider the frameworks, structures and policies that are required

to ensure tourism development is routinely carried out with a 'residents first' approach. In particular:

- Formal in-destination mechanisms that enable stakeholders to engage and collaborate, such as destination councils. The make-up, roles and responsibilities of such entities will vary but may include: master planning, product development and promotion, investment strategies, data exchange and capacity building, and representation of wider community interests.
- Processes to ensure that development plans are shared with relevant communities at the earliest opportunity. These

processes should enable communities to give their feedback and should identify opportunities for local gain. This will allow decision makers to better manage anticipated impacts and respond to local priorities in a proactive manner.

- A stronger emphasis on community inclusion within hotel development specifications, including a responsibility to understand and respond to community needs.
- Tourism capacity-building programmes that ensure local products and services can meet market standards and compete effectively at an international level.

This project is one aspect of a wider body of the Travel Foundation's work on destination management, which is investigating and shedding light on how to assess and manage the impacts of tourism effectively. The project also forms part of the TUI Care Foundation's wider strategic plan 'Caring for a Better World', which has 'Thriving Destinations' as one of its three themes.



For more information, please go to our website: www.thetravelfoundation.org.uk

To find out how the Travel Foundation can help you create local supply chain linkages or more sustainable products, contact us at

partnerships@thetravelfoundation.org.uk

or Tel: +44 (0)1179273049 thetravelfoundation.org.uk

