

## UMBRELLA BRANDING IN TOURISM – MODEL REGIONS OF ISTRIA AND DALMATIA

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### **Abstract**

**The purpose** – The purpose of this paper is to support the thesis that a region represents a key functional and geographical entity which requires branding and development of marketing activities. Its geographical components are tourism clusters that should develop their own identity in cooperation with other clusters, within the region as their umbrella brand.

**Design** – The special focus is given to reviewing the issue of defining boundaries of regions as tourism brands, i.e. discussing what exactly makes the essence, or the essential framework, of a region as a market brand in tourism. The paper also presents the model of geographical and marketing clusterisation of Istria and Dalmatia – the Croatia's regions that are essential for the development of tourism in this country.

**Methodology** – The methodology of the research includes the examples of good practice, analysis of the existing strategic documents of the region Istria and Dalmatia, workshop – creating an original model of region clusterisation in the case of Dalmatia by graduate students of management in the Department of Economics at the University of Zadar and author's management experience in public management in tourism.

**Approach** – There are particular interests within fragmented basic units of local government – towns and municipalities – aiming to "preserve" the identity of each separate geographical unit, even the smallest one, whereas the marketing trends in the dynamic international tourism market require exactly the opposite. Regions must be the unique spatial and socio-cultural entities featuring an adequate tourism identity which is built as an independent and inherent market brand. That fact is perceived in the light of the forthcoming accession of Croatia into the European Union (1<sup>st</sup> July 2013) and the exceptionally important process of redefining Croatia's regional administrative-political boundaries, where an appropriate regionalisation is considered as one of the prerequisites for the "correct" and optimal social and economic development in the future.

**Findings** – The problem of defining regional boundaries must be seen as one of the essential issues in defining the region's geographical area as the basis for the development of economy. An appropriate definition of the tourism region as an umbrella brand and its sub-brands – tourism "products", i.e. clusters – presents the starting point for further definition of all management and marketing activities, both at the level of clusters, through individual activities, and at the level of the umbrella brand, through joint, i.e. networked management activities.

**The originality of this research** – The originality of the model consists on the fact that it refers to a relatively wide region (within European context) featuring a rich of natural attractiveness and cultural-historical heritage, whose borders were often altered in the past, and which was, and still is, intersected with a number of administrative-political boundaries.

**Keywords** branding in tourism, umbrella branding, tourist destination as a brand, tourism clusters, region as a tourist destination

## INTRODUCTION

This paper's purpose is to set forth additional arguments supporting the thesis that a region represents a key functional and geographical entity which requires branding and development of other marketing and development activities. Its geographical components are tourism clusters that should develop their own identity in cooperation with other clusters, within the region as their umbrella brand.

The actual purpose of this paper has been justified by the fact that there are particular interests within fragmented basic units of local government – towns and municipalities – aiming to "preserve" the identity of each separate geographical unit, even the smallest one, whereas the marketing trends in the dynamic international tourism market require exactly the opposite. The most developed tourist destinations are introduced onto the tourist market as regions – unique spatial and socio-cultural entities – featuring an adequate tourism identity which is built as an independent and inherent market brand.

Therefore the goal of this paper is to additionally highlight the need to present the region as a key tourist destination, hereby reviewing the issue of defining boundaries of regions as tourism brands, i.e. discussing what exactly makes the essence, or the essential framework, of a region as a market brand in tourism. Another goal is to re-examine the role of tourism clusters as sub-brands of a region as an umbrella brand. Finally, the paper presents the geographical and marketing clusterisation of Istria and Dalmatia – the Croatia's regions that are essential for the development of regional tourism.

## Methodology

The methodology of the present work includes the examples of good practice, analysis of the existing strategic documents (the case of Istria), workshop – creating an original model of region clusterisation in the case of Dalmatia (by graduate students of management in the Department of Economics at the University of Zadar), authors' own observations, earlier research and work and management experience in public management in tourism.

Students of the University of Zadar used the following research methodology when designing the model:

1. The students studied and used the most recent insights and information on branding, modern management of tourist destinations, and clusterisation in tourism.
2. The students were divided into groups, each one in charge of defining one of the clusters from the geographic and marketing point of view.
3. By participating in the joint "workshop" – an open forum – and by means of consensus, the students defined the boundaries of the clusters within the analysed region – Dalmatia. This was surely the most demanding task during their research. However, the model itself remains open. In case of its implementation, the task of the final definition of the tourism clusters will have to be carried out by the tourism stakeholders, i.e. the key groups that define and implement both individual and integral tourism products of the actual destination.

4. Each student group defined basic and supplementary tourism potentials for "their" cluster, primary and secondary (individual) tourism products arising from these potentials, as well as the "organic connection" between "their" tourism cluster and the overall tourism product – the region as the umbrella brand.
5. The students defined basic guidelines for tourism and marketing development of each tourist cluster. The guidelines should serve as the basis for defining strategic goals of the entire region's tourism development.

The framework for creating the described model was the regionalisation and clusterisation of a similar, but considerably smaller tourist region – Istria. The tourism clusterisation of Istria has been defined by strategic marketing plans as well as regional development plans, so that it was justified to take it as a good example. Moreover, the head of the research and one of this paper's authors participated in designing and practical implementation of the tourism clusterisation of Istria while she worked as a public sector tourism manager in Istria region.

The paper has been structured in five parts. The first part analyses the notion of the region as a tourist destination. The second part deals with the destination management and destination branding. The third part underlines the role and importance of tourism clusters. The next part provides the examples of branding of two regions – Istria and Dalmatia. Finally, the paper presents the research findings and conclusions.

## 1. REGION AS A TOURIST DESTINATION

Proper marketing strategies should increase the tourist awareness of a destination, attract the tourists through the perception of quality or affect their commitment to the destination. Therefore, the strategic marketing should carefully define the main strategic objective of the tourist destination branding (Konecnik and Gartner 2006).

As the destination branding is still a relatively new area, one should not be surprised by the facts set forth by Hankinson (2009), stating that little attention is paid to the development of destination branding theory which might provide guidelines for the managers engaged in destination branding and serve as the groundwork for future research.

The Jackson and Murphy's study (2006) reveals that the principle of clusterisation is exceptionally suitable to be applied in tourism, particularly at the regional level, where each cluster is designed for a particular type of tourist. Such a tourism framework allows for the market competition based on cooperation, differentiation and innovation.

The notion of a tourist destination is often vague and hard to define. In most cases, the term has been used as a synonym for the final stop or the final travel destination. In 1970s the term *destination* was used to define a tourist sight, zone, region<sup>1</sup>, country, a group of countries, even a continent.

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<sup>1</sup> Region – geographical entity (whole) which differs from neighbouring spatial units in features, internal connections and its role within a wider area (Blažević & Peršić, 2009).

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).

A tourist region<sup>2</sup> is defined by urban, spatial and economy criteria. These criteria refer to homogenisation, i.e. the need of an integral development of a geographical unit. Hence the tourist destination becomes one of the most important conceptual frameworks of research in tourism. When observing a tourist product through the prism of tourist experience, sojourn, *tourist dream*, we find out that the quality of tourist travel and sojourn depends primarily on the quality of the tourism product as an overall tourist service of a destination.

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. Therefore, as a rule, tourists identify the region with the very tourist destination product which satisfies their overall requirements during sojourn (Luft 2000, 212-218).

Magaš (1996, 104) states that a region, i.e. a regional community, has to "develop objective capabilities for tourism activities and for shaping and launching the (tourist<sup>3</sup>) product into the market". Regional communities make tourism activities possible by developing the systems of infrastructure that connect the municipalities. Their strategies refer to combinations of vacation services that are created at lower local levels.

The region as a tourism destination is therefore a crucial geographical entity where a specific tourist service should be developed. The major changes imply the organisation shift from the local to the regional level and an accurate definition of competencies, tasks and responsibilities at mid- and micro-levels of tourism organisation, where the system is based on "from the bottom to the top" principle of acting. This organisational architecture is supported by the thesis that a region that corresponds to the so-called "intensive area of tourist sojourn, as a true destination in the sense of the product/market combination" (Pechlauer 1999).

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<sup>2</sup> Tourist region – geographical entity where tourism has a key role and is a dominant function, i.e. where the spatial physiognomy is to a large extent the consequence of that function (Blažević & Pepeonik, 1993).

<sup>3</sup> authors' note

## **2. KEY FACTORS OF DESTINATION MANAGEMENT – DESTINATION AS A BRAND**

There are two key premises for a redesigned management of a tourist destination: (a) the present is governed by the future, and: (b) the emotion is a crucial component of the destination as a brand (Jurin 2008, 1).

These premises are the groundwork for a new tourist ambience where autistic tourism brands, i.e. brands themselves, are not sufficient any longer. Tourists as final brand users require to be treated as human beings and experts in tourist destination management strive to meet both emotional and functional needs of their users.

Tourist destination branding is a process through which a destination actively seeks to create a unique and competitive identity to position itself, as best as possible on the home and foreign market, as a desirable tourist destination and an area of promising economic development. Creating a brand is a complex and time-consuming process requiring considerable capital and innovativeness and bringing together the many factors that impact on developing and enhancing the distinctive image of a destination (Cetinski, 2006, 105).

Good organisation of a tourist destination is seen as one of its most important elements; without it, other elements would remain disconnected and unable to achieve success. In order to ensure the development quality, tourism can not grow independently but in line with the level of the development of the surrounding economy and, of course, in accordance with the production and tourism culture of the social environment. Therefore there is a natural need of a balanced coordination, i.e. shaping, implementation, monitoring and redefining of life and action management at each separate tourist destination, ranging from urbanism and utility infrastructure to supply of genuine tourist products (Jurin 2008, 2).

Consequently, there is a justified need of shaping and implementation of a smart destination model. Such a destination implies the management that integrates the efforts of all contributors acting within, timely foresees would-be trends and market changes, and meet the requirements and needs of tourists in real time, systematically enhancing efficiency, cost-efficiency and profitability of all businesses in private and public sectors.

The response to all these requirements lies in introducing the methodology of brand architecture in tourist destination management, assuming that tourist destinations as brands:

- provide safety and guarantee of certain quality and consistency;
- provide the framework for positive relations between a tourist destination and final users, and
- define a consumer niche the final user, i.e. the tourist, belongs to.

In order to achieve the above described requirements, three key components should be determined for a destination as a brand: point of differentiation, market positioning and destination brand personality dimension (Jurin 2008, 3).

### 3. ROLE AND IMPORTANCE OF TOURISM CLUSTERS

Tourism clusters represent an economic framework which ensures regional development through innovative actions, higher productivity, competitiveness and focusing on exports<sup>4</sup>. These results can be achieved by a complementary affiliation of economic and non-economic entities and institutions joined by common interest. This is why the model of clusterisation in tourism has been accepted worldwide as a powerful framework for a sustainable development of a destination from the economic, social and environmental standpoints. The ability to offer higher value for money through this model allows a region to become more competitive through numerous activities in the "tourism chain of values" and to expect better business outcomes. Designers of economic policies in Europe have been particularly dedicated to the policy of cluster development, producing a number of analyses and studies. The cluster concept was considered in the USA at the beginning of the 20<sup>th</sup> century, in the era of the establishment of corporations and the resulting increase in production. From that time on, the clusterisation has been regarded within the context of ability to embrace innovations at the levels of both corporation and region, later on at the national and international levels too (Đurašević 2009, 101).

The clusters are important because they enable enterprises to become more productive, innovative and competitive than they are when they do business independently. A cluster provides a very competitive environment but most of the participants do not compete directly. Instead, they compete with horizontally networked entities from the same trade but, being engaged in various markets, they are able to compete globally. The results express the value of complementary production outcomes in a cluster whose physical boundaries are defined by objective economic principles and not by administrative, managerial or legal structural principles.

Since in present-time globalisation of the world economy the tourism industry, hence tourist destinations, can survive only by means of networking at various levels that are necessary for designing tourist services, tourist destinations perfectly fit the concept of clusters in the economic development of a country and its penetration into new markets. The cluster strategy provides coherency and coordination to different programs and ways of financing at various levels, and usually exists in regions which lack other cumulative influences. The clusterisation ensures the introduction of innovative steps and achievement of high business standards, enhances competitiveness and opens the doors for export activities. It should be borne in mind that cluster management policies vary from cluster to cluster, proving that rigid economy development models have been replaced with flexible policies in the context of participation in regional development (Đurašević 2009, 102).

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<sup>4</sup> Tourist cluster – a set of tourist resources and attractions, infrastructure, facilities, service providers, other supporting sectors and administration bodies, whose integrated and coordinated activity offers the clients the experience they expect at the tourist destination they visit (Pike, 2010).

Using communications, technologies and investments of local inputs from various sectors and clusters, destinations develop their business and global positioning. In this process branding is of paramount importance as a brand implies that a destination is recognised and thereby easier to sell as a tourist product.

For that reason a region should be, first of all, divided into clusters in order to carry out its branding efficiently. It is necessary to determine dominant, i.e. recognisable features of each cluster and harmonise the tourist service accordingly, bringing the private and public sectors in close cooperation.

From the marketing point of view, the region appears as an *umbrella brand* containing a "bundle" of diversified, contrasting and complementary forms of service, which will be able to offer the customers a chain of services, aimed at the so-called "multi-optional experience". The region's tourist service management has to provide the quality of service which corresponds to "multi-optional, suitable and authentic experience" (Luft 2000, 211-227).

However, in order to achieve such a synergistic effect within a tourist destination, it is essential to have a "catalyst", most often an institution, which acts as a "cluster catalyst" or a "cluster leader". Various countries have established various institutional forms sharing common and approximately identical objectives and tasks. As far as tourism is concerned, the United Nations World Tourism Organization (UNWTO) is committed to establishing DMOs (Destination Management Organisations), whose role is to coordinate and foster joint actions of all parties within a destination which affect the creation of a tourist product.

The essential goal of such a regional organisation is the strategic marketing, involving:

- planning and coordination of the service, including the product development,
- strategy of the *umbrella branding*, taking into consideration the ability of tourist resorts to be developed as separate brands,
- planning and coordination of spectacles and performances (*event management*), focusing on events,
- coordination of public relations activities, promotion and booking activities,
- electronic network,
- coordination of booking channels,
- regional service for visitors,
- *cross-promotion* with other sectors.

Integral planning and integral development policy are the only guarantee for the development of tourism that is tuned to the market demand and that, at the same time, protects the interests of domicile population. Such a planning can define the type, shape and concept of tourism development. Belletti et al. (2007) and Dimara et al. (2004) argue that the growing demand for high-quality products and the desire for cultural identification have created a growing market for value added products which are strongly identified with a particular geographical area. Reasons for the growing demand for genuine products whose origin is recognised result from customers' fears related to food safety, trust in the quality of a product whose origin is ascertained,

nostalgia for local and regional products, as well as the desire for preserving local and regional economy.

The results of a successful branding are reflected in increased arrivals to a particular destination, higher demand for products and services, increasing real-estate prices, better tourist outcomes and, finally, in the contentment of the domicile residents. A successful region branding should result in maintaining and attracting all interest groups and influential groups, in accordance with the established brand strategy of the region<sup>5</sup>.

#### 4. EXAMPLES OF BRANDING: ISTRIA AND DALMATIA AS UMBRELLA BRANDS

Figure 1 shows the model for branding and clusterisation of Istria as a tourist umbrella brand, as defined by the Master Plan for tourism development in Istria 2002–2012, an essential development and marketing strategic document which has defined the strategic goals of the region of Istria as well as boundaries and marketing identity of its tourism clusters.

Figure 1: **Model for branding of Istria as the umbrella brand – tourism region and its clusters**

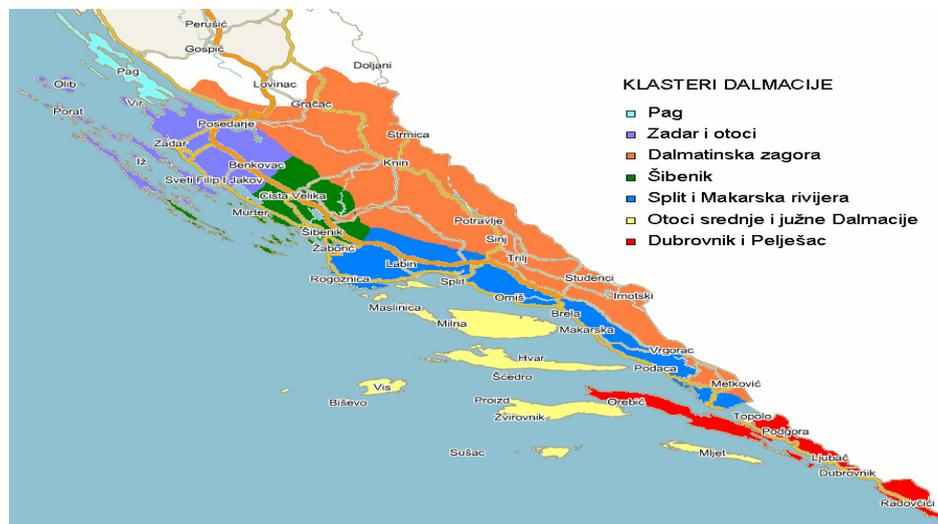


Source: Master Plan of the development of tourism in Istria 2002-2012.

This model served as a basis for the graduate students of management in the Department of Economics at the University of Zadar, during the Brand Management course, to create their own model for the umbrella branding of Dalmatia and define the boundaries of its clusters, as shown in Figure 2.

<sup>5</sup> See: Master plan of the tourism development in Istria 2002–2010, [www.istra-istria.hr/masterplan](http://www.istra-istria.hr/masterplan).

Figure 2: **Model for branding of Dalmatia as the umbrella brand – tourism region and tourism clusters**



Source: Original research of the graduate students of management in the Department of Economics at the University of Zadar, course in Brand Management, generations 2010/11 and 2011/12.

When creating the original model for clusterisation of Dalmatia, the guiding thread was a conviction that Dalmatia, just like Istria, has an already developed anthropological, historical, socio-cultural and geographical identity of its own, and that Dalmatia, like Istria, represents more than a region as a geographical entity. Therefore it must not be "split"; instead, it should build a genuine powerful identity through which the individual clusters, i.e. smaller geographical units, may present themselves as individual "products" under the umbrella brand in the global tourism market.

## 5. RESEARCH FINDINGS

The following findings have been produced from the original research, the analyses of the strategic documents referring to the development of tourism in the two observed regions, the first author's own experience in public management in tourism, the authors' earlier researches and the creation of the original model for tourism branding of the region of Dalmatia and its clusterisation:

1. Tourism trends, from the standpoint of demand, as well as the competition, from the standpoint of tourist service, have proven that a region should be developed as a tourist destination – centre of tourist activities, central branding point and key point of marketing activities.
2. Theoretical insights and scientific research that have been conducted so far, support this thesis and confirm that the region is the most competitive spatial and geographical entity upon which a strategic development and marketing planning should be built.

3. Practical experiences in the Republic of Croatia reveal a different approach – divergent interests of public sector in tourism and of local government. The public sector in tourism is increasingly realising the need for joint marketing and networking of cities, towns, municipalities and other micro-geographical units within the region as the umbrella brand, whereas the local administration bodies, due to limited spatial competences of their political leaders, restrict the development of identity within their boundaries. This is particularly the case when the neighbouring municipalities and towns are governed by various political parties so that the agreements and consensus about common development issues are almost impossible to achieve. On the other hand, researches prove that the boundaries of the region perception in a tourist's mind are entirely different, i.e. much closer to the "boundaries of region identity" than to the "artificially created" administrative boundaries of local government units to which the local political leaders wish to restrict all marketing activity and the identity development of geographical micro-units (towns, municipalities).
4. From the above-mentioned issues we can conclude that in the Republic of Croatia there is too much involvement of politics and political power in the public tourism sector which is the major promoter of tourist destinations (tourist boards). This paper's authors believe that one of the reasons lies in the inadequate tourism legislation which stipulates that the mayor of a town / municipality should be appointed as the chairperson of a town / municipality tourist board, while the county prefect should be in charge of the county tourist board. The authors believe that such a system is the diametrical opposite of the interests of the liberal market and the private sector in tourism, and support the thesis that the tourist board governing bodies, which are the key entities in charge of marketing and management of tourist destinations, should be completely free from the involvement of politics and political interests.
5. The cases of Istria and Dalmatia, as regions representing separate geographical entities but having an already developed strong historical and socio-cultural identity, prove that an earlier developed identity of the region as a geographical entity is the best groundwork for building a marketing identity of a region as an umbrella brand in tourism.
6. A region must never "stop" building a brand *per se*. The essential pre-requisite of its tourism development implies the simultaneous building of its sub-brands – tourism clusters. When determining the boundaries of tourism clusters, similar criteria should be taken into account as when defining a tourism region, including: natural, historical and socio-cultural features, built identity, earlier developed connections among locations in the cluster, and the like. In this way the clusters will be able to build their own central and extended marketing identity within a unique brand identity – the region they belong to.
7. It is obvious that, in the Republic of Croatia, Istria as a tourism brand has made the greatest progress in the development of the region and its clusters. It is the most developed tourism region in the country. The authors support the thesis that the same procedure – defining tourism regions and their clusters – should be followed by the other Croatia's regions. Their boundaries and strategic development goals should be defined by strategic documents on tourism development of the entire country as well as its sub-entities such as counties and regions.

8. The paper presents an original model, providing basic orientation towards branding and clusterisation of Dalmatia, which could be widely applied in practice and further research.
9. The described model for developing strong tourism regions and their clusters building their own sub-identities and tourism products within their mother regions, and the joint promotion and other marketing activities at the national level, presents, in our opinion, an optimum development model which allows positioning and competing in the severe international tourism markets.
10. The development of a tourism brand, within the framework of the described model, should be based on the following key principles: networking (aimed at joint marketing and joint product development), network partnership, building sub-identities within a joint identity of the region, strategic approach, integral and holistic view on strategic planning in tourism, development of the quality of individual clusters and the tourism region as a whole. These are the factors that can increase the competitiveness of Croatia in the international tourism market, the competitiveness which has already been supported by significant natural, social, historical and socio-cultural resources. The model described in this paper may serve as a potential way of clusterisation of the region as an umbrella brand in tourism.

The authors' thesis on their model's specificity is explained as follows:

- Similar models already exist in good practice in the most developed tourist destinations in Europe and worldwide.
- A similar model is being developed in Croatia, in the region of Istria. The model has been defined by strategic documents on the development of tourism in the region and has already yielded good results.
- According to the authors, the originality of their model is based on the fact that the model refers to a relatively wide region (within European context) featuring a rich cultural-historical heritage and natural attractiveness, whose borders were often altered in the past, and which was, and still is, intersected with a number of administrative-political boundaries.

The contemporary quality of the presented model is perceived in the light of the forthcoming accession of Croatia into the European Union (1<sup>st</sup> July 2013) and the exceptionally important process of redefining Croatia's regional administrative-political boundaries, where an appropriate regionalisation is considered as one of the prerequisites for the "correct" and optimal social and economic development in the future.

The very model could assist in defining the boundaries of the brand or, in other words, in defining the region as an umbrella brand consisting of individual "products", i.e. tourism clusters that present considerable potential for the development of tourism.

This brings the relation between the model and the "umbrella brand" concept to light. Unlike "typical" material products and non-material services whose perception and definition occur, as a rule, within closed systems (organisations, enterprises, institutions) which can be managed by central control tools, the management of tourist

destinations on the principles of modern brand management involves a number of difficulties as these are open systems that often correspond to geographical entities. It is hard or impossible to manage these systems centrally not only because of their regional quality but also due to the fact that there are a number of different and often disparate interests of various stakeholders in the area.

This is why it is useful to properly define clusterisation in each region wishing to grow on the modern principles of management, i.e. destination management. An appropriate definition of the tourism region as an umbrella brand and its sub-brands – tourism "products", i.e. clusters – presents the starting point for further definition of all management and marketing activities, both at the level of clusters, through individual activities, and at the level of the umbrella brand, through joint, i.e. networked management activities.

Hence the authors of the model find the managerial implications in the following: in defining "geographical and marketing" boundaries of the regional tourism product and in the strict definition and marketing designation of tourism clusters as the ground of tourism development on which all other activities are planted. The definition of tourism clusters, their "embedding" into strategic documents of regional development and subsequent optimisation, will result in optimal management and marketing effects, optimal harmonisation of tourism potentials and, generally speaking, the portfolio of the integral tourism product of a destination with the modern tourist demand and requirements. This will also assist in defining the groundwork for further marketing activities, e.g. for the so-called joint marketing – common marketing activities performed by various stakeholders present in a tourist destination (for instance, airline and hotel companies, as is the case in the model for the region of Istria).

## **CONCLUSION**

Tourism can not and must not be developed in a non-organised and non-controlled way. Its development and efficient positioning of a country and its individual regions in the international tourism market require conscious commitment, strategic approach, networking and partnership. Individual and particular interests as well as the fragmentation of marketing activities, i.e. the phenomena that currently prevail in the public tourism sector in the Republic of Croatia, do not contribute to further development. On the contrary, they fragment the efforts and funds (financial resources), impeding efficient marketing activities. The actual infrastructure of tourism boards, which are supposed to become destination management leaders and thereby branding leaders in tourism, supports the adverse trends and it is necessary to introduce amendments into the current tourism legislation in a way that the core of tourism activities is shifted onto the regional level.

Exactly this type of model is discussed and argued by the authors of this paper who support the thesis that a region, as a central brand in tourism, has a key role in introducing and positioning the national tourism in the global market. A region as a tourism brand does not necessarily have to follow the administrative county boundaries; it should be defined by the historical identity that has been built for

centuries. As a "compound of identity, history and geography", the region represents a crucial geographical and marketing entity which should be developed as a mid-level tourism brand. It should become the most powerful brand which encompasses tourism clusters as sub-brands at lower level, which build their own identities within the region. At the highest level, joint and integrated efforts should turn the entire nation into a unique receptive tourist destination, designed as "panoply", a mosaic of various regions – central brands. This model has already been applied worldwide and has proved efficient in a number of developed tourism countries (Italy, France, Spain and others). Therefore, Croatia should follow the steps of the most successful competitors and move towards intensive development and branding of regions. The model of such a desirable tourism development has been described in this paper using the case studies of the regions of Istria and Dalmatia. The application of such an approach will enhance both tourism and overall competitiveness of the Republic of Croatia in the global market. In addition to economic effects, the tourism development will ensure other benefits such as an equal development of the individual regions and their sub-areas, by allocating resources to all geographical units adequately and evenly. Furthermore, it will ensure an even development of tourism identities of both developed and less developed tourism areas, particularly the hinterlands, resulting in the overall social development. Therefore it can be concluded that the model, as described in this paper, contributes not only to the development of tourism brand of the receptive countries, hence their competitiveness, but also to the development of the entire receptive community, following the principles of the sustainable tourism.

Limitation of the research:

- This model does not provide in-depth study and assessment of all potentials, i.e. tourist attractions, nor does it describe all possible specific activities the tourists may take part in the clusters. Surely it would be necessary to carry out a detailed examination of all geographical and cultural-historical features of the region and its clusters in order to obtain a more complete and comprehensive clusterisation of the region and to define specific tourism products in the clusters.
- Defining boundaries of a tourist region as an umbrella brand and defining boundaries of its tourism clusters present probably the biggest challenge in model designing. In practice, the boundaries should be defined through the consensus of the stakeholders in the tourism system. From the standpoint of methodology, this should be achieved through workshops on defining the goals and limits of the tourism development, in line with the IGM (Integrated Quality Management) system to which the European guidelines for the development of tourist destinations refer (Krajnović, 2006).

Here are the guidelines for future research:

1. Theoretically, further research should explore the relation between defining boundaries of a geographical region and defining boundaries of a tourism region in more detail. Primarily due to the interweaving of various, mainly political interests, the idea of a wider region as a tourism brand is often held back, even rejected. Relevant research in this area could produce arguments for accepting the concept in practice.

2. Further research of the relations between tourist activities and defined tourism products should be encouraged. This will result in stronger bonds between defining individual tourist attractions and their attractive elements and the possible tourist activities in a tourism area (cluster). Consequently, this would provide the framework for a better valorisation of tourism areas / clusters as unique "geographical tourism marketing entities" based on the principles of sustainable development.
3. Potential implications of the described model for the social and economic growth of the region should be explored. For instance, it would be worth knowing how much can be saved through joint advertising and other joint marketing activities at the levels of the cluster and region. Furthermore, the research should reveal overlaps between individual activities (segments) inside and outside clusters and the region itself, and the ways to minimise and harmonise them.
4. One of the goals of the future research is to raise awareness of the need for the tourism development based on the described model as the model proved to be efficient in the developed tourism countries. It can be noticed that the countries which underwent transition have been slow in adopting these and similar development models, so that further research may focus on the reasons for repudiation of modern development models in the real-life tourism practice and on ways of overcoming the repudiation.
5. Finally, comprehensive researches should certainly define the similarities and differences between the economic, administrative-political and tourism boundaries of a region as a framework for the overall development. The similarities and differences should be analysed from the point of view of strategy, management and marketing. There is a need to clearly define the relations between the historical and geographical boundaries of the region and to explore the possibility to maintain these boundaries within the modern socio-economic context with the purpose of optimum development.

The authors are aware that, in practice, there are a number of obstructions to a wider definition of tourism region boundaries. The obstructions probably arise from the fact that the boundaries of the regions frequently gave rise to disputes, wars, interference of broader political interests and the like. This is particularly the case in the observed region – Dalmatia – which was the target of numerous conquerors and which has always been the area of turbulent events. In the collective memory of today's local population, authorities, even scientists, the problem of defining regional boundaries is seen much more as the matter of local and regional pride and partial political interests, than as one of the essential issues in defining the region's geographical area as the basis for the development of economy.

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