The concept of Integrated Quality Management appears to be the most comprehensive, and at present, the most advisable model of integrating all the functions of tourist destination management into the quality management framework. The recommendations published by the European Union in 2000 point out the need to implement the IQM concept in the tourism and hospitality industry system, in order to meet customers' and tourism stakeholders' expectations, while ensuring quality of life to local communities and improving the sustainable development of tourist destinations. The IQM concept, which integrates all the elements of a destination's tourist offer and aims to provide top quality standards, has a significant role in consolidating aims and uniting tourism stakeholders' divergent interest, which are common within the tourism system and in the destination structure itself. Therefore, the IQM model should be integrated as a framework for today's tourist destination management. The authors of this paper will present the possibilities and opportunities as well as the limits and constraints which have been encountered while introducing this concept in coastal tourist destination management in Novigrad, Croatia. The general conclusions that can be derived from their example may be useful to other destinations which operate in similar conditions.

Key words: IQM, tourist destination, sustainable development

INTRODUCTION

Tourist destinations create their position and success in the market on the basis of so-called integral quality, which is based on a tourist’s experience of the visit. This is based on the so-called chain of values that visitors expect and experience, which starts from their first impressions of the tourist destination during their stay, and concludes when they return back home.

With such a complex, integral product, the only possible way manage it in a successful way consists in a systematic style, where the IQM model is the optimal choice.
Awareness of the need of tourist organisations in order to create links with stakeholders is not new. The community tourism approach of Murphy (1985, 1988) emphasised the importance of involving the community in destination management because of their role as key stakeholders, although in actuality this often meant working with industry and community – based groups in a destination context rather than through wider public participation mechanisms.

The difficulty in implementing community–based tourism strategies is reflective of wider difficulties with respect to effective destination management and tourism planning (Davidson and Maitland 1997), namely the diffuse nature of the tourism phenomenon with the economy and society and the problem this creates with respect to coordination and management.

1. CHARACTERISTICS OF THE INTEGRATED QUALITY MANAGEMENT (IQM) SYSTEM

One of the greatest problems that arise in the creation of a coastal tourist product, which also applies to rural and urban destinations, is how to unify all the segments of a particular destination into one single product. This is also a problem that is faced in the active management of a destination.

Currently, one of the best solutions to this problem, which is accepted in other European countries, is the implementation of a holistic quality management system in tourist destinations. In this particular guise, it unifies a destination that is made up of specific features, and it is from this that one gets the term Integrated Quality Management system, or IQM.

In the field of tourist destinations, the implementation of the TQM system is therefore understood to be the introduction of an integrated quality management system. It is through this that tourist satisfaction is attained, as well as the satisfaction of those businesses involved in tourism. When these are joined together this also ensures the quality of life for local inhabitants, and the quality of the environment. As a result, the main principle of the IQM concept is that it is something “which integrates all the holders of the tourist offer in a destination for the purpose of realising maximum quality”.

IQM is derived from the concept of TQM, but it is more inclusive because it involves balancing the interests and aims of a number of different participants in the tourism system, as well as integrating all the quality elements of a tourist destination. This is why the concept of IQM is the optimal concept and model for managing quality in tourism. IQM is also more flexible, because it integrates different, and often conflicting, interests and aims.

In terms of Croatia, quality management systems for tourist destinations is something that is still novel and sometimes even unknown, whereas many destinations in developed countries, in particular members of the EU, have already seen positive

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2 Avelini Holjevac, ibid.

630
results from integrated quality management, or to put it differently, the application of the IQM concept.

The problem in the management of a tourist destination is that, generally, tourist destinations don’t have an early warning system, or in other words they quantitatively measure aspects of tourism but don’t qualitatively measure it. On the whole, periods of down-turn most frequently become apparent through tourism traffic indicators, such as arrivals, number of nights stayed, length (days) of stay and similar.

Apart from unifying all the important segments in terms of what a tourist destination has to offer, a characteristic feature of this model is that it enables – alongside providing financial economic indicators of success – the activation of other values, so called intangible assets or non material resources (intangible and invisible resources) in which the following are included:

- human capital,
- information systems and databases,
- high quality processes,
- the relations between the consumers and the brand,
- innovative capacity, and,
- culture.

As a result, this system offers a framework that includes all such values, which is firstly needed in order to be able to recognise them and subsequently for them to then be used in the aim of creating optimum performance. This involves the formation of a strategy of sustainable development where all stakeholders are equally satisfied. The efficiency of a destination manager is directly visible in the way they are able to recognise all values and all potentials, and also in terms of whether stakeholder’s interests are being satisfied. The aim is to create a balance between the different and conflicting interests of stakeholders, which is a condition and a pre-requisite of sustainable development.

The introduction of a system of integrated quality management in tourist destinations is a must. This is made all the more essential when one considers that in our context this most often involves small close-knit tourist areas, which are extremely ecologically sensitivity to the forceful and uncontrolled development of tourism.

1. The need to introduce the IQM system in Croatian tourist destinations

The introduction of the IQM system is a required constituent part and the founding framework of destination management. When implementing the IQM system it is necessary to be aware of all those factors that are included within the tourist

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4 Avelini Holjevac, Integralni menadžment kvalitete (IQM) u turističkim destinacijama [Integrated Quality Management (IQM) in Tourist Destinations].

5 According to: Avelini Holjevac, Integralni menadžment kvalitete (IQM) u turističkim destinacijama [Integrated Quality Management (IQM) in Tourist Destinations].
system: tourist organisations (in our context Tourist Associations at all levels), local and regional governments, those in charge of the spatial plan, political parties, the government, and finally the tourist industry, in particular small and medium (mainly family) businesses. All of these groups should recognise the principles of IQM, and consider the development of a tourist destination in holistic terms.

Research into the implementation of IQM systems (which was carried out in Great Britain and Germany on the behest of the European Commission in 1998 and placed a particular focus on coastal, urban, and rural destinations) set out to examine what has been done in developed countries in terms of the question of integrated quality management. The studies formed a very interesting case study. These were collated into one single document, which outlined the extent of the implementation of IQM systems in Europe, and showed key questions and stances in IQM in rural tourist destinations. This was based on the observation of 15 destinations (15 case studies), and acts as a guideline for sustainable tourism in rural areas based on the principles of IQM.

The IQM approach contains two key elements:

- Focusing on the consumer (visitor), the development of all the services that are used in the destinations, satisfying their needs and increasing their activities during the time of a tourist's visit.
- Actively involving local inhabitants and businesses in destination management.

One feature that is absent in organisational terms is a single organisation that will take on the role of manager of a tourist destination, and will also manage a networked tourist system. Networking and cooperation are keys factors for success.

Something of great use in the conception of the IQM system in tourist destinations is that it employs a time and spatial analysis of visitors’ experiences, in sequence, and includes all phases. This starts from the planning of a tourist stay, the journey and visit itself, and ends with the phase after the journey, which is the point when visitors “impressions settle”. This analysis has resulted in the so called tourism value chain, as shown in figure 1.

Quality management is based on not only fulfilling, but also going beyond the expectations of visitors, and in such a way where a system of optimal standards needs to be established. These standards definitely need to be adhered to, and need to be successfully presented to the market.

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Figure 1. **Tourism value chain**

- Pre visit image/messages
- Pre visit informations
- Making bookings
- Journey to destination
- Initial welcome
- Information in destination
- Places to stay
- Places to eat
- Attractions and amenities
- Infrastructure and environment
- Farwell and return journey
- After visit contact and memories


1.2. **Implementation phases of the IQM system**

The following sets out the directives for implementing the IQM model in the Istrian tourist destination, according to the aforementioned guidelines of the European Union. The model includes:

**Thinking up a joint strategy.** The following are especially critical:

- **To ensure an integrated approach** and to include all factors of the tourism system in the implementation of the IQM system.
- **DMO – Destination Management Organisation** must be recognisable, firm in its leadership, and coordinate all those factors involved in tourism. This is especially pertinent because of often individual and diffuse business units, and also because of the local government, local inhabitants, interested parties and associations, and such like.
A clear strategy in which all factors in the system are known. There must be a clear direction for improving and advancing quality.

To ensure quality in every phase of a tourist’s journey and visit to a destination. Above all else, it is necessary to construct a system of quality indicators that are directly related to a specific tourist destination. Prior to the creation of quality standards, the previously shown value system in tourism – the quality chain – must be employed.

The implementation of the IQM system and monitoring. The IQM system is understood to be a number of processes: the introduction of standards, the improvement of quality, and the checking of results. The following are particularly important:

- Identifying the needs and wishes of visitors, as well as measuring and estimating quality and visitor satisfaction of the tourist services in a destination. A key issue in the IQM concept involves gaining an understanding of the needs and wishes of visitors. Thus, it must involve a systematic method of following and monitoring the expectations and level of satisfaction of services in a destination.
- Establishing standards, their control, and informing the market about these standards. Criteria – quality standards must be established for different elements of the integral product of the destination. They must be systematically controlled, and also be presented to the market in an adequate way with the aid of a quality control mark.
- Quality training. IQM assumes the organisation and the carrying out of a systemic way of training, as well as expert and financial consulting by the destination management organisation.
- Monitoring the influence of tourism on the local economy, social community and environment. The ecological fragility of a rural area and its social community has a very great natural, cultural, and social sensitivity to the aggressive influences of negative ecological and sociological factors that accompany tourism. Consequently, one of the most important tasks of a destination manager is to systematically follow any eventual negative impacts of tourism on the local environment and community.

Strategic guidelines for the development of a rural tourist destination should involve the following:

- cooperative management, the improvement of the general quality of a destination, and the quality of individual service providers,
- the introduction of new packages – itineraries and new marketing initiatives,
- the integration of business and non-business activities into the tourism system,
- mutual cooperation between the units of local government and local Tourist Association, the introduction of common quality criteria,
- cooperation between business, local administration, and the local tourist community,
- to develop tourists appreciation of the cultural-historical heritage,
- a commitment to the sustainable development of tourism.
The following steps should be simultaneously taken:

- to organise an open forum that will uncover key questions, create a partnership, and a sense of community,
- to make all participants aware that IQM are guidelines of a long term character. Changes cannot be implemented instantly, it concerns a process,
- stakeholders outside the destination should also be included in the process– the national tourist organisation, the government, tour operators, national expert associations, and others. They must be included and consulted in the process,
- all efforts and initiatives must be clear and inclusive to all interested parties,
- every component of the tourist product and activities in the process must be systematically and permanently included.

2. ISTRIA’S EXAMPLE OF IMPLEMENTING THE INTEGRATED QUALITY MANAGEMENT (IQM) SYSTEM IN NOVIGRAD: A CASE STUDY

The project of implementing the IQM system, which the Tourist Association of the town of Novigrad started at the end of 2006, is one of the most important new projects for this Tourist Association. It is also probably the first – or one of the first - of its kind in Croatia.

The aim in implementing the model is to gather opinions about single quality elements of the tourist services offered in the Istrian destination of Novigrad, where these quality elements are specific to Novigrad. It is on the basis of descriptive or numerical indicators of a destination’s single quality elements that one attains the so called integrated or integral evaluation of the total quality of a destination.

The idea behind implementing this system is that it enables stakeholders themselves to present what Novigrad has to offer. In the second phase, visitors recognise and appraise individual elements of this tourist destination, where jointly they recommend measures as to how it can be improved. The task, which in this case is one for the Tourist Association as well as other stakeholders in the project (for instance, in some countries these can be units of local government), is to gather and consolidate the results gained from workshops. It is in these workshops where the opinions and suggestions from individual subjects are gathered about how to improve the integral quality of the town as a tourist destination.

It is possible to see a similarity to workshops that were held in Istria before the adoption of the Master plan for the development of Croatian tourism. However, IQM involves a larger number of participants, and furthermore employs the principles of continuity and monitoring. The second phase of the project includes surveying and collecting the opinions of visitors, which is intended to start at the beginning of 2008.

The project’s continuity, where achieved results are monitored on the basis of the opinions that are collected, will be secured with the organisation of the Novigrad tourist forum. This will be held on an annual basis and will be organised by the Tourist Association. As a result, all those who have an influence in tourism services in Novigrad, and who are involved in them, will be able to work on perfecting them from...
year to year. In other words, they will take a more active role in building Novigrad as a tourist destination.

2.1. A description of the project to implement the system

In the first cycle, a total of eight workshops were held and were attended by representatives from the largest Novigrad hotel-tourist firm “Laguna Novigrad d.d.”, representatives from small hotels, shops, caterers, representatives from tourist agencies, private renters, representatives from nautical centres, as well as members of the town council. By means of an open invitation to individual groups, the best response, with 40 participants, was at the workshop for private renters, fifteen participants attended the workshop for agencies, eight participants attended the workshop for caterers, the shop workshop had four representatives, and there were three representatives from the small hotels. Three workshops took on a more ‘closed’ form because they were aimed at particularly narrow groups, such as the management of the nautical centre “Nautica”, “Laguna Novigrad”, and members of the Administration and the Town Council of the town of Novigrad, whose response was the smallest (with only two filled in questionnaires).

The basic working strategy in these workshops was that participants were given questionnaires with 20 headlines of quality themes that were related to the entire tourist service. Participants gave a short comment about each individual quality theme, either verbally or in the written form. They also discussed other problems, questions, and possible solutions that were related to the quality management of the destination in which they live and work.

In the questionnaire, the following questions were asked:
1. The image of the destination before visiting.
2. Information before travelling.
3. Reserving the trip.
4. Travelling to the destination and the welcome upon arrival.
5. The destination’s brand – basic and supplementary tourist products, added value (competitive advantage), visual identity.
6. Information about the destination.
7. Accommodation buildings.
8. Catering facilities.
9. Levels of traffic both within the destination and in the immediate vicinity, transport connections with the surrounding destinations and localities.
10. Cultural attractions and their valorisation, cultural itineraries (cultural tourism).
11. Natural attractions and their valorisation, itineraries for visits into the natural surroundings.
12. Shopping facilities (the size and range of shopping facilities, the prices, the richness and variety of shopping possibilities, the depth and breadth of the range on offer, available souvenirs, accessibility and opening hours of the shops, kindness of the staff).
13. Infrastructure and the spatial organisation of the area.
14. Organisation and architecture of the urban space, as well as the destination’s wider area, decorative elements, the conservation of autochthonic architecture.
16. Fun, entertainment, sport and recreation.
17. Inclusion of the local inhabitants in tourist life, contact with visitors.
18. The security and protection of guests.
19. A program of creative tourism, which directly involves tourists in organised events (event management)
20. Destination itineraries (cultural, itineraries for the natural surroundings, itineraries for neighbouring localities and surroundings), the creation of destination itineraries, the possibility of creating independent destination itineraries, contact with specialist agencies.

Participants were asked to give answers to three more questions:
1. Please write here – if you have any – your proposals, suggestions, and thoughts which are related to the development of tourism in Novigrad, and which have not been included in the previous section (20 quality themes).
2. Please write down what you expect from your Tourist Association in terms of improving the development of tourism in Novigrad.
3. Problems and difficulties that you have encountered in your work in catering – tourism – renting.

2.2. Stakeholders' reactions to the implementation of the IQM model

After holding the workshops, the following questions were put before the Tourist Association. These questions were intended as a critical review of the consequences and effects of implementing the model, as well as directives for the further development of the model.

One of the basic aims of implementing the system is for there to be feedback between the stakeholders - destination manager.

Consequently, this analysis is presented through four segments of analysis:
I. What has the Tourist Association, in its role as destination manager, done for stakeholders though this model?
II. Conversely, how have stakeholders accepted and supported this project, or model?
III. What is the advantage of this model for the destination’s development?
IV. Impressions, feelings, reactions, perspectives on further development

2.2.1. Group I

What has the Tourist Association, in its role as destination manager, done for stakeholders though this model?

- We gave them a chance to manage the destination – we opened it up.
- We gave them a chance to learn more about professional- scientific approaches to destination management
- For the first time, we gave them the chance to get together and spend time together, confront each other and even argue with one another.
• They were able to review both general and shared problems in the development of the destination and management.
• They had a chance to proactively think about the management of the destination.
• They developed awareness about the integrated product and its elements.
• They developed an awareness about quality and managing quality

2.2.2. Group II
Conversely, how have stakeholders accepted and supported this project, or model?
• They hold the opinion that they know best because everyone in their area of expertise knows best.
• They hold the opinion that they know best because they have closer contact with the tourists.
• Their attendance at workshops shows they have faith in the destination manager, a desire to do something and to join up the system.
• We received a variety of other suggestions that were related to the development of tourism and the town – especially the infrastructure which is extremely vital for tourism.
• They gave us the chance to profile IQM as a contemporary project and system.
• They gave the Tourist Association the opportunity to be profiled as destination manager (as perceived by the Tourist Association system, the town, and members of the Tourist Association system).

2.2.3. Group III
What is the advantage of this model for the destination’s development?
• Synergy.
• Brainstorming.
• The possibility to improve the integrated product of the destination – as much its entirety as its individual parts. We all gained a systematic perspective on the problems of how to structure and maintain the quality of an integrated destination product.
• The possibility to measure and manage the product in its entirety and its parts, in other words to manage the quality of the entire product and its parts. This involves the point that in large measures there is an absence of education.
• A better understanding of the role of the public sector (Tourist Association and town) and a reduction of the stakeholder’s perception of feeling alienated from the public sector.
2.2.4. Group IV

Impressions, feelings, reactions, perspectives on further development:

- The majority of stakeholders are satisfied with the feeling that they can manage the development of the town in which they live and work.
- There is a general consensus that the project should be continued – which is moreover an inherent feature of the IQM model itself. The publication of informative bulletins produced by the Tourist Association needs to continue. As well, the local government needs to be more accepting of the Tourist Association as destination manager.
- To include visitors in the system through questionnaires and other methods. Consequently, the suggestions and complaints of guests should be amalgamated and systemised, and parallels with the conclusions from the workshops need to be found.

2.3. Other reactions and observations:

Observations, based on the results from the workshops, as well as through the use of Delphi and brainstorming methods (which also involve those people who are exponents of the model), are presented in the following reactions and notes on the implementation of the model:

1. The model is positively accepted, reactions were mainly positive. There were some negative reactions, such as the presence of irony, ridicule, misunderstandings, but this was in smaller doses.
2. The question was asked as to who was the main manager of the destination, stakeholders expect a lot from the Tourist Association. However, the Tourist Association is not the centre of power; instead this is held by the units of local government.
3. There are high expectations on the Tourist Association as destination manager, they perceive the DM as a saviour who will quickly solve their problems.
4. A small compendium was given of the wishes and needs of guests from the stakeholders, who are in direct contact with them. It was noticed that often the wishes and criticisms of guests are compatible with those of stakeholders, especially those of private renters.
5. It was noted that there is a great feeling of frustration and powerlessness. It is as if they don’t have anyone to turn to. Therefore in the process of destination management there is the real need for a manager.
6. They expect quick results and are not aware that this entails a process.
7. An absence of initiative was observed. They expect someone else to solve their problems, will find someone to blame for their problems, and there is not enough knowledge about this. There is a lack of faith in the public sector, and there are feelings of insecurity, confusion, and a lack of trust.
8. The Tourist Association as DM is perceived as the mediator who will approach others – for example units of local government – to stimulate them into solving the destination’s problems.
9. It was noted that there is a particular focus on the problems (more than a focus on how to improve things) – there is more of a negative attitude than a positive one. Many problems are shared and have already been noticed previously, but this system enables them to be shown, shared, discussed, and commented on, and also for solutions to be suggested. There is now a systemic approach to problems, which are defined by degree, or in other words by priority.

10. A large number of problems are related to demands for improving the infra- and super-structure, both in terms of tourism and in general. In this area, the expectations placed on the public sector are at their greatest, and thus it is to be expected that a larger part of these discussions involved talking about this area.

11. In general, a lot is expected from this project.

12. Continuity is expected from the project. On the one hand, if the quality cycle is defined as one year, this is going to be too short a period for a significant shift in raising the quality of individual elements of the destination’s product. If this is longer and lasts, for example for two years, then the time gap between the two workshops (educational programs, meetings to discuss operational questions and other matters) needs to be filled. Stakeholders want to be in constant contact with the Tourist Association (a possible solution to this is to provide an open forum on the Tourist Associations web site, a contact email for complaints and suggestions from citizens and guests and similar).

13. Some of the stakeholders experienced it as too abstract, inapplicable, and doubtful. For years, there has been the presence of an alternative “way of thinking”, which now needs to end (some claim that not everyone was allowed to approach the Tourist Association). Those who are satisfied and sceptical are divided – the basic issue is the extent to which the Tourist Association can really find solutions to the destination’s problems.

14. There are great differences between the different stakeholder groups, and sometimes even antagonism between them (for example, between private renters and tourist agencies). There is a desire for a stronger connection between the groups, in order to solve problems more easily and to form a partner network.

15. Information bulletins were praised as being a support to the system in terms of media-information. There are many possibilities, for example with the assistance of the Tourist Association web pages, bulletins of the results of the workshops were put on the web site of the Tourist Association.

16. There is an undeveloped way of thinking in terms of the need for a partnership network in tourist destinations.

17. Many stakeholders were not familiar with the idea of quality, neither with why it is needed nor the way it can be managed. They were not aware in what measures their facilities offered good/bad quality, there was an absence of benchmarking.

18. A small destination has an advantage because it makes it easier to implement the model.
19. They are looking for more concrete and want less generalised answers – how and in what way to solve problems – marketing channels.
20. Generally the image of the public sector has improved – the Tourist Association, the city.

CONCLUSION

The destination provides the framework for the provision of much of the tourism product and its significance has grown as places have increasingly come to compete against each other. Central to this competition is the development of networking and collaborative strategies through which firms cooperate towards common goals, often in conjunction with agencies at local or even state level.

The basic principle of the IQM model, as the optimal model that is dedicated to connecting and working with tourism enterprises in a destination, is to include all tourism enterprises, visitors, and other important subjects in the creation of a quality tourist service and to constantly monitor this service. The IQM project is at the moment both theoretically and in practice the most efficient way, or method, of managing the quality of a tourist destination. It is recognized as being the most contemporary means to manage all complex systems in the field of economics, and especially for tourism, and for tourist destinations as complex, stochastic, “living” systems.

The principle of “top to bottom” in management is consequently replaced with the principle of “bottom up”, where the source for management decisions comes from the “base”. In this case, this is from individual members of the tourist association and their proposals.

We think that this project contributes to the development of sustainable (responsible) tourism, as well as seeking to balance quality in the relation between visitor – local inhabitant – tourist enterprises. The quality of a visitor’s stay is perceived solely through the prism of the quality of life of the local inhabitants.

Further research should shine further light on what possibilities there are available to apply the IQM model in other Croatian tourist destinations, and also if this model can be incorporated into the legal regulations of our country. This is particularly pertinent with regards to the Law about Tourist Associations and the promotion of Croatian tourism, which definitely needs to have some changes made to it, so it conforms to the new tasks and the key role that Tourist Associations have in developing the system of tourist destinations here in Croatia.

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