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Economic Development
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in Transition Economies:
A Search For New Paradigms

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Second REDETE Conference
Economic Development and Entrepreneurship in Transition Economies:
A Search for New Paradigms

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PROMOTION IN FUNCTION OF STRENGTHENING COMPETITIVE ADVANTAGES AND SUSTAINABLE DEVELOPMENT OF RURAL ISTRIA

Danijel DRPIĆ1
Vedran MILOJICA2

Abstract

Promotion of a tourist product of rural areas represents the direct contact of a rural tourism agent with a tourist market. Creating active and well designed promotion, and using modern marketing tools in forming marketing mix of rural tourism of a certain area will enable successful (re)positioning of a tourist offer and revitalisation of rural areas on the tourist market as ecologically preserved areas which enable potential users direct contact with nature and tradition. The Republic of Croatia has great potential in rural tourism development, which is insufficiently used and tourist valorised, which is going to be changed through application of active and directed promotion and compliant marketing mix on the level of a whole tourist offer of a country. Since Istrian county was the first on the area of the Republic of Croatia to develop offer of rural tourism, further promotion guidelines of rural tourism of Istria as a leading rural tourist region will be given in the paper, which will help economic and socio-demographic renewal of rural areas of Croatia and Istria. Promotion has to be created in the way to present to the potential guests all the advantages of a rural tourist destination of Croatia and Istria compared to the global competition. Promotional activities have to be organised in the manner which ensures economic cost-effectiveness of a rural tourist destination’s product. All interested parties in a rural tourist destination local community, managers, politicians, experts) need to be included in the creation and promotion of a tourist product. A possible project of marketing repositioning of rural Istria will be presented in the paper, as the most successful region of rural tourism of Croatia and the Mediterranean. The same will be based on SWOT analysis of all factors which have direct influence on the development of a successful tourist product. Mentioned proposition of the project Istria-Green Heart of Croatia will have for a goal to promote Istria as a tourist destination of sustainable tourism, excellence, originality and ecological awareness of all participants in tourist destinations of rural Istria. The purpose of creating previously mentioned project is to enable strengthening and directing all promotion activities of management in the destination towards activities which will ensure strengthening of total comparative advantages of rural Istria in relation to the global tourist competition and ensure permanent sustainable development of rural areas, which positive influences will be presented in the Porter’s Diamond of competitive advantages, and through display of possible implementation activities.

Keywords: promotion, rural area, rural tourism of the Republic of Croatia, Istrian County, sustainable development

1 Privredna Banka Zagreb, Rijeka, Croatia, e-mail: danijel_drpic@hotmail.com
2 Rijeka, Primorsko-goranska County, Croatia, e-mail: vedran_mi@yahoo.com
Introduction

Modern tourists are searching for a getaway from everyday life, and from the accelerated and stressful life in urban areas. Croatian rural areas offer them quite the opposite. These areas have been ecologically preserved, have a rich natural resource basis, and significant potentials for sustainable tourism development. In order to enable sustainable rural tourism development in Croatia, it is necessary to create promotional activities which will contribute to improved and more successful repositioning of the Croatian and Istrian rural offer on the European and international tourist market. Rural Croatia and Istria has to provide new guidelines for sustainable Croatian and Istrian tourism development. While Croatian coastal areas were devastated by excessive urbanisation, and the tourist product is in a late or terminal stage, rural tourism development in rural areas (but also in the inland of Croatian islands and the Istrian peninsula as an example of successful coexistence of mass and selective tourism) offer the possibility of creating a new tourist brand which positions the Republic of Croatia on the tourist market in ecologically aware destinations which value the principles of sustainable development, tradition and originality. The objective of the paper is to point out the necessity to create a promotional mix of rural tourist destinations, while the purpose of the paper is to raise the awareness of Croatian tourism agents on the necessity for creating a new marketing strategy which will be based on sustainable development, on the blue colour of the sea, the green of the forests and the unique tradition of rural Croatia.

Rural Tourism as an Agent of Revitalisation of Croatian Rural Areas

Rural tourism in Croatia has great development possibilities. According to the OECD criteria, the Republic of Croatia disposes with 51,872 km², or 91.6% of rural areas (including predominantly and significantly rural areas), and in this area there are 6,001 settlements (88.7% of the total number), and 2,110,988 inhabitants (47.66%) (Ministry of agriculture, fishery and rural development of the Republic of Croatia (2007). Strategy of rural development of Croatia, (2012.09.10.), p.8 Retrieved from http://www.azrri.hr/fileadmin/dokumenti-download/STRATEGIJA_RR - 2008-2013.pdfl) in rural areas. In the past (especially after the world economic crisis in the 1930s, and between and after the two world wars), rural area was subject to significant depopulation, stagnation and degradation.

Kušen states that lagging behind of the Croatian rural tourism is caused by political legacy and proprietary agricultural legacy, as well as earlier indifference of the agricultural sector for development of rural areas and this type of tourism. Furthermore, the author points out that, in the scope of the preparation Croatia made in order to enter the EU, rural areas became the centre of attention, as well as the process of enlargement of family country farms, which is a basic pre-condition for rural tourism development. (Kušen, 2006, p.188) Sustainable tourism development, which manages rural resources, provides the opportunity for the revival of these areas, which become an oasis of a different, original and innovative tourist product. The goal is to enable the development of rural areas through ensuring economic prosperity, quality of life and satisfaction of local community. This very depopulation which occurred during the past century enabled preservation of unique comparative advantages in the rural areas in comparison with other tourist destinations. Spatial resources were preserved, the area remained traditional, preserved its rural-traditional architecture and originality, while competitive mass tourism destinations have lost all the preconditions for originality and became, in many ways, unified and impersonal; consequently, these destinations have become less interesting for modern tourists. In the redesigning of the tourist offer in Croatian rural areas, it is necessary to devote special attention to quality promotional activities. Thus, it is necessary to create a promotional mix which will enable "meeting" of the
offer on one side (country family farms (TCFF), agrotourism, rural eco-hotels and restaurants), with the demand on the other side - tourists. Modern tourists want to spend their vacation in a different environment; they need the change which will provide them an (active) vacation, and distance from stressful everyday life. This is exactly what rural tourism is offering.

Rural destinations are mostly visited by middle-aged guests, usually with higher income, who are in many ways separated from nature and the environment because of their business activities. The following picture presents the SWOT analysis of Croatian rural tourism.

**Table 1: SWOT Analysis of Croatian Rural Tourism (Source: Authors’ analysis)**

<table>
<thead>
<tr>
<th>STRENGTHS</th>
<th>WEAKNESSES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Connectivity, traffic availability</td>
<td>Deficiency of educated human resources</td>
</tr>
<tr>
<td>Convenient geographical position - vicinity of emitting markets</td>
<td>Lack of co-operation between private and educational sector</td>
</tr>
<tr>
<td>Adequate climate</td>
<td>Quality of the offer</td>
</tr>
<tr>
<td>Quite preserved traditional architecture</td>
<td>Quality vs. profit</td>
</tr>
<tr>
<td>Traditional way of life (fishery, grape-growing, olive-growing, cattle-breeding)</td>
<td>Non-existence of quality promotional strategies</td>
</tr>
<tr>
<td>Preserved natural resources</td>
<td>There are no quality projects for development of the additional offer</td>
</tr>
<tr>
<td>Rich traditional heritage (intangible and tangible – music, instruments, dance, melodies)</td>
<td>Insufficient number of Tourist Country Farms</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>OPPORTUNITIES</th>
<th>THREATS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Redesign of additional tourist infrastructure in the rural areas (walkways, cycle tracks, walking trails…)</td>
<td>Tourism is threatened by global crises (wars, financial crisis)</td>
</tr>
<tr>
<td>Organisation of the points of interest throughout the year</td>
<td>Non-stimulative legislature, bureaucracy and corruption</td>
</tr>
<tr>
<td>Branding of the offer</td>
<td>Uncontrolled apartment building</td>
</tr>
<tr>
<td>Possibility of stimulation for using traditional architecture elements on houses</td>
<td>Insufficient interest of the government</td>
</tr>
<tr>
<td>Theme bars and gastronomy</td>
<td>Easy access to competitive destinations</td>
</tr>
<tr>
<td>Authentic offer</td>
<td>Strong and developed competition</td>
</tr>
<tr>
<td>Stimulations for new products, investments….</td>
<td>Pollution of water, air, rivers</td>
</tr>
<tr>
<td>Strengthening - upgrading the programme of the Ministry of Tourism &quot;Zelena Brazda&quot;</td>
<td></td>
</tr>
<tr>
<td>Pre-accession and cohesion funds of the EU</td>
<td></td>
</tr>
<tr>
<td>Improvement of marketing and promotion</td>
<td></td>
</tr>
<tr>
<td>Introduction of legislation of higher quality for rural tourism accommodation offer - qualitative improvement</td>
<td></td>
</tr>
</tbody>
</table>

From the SWOT analysis above it is visible that the Republic of Croatia has quite preserved natural resources, and its natural, cultural and traditional richness attracts the tourists. The Republic of Croatia has a very favourable geographical position, and is easily accessible from the emitting tourist markets. A disadvantage and a threat to further development and improvement of the Croatian tourist offer is the fact that specific quality of the selective tourist offer and rural tourism has not been recognised. It is necessary to synchronise the needs of the labour market with the educational structure which the education system sends to the market. Furthermore, it is necessary to ensure additional quality standards through the "value for money" principle which will permanently distinguish Croatia in relation to its strong competition in this part of the tourist offer. Quality development, marketing and promotional strategy of Croatian rural tourism will certainly contribute to this goal.

Croatian rural tourism development has to be encouraged through the already existing programmes of the Croatian Ministry of Tourism, "Zelena Brazda" - a country tourism financing programme called "The Development of Country Tourism" (Ministry of tourism of the Republic of Croatia (2009). Programme of financing country tourism, (2012.09.10.) Retrieved from
http://www.mint.hr/default.aspx?id=6548). It enriched the tourist offer on country farms. From 2008 to 2010, 46 loans were granted, and funds from 10.000,00 to 300.000,00 € are available during the period of 15 years, including with the first grace year, with an interest rate of 8%, while the state finances a part of the interest rate of 6%, so that the final user pays only 2% of the interest rate. It is necessary to continuously complement the programme in the way that permanent support is ensured to the users throughout the duration period of the project, and relatively low interest of the citizens is the indicator that it is necessary to create more aggressive marketing approach, even in this field.

According to the Contract about accession of the Republic of Croatia to the European Union (EC and Government of the Republic of Croatia (2009). Contract about accession of the Republic of Croatia to the European Union working text of translation, (2011.09.23.) Retrieved from http://www.vlada.hr/hr/naslovnica/novosti_i_najave/2011/rujan/ugovor_o_pristupanju_rh_eu) the Republic of Croatia will, from the day of its accession to the European Union, have at its disposal significant funds for rural development. For example, for the year 2013, the amount of 27.700.000,00 € will be at its disposal, so it is necessary to ensure significant support for the fund users, and for the interested entrepreneurs so that available assets would be used to the greatest possible extent. It is necessary to include more actively banks, HABOR, etc., in the projects of stimulation of sustainable rural tourism development.

**Promotional Activities in Croatian Rural Areas**

**with special review on Istrian County**

The purpose of promotion of a sustainable rural tourism destination as a tourist offer agent in a rural area is to connect them with the target market-tourists. Thus, promotion as a component of rural tourist destination marketing presents a rural destination product on the market and stimulates the potential guests to buy it. The goal of an effective promotion is to expand the market of the rural tourist destination's agents (adapted according to Berc Radišić, 2005, p.69). Promotion of a rural tourist destination is conducted through: marketing, personal sales, public relations of the rural destination, and through measures for sales improvement. In order to conduct these activities, it is necessary to ensure a quality rural tourist destination product and marketing.

In order to successfully promote a rural tourist destination product, it is necessary to create a total tourist destination development and marketing strategy during the designing of such a product. In this process, it is necessary to determine what we want to achieve by the rural tourism offer, how do we want to achieve the set goals, and in which period of time.

In this process, it is necessary to take into account the possibility of commercialisation of a rural tourist destination product, but also to carefully select the participants in this offer. In order for a rural tourist product to be complete, it is necessary to ensure destination management support on all levels, and raise the awareness of the entire local community of the importance of ensuring sustainable development of a rural tourist destination, through re-designing of a product which offers specific characteristics, innovativeness and originality, and is, in that way, different from the others on the tourist market. A rural tourist destination product implies the totality of activities of the offer agents in a tourist destination (ideas, services, merchandise). This may include cultural events (grape picking, picking of seasonal fruit, etc.), accommodation facilities (rural eco-hotel, tourist country farms, etc), natural attractions of the rural landscape, and others.

Rural tourist offer marketing has to ensure connection of the rural tourist destination offer with the market. Connection will be achieved through creation of a marketing mix by a combination of various methods used by the destination in order to position itself on the market. Marketing mix of a rural tourist destination can be determined through the 4P form (product, price, place, promotion). Thus, a rural tourist destination product has to have different assortments and a carefully designed set of policies for its constant improvement, and permanent market orientation.
If we want to ensure strong positioning of the Croatian and Istrian rural offer, we have to take into account strong competition on the market. Croatia and Istriian region, unfortunately, lags behind in the development of all rural tourism settings in comparison with the neighbouring countries. This is indicated by the fact that, even though the number of tourist family farms has significantly increased in Croatia in the past few years. In 1998, there were 32 tourist country family farms in Croatia, and in 2008 there were 360. As a comparison we can mention neighbouring Slovenia where in year 2009, 630 tourist family farms were noted (Združenje turističnih kmetij Slovenije (n.d.) Predstavitev združenja (2012.09.15) Retrieved from http://www.turisticek-kmetije.si/predstavitev-zdruzenja), which indicates to the fact that this segment of tourist offer in Croatia is still insufficiently valorised.

Thus, in the process of forming the price of a product, the fact has to be taken into account that it has to be created in the way to primarily ensure competitiveness of the Croatian offer on the market. The price of a product has to match the "value for money" system; it can be a strong stimulation for tourists to visit a rural tourist destination, but it can also be demotivating. So, the price of a product has to be competitive and acceptable to the tourists, and it has to provide economic profit for the destination. Creating successful marketing strategy is closely related with promotion activities which have to inform potential users about the rural tourist destination product, but it also has to persuade them to buy this product. Since Istriian County is the most successful croatian region in previous development of rural tourism with the product which in the near future can reach the maturity stage, and decrease of the share on the tourist market, in the paper follows the proposition of marketing strategy on the example Istra-Green Heart of Croatia, with the goal of strengthening and directing total promotion of rural Istria, pointing out its particularities in relation to the global competition, and keeping product of rural Istria in the phase of growth and increasing share on the tourist market.

An Example of Product Promotion:
Istria - Green Heart of Croatia

Istriian County is the most developed region of Croatian rural tourism; thus, the example of promotion of the rural product called «Istria-Green Heart of Croatia» is described in the paper. According to the OECD criteria, Istra classifies into predominantly rural areas (206,344 km² or 13.34% of the Croatian territory) (Ministry of agriculture, fishery and rural development of the Republic of Croatia (2007). Strategy of rural development of Croatia, (2012.09.10.), p.8 Retrieved from http://www.azrri.hr/fileadmin/dokumenti-download/STRATEGIJA_RR_2008-2013.pdf). According to data from Ruralis (Ruralis Consortium, 2012) 81.6% of territory of the Istriian County consists of rural areas, in which 81.9% of the settlements is located, inhabited by 36.3% of the population of the Istriian County. According to data for 2010, rural tourism makes 1.6% of total tourism in Istria. The average stay of guests in Istriian rural tourism is 6.2 days, while the average occupancy of capacities is 91 days. As for the national structure, 65% of tourists come from Germany, 10% from Great Britain, 10% from Austria, 7% from the Netherlands, 5% from Slovenia, 4% from France, and only 1% from Italy and other countries. As sales channels of the Istrian rural tourist offer, agencies and touroperators participate with the share of 80%, followed by the Internet with 10%, brochures and catalogues with 3%, and other forms of promotion (cover stories, advertising in specialised tour guides with 7%). - Table 2
Table 2: The Number of Tourists, Realised Overnights and Realised Income from Rural Tourism in the Istra County from 2008 to 2011.

<table>
<thead>
<tr>
<th>Indicators per year</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2009/08</th>
<th>2010/09</th>
<th>2011/10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overnights</td>
<td>111.350</td>
<td>124.712</td>
<td>133.441</td>
<td>142.781</td>
<td>112.00</td>
<td>106.99</td>
<td>106.99</td>
</tr>
<tr>
<td>Tourists</td>
<td>15.627</td>
<td>17.502</td>
<td>18.727</td>
<td>20.037</td>
<td>111.99</td>
<td>106.99</td>
<td>106.99</td>
</tr>
<tr>
<td>Revenues (in mill. €)</td>
<td>5.1</td>
<td>6.2</td>
<td>6.7</td>
<td>7.3</td>
<td>121.57</td>
<td>108.06</td>
<td>108.96</td>
</tr>
</tbody>
</table>

(Source: Ruralis; E-mail received on: 11/01/12 and 22/02/2012.)

In the year 2008, the number of tourists in the rural tourism of Istra amounted 15.627, who realised the total of 111.350 overnights, and a total of 5.1 million euros was recorded. In 2009, the number of tourists and overnights increased by 12%; namely, 17.502 tourists and 124.712 of overnights, while the income was twice as higher than the increased number of tourists, i.e. the realised number of overnights amounts 6.2 million euros, which is an increase of 21.57%. In the year 2010, rural tourism in Istra accommodated 18.727 tourists who realised 133.441 overnights and 6.7 million euros. The increase in the number of tourists and overnights in the year 2010 in relation to 2009 amounted 6.99%, and 8.06% in relation to income. In 2011, there were 20,037 visitors who realised the total of 142.781 overnights, (growth of 6.99 %) while the average stay of tourists in rural Istra amounted 7.13 days. Decrease of income is a bit higher, and amounts 7.3 billion of euros or 8.96% more in relation to the year 2010, which indicates on changes in offer quality, but also on adapting of pricing policy (value for money) as an important segment of designing promotion and marketing activities. The above-mentioned data indicate attractiveness of the Istrian rural area's product, which can be developed even more through by means of the right promotion and marketing strategy. According to Ruralis' data - consortium of agrotourism and Istrian rural tourism for 2008, 81% of registered tourist family farms offer food services, and 59% offers wine tasting. Of the total number of overnights on the country farms, 85% of the total number of tourist overnights and arrivals to Croatian rural tourism facilities are situated in the Istrian County, while 89% of the total number of rural tourism guests are foreign guests, and only 11% domestic guests. In modern European rural tourist destinations, the situation is reversed. In other countries, over 90% of the total number of visitors/overnights are domestic guests, while the total income of rural tourism in Croatia amounts over 4 million euros.

Table 3: Types of Accommodation and the Number of Beds in Rural Tourism of the County of Istra, in accordance with the RURALIS' marketing typology in 2011.

<table>
<thead>
<tr>
<th>Types of accommodation (in accordance with the Ruralis' marketing typology)</th>
<th>Number of households</th>
<th>Number of beds</th>
<th>Number of beds /household</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agrotourism</td>
<td>58</td>
<td>254</td>
<td>4,38</td>
</tr>
<tr>
<td>Rural vacation house</td>
<td>322</td>
<td>2,359</td>
<td>7,33</td>
</tr>
<tr>
<td>Rural family hotel/boarding house</td>
<td>10</td>
<td>238</td>
<td>23,80</td>
</tr>
<tr>
<td>Rural b&amp;b</td>
<td>23</td>
<td>211</td>
<td>9,17</td>
</tr>
<tr>
<td>Holiday on wine roads</td>
<td>5</td>
<td>22</td>
<td>4,40</td>
</tr>
<tr>
<td>&quot;Stancija&quot;³⁶³</td>
<td>2</td>
<td>16</td>
<td>8,00</td>
</tr>
<tr>
<td>Total</td>
<td>420</td>
<td>3,100</td>
<td>7,38</td>
</tr>
</tbody>
</table>

³⁶³ Stancija - renewed and reconstructed old huge country rural farm with a goal of providing tourist services. See more to: [http://www.ruralis.hr/hr/standardi_klasifikacija_stancija.html](http://www.ruralis.hr/hr/standardi_klasifikacija_stancija.html)

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The table 3 shows the data about accommodation capacities in the area of rural Istria in year 2011. It is visible that the most represented accommodation facilities were rural vacation houses. On the rural area of Istria there are 322 vacation houses, or 76.66% of the total accommodation facilities, while the number of beds amounts 2,359, or 76.09% of total accommodation facilities. There are 58 tourist peasant farms (agrotourism) with 254 beds, 10 rural hotels/boarding houses with 238 beds, 23 rural B&B's with 211 beds. Very popular Holiday on wine roads is offered in five facilities, which have at their disposal 22 beds, while in the entire County of Istria there are only 2" stancije" with the total of 16 beds. Mentioned types of accommodation are designed consistently with marketing typology of the agency for the development of rural tourism of Istria-Ruralis.

Promotion of every product, and this is also true for tourism, is a demanding and long process in which methods which will transmit the desired message to the tourist destination guests have to be carefully selected. This will be achieved by a full-scale marketing strategy, in which promotion will have a central role. For example, Istria, as the most developed area of Croatian rural tourism, wants to promote its untouched rural areas and sustainable development in the inland of the peninsula. The subject of promotion is originality, patina of the past which can be felt, respectful relationship to nature, wisdom and persistence of Istrian workers. In order to achieve this goal, all methods of promotional activities (a promotion mix) will be used, such as promotion through the public media (local TV station, local daily newspapers, jumbo posters), promotion through the Tourist Board of the Istrian County and the Croatian Tourist Board, and through specialised tour operators, as well as through personal promotion which will be conducted on country farms - the hosts in the country farms located in the inland of Istria make Istria the most favourite green destination of this part of Europe through establishing close and sincere relation with the client, the guest of the destination. The guest is the target of promotional activities, the centre of interest. The advantages of public relations through engagement of PR agencies will be fully used, with the goal to achieve even more dynamic promotion of the product, and the direct contact with the tourist market will be achieved through interactive Internet service on which the visitors will receive all the information about the product Green Heart of Istria (the accommodation offer, gastro-enologic offer, possibilities of active involvement in the life of the rural destination, etc). Website design will be supported by the Tourist Board of the Istrian County, which actively promotes its «Blue and Green» development strategy. All the offerers in the mentioned product will use their common recognisable brand, and the concept of Rural Istra-Green Heart of Croatia will be the motto pointed out on all the related websites. All the promotional activities have to be unified within the marketing strategy; in this example, Istria's inland, and this marketing strategy has to lean on the marketing strategy of Istria and the Republic of Croatia. While designing promotion activities it is necessary to give special attention to the promotion of sustainable development, sustainable business, use of renewable energy sources and green technologies in the destination of rural tourism of Istria.

In order to make the right selection of the marketing strategy all important influences have to be taken into consideration – both external (economic, social, competitive...), and internal (cost structure, adequacy of managerial skills, financial resources...) factors, and SWOT analysis of the rural offer or Istria's inland should be conducted. (Table 4).
Table 4. SWOT Analysis of the Rural Offer of Istria’s Inland (Source: Authors’ Analysis)

<table>
<thead>
<tr>
<th>STRENGTHS</th>
<th>WEAKNESSES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Position in the heart of Istria</td>
<td>Lack of educated human resources</td>
</tr>
<tr>
<td>Proximity of emitive tourist markets</td>
<td>Lack of co-operation between the private and educational sector</td>
</tr>
<tr>
<td>Preserved traditional architecture of acropolis settlements of Istria's inland</td>
<td>Quality of the offer</td>
</tr>
<tr>
<td>Traditional way of life</td>
<td>Quality vs. profit</td>
</tr>
<tr>
<td>Preserved natural resources</td>
<td>Non-existence of quality promotion strategies</td>
</tr>
<tr>
<td>Rich intangible traditional heritage - traditional musical instruments, costumes, dances</td>
<td>There are no quality projects for development of additional offer</td>
</tr>
<tr>
<td>Agency for Development of Rural Tourism of Istria - Ruralis</td>
<td>Insufficient grants for stimulation of rural tourism development in Istria</td>
</tr>
<tr>
<td>Existence of rural tourism standards (aspargus)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>OPPORTUNITIES</th>
<th>THREATS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Creation of additional tourist offer</td>
<td>Insufficient recognisability of the inland offer of Istria in relation to the coastal destinations</td>
</tr>
<tr>
<td>Hunting tourism</td>
<td>Non-stimulating legislation, bureaucracy and corruption</td>
</tr>
<tr>
<td>Coordination of rural offer and health tourism</td>
<td>Insufficient cooperation with the Agency for Rural Tourism of Istria and Istria Tourist Board.</td>
</tr>
<tr>
<td>Creation of the brand «Istria - Green Heart of Croatia»</td>
<td>Easy access to competitive destinations</td>
</tr>
<tr>
<td>Stimulations for new products, investments...</td>
<td>Strong and developed competition</td>
</tr>
<tr>
<td>Pre-accession and cohesion funds of the EU</td>
<td>Pollution of water, air</td>
</tr>
<tr>
<td>Cross-border cooperation projects</td>
<td>Non-existence of projects which could compete for the EU funds</td>
</tr>
<tr>
<td>Improvement of marketing and promotion</td>
<td></td>
</tr>
</tbody>
</table>

Rural Istria is the area of preserved picturesque specific characteristics, and acropolis settlements of Istria provide the possibility of panoramic vistas of the wider area. Rich gastronomic and enological offer provides great development possibilities for this type of tourism. The rural product of Istria’s inland has to be closely connected to the health tourism offer in the valley of the Mirna River, as well with the truffles phenomenon. This part of Istria provides opportunities for development of hunting tourism, especially if the fact is taken into consideration that an autochthonous Croatian dog breed, istarski gonić lives in this area. The vicinity of emitive tourist markets, raised awareness and existence of the agency for development of rural tourism of Istria, Ruralis, provide the main advantages for development. Marketing strategy will be conducted on the principle of the 4P marketing mix, which also includes promotion - as the last component, but not the least. In the process of designing a product, it is necessary to take into consideration its quality, interest for the product, legislation, etc., which do exist in the case of Istria’s inland - people from neighboring emitive countries have already been visiting picturesque towns in the inland of Istria, and this product will only complement this.

Everything mentioned above has to be offered at a price potential tourists will be willing to pay - the price will greatly determine the segment of desired guests in the rural areas of Istria (middle-aged, of higher purchasing power, nature lovers, etc). It is important to determine the promotion channels which will be used, as well as the promotion itself, as stated earlier.

All of this will lead to the creation of added value of the tourist product of Istria and Croatia.
Picture 1 presents the marketing strategy of the product "Istria-Green Heart of Croatia", as well as the promotion mix whose objective is to place the product "Istria-Green Heart of Croatia", and the rural tourist destination Rural Istria, on the tourist market. As a product destination, the inland of Istria was chosen because this promotion mix can be applied on any area - town, municipality, group of settlements in Istria, but also in Croatia. Mentioned project can be upgraded in the way that it includes all interested experts from other areas, i.e. tourism, economics, geography, demography, sociology, etc., with which it would become an interdisciplinary project based on postulates of unique marketing mix. Introducing mentioned marketing strategy will have a positive effect on whole offer of rural Istria, on its competitive position on the tourist market and further sustainable tourism development, which will enable further growth of tourist product of rural Istria, by which the phase of decrease and obsolescence of a tourist product will be delayed. Based on the previously mentioned, interdisciplinarity of mentioned approach is noticed.
Design of the competitiveness diamond of rural Istria and strengthening of the rural tourism offer has a goal to indicate on possible positive influences of application of programme Istria-Green Heart of Croatia on positioning of rural Istria as a destination of sustainable tourism, preserved nature and place of nice living. Besides on positioning on the tourist market, the mentioned project will enable certain economic and socio-demographic benefits for those, as a rule, weakly inhabited and economically undeveloped areas. Thereby it needs to enable sustainable tourist development of the area, and disable possible negative impacts of tourist development on landscape and environment. This will be enabled through application of green technologies in business of all offer carriers, application of renewable energy sources, traditional way of production and food preparation, traditional architecture, and construction with natural materials, etc. Joint marketing and developmental strategy will enable stronger synergy between all offer carriers, who will on a unique way present the region of rural tourism, by which special attention must be given to the needs and interests of a modern tourist, and that is returning to nature, shift away from the stress of everyday life, feeling of affiliation and closeness with the host, while the price of the offer must match the offered product (achievement of value for money). The diamond of competitive advantages leads to promotion of all the Istrian strengths. This offer will, except for its own innovative solutions, be based on international experiences and world practice.

Following, a possible implementation plan of activities for the project Istria-green heart of Croatia is presented.
Table 5: Possible implementation plan of activities for the project Istria-green heart of Croatia

<table>
<thead>
<tr>
<th>ACTIVITIES/MEASURES</th>
<th>ENFORCER OF THE ACTIVITIES</th>
<th>TARGET GROUP</th>
<th>DEADLINE</th>
<th>POSSIBLE FINANCIAL RESOURCES</th>
<th>TARGET PRIORITY</th>
<th>POTENTIAL BUDGET IN EURO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Making promotion flyers, brochures, internet websites, promotional shows and spots</td>
<td>Ministry of Tourism, Tourism, and Special Promotion Administration agencies,</td>
<td>Offer carriers, Local community</td>
<td>Continuously</td>
<td>Ministry of Tourism, Tourist Board, Ministry, PPP</td>
<td>Maximum</td>
<td>100,000.00</td>
</tr>
<tr>
<td></td>
<td>interested scientific institutions and insurances</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Seminars, education and workshops with the topic of promotion of rural tourism of Istria</td>
<td>Ministry of Tourism experts in the area of rural tourism, sustainable development and</td>
<td>Offer carriers, Local community</td>
<td>6 months continuously</td>
<td>Ministry of Tourism, Tourist Board, Ministry, PPP</td>
<td>Maximum</td>
<td>50,000.00</td>
</tr>
<tr>
<td>(goals of promotion of rural tourism of Istria, particularities of rural tourism,</td>
<td>marketing</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>possibilities of developing a brand)</td>
<td>Business Entities, HABOR, Local government, Ministry of Tourism</td>
<td>Offer carriers</td>
<td>1 year</td>
<td>Ministry of Tourism, HABOR, European Commission Office in Croatia, business bureau, touristic board</td>
<td>Maximum</td>
<td>20,000.00</td>
</tr>
<tr>
<td>Free marketing for rural offer carriers</td>
<td>Tourist Board</td>
<td>Offer carriers, Local community</td>
<td>Continuously</td>
<td>Tourist Board, Ministry of tourism, community</td>
<td>Maximum</td>
<td>50,000.00</td>
</tr>
<tr>
<td>Help in designing marketing strategy of an individual offer carrier</td>
<td>Tourist Board, Local government and self-government, Ministry of tourism, interested</td>
<td>Offer carriers, Local community</td>
<td>Continuously</td>
<td>Tourist Board, Ministry of tourism, community</td>
<td>Maximum</td>
<td>100,000.00</td>
</tr>
<tr>
<td></td>
<td>scientific institutions and institutes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Designing and developing a Brand “Istria-green heart of Croatia”</td>
<td>Tourist Board, Local government and self-government, Ministry of tourism, interested</td>
<td>Offer carriers</td>
<td>1 year continually</td>
<td>Tourist Board, Ministry of tourism, community, public-private partnership</td>
<td>Maximum</td>
<td>270,000.00</td>
</tr>
<tr>
<td></td>
<td>scientific institutions and institutes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project rural villages of Istria</td>
<td>Tourist Board, Local government and self-government, Ministry of tourism, interested</td>
<td>Offer carriers, Local community</td>
<td>2 years</td>
<td>HABOR, Cohesion funds of EU, consortium, Ministry of Tourism, public-private partnership</td>
<td>Maximum</td>
<td>200,000.00</td>
</tr>
<tr>
<td></td>
<td>scientific institutions and institutes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project Green rural eco Hotels of Istria/Croatia; holding, support to construction,</td>
<td>Private Institutions, Financial institutions</td>
<td>Visitors of a destination and</td>
<td>3 years</td>
<td>Croatian Bank for Reconstruction and Development, EU cohesion funds, Croatian authority,</td>
<td>Maximum</td>
<td>500,000.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>owner of new objects</td>
<td></td>
<td>Ministry of Tourism, Public-private partnership</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(Source: Authors’ analysis)

The goal of previously presented implementation activities of this interdisciplinary project is that in the realization of the project all interested participants are involved in the local rural community (population, entrepreneurs, experts, scientists) and widely interested public. All presented data is a subject to changes, depending on the duration of an individual activity, the way of conducting, and participants in the project.

Conclusion

Rural area of the Republic of Croatia and Istrian County are an endless source for sustainable development of Croatian tourism. Multiple positive effects will be achieved by its participation on the tourist market. First of all, economic-demographic-sociological rehabilitation will be enabled, and Croatian tourist offer will also be enriched. Croatia and Istrian county will be recognisable for its ecologically preserved resources, which provide the opportunity to be recognised as an eco-tourist destination on the European and world market. The promotion mix is of great importance.
for successful positioning of the rural tourist destination product on a tourist market. Well-selected combination of promotional activities will achieve recognisibility of a rural tourism destination on the tourist market, and the expected business success will be achieved. Promotional activities will be successful if the product satisfies the demand of modern guests in terms service quality, value for money, etc. It is also important to include all the interested parties in the rural tourist destination into promotion activities, and to encourage the use of modern promotion resources over the Internet. Successful implementation of promotional activities will enable achievement of competitive advantages on the European and world tourist market, as well as inclusion in European tourist flows. Implementation of promotion activities in Istria through the product «Istria-Green Heart of Croatia» will achieve even greater recognisibility and specific characteristics of this greatest Croatian rural tourist destination, and the same promotion mix model and creation of the marketing strategy can be implemented in all other Croatian rural areas.

Bibliography:
