Should Italians, Croats and Slovenes Work Together in Developing a Northern Adriatic Tourist Destination?

Janez Prasnikar , Vesna Zabkar, Tanja Rajkovic

Abstract

The article assesses opportunities for creating a macro-tourist destination in the region of the Northern Adriatic. Research was based on a survey of more than 1700 summer tourists in three different sea towns, namely Grado in Italy, Opatija in Croatia and Portorož in Slovenia in 2004. The three countries share a common past under the Austro-Hungarian monarchy and are headed for a common future within the European Union. Survey results of tourists' motivations and destination quality perceptions support the notion that the Northern Adriatic is considered by many central Europeans as the "sea closest to home". Thus, EU efforts under the framework of the Cohesion Policy of EU regions could also be adopted in the area of joint destination management of the Northern Adriatic. A Destination Management Organization for the three regions should be established as the main agent of change in the destination management of the region.

Key words: Macro Tourist Destination, Cross-Border Cooperation, Tourist Behavior, Destination Management Organization.

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1.Introduction

What is the influence of the last wave of EU enlargement on the European economy? Does it bring benefits to both the old members and the new? Can a continuation of this process be expected? These questions stand in the focus of current political and academic discussions; nevertheless, the answer is not entirely straightforward. Several studies confirm the positive effect of the enlargement on the economic growth of both the old and new member countries, whereas some studies appear more skeptical.¹ There is an even greater difference between political standpoints and public support, which only contributes to the uncertainty regarding its future.²

¹ Earlier studies of the effect of regional integration that relied on foreign trade variables to capture the effects of EU integration found support for the influence of the integration on economic growth (Baldwin et al. 1997, Henrekson et al., 1997). Neueder (2003) claims that, on the whole, enlargement will be of greater benefit to the acceding states than to the initial E15 countries, and that the costs of the enlargement will be high, especially for the biggest contributor, Germany. Kohler (2004), on the basis

of a numerical simulation model for Germany, found a positive overall welfare benefit from enlargement for E15 countries. Finally, Kutun & Yigit (2007) extended the trade argument with a "knowledge" spread effect. According to them, the European integration process allows access to a wider body of knowledge and hence leads to higher productivity by enhancing the effectiveness of labor.

² Since French and Dutch voters rejected referenda on the EU constitution two years ago, the Union is stuck with cumbersome decision-making rules designed for a bloc half its size. New enlargements will probably not be possible before the EU reaches a new consensus on the EU constitution.

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In this paper we present the results of a study dealing with travel motivations and destination quality perceptions in the three tourist destinations of the three neighboring countries, each characterized by a similar tourist product. Our study is of interest for four principal reasons. First, it includes Italy, a founding EU member, Slovenia, a recent addition to the EU in 2004, and Croatia, currently a candidate country. The focal point is to analyze the possibilities for enhanced cooperation between the economic subjects that arose with these countries becoming a part of the broader economic area of the EU. Second, our study is among the first to cover the possible collaboration between "old" and "new" European countries in the tourism industry. Summer tourism is of the greatest importance for all three locations, and has many common characteristics from the viewpoint of potential visitors (also referred to as the 3S, »sea«, »sun«, »sand« tourist product). On the other hand, the destinations offer other specific elements to the tourist that can complement each other and maximize customer benefit.³ That is why joint resource management could positively contribute toward coordination and market recognition. Third, the notion of tourist destination is still not very well defined in the literature and praxis. In the present study we confronted two concepts of a tourist destination. The first refers to the tourist destination as the management of multiple products according to an administrative – geographical principle. The second concept defines tourist destination as the management of related products in an area that the tourist perceives to be superior to satisfying one's needs. That is why a tourist is willing to pay a price premium for additional benefits.⁴ Finally, we were able to assess the role of the Destination Management Organization (DMO), which holds a key role in connecting different products in the tourist destination. We demonstrated how to collect information on travel motivations and tourists' destination quality perceptions, how to set guidelines for future development of tourist offers and the role of the organization as the agent of change in destination management.

Our results show that summer tourists in the three regions of the northern Adriatic are more laidback, regard the natural resources of the northern Adriatic as a given, and are seeking rest, relaxation and personal safety. In this respect they are different from tourists visiting Venetian cultural attractions, summer tourists on Dalmatian islands, or hiking tourists in the Slovenian mountains. However, these tourists are not a homogenous group and can be segmented according to their motivations into five groups: fun lovers, traditional summer tourists, demanding tourists, tourists

"without distinctive interests" and tourists with interests in nature, culture and gastronomy. With regard to determinants of quality perceptions for the tourist segment, we show the importance of pull motivations (cultural and historic sites, quality beaches, hospitality, lively atmosphere and local cuisine offerings) and push motivation (peacefulness) for all five segments. That brings us to the conclusion that although three separate seaside destinations belong to different countries, different national languages and distinct cultures, the whole region could also be regarded as one macro destination.

The paper is organized as follows. In second section we present the relationships between travel motivations and destination quality perceptions, which are a base for our empirical testing and our discussion. We start the third section with a brief overview of the three destinations under investigation and further describe the data and variables that we use. In the fourth section we present the results and in the fifth section we draw conclusions.

2. Conceptual Framework

Demand for travel to a particular tourist destination depends on two factors: (1) propensity, a person's predisposition to travel (how willing the person is to travel, what types of travel experiences and tourist destinations are preferred), and (2) resistance that relates to relative attractiveness of various destinations. Resistance is a function of economic distance, cultural distance, the cost of tourist services at a destination, the quality of service at a destination, the effectiveness of advertising and promotion, and seasonality. Economic distance stands for the time and cost involved in traveling to and from the chosen tourist destination. Higher economic distance implies higher resistance and thus lower demand (Crouch, 1994; Goeldner & Brent, 2003; Witt & Witt, 1992).

¹ Here we present the economies of scope argument in tourism – a case of bounded products, where all products are based on some common characteristics such as climate, sea and a peaceful and safe environment. A multiple tourist product is therefore composed of partial tourist products, that is various finished products and services and experiences that are available to a tourist at a specific time and place and satisfy customers' different needs (product differentiation) (Teece, 1982).

² For the first definition see Hall (2000) and Davidson & Maitland (1997). An example of the second definition can be found in Buhalis (2000) and (Konečnik, 2005).

In the decision-making process of choosing a tourist destination, a moderating role is attributed to motivations (Nicolau & Mas, 2005). Motivation encompasses psychological as well as biological needs and wants, together with integral forces that arouse, direct and integrate individuals' behavior and activity (D'Andrade, 1992; Mullen & Johnson, 1990; Uysal & Hagan, 1993). From a tourism perspective, behavior and activity refer to demand for tourist products. Most tourist motivation studies have made a distinction between push and pull motivations (Crompton, 1979; Gnoth, 1997; Pyo et al., 1989; Yoon & Uysal, 2005; Yuan & McDonald 1990). Push motivations are more related to internal or emotional aspects; that is, individuals' desires and feelings—for example, the desire to escape, rest and relaxation, prestige, health and fitness, adventure and social interaction, family togetherness and excitement. On the contrary, pull motivations have to do with the external, situational, or cognitive aspects; that is, a destination's attractiveness reflected among others through cultural and natural attractions, entertainment, beaches, shopping and recreation facilities. Eymann & Ronning (1997) studied the macro-destination choice with explicative dimensions, including motivations and other personal characteristics of tourists. A specific destination may be visited by tourists with different socioeconomic, demographic or geographic characteristics. However, tourist segments in destination management should be defined according to the tourist's travel motivations, e.g. their desires and cognitive aspects related to travel, and not simply according to their socioeconomic, demographic or geographic characteristics (Baloglu & McCleary, 1999; Leisen, 2001).

Perceived quality can be defined as the subject's judgment about the overall excellence or superiority of a product: the judgment is usually made within an evoked set of products; it is a global assessment with higher level abstraction than a specific attribute of a product and differs from objective quality (Zeithaml, 1988). Service quality refers to the customer's impression of the relative superiority/inferiority of the specific service offer (Bittner & Hubbert, 1994; Johnston, 1995). Quality judgments are primarily of a cognitive nature and individuals can shape their perceptions of quality without having first-hand experience.

According to differences in travel motivations, we can expect several distinct tourist segments at all destinations. Namely, different segments are looking for different attributes in a tourist destination to satisfy expectations they have for summer holidays by the sea. Further, this means

their quality assessments of the destination will also differ.

A key aspect of this study is to test relationships between tourist motivations and destination-specific perceived quality assessments for separate tourist segments according to their destination choice. The study aims to provide answers for policy-making in the destination management area on the common grounds of travel motivations and tourists' quality perceptions.

3. Research

Brief Overview of Three Destinations under Investigation

The basic attractions of the northern Adriatic region are the Adriatic Sea and its central European position. The three summer tourist destinations in the region of the northern Adriatic included in this study are Grado in Italy, Opatija in Croatia and Portoroz in Slovenia. All three destinations have long traditions of tourism. Their beginning can be traced back to the period when all three geographical locations were a part of the Austro-Hungarian monarchy.

The first mention of tourism in Opatija dates back to the year 1844, when the first summerhouse called Villa "Angiolina" was built. It was surrounded by an exotic park and in a little while, this villa had become the center of social life in the area. At that time, visits from many famous people (Francis Joseph, Josip Jelacic, Empress Maria, Ferdinand I) contributed to Opatija's growing fame. In 1891 the first hotel and baths were built in Portoroz. The therapeutical effects of the saltpan mud and brine, both being byproducts of traditional salt production, drew an increasing number of tourists to Portoroz. Once mainly a fishing center, Grado became a popular tourist destination, known commonly as *l'Isola del Sole*, also famous as a spa town. Together with Marano Lagunaire, it is the center of a lagoon recognized for its uncontaminated nature. Grado, a historic town from the Roman era, has, like Opatija and Portoroz, a tradition of more than a hundred years of tourism.

In the 1920's all three towns belonged to Italy, while after the Second World War Opatija and Portoroz became parts of Yugoslavia.

With the reputation of being the "Queen of Croatia's tourism," after the Second World War, Opatija improved its tourist offerings with the construction of luxurious hotels and

the renovation of old ones. However, during the Homeland War (1991-1995), it opened its doors to refugees, lowering its capacity available for the tourist season. War also had an impact on the declining arrivals of tourists each year. In Portorož, “port of roses” in Italian, new hotels, a casino, airport, congress center and numerous recreational sites were built between 1965 and 1976. At that time, Portoroz was a mundane destination with more and more tourists arriving every year. The disintegration of Yugoslavia in 1991 was also the reason for a strong decrease in tourism in Portoroz. The circumstances dictated the development of new tourist offerings and the repositioning of Portoroz within the tourism market. Swimming pool sites were renovated and expanded and complemented with wellness programs. At the same time, investments were made in the development of congress tourism.

Table 1 presents the basic tourist products that constitute the tourist offering at the three destinations.

Measurement scales	Grado	Opatija	Portorož
“Sea, sun, sand”	✓	✓	✓
Thermal spas	✓	✓	✓
Wellness	✓	✓	✓
Congress tourism		✓	✓
Cultural events	✓	✓	✓
Historical sites	✓	✓	
Culinary offerings	✓	✓	✓
Recreation	✓	✓	✓
Gambling (casinos)		✓	✓
Marina	✓	✓	✓

Table 1.
Tourist Offerings at the Three Locations

Summer bathing tourism, or the three S tourist offerings (“sea”, “sun” and “sand”), holds its position as the prevailing tourist offering at all three destinations. Nevertheless, each destination is distinctive in some characteristics. A distinctive feature of Grado is that its beaches are suitable for families. Opatija is well known for its rich cultural and historic heritage, while Portorož offers well developed thermal and wellness capacities and modern, high capacity convention centers.

Description of Data and Empirical Methods

The study is based on data about motivations and quality perceptions that have been obtained from adult tourists that visited the tourist destinations of Grado, Opatija and Portoroz during the summer months of July and August 2004. The study thus focuses on summer tourism in these primarily summer oriented destinations.

In each of the three destinations, a probability sample of tourists was obtained. Any transit tourists that were visiting any of the three destinations (as a stopover or secondary destination) on their way to a destination of their primary choice were excluded from the survey. The reason behind this is that transit tourists tend to give less attention to secondary destinations (they visit only major attractions), their stay is of shorter duration and they have unclear expectations (Lue et al., 1993; McKercher & Wong, 2004). The final sample included 1,722 observed units; 338 from Grado, 678 from Opatija and 706 from Portoroz. The static character of this study limits the results to the main tourist season of the three analyzed destinations and thus offers a partial picture of the tourist offerings throughout the year.

A structured questionnaire provided the basis for personal interviews with tourists. Respondents were asked to evaluate the importance of twenty-one motivations when choosing a tourist destination (Table 2). Destination attributes were defined based on an inventory analysis of the tourist offer being used by the International Tourist Institute at the Slovene National Tourist Association (International Tourist Institute, 2003). A matching set of criteria was used for assessing expectations and performance scores regarding tourist offering dimensions, with the accessibility of tourist information as an added dimension. Overall expectations and overall quality perception of the tourist offerings were also collected. Further questions covered quality-price ratio of tourist offerings, probability of recommendation (positive word of mouth) and repeat visit probability. Geographic and demographic tourist characteristics were obtained as well as data about the general characteristics of the tourist's visit (accommodation, duration of stay, etc.).

Multivariate cluster and factor analysis were used to determine clusters of visitors at different destinations according to their travel motivations. Twenty-one motivations were used as a segmentation base in cluster analysis for tourists of all three destinations combined. The number of clusters was defined using the hierarchical method. Clusters were then defined by the K-means clustering method. With fac-

tor analysis, the selection of twenty-one motivations was systematically reduced to six motivational factors that were later employed in a comparison analysis of segments.

For the analysis of quality perceptions we applied the estimation of ordinal regression models. Ordinal regression was

used due to the ordinal nature of the dependant variable.⁵ The overall quality score for the tourist offer was included as the dependant variable and motivations as independent variables with explanatory power. This is in line with the perceived performance model that measures quality judgments regardless of expectations.

⁵ Owing to the asymmetrical distribution of the dependant variable (higher probability of higher values, (McCullagh, 1980), the applied link function is complementary log-log($\log(-\log(1-\gamma))$), where γ gamma) denotes cumulative probability).

	Motivations	Whole Sample average	Standard Deviation	Grado	Opatija	Portorož
1.	Tidiness and cleanliness	4,45	0,75	4,44 (+)	4,43 (+)	4,47 (+)
2.	Personal safety	4,40	0,88	4,48 (++)	4,33 (+)	4,43 (+/++)
3.	Natural beauty	4,30	0,85	3,81 (+)	4,55 (+++)	4,29 (++)
4.	Hospitality	4,28	0,83	3,87 (+)	4,33 (++)	4,42 (++)
5.	Quality beaches	4,23	0,90	4,33 (++)	4,14 (+)	4,27 (++)
6.	Quality accommodation	4,18	0,89	4,30 (++)	3,98 (+)	4,33 (++)
7.	Peacefulness	4,12	1,01	4,16 (+)	4,11 (+)	4,10 (+)
8.	Lively atmosphere	4,03	0,94	4,05 (+/++)	4,09 (++)	3,96 (+)
9.	Restaurant offerings	3,96	1,00	3,91 (+)	3,91 (+)	4,03 (+)
10.	Prices	3,91	0,95	3,63 (+)	4,06 (+++)	3,91 (++)
11.	Local cuisine offerings	3,87	1,10	3,91 (+)	3,93 (+)	3,79 (+)
12.	Public transport	3,62	1,38	2,86 (++)	2,56 (+)	2,55 (+)
13.	Cultural and historic sites	3,49	1,14	3,45 (+)	3,65 (++)	3,34 (+)
14.	Nightlife and entertainment	3,27	1,37	3,25 (+)	3,32 (+)	3,24 (+)
15.	Cultural events	3,27	1,25	3,53 (++)	3,20 (+)	3,21 (+)
16.	Family friendliness	3,03	1,61	3,08 (++)	2,83 (+)	3,21 (++)
17.	Recreation facilities	3,00	1,27	3,03 (+)	2,92 (+)	3,05 (+)
18.	Wellness	2,42	1,43	1,97 (+)	2,21 (++)	2,84 (++++)
19.	Shopping for established brands	2,36	1,32	2,67 (++++)	2,15 (+)	2,42 (++)
20.	Spa facilities	2,35	1,42	2,15 (+)	2,03 (+)	2,72 (++)
21.	Gambling	1,72	1,21	1,24 (+)	1,75 (++)	1,91 (++++)

Table 2.

Importance of Basic Motivations According to Destination

Scale: 1 – not at all important, 2 – slightly important, 3 – fairly important, 4 – quite important, 5 – very important.

Note: Post-hoc Duncan test of variance was used to determine groups with statistically significant differences (significance level 0.05) for every motivation. Pluses and minuses as well as their numbers denote which of the identified groups belongs to a specific tourist destination and its rank relatively to other groups. A tourist destination that does not fall specifically into one of the distinctive groups has double denotation.

Minuses depict negative values and pluses positive values, respectively.

Factors and corresponding motivations	Fun lovers	Traditional summer tourists	Demanding tourists	Tourists without distinctive interests	Tourists with interests in nature, culture and gastronomy
Basic tourist offerings	+	+ / ++	++	--	-
Tidiness and cleanliness	++	+++	+++	+	+++
Quality beaches	+++	++++	++++	+	++
Hospitality	++	+++	++++	+	+++
Prices	+++	+++ / +++++	++++	+	++
Extended tourist offerings	++	+	+++	--	-
Nightlife and entertainment	+++++	+++	++++	+	++
Recreation facilities	+++	+++	++++	+	++
Shopping for established brands	+++	++++	+++++	+	++
Public transport	+++	+++	++++	+	++
Cultural events	++ / +++	+++	++++	+	++
Lively atmosphere	++++	+++	++++	+	++
Prestige	-	--	+	-	+
Wellness	+++	++	++++	+	++++
Spa facilities	+	++	+++	+	+++++
Gambling	++	+	+++	+	++
Culinary offerings	+ / ++	+	++	--	++
Local cuisine offerings	++	++	+++	+	++
Restaurant offerings	++	++	++++	+	+++
Peacefulness and accommodation	--	+++	++	-	+
Family friendliness	+	++++	+++	++	++
Quality accommodation	+	++	+++	+	++
Peacefulness	+	+++	+++	++	+++
Personal safety	+	+++	+++	+	++
Cultural and historic attractions	-	+ / ++	+ / ++	+	++
Cultural and historic sites	+	+++ / +++++	++++	++	++ / +++
Natural beauty	+	++	+++	+	++
Share of segment within destination					
Grado	26,3 %	34,3 %	10,4 %	16,0 %	13,0 %
Opatija	24,0 %	21,5 %	18,7 %	26,4 %	9,4 %
Portorož	14,3 %	26,2 %	23,8 %	14,2 %	21,5 %
Share of segment within whole sample	20,5 %	25,9 %	19,2 %	19,3 %	15,1 %

Table 3.**Tourist Segments According to Motivations**

Note: Post-hoc Duncan test of variance was used to determine groups with statistically significant differences (significance level 0.05) for every factor and motivation. Pluses and minuses as well as their number denote which of the identified groups belong to specific tourist segments and their rank relatively to other groups. Those segments that do not fall specifically into one of the distinctive groups have double denotation.

Minuses depict negative values and pluses positive values, respectively.

4. Results

According to respondents from all three destinations, tidiness and cleanliness of destination, personal safety and natural beauty followed by hospitality, quality beaches, quality accommodation, peacefulness, and lively atmosphere are among the most important basic tourist motivations related to summer destinations in the northern Adriatic (Table 2). Of special interest are personal safety (ranked second), quality beaches (ranked fifth) and lively atmosphere (ranked eighth). It appears that the ranking of motivations does not perfectly fit the profile of a summer tourist that is seeking fun in beach activities elsewhere. We observe a more laidback tourist that regards the natural resources of the northern Adriatic as a given and is led by the desire for rest and relaxation and personal safety. Grado tourists ascribe importance to public transport, cultural events and shopping for established brands. Opatija tourists primarily consider natural beauty, prices and cultural and historic sites. What separates tourists of Portoroz from tourists of the other two destinations is the importance of wellness, spa facilities and gambling—these were, on average, fairly important motivations for this destination.

Although all tourists in the sample do not share the same motivations, they can be classified into similar segments for all three destinations according to the affinity of distinctive motivations. Five segments were identified: fun lovers, traditional summer tourists, demanding tourists, tourists without distinctive interests, and tourists with interests in nature, culture and gastronomy. Comparisons between segments according to motivations and derived factors are shown in Table 3.

Fun lovers are the youngest segment. More than one-half of all tourists in this segment are aged 30 or younger. The basic tourist offerings are highly valued. What differentiates them from other segments is the importance they ascribe to extended tourist and culinary offerings. They are the segment with the lowest average monthly income and the highest share of high school as well as university students. Also substantial is the share of tourists whose main reason for coming to the destination is recreation, fun and excitement (29.2%). No other segment relies as heavily on word of mouth as an information source. Although the highest share of fun lovers travel as couples (43.3%), more than one-third (36.5%) travel with friends, which is the highest percentage among all segments.

Traditional summer tourists are the largest segment in the sample. 66.7% of tourists in the segment are aged between 31 and 40 years. The basic tourist offer holds great importance for these tourists. Compared to other segments, traditional summer tourists ascribe the most importance to peacefulness and accommodation. This segment is least inclined toward products within the prestige offer. The large majority of traditional summer tourists (90.4%) described as their main purpose of travel rest and relaxation, which is the prevailing reason also in other segments. No other segment considers personal experience to be such an important information source. The fact that the chosen tourist destination is the closest proximity to the Adriatic in relation to tourists' homes is, compared to other segments, most important for traditional summer tourists.

Demanding tourists ascribe on average the greatest importance to all motivation factors, with the exception of cultural and natural attractions, when compared to other segments. Besides the fifth segment (tourists with interests in nature, culture and gastronomy), this is the only segment that pays attention to prestige offerings when choosing a tourist destination. Of all segments, demanding tourists have the largest share of employees in managerial positions. Another characteristic they have in common with the fifth segment is that they ascribe the greatest importance among segments to an ability to engage in activities they enjoy when making a tourist destination decision. Their average daily consumption per person including accommodation is statistically the highest compared to other segments.

Tourists "without distinctive interests" have, compared to other segments, the least explicit preferences regarding motivations. It is interesting that out of all segments, this segment ascribed the smallest importance to prices as a motivation in tourist destination decisions. Tourists "without distinctive interests" have the lowest expectations regarding the tourist offer and the smallest repeat visit probability, which is in line with the highest share of first-time visitors in this segment compared to other segments.

Tourists with interests in nature, culture and gastronomy are the smallest segment identified in the sample. It is not the predominant segment in any of the three destinations. Tourists in this segment stand out due to the attention they pay to the following factors: culinary offerings, prestige offerings, peacefulness and accommodation, and cultural and historic attractions. The basic tourist offerings and extended tourist offerings are of lesser importance. Compared to other tourist segments, this segment ascribes the greatest

importance to spa facilities and wellness motivations. It is the oldest segment and with the highest share of tourists in retirement (23.6%) although employed individuals are still the majority (54.3%)

Motivations that positively correlate with overall quality perception scores of fun lovers are natural beauty, hospitality, local cuisine offerings and peacefulness (Table 4). These tourists value personal safety, tidiness and cleanliness and restaurant offerings. For traditional tourists, only motivations with positive correlations were established: personal safety, cultural and historic sites and restaurant offerings. Traditional tourists in Opatija have better perceptions of quality compared to tourists in Grado and Portorož. Demanding tourists will have better perception of quality the more they value cultural and historic sites, nightlife and entertainment and peacefulness. The contrary holds for cultural events. Quality perceptions of tourists in Grado are on average less favorable than those of tourists from the other two destinations. The higher importance tourists without distinctive interests ascribe to natural beauty, a lively atmosphere and peacefulness, the better their overall quality assessments will be. The more importance they place on reasonable prices, the less favorable their quality evaluations will be. Positive correlations between motivations and overall quality perceptions of guests with interests in nature, culture and gastronomy were identified for motivations such as natural beauty, tidiness and cleanliness, quality accommodation and peacefulness. A negative link exists between tourists' motivations regarding the importance of local transport, cultural events and overall quality scores.

Results for the whole sample show the importance of five pull motivations (cultural and historic sites, quality beaches, hospitality, lively atmosphere and local cuisine offerings) and one push motivation (peacefulness). There is a positive relationship between all mentioned independent variables and the dependent variable, except in the case of the pull motivation quality beaches. These results are in line with our previous discussion. Motivation referring to quality beaches did not reach the highest ranks in the average importance scale. However, for those tourists that assign a higher importance to this motivation, there is an increased probability that this will result in a lower overall quality score. We should point out that the average overall quality score in Opatija exceeds that of Portoroz and Grado.

The sample average of overall quality perception of tourist offerings is 3.92 and thus above the middle value of 3.⁶ These comparisons show that the overall quality percep-

tions were the highest in Opatija (4.06), somewhat lower in Portoroz (3.90) and the lowest in Grado (3.69). When comparing average overall quality perceptions of tourist offerings, there are only statistically significant differences between fun lovers on the one hand (3.81) and demanding tourists (4.03) and tourists with interests in nature, culture and gastronomy (3.96) on the other.

Although findings in general suggest positive quality perceptions, tourists would still be willing to increase their current consumption at these same tourist destinations (fun lovers on average by US \$34, traditional summer tourists by \$14, demanding tourists by \$40, tourists without distinctive interests by \$24, and tourists with interests in nature, culture and gastronomy by \$54). In other words, this means that their potential consumption exceeds their current consumption. Current consumption is the actual realized demand. Potential consumption is a category measuring how much of what type of goods/services consumers would like to buy and use and what price they would be willing to pay. There is no guarantee that their demand will be realized. No statistically significant differences between segments and tourist destinations with respect to differences between potential and current consumption were found. However, tourists would be willing to pay more only when this would imply that the quality of products/services would increase correspondingly and thus increase their perceived benefit (Besanko et al., 2004).

Overall, our results show that for the tourist segments in the three destinations a uniform approach to potential segment targeting in the region should be adopted. As is evident from the common quality perceptions of the basic offerings, as well as from the fact that peacefulness and relaxation are the primary holiday motives of significant segments of tourists at all three destinations, the whole region could and should be regarded as one uniform destination. Complementary destination positioning without the danger of cannibalization, for example, based on culinary and cultural offerings, shopping facilities and nightlife, should be adopted. By focusing on demanding tourists, potential exists also for the development of prestige offerings. This would contribute to improved tourist offerings "at destinations" and higher tourist perceived quality, as well as facilitate promotion of destination specific competitive advantages.

The results provide two more implications for joint efforts

⁶ Pair-wise comparisons using Duncan's multiple range test were applied.

		Whole sample		Fun lovers		Traditional summer tourists		Demanding tourists		Tourists without distinctive interests		Tourists with interests in nature, culture and gastronomy	
		Estim.	Sig.	Estim.	Sig.	Estim.	Sig.	Estim.	Sig.	Estim.	Sig.	Estim.	Sig.
Threshold - Overall quality score of tourist offerings													
	Very poor	-3.787	.000					-3.228	.000	-1.761	.007	-2.378	.050
	Poor	-1.552	.000	-3.406	.000	-1.300	.016	-1.404	.022	-.325	.504	-.137	.856
	Fair	.513	.027	-.833	.128	.852	.084	.517	.356	1.408	.002	1.866	.008
	Good	2.242	.000	.939	.086	2.501	.000	2.184	.000	3.376	.000	3.799	.000
Location Motivations (covariates)													
	Personal safety			-.149	.043	.217	.010						
	Cultural and historic sites	.110	.000			.167	.003	.157	.017				
	Natural beauty			.160	.039					.463	.000	.243	.025
	Tidiness and cleanliness			-.312	.004							.275	.037
	Quality beaches	-.098	.006										
	Hospitality	.169	.000	.227	.006								
	Prices									-.152	.041		
	Lively atmosphere	0,000	0,000							.155	.042		
	Quality accommodation											.228	.040
	Local transport											-.159	.016
	Restaurant offerings			-.183	.036	.208	.001						
	Local cuisine offerings	.055	.047	.204	.003								
	Cultural events							-.204	.008			-.238	.002
	Nightlife and entertainment							.147	.048				
	Peacefulness	.164	.000	.159	.005			.386	.000	.227	.002	.271	.003
Location Tourist destination (factor)													
	Grado	-0.490	0,000			-.800	.000	-.930	.000				
	Opatija	0 ^a				0 ¹		0 ¹					
	Portorož	-0.191	0.004			-.393	.0007	Not sig	.733				
Model fitting information		Sig.	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
Goodness of fit	P PEARSON		.264	.020	.003	.730	.000	.020					
	P DEVIANCE		1.000	1.000	.693	1.000	1.000	1.000					
Pseudo R ²	R ² Cox and Snell		.098	.120	.129	.116	.133	.156					
	R ² Nagelkerke		.109	.135	.143	.128	.149	.175					
	R ² McFadden		.045	.059	.060	.053	.064	.076					

Table 4.

Parameter Estimates for Relationship between Motivations and Overall Quality Perception Score

¹ Parameter estimate for Opatija is set to zero since Opatija represents basis for comparison among destinations.

Link function: complementary log-log.

in destination management of the region. It is important that tourists in targeted segments are compatible and can stay in the same destination at the same time without much conflict of interest. The two compatible target groups that should be given the most attention in the future compared to other segments are demanding tourists and tourists with interests in nature, culture and gastronomy. The attractiveness of the two segments lies in their size, average daily consumption per person and the premium they are willing to pay when their expectations are met.

5. Concluding Observations

Destinations are amalgams of tourism products, offering an integrated experience to customers. Traditionally, they are regarded as well-defined geographical areas, such as a country, an island or a town (Hall, 2000; Davidson & Maitland, 1997). On the other hand, increasingly they are seen as a perceptual concept interpreted subjectively by consumers, depending on their purpose of visit and travel itinerary (Buhalis, 2000). In our paper we adopted the latter concept. We provide indications about the role of summer destinations within the region of the northern Adriatic, which holds the important position of "sea closest to home" for many central Europeans. This can be extended to other tourists, looking for rest, relaxation and personal safety. Joint management and marketing of such destination would be therefore desirable.

Does the above approach of constructing a "macro" tourist destination of Northern Adriatic have enough support? For constructing a destination it is not only necessary that visitors perceive it as a uniform entity, but also that a political and legislative framework for tourism marketing and planning is present. This enables the DMO to be accountable for the planning and marketing of the region and to have the power and resources to undertake actions for achieving its strategic goals (Buhalis, 2000). Is it possible to set up such a framework under the given circumstances? Although Italy, Croatia and Slovenia are firmly interwoven in European integrations, there is a lot of friction in their relationships. Among unsolved issues are still those of borders, the demands of Italian citizens opting for the property lost to Slovenia and Croatia during the Second World War (so called "optants") and construction of gas terminals in Trieste Bay. These issues often lead to extreme views. One such example is the claim of a member of Slovene parliament, who urged the government to make an appeal to

the citizens that they should refrain from going on holidays to Croatia (Kajzer, 2007). Alternatively, some Croatian hotel owners believe they should not be cooperating with tourist destinations in the Northern Adriatic outside Croatia, since these are their competitors (Vehovec et al., 2004).

However, there is a strong interest from all three regions to apply for grants from structural funds which are a part of the EU Cohesion policy. "Crossing borders" and consequently "building bridges" between countries of the European Union is a motto that is being primarily promoted by the Community Initiative Programme Interreg III. The European Union has an instrument that can encourage cross-border cooperation also in the field of constructing tourist destinations. The efficiency of such an instrument should be improved, especially by preventing the opportunistic behavior of those submitting the projects. Projects that can be economically justified promise a broader impact on the European economy and are supported by partner cooperation should be encouraged (Seljak, 2006). This would be a positive signal for all those submitting projects and for the administration in specific countries.

Concerning the DMO was a multinational macro location, it is now much easier to imagine that such support would be available at a fairly affordable cost. With the developments of information communication technologies (ITC), advanced destination management systems (DMS) have emerged. Increasingly, DMSs are employed as an interface between destination tourism enterprises (including principals, attractions, transportation, and intermediaries) and the external world (including tour operators, travel agencies, other DMOs). As stated by Buhalis (2007), they effectively provide the infrastructure at the destination level and can link the entire range of principals and operators in a neural network.

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