

# Contribution to the Development of Rural Tourism in Croatia: Proposed Steps for Successful Business

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## Abstract

*Rural tourism is a relatively new tourist movement that humans of postindustrial society return to traditional values and nature. Primarily is strongly associated with farms and production of traditional agricultural products. The aim of the rural tourism is exploitation of all existing resources of one farm regardless of whether it is traditional architecture, traditional activities (traditional crafts), agricultural production or presentation of the rural way of life. In addition, rural tourism is a generator of additional revenue and achieves full employment of the farm which enables to integrate all the potentials and diversification of activities.*

*The organization of the farm, in terms of taking some tourism activities, is a complex activity that requires certain procedures and steps for successful business. Therefore, this paper proposes and explains steps necessary for successful implementation of tourism services in rural tourism in Croatia. Special emphasis will be on the types of tourism services in rural tourism through the typology of farms and connecting with the market.*

**Key words:** *Croatia, rural tourism, farms, development, steps*

## Introduction

Rural tourism, tourism in the villages, farm holidays, farms and agritourism are terms with which face those engaged, or intending to engage, in providing tourism services on their farms. Regarding apparent “similarity” of these terms in their use among owners and entrepreneurs in rural tourism, as well as theoreticians of rural tourism, there are doubts about the circumstances of the use of these terms. Therefore, this article offers a definition and explanation of each of these terms that reveals about what forms of tourism is it, what each term means and how/where to use it. This interpretation/clarification of terms is crucial considering that this paper interprets types of tourism services/typology of farm holidays in rural tourism.

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Common definitions of terms rural tourism, agritourism or farm holidays which would be accepted in all communities that develop tourism services, does not exist. However, recent experts thoughts concerning the definition of tourism services in rural areas have focused on defining and distinguishing three basic concepts/terms which are in use: rural tourism, tourism in the villages and farm holidays.

**Rural tourism** is the widest term that encompasses all tourism forms/services of tourism in rural areas including, for example, hunting tourism, fishing tourism, ecotourism, health tourism, cultural tourism, and others. Rural tourism is not necessarily complementary activity that generates additional income, but may be professional activity (rural family hotel, equestrian center, etc.). The concept of rural areas is not strictly defined, and this term includes areas dominated by the natural environment, rural environment, small settlements and villages, isolated farms with agriculture and forestry as main economic sectors, and others. There should be mentioned that exists the official criteria for the definition of rural areas. According to the OECD (Organization for Economic Cooperation and Development) criteria, rural areas are those where the population density is below 150 inhabitants per km<sup>2</sup>. Regarding the European Union methodology, rural areas are considered to be those where the population density is 100 inhabitants per km<sup>2</sup>, according to which 91.6% of the total Croatian territory belongs to the rural areas, 88.7% of the settlements is situated in rural areas, 47.6% of total population lives in rural areas and 52.4% of them in urban areas (Demonja, Ružić, 2010, 45-46).

**Tourism in the villages** is a narrower term than rural tourism but at the same time widest term than farm holidays. It relates with the ambience of the village and its surroundings, and all of its activities (agriculture, cultural events, gastronomy, folklore, ethnology, and other economic activities) (Demonja, Ružić, 2010, 12-17).

Finally, **farm holidays** (or farms, or agritourism) relates entirely to the form of tourism services, which is an additional activity on the farm with live agricultural activities, in which various products are manufactured exclusively in this farm (Baćac, 2006, 37).

Therefore, farm holidays or agritourism is a manifestation of tourism in the villages, while tourism in the villages is a manifestation of rural tourism.

The organization of the farm, in terms of taking some tourism activities, is a complex and requires certain procedures and steps for a successful business. Therefore, this paper proposes and explains the steps needed to implement tourism services within rural tourism. Special emphasis will be on the types of tourism services in rural tourism through the typology of farms and their connecting with the market. Where there are exist, the Croatian best practice examples will be mentioned. But, it should have on mind that proposed steps for successful business related to the organization of the farm and tourism activities on them are the new systematic approach. If it will be accepted as useful and adequate, it should expect their widely implementation.

## Literature Overview

This overview of solely Croatian scientific literature on rural tourism presents the most recent books, papers and proceedings related to the topic of this article.

Rural tourism in Croatian scientific literature was fully studied and elaborated in a recently published book "Rural tourism in Croatia with Croatian best practice examples and European experiences" (Demonja, Ružić, 2010). This book deals with terms and definitions of

the rural tourism and describes rural tourist destination, forms of rural tourism and marketing, conditions and guidelines for the development prospects of rural tourism in Croatia and, in the end, gives detailed descriptions of good practice examples in European countries and Croatia including more than thirty individual examples, categorized by types of facilities and forms of rural tourism. Despite the focus on Croatia, the book provides an overview and analysis of rural tourism in Europe in the context of sustainable development, as well as the experience of using structural funds and programs of the European Union. It is particularly important to emphasize that the book does not recognize the maximization of profits from commercial tourism in rural areas as the main goal, but puts tourism in the context of preserving the tradition and sustainable development in areas that are in modern conditions more and more passive, with negative demographic trends which threaten in large extent with extinction. This book represents first studious contribution to the scientific research of rural tourism in Croatia. Also, it draws attention to the importance of rural tourism in Croatia and the need for more specific involvement of the central government in its further development in terms of elaborating a national program or strategy for the development of rural tourism as one of Croatia's key components of sustainable development.

Besides this book, as a quality base to research rural tourism in Croatia could serve proceedings from two held congresses on rural tourism in Croatia (Proceedings, 2010; Proceedings, 2010a). "Proceedings of the 1st Croatian congress on rural tourism" offers 80 scientific and professional contributions covering various segments which encompass rural tourism (Proceedings, 2010). The number and variety of treated topics reveals the complexity of the subject scope, rural tourism, and authors approach how they understood problems, offering guidances, suggestions and solutions.

"Proceedings of the 2nd Croatian congress on rural tourism" (Proceedings, 2010a) consists of scientific and professional articles, divided into two volumes, which "covered" all four themes of the Congress: "Marketing and branding of rural tourism", "Rural space as a rural tourist destination", "Role of food in the development of rural tourism" and "Tourism multisectoral clusters in rural areas". Those papers are handling a large number of different topics related to rural tourism and discussed on the Congress, they contain richness of numerical and graphical data, and worthy information. Some of the articles show examples of good practice, as well as those of international cooperation on the development of rural areas with emphasis on rural tourism. Numerousness, diversity, scientific and professional quality of articles included in this "Proceedings" is valuable contribution to the study of rural tourism in Croatia and all of its segments.

There is a small amount of scientific articles dealing mainly with the rural tourism theme. One of the most productive Croatian authors is E. Kušen. He wrote the first notable article on rural tourism in Croatia (Kušen, 1992), as well as he dealt with different problems and issues of rural tourism, such as definition and terminology of rural tourism (Kušen, 2010) or tourism on rural farms (Kušen, 1995). The research interest of P. Ružić (Ružić, 2009) is rural tourism from the aspects of ethnology and tradition, rural forms of tourism and rural economy studied mostly in Istrian County. Finally, articles of R. Baćac deal with themes of rural tourism such as agritourism in which he evaluates the existing state of agritourism in Croatia and propose further steps for authentic tourism offer in rural areas (Demonja, Baćac, 2011), or examines and analyzes tradition in agritourism (Baćac, 2006).

In mentioned context, article "Contribution to the Development of Rural Tourism in Croatia: Proposed Steps for Successful Business" is one of the rare new contributions to the research of rural tourism in Croatia.

## Methods

Research results in this paper are derived from the authors extensive experience of systematic theoretical and field research of rural tourism and its manifestations primarily in Croatia and partially abroad. For the purposes of this study the following methodology was used:

1. collection and study of domestic scientific and professional literature on rural tourism,
2. field work in Croatia which included visits to farm holidays and interviews with their owners,
3. discussions with the owners of farm holidays and other stakeholders at local and regional level responsible for rural tourism and operational implementation of its development, as well as with participants in training, seminars, workshops and panel discussions on rural tourism, and
4. experiences of authors personal involvement regarding theoretical and practical activities and assistance in the organization and work of farm holidays, and participation in all other theoretical and practical activities related to rural tourism in Croatia.

## Discussion

Based on previous comprehensive research of rural tourism in Croatia, conducted by the authors of this article, it is possible to distinguish certain steps that should be taken in the organization and business of one farm holidays. In this regard, authors proposed eight different steps that should be applied in order to organize and successfully lead a farm holidays in Croatia. Some of these steps could be applicable for successful engagement in rural tourism in other countries that have the potentials to develop rural tourism. These steps are:

1. designing the idea,
2. selection of types of tourism services (typology of farms),
3. registration of the farm holidays,
4. financing the project,
5. arranging the farm holidays,
6. organization of services on the farm holidays,
7. legal obligations of the farm holidays, and
8. connecting with the market (promotion and marketing).

The text that follows will briefly present and explain all of the eight steps and will analyze in detail two key steps for a successful organization and business of one farm holidays: selection of types of tourism services (typology of farms), and connecting with the market (promotion and marketing). These are two essential steps among a series of concrete and practical activities of successful work in rural tourism that characterizes universality, which could be applied to a greater extent outside the Croatian rural areas, for which are proposed, defined and developed.

## Steps for a successful organization and business of farm holidays in Croatia

### Designing the idea

Before the start of concrete and serious engagement in rural tourism it is necessary to *design the original idea* that should be realistically considered and concretized. This is important considering that later abandonment or change the idea in the process of organization of the farm holidays, or shortly after its formation, requires considerable efforts (financial, human, and others), and inevitably loses the motivation for further work. Therefore, it is necessary to well-define motives for this work, or to investigate whether there is within the family on farm holidays agreement to professional and collegial devote, among other obligations, to the additional work in rural tourism. In addition to motivation, the personality of the host is needed, who must be open to communication considering that in the rural tourism communication is individual with each guest. Further, it is important for the idea and the decision on the initiation of tourism services on farm holidays, and especially at design and implementation of promotion, to know who are the target groups for whom will be organized tourism services on the farm holidays, i.e. which guests might be interested in tourism services, where these guests are located and how to reach them.

There are only a few best practice examples that showed how some farm holidays used initial, original idea and of the existing resources on their farm holidays developed/created the original tourist offer that attracts tourists. They are the farm holidays “Švago” in the village Vodovoda in Konavli that breed silk worms and produce silk thread, and the farm holidays “Feštinsko kraljevstvo” in the village Feštini in Istria, where the owners in their own vineyard arranged/organized karst cave for tourist visits.

### Selection of types of tourism services (typology of farms)

Besides determining the motivation of the host and the decision to initiate the provision of tourism services on farm holidays, it is necessary to *define the type of tourism service or type of farm holidays* that will be organized on the farm. This is very important for two reasons:

1. the focus will be on the type of service that the host wants to organize according to farm resources, and later it will help when profiling or “branding” the farm holidays, and
2. in this way host will send a direct message to a potential guest which particular service can be expected on the farm holidays. This will facilitate the guest’s decision to precisely decide for a particular farm holidays.

What market type of farm holidays will be selected primarily depends on possibilities and wishes of the host, and the idea what kind of tourism services can be organized on the farm holidays. In this context, further text interprets and describes eight types of farm holidays, which were profiled in Croatia during the 20 years of development of rural tourism, and that most frequently appears in practice, and meets on the field. Used typology of farm holidays is based on existing acts and regulations that regulate rural tourism. It is, above all, the Regulation on the provision of catering services in rural household (“Official Gazette” 5/08, 44/11, 118/11) in which they are identified the following types of farm holidays: agritourism, tasting room, self-catering house and rural camping. Rural B&B, rural family hotel, widespread

hotel and rural camping car quick stop are the categories that we, as authors, have identified following the research of the offer, i.e. types of services in rural tourism in Croatia.

### **Agritourism**

Agritourism is a type of farm holidays where the main business is agricultural production (farming) while tourism services, accommodation and catering (nutrition) are extra activity (Demonja, Baćac, 2011; Demonja, Ružić, 2010, 25-27; Baćac, 2006). In addition to primary accommodation and catering services, on the farm can be organized other tourism services (activities, service packages) that aim to provide guests with the possibility of active holiday, i.e. maximize the tourism potential of the farm. Owner of the farm with his family usually live on the farm, while for tourism services use surplus space within the farm. Therefore, the guest is in permanent and direct interaction with the host and his family during a visit to the farm, and has the possibility to get acquainted with the customs, tradition, way and culture of living, cultural micro-world, traditional agricultural production, typical products and local gastronomy.

In agritourism, there are three subtypes of farms (Baćac, 2006). The first and second subtypes (open type of agritourism) are:

1. farms that provide catering services to excursionists and groups – excursion site to a maximum of 80 persons, and
2. farms that offer accommodation and catering services to guests on lodging/stay (up to 20 persons), and camping (campsite) (up to 60 persons), as well as catering service to excursionists and groups of up to 80 persons.

The third subtype (closed type of agritourism) consists of farms that offer accommodation and catering services for guests on lodging/stay up to 20 persons or on camping (campsite) to 60 persons. Accommodation services can be offered in the rooms, apartments, special houses or camping (campsite).

Field researches led to the conclusion that potential entrepreneurs should recommend to choose the type of agritourism (farm holidays) with accommodation and catering services for guests on lodging/stay, and if the farms are organized to provide catering services for external guests and excursionists, the maximum seating capacity is up to 30 persons. The reasons for such recommendation are the preservation of intimacy and authenticity on agritourism or farm holidays, personally and individually communication with the guest (the relation of host and guest is “one on one”) and avoidance of mass approach in providing tourism services (large number of guests staying at the same time).

As for the best practice examples that concern agritourism in Croatia stands the farm holidays “Sklepić” in the village Karanac that earned Baranja status as one of the most desirable tourist destinations in the continental Croatia, then the farm holidays “Ravlić” in the village Mužilovčica in Lonjsko polje, and the farm holidays “Maxo” in the village Podšpilje on the island Vis.

### **Tasting room**

Tasting room, as an additional tourism offer, is organized on the farm on which agricultural production is the main activity and is aimed at the professional production of one or several typical products specific to the place where the farm is (wine, spirit, oil, honey, cheese, cured meats, fruits, almonds, traditional sweets, flour products milled of the water mill, etc.) (Regulation on the provision of catering services in rural household, „Official Gazette“ 05/08,

Article 7, Inclosure I.). The products are packed, and apart from direct sales in the place of production, tasting product tourism services are organized. Also, presentation of production in specially organized space is possible, but for a fee. On the farm, there are no accommodation facilities, and farm exclusively offer only a tasting and selling of traditional products. Tasting can be arranged for up to 80 persons (excursionists) at a time, and to them cannot be offered hot meals (cooked dishes as in agritourism), but only cold cuts (slices).

Tasting rooms as type of farms create a network in the destination where typical products can be purchased directly from the manufacturer. In this connection, the tasting rooms can be organized as a specific itinerary that can function as an individual tourism product such as, for example, wine roads, spirit roads, cheese roads, olive oil roads, etc. For future entrepreneurs is recommended to organize tasting rooms for a maximum of 30 persons, and it would be desirable to place them in traditional buildings such as stone-cottages, mills, enclosures, taverns, cellars.

Illustrating examples of tasting room in Croatia would be, for example, almond tasting room "Skradinske delicije" in the village Bićine in Dalmatia, olive oil tasting room "Pino" in the village Katun near Baderna in Istria, honey and honey products tasting room "Medene točke središnje Istre (Honey points of central Istria)" near Pazin in Istria, wine tasting room "Kolar" in the village Suza in Baranja, cheese tasting room in the village Točak near Slunj, to name only the best practice examples.

### Self-catering house

Self-catering house is adapted traditional house in which are respected environmental conditions and traditional architecture and construction (Regulation on the provision of catering services in rural household, „Official Gazette“ 118/11, Article 10a; Baćac, 2006, 40). Self-catering house can be a true copy of the original traditional house that is both visually and functionally consistent with the heritage of the area where the farm (house) is located. The specificity of this farm type is reflected in renting the entire house (not rented separately the rooms or apartments) with associated space (yard). This means that such a house is rented for the same price for all capacity that has (for example, all the beds), or if completed, for example, only one bed, it is rented in whole to that (one) person. Self-catering house can be organized in the village (could be one of the houses in a row if it function as a separate unit), or may be isolated from the village as freestanding. Owner usually does not live in this farm, he can live in another place, but there is constant communication between the guest and host (guest knows who is the owner). As an added marketing attraction, but also an additional contribution to the preservation and popularization of regional architecture, self-catering houses may have a specific regional name such as, for example, *istarska stancija*, *posavska iža*, *zagorska hiža*, *slavonski stan*, *salaš*, *švapska kuća*, *dalmatinski dvori*.

What would the "real" self-catering houses should be, according to the foregoing instructions, show Croatian best practice examples: self-catering houses "Arbalovija" in the village Dončići in Istria, "Sobol" in the village Kočićin in Gorski Kotar, "Iža na trijem" in the village Čigoč in Lonjsko polje and "Mikin dol" in the village Draž in Baranja.

### Rural B&B (bed and breakfast)

Rural B&B (bed and breakfast) is the farm that with the basic accommodation service (rooms – each with its own bathroom, or apartments) must provide breakfast service (Baćac, 2006, 40). Owner of the farm is not a professional agricultural producer (farmer) (but may be), and agricultural production is not necessarily related to tourism services. It is required that in



breakfast offer must be, at least, one product of the farm own production, since the farm is situated in a rural area and such possibility exists. Breakfast serves in a special place organized for hosting. The owner lives on the farm, and the guest is situated in the host's home or separate house for the accommodation, but in both cases the host's living spaces are separated from the rooms used by guests, and privacy is guaranteed.

A special subtype of rural B&B is Bike&Bed designed to the target group of cyclists. In such a case, on the farm is organized well secured, guarded room for storage and possible bicycles service.

Croatian best practice examples of rural B&B are farm holidays "Ustilonja" in Nature Park "Lonjsko polje", craft for room rent "Mazur" in Bilje and ethno hotel "Balatura" in Tribalj near Vinodol.

### Rural family hotel

Rural family hotel is the farm with a larger number of beds (Baćac, 2006, 40). It is organized in traditional buildings (authentic architecture) with an attractive natural environment (village or small town), which by their size and dimensions may have a greater number of rooms (from 10 to 15, and not less than 5 rooms) ([http://www.ruralis.hr/hr/standardi\\_klasifikacija\\_obiteljski\\_hotel.html](http://www.ruralis.hr/hr/standardi_klasifikacija_obiteljski_hotel.html)). These buildings cannot be up built and upgraded but should keep the original spatial structure and form. Building for rural family hotel can be reconstructed, but construction and equipping must respect all the elements of traditional construction (size, materials, arranging, etc.). The farm has reception, restaurant, and additional facilities if it is possible to organize them (wellness, pool, etc.). Owner of the farm is not professionally engaged in agriculture, although it is preferable that on the farm, if possible, produces some of the products. Or, the owner of the farm, along with his family, is professionally engaged in agriculture, but has a greater accommodation capacity which is organized as a family hotel (as shown experiences from Austria and Italy). Rural family hotels can be a thematic, such as the fishing if they are along rivers or lakes (examples in the United Kingdom), the wine if they are in the winegrowing area, etc.

Rural family hotel best practice examples in Croatia are: "Casa Romantica la Parenzana" in the village Volpija in Istria, and "Zdjelarević" in the village Brodski Stupnik in Slavonia.

A special type of rural family hotel is widespread hotel.

### Widespread hotel

Widespread hotel is defined as a horizontal hotel located in the historic center of a place/site, it can be the entire place (village) or more dislocated accommodation units (rooms, houses) that are organized as a hotel with a central reception and other services (e.g. restaurant) (Demonja, Ružić, 2010, 36-41; Dropulić, Krajnović, Ružić, 2008, 607-617; Dall'Ara, Esposto, 2005). Accommodation is organized in multiple, interrelated traditional buildings (houses) with the overall comfort that provide rural family hotels. Guests are able to stay in separate accommodation units that are dispersed around the site (village) or on the entire micro-destination. Each accommodation unit is decorated differently. Maintenance services such as breakfast, cleaning, changing linens, and others can be organized in every building which defines the widespread hotel, while catering services can be organized in a central restaurant, which makes widespread hotel different from rural family hotel.

The basic idea of widespread hotel is reconstruction and putting in function the existing abandoned old buildings which gives them new value through tourism services, while suppressing and preventing the construction of new buildings that could disrupt authentic rural



environment. The aim is to revitalize the historic settlements through tourism services, and encourage the development of authentic tourism services, preserve and popularize the traditional culture, and generate revenue for the entire community (place, village). Widespread hotel is ideal for historic sites (villages) that have artistic and architectural value and attractiveness. Widespread hotel integrates the entire territory on which is organized, not only through the accommodation services, but also through other services.

Management and organization of widespread hotel is possible through a joint venture of owners of certain facilities (potential accommodation units), which create a common management structure, or management structure may organize the local community (government) through an organization that brings together owners of accommodation units as a widespread hotel.

It is particularly important that widespread hotel (rural resort, an eco-ethno village) be thematically defined since the offer in all the villages which are organized on the principle of widespread hotel will not be identical and monotonous. Thus, for example, widespread hotel can be organized thematically as:

- rural mountain resort – through the creation of tourism offer related to life in mountain villages,
- wellness rural resort – designed to offer wellness programs related to the tradition as, for example, aromatherapy with healing plants from the region, making tea from medicinal herbs, traditional medicine,
- old crafts rural resort – presentation of old crafts of the region,
- wine rural resort – focused on wine as a traditional product (suitable for the villages on the islands and the mainland),
- music rural resort – depicting the traditional music and singing of the region, and others.

Widespread hotels, respectively ethno-eco villages or rural resorts, may never be just exhibits type of tourism services, but active presentation and organization of tourism services that are related to the heritage and traditional life in villages and rural area.

The best practice examples of the widespread hotels in Croatia are eco-ethno village Stara Kapela near Slavonski Brod, and eco-ethno village Kokorići in Dalmatia.

### **Rural camping**

Rural camping provides accommodation services in the open space or landscaped space for tents, caravans, campers or awnings, and is situated in a natural (well-preserved nature) or rural environment (attractive locations in the village, or outside the village, or even in the farm holidays) (Demonja, Ružić, 2010, 35, 66-67; Regulation on the provision of catering services in rural household, „Official Gazette“ 05/08, 118/11, Article 11). Rural camping does not require closeness of large cities, nor any connection with public transport, but its attraction is in the fact that is situated in rural areas outside urban centers and offers a natural attraction (associated with the offer of the village) as a factor of attraction. One of the important conditions for the organization of rural camping is car access (accessibility). In the organization of rural camping, special attention should be given not to distort the environment and the place/site view (vistas), and during its planning it is required to use traditional elements of the region where it is located. This is primarily related to facilities within a rural camping (restrooms, bathrooms, laundry, facilities for preparing and serving meals, etc.), and accommodation units.

Accommodation units in the rural camping is camping site (place) and camping parcel. The main difference between the site (place) and the parcel is that camping parcel within the rural camping is further bordered (fenced) and arranged (has its own privacy), while camping site is not bordered but only marked. Most often the parcel is bordered by a green fence (hedge or other decorative shrubbery).

Illustrating examples of rural camping in Croatia are rural camping “Slapić” on the river Mrežnica in the village Mrežnički Brig, which confirms by its quality profitability of such a family business project, and the rural camping “Vrata Velebita” in the village Ljubotić in the National Park “Velebit”.

### Rural camping car quick stop

Rural camping car quick stop consists of parking places for camping vehicles intended for short staying, where the owners of camping vehicles can get a certain service (Regulation on the classification, minimal conditions and categorization of accommodation facilities from the group “Camps and other accommodation facilities”, „Official Gazette“ 49/08, 45/09). Usually they are used by campers which have all the necessary comforts for a stay in their vehicles, constantly traveling at the destination (100 km per day on average) with a great need for shorter stops. Because of mentioned needs a special places as camping car quick stops are organized to provide maintenance services such as water and electricity supply, wastewater discharge, rest from travel, food supply, etc. Very rarely campers use traditional campsite offers, so for them a special offer is organized such as the camping car quick stop.

Rural camping car quick stop is organized along transit roads and pathways (routes), not more than 10 km away from such roads. This applies for rural camping car quick stop which are arranged in a rural area (village), i.e. at a farm holidays. Also, as in rural camping, in rural camping car quick stop special attention must turn to the organization and arrangement (landscaping, pits for waste water, lighting, facilities for electricity and water supply, etc.) in order not to distort environment or place/site view (vistas). In the rural camping car quick stop accommodation units are arranged as parking lots, and, therefore, ground (terrain) for the arrangement of camping quick stop should be flat (plane). The optimal size of the rural camping car quick stop is 10 parcels on a total surface of 1000 m<sup>2</sup>.

Rural camping tourism in Croatia, as a special form of rural tourism, is insufficiently recognized and represented in the overall Croatian tourism offer, and do not meet the existing tourism demand in the camper services market. Therefore, it stands just one best practice example of rural camping car quick stop in Croatia, “Farm Pino” in the village Katun near Baderna in Istria.

### Registration of the farm holidays

After selection of rural tourism type which will be organized on the farm holidays, it is necessary to examine ways of registration, and the minimum requirements to be satisfied that are defined by acts, regulations and provisions (Demonja, Ružić, 2010, 88-94). At this stage of the organization of the farm holidays, among developed idea and arrangement of the farm holidays, **registration** of the farm holidays is a very important step to avoid organizing farm holidays, invest capital and could not get a formal/official decision on registration, which is a requirement for business, because the legally prescribed minimum conditions necessary for the business operations of farm holidays was not respected. There is no uniform procedure for registration of each of the aforementioned types of farm holidays. Registration procedure

is very complex. It is, above all, related to obtaining several/multiple solutions for dealing with rural tourism, especially for farm holidays that have registered agricultural production.

### Financing the project

When thinking about the development of rural tourism and organizing the farm holidays raises the question of *financing the project*, i.e. with which and whose funds to start with realization and how much is the amount of investment (Demonja, Ružić, 2010, 115-117). That was the reason why it is necessary to make a detailed business plan, investment study or cost specification that would define the size of investment and the amount of funds needed for the project. Realistic and detailed business plan is required for concretization of all activities for the organization of farm holidays and assessing all future costs that could arise during the business operations. At the same time, business plan provide revenue from tourism services, and sources of funds can be defined: own funds, credit lines, etc.

Currently on a national level there are no credit lines or financial incentives intended solely for rural tourism. In order to realize/implement the existing tourism credit lines, farm holidays would have to be a professional engage in tourism, not only as a supplementary activity, since rural tourism is considered as additional activity in the farm holidays.

### Arranging the farm holidays

After closing the financial construction begins most complex and crucial phase of the farm holidays organization, its *arrangement* (Demonja, Ružić, 2010, 131-138). From this stage, and later with inevitable promotion and marketing, depends on whether the farm holidays will be visually attractive, functional and accepted in the market. The basic rule that should follow when arranging the farm holidays is do not adapt architecture and space to the content, but content needs to adapt to the architecture and space, and thus preserve the ambience of space and minimize the impact of interventions in the traditional architecture that makes it very important resource and an attractive factor in rural tourism (Somek, 2011; Salopek, Petrić, Mlinar, 2009).

Exterior decoration, primarily it is referring to the buildings, is extremely important, not only to preserve ambience and visual attractiveness, but also because the future marketing activities will be based on the arrangement of the farm holidays, and it will be the first contact of potential guests with the farm holidays through promotional materials, photographs in the catalogs or on the internet. Buildings should be arranged according to the traditional, ambient patterns, which are, above all: functional space, simple and functional arrangement, and clean and green environment (Demonja, Ružić, 2010, 158-159).

Croatian best practice examples of farm holidays exterior and interior decoration are farm holidays „Arbalovija“ in the village Dončići in Istria, „Dvor Sv. Jurja“ in a village Humac on the island Hvar and „Bačulov dvor“ in the village Draga near Primošten in Dalmatia. As an example of quality traditional garden design stand farm holidays „Majsecov mlin“ with in the project „Croatian and Zagorje Traditional Garden“ in the village Donja Stubica in Hrvatsko Zagorje.

### Organization of services on the farm holidays

On the farm holidays is very important to *organize* accommodation, catering (nutrition) and other *services* (various activities). Accommodation services on the farm holidays can be pro-

vided in the rooms, apartments, houses, campsite and camping car quick stops, and in hotel (Regulation on the provision of catering services in rural household, „Official Gazette“ 05/08, 118/11; Regulation on the classification, minimum conditions and categorization of catering facilities, „Official Gazette“ 88/07, 58/08). In addition to accommodation services, catering service is the most important basic service provided at farm holidays. On the farm holidays should offer dishes of the region (traditional cuisine) where the farm holidays are located and according to that create nutrition service offer. On the farm holidays is possible to offer many other attractive activities or additional offers that fulfill guests stay such as, for instance, workshops of old crafts, cooking classes – workshops of preparing traditional dishes, recreational riding (with a special offer for children, beginners and those with special needs), “rural wellness” (hay bath, massage with essential oils), bird watching, excursions (walking tours, cycling tours, visits to cultural sights, fishing, rafting, jeep safari, mountain climbing, etc.), and other activities. Furthermore, by organizing additional activities additional revenue can be expected.

Most farm holidays decided to provide basic services, accommodation and catering (nutrition) ones. According to estimates by the authors and on available data of the State Administration Office regarding registered farm holidays, 75% of all rural tourism offer in Croatia is catering (nutrition) services and accommodation. The remaining 25% is an organization of additional services such as, for example, cooking workshops, workshops of old crafts, organization of horseback riding, etc.

### Legal obligations during business operations

Farm holidays as business entities have certain *legal obligations*. This is primarily related to tax liabilities (income tax, profit tax, flat tax, value added tax, and other taxes), book keeping, invoice issuing, and other obligations (report guests to tourist board, pay residence taxes and tourism fees, create price lists, etc.) (Demonja, Ružić, 2010, 94), which are periodically changed and specific to each country. Because of mentioned, legal and other obligations that are specific for Croatia will not be specifically analyzed.

### Connecting with the market

*Connecting with the market* can be defined as one of the most important steps in the business operations of farm holidays since on previous communication with potential guests depends whether the guest get the relevant information about a specific offer and decide to stay at a farm holidays (Demonja, Ružić, 2010, 176-191).

In devising and implementation of promotion, it is necessary to define who is the target group or guests who might be interested in a particular tourism offer of farm holidays, where those guests are, and how to reach them (Demonja, Ružić, 2011, 178-184). If, on the farm holidays, visitors come for a short stay, such as one day-excursionists (tourists) who will use the catering services (lunch or dinner with traditional dishes or tasting a traditional product that is produced on the farm), or a weekend stay (two to three days on accommodation), an area where there is a majority of potential guests is within 100-250 km distance from the farm. If accommodation is organized on the farm, guests can stay there, and additional activities are offered which may substantially and pleasantly fulfill a period longer than three days, and the market from which guests will arrive is global. Also, very important is to define the target group of guests wanted on the farm (Demonja, Ružić, 2010, 186-191). It is, therefore, necessary to organize offer to the target group that wants to host: excursion-

ists, families with children, couples, individuals and organized groups, cyclists, wine guests, culinary (gastro) guests, hikers, campers, guests who visit cultural attractions, guests who come for the activities in nature, fishermen, hunters, business people, etc.

In the promotional materials and communication channels (web pages) it is desirable discretely suggest which target groups of the guests prefer on a particular farm considering the organization of tourism services, for example, “Ideal for families with children”, “Ideal for couples”, “Ideal for fishermen”, “Ideal for cyclists”, etc. It should be noted that this does not mean that the offer is focused only on one target group of guests, but also to more of them, and do keep in mind that will be required to arrange services that will satisfy all the desired target groups, as well as the needs of one target group does not necessarily correspond to the needs of the other ones.

The most common ways of connecting one farm holidays, from the very beginning of its operations to market launch, are given and explained in the text which follows.

### **Creating a business card**

The first step in the promotion and transfer of information on farm holidays is a business card that will contain owner name and surname, farm holidays name and all the necessary contact information (address, phone, cell phone, email, web address). Business card, for beginning, will be very valuable and important tool when it is necessary to provide information on engagement in rural tourism. Business cards do not require large financial expenses, they are easy to carry, and in every opportunity it is possible to assign them and in this way promote the farm. Also, it is useful to collect business cards from the guests (if they have them), and other business partners and institutions representatives, because they will be of use when creating a mailing lists or address books on which will distribute information about the farm offer. Business card could very effective replace a flyer or brochure and from the very beginning could have a crucial role in the “market visibility” of the farm.

### **Public presentation of the farm holidays**

Public presentation of the farm holidays represents the organization of its formal opening ceremony on which should invite (because of the transparent transfer of information on a particular farm and its tourism offer):

- media representatives (journalists), local and regional (daily newspapers, TV and radio stations, Internet portals),
- representatives of local (municipal or city) and county tourist boards,
- representatives of local and regional authorities, i.e. the representatives of the municipality or city or county, and
- representatives of travel agencies that operate in the area of the farm.

The aim of the opening ceremony is publicly present the farm and tourism services that are organized for guests. The opening ceremony is a very good way of drawing media attention on a particular farm holidays and its specific offer. Also, that way of presentation transparently sends the first, very important information about the existence of the farm.

### **Personal visit of the relevant institutions**

Personal presentation of the farm holidays offer to specific relevant institutions, directly by the owner, is a purposeful and effective form of promotion. Regarding institutions, primarily refers to the municipality and/or city and its departments or sections responsible for tourism

and economy, as well as municipal and/or city and county tourist board which, in this way, will be introduced with the offer and opportunities to visit particular farm with their business partners and a number of delegations.

Potential guests of the farm are business people from various companies from the area (municipality, city, region, county) where the farm is situated, such as, e.g. banks, insurance companies, car showrooms, shopping malls, and all other companies. Visit these companies or their departments for marketing and public relations, open possibility for direct offer/arrangement to maintain business meeting and/or lunch on the farm (if the farm is not focused solely on providing accommodation services such as self-catering houses, rural B&B, rural camping). In this way, there is a possibility that someone of the visitors return on the farm privately and/or to organize its own business event on the farm, which creates a system of permanent guests and a wider network of potential customers/clients.

Furthermore, it is desirable, preferably by e-mail, send information on the farm and its entire offer to the Croatian National Tourist Board offices in the world. Croatian National Tourist Board has 27 representative offices around the world (on all main tourism markets) aiming to promote Croatian tourism and tourism offer in Croatia. From these offices, it is possible to request information about travel agencies in those countries that doing business with Croatia and includes in its sales Croatian tourism offer, as well as those that might be interested in rural tourism offer.

It is also effective personally visit and/or send information and offer to various and numerous associations that together bring a large number of people that might be interested in a particular farm offer such as excursions, then organizing events in the farm as working meetings, business meetings, annual meetings, small seminars and round tables, and similar. For example, the association of retirees, doctors, dentists, attorneys, employers, cyclists, and many others could be contacted.

### Own website

It is highly recommended that the farm develop its own website, since the Internet as a promotional channel has enormous potential. It is easy and quick in information transfer and seeking business opportunities, and can significantly help in the promotion of the farm, as well as in sale of products and services. Also, on the website can be published more detailed information on the farm, and update and change information about an offer immediately when they are changed, as in the examples of brochures and/or catalogs is not possible.

Creating a website is not particularly expensive investment, cost of making/creating a basic website with all the necessary elements can vary from several hundreds to thousands and a half Euro, and provides an opportunity that at any moment and in the quickest manner possible interested parties provide information about the farm offer. Making/creating website (design, choice of domain, opening e-mail addresses) should be left to the experts and website makers/designers. Website can be created in the CMS system and farm owner could maintain and modify the contents by itself, if he or member of his family is capable to work with computer. It is preferable that the site is easy and informative, without the fuzzy and confusing navigation, and translated into at least one foreign language. It is useful to make on the website a form for inquiries and reservations, because in this way increases the number of arrivals.

An integral part of a website is e-mail. In farm business operations e-mail should become a daily communication and work tool. One of the simplest way in which e-mail can be used to promote its own farm is creating a mailing lists (e-mail addresses address book of guests,



business partners, potential customers, etc.) to which will be sent offer and all news related to farm tourism services.

Croatian example of quality website of one individual farm holidays is the website of farm holidays “Škabe” in the village Munitić in Istria (<http://www.skabe.net/>).

### Fairs and events

Local, regional, national and international fairs, manifestations, exhibitions, and other similar events are an excellent place where the information on farm holidays and tourism services offer can be placed. Those events, except bidders (suppliers), gathers a large number of business people (representatives of tourist agencies, various institutions, and others) to whom offer of particular farm holidays might be interesting for business and cooperation. Also, in such places there is always the possibility of direct consultation and negotiation about placement of tourism services, meeting with colleagues who provide similar or identical services, therefore, also have farm holidays, with which they can exchange experiences and collect the necessary information about the business operations (for example, on business with agencies, advertising, travel guides (printed catalogs), and others). Fairs often organize business meetings, thematic workshops, etc., through which on the direct way is possible to promote farm holidays itself and their tourism services.

Individual appearance, as an active exhibitor at the fair, requires certain increased funding due to high costs (rental and arrangement of the stand, accommodation, travel expenses, etc.), especially if fair or other event happens outside the place of residence or immediate vicinity of the farm holidays, or abroad.

If there is a possibility of joint appearances/presentations with other farms of the same area/region within the tourist board or some other institution, it certainly helps appearance and possibility to attend at the fair or other event.

### Business operations with the travel agencies

Each owner of the farm holidays as an ideal situation wishing a good long-term contract with one of the tourist agency that will bring guests, fill capacities and assume all duties/tasks related to the promotion and charging for services by the guests. This is the ideal situation, but a key step to reaching a satisfactory agreement is negotiation on conditions.

In discussions about the possibilities of business cooperation with one of the travel agency, it is advisable to check what tourism products and services agency seeks, i.e. what terms and conditions offers. Agency seeks a commission for its services. For example, a travel agency can arrange with the farm a fixed price that will pay for agreed services and in that price may include its earnings (income) and that service sell on the market with such related price. It should be noted that there are many options and variants of cooperation, and they depend of negotiation and agreement between the farm and the agency (Demonja, Ružić, 2010, 172-173).

### Other effective ways of promoting the farm holidays

Other effective ways of promoting the farm holidays include, for example, thematic evenings, linking farm website with other websites, advertising on websites and social networks, and others.

Once a month, or often, *thematic evenings* could be organized on the farm. Whether this will be a presentation of traditional dishes and/or products, an activity or something else, will depend on the type of services offered on the farm. The aim of the themed evenings is



directing attention to the farm itself, i.e. they are used as a concrete way of promoting directly on the farm. *Connecting the farm website with other websites*, such as those of tourist boards, travel ones and others, is possible and desirable to implement on the principle of reciprocity. During business operations, farms are faced with numerous offers for *advertising on the websites* that are seeking financial compensation. Such an offer must be carefully analyzed in order to obtain information on the advertising effectiveness. This primarily refers to the satisfaction of those who advertise, and on the effectiveness of the particular website itself as promotional channel. Advertising on social networks such as *Facebook, Twitter, Google+, LinkedIn and YouTube* is an effective way of promoting because of negligible costs, particularly due to the large number of potential users who will be able to see the ad. Finally, it is useful and effective to *be present on the websites for the provision of tourism advices* where to travel and where to stay as is, for example, *TripAdvisor*, and in specialized tourist guides such as *Routard, Lonely Planet, Dumont, Marco Polo, Dorling Kindersley, National Geographic, Merian Live, Polylott, Baedeker, ADAC*.

## Conclusion

Interest in engaging on rural tourism in Croatia is increasing due to the many possibilities. Primarily, in Croatia there are still attractive and “pristine” rural areas with a defined way of life, culture and traditions, strong need to preserve rural areas are present, population can extend revenue opportunities through tourism services and allows them to preserve the original services and products by creating offer for a different holiday.

Research of motives for tourist arrivals in rural areas was made by the authors of this article in the years 2010 and 2011. Interviewing around 200 owners of farm holidays is obtained data on motivation and reasons for tourist arrivals on farm holidays. The survey results showed that 47% of guests exclusively comes on farm holidays to rest (leisure), 39% of guests come for gastronomy and enjoying the food and local specialties, 43% of guests as the reason for coming stated preserved heritage (ambient architecture, rural way of life, etc.), while 41% of guests coming to attend the manifestations and events in rural areas. Also, some other motives for arriving at the village such as peace, clean environment, interaction with new people, active holiday (walking, cycling, etc.), purchase of traditional products, and others, are reasons for the development, growth and survival of rural tourism as tourism oriented to individual guests and their needs.

These results of tourist arrivals motivations in rural areas in Croatia encourage the development of farm holidays and their specific tourism services, i.e. development of rural economy. Considering mentioned every project is welcome, and each farm holidays which has services and products based on quality and authenticity, individual approach and creativity can expect a good positioning in the market. In order to achieve that, it is necessary to fulfill certain requirements, or steps that are proposed and interpreted, among which the greater attention was paid on two more important: selection of types of tourism services (typology of farms) and connecting with the market (promotion and marketing).

As it is evident from the presented discussion, center of interest in rural tourism in Croatia is a farm holidays as a central place to create and organize tourism services in rural tourism. In this regard, proposed and interpreted steps that should be taken/follow to organize and successful lead the farm holidays in Croatia are the first attempt of the proposal of operational, practical organization and functioning of such business entity at the national level.

Listed and explained proposed steps for the successful business of farm holidays, and their implementation, helps further quality upgrading of rural tourism growth in Croatia and its sustainable development, as well as ongoing efforts to improve the quantitative and qualitative level of rural tourism services.

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