

ISLAND DESTINATIONS' TOURISM OFFER – TOURISTS' VS. RESIDENTS' ATTITUDES

Original scientific paper

Daniela Soldić Frleta

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Abstract

Purpose – The intent of this paper is to provide empirical insights into the tourists' and residents' attitudes regarding islands tourism and its offer, using the Kvarner Bay islands (Lošinj and Rab) as a case study. Its purpose is to find out whether differences exist between tourists' and residents' level of satisfaction. The objective is to identify gaps between tourists' satisfaction levels and residents' ones, and, consequently, to identify critical element/s of the analysed destinations.

Methodology – This paper uses the results of a comprehensive empirical study conducted in the spring, summer and autumn of 2011. The research was conducted using a questionnaire which was adapted to each target group: tourists and residents.

Findings – Findings indicate that residents of the selected islands are more critical than tourists since they rated the tourism offer provided on their island with an overall average grade of 5.08 (Lošinj) and 4.63 (Rab), which are lower than the average rates given by tourists. The results identified those elements of the offer that could be improved in order to enhance the quality of life on islands and tourists' overall satisfactory experience.

Originality/contribution – The analysis of obtained results shows which elements of the tourism offer are considered as being the destination's weak points by tourists and which are considered such by residents. In this sense, this study provides an important backdrop for the destination's management; it allows a targeted dealing with their specific problems, thus increasing the level of tourists' and residents' satisfaction, and consequently also improving the economic effects of tourism.

Keywords island destinations, tourists' satisfaction, residents' attitudes, sustainability

INTRODUCTION

Because of its multiple effects, tourism development can be vital to the economy of island destinations. Due to the increase of tourist interest for islands, unless tourism development is properly planned, islands can be vulnerable to the dynamic mix of environmental uses. In order to be sustainable, island tourism destinations have to reconcile social, environmental and economic aspects of its tourism development. In that sense, and in order to provide more positive economic effects for host communities, tourism development has to satisfy the needs of all stakeholders (local authorities, tourism management, local population and tourists) but at the same time it has to take in consideration the fact that all activities have to take place in the preserved cultural and environmental surroundings. Crouch and Ritchie (2000) pointed out that

emerging core destination management activity is the periodic monitoring of visitor satisfaction and the regular resource stewardship involving an effective maintenance of those resources that are particularly vulnerable to damage caused by tourism. According to Naidoo et al. (2010), assessing destination's attributes can help detect areas of strengths or shortfalls within a destination. According to Araña and León (2013) destination management decisions regarding public spaces (i.e., beach environment, transportation, accessibility, etc.), or private decisions in hospitality services design (i.e., restaurant, room facilities, availability of leisure activities), commonly and increasingly rely on tourist self-reported surveys measuring satisfaction. Tourist satisfaction is one of the main challenges for tourism managers and one of the main determinants of business success since tourist satisfaction has become one of the dominant factors that encourage local governments to undertake projects related to the improvement of services and industries that facilitate tourism (Al-Refaie et al. 2012). According to Mendes et al. (2010) fostering competitiveness in a tourism destination has, as one of its dimensions, the adoption of the quality approach in order to meet the balance between expectations, needs and wishes of both tourists and stakeholders that comprise the tourism system.

FEATURES OF SUSTAINABLE TOURISM DEVELOPMENT ON THE ISLANDS

Since the last century, different and increasing pressures have been placed on coastal zones around the globe (Wesley and Pforr, 2010). In such conditions special focus should be placed on sustainable tourism development. The question of sustainability is particularly appropriate in the context of island tourism since islands provide an interesting and unique site for understanding the complexity of the links between social, cultural, economic and natural systems (Noronha et al., 2003). According to Lane (1994), sustainable tourism sees tourism within destination areas as a triangular relationship between host areas and their habitats and peoples, holidaymakers, and the tourism industry where sustainable tourism aims to reconcile the tensions between the three partners in the triangle, and keep the equilibrium in the long term. Sharpley (2007) highlights that tourism has become increasingly viewed as an effective means of addressing the socioeconomic challenges, and sustainability – both optimising the development benefits of tourism and satisfying the needs of tourist within strict environmental parameters – has become a dominant principle and objective. According to UNEP (2009) the main conceptual issue of coastal tourism is the conflict between the benefits tourism provides for the economy as a whole and for the social environment it is operating in, and its heavy impact on the coastal physical environment and the social environment, in terms of the loss of social and cultural identity and values. Tourism in all areas, especially in coastal ones, should be developed in a way that it benefits local communities, strengthens local economy, employs local workforce and, wherever ecologically sustainable, uses local materials, local agricultural products and traditional skills (Smolčić Jurdana et al., 2009). The benefits of tourism are generally summed up as a three-way yield for the host community (the economic and social dimension of tourism), for the land itself (environmental maintenance), and for the tourist (leisure and tourism on island), which result in a series of interconnected benefits (Cánoves et.al, 2004). Economic benefits of

tourism for an island are numerous: tourism can stimulate new employment, it can be a source of capital, it can encourage entrepreneurship, and it can help to increase the competitiveness of the area. Those economic benefits usually represent a reason for local population to remain or come back to live on islands. Island depopulation represents a serious issue for majority of Croatian islands given the fact that Croatia has 1244 islands of which only 50 islands are permanently inhabited (Croatian Ministry of Regional Development and EU Funds, 2013). Besides economic benefits, tourism induces social and ecological benefits as well. However, in the same way that tourism can contribute to the sustainability of the nature, traditions, culture and heritage, if it is not managed well it can also play a role in its destruction. Responsible tourism planning could lead to greater and more efficient use of islands' natural, cultural and historical resources, and could improve stability and biological diversity. Apart from positive impacts, tourism can also potentially have negative ones. In Croatia more than 80% of tourist traffic is carried out in the coastal areas of the country and on the islands along the Adriatic coast where the majority of tourism traffic is carried out in the summer months. Consequently, one of the major issues of Croatian tourism is seasonality. Seasonality affects the potential sustainability of tourism in terms of economy, environment and culture. Oliver and Jenkins (2005) point out that in destinations where tourism is highly seasonal, tourism tends to be concentrated around specific periods of the year, while infrastructure remains underused during the rest of the year. Thus natural and cultural resources can suffer negative impacts during a high season, while the economic viability of small tourism businesses and the stability of the local labour market can be threatened during the 'low' tourism season (Oliver and Jenkins, 2005). Because the main part of tourist activity takes place in the summer, these island destinations must face the problem of employment, training, provision of funding for infrastructure which is heavily used only for one part of year. Although every destination has its own unique set of issues, the World Tourism Organization prepared a set of indicators adopted for coastal destinations (UNWTO, 2004). Those indicators include following issues: damage to the natural environment of the shore zone, sustainability of key species, erosion of the shoreline, use intensity, seasonality, beach management, seawater contamination, reef systems, perception of cleanliness/quality, safety and security. Through the monitoring process it is possible to control the development and prevent the possible negative impact of tourism development on islands.

Along with mentioned indicators, it is necessary to monitor attitudes about tourism of all stakeholders acting in the destination in order to achieve sociocultural and economical sustainability. Previous research findings demonstrate that there is a significant relationship between tourist satisfaction, intention to return, and positive word-of-mouth communication (i.e. Aktaş et al., 2007; Marcussen, 2011; Hill and Alexander, 2006; Kozak and Rimmington, 2000; Matzler et al., 2004; Spinelli and Canavos, 2000). According to Matzler et al. (2004) customer satisfaction, apart from increasing customer loyalty and positive word of mouth, reduces price sensitivity and increases cross-buying, factors which can be critical to the long-term success or failure of a tourism destination. It is widely understood that it is far less costly to keep the existing customers than it is to win the new ones, and it is becoming increasingly recognized that there is a strong link between customer satisfaction, customer retention and profitability (Hill and Alexander, 2006). Hence, in order to retain tourists,

destinations must seek to satisfy them. As Shoemaker and Lewis (1999) indicate, satisfaction is a necessary, but not a sufficient condition for loyalty, since it is possible to have satisfaction without loyalty, but it is hard to have loyalty without satisfaction. Even if tourists do not intend to come back, their satisfaction is still important in terms of word-of-mouth (Marcussen, 2011) since it is expected that satisfied tourists will recommend the destination to others.

A lot of authors point out that sustainable tourism development is almost impossible without the support and participation of the local community, in fact community-based approach to tourism development is a prerequisite to sustainability (e.g. Woodley 1993, Fallon and Kriwoken, 2003; Gursoy and Rutherford, 2004). Local community involvement has become a viable option for developing tourism on islands, because tourism can provide economic benefits to local residents, it can promote host destinations and provide visitors with high-quality experiences and greater environmental awareness (Lee, 2009, 2013). Simmons (1994) has pointed out that involvement of a community in the tourism development process is vital if any region wishes to deliver tourism experiences which ensure both visitor satisfaction and on-going benefits for the residents of destination areas. Therefore, as Hall (1994) implies, by satisfying local needs it may also be possible to satisfy the needs of the tourist, which is one of the key components of the notion of community participation. Studying residents' attitudes can help both residents and planners since in that way it is possible to select those developments that can minimize negative impacts and maximize support for the industry (Williams and Lawson 2001). By doing so, the quality of life of residents can be maintained or enhanced; and the negative impacts of tourism in the community can be reduced (Zhang et al. 2006). Hence, understanding residents' perceptions helps tourism planners strategically utilize resources to improve resident involvement and, therefore, increase the sustainability of future tourism development (Lottig et al. 2010).

Special attention is paid to economic sustainability, since majority of decisions regarding further tourism development are based on possible economic effects that tourism can generate. It is important to emphasise that service quality and customer satisfaction are principal drivers of financial performance (Deng, 2007; Matzler, 2004). Hence, for an economy that is largely driven by tourist flows, understanding of onsite experience is the topic of strategic importance (Fu et al., 2013). Thus, Brida and Scuderi (2013) stress out that in order to improve the effects of tourists' visits, appropriate data and tools are required to analyse markets and thus direct both private sector supply and the actions of policymakers.

RESEARCH METHODOLOGY

This paper uses selected results of a comprehensive empirical study conducted in the spring, summer and autumn of 2011 and published in 2012 (Blažević and Peršić, 2012). Led by the research team, the survey was carried out by 60 students at the Faculty of Tourism and Hospitality Management in Opatija (Blažević and Peršić, 2012). In the vast majority of cases, students interviewed tourists, residents and management personally, while some questionnaires were left in accommodation

facilities for tourists to fill in individually and some were self-administered by management.

The study represents a sequel of related studies since it was based on earlier studies that pursued the same topic, which were carried out in 2003 and 2006 and published in the journal *Tourism and Hospitality Management* as a project entitled Assessing the Kvarner Tourism Offering. Research was conducted using a questionnaire adapted to each target group: tourists, residents and tourism management. The questionnaire used closed and open-ended questions with a seven-point Likert-type rating scale (with 1 being the lowest score, and 7, the highest). The aim of the study was to gather current, reliable, quantitative and qualitative information concerning the attitudes of tourists, residents and tourism management regarding the tourism offer of Kvarner, its sub-regions and its local destinations (Blažević and Peršić, 2012). Since customer satisfaction is crucial for future development of any tourism products and services, it is necessary to continuously research the level of tourist satisfaction. Hence, the first objective of this research was to analyse tourist satisfaction regarding different elements of the tourism offer on the selected Kvarner Bay islands. The second objective was to identify residents' satisfaction with the same elements and to find out are there any differences between tourists' and residents' level of satisfaction. Therefore, for the purpose of this paper, data concerning tourists' and residents' attitudes regarding the tourism offer of Lošinj and Rab have been used. Lošinj and Rab are two very attractive tourism destinations in the Kvarner region with lot of similar features. Apart from the fact that both are islands with similar issues regarding the transport connection to the mainland, both islands are characterised by rich natural and historical heritage with a long tourism tradition.

The sample size of each destination was determined in such a way that would provide results representative at the destination level. The criterion of tourist sample definition was 0.1% of the total number of tourist arrivals to the destination during the previous year. In the survey of residents' attitudes, the relevant size of the sample for each destination was defined according to the criterion which deemed the sample representative providing it included 1.5 % of the total number of residents (Blažević and Peršić, 2012). Consequently, 195 tourists who visited Lošinj were surveyed and 195 tourists who visited Rab (questionnaires were printed in Croatian, English, German and Italian language). At the same time, 107 residents of Lošinj and 98 residents of Rab were surveyed as well.

FINDINGS

For the purposes of analysis, all filled questionnaires were encrypted, and all data were entered into the statistical package SPSS for Windows 19.0 used for statistical data processing. Tourists and residents were asked to assess the degree of their satisfaction with elements of the tourism offer of the selected islands. A seven-point Likert-type scale ranging from very dissatisfied (1) to very satisfied (7) was used in the questionnaire to rate the 37 elements of the tourism offer.

Tourists

Results showed that the primary travel motivation of tourists in the Kvarner destination and on the Kvarner Bay islands is rest and relaxation, followed by entertainment and new experiences and the beauty of nature and landscapes. Research shows that the majority of respondents were on their first visit to the selected islands (Lošinj 46%; Rab 55%). At the same time, 15% of tourists have visited Lošinj more than five times and 18% have visited Rab five or more times. Considering the fact that significantly larger investments are needed in winning new guests than in retaining existing ones, an important finding is that on both islands 70% of the respondents stated that they plan to come again, only 5% (Lošinj), that is, 4% (Rab) stated that they do not plan to come again, while the rest of them (Lošinj 25%; Rab 27%) stated that they do not know if they will come back again to the same place that they visited. Therefore, it can be assumed that they are satisfied with their stay since previous studies reveal that customer loyalty is influenced by customers' satisfaction (Matzler et al., 2004; Yoon and Uysal, 2005). Findings also indicate that the majority of respondents listed recommendations by friends and relatives (Lošinj 50%; Rab 45%) as the most cited channel of information about the visited islands. On both islands, vast majority of tourists organised their travel and accommodation on their own (Lošinj 85%; Rab 78%).

One of the most important indicators regarding the economic aspect of island tourism is tourist expenditure. Hence, information on how much tourists are actually spending in observed destinations is of great importance. Results indicate that daily consumption per person of the majority of tourists on both islands is lower than 50 euro (Lošinj 73%; Rab 76%). Nevertheless, on Lošinj, 36% of respondents spent less than 30 euro per day, and on Rab only 27% spent less than 30 euro. In both destinations, the largest proportion of respondents spent between 30 and 50 euro per day which is consistent with the overall results for the Kvarner Bay, where, on average, the majority of respondents also spend between 30 and 50 euros a day (44.3%) (Blažević and Peršić, 2012). Unfortunately, tourists who spend more than 100 euro per day on both islands are very few (Lošinj 5.1%; Rab 1.5%). Still, when it comes to Lošinj, this percentage is higher than the one of the overall Kvarner destination where, on average, only 3.7% of respondents spend more than 100 euros a day (Blažević and Peršić, 2012). These results indicate the need for destination management to put additional efforts in the improvement of quality and diversity of the tourism offer. By doing so, it is expected that tourists will be stimulated to spend more. Higher tourist consumption will consequently lead to a greater economic impact of tourism on islands since new spending activities lead to more jobs and tax revenues.

In the second part of the distributed questionnaire, tourists were asked to provide ratings on a 7-point Likert Scale regarding their satisfaction with 37 different destination attributes grouped into five categories (Area, resources, the environment; Residents and employees; Identifiability, security, information; Organisation of destination and Contents – facilities and events). It should be noted that tourists who stayed on Lošinj and those who stayed on Rab highly evaluated all the elements of islands' tourism offer. According to the mean scores obtained (Table 1), respondents in Lošinj were most satisfied with *healthy climate* (6.45), *beautiful landscapes* (6.33), *maintenance and cleanliness of beaches* (6.23) and *friendly and hospitable residents*

(6.10), while *meeting and conference facilities*, *availability of parking space* and *sports events and facilities* obtained the lowest satisfaction mean scores, 4.21, 4.69 and 4.93 respectively. Respondents who stayed on Rab also gave the highest ratings to *healthy climate* (5.52), followed by *personal safety and security* (6.43) and *maintenance and cleanliness of beaches* (6.32). While, as in the previous case, *meeting and conference facilities* (4.71), *availability of parking space* (4.72) and *sports events and facilities* (4.90) obtained the lowest satisfaction mean scores. Regarding the categories, tourists on both islands gave highest ratings to the elements within the *Area, resource, the environment* category (Lošinj 6.26; Rab 6.33), and lowest ratings to the elements of the tourism offer within the *Contents (facilities and events)* category (Lošinj 5.24; Rab 6.27). Therefore, it can be concluded that on both islands, respondents are more or less most and least satisfied with the same elements. These results are confirming the fact that Lošinj and Rab are destinations with similar features and issues, and that their tourism offer is of a high quality, since their tourists are highly satisfied with most elements of their tourism offer.

It is well established in literature on tourism that both overall tourist satisfaction and a tourist's intention to return are partially determined by tourist assessment of the destination's different attributes (Alegre and Garau, 2010). In this respect, many studies explore a destination's performance by analysing declared tourist satisfaction with different aspects of the destination (Alegre and Cladera, 2006; Baker and Crompton, 2000; Kozak and Rimmington, 1999; Yoon and Uysal, 2005). According to Naidoo, et al. (2010), tourist satisfaction is one of the most important concerns of competitive destinations as it impacts considerably on a tourist's choice of a holiday destination, and on the decision to visit the destination in the future, which is also confirmed by Marcussen (2011), indicating in his study that overall satisfaction with a holiday is a very strong driver of intention to return. It is recommended to measure tourist satisfaction using individual destination attributes because an assessment of attributes will help detect areas of strengths or shortfalls within the destination. In this case, both destinations have more strengths than weaknesses, but improvements are always necessary and welcome. The elements of tourism offer with which most tourists were satisfied, represent the strengths that should be utilized in market-positioning of these island destinations in the future. The long-term competitive ability of their tourism product can be ensured through the simultaneous use and protection of these resources. In order to ensure sustainable tourism development of these islands, synergy of tourism management activity and activity of all those involved in designing and selling the tourism product (this includes the local community together with other businesses, not just on the islands but also in the Kvarner region) is essential.

Residents

In addition to satisfying the preferences of tourists, a tourism offer based on sustainable development should also contribute to meeting the needs of residents. Hence, to enable a comparison of opinions, the residents surveyed were asked to evaluate all elements of the tourism offer in the same way as was requested of tourists and tourism management (Blažević and Peršić, 2012). Findings indicate that residents of these islands are more critical than tourists visiting Lošinj and Rab because they rated the tourism offer provided on their island with an overall average grade of 5.08 (Lošinj) and 4.63 (Rab)

which are lower than the average rates given by tourists (Lošinj 5.69; Rab 5.74). The analysis of residents' responses provides an insight into the attitudes of residents regarding the individual elements of the tourism offer, considering that residents are often more aware of particular threats to and opportunities of the tourism offer than tourists or the tourism management that designed the offer (Blažević and Peršić, 2012).

Relating to the elements of the tourism offer, residents of Lošinj expressed highest satisfaction with *healthy climate* (6.47) which is expected since, in the past, climate was the main motive for visiting this island and the foundation of the health tourism development in this area. Residents also gave high satisfaction ratings to *landscape attractiveness* (6.42) and *sea water quality* (6.29). On the other hand, residents expressed lowest satisfaction with *entertainment opportunities* (3.65) followed by *events* on the island (3.85) and *availability of parking space* (3.95). Generally, it can be concluded that residents have given the highest rating (6.21) to the quality of *area, natural resources and the environment*, and somewhat lower ratings to the other elements of the tourism offer. Residents of Lošinj are particularly critical of the elements within the *Organisation of destination* (4.76) category, indicating that those elements are in need of substantial improvement.

Residents of Rab, in comparison to those of Lošinj, expressed similar attitudes regarding the elements of the tourist offer. They expressed highest satisfaction with *landscape attractiveness* (6.18) and *healthy climate* (5.99). It has to be pointed out that residents also gave high rates to the quality of accommodation facilities (5.35). According to residents' attitudes, *health tourism facilities, meeting and conference facilities* and *availability of parking space* are elements seen as the weak points of island's tourism offer since they expressed lowest satisfaction with those elements, 2.54, 2.97 and 3.29, respectively. Just like the residents of Lošinj, the residents of Rab expressed highest satisfaction with elements within the category of *area, natural resources and the environment* (5.57) and were most critical of the elements within the category of *Organisation of destination* (4.45).

In general, residents of Rab are slightly less satisfied with the overall tourism offer considering that they rated it with an average grade of 4.63, while residents of Lošinj rated their tourism offer with an average grade of 5.08.

Further analysis included the comparison of tourists' and residents' satisfaction ratings. Therefore, gap scores for each 37 destination attributes were calculated by subtracting the residents' satisfaction mean scores from the tourists' satisfaction mean scores (Table 1). The results verified our hypothesis that there are differences between their satisfaction levels, although both groups (tourists and residents) rated the same tourism offer. In general, tourists are more satisfied (on both islands) with the tourism offer than the residents. Moreover, highest gap score was found for the elements within the *residents and employees* category (Lošinj 1.15; Rab 1.38). These results indicate that tourists are more satisfied with those elements than the residents in the case of both islands. On the other hand, elements within the *area, resources and the environment* category obtained smallest gap scores (Lošinj 0.05, Rab 0.77) indicating that both tourists and residents are appreciating and showing the same satisfaction level with

regards to *healthy climate, landscape attractiveness, preservation of the natural environment and sea water quality* of the islands.

In the case of Lošinj, there are only several elements of the tourism offer which obtained negative gap scores indicating that residents are more satisfied with them than the tourists. Those elements are *healthy climate, landscape attractiveness* and sea water quality with extremely small gap scores as follows: -0.02, -0.09 and -0.06 respectively. On the other hand, in the case of Rab, 24 out of 37 elements obtained negative gap scores, and those gap scores vary from the highest -0.55 (*foreign language skills of tourism professionals*), -0.53 (*working hours of restaurants*) and -0.52 (*hotels and lodging facilities*) to the lowest negative gap score of -0.06 (*availability of parking space*).

Table 1: **Tourists' and residents' satisfaction with the elements of the tourism offer on the islands of Lošinj and Rab**

SATISFACTION LEVEL ELEMENTS OF THE TOURISM OFFER	ISLAND					
	MALI LOŠINJ			RAB		
	RESI- DENTS mean	TOURI- STS mean	GAP SCO- RE*	RESI- DENTS mean	TOURI- STS mean	GAP SCO- RE*
AREA. RESOURCES. THE ENVIRONMENT						
Climate	6.47	6.45	-0.02	3.63	3.23	-0.40
Landscapes attractiveness	6.42	6.33	-0.09	3.17	3.17	0.00
Preservation of the natural environment	5.65	6.04	0.39	2.37	3.02	0.66
Sea water quality	6.29	6.23	-0.06	2.93	3.12	0.19
	6.21	6.26	0.05	4.44	5.45	1.02
RESIDENTS AND EMPLOYEES						
Friendly and hospitable residents	4.75	6.10	1.35	1.96	3.05	1.10
Pleasant and hospitable tourism professionals	4.92	5.97	1.05	3.45	2.99	-0.46
Foreign language skills of tourism professionals	4.77	5.82	1.05	3.46	2.91	-0.55
	4.81	5.96	1.15	4.16	5.39	1.24
IDENTIFIABILITY. SECURITY. INFORMATION						
A sense of personal safety and security	5.58	5.89	0.31	3.13	2.95	-0.19
Pre-arrival communication	5.03	5.34	0.31	2.83	2.67	-0.16
User-friendly signalization in tourist destination	4.80	5.46	0.66	2.71	2.73	0.02
Souvenirs	4.76	5.13	0.37	2.39	2.57	0.18
	5.04	5.46	0.42	5.31	6.41	1.11

SATISFACTION LEVEL ELEMENTS OF THE TOURISM OFFER	ISLAND					
	MALI LOŠINJ			RAB		
	RESI- DENTS mean	TOURI- STS mean	GAP SCO- RE*	RESI- DENTS mean	TOURI- STS mean	GAP SCO- RE*
ORGANISATION OF DESTINATION						
Road / rail transport links	4.28	5.33	1.05	2.51	2.67	0.16
Local traffic	4.18	5.04	0.86	2.42	2.52	0.11
Availability of parking space	3.95	4.69	0.74	2.41	2.35	-0.06
Appearance & orderliness of the destination	5.02	5.84	0.82	3.00	2.92	-0.08
The urban harmony	4.57	5.63	1.06	3.02	2.82	-0.20
Availability and maintenance of walking lanes	5.78	5.99	0.21	3.00	3.00	0.00
Maintenance & design of parks and green spaces	5.36	5.78	0.42	2.99	2.89	-0.10
Maintenance and cleanliness of beaches	5.05	5.87	0.82	3.23	2.94	-0.30
Crowded beaches	4.86	5.27	0.41	2.97	2.64	-0.33
Working hours of service facilities	4.52	5.60	1.08	3.14	2.80	-0.34
Working hours of restaurants	4.60	5.65	1.05	3.35	2.83	-0.53
Shopping	4.69	5.69	1.00	3.33	2.85	-0.49
	4.74	5.53	0.79	2.97	3.93	0.96
CONTENTS (FACILITIES AND EVENTS)						
Events	3.85	5.13	1.28	2.57	2.57	0.00
Cultural and historical heritage	4.96	5.54	0.58	2.54	2.77	0.24
Facilities for children	4.84	5.30	0.46	3.14	2.65	-0.49
Hotels and lodging facilities	5.49	5.71	0.22	3.38	2.86	-0.52
Restaurants and catering facilities	5.01	5.57	0.56	3.30	2.79	-0.52
Cultural events and facilities	4.35	5.16	0.81	2.69	2.58	-0.11
Entertainment opportunities	3.65	5.23	1.58	3.04	2.62	-0.42
Sports events and facilities	4.36	4.93	0.57	2.87	2.47	-0.40
Meeting and conference facilities	4.00	4.21	0.21	2.04	2.11	0.07
Health tourism facilities	4.66	5.08	0.42	2.26	2.54	0.28
Nautical offering	4.87	5.04	0.17	2.67	2.52	-0.15
Availability of excursions to other areas	5.26	5.63	0.37	3.27	2.82	-0.45
Local gastronomy	4.83	5.31	0.48	2.95	2.66	-0.29
Price / quality ratio	4.39	5.45	1.06	2.92	2.73	-0.19
	4.63	5.24	0.61	4.13	5.27	1.15
AVERAGE	5.08	5.69	0.61	4.63	5.74	1.11

*gap score = tourists' satisfaction rate (mean) – residents' satisfaction rate (mean)

Source: Author

In general, in case of Lošinj, tourists and residents included the same elements in top three elements of the tourism offer on the island, indicating that both groups are most satisfied with *climate, landscapes attractiveness and sea water quality*. Hence, those elements can be safely considered, as far as tourism is concerned, the strengths of Lošinj. According to residents and tourists, island's weak points are *availability of parking space*, which has been detected as a problem of many Kvarner destinations, followed by the *local traffic, events, cultural events and facilities, sports facilities,*

entertainment opportunities and *meeting and conference facilities*. In addition to these elements, local population also expressed lower level of satisfaction with *transport links*, while tourists also expressed lower level of satisfaction with *nautical offer* and *health tourism facilities*.

In case of Rab, tourists and residents again included *climate* in the top ten elements with which they are most satisfied, along with a sense of *personal safety and security*, *sea water quality*, *maintenance and design of parks and green spaces* and *landscapes attractiveness*. On the other hand, both groups are least satisfied with *availability of parking space*, *sports facilities*, *health tourism facilities* and *meeting and conference facilities*, indicating that those elements need to be improved.

CONCLUSION

Understanding tourists' attitudes regarding different elements of the tourism offer in a given destination is essential for improving destination competitiveness since it enables understanding which attributes contribute to a higher degree of tourist satisfaction. When rating their satisfaction with elements of the tourism offer, tourists on both islands have given certain elements of the offer scores that are considerably higher than the scores given by residents. Generally, the findings indicate that tourists who stayed on Lošinj and Rab are very satisfied with attributes of those destinations, given that the average satisfaction rate for Lošinj is 5.69 and the average satisfaction rate for Rab is 5.74, which is slightly higher.

One of the central issues of the economic effects of tourism development is the tourist expenditure. Destinations are interested in increasing tourist consumption because that is the way to increase the income from tourism, which is extremely important for local economies. Results of this study also indicate that tourist expenditure on islands needs to be increased since the daily consumption of the majority of tourists who are staying on Lošinj and Rab is lower than 50€, while only a very small percentage of tourists spends more than 100€ per day. These results indicate the need for destination management to put additional efforts in the enrichment and quality enhancement of the tourism offer. By doing so, tourist consumption could increase and that should lead to higher economic impact of tourism on the islands.

Tourism development implies high local community involvement and without its support and participation it is almost impossible for a tourism destination to be sustainable. Hence, apart from researching tourists' attitudes, it is also important to research how satisfied are residents with the tourism offer of the location where they live and work. Findings indicate that residents of these islands are more critical than tourists visiting Lošinj and Rab because they rated the tourism offer provided on their island with an overall average grade of 5.08 (Lošinj) and 4.63 (Rab) which are lower than the average rates given by tourists.

Altogether, the results indicated that strongest points of both islands are elements related to the natural resources and personal safety and security. This research also confirmed that the deficit of parking spaces seems to be a long-term problem on the

islands, and according to the residents and tourists, islands tourism offer also needs to be enriched with a new quality contents and events. These results can serve as a relevant documentation basis for making decisions concerning the range and quality of the tourism offer on these islands, as well as decisions on the optimal use of destinations' resources in a sustainable way. In that sense, destination management should direct its support and further investment decisions to projects that are focused on creating innovative tourism product tailored to the tourists' needs. Given the results of this study, apart from dealing with traffic issues (connections to the mainland, transport connections on the island and especially the deficit of parking spaces), projects aimed towards entertainment, sports and various events should be taken as a priority on both islands. Given that islands are highly sensitive considering the ecological, socio-cultural and economic impacts of tourism development, sustainable tourism development is an imperative.

Having drawn these conclusions, it is important to consider some of the limitations of the research. As this research is based on the sample of tourists visiting two Kvarner islands, it is not possible to completely generalise the findings for other destinations. Nevertheless, the results indicate common problems of island destinations. This study provides a platform for assessing the quality of the overall tourism offer on the selected islands since the results identified those elements of the offer that can be improved in order to enhance the quality of life on islands and tourists' overall satisfactory experience. As this study has taken into account only two islands, more studies need to be conducted across a greater range of islands, both in the Kvarner region as well as in other parts of the Adriatic Sea.

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Daniela Soldić Frleta, MSc, Assistant
Faculty of Tourism and Hospitality Management Opatija
Primorska 42, P.O.Box 97, 51410 Opatija, Croatia
Phone: +385 51 294 717
Fax: +385 051 291 965
E-mail: danielas@fthm.hr