

Towards Destination Stewardship: Forecasting Financial Performance of Responsible Tourism on a Selected Croatian Destination

Adriana Galant and Tea Golja

Abstract Tourism is a multifaceted industry with high economic significance. Its multiplier effects show wide range of sectors that benefit from tourism. Whilst touting economic benefits of tourism, one has to be cautious because tourism activities involve economic costs as well. Additional costs can occur if planning, development and operations in tourism are not properly managed. Sustainable tourism lies at the core of destination stewardship. Destination managers need to be able to forecast economic, environmental and social trends affecting tourism. Thus, destination planning is crucial in balancing developments of tourism and controlling its growth. In this paper authors test various possible tourism scenarios on the total revenue generated from tourism for a 7-year projection period. Every scenario is based on destination planning. The case study destination used for scenario modelling was Labin-Rabac. The forecasts are based on three broad types of drivers: season extension outside the traditional July and August months, growth of accommodation capacity (number of bed places) and growth in the average tourists' expenditure. The methodology used for scenario analysis is: historical method, deductive method, analysis (particularly horizontal analysis of the income statement which provided information about tendencies and change dynamics on its positions), synthesis, and mathematical methods.

Keywords Destination management • Tourism scenario modelling • Labin-Rabac tourist destination • Financial reporting

1 Introduction

Although the extreme positive influence tourism has on the national economy (more in: Stynes 1997 for multiplier effect), if the effects of tourism are not properly balanced, controlled and managed, at the end, the impacts can pose serious threats to sustainable tourism development of the destination—whether economic,

A. Galant • T. Golja (✉)
Juraj Dobrila University of Pula, Pula, Croatia
e-mail: agalant@unipu.hr; tgolja@unipu.hr

socio-cultural and environmental. Public and private sector involved in tourism depend on planning to achieve sustainable development. When planning tourism development it is important to determine the appropriate scale of tourism for the local environment and culture.

In line with that it is important to recognize the limits and capacity of destination's resources in order to encourage the development which meets and properly balances economic, socio-cultural and environmental benefits. To achieve economic aims and maintain sufficient infrastructure, destination governance needs to be based on transparency, accountability, inclusiveness and fairness (Ruhanen et al. 2010; Bornhorst et al. 2010; Williams 2010; Pradhan and Sanyal 2011; Scott 2014). Viable economic development management strategies maximize beneficial tourism for their communities and seek to further good destination stewardship.

There are several purposes of this paper. First is to enlighten the importance of destination planning in destination stewardship process. Second was to show how the cautious planning process may affect tourism development and total turnover in the hospitality sector in the selected destination. Third was to provide estimates of the changes that take place in a destination's economy due to proposed actions (scenarios) and the tourism multiplier effect. And finally to stimulate discussion and seek views as to whether this is an area that needs to be given more attention.

The aim of the paper is to present three scenarios based on proposed actions that may bring beneficial consequences to destination's economy. All of the proposed actions bear in mind sustainability of tourism development in Labin-Rabac tourism destination. Utilizing findings of the research, supported by the theoretical background, authors emphasize the importance of destination planning and development for long run sustainable tourism development.

A review of the concept of destination stewardship within the concept of destination planning is provided in the first part. The second part of the paper shows the correlation between planning of the future development and financial performance of hospitality sector in Mediterranean destination of Labin-Rabac. This was further enriched with the modelling of general turnover impact on the regional economy.

2 Literature Review

Tourism is an economic development tool. Being one of the most dynamic sectors of the economy it encourages growth in the primary and secondary sectors through direct effects, indirect effects and induced effects. *Direct effects*, account mostly to tourism-related business in the area (various accommodation establishments, hospitality industry—bars, restaurants, pubs). *Indirect effects*, account to a broader set of economic sectors that serve these tourism firms (mostly their suppliers). *Induced effects* include the impacts of household expenditures, from the income earned in a directly or indirectly affected industry. Obviously, the concept of tourism goes far beyond the third sector (Bartoluci and Budimski 2010).

Tourism is an important source of employment. It increases tax revenue and positively contributes on national balance of payment, gross income and production. Generally, tourism comprises 9 % of the global GDP, employs every 11th person in the world, it generates 1.3 trillions of USD in exports or 3.5 billion USD a day on average. Tourism makes 6 % of the world's trade (export of goods and services) or 30 % of the world's export of services alone and 6 % of exports of least developed countries (UNWTO 2012).

But, tourism can leave negative impacts on local livelihoods and economies as well as involve economic costs. By pushing up local prices and the country's exchange rate, it can leave those outside the tourism sector worse off. Money made in the destination can be swallowed up by foreign travel companies (reflux of money abroad). It can also deprive local people to access to the natural resources on which they rely, such as fishing, grounds, forests and water (Ashley et al. 2007, p. 9). There is a high possibility of disappearance of local culture, destination integrity and authenticity. Tourism relies on the clean and unspoilt environment and pleasant climate but exceeding the carrying capacity of destination can pose serious threats to natural environments. This can even bring to the collapse of important resources or systems. Biodiversity can be lost and landscapes distorted. Along these lines, unplanned and uncontrolled tourism growth can result in such a deterioration of the environment that tourist growth can be compromised (Creaco and Querini 2003).

To avoid possible negative consequences, destination stewardship process should be brought at the forefront of destination's development. In the process of upholding the main principles of destination stewardship, environmental protection and resource conservation, social well-being and equity should stay aligned with economic prosperity and continuity. Destination stewardship is a process by which local communities; governmental agencies, NGOs, and the tourism industry take a multi-stakeholder approach to maintaining the cultural, environmental, economic, and aesthetic integrity of their country, region, or town (Global Sustainable Tourism Council 2014b). It is a coalition of many organisations and interests working towards a common goal. Destination stewardship refers to the management structures required to support such development and produce positive externalities. The processes that involve coordinated actions to benefit destination's environment, residents, businesses and visitors are harmonized. Destination management is central to the delivery of sustainable tourism as often actions taken within destinations are best able to influence the tourism impacts (Destinet 2013). Effective destination management looks in the future whilst searching for proper strategies which are to be efficiently implemented. Destination governance should be carried out by local authorities in partnership with other tourism stakeholders (private and public institutions). They need to work together on planning and management of tourism respecting the values and principles of openness, participation, consultation, dialogue, innovation, coordination, strong leadership, effectiveness and accountability. Smart stakeholder approach in destination management is a prerequisite upon which tourism destinations maintain their positive developmental path and competitiveness. Good governance is an evolving

process and it is shaped by the institutional and social context. It can accelerate growth, equity, and human development potential for the people and the society. A destination management organization (DMO) acts through the process of destination governance. It seeks to 'orchestrate' decision making on design, organization and management of relationships in the network, on which the economic performance of both DMO and its stakeholders depends (D'Angella and Go 2009, p. 429). Destination management organizations (DMOs) play a particular role in efforts to ensure that the expectations of stakeholders are satisfied to the greatest extent possible (Ritchie and Crouch 2003). Only an agile DMO can respond to the complex task involving and supporting multiple dynamic relationships with stakeholders, each with their peculiar sensitivities, needs and priorities (D'Angella and Go 2009, p. 431). Based on the research results, unique to DMO success are supplier relations, effective management, strategic planning, organizational focus and drive, proper funding, and quality personnel (Bornhorst et al. 2010).

Destination planning is the most important phase in destination management. It is a roadmap for all the tourism stakeholders. However, due to its interdependence with other sectors of the economy, it is difficult to analyse and plan for tourism. But, it is not impossible. Provision of timely and reliable research-based information for planning should help to reduce the risks to the sector (Jarraud 2014). Bučar et al. 2010 see the achievement of long-term success and viability in tourism through application of the principles of sustainability and responsible tourism in the process of planning and development. This is what Ruhanen (2012) explains through the strategic visioning concept which becomes apparent in terms of the adoption of techniques that shift stakeholder participation in destination planning from simply consulting to the meaningful engagement of stakeholders in joint decision-making (Ruhanen 2012, p. 158). Typical stakeholders in tourism planning process are (Yigitcanlar 2009): *local businesses, residents, activist groups, tourists, national business chains, competitors, government, employees*. There are others such as *investors/developers, land owners, environmentalists (activist groups), industry associations, tourism marketers*. Stakeholders are extremely important for assuring the quality of the overall tourism experience and they influence tourism development in many ways including tourism supply and demand, regulation, and management of tourism impacts, human resources and research (Waligo et al. 2013, p. 343).

Sustainable Tourism Online (2014) sees destination planning as a collaborative process and coordinated approach based on the understanding of the environment (internal and external), tourism supply and demand. Destination planning involves a number of steps and activities that include designing, financing, developing, and marketing of a destination to attract the visitors (School of Travel Industry Management 2007). The result of the planning process should be visible in developing strategic directions for destination (tourism master plan) with clearly defined vision, goals, strategies and action plan. Planning is an on-going and cyclical process reflected through destination stewardship.

Destination stewardship is a continuous process and it requires constant monitoring of impacts, introducing the necessary preventive and/or corrective measures

whenever necessary (UNEP and UNWTO 2005). Motivations for tourist destination monitoring are: (European Union DG Enterprise and Industry 2013b, p. 8) improved information for decision making, effective risk management, and prioritization of action projects, performance benchmarking, improved community by-in and support for tourism stakeholders, enhanced visitors experience, increased bottom line/cost savings, and increased value per visitor. In order to tackle social, cultural, economic and environmental challenges, destinations have to be able to measure and benchmark their sustainability performances. In such a way, local authorities will be able to get improved data for informed policy decision making, establish an intelligent approach to tourism planning, identify areas that need improvement, prioritize action projects, manage risks effectively and create benchmarks of performance (European Union DG Enterprise and Industry 2013a).

Global Sustainable Tourism Criteria for destinations has been designed to guide destination specialists, managers, communities, and businesses towards the steps that are needed to sustain the natural and cultural attractions that draw-in tourists, while economically benefiting the local community and businesses (Global Sustainable Tourism Council 2013). Various tools have been developed to enable destinations monitor, manage, measure and improve their sustainability performance (i.e. European Tourism Indicators System (ETIS): for Sustainable Management at Destination Level (European Union DG Enterprise and Industry 2013b), UNWTO concept of the Global Observatory of Sustainable Tourism (GOST) based on the UNWTO methodology for sustainable tourism indicators etc.).

3 Empirical Analysis: Case Study

Authors will discuss the findings based on testing various possible tourism scenarios on the total revenue generated from tourism for a 7-year projection period. The case study destination used for scenario modelling is Labin-Rabac.

Labin-Rabac is a tourist destination on the Easter side of Istrian peninsula. It is the biggest destination in Istrian County geographically positioned on the Eastern side of the peninsula. Destination can accommodate approximately 12,000 tourists in a day. In 2013 destination was visited by 206,618 tourists and it realized 1,333,083 overnights (Labin-Rabac Tourist Board 2014). It is a destination where there is still space for further development bearing in mind the physical planning and destination's carrying capacity. Tourism is a vital sector for economic development of this destination. It is the third sector in terms of the total revenue generation and the second biggest sector based on the total asset value for year 2010 (Financial Agency Data).

3.1 Approach and Methodology

Objective of the research was to investigate the impact cautious destination planning and development can have on the total turnover in the hospitality sector as well total economic development and to draw conclusions as to how tourism and sustainability can reinforce each other.

Main hypothesis: Increase in total turnover in hospitality sector will bring substantial benefits to the regional economy but it is highly dependent on cautious destination planning and destination's carrying capacity.

To achieve the main objective an empirical research was conducted and the data was interpreted. The starting point for this research was the analysis of financial results of hospitality sector for a 4-year period, in particular total turnover generated from all of the businesses companies operating in the sector. Lodging companies, food service and travel agencies with headquarters in Labin-Rabac were included in the analysis along with private accommodation providers—owners of private apartments, private rooms and villas. Financial data for companies that are required to report on their financial results were collected from Financial Agency (FINA).¹ The data for private accommodation providers were estimated on the basis of private accommodation average rental price in Croatia. Summary financial data of all business companies from the sector that have headquarters in destination Labin-Rabac was included. All of the data used for the purpose of scenario analysis was secondary data obtained from Financial Agency, City of Labin, Rabac-Labin Tourist Board, Institute for Tourism of the Republic of Croatia and Croatian National Bank. The forecasts are based on three broad types of growth drivers. The first one refers to season extension outside the traditional July and August months. The second one refers to the growth of accommodation capacity (number of bed places)² and the third one refers to the growth in the average daily tourists' spending. All of the developed scenarios have been taking into account the sustainable development of destination.

The methodology used for the purpose of scenario analysis: historical method, deductive method, analysis (particularly horizontal analysis of the income statement which provided information about tendencies and change dynamics on its positions), synthesis, and mathematical methods and feasibility study was conducted. The following mathematical formulas were used:

1. for calculation of average annual growth rate (custom formula for annual interest):

$$p = \sqrt[n]{\frac{X_n}{X_0}} - 1 \quad (1)$$

¹ According to Croatian Accounting law, this are all companies that are profit tax payers (Accounting law, Official gazette 109/07, article 20.

² Based on physical plan of the region and the city.

2. for value on the end of time period (costume formula for money value at the end of time period):

$$X_n = X_0 \times (1 + p)^n \quad (2)$$

where:

p is the average annual growth rate

n is the number of time periods

X_n is value at the end of period

X_0 is value at the beginning of period.

3. for calculation of average occupancy of accommodations:

$$\text{Average occupancy} = \frac{\text{Number of overnights}}{\text{Capacity} \times 365(\text{bed days})} \times 100 \quad (3)$$

3.2 Research Results and Discussion

Tourism is of great significance for the area of Labin and Rabac. Arguments for that are grounded in financial performances of the sector and the data was collected from the Croatian Financial Agency in 2013. Tourism was the third largest sector of the economy (measured by total turnover) in the period from 2008 till 2010, fourth sector in 2011. If measured by total assets, tourism was the second largest sector of the economy in the period from 2008 till 2010 and third in 2011. Tourism companies with their headquarters in Labin-Rabac make around 10.5 % of the total economy output, and approximately 23.5 % of all assets. In the analysed period (2008–2011), tourism companies were profitable with optimum liquidity (liquidity was not optimal only in 2011, but it was satisfactory).

Starting point for this research was total turnover of companies in tourism sector with headquarters in Labin-Rabac along with total turnover of private accommodation providers. Total turnover for tourism companies is shown in Table 1. For the easier understanding, kunas were calculated into Euros based on the exchange rate of 1 Euro for 7.23 HRK.

Total turnover of private accommodation providers was estimated. Estimation was performed using data on average daily rent of an apartment and realized overnights in private accommodation. Average daily rate during summer 2010 was 20 euros, or equivalent of 144.58 kunas.³ 220,748 overnights were realized in Labin-Rabac in 2010. Multiplied by the average daily rent of an apartment one gets the total income of private accommodation providers. In 2010 the income equalled to 31.92 million kunas or 4.4 millions of EUR.

³ According to average exchange rate of Croatian National Bank from June to August 2010, 1 EUR = 7.229009 KUN, Calculation according to: Godišnji i mjesečni prosjeci srednjih deviznih tečajeva HNB-a ([online] Available at: <http://www.hnb.hr/tecajn/>).

Table 1 Horizontal analysis of total turnover of the hospitality sector 2008–2011(million kunas and euros)

Position	2008	2009	Index 09/08	2010	Index 10/09	2011	Index 11/10
Total turnover (kunas)	228.90	232.38	1.015	236.11	1.016	117.12	0.496
Total turnover (Eur)	31.66	32.14		32.66		16.20	

Source Financial Agency (FINA 2013)

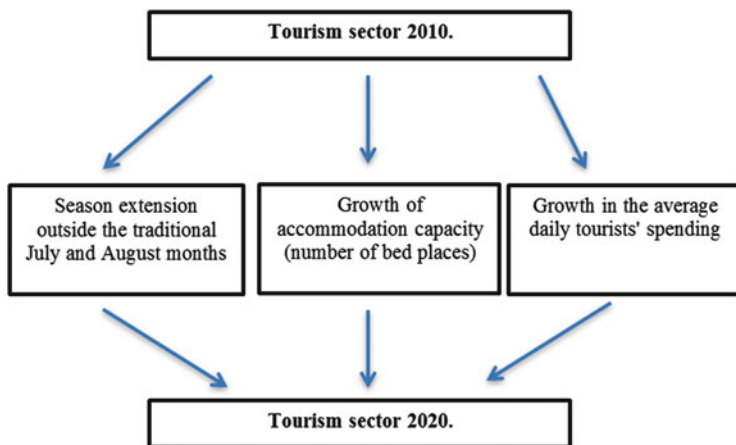


Fig. 1 Scenarios for tourism development on the Labin-Rabac destination for period from 2010 till 2020 (Source Authors’ predictions)

Adding total turnover of private accommodation providers to the total turnover of companies from the sector one gets 268.03 million kunas (or 37.07 million of EUR) which was taken as a starting point for various scenario modelling.

The table above shows the trend of turnover movement. In the period from 2008 to 2010 total turnover was rising. In 2011 total turnover dropped down by more than half. The reason behind this huge drop is the merging of the largest tourism company from that area with another tourism company and the relocation of the main headquarters outside the destination. Due to this, its revenues were no longer included into analysis. For the same reason, the year 2010 was used as a starting point for the planning purposes.

For the purpose of scenario modelling authors have chosen three different scenarios. These are: season extension outside the traditional July and August months, growth of accommodation capacity (number of bed places) and growth in the average daily tourists’ spending (Fig. 1).

First scenario refers to season extension outside the traditional July and August months. Duration of season is based on the average occupancy rate (in days). In

2012 the average occupancy rate was 112 days or 31 %. If the aim for 2020 would be to reach 146 days (or 40 % occupancy rate) this would mean an increase of 34 days or 33.5 %. This increase is projected based on the real expectations for the tourism growth in the next 6 years based on the predictions of United Nations World Tourism Organization, Croatian Tourism Institute predictions and regional and local development plans. The growth of average annual occupancy rate should be 3.35 %. Increasing the number of occupancy days will lead to the increase in total turnover of tourism. But, the total turnover growth cannot linearly follow the growth of occupancy rate for the point that majority of the growth in occupancy should happen in the off-peak season meaning lower daily rental prices for rooms and apartments (more than 50 %). This is why authors had chosen the 1.68 % rate for the modelling of annual growth of total turnover. If a destination decides to prolong its tourism season, the only possibility it has is the off-peak season months. Destination managers should envisage the positioning of destination whilst focusing on specific target market and its characteristics. Cooperative advertising, media and public relations activities should be performed on the target market (market niches). Raising awareness of the depth of tourism products and experiences is essential.

The second scenario is growth of accommodation capacity (number of bed places). For reaching this aim, it is important to raise industry and government awareness on the importance of further accommodation development in undeveloped areas. Citizens support is equally important. Currently, undeveloped areas cover approximately 70 hectares of land surrounding the City of Labin and Rabac. The underdeveloped area is highly attractive for new hotels and resorts (sport and family), small villas and various ecological camps (i.e. glamping). According to planned investments in additional accommodation capacity for the period up to 2020, Labin-Rabac will dispose of 14,930 (according to City of Labin). This represents an increase of 26.45 % compared to 11,807 beds in 2012. To achieve the planned occupancy of 146 days or 40 % in 2020, the number of realized overnights should be 2,179,780, what represents increase of 65.13 % in total or 6.47 % on average per year. In 2012 Labin-Rabac area realized 1,320,066 overnights. Increase in overnights due to growth of accommodation capacity and achieving an occupancy rate of 40 % or 146 days would have positive influence on total turnover of tourism companies. Since additional days of occupancy are planned for off-peak months, total turnover will increase for half lower rate of yearly increase due to increase in the number of overnights, which would be 3.24 % (6.47/2). Authors conducted a feasibility study to explore in more depth the possibilities and the profitability of such investment. Private-public partnership is the best option for gaining optimum profitability of investments in tourism with the base of increasing bed capacity for no more than 3,000 beds in the coming period (till 2020) having in mind the standards in hospitality industry with employment index of 0.13–0.17 employees per bed, financial and information flows in tourism.

The third scenario is growth in average daily tourists' expenditure. In 2010 the average daily tourists' expenditure in Istria was 67 Eur (Institute for Tourism of The Republic of Croatia 2012). In 2007, it was 60 Eur (Institute for Tourism of the

Table 2 Assessment of total revenue of tourism in Labin-Rabac destination for period from 2010 till 2020 (million kunas and euros)

	2010	Average annual growth rate (%)	2020	Total growth compared to base year 2010 (%)
Scenario I	268.03 million kunas 37.07 million Eur	1.68	316.62 million kunas 43.79 million Eur	+18
Scenario II		3.24	368.69 million kunas 50.99 million Eur	+38
Scenario III		3.75	387.32 million kunas 53.57 million Eur	+45

Source Authors' calculation

Republic of Croatia 2008). Accordingly, between 2007 and 2010 an average daily tourists' expenditure increased for 11.67 % in total, or 3.75 % per year. Growth of average daily tourists' expenditure will lead to increase in total revenues from tourism. For the purpose of this research we assumed that growth of average daily tourists' expenditure in destination Labin-Rabac will be the same as for Istria in the above mentioned period. However, in order to increase the daily expenditure, destination managers need to plan how to increase the overall quality and how to enrich the traditional offer in the destination. These are important requirements and without focusing on them it will be difficult to make the expenditure higher. Tourists need to have incentives for spending more. These incentives call for actions on creation of new products, investments in quality particularly in restaurants offer and supporting services.

Assessment of financial aspects of tourism development in destination Labin-Rabac was performed on the basis of different scenarios of realized overnights increase. An increase of overnights will consequently lead to the rise in total turnover in the hospitality sector, assuming retention of the existing price. The above explained scenarios are presented in the Table 2 and Fig. 2 that follow.

In line with the scenario 1, the total turnover supported by the hospitality sector could reach 316.62 million kunas/43.79 million Eur. According to scenario 2, the total turnover supported by the hospitality sector, could reach 368.69 million kunas/50.99 million Eur. And finally, according to scenario 3, the total turnover supported by the hospitality sector, could reach 387.32 million kunas/53.57 million Eur.

Although hard to exactly define, tourism leaves its traces to the whole economy, and it is particularly important for the development of the local economy of the tourism destination. According to Ernst and Young (2013) for every 1 euros spent by the sector, an additional 1.12 euros is spent in the supply chain and via employees' consumption (i.e. the 'direct' plus the 'indirect' and 'induced' effects). If we presume the multiplier effect and base our predictions on the above three scenarios, total impact from the hospitality sector (included direct, indirect and induced contribution) would reach 92.8 million Eur (scenario 1), 108.09 million Eur (scenario 2) and 113.56 million Eur (scenario 3). Equally, several hundreds of

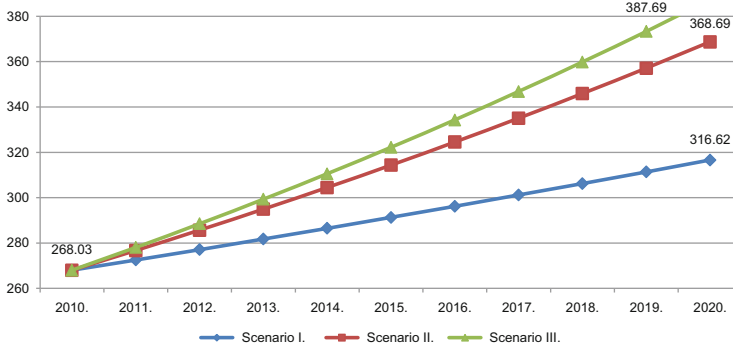


Fig. 2 Results of different scenarios for tourism development in Labin-Rabac destination for period from 2010 till 2020 (million kunas) (Source Authors' calculations)

new jobs could be generated based on the above presented scenarios, particularly with the application of the scenario no. 2—capacity growth. According to second scenario, which refers to growth in accommodation capacity, and employment index of 0.13–0.17 employees per bed, this will lead to new employments in the hospitality sector. Planned growth of accommodation capacity (number of beds) of 3.123 will lead to approximately 450 new working places (additional beds – 3.123 × employment index 0.13–0.17). According to the Croatian National Statistic Office, destination Labin-Rabac registered 695 unemployed persons in 2013. New job positions, as a result of the growth in accommodation capacity, will largely solve the problem of unemployment in this destination. The three developed scenarios and the multiplier calculations proved the defined hypothesis. The scenarios clearly show the correlation between planning for growth in relations to destination's carrying capacity and possibilities of further improvements in products and services. Destination does not compete itself, but service providers compete as well. This is why all of them have to be included in planning and development.

4 Conclusion

It is necessary to plan the development of sustainable tourism in the destination Labin-Rabac. Destination Labin-Rabac has still not developed its image. There is a necessity to convey a positive image of destination, which is achievable through destination branding. Decision makers are aware of the fact that tourism is one of the sectors with highest developmental potential. With their support and with the realization of planned projects and activities, the potential of sustainable tourism development in this destination is unavoidable. With the selection of proper strategies, main objectives such as growing visitors economy, improved livelihoods, better environment, reduced carbon and authenticity of the destination can be

reached. Tourism destinations have their own culture, customs, environment, laws and regulations and this makes their development strategies differ from one another. Strategies are dependent on the destination and its main goals, its comparative advantage and the resources it consists of. However, the favourable strategies may concentrate round four critical points—products and markers, infrastructure and investment and community and jobs. In the case of Labin and Rabac, the above mentioned projections and applied scenarios may be of use for selecting the proper strategy whilst trying to position the destination on the tourism market. Sound strategies should be based on the balance between benefits and costs of all of the stakeholders, including the surrounding environment. Economic-impact analysis is not sufficient to properly track all of the effects of tourism. Environmental impact assessment should be done accordingly to predict the impact of a project/plan on the social, cultural, environmental system.

To satisfy the definition of sustainable tourism, destination Labin-Rabac must take an interdisciplinary, holistic and integrative approach which includes four main objectives: (Global Sustainable Tourism Council 2014a) to (1) demonstrate sustainable destination management; (2) maximize social and economic benefits for the host community and minimize negative impacts; (3) maximize benefits to communities, visitors and cultural heritage and minimize impacts; and (4) maximize benefits to the environment and minimize negative impacts.

In view of the challenges posed by sustainability, it should be necessary to design a “roadmap” for managing sustainability in tourism. It is important to include all of the stakeholders in the process of planning towards. Destination stewardship should be brought at the forefront of sustainable tourism development of the destination.

The empirical analysis has showed the strong influence tourism can have on the regional economy. Based on the cautious planning, selection of proper strategies and according to the best possible scenario, the total turnover effects of the hospitality sector can reach 113.56 million Eur. Respectively, around 450 new job positions can be opened with new investments and growth in accommodation capacity of a maximum of 3,123 new bed places.

When observing the results of this research, some restrictions must be highlighted. First of all, turnover data does not include crafts which are presumed to have very significant role in tourism industry of Labin-Rabac tourism destination. Secondly, scenarios were created on the basis of plans which realization is still questionable (i.e. new investments are to happen). Furthermore, tourism is an industry which strongly depends on economic, social and environmental situation on destinations’ target markets (i.e. financial crisis, floods), and it is highly weather dependent. This will, for sure, have an influence on the achievement of planned overnights in the future. This opens up new ideas for further research on how the development of sustainable tourism can leave strong effects to the whole economy of Labin-Rabac tourism destination.

References

- Ashley, C., De Brine, P., Lehr, A., & Willde, H. (2007). *The role of the tourism sector in expanding economic opportunity* [pdf]. Cambridge, MA: The Fellows of Harvard College, Overseas Development Institute and International Business Leaders Forum [online]. Available at: http://www.hks.harvard.edu/m-rcbg/CSRI/publications/report_23_EO%20Tourism%20Final.pdf. Accessed June 30, 2013.
- Bartoluci, M., & Budimski, V. (2010). Managing entrepreneurial projects in tourism of the Republic of Croatia. *Acta Turistica*, 22(2), 179–200.
- Board, L.-R. T. (2014). *Internal statistical data for the period from 2008–2013*. Labin: Labin-Rabac Tourist Board.
- Bornhorst, T., Brent Ritchie, J. R., & Sheehan, L. (2010). Determinants of tourism success for DMOs & destinations: An empirical examination of stakeholders' perspectives. *Tourism Management*, 31(5), 572–589.
- Bučar, K., Škorić, S., & Prebežac, D. (2010). Codes of conduct in tourism and their impact on sustainable development. *Acta Turistica*, 22(2), 131–252.
- Creaco, S., & Querini, G. (2003). The role of tourism in sustainable economic development. In *Proceedings of the 43rd congress of the European regional science association*. Jyväskylä, Finland, August 27–30, 2003. Jyväskylä: The European Regional Science Association [online]. Available at: <http://www.sre.wu-wien.ac.at/ersa/ersaconfs/ersa03/cdrom/papers/84.pdf>. Accessed June 30, 2013.
- D'Angella, F., & Go, F. M. (2009). Tale of two cities' collaborative tourism marketing: Towards a theory of destination stakeholder assessment. *Tourism Management*, 30(3), 429–440.
- Destinet. (2013). *Destination management and good governance* [online]. Available at: <http://destinet.eu/topics/destination-management-good-governance/>. Accessed June 29, 2013.
- Ernst & Young. (2013). *The hospitality sector in Europe*. Brussels: The Brewers of Europe.
- European Union DG Enterprise and Industry. (2013a). *Tourism: European tourism indicators system for sustainable management at destination level* [online]. Available at: http://ec.europa.eu/enterprise/sectors/tourism/sustainable-tourism/indicators/index_en.htm. Accessed June 01, 2013.
- European Union DG Enterprise and Industry. (2013b). *European tourism indicator system TOOLKIT for sustainable destinations* [online]. Available at: http://ec.europa.eu/enterprise/sectors/tourism/sustainable-tourism/indicators/documents_indicators/eu_toolkit_indicators_en.pdf. Accessed June 01, 2013.
- Financial Agency. (2013). *Financial reports for companies in the city of Labin*. Zagreb: Financial Agency.
- Global Sustainable Tourism Council. (2013). *The global sustainable tourism criteria* [online]. Available at: <http://www.gstcouncil.org/sustainable-tourism-gstc-criteria.html>. Accessed July 01, 2013.
- Global Sustainable Tourism Council. (2014a). *Global sustainable tourism criteria for destinations (GSTC-D) version 1.0* [online]. Available at: <http://www.gstcouncil.org/sustainable-tourism-gstc-criteria/criteria-for-destinations.html>. Accessed February 01, 2014.
- Global Sustainable Tourism Council. (2014b). *Destination stewardship* [online]. Available at: <http://www.gstcouncil.org/gstc-objectives/gstc-destinations.html>. Accessed February 01, 2014.
- Institute for Tourism of the Republic of Croatia. (2008). *Stavovi i potrošnja turista u Hrvatskoj, TOMAS ljetno 2007* [pdf]. Zagreb: Institute of Tourism of the Republic of Croatia. Available at: http://www.iztg.hr/UserFiles/Pdf/Tomas/2007_Tomas-Ljeto_2007.pdf. Accessed September 05, 2013.
- Institute for Tourism of the Republic of Croatia. (2012). *Hrvatskiturizam u brojkama* [pdf]. Zagreb: Institute of Tourism of the Republic of Croatia. Available at: <http://www.iztg.hr/UserFiles/Pdf/Projekti/Informacije/Hrvatski-turizam-u-brojkama-2012-Broj-02.pdf>. Accessed September 01, 2013.

- Jarraud, M. (2014). *Tourism sector in world meteorological organization* [online]. Available at: http://www.wmo.int/pages/themes/climate/applications_tourism.php. Accessed February 01, 2014.
- Pradhan, R. P., & Sanyal, G. S. (2011). Good governance and human development: Evidence from Indian states. *Journal of Social and Development Science*, 1(1), 1–8.
- Ritchie, J. R. B., & Crouch, G. I. (2003). *The competitive destination: A sustainable tourism perspective*. Oxon, UK: CABI.
- Ruhanen, L. (2012). Strategic visioning: Integrating sustainable development principles in tourism destination planning. *Acta Turistica*, 24(2), 149–176.
- Ruhanen, L., Scott, N., Ritchie, B., & Tkaczynski, A. (2010). Governance: A review and synthesis of the literature. *Tourism Review*, 65, 4–16.
- School of Travel Industry Management. (2007). *Tourism destination planning and development* [pdf]. School of Travel Industry Management [online]. Available at: http://www.tim.hawaii.edu/dl/Document%20Library%20%20TO%20490%20Additional%20Materials/TO490_section-5_destination-planning.pdf. Accessed April 16, 2014.
- Scott, N. (2014). *The governance of tourism in OECD countries, presentation* [online]. Available at: http://academia.edu/1906905/The_Governance_of_Tourism_in_OECD_Countries. Accessed June 29, 2013.
- Stynes, D. J. (1997). *Economic impacts of tourism. A handbook for tourism professionals*. Champaign: Illinois Bureau of Tourism and Illinois Department of Commerce and Community Affairs, Tourism Research Laboratory at the University of Illinois at Urbana.
- Sustainable Tourism Online. (2014). *Destination planning* [online]. Available at: <http://www.sustainabletourisonline.com/destinations-and-communities/destination-planning>. Accessed February 01, 2014.
- UNEP and UNWTO. (2005). *Making tourism more sustainable: A guide for policymakers*. Nairobi: UNEP and UNWTO.
- UNWTO. (2012). *Infographics: Turning one billion tourists into one billion opportunities* [online]. Available at: <http://media.unwto.org/en/news/2012-12-12/infographics-turning-one-billion-tourists-one-billion-opportunities>. Accessed June 30, 2013.
- Waligo, M. V., Clarke, J. A., & Hawkins, R. (2013). Implementing sustainable tourism: A multi-stakeholder involvement management framework. *Tourism Management*, 36, 342–353.
- Williams, J.O. (2010). *Good governance: Key to sustainability* [pdf]. Washington, DC: Global Corporate Governance Forum and International Finance Corporation [online]. Available at: <http://www.ifc.org/wps/wcm/connect/f6e01b8048a7e6afa7ffe76060ad5911/Willums.pdf?MOD=AJPERES>. Accessed February 05, 2014.
- Yigitcanlar, T. (2009). Augmenting competitiveness of cities through tourism planning: The role of collaborative decision support systems. In *Cities as creative spaces for cultural tourism conference*. Istanbul, November 19–21, 2009. Istanbul: Bogazici University.