

SPECIALISATION AS A TREND IN MODERN HOTEL INDUSTRY

Scientific paper

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Abstract

Purpose – In this paper, the importance of the organisation of specialised hotel offer is researched, as well as its competitiveness in the market. The research goal is determination of changes in hotel competitiveness levels following implementation of specialised label standards for the purposes of as high as possible quality organisation of the hotel industry in destination and resource valorisation.

Design – The paper is conceived in the way that it presents Croatian hotel industry problem areas from different aspects. First of all, the problem is researched from the legislative aspect, followed by research on positions in specialisation in the Croatian hotel industry. The next component analyses hotel management attitudes on hotel performance and its competitiveness following the realised specialisation and, finally, attitudes of the legislative institution, which proscribes the specialisation standard, are examined.

Methodology – To test the hypothesis, two interview researches were conducted which, with their results, synergically contribute to the derivation of conclusions. In the paper preparation, methods of data collection and creative thinking techniques, as well as other scientific and research methods were used. The statistical method includes processing and illustration of statistical information while meta-analysis and the historical method were used in the analysis of numerous scientific and professional works, with the aim of importance evaluation of Croatian hotel industry specialisation certification. Methodology is oriented to the research of the concept of special interest hotels and the sustainability-oriented business philosophy on the repositioning of Istria tourist destination and achieving business excellence.

Approach – Authors' arguments and predictions are also presented in the paper. Specialisation in the hotel industry that promotes sustainable products and services on a segmented market are impetus for qualitative response to globalisation processes (synergy of differentiation, specialisation, globalisation and sustainable development).

Findings – How much competitiveness and perception of specialised hotels have changed will, in this paper, be considered by means of qualitative research of hotel management attitudes. Introduction of specialised hotel content for groups with particular interests animates tourist trend development in pre and post-season periods, with implementation of entertainment and activity programmes and animation. Conclusions should contribute to new knowledge and point to the need for change and impact trends towards market and business excellence.

Originality – The research originality is primarily evidenced in the first consideration and official listing of certified hotels by the Croatian Ministry of Tourism. Unsorted Ministry data is summarised and shaped into a table which implies the trends of development of specialised hotels in the Republic of Croatia. The researched hotel managers and the Ministry of Tourism staff, responsible for this segment, point to the new knowledge and open domains for new future research.

Keywords hotels, repositioning, selective offer, destination, quality, specialised label

INTRODUCTION

The hotel industry represents significant business within global frameworks and modern development trends and tourist demand affect its modification. Numerous trends stress the importance of modern hotel business, as a modern tourist is not satisfied only with the primary offer in hotel facilities, but demands a differentiated and personalised service, which becomes the primary motive for travel. Namely, motives no longer exclusively relate to relaxation and inert spending of free time, but to an active participation in special interest tourism, with valorisation of market niches. Hotel houses strive to monitor trends and implement innovations in order to survive in the multitude of competition. In realisation of business performance, a role is played by business intelligence and the vision to integrate purposefully formed services and hotel design into the environment in which they are situated and blend in with cultural, historical and natural resources of the destination. Hotel houses operate in conditions of competitiveness, they are subject to influences of constant changes in the market and in the economic environment. Decisions on orientation towards selected market segments are strategic decisions based on in-depth market research, user supersegmentation and a resource base for valorisation; they affect the entire hotel marketing, its business and business results. The change affects the formation of new competitiveness of the hotel, separating it from a unified mass of unidentified accommodation offers.

Croatia seeks to distance itself from that mass tourism, turning itself towards sustainable development and accountable resource management as trends of future development. This includes development of special interest tourism and hotels designed and organised to provide specialised services. Croatian tourist legislation recognises the importance of specialisation in the hotel industry and, by means of the Regulations on the Classification, Categorisation, Special Standards of Catering and Hospitality Facilities from the group Hotels and systems of special standards for the type Hotels, regulates terms for acquisition of special labels oriented to market segments. In this paper is researched and analysed how the Croatian hotel economy accepted the presented possibilities of specialisation, with a review and opinion from the Ministry of Tourism, as the creator of special standards on one hand and specialised hotel management on the other.

1. CROATIAN HOTEL INDUSTRY AND POTENTIALS FOR SPECIALISATION - THEORY AND LITERATURE REVIEW

Specialisation, as a trend of the modern hotel industry, has been studied for some time in both international and national literature. Under the concept of sustainable development, special interest tourism is the starter of the trend of specialisation in the hotel industry. This topic has been analysed and presented by numerous authors, among who also are Jadrešić (2010), Jelinčić (2009) and Klarić (2011). Proebstl and Mueller (2013) examine the importance of certification of the hotel industry for the development of sustainable tourism. As the strategic document of the development of the hotel industry of Istria as the leading tourist region, the Master Plan of Tourism Development of Istria (2003) envisages strategies of positioning for Istrian clusters,

according to which the entire destination offer is organised, including hotel capacities within its system. Cerović et al. (2003, 2005) analyse the categorisation of the Croatian hotel industry, governed by the Regulations on the Classification, Categorisation, Special Standards of Catering and Hospitality Facilities (Ministry of Tourism, 2008). The hotel industry categorisation at the international and European levels is presented in the Mintel Publication (2004) and it explains the categorisation schemes of the most important European tourist destinations. Several papers were written on the topic of specific themed hotels; for example, Pavlinović (2013) writes about eco hotels, as well as Sloan, Legrand and Chen (2013), who simultaneously elaborate the certification as a process of implementation of standards, taking eco hotels as an example. Henderson (2011, 2013) analyses heritage and historical boutique hotels, while Cantell, S.F. (2005) and Ifko (2010) consider the potentials for using industrial buildings in the hotel industry. Koncul (2012), Cviki and Mekinc (2010) deal with organisation of wellness tourism and hotel industry. Among the first, Littlejohn (2003) studied differentiation of the hotel industry in the system of the international hotel brands.

1.1. Current positions of the Croatian hotel industry

Croatia is considered as a competitive tourist destination with a unique cultural and natural heritage, with a high social standard within the framework of sustainable development. The figures of the Croatian tourist traffic show that 11.8 million tourists visited Croatia in 2012, of which 10.4 million were foreign guests. They realised 70.3 million overnights, with an average stay of 5.3 days. In comparison with the year 2009, the overnight growth rate equals 4.7%.

Table 1: Tourist overnights in Croatia: 2009 – 2013-mil.

	2009	2010	Index 2010/09	2011	Index 2011/10	2012	Index 2012/11	2013	Index 2013/12
Croatia	54.9	56.4	102.73	60.3	106.91	62.7	103.9	64.8	103.35

Source: Data processed by authors, based on www.mint.hr (12th March 2014)

In overviewing of the realised overnights, the largest number of tourist arrivals was realised in hotels (38.6% of all arrivals), where 4.8 million tourist arrivals and 16.6 million overnights were recorded (growth of 1.3%). Private accommodation follows with 3.2 million arrivals and 22 million realised overnights and camps with 3.2 million arrivals and 16.2 million overnights.¹

Hotel facilities are divided into specific groups according to the types of hospitality services which prevail in their offer and, in some cases, also according to the ways in which they are provided.² The purpose of classification of hotel facilities is interpreted by the possibility of a potential hotel service user to easier recognise the type of service, as well as the way in which a hotel facility provides that service. The categorisation is carried out in line with the Regulations on the Classification,

¹ <http://www.mint.hr/UserDocsImages/140228-tpromet-013sl.pdf> 12.03.2014.

² Cerović Z., Pavia, N., Galičić, V.: Organizacija i kategorizacija ugostiteljskih objekata, Fakultet za turistički i hotelski menadžment, Opatija, 2013., pp. 80.

Categorisation, Special Standards of Catering and Hospitality Facilities. Accommodation facilities in the Republic of Croatia are classified into the category Hotels and the category Camps, as well as into all other types of accommodation facilities.

Table 2: Number of hotels according to category

	2012	2013	2012 in %	2013 in %	INDEX 2013/2012
Total hotels	637	605	100	100	95.0
*****	28	29	4	5	103.6
****	189	192	30	32	101.6
***	326	301	51	50	92.3
**	94	83	15	14	88.3

Source: Data processed by authors, based on www.mint.hr (12th March 2014)

According to the Ministry of Tourism data, in 2013, Croatia had a total of 605 hotels, which is 32 hotels less than in 2012. Category-wise, the highest number of hotels are the hotels graded with three stars, as many as 301 of them, making up half of all the hotels in Croatia. They are followed by hotels with four stars, 192 of them and, finally by 83 hotels with two stars and 29 five-star hotels. While comparing the data from the years 2012 and 2013, the increase in the number of categories of four and five-star hotels in comparison with the hotels graded with three and two stars, where the fall in the number of hotels was recorded, is evident.

The illustration of the overview of accommodation capacities, according to the hotel category, follows below. In 2013, the hotels had at their disposal a total of 107,634 accommodation capacities, somewhat less than the previous year. Accommodation capacities of the five and three-star hotels remained unchanged, while the number of accommodation capacities in the four-star hotels increased and the number of accommodation capacities in the hotels with two stars dropped.

Table 3: Accommodation capacities according to hotel category

	2012	2013	2012 in %	2013 in %	INDEX 2013/2012
Total hotels	108,196	107,634	100	100	99.5
*****	9,321	9,321	9	9	100.0
****	37,245	37,929	34	35	101.8
***	45,775	45,775	42	43	100.0
**	15,855	14,609	15	14	92.1

Source: Data processed by authors, based on www.mint.hr (12th March 2014)

1.2. From market niches to specialisation in the hotel industry

The modern hotel industry distinguishes itself from other affiliated businesses in the sphere of accommodation service provision by permanent maintenance of service quality and introduction of new types of services that are not characteristic for hospitality business and all that in order to improve the quality of the primary service of accommodation and satisfy the needs of a modern user. Hotel houses make all efforts to monitor trends and introduce innovations and new technologies in order to succeed in surviving in a magnitude of competition. Offer redesign and hotel specialisation often occur in the phase of maturity of the hotel product lifespan cycle, when the investment in marketing is intensified in order to achieve new competitiveness.³

Competitiveness encourages innovation and qualitative processes (innovation of hotel product, new hotel facilities, specialisation of hotels, information systems and the Internet, orientation towards sustainable development – eco hotels, boutique hotels, inclusion of fashion brands into the design and decoration of the hotel, personalised customer relationships, new media for communication with tourists, booking and promotion purposes). Barriers disappear in creating new facilities and programmes (e.g. ice hotels, hotel casinos, bus hotels, hotels with no staff, hotels for women, prison hotels, etc.).⁴

Business intelligence related to the assessment of competitive positions plays an important role in performance realisation⁵, contributing to the hotel board decision to integrate the hotel design, but also the services it provides into the environment in which it is situated, blending it in with the cultural, historical and natural wealth of the destination. Despite competition, constant changes in the market and the economic crisis, several international hotels have successfully been implementing the strategies of differentiation and specialisation, intensifying their business, strengthening their brands and positioning themselves among the hotel business leaders.

The process of globalisation is directly manifested in the development of all economic segments, thus also tourism, affecting intensification of competition among tourist destinations. The need for the differentiation imposed the creation of different trends whose monitoring often ensures a stable competitive position. The trends of development of modern international tourism also determine the Croatian tourism developmental directions, which include hotel renovations and specialisations, implementation of modern technologies into the management and marketing systems, presence on the social networks, change of positions of sales channels, brand competitiveness and revenue management. The importance of sustainable development

³ Athiyaman, A. and Go, F., Strategic choices in the international hospitality industry, *The International Hospitality Industry – Structures, Characteristics and issues*, ed. Brotherton B, Butterworth Heinmann Publishing, Oxford, 2003., pp. 142 – 160.

⁴ Pavia N., Stipanović C., Floričić T., “Sustainable development in increasing competitiveness of hotel offer – Case study Istra County”, *The 2nd International Scientific Conference Tourism in Southern and Eastern Europe*, Opatija, Hrvatska, 2013., pp. 279-294.

⁵ Stipanović, C., *Poslovna inteligencija u turizmu*, Fakultet za menadžment u turizmu i ugostiteljstvu, 2009., pp. 151.

and social responsibility are recognised, ecological awareness is intensified, which, by means of innovative technologies, is implemented in the business and operational hotel systems. In the practice of hotel and tourist companies and their business which uses modern management and business processes, basic marketing goals are achieved for realisation of competitive advantages and company strategies. They can also refer to keeping of the place in the market and securing company existence, company growth and increase in the market share, reaching of a "satisfactory" profit level, keeping the entrepreneurial independence and hotel company autonomy, as well as to the social sensibility towards associates, society and the environment.⁶

Selective tourism can be defined as tourism motivated by special interests, which includes sports and recreational activities, different education, cultural tourism in the sense of visits to festivals and similar events, visits to historical localities and monuments in order to study nature, folklore or art.⁷

The prerequisites for the development of special forms of tourism are an adequate quantity of similar attractions or attractions compatible with culture, the existing destination image, tourist attractiveness of the destination and destination tourist traffic. That is why, in the development of selective tourism, it is necessary to pay attention to the destination's primary tourist product and compatibility of its image, with a purposeful developmental form of tourism. It is estimated that the Croatian tourist market is in a favourable position to realise segmentation policies, as it is relatively underdeveloped and, as such, can more easily be oriented to specialisation than already developed tourist destinations, whose specialisation is in the phase of reorganisation, a weak point which a well organised competition can successfully use to its advantage.⁸

Market research is a marketing function which ensures the required information for business decision making. In order to systematically research the market, an adequate pre-selection of markets, based on the selection of those markets which, on the grounds of objective criteria, can be perceived as those which provide opportunities for sale and placement, i.e. promise success. Market pre-selection is also used for the first orientation about important market information, such as: market size, competitor market share, information on economic branches which can be considered as consumers of tourist products and services, the intensity of their representation, names and addresses of specific consumers, data bases of partners, mediators and individual guests as well as the necessary concentration of company means – staff capacities and financial means in the potential markets.⁹ Tourist market research forms the basis for implementation of market segmentation and for the recognition of tourist niches.

⁶ Dulčić, Ante, Turističke agencije – poslovanje i menadžment, Ekokon d.o.o. Split, 2005. god., pp. 384.

⁷ Geić, S., *Menadžment selektivnih oblika turizma*, Sveučilišni studijski centar za stručne studije, Split, 2011., pp. 305.

⁸ Dobre, R., *Menadžment turističke destinacije*, Visoka škola za turistički menadžment, Šibenik, 2004, pp. 89.

⁹ Leihns H., *Marketing*, 18. Međunarodna serija, WIFI Oesterreich, Wirtschaftskammer, Wien, Austria, 1993, god., pp. 33.

Market segmentation is a process of division (market recognition through smaller market unities) of the entire tourist market into smaller, homogenous entities, i.e. market segments. Market segmentation is an essential marketing instrument which is founded upon the knowledge that, according to the terms of consumer preferences, markets are heterogeneous. Apart from the usual socio-economic, demographic and geographical market segmentation criteria within the tourist market, also specific criteria of tourist behaviour have special importance, as they point to special interests and motivation, representing the grounding for the development of the resource basis for tourist destinations and themed and specialised hotels within them.

Following the completed market segmentation, marketing strategies of presentation in the market are determined. For the purposes of valorisation of market niches and development of hotels with special standards and services for specific market segments, the strategy of a differentiated marketing is implemented which, from a hotel facility, requires a different product structure and quality for different segments in the tourist market.¹⁰ A formed hotel product is positioned in the selected tourist niches and the position itself is determined by the manner in which it is perceived and accepted by the target segment. The process of hotel product positioning encompasses determination of segments in the tourist market, opting for the segments which will become the target market, examination of chosen segment expectations, shaping of the hotel product in line with market segment expectations, assessment of the position of competition in the market, selection of an adequate image of the hotel product which will be recognisable in the market and different from the competition's one, as well as hotel product promotion in the market, to make it known to all potential consumers.¹¹ By using innovative modern technologies in the promotional mix the Internet is intensified as a fast interactive communication channel.¹² Organisation of business functions: main (provision of services of accommodation, food and drink) and additional (services of sports, entertainment and recreation and other services) ensures competitive hotel business in the market.¹³ By linking of complementary business functions with special standards, a new specialised hotel industry offer is formed.

Tourist niches are segments of the tourist market focused on specific consumer tourist groups and on consumers' needs themselves; as a rule, they are characterised by the aspiration for informality, sustainable development and preservation of the environment and they determine the tourist niches. Product development and tourist niche services are related to the very character of tourism, which is activated by tourist niches. Namely, tourist niche tourism is active tourism, oriented towards new events and experiences, as opposed to the standard, destination holiday tourism.

¹⁰ Berc Radišić B., Marketing u hotelijerstvu, Sveučilište u Rijeci, Hotelijerski fakultet Opatija, Opatija, 1999., pp. 96.

¹¹ Berc Radišić B., Marketing turističkoga proizvoda destinacije, Sveučilište u Rijeci, Fakultet za menadžment u turizmu i ugostiteljstvu, 2009., pp. 135.

¹² Grzinic J., Floricic T., "Implementation of innovations in hotel offer promotion – case study of Istria as tourist destination", The 8th International Forum on Knowledge Asset Dynamics - IFKAD Zagreb, Hrvatska, 2013, pp.704 – 721.

¹³ Cerović Z., Pavia, N., Galičić, V., Organizacija i kategorizacija ugostiteljskih objekata, Fakultet za turistički i hotelski menadžment, Opatija, 2005., pp. 98.

In principle, tourist niches and the form of tourism they represent can be divided into five main groups, which are the basis for the development of a specialised hotel industry (illustrated in table)¹⁴:

Table 4. Trends of tourist demand in the development of specialised hotel industry

<p><i>Physical activity and sports orientation</i></p> <ul style="list-style-type: none"> - Adventure tourism - Alpine tourism - Diving tourism - Ski tourism - Golf tourism - Tourism of sports events and competitions 	<p><i>Environment oriented tourism</i></p> <ul style="list-style-type: none"> - National park and nature park tourism - Rural tourism/agro tourism - Park and arboretum tourism
<p><i>Learning oriented tourism</i></p> <ul style="list-style-type: none"> - Specialised education oriented tourism - Creative workshops 	<p><i>Cultural tourism</i></p> <ul style="list-style-type: none"> - Cultural event tourism - Cultural landmark sightseeing - Cultural itineraries
<p><i>Lifestyle oriented tourism</i></p>	
<ul style="list-style-type: none"> - "Rucksack tourism" - Gastronomic tourism - Disabled tourism - Enological tourism 	<ul style="list-style-type: none"> - Health tourism - Gay tourism

The early entrants which first turn towards a specific market niche achieve competitive advantage in relation to the late entrants, which, by their entry to the market, intensify the increase in demand and sales.¹⁵ They affect the creation of the critical mass and intensify the niche market, special interest tourism and specialised hotels.¹⁶

2. IMPACT OF SPECIALISATION IN THE HOTEL INDUSTRY ON ACHIEVEMENT OF NEW COMPETITIVENESS – FINDINGS AND DISCUSSION

The impacts of specialisation in the hotel industry have been studied and researched from several aspects. Special standards are the basis for hotel specialisation for special market segments and niches. An overview of special standards follows, with a review of Croatian hotels certified with a special label.

¹⁴ Raymore K., Destination Niche Marketing – a Sustainable Tourism Strategy, Door County Chamber of Commerce and Visitor & Convention Bureau, USA, 2006.

¹⁵ DeKimpe, M. and Hanssens, D., Empirical generalizations about market evolution and stationarity, Marketing Science, 14 (3),1995., pp. 109-121.

¹⁶ Robinson, W., Fornell, C. and Sullivan, M., Are market pioneers intrinsically stronger than late entrants? Strategic Management Journal, 13, 1992., pp. 609-624.

Table 5: **Overview of special standards and specialised hotels in the Republic of Croatia**

STANDARDS	Number of standards	Hotels with standard*
1. BUSINESS	30	3
2. MEETINGS	28	4
3. CONGRESS	29	8
4. CLUB	11	
5. CASINO	8	
6. HOLIDAY RESORT	11	1
7. COASTLINE HOLIDAY RESORT	12	1
8. FAMILY	13	2
9. SMALL & FRIENDLY	5	
10. SENIOR CITIZENS	19	
11. HEALTH & FITNESS	9	3
12. SPA	10	
13. WELLNESS		3
Generally Wellness	3	
Reception area	30	
Treatment and beauty area	22	
Dry and wet parts of wellness area	20	
Indoor and outdoor swimming pools	18	
Fitness, exercise and holistic programme area	6	
Wellness equipment in accommodation unit - room	6	
14. DIVING CLUB	10	
15. MOTEL	3	1
16. SKI	7	
17. FOR DISABLED PERSONS	83	

* one hotel can have several standards

Source: Processed by author according to: <http://www.mint.hr/default.aspx?id=356>

The data from the table points to the fact that the Croatian institutional framework for standardisation and specialisation in the hotel industry is very precise and proscribes exactly which compulsory elements of a specific standard must be complied with. The list of terms for special standards for the type Hotels is given as addendum XII to the Regulations on the Classification, Categorisation, Special Standards of Catering and Hospitality Facilities, group Hotels in the form of a table checklist, from which a controller, when inspecting, establishes the existence or non-existence of a specific

compulsory element. In a hotel, special standards are marked by special, standardised boards, which are mounted together with the official compulsory board, the Republic of Croatia Ministry of Tourism category marking. Out of 17 special standards, 8 standards are not implemented in the Croatian hotel industry and out of the selected 9, Congress, Meetings and Business are most frequently implemented, which, at the same time, complement each other. This indicates that, in Croatia, hotels dominantly specialise in the business and congress market segment, according to demand trends and a possibility of direct sales. Table illustration of facilities with the special standard label is following:

Table 6: **Hotels in Croatia with the special standard label**

HOTEL	HOTEL COMPANY	SPECIAL STANDARD
Well - Terme Tuhelj	Terme Tuhelj d.o.o.	Wellness
Lav	V.E.M.S. d.o.o.	Congress
Elaphusa	Hoteli Zlatni Rat d.d.	Congress Meetings Wellness Holiday Resort
Turist	Turist d.o.o.	Congress
Terme Jezerčica	Terme Jezerčica d.o.o.	Health & Fitness Meetings
Grand Hotel Bonavia	Hotel Bonavia d.d.	Meetings Business
Bastion	Zadar Gradnja d.o.o.	Business
Vespera	Jadranka hoteli d.o.o.	Family
Park Plaza Histria	Arenaturist d.d.	Congress
Aurora	Jadranka hoteli d.o.o.	Wellness
Vitality Hotel Punta	Jadranka hoteli d.o.o.	Health & Fitness
Uvala	Hoteli Maestral d.d.	Health & Fitness
Imperial	Hotel Imperial Vodice d.o.o.	Congress
Villa Eugenia	ETO d.o.o.	Business
Ambasador	Liburnia Riviera Hoteli d.d.	Congress Meetings
Diadora	Michael & Partner d.o.o.	Coastline Holiday Resort Family
Olympia	Olympia Vodice d.o.o.	Congress
Antunović	Antunović TA d.o.o.	Congress
Plitvice Motel	Motel Plitvice d.o.o.	Motel

Source: Processed by author according to the Ministry of Tourism data, March 2014

The table lists 19 hotels in Croatia, which recognised specialisation as a trend of modern international tourism, forming their offer and services in line with their resources and market orienting it towards the market segments. Five hotels applied for several standards, thus communicating with several market segments which are mutually compatible. The example of Hotel Elaphus, which holds 4 special standards, of which two are compatible (Congress and Meetings), points to a dispersed marketing in different season periods.

Out of the 605 Croatian hotels, only 19 (3%) of them are specialised by means of official special labels. However, the Croatian hotel industry recognises the importance of offer differentiation from a unified unrecognizability, redesigning its offer in accordance with the resource basis within the facility itself and available investment. As investment in the hotel industry is high, return rates often depend on several parameters from the macro environment, of which the most influential are the economic crisis and recession and political circumstances, hotel houses rarely decide on capital investment of the renovation of the whole facility. Through the processes of renovation and regular maintenance, as a construction and technological entity, hotels implement innovative services and contents in the existing spatial gauges, thus ennobling their offer and distinguishing themselves in selected market niches. Given the impossibility of meeting compulsory special standard elements, they cannot apply for an official special label; on the other hand, they can promote their offer in selected market niches by means of the market communication. Examples of such hotels are Hotel Maestral in Novigrad, which specialised as a Bike Hotel and which advertises itself through various bike portals and other modern technology instruments, as well as using a classical promotion mix and Hotel Park Plaza Medulin. This hotel positioned itself in the "Adults only" market niche, offering a series of services specialised for holidays without children. Hotel Vespera on the island of Mali Lošinj holds a special label Family and is connected with the international marketing brand Kinderhotels. Hotel companies with several hotels can differentiate their offer, orienting it towards different market niches. At the international level, the hotel brand Barcelo is an example, offering specialised themed hotels on the main web menu: pet friendly, scuba diving, adults only, business, city hotels, hotels with casino, hotels for weddings, palace deluxe, luxury hotels, beachfront hotels and all inclusive hotels.

In further consideration of the topic area of specialised hotels, attitudes of hotel managers are researched about competitive positions of facilities following the awarded special label, i.e. following the specialisation. Three Croatian hotels were researched, which have, following the maturity phase in their lifespan cycle, redesigned their offer, specialising in special forms of tourism: adults only, bike and wellness and family.

Table 7: **Survey of hotel managers' attitudes on current business of hotel companies**

<u>Hotel company 1*</u>	<u>Hotel company 2**</u>	<u>Hotel company 3***</u>
SERVICES		
1. What affected the decision on specialisation/special hotel labelling as a modern hotel industry trend?		
Requests from the market, demand and need for innovations	Market, competition, consumer requests	Unique product, distinguished in comparison with other hotels
2. What specialised services does your hotel offer?		
Services of massage, swimming pool, gastronomy, entertainment and animation adapted to adults	Bike services (servicing, maps, food) Wellness Centre (2,500 m2) Football pitches (over 100 teams in training per year)	Products and services intended for families with children
3. How would you grade the market response to specialisation? 1 (the lowest) 2 3 4 5 (the highest)		
Grade 4	Grade 5 for each product	Grade 4
4. Do guest comments affect the creation of new services and which new services have you implemented?		
We communicate with our guests every day, respecting their wishes and suggestions	Of course, guest requests are taken into consideration via internal surveys, tourist portals, etc. We visit our competition in other destinations (e.g. football – Antalya)	Comments do have an effect, guest feedback assists us in developing products aimed at families with children, i.e. all-day animation offer for children, which includes educational and creative contents intended for different age groups
5. Has the hotel occupancy increased and by how much due to hotel specialisation?		
Yes, the occupancy increased also due to special agreements with tour operators	It certainly increased in the last few years, by over 10% at the annual level	The occupancy increased by over 50%

6. Apart from specialised services, have you introduced into your business also other modern management innovations?		
Quality control, guest relations, modern technologies	We carry out constant improvements; we invest in new products and offer and in education for the purposes of quality improvement. We have established a quality department, guest feedback is monitored. We introduced software solutions, by which we additionally monitor and advance our offer and we monitor our expenses	IT tools have increasingly been used, such as social networks and development of online reservations
7. Do you think that you have lost some guest or market segments by specialisation?		
Yes, but we have got a completely new clientele and a new market.	It is possible that some minor changes occurred, but nothing significant.	Groups with older guest population have been reduced.
MARKETING		
1. What sales channels do your guests predominantly use in order to visit?		
Via mediators	Via mediators	Via mediators
2. Do and in what measure the mediators (agencies) recognise the importance of specialised hotel services?		
They do recognise it, as they are permanently in the market and monitor the demand.	They certainly recognise it, as they adapt their offer to the end user and they adapt to hoteliers' offer.	Agencies recognise the importance of specialised services, stressing it as an advantage in sales
3. How does the hotel advertise specialised characteristics and services?		
By means of the Internet, brochures, catalogues and tour operators.	On specialised portals and fairs.	By means of the web, catalogues and through mediators.
4. Grade the level of influence of new technologies (Internet) on the marketing of the hotel you manage.		
The influence is very big, as guest are increasingly educated and monitor all information on the Internet and via social networks. (4)	The level of that influence is high, marketing-wise, business has changed, it is important to follow the trends and to adjust to them.	Grade 4
5. Is the hotel you manage promoted on specialised web portals/pages?		
No	Yes, it is promoted	Yes, on the Kinderhotel pages, whose license we are using

6. Grade the significance of social networks for specialisation in the hotel industry and does your Company employ a person who maintains communication on social networks?		
The significance is very big, in our house, a team of people deals with the e-communication with guests, data bases and contact centre	The significance of social networks is great. We employ a person who maintains e-communication on all social networks (Twitter, Facebook, Instagram, Pinterest, LinkedIn)	Grade 4. In our department and marketing, we have a person who takes care of online communication and web development

* Arenaturist d.d.– Hotel in the destination Medulin

** Laguna d.d. Novigrad – Hotel in the destination Novigrad

*** Jadranka d.d. – Hotel in the destination Mali Lošinj

The result analysis shows hotel managers' positive attitude towards the implemented specialisation. As a specialisation starter impulse, the market and guests' requests are recognised, either by direct sales channels or through mediators who play a significant advisory and informative role. The managers grade highly the market response to specialisation, quoting satisfied guests, but also their readiness to accept new suggestions and requests for new and better services. Hotel managers apply modern management instruments and techniques; carry out quality control, CRM (customer relation management), guest satisfaction management and cost management. All managers consider innovative modern technologies crucial for successful marketing, hotels are present on social networks and hotel companies employ staff for maintenance and communication actualisation on the web.

Further to the presented specialisation terms and specialised hotels in Croatia, research was conducted with the head of services for standards in tourism and catering and hospitality industry of the Republic of Croatia Ministry of Tourism on the readiness of the Croatian hotel industry for implementation of special standards in tourism and the catering and hospitality industry in Croatia. The expressed attitudes, as replies to the questions asked, are as follows:

- Given the total number of hotels in the Republic of Croatia, the number of hotels which implemented special standards, thus specialising themselves, is too low. Croatian hoteliers mostly recognise the importance of specialisation, but are not prepared to implement it. Hotels are fighting for each guest and are of the opinion that, by specialisation, they would risk the loss of traditional markets, unwillingly undertaking the risks of conquering new market segments.
- This is possibly conditioned by the consequences of the economic crisis which affected the demand from the emissive markets, but the crisis is passing and hoteliers' requests for special standards are not increasing, which points to the hotel houses inertness, representing a potential threat of non-recognition of the world tourist trends. The solution is suggested in the form of organised education and informative forums on the requirements of modern demand at the operational level.
- Special standards at the level of current specialised hotels cannot influence the redefinition of tourist destinations, given that they have no sufficient critical mass power. By implementation of standards in a greater measure, a possibility opens for redefining and specialising tourist destinations.

- The Ministry of Tourism cooperates with scientific and educational institutions at the strategic level in the sense of conceiving and organising of educational programmes, while the activities remain unrealised at the operational level
- The Ministry of Tourism regulates and supports rising of quality and differentiation in the hotel industry. Taken from the European examples, a three-component system has been adopted, which includes compulsory classification and categorisation, as well as quality standards for special labels, which are on a voluntary basis.
- There is a very short period between the application, visits by the competent boards and awarding of the special label certificate. When the hotel houses are ready for the application by means of formation of special services and construction of facilities, they apply and procure the documentation within a very short period of time (one week).
- The Mediterranean competitive circle has different criteria for categorisation and labelling of hotels. Italy categorises its 33,500 hotels in accordance with the regulations of the region in which they are situated and, in Austria, hotels are categorised according to the standards of associations. Greece is characterised by flexibility and, in France, hotels are categorised upon their own request, without any legal obligation. A more flexibly organised institutional framework witnesses the market orientation of the international hotel industry, simultaneously representing a potential threat of non-transparent marketing. Still, in today's era of modern technologies and web portals, such as Tripadvisor and booking.com, on which the grades for quality segments are displayed, guests can hardly be deceived when the category and quality of a selected hotel are in question.

CONCLUSION

Hotel product management is one of the key prerequisites for rising of competitiveness in the destination. Redesign of hotel offer facilitates repositioning and presence in new market niches. By implementation of the standards of hotel offer, facilities and services, new concepts of hotels are created, such as high category boutique hotels, specialised for specific market segments: families, sports enthusiasts, wellness, as well as hotels with specialised labels that are based on special categorisation standards and which are aimed at particular interests: history, art, children, sport, clubs and other.

The posting of specialised label represents an official acknowledgement that the hotel is aimed at specific market segments, thus differentiating it from other hotels of the same kind and category.

The ever increasing demands of hotel offer call for hotel specialisation (the results of hotel management interviews). The hotel management has expressed a positive attitude regarding hotel specialisation; however, the number of hotels which have implemented special standards is low. One of the solutions that impose is operational management education and reorganisation of the forum for modern demand. Hotel offer competitiveness could be achieved by integration of specialised offers. Specialised offers tend to become the dominant trend in the global hotel industry focused on: product specialisation, brand establishment, activities that can eliminate unspecialised

competitors, the hotel's uniqueness to the customers and other activities associated with branded hotels.

The hotel team potential is the one to realise expected satisfaction, thus increasing the market potential of hoteliers and of the destination itself. This is possible only by directing the activities towards the offer consistency and uniqueness, which will result in a matchless experience for every guest.

Based on the Croatian Tourism Development Strategy until 2020, Croatian tourism has directed its development also through the synergic effect of the hotel industry and destination management. This includes redesign of the existing facilities and design of the new ones, themed hotel facilities. In this way, the hotel industry is encouraged to create new contents which correspond to the emergence of new forms of tourism, i.e. the emergence of "new tourists".

Further research into this problem area should include analysis of the factors which contribute to successful specialisations in the hotel industry, which can be observed through processes, environmental protection, aesthetics (sensual client experience), information accessibility, shareholder cooperation, staff education and others, all for the purposes of identifying, winning and retaining clients. Through the specialisation strategies, the hoteliers should form the hotel offer in line with the demand trends from the tourist markets. Although resistance to implementation of specialisation can be recognised, interpreted by the fear of losing traditional markets, hotel houses need to restore their potentials, possibilities and new competitiveness, which they will gain following the realised hotel specialisation in the tourist market.

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