

IMPORTANCE OF STAKEHOLDER MANAGEMENT IN TOURISM PROJECT: CASE STUDY OF THE ISTRA INSPIRIT PROJECT¹

Scientific paper

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Abstract

Purpose-To investigate the importance of inclusion of various local stakeholders in the implementation of tourism projects, focusing mainly on involvement in the organisation of activities and the distribution of benefits.

Design-After a short review of the most important research on stakeholders and their role in tourism development, a case study of the cultural tourism Istra Inspirit project initiated by the Istria county, the Istria Tourist Board and the Istria Tourism Development Agency, is analysed.

Methodology/Approach – A short literature review on stakeholder theory and its implementation in the field of tourism is the basis for the investigation of the described theoretical assumptions using a case study method. Case study analysis is oriented toward the involvement of various groups of stakeholders in the project implementation, their contribution and sharing financial and non- financial benefits from the project.

Findings – Based on the case study analysis' results, efficient strategies for stakeholder involvement in the realisation of tourism projects have been identified and the importance of stakeholder management for the success of tourism projects has been confirmed.

Originality – There are very few papers oriented toward the analysis of stakeholder involvement and the distribution of benefits on a particular case study of a tourism project initiated by the public sector.

Keywords Stakeholder management, tourism projects, local community, Istria

INTRODUCTION

Although the notion of stakeholders has been known before, the systemized stakeholder approach emerged in the mid 1980's. The key moment was the publication of R. Edward Freeman's „Strategic Management- A Stakeholder Approach“ in 1984. The impetus of Freeman's work was to build a framework useful to managers that will be responsive to the quantity and kinds of change that are occurring in the business environment. Freeman based his theory on the work of the Stanford Research Institute which defined (corporate) stakeholders as "those groups without whose support the organization would cease to exist"². Their work, along with the related concepts from corporate planning, systems theory, corporate social responsibility and the

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² Freeman, R. E., Reed, D. L., "Stockholders and Stakeholders: A new perspective on Corporate Governance", *California Management Review*, Vol. 25(3), 1983, 88-106, p 89.

organizational theory literature were building blocks of the modern stakeholder theory and approach.

The idea of stakeholder management, or a stakeholder approach to strategic management, suggests that managers and planners must formulate and implement processes which ultimately satisfy not only shareholders (characteristic for “classical” corporate approach) but also other various groups related to the business. The central task in this process is to manage and integrate the relationships and interests of all of the identified stakeholders in a way that it ensures the long-term success of the firm. A stakeholder approach emphasizes active management of the business environment, relationships and the promotion of shared interests. An important part of the stakeholder approach is oriented toward the well-being of stakeholders rather than treating them as „*means to a corporate end*“. Therefore, ethical theories of business grounded in stakeholder management were developed by different authors like Phillips in 1997 (principle of fairness) and Bowie in 1999. Moreover, Donaldson and Dunfee in 1999 have developed a justification for a stakeholder approach that is based on social contract theory, while Kochan and Rubinstein in 2000 tried to scientifically answer to the following question: “Why should stakeholder models be given serious consideration at this moment in history?”

So, who are the stakeholders in terms of corporate management? Freedman defines them very broadly as "any group or individual who can affect or is affected by the achievement of the organization's objectives"³. The same author provides a list of 12 main categories of stakeholders relevant for the company: owners, employees, political groups, government, suppliers, competitors, trade associations, unions, customer associations & groups, customers, activists groups and the financial community.

From the project management perspective, acceptance of the notion of project stakeholders means that the project has to be managed from an overall perspective of all the stakeholders- not just the customer(s) and the organisation.⁴ Therefore, in order to ensure long-term stability of the project and its outputs, the project team has to identify and manage all stakeholders related to the project. Cleland and Ireland define two generally accepted categories of stakeholders⁵:

- Primary stakeholders – those persons and groups that have a legal contractual relationship to the project. Such stakeholders include the project owner, suppliers, functional groups, investors, and those from the public domain such as communities and institutions that provide infrastructures and markets, whose laws and regulations must be obeyed and to whom taxes and other obligations are owed.
- Secondary stakeholders – those who influence or affect, or are influenced or affected by the project but are not regularly engaged in transactions with the projects and may not be essential for projects survival (media, special interest groups, private citizens, various institutions).

³ Freeman, R. E., *Strategic Management: A Stakeholder Approach*, Pitman, Boston, 1984., p 46.

⁴ Cleland, D.I., Ireland, L.R., *Project Management strategic design and implementation*, McGrawHill, New York, 2006., p 139.

⁵ Ibid. p 151.

However, this viewpoint on stakeholders is too challenging to be implemented in the field of tourism, having in mind that tourism is a complex system of economic structures, social functions and cultural models, which are all subject to constant changes. While the collaboration of various public and private stakeholders on voluntary basis has been investigated before (the most important papers shall be mentioned in the first chapter), the issue of organizing stakeholders within single tourism-driven projects has remained under-analysed. Also, the power of primary stakeholders of tourism projects is often unequal, because specific stakeholders may have the financial or political basis to exercise more power over certain stages of a project. Based on those assumptions, the main research question has been formed:

- *How can stakeholders be efficiently included in tourism project implementation and distribution of benefits?*

This question shall be examined through public tourism project perspective, having in mind that projects initiated by public institutions often have additional non-financial goals to achieve. Therefore, the identification of relevant stakeholders and the creation of strategies that will meet their interests is even more significant for the project success. After a review of the most important findings on stakeholder management in tourism, a case study analysis of the Istra Inspirit tourism project shall be provided.

1. STAKEHOLDER MANAGEMENT IN TOURISM PROJECTS

Tourism as a complex phenomenon and powerful economic force has been the subject of extensive multidisciplinary research. The stakeholder theory has also a multidisciplinary character, since it tackles with sociological, economical as well as psychological issues. From managerial perspective, efficient stakeholder management not only has to deal with those groups that can affect the project, but also with groups that the project can affect.⁶ In the tourism context, very generic categories of stakeholders important for the planning and implementation of projects include residents, tourists, employees, government, local business, competitors, activist groups, educational institutions... From the stakeholder theory perspective, a very important viewpoint on tourism is the functional approach in which tourism is observed as a proactive force which, if developed appropriately, seeks to maximize positive returns to a community's overall growth while minimizing the costs to the environment and culture. A functional approach also suggests that all parties or stakeholders interested in or affected by this business within a particular market or community should collectively manage the tourism system. Bramwell and Sharman identified three potential benefits deriving from consensus-based collaboration among stakeholders in tourism policy planning:⁷

- it may avoid the costs of solving conflicts among stakeholders
- it may legitimate collective actions if stakeholders are involved in the decision-making processes which affect their activities

⁶ Adopted from Freeman, 1984, p. 46.

⁷ Bramwell B., Sharman A., "Collaboration in local tourism policy making", *Annals, of tourism research*, Vol. 26, No. 2, 1999, 392-415, p 321.

- the willingness to collaborate may enhance the coordination of policies and related activities.

Stakeholder management is complex and often problematic, in terms of collaboration among stakeholder groups that hold disparate viewpoints on the same subject (for instance eco activist groups don't have the same opinion on tourism development as investors and hotel managers). For stakeholder involvement to be successful, it must possess the following five characteristics: fairness, efficiency, knowledge, wisdom, and stability as described by Nicodemus.⁸ Also, in the tourism sector (unlike many other industries), the product which is sold is intangible, so relationships, perception, experience and overall satisfaction of tourists after the "consumption" of tourism products, create the foundation of business applications and management decisions. Having that in mind, a wide base of stakeholders should be considered as main actors in achieving success and gaining competitive advantage in tourism destinations.

During the nineties of the previous century, research on the application of stakeholder theory in tourism dealt with the impact of tourism on community development and confirmed the importance of inclusion of stakeholders in the tourism development planning process. Keogh stressed that instead of cooperative approach, tourism industry often imposes planning decisions on the local population⁹, while Jamal and Getz significantly contributed to the body of knowledge by investigating the collaborative efforts in the community tourism domain as a possible solution in resolving tourism planning and management problems.¹⁰ The extension of their research on how the multiple stakeholder interests can be managed in tourism development with proposal of strategies to reinforce stakeholder alignment, was done in 1999 by Sautter and Birgit.¹¹ Till the beginning of the 21st century, stakeholder management in tourism has proven to be an inevitable strategy for efficient tourism planning and development. Significant contribution has been made in the managerial field, which focused on clusters and networks as a source of competitive advantage for tourism stakeholders, especially through the works of Baggio¹², Presenza and Cipollina¹³ etc.

⁸ Nicodemus, D. M., "Mobilizing information: local news and the formation of a viable political community", *Political Communication*, Vol. 21, No. 2, 2004, 161-76, p 163.

⁹ Keogh, B., "Public Participation in Community Tourism Planning", *Annals of Tourism Research* Vol 17, 1990, 449-465.

¹⁰ Jamal, T. B., Getz, D., "Collaboration Theory and Community Tourism Planning", *Annals of Tourism Research*, Vol. 22, 1995, 186-204.

¹¹ Truly Sautter, E., Leisen, B., "Managing Stakeholders: A Tourism Planning Model", *Annals of Tourism Research*, Vol. 26, 1999, No. 2, 312-328.

¹² Baggio, R. "Complex systems, information technologies and tourism: a network point of view", *Information Technology and Tourism*, Vol. 8, No. 1, 2006, 15-29.

¹³ Presenza, A., Cipollina, M., "Analysing tourism stakeholders networks", *Tourism Review* Vol. 65 No. 4, 2010, 17-30.

On a destination level, stakeholder management was also extensively used in research on stakeholder involvement in different types of destinations (for example work of Franch, Martini and Buffa¹⁴) and destination management organisations (DMO's) as coordinators of the public and private-sector organisations involved in tourism (Magaš¹⁵, Bornhorst, Brent Ritchie and Sheehan¹⁶, Atorough and Martin¹⁷).

The fact that stakeholder groups influence tourism development in many ways, including tourism supply and demand, regulation, management of tourism impacts, human resources etc. impose a correlation between goals of tourism stakeholder management and the implementation of sustainable tourism. Sustainable tourism strategies impose a challenge for the implementation and acceptance among stakeholders with already fragile common interests and collaboration mechanisms. Moreover, the issues that hamper the implementation of sustainable tourism are often stakeholder-related and are associated with priorities, organization and resources¹⁸. Also stakeholder inclusion and its importance for tourism development is often tackled indirectly, through papers on corporate social responsibility in tourism private sector.¹⁹

Proper stakeholder involvement in tourism development has multiple outcomes depending on the process used and the stakeholders included and, as systemized by Byrd, the outcomes of stakeholder involvement can include:²⁰

- Stakeholders who are informed and educated about the topics and issues
- Public values and opinions are incorporated in the decision-making process
- Improved quality and legitimacy of the decisions
- Generation of new ideas
- Trust increases between all stakeholder groups
- Conflict and lawsuits are reduced
- More cost-effective process
- The promotion of shared resources and responsibility

The focus of this paper will be the identification of successful strategies for turning various stakeholder groups from ambivalent bystanders or even opponents, into actively involved and rightful participants in the implementation of a tourism project, by analysing the best-practice cases.

¹⁴ Franch, M., Martini, U., Buffa, F. "Roles and opinions of primary and secondary stakeholders within community-type destinations", *Tourism Review*, Vol. 85, No. 4, 2010, 74-86.

¹⁵ Magaš, D., "The role of destination management companies in the tourist consumption", in *Management in the function of increasing the tourism consumption* (Ed. Franjo Radišić), 2010, 11-13.

¹⁶ Bornhorst, T., Brent Ritchie, J.R., Sheehan, L. "Determinants of tourism success for DMOs & destinations: An empirical examination of stakeholders' perspectives", *Tourism Management*, Vol 31, 2010, 572-589.

¹⁷ Atorough, P., Martin, A., "The politics of destination marketing: Assessing stakeholder interaction choice orientations toward a DMO formation, using the Thomas-Kilmann Conflict Mode", *Journal of Place Management and Development*, Vol. 5, No. 1, 2012, 35-55.

¹⁸ Waligo, W., Clarke, J., Hawkins, R. "Implementing sustainable tourism: A multi-stakeholder involvement management framework", *Tourism Management*, Vol 36, 2013, 342-353, p 344.

¹⁹ Golja, T., Krstinić Nižić, M., "Corporate social responsibility in tourism - the most popular tourism destinations in Croatia: Comparative analysis", *Journal of Contemporary Management Issues*, Vol. 15, No.2, 2010, 107-121.

²⁰ Byrd, E.T., "Using decision trees to identify tourism stakeholders", *Journal of Place Management and Development*, Vol. 4, No. 2, 2011, 148-168, p. 151.

2. CASE STUDY: ISTRA INSPIRIT PROJECT

Istria is one of the most developed tourist regions in Croatia. It consists of renowned coastal destinations (Poreč, Pula, Rovinj, Umag) but also includes an attractive inland part (sometimes called „rural Istria“) which in tourism sense, still has not reached full potential. Istrian regional authorities recognized tourism as a very powerful tool for economic and social development. Moreover, for a number of years, the leading Istrian tourism organisations (Istria County, Istria Tourist Board, Istria Tourism Development Agency...) developed efficient mechanisms for collaboration on tourism planning, development, management and marketing of Istria as an integral destination.

2.1. Description of the project

In a collective effort to brand Istria as a recognized all-year destination, special emphasis has been given to the cultural component of tourism and an exceptional historic and cultural heritage of the Istrian peninsula. Therefore, when starting the development of the Istra Inspirit project the main driving idea was to enrich the cultural offer of the Istrian peninsula through resurgence of historical events, legends and myths in authentic locations. The word Inspirit in the project's title comes from Latin (*inspirio, inspirare, inspiratus sum*) and means to inbreathe, to implant, to enthuse. In English the meaning is to revive, to wake up, to encourage, while in Croatian the word brings up associations with the word inspiration. The core idea of the project was creation, organization and promotion of unique events. Those events are created as a combination of art performances on chosen historical trivia/myth in authentic locations, along with the presentation of local customs and gastronomy. A great deal of creativity and an accent on the interactive approach were used, to provide pre-reserved groups of visitors with the unique experience of “magical Istria”. Promotional tools like multi-lingual brochures, posters, a web portal, as well as participation in various tourism fairs contributed to the overall recognition of the Istra Inspirit project. After comprehensive preparation (design of costumes, promotional campaign, organisation of accompanying offer...), in 2012, nine events were launched under the name Istra Inspirit. 27 events in total were organized from June till September, and their short description can be found in Table 1.

Table 1: Description of nine initial Istra Inspirit events

Name, location of the event and short description	The experience includes:
<p>Spazio, Rovinj Basement taverns (Spazios) as characteristic meeting points of fishermen and farmers of Rovinj and its surroundings, along with traditional songs and food, is the central topic of this event.</p>	<ul style="list-style-type: none"> - welcome drink - tour of the Ecomuseum Batana - batana ride with musical accompaniment - experience of the MatikaSpacio - fisherman's four-course dinner with drinks - performance by the band Batana or the group of bitinadure Marco Garbin singing old songs - comedy play

<p>Crispo Medulin At the archaeological site of Vižula in Medulin, the story of the Roman hero Crispus is revived.</p>	<ul style="list-style-type: none"> - welcome drink - interactive walking performance - tour around the archaeological site Vižula - display of the Roman tragedy at a unique location by the sea following the sunset - musical journey with dances - on site rich Roman dinner with drinks
<p>Mythical Creatures of Istria Pula Interactive programme presenting the mythology of Istria.</p>	<ul style="list-style-type: none"> - welcome drink - visit to the Castle of Pula - introduction to the mythical creatures of Istria - short presentation about the construction of the Amphitheatre in Pula with interactive participation of children - fairies' performance - sweet snack and drinks - mini disco - taking pictures with characters from the show
<p>The Miner's Republic Labin program presenting the life of miners in coal mines of Raša and Labin during the second decade of the 20th century.</p>	<ul style="list-style-type: none"> - welcome drink - bus return trip from Labin to Raša - mining equipment and access to the mine situated 150 meters below ground - tour of the mine with a professional guide - video presentation of the 1921 miners' strike - miners' brunch with drinks - miners' souvenir
<p>Jules Verne: Escape from the castle (Pazin) This event is contributed to the recreation of the first part of Jules Verne's novel Mathias Sandorf in which the main character escapes from prison in the castle of Pazin.</p>	<ul style="list-style-type: none"> - welcome drink - luxury dinner from the Austro-Hungarian era - tour through Etno Museum of Istra - visit to Jules Verne's study and the dungeon of Mathias Sandorf - performance based upon the escape from the castle - live music
<p>Iustitia (Poreč) The event revives historical trivia from the Baroque period regarding the trial of Domenico Furlan, notorious thief of the time, who destroyed the tabernacle of the Basilica in Poreč, stealing the gold and silver with which it was adorned.</p>	<ul style="list-style-type: none"> - welcome drink - tour around the historical centre of Poreč by actors - tour around the Sinčić palace and the Heritage Museum of Poreč - performance based upon the trial and execution of Domenico Furlan - dance performance - rich Baroque dinner with drinks
<p>Mare the witch(Svetvincent) Interactive show about a historical event from 1632 when Mare Radolovich, the herbalist and healer of Svetvincent, was accused of witchcraft and pacting with the devil.</p>	<ul style="list-style-type: none"> - welcome drink - tour around the Grimani-Morosini castle - presentations of old crafts - tasting of local products - pictures with autochtonous Istrian animals - trial and the witch execution - vocal group Nešpula - theatrical play - folk dinner + drinks

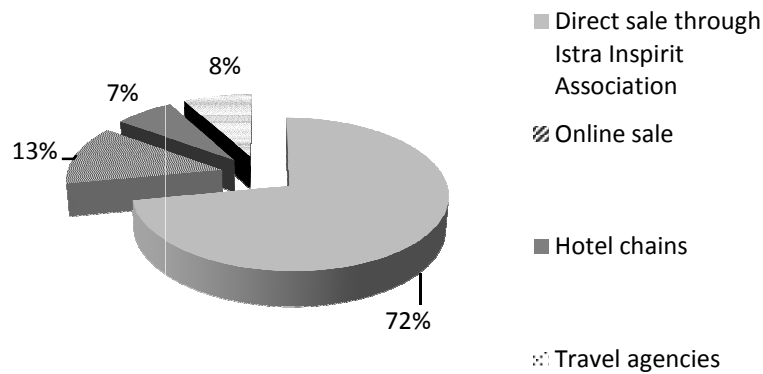
<p>Old Buzet Buzet The atmosphere of Buzet of the first half of the twentieth century is the main theme of this event: by making traditional bread and by dancing old dances to the sound of the accordion, the violin and the double bass, visitors can experience the spirit of „old“ Buzet.</p>	<ul style="list-style-type: none"> - welcome drink and biscuits - tour of the old historical centre of Buzet guided by actors and musicians - presentations of old crafts - tasting of local products - participation in homemade bread making and baking <ul style="list-style-type: none"> - the Old Buzet dance - visit to the Heritage Museum - playing the game ‘pljočke’ - rich dinner/lunch with drink
<p>The Lighthouse of Love Savudrija The legend of love and the tragic fate of the Austrian Count Metternich and a local girl during the construction of the lighthouse in 1818 is presented through this event, including the art and music performance in the setting of the lighthouse of Savudrija.</p>	<ul style="list-style-type: none"> - welcome drink sprinkled with aphrodisiacs - musical love journey - romantic sunset at a unique location - cellist concert - theatre of shadows at the lighthouse - Count Metternich’s rich dinner

Source: Author’s research based on data available at www.istrainspirit.hr, accessed January 2, 2014

Apart from all the mentioned events, at the end of 2012, a “Coronation” event has been organised, which united all events in a single play, performed in the Istrian National Theatre and all stakeholders were invited. Istra Inspirit events, as visible in the table, provide an extensive experience comprised of various elements which tackle all visitor’s senses. Therefore, through a unique combination of traditional gastronomy, customs and heritage of microlocations, the entire Istrian destination is presented through a symbolic “travel through time”. The “kick-off” year of the project was 2012 and the main aims of the project developers (Istria County, Istria Tourism Development Agency and Istria Tourism Board) were to make the project recognizable to a wider public and to promote the rich historical and cultural heritage of Istria to visitors in a more interactive way. One of the tools in order to achieve these goals was the affordable price of tickets (around 27 EUR) and it is important to emphasize that during 2012, a large number of tickets was given away as part of the marketing positioning of the project. In total, 27 events organized in 2012, hosted almost 4.000 visitors.

During 2012 and 2013, agreements with 6 hotel chains, 16 travel agencies and 2 camps on the promotion and the distribution of tickets were signed, and cooperation with some private accommodation renters was also established. In 2013, 15 events during the period from May till October were organized and visited by more than 2.500 visitors. Data on the total numbers of tickets sold in 2013 show that the direct sale of tickets “on the spot” (event destinations) and through representatives (mostly volunteers) in various Istrian destinations, at border crossings and at the national airport, was most successful.

Figure 1: **Distribution of tickets for the Istra Inspirit events sold through various selling channels in 2013.**



Source: Authors interpretation based on the data from Istra Inspirit Report for 2013

As result of the successful first year of the project and the recognition of events, four exclusive Istra Inspirit events were organized for corporate groups, on request. In 2013, a new event was launched: the Inspirit Junior, organized for the pupils of Istrian primary schools and oriented toward the promotion and preservation of local history and identity.

The Istra Inspirit project was presented at local, regional and national tourism and gastronomy fairs and has received a significant number of awards: the CBTour Award for best creative business tourism product, the “Simply the best” award by the Croatian Association of Travel Agencies and the magazine Way to Croatia, the Capra d’oro 2012 for the most innovative product in Istria, the Golden Zoom Award for best marketing campaign of tourist destination and the nomination for „XVIII edición Concurso al mejor producto de turismo”-FITUR Madrid- award for best international tourist product.

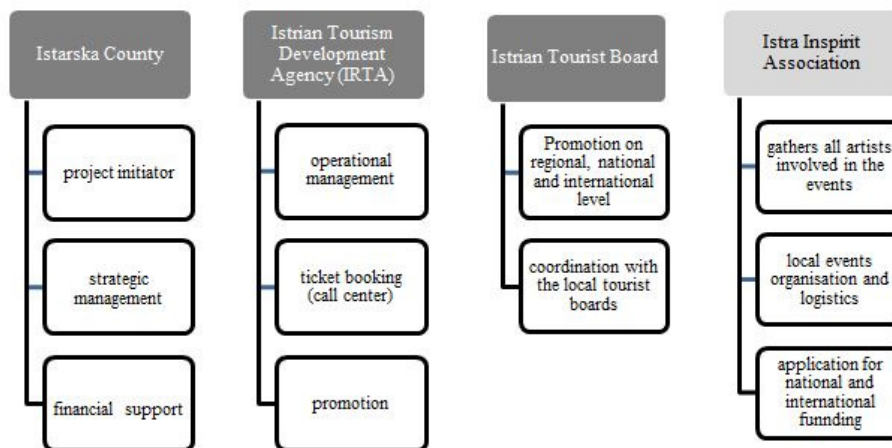
The future of the Istra inspirit project is, according to the plans of its organizers, oriented toward the creation of new events and their inclusion in the Inspirit network, as well as continuity of the programme of exclusive events for closed groups in the off-season periods.

2.2. Stakeholder analysis of the project

In order to examine the success of the Istra Inspirit project from the stakeholder point of view, it is important to analyse in more detail the primary initiators and developers of the project. The first idea regarding the project creation came from the Istria County and subsequently the initiative transformed into a project that involved both: the Istria County, the Istrian Tourism Development Agency and the Istria Tourism Board, as main actors. After all of the events have been successfully implemented in 2012, the fore mentioned primary organisers suggested the creation of an Association named

Istra Inspirit, which would gather all artists involved in the project, support creative potential of the project and enable long-term self-sustainability. After its official forming in the beginning of 2013, the Association took over some important functions in the project implementation. Figure 2 describes the most important stakeholders of the Istra Inspirit project and their main functions.

Figure 2: Main stakeholders of Istra Inspirit project



Source: Author's research

Although there is general division of responsibilities and tasks among the main stakeholders, what is extremely important to emphasise is the significant level of informal communication and cooperation among them. In the initial phases of the project, a great deal of voluntary work was conducted during the preparation of events, especially in terms of costumes design and production, promotional materials, the creation and the logistical aspects of the events. In later phases of the project development, issues regarding the promotion and marketing strategies were not just the responsibility of the tourist board, but of all main stakeholders who contributed to the branding of project activities. This is not very surprising, having in mind that Istria is more of a community-type destination, with a long tradition of cooperation among various public institutions in the creation and implementation of joint projects.

Another key factor, influencing the success of the Istra Inspirit project, is the involvement of a wide base of various stakeholders into the project. In the organization of each event, local stakeholders (local authorities and tourist boards, civil society organisations, private firms, inhabitants) were invited to contribute to the event in various forms. This type of active participation ensured an overall acceptance of the project and contributed to the synergic effect of all activities in providing an authentic and unique experience to the visitors. But it also created some additional financial and non-financial benefits to the secondary stakeholders involved. A more detailed overview of each category of other stakeholders involved is presented in table 2.

Table 2: Analysis of the involvement of various stakeholders and its benefits from the Istra Inspirit project

Stakeholder category	Level of involvement and contribution to the project	Benefits
Local governments and tourist boards	Providing on the spot infrastructure, dealing with local logistics, facilitating transport regulation... Local tourist boards actively promote events.	Tourism recognition of microdestinations
Additional local organisers	Each event has its own local organiser. Sometimes it is the local tourist boards, but mostly local institutions or associations related to the event's theme, for example: the Eco museum Batana, the Historical and Maritime Museum of Istria, the Museum of Pazin, the Labin Art Express Association... All of them are chosen in order to better present the important local heritage and sites included in the event.	Additional presentation and affirmation of their work and activities to the public and visitors
Local civil society organisations	Giving additional offer and added value to the events: for example Sports climbing club Hiperaktiv assisted during the Pazin event and presented their activities. Moreover, for the Crispo event, several local associations presented their work on promoting Roman heritage and customs in Istria	Presentation of their work and activities Opportunity to sell their products and/or custom made souvenirs related to the events (for example ancient roman jewellery replicas)
Hotels, tourist agencies , private accommodation renters	Agreements with organizers of the project to sell tickets for the events and promoting events among their guests	Commission for sold tickets Opportunity to offer guests a unique cultural experience
Local inhabitants, family agricultural businesses	In some events, local inhabitants are stuntmen during the performances Local family agricultural business offer their traditional products during the events, creating a more intense experience of the destination	Opportunity to become part of the play Chance to promote local products and sell indigenous home-made products Adoption of the theme of the event for creating original souvenirs (miner's identification tags, olive oil named after the event...)
University Of Pula	Students of the interdisciplinary study programme „Culture and Tourism“ had field practice through volunteering during the events as a part of the „Praktikum“ course.	Chance to experience the hands-on organisation and observe the management and implementation dynamics of a cultural tourism project of this type.
Sponsors	Donation of products (mostly food and beverages) and financial contribution to the event organisations	Promotion among (especially foreign) tourists as potential consumers.

Source: Author's research

Indeed, the Istra Inspirit does involve a wide base of various stakeholders and this example demonstrates the difficulty of assigning categories of primary and secondary stakeholders among the involved groups. However, it is very important to value their contribution to the overall success of the project. While the strategic and financial support of the Istria County and partner institutions formed the crucial building blocks of the project (idea, resources for the creation and organization of initial events), the involvement of various local stakeholders ensured that the project activities become an important element of the tourist offer and a framework for future expansion and new initiatives. By encouraging active participation of local stakeholders and giving them opportunity to present their work during the events, project acceptance was achieved and synergic effect crucial for long-term sustainability of the project was ensured. Of course, it is important to have in mind that the Istra Inspirit is a project initiated by the public sector, and short-term profitability and return of investment were not the main priorities, as they would probably be in the case of a project initiated by a private investor.

CONCLUSION

For a long period of time the stakeholder's concept played a significant role in both academia and the industry sector. Stakeholder theory operationalised by managers can be a very useful instrument in order to achieve the planned objectives, face constant uncertainty and minimise potential risks from the external environment. Due to the complexity and the multidisciplinary character of the concept, new contribution with evidence from practice is welcome.

In the field of tourism, relationships and collaboration of various stakeholders can be crucial for long-term sustainability, competitiveness or even survival in terms of destination competitiveness, but also at the level of individual tourism projects.

This paper showed, on the example of the public-driven tourism project, the importance of direct inclusion of various stakeholders in the implementation of project activities. The case study of the Istra Inspirit project as a cultural tourism project implemented at regional level, indicates that initiative from public institutions can sometimes be a "break-through" for a new tourism offer and a generator of positive changes for various stakeholders on a micro level. In order to actively involve various stakeholders that would usually be considered as secondary stakeholders in the implementation of project activities, it is important to:

- establish an efficient collaboration mechanism (in this case study based on informal communication and trust)
- give stakeholders a certain level of autonomy and visibility within the project in order to foster their creative potentials
- emphasise non-financial benefits that they receive from participating in the activities

From the perspective of project organisers, added value of the involvement of various stakeholders in project activities is hard to measure through financial and economic indicators, but still it is impossible to deny their contribution to the project's success. The cultural character of the analysed Istra Inspirit project, additionally stressed the need for the reinforcement of ties between community primary and secondary stakeholders in the provision of unique experiences based on local culture, tradition and identity. Moreover, success of the Istra Inspirit project in the "mobilisation" of local stakeholders and their resources for the purpose of integration of the destination offer provides valuable insights for tourism planners, DMO managers and tourism decision-makers, on how to create and implement successful tourism projects using stakeholders as an additional strength and not as a potential threat.

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