

EVENTS IN THE TOURIST DESTINATION AND THEIR IMPACT ON COMPETITIVENESS AND POSITIONING

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Abstract

Purpose – The purpose of the study was to explore the impact of events on the competitiveness and market positioning of a destination. Events can help to create a new image for a destination.

Design – The study was conducted on the example of *Advent in Zagreb*, one of the most attractive event with regard to duration, international character and number of visitors. The organisation of Advent is one of the major activity in order to transform the image of Zagreb to an important yearlong destination on the map of Central European capitals.

Methodology – Secondary research, carried out to define the study's theoretical background, was followed by primary research in which the interview method was applied to hotel managers and travel agency managers. The set of questions that was identical for both hotels and travel agencies made it possible to closely define the synergy between these two groups of actors.

Findings – The study confirmed the assumptions that the organisation of events enhance the competitiveness and market positioning of the destination. The joint action of hotels, tourist boards, tourist agencies and other stakeholders affects the satisfaction of visitors.

Originality of research – No studies have been conducted up to date on the effect of events on the business performance of hotel and travel agencies, as well to destination competitiveness. The findings of this study made possible to design a universally applicable model of the attitudes and perceptions of stakeholders regarding the importance of events for the competitiveness of a destination.

Keywords events, tourist destination, competitiveness, hotels, travel agencies, DMC

INTRODUCTION

The satisfaction of tourists with their stay in a tourist destination depends on the level of quality and innovativeness of the destination's offering. The trend of shorter stays in destinations offering an integrated product places events in the forefront of essential tourism offering elements. Indeed, events in a destination are increasingly becoming a way of motivating guests to visit the destination.

Events have the ability to attract more visitors and generate a new image for a destination. In this, the duration and contents of the events are less important. What is more important is how the event is organised because the quality of an event depends on its organisation. Marketing and promotion are key factors in the market positioning and, ultimately, the financial performance of events and destinations.

Events are an element of the tourism offering that every destination is able to provide. New destinations can use events to work on developing their market positions. Established destinations can use events to boost periods of lower tourist attendance numbers and to invigorate the offering should the market become “weary” of what a destination has been offering for a longer period of time.

The success of an event depends not only on its nature and organisation but also on a number of other elements that are in the domain of destinations and destination management such as accommodation, the food and drink offering and transport.

1. THEORETICAL BACKGROUND

Tourism is one of the most complex activities of today. Keeping in mind the nature of tourism as a business, it is evident that tourism is organized as a dynamic system that creates a variety of commercial and non-commercial activities that shape the tourism product (Simonceska, 2012). Competition in tourism is becoming fiercer. Despite numerous definitions of competitiveness, there is still no unambiguous definition of the competitiveness of a tourist destination. There is a fundamental difference between the nature of the tourism product and the more traditional goods and services. (Omerzel, 2005). According to Ritchie and Crouch (2005) competitive advantage relates to tourism infrastructure, the quality of management, the skills of the workforce, government policy, etc.

Competitive advantages in the form of new tourism products and services can ensure stable and long-term sustainable tourism growth and development for a destination. Krešić (2007), Bordas (1994), Hasan (2000) underline the fact that tourists have neither the motivation nor the desire to travel to a particular destination which they do not perceive as having an attractive offer. According to Tsai, Song & Wong (2009) and Go, Pine & Yu (1994) the competitiveness of a destination directly affects tourism receipts in terms of visitor numbers and expenditures but, to a certain extent it also indirectly influences tourism-related businesses, such as the hotel and retail industries in that destination. To increase the competitiveness of a destination, the stakeholders of the offering develop specialised services for potential tourists, and so the area begins to take on the familiar characteristics of a tourist destination. This determinant includes “quality”, “quantity” and “environmental friendliness” of tourist accommodations, “food service quality” and “tourist oriented services” (Laws, 1995). Saxena (2008) considers that the right types of accommodation capacities are vital to tourism development.

One of the ways of motivating guests to visit a destination is to organize events in the destination. Events are both animators of destination attractiveness but more fundamentally as key marketing propositions in the promotion of places given the increasingly global competitiveness to attract visitor spending (Getz & Page, 2016). Events can be defined as a package carried out with a perceived concept, and then customized or modified to achieving the aim of organizing that event (Janyswall, 2008). Kontosic et al (2017) highlight the impact of event organisation on the creation of innovative hospitality products, namely the design and valorisation of temporarily organised lodging facilities formed for the purpose of accommodating the participant s

of various events. According to Paunfiluk (2015), Getz (2008) and Saayman and Saayman (2005), events have for a long time been viewed as a tool for economic development, because visitors increase demand and stimulate output in the economy.

The studies of Connell, Page, & Meyer (2015) point out the crucial connection that exists between the market for visitor attractions created by tourists and the use of events to fill the gap left in the off-peak season by a seasonal drop in tourism demand, as residents and domestic visitors provide a substitutable form of demand stimulated by events. Competition between destinations strengthens and grows. It is necessary to continue exploring new ways of diversifying existing tourism products and to devise new concepts for destinations on the market (Mihajlović, Vidak, 2016).

Tourism that is void of events is in danger of being perceived as standardised, uniform, monotonous, common and, not surprisingly, boring. These are exactly the type of offering characteristics that today's tourists do not want to experience, seeking instead unique events and experiences that will stimulate new understandings and emotions.

The primary hypothesis is defined as follows: Events affect the competitiveness and market position of a destination. Auxiliary hypotheses are also formulated: Events influence the increase of sales volumes of accommodation facilities; events increase the volume of business of inbound travel agencies; modern forms of promoting events via the Internet, social networks and online portals significantly contribute to positioning a destination.

2. MATERIALS, METHODS AND RESEARCH DESIGN

The study focused on accommodation facilities, taking into consideration the representatives of different types of hotels, including the integrated hotel whose specific offering is scattered across the entire city centre. The aim was to investigate whether the effect of events is the same for different types of hotels. The study also looked at inbound travel agencies. Primary research was conducted using the interview method and a questionnaire consisting of ten questions for hotel managers and 11, for travel agencies. One set of questions was identical for the managers of hotels and travel agencies, making it possible to accurately compare results. The second set of questions, however, differed for hotels and travel agencies due to the different nature of their business operations and their role in the destination's offering.

Primary research was preceded by the secondary research of theoretical postulates in papers published in relevant publications concerning the role of events in the destination offering and the role of events in motivating tourists to choose a specific destination over other destinations.

The results obtained were correlated with the study of visitor attitudes, thus providing a better understanding of some of the research results and enabling the formulation of recommendations for future research.

The destination selected was Zagreb, and the event, *Advent in Zagreb*. Research was conducted during December 2017 and January 2018. The reason for choosing Zagreb was the fact that in recent years this destination has been on the rise, while changing its image from a business destination to a leisure destination. In this transformation it especially relies on the offering of events, of which there are many in Zagreb throughout the entire year. *Advent in Zagreb* is the most distinctive event in the market and can serve as the subject of research to study the effect of events on enhancing a destination's competitiveness and improving its market position.

Like any other research, this study also has its share of limitations, the foremost of which is the relatively small sample of hotels and agencies. Hence, the results should be considered as being indicative and representing a solid platform for further studies in that direction.

3. RESEARCH RESULTS AND DISCUSSION

A comparison of the research results based on identical questions to hotel managers and travel agency managers indicates matching experiences. By enhancing the attractiveness of the destination as a whole, events – in this case, *Advent in Zagreb* – have a positive effect on the volume of business. Events lasting several days, complete with mini-events and special services as part of the main event, could additionally increase the destination's competitiveness and attract even more visitors. Organising and valorising such an event always calls for the collaboration of a large number of stakeholders in the destination. The study indicates the large role of the Tourist Board and points to almost limitless opportunities for promoting the event. Table 1 presents the attitudes of hotel managers and DMC managers with regard to the event *Advent in Zagreb*.

Tables 1: **Attitudes of hotel managers and DMC managers in the tourist destination of Zagreb**

HOTEL	DMC
<ul style="list-style-type: none"> Single out the events in Zagreb that contribute the most towards improving the market position of Zagreb as a tourist destination and have the greatest effect on hotel occupancy rates. 	
Various events, such as concerts, sports events, etc., have an influence on better hotel occupancy rates. <i>Advent in Zagreb</i> is in the forefront of such events.	Concerts, guest performances by world-famous artists, renowned exhibitions, conferences, <i>Advent in Zagreb</i> , sports events
<ul style="list-style-type: none"> How do you rate the benefits from organising multi-day events relative to benefits from single-day events, with regard to achieving additional overnights and turnover? 	
Events lasting several days, especially during months of low occupancy rates, bring extra revenue and overnight stays, while single-day events in months of high occupancy rates yield negligible results. Multi-day events generate more profit because more overnights are realized.	The benefits from organising multi-day events are great; more guests can be accommodated and some would like to stay longer. Multi-day events, however, have no effect on extending the stay of the group of ordinary leisure guests, and only rarely do they affect the stay of the group of special-interest guests.

HOTEL	DMC
<ul style="list-style-type: none"> In what way would you enrich multi-day events to ensure stays during weekdays? 	
Greater efforts are needed in promoting various attractions in the city and environs and particularly in designing new attractions to encourage guests to stay longer.	Single-day excursions, tours and cultural events are needed to ensure stays during the week. The New Year's Concert, sponsored by the Zagreb Tourist Board, is also an interesting offering for tourists staying in Zagreb in that period.
<ul style="list-style-type: none"> What promotional channels do you use in hotel promotion and how quickly can you respond in promoting services in the destination? 	
The official website of the hotel is used, together with social networks (Facebook, Instagram, newsletters)	Contacts with foreign agencies, promotional material of the Tourist Board, catalogues, official websites...
<ul style="list-style-type: none"> Do your partners/hotels/agencies/online portals incorporate events in the packages offered to outbound markets? 	
If we decide to make such an offering, the most popular OTAs (booking.com, Expedia) are not able to incorporate packages for a specific period that do not refer to granting discounts based on price. The packages are promoted via social networks and our own websites.	Some partners become involved in the event in pre-designed offerings.
<ul style="list-style-type: none"> Rate the extent to which hotel guests attending the event are informed of the hotel's offering. 	
Guests coming specifically to attend a tourist event have often gathered information about events and the hotel prior to their arrival.	The extent to which guests are informed is too low and should be higher in order for their experience to be complete.
<ul style="list-style-type: none"> What do you think of the role of the Zagreb Tourist Board and its promotional material regarding events and the hotel offering? 	
The promotional material of the Zagreb Tourist Board perfectly complements the offering. Guests are happy to take special editions of brochures and newsletters about events, and I believe that this type of advertisement can contribute to the success of an event.	Tourist Boards play a large and vital role. They organise and promote events and the overall offering. Especially prominent is collaboration with all stakeholders in the offering.
<ul style="list-style-type: none"> What effect do organised events in Zagreb have on innovating the offering of your hotel and on increasing your hotel's room rates? 	
Events have a positive effect on the hotel offering. Hotel room rates increase during the time of events. The offering is mostly customised with regard to catering, by designing specific themed products closely linked to the event.	There is no significant increase in the prices of accommodation and catering services.

Source: Authors' research

The organisation of events affects the increase of tourist traffic. The organisation of events such as *Advent in Zagreb* leads to greater demand for accommodation and to greater eating, shopping and entertainment expenditure. Hotels and travel agencies, together with other stakeholders, have demonstrated their willingness to collaborate synergistically in organising a variety of events. Today, visitors to tourist destinations

are seeking an offering of special experiences. Diverse programmes, providing experiences, entertainment and new things that result in new experiences, affect the competitiveness of the offering and the positioning of the destination. Because of issues involved in promoting such an offering, hotels have embraced the digital tools of e-marketing, social networks and their own websites. By means of attractive multimedia and visual materials, the tourist board plays the role of major promotor and co-organiser of different events in the destination. Successful promotional campaigns help to position the event on the map of destination events and positively affect the destination's brand and image.

Unlike other hotels, the integrated hotel is characterised by its special accommodation services and by the involvement of residents in its overall offering. The managers of the integrated hotels pointed out that guests visiting Zagreb are mostly leisure guests, whose stay begins and ends in Zagreb. The integrated hotels, with accommodation units scattered across the entire city centre, do not provide specialised or themed hotel services nor do they carry out specialised promotion. Instead, to provide quality information to guests, they educate their staff regarding the aspects, characteristics and special features of events. They pointed out that the benefits of events are primarily valorised through greater popularity and improved image. Events are the basis for the future competitiveness of all stakeholders in the destination, including integrated hotels.

The perceptions of visitors are vital in enhancing the competitiveness of a destination through events. Correlating the attitudes of visitors to the experiences of hotels and travel agencies provides an even clearer picture of the attributes of *Advent in Zagreb*. The survey of the attitudes of visitors to *Advent in Zagreb* (Gregurić, 2017) has confirmed most of the findings of the previous survey. Namely, Zagreb is a destination with a split image (38% leisure); visitors mostly get information from family and friends (41%) and most of the guests (40%) stay in hotels. Most visitors see Zagreb as a destination that has better quality than other European cities and while the quality of the offering improves from year to year, there are still many issues that need to be addressed (transport, services/facilities for children, prices, promotion, sub-events, etc.). Table 2 presents the level of satisfaction of visitors to *Advent in Zagreb*.

Visitors to *Advent in Zagreb* were the most satisfied with the authenticity of the event, that is, the offering of traditional dishes and drinks, the souvenir offering and the offering of indigenous Croatian products. Visitors were the least satisfied with transport, that is, local transport, public transport and parking areas. Destination management needs to realise that previous measures (free public transport, organised arrivals in the city, etc.) have failed to produce the desired effect. A comprehensive traffic solution is required for the destination during the Advent period; otherwise the positive perception of the other elements of the offering could deteriorate.

Tables 2: **Visitors' level of satisfaction with event elements**

	Average score
PROGRAMME	
Diversity of services/facilities	3.96
Organisation	3.87
AVAILABILITY OF INFORMATION	
Information on the Internet	4.00
Information flyers/billboards/catalogues	3.81
Other (newspapers, television, radio)	3.20
LOCATION	
Venue of the event	4.54
WORKERS AT THE EVENT (vendors, caterers)	
Courtesy and friendliness	4.15
Professional skills	3.63
TRANSPORT	
Local transport	2.69
Public transport	2.74
Parking areas	2.37
AUTHENTICITY OF THE EXPERIENCE	
In the offering of traditional dishes and drinks	4.46
In the souvenir offering	4.44
In the offering of indigenous Croatian products	4.65
ENVIRONMENT	
Cleanliness and maintenance	4.13
Level of preservation	3.72
PRICE-TO-QUALITY RATIO	3.31

Source: (Gregurić, 2017)

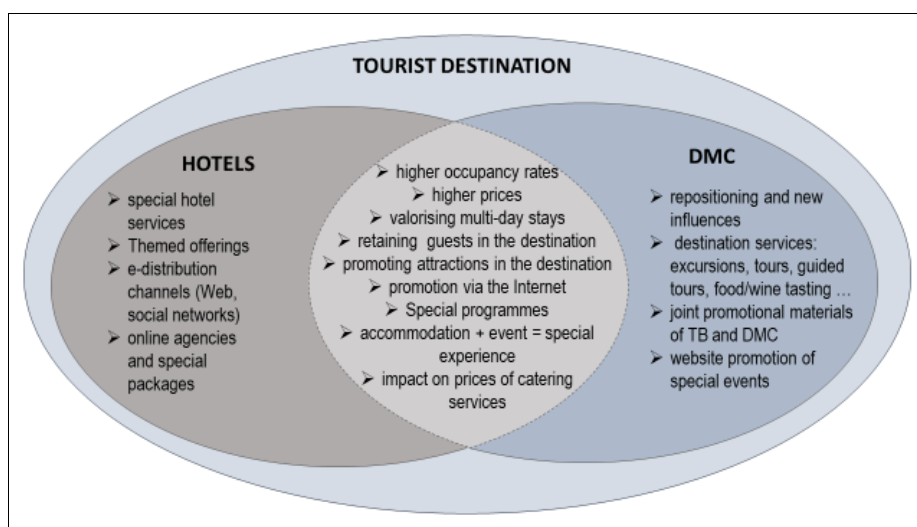
In recent years, *Advent in Zagreb*, both as an event and a destination, has sought to position itself in the market as the best Advent destination in Europe. It is evident, however, that improvements still need to be made to several elements of the event and destination.

The overall satisfaction of visitors to *Advent in Zagreb* has an average score of 4, with foreign guests showing greater satisfaction than domestic visitors. Fully 87% of surveyed visitors confirmed their intention to visit the event again as well as their intention to recommend the event to others (Gregurić, 2017).

The effect of events on the market positioning and competitiveness of a destination is the result of the interaction of many elements that need to be integrated into a cohesive whole. Among these elements, the hotel offering and inbound travel agencies play a special role. A model was designed of the attitudes and perceptions of stakeholders regarding the importance of events for the destination's competitiveness.

The part of the model referring to hotel accommodation includes both the elements of a general offering and the elements of a special offering, as a part of the tourism product, intended to motivate guests to use accommodation facilities as well as the overall tourism offering and distribution channels promoting the offering. DMCs, on the other hand, focus on specific products to promote events and ensure longer stays in the destination. The effects of events are maximised through the synergy of hotels and DMCs.

Figures 1: **Model of the attitudes and perceptions of stakeholders concerning the importance of events for the destination's competitiveness**



Source: Authors' research

Using the example of the event *Advent in Zagreb*, the study has confirmed the primary hypothesis stating that events affect the competitiveness and market position of a destination. The study also confirms the auxiliary hypothesis, which states that events influence the increase of sales volumes of accommodation facilities. This in particular applies to larger and longer-lasting events, although supplementary offerings in the destination also contribute to this increase. Events also increase the volume of business of inbound travel agencies in the destination by enabling them to offer other services/facilities to visitors whose arrivals were motivated by an event. The auxiliary hypothesis, stating that in the market positioning of a destination using events, modern promotion models are more important than conventional ones, was not confirmed, because the direct transfer of information is the most common form of promotion of the event *Advent in Zagreb*. The likely reason for this, in this case, is the large number of visitors from Croatia and from neighbouring countries in the region. A greater presence of modern promotion channels would be needed to make *Advent in Zagreb* more international.

CONCLUSION

A desire for new and creative experiences is typical of contemporary trends in tourism demand. In this context, events are particularly important, regardless of their duration or type, because perhaps more than any other form of the tourism offering, events are capable of providing unique experiences. For a tourist destination, events can be a vital factor in driving tourist activities in the off-season or they can even be the centrepiece of a tourism offering.

The organisation of events is closely linked to the accommodation offering and to DMCs as the promoters and organisers of tourist arrivals. The effects of events on the business operations of the selected representatives of different city hotels, including the integrated hotel as a new form of accommodation, were studied on the example of the event *Advent in Zagreb*. The role and influence of DMCs in the context of the event were also explored.

The study confirms the previously defined hypothesis: The event *Advent in Zagreb* affects an increase in the volume of business of hotels and travel agencies. The study also confirms that *Advent in Zagreb* has a significant influence on the competitiveness and market positioning of Zagreb as a destination. The results of the study were correlated to research on the level of satisfaction of visitors to *Advent in Zagreb*, which additionally confirmed the mentioned findings. The study also highlighted the elements which are in need of further improvement to prevent them causing the deterioration of the market potential of this highly successful event.

Based on the findings, a model that has universal application was designed of the attitudes and perceptions of stakeholders regarding the importance of events for the competitiveness of a destination.

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