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## Adapting a Business Communication Course to Market Needs

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### ABSTRACT

This paper will represent a practical approach to re-designing course curriculum and syllabus in order to fit the needs of the job market. The course in question "Business Communication" is taught to 3rd year students in our Faculty of Economics and Business Administration, belonging to the Babeş-Bolyai University from Cluj-Napoca, Romania. The course has been in place for many years; however, lately, we have thought that changes are necessary. These changes are determined by the changing needs of the job market as more and more multinational companies have set up offices in our city. The paper will present the basis for these changes, i.e. how we identified the market needs (qualitative research: meetings/discussions with managers/recruiters from multinationals) and what improvements we intend to bring to the syllabus of the course in order to focus more on the skills employees need in their workplace. At the same time, we would like to show the correlation between business communication skills and language skills (the course is taught in 5 different languages) as they are seen both by students and potential employers (quantitative and qualitative research: survey and focus group) and how this correlation could fit into the new course syllabus.

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## 1. INTRODUCTION

Once, a professor from Harvard University asked his students to define communication through a drawing. The majority drew a manager typing on his computer or speaking, others drew sheets of paper coming out of a printer. The professor's conclusion was that none of them actually caught the essence of communication. "Communication means neither to speak, nor to write. It means to share."<sup>1</sup> (Daft & Marcic, 2006)

Communication represents, together with motivation and professional competence, the key to excellence in an organization. All the members of the company spend the majority of their time communicating in a form or another. As nowadays the number of white collars clearly exceeds the number of blue collars, there is an increasing need for improving communication and collaboration between colleagues and hierarchical levels, not to mention the fact that the majority of jobs require teamwork abilities. Moreover, the technological changes have led to transformations in the structure and the activity of the organizations. Hence communication practices and technologies have become increasingly important for all types of companies. The role of the managers in the organizational communication process has gained more importance as they process internal and external information on one hand but also disseminate this information to the stakeholders of the company.

The study of organizational communication clearly shows that the role of communication in an organization is much more than the manager's capacity to be a good speaker and to have good interpersonal communication skills. All types of companies, regardless of size or field of activity, have communication needs and face communication challenges.

No matter what profession a student wants to pursue nowadays, the ability to communicate (in one's mother tongue as well as in English) will be an essential skill and a skill that employers expect young people to possess when they enter the workforce. Hence from, courses involving the teaching and practice of communication in general and business communication in particular need to permanently take into account the changing needs of the job market in order to prepare students for their future careers.

At the Faculty of Economics and Business Administration within the Babeş-Bolyai University from Cluj-Napoca, Romania, a Business Communication course has been taught to 3<sup>rd</sup> year students for many years in 5 languages: English, French, German, Italian and Spanish. After studying one of these languages for 4 semesters as compulsory Business English/French etc. practice course, in the third year students can choose the Business Communication course as an optional one for one or two semesters. In this way, they can use the language abilities obtained in the first 4 semesters in order to develop oral and written skills in business communication which will help them get a good job and function efficiently in the new workplace. Considering the current challenges companies face and the fact that Cluj-Napoca city has developed tremendously lately and become the "Silicon Valley" of Romania, some changes need to be done in the course syllabus, especially in the content part, in order to adapt to the new needs and requirements.

## 2. MATERIALS AND METHODS

According to Bovée and Thill (2018) "As companies around the world try to gain competitive advantages and cost efficiencies, employment patterns will vary from industry to industry and region to region". However, some general patterns may be established. So, what do employers look for in job applicants? Specialists in the field have come up with the following general skills and attributes:

- communication skills
- interpersonal and team skills
- intercultural and international awareness and sensitivity
- data collection, analysis and decision-making skills
- digital, social and mobile media skills
- time and resource management
- flexibility and adaptability
- professionalism<sup>ii</sup> (Bovée & Thill, 2018)

As we can see, the most important are the communication skills and as we are referring to an Eastern European country, we could also add the ability to communicate in English (or another foreign language). Another important area is represented by the ability to use technology in different forms and obviously for professional purposes, including professional communication.

Different approaches and perspectives coming from recruiters as well as consultants include among the top skills one needs to get a job the following as well: teamwork, problem solving, social media literacy, data analytics, creativity, commercial awareness, confidence etc.

Considering all these and looking at the old syllabus, we concluded that we needed to make students more aware of the importance of professional communication in their future jobs and also of the importance of technology in professional communication.

Being in charge of this course for many years, I decided that the introductory lecture should be about the foundations of business communication. The purpose of this lecture would be to make students understand what communication means and why it matters.

Starting from traditional definitions of communication and the description of the communication process, the focus would be on the idea of sharing, as this is essential in the workplace. "The essence of communication is *sharing* – providing data, information, insights and inspiration in an exchange that benefits both you and the people with whom you are communicating."<sup>iii</sup> (Daft, 2003)

The importance of communication must be looked upon from two angles: why communication is important to you, the employee and why communication is important to your company. At this point, future employees should understand that a lot of jobs nowadays are primarily about communicating in different forms and the changing nature of employment is putting new pressures on communication skills. Moreover, as it is already known, no great idea matters unless you express it clearly and

persuasively and if you get to an executive position you are likely to consume the majority of your time communicating. Consequently, improving communication skills can be the single most important step one can take in their career.

On the other hand, students should understand the importance of effective communication for the company. According to Bovée & Hill (2018) effective communication promotes a stronger sense of trust, closer ties with important communities, opportunities to influence conversations, perceptions and trends, increased productivity and problem solving, better financial results and higher return, earlier warning of potential problems, stronger decision making, clearer and more persuasive marketing messages, greater employee engagement with their work.

Thus, the moment you get employed, you are expected to communicate as a professional, i.e. to show that you understand why communication matters to you and to your company. This is the primary message students should get in an introductory lecture on business communication.

### **3. RESULTS**

A syllabus is both a document about the course content, goals and elements and a guide for students for the kind of teaching and learning they can expect.

In order to adapt the content to the job market needs, I conducted three different types of research:

1. informal discussions with representatives of the business environment
2. e-mail exchange and conversations with alumni
3. a short questionnaire applied to 3<sup>rd</sup> year students after one semester of studying business communication.

#### **3.1. The business environment**

Our faculty collaborates with several companies from our city and other areas of the country. On the basis of these collaborations, I had the opportunity of discussing with two professionals who offered us a comprehensive view on what companies expect from our students in terms of language and communication skills.

One of them, holding a management position at a multinational company dealing with outsourcing financial services, made a presentation in front of my 3<sup>rd</sup> year students telling them about his experience in recruiting new employees. The main idea was that companies expect students to have very good knowledge of English (at least intermediate level), as all selection interviews are in English as well as the majority of the daily interactions with colleagues and clients, except the case when another foreign language is requested. The speaker emphasized the fact that there is a shortage of German speakers and they also look for graduates who have knowledge of Nordic languages. Fluency and grammar accuracy are highly regarded as communication is both oral and written in the company. In this particular company, they also want people to have good telephoning skills and the ability to negotiate with clients. As there are many meetings, employees should be able to participate actively and express their point of view clearly and concisely. They should also be able to deliver presentations on work-related issues whenever it is the case.

also a very good Romanian one. He mentioned a few common mistakes Romanian employees make when it comes to translating specialized business terms as well as when it comes to using the correct register and style in writing. The second opinion came from the representative of a big accounting and company who holds the position of business writer. He was invited to our faculty to conduct a workshop on Business consultancy English for students and one for teachers. His major focus was on translation issues as he is a native English speaker but that students should become familiar with specialized language and with the differences between formal and informal style.

#### **3.2. Alumni**



I contacted a few graduates who used to study Business Communication and I addressed them the following questions:

- 1) Which of the skills/topics you learnt at the Business Communication course helps you most in your current profession?
- 2) Which skills/topics do you think should be taught to students in the same course in order to help them function better in their future workplace?

I got only 11 answers out of 20 e-mails I sent. The alumni in question graduated at least 3 years ago and are currently working in multinational companies in finance, HR and IT, where they use English on daily basis. All the respondents wrote that it was very helpful for them to know how to write a CV and an application letter as well as how to behave and speak in a job interview. 6 respondents consider that the most useful for them was writing e-mails, whereas 4 consider presentations as most helpful and one referred to the importance of writing reports.

As for the second question, my former students consider that oral communication skills are extremely important in the working place as well as the use of different types of technology in communication. 2 alumni mentioned that students should also be taught about ethics and ethical communication and be explained more about cultural awareness and how to function in a multicultural environment.

### **3.3. Students' survey**

Last semester around 250 students joined the course in Business Communication which focused on oral communication as the same course in the next semester will focus on written communication and recruitment documents. At the end of the course they were supposed to deliver a presentation on a business topic preferably related to their field of study or bachelor degree thesis.

I applied a brief questionnaire with only 3 questions on 100 students. The questionnaire looked as follows:

1. Do you consider this course
  - a. very useful
  - b. useful
  - c. quite useful
  - d. not useful at all
  - e. I don't know
2. Which topic presented in the course do you consider the most relevant for your future career?
  - a. Oral communication – a general approach
  - b. Business presentations
  - c. Business meetings
  - d. Business negotiations
  - e. None
3. Would you recommend this course to other students?
  - a. Yes
  - b. No
  - c. I don't know

The results were quite satisfactory. For question 1 56% of the respondents considered the course very useful, 23% useful, 10% quite useful, 6% not useful at all and 5% said they didn't know.

The topic students considered the most relevant was Business Presentations (73%) followed by Business meetings (21%), Oral communication (5%) and one respondent chose answer e – none.

It seems that the course was successful overall as 94% said they would recommend it to other colleagues whereas only 6% said they wouldn't.

I also consulted the students' anonymous feedback which is provided online at the end of each semester on a special platform and besides the general good impression, I noticed that they made quite useful suggestions regarding the content of the course. It seems that they would like more input on the use of technologies both for internal and external communication as well more practical use of technology in the classroom such as videos or examples coming directly from social media or other electronic sources.

So, what are we talking about when we refer to technology and its use in business communication?

### **3.4 . Technology and Business Communication**

When talking about the impact of technology on professional communication, one should refer to the impact of social media and to the mobile revolution.

Social media are changing the practice of business communication and the relationship between companies and their stakeholders. "Traditional business communication can be thought of as having a "publishing" mindset, in which a company produces carefully scripted messages and distributes them to an audience that has few options for responding to the company or interacting with one another. In contrast, the social model uses social media tools to create an interactive and participatory environment in which all parties have a chance to join the conversation. Many of the old rules and expectations, including a tight control of the content and distribution of the message, no longer apply to this new environment."<sup>iv</sup> (Bovee & Thill, 2018)

However, there are experts who predict that mobile communication will change the nature of business communication even more. For instance, the researcher Maribel Lopez calls mobile "the biggest technology shift since the Internet"<sup>v</sup> (Lopez, 2012) and companies clearly understand the value of integrating mobile technologies in their communication platforms. Mobile technologies offer multiple ways to improve communication and other business processes.

Millions of people around the world use a mobile device as their main form of communication and the primary way to access the Internet. This also goes for business executives who use the mobile phone as their main tool of communication voice or non-voice such as e-mailing or browsing. It is considered that there are actually a lot of parallels between social media and mobile communication as both of them change the nature of communication, alter the relationships between senders and receivers, create opportunities as well as challenges and force business professionals to learn new skills.

The implications are diverse, such as the need for websites to be mobile friendly; however, it is important to use technology to improve business communication not to hinder it as it might be the case with poorly designed or inappropriately used technology. Specialists recommend keeping technology in perspective that is to remember that it is just a tool and not a replacement for interpersonal communication. A frequent consequence of misusing technology is sending unnecessary messages and creating an information overload. This is why technological tools should be used productively and employees should possess at least a basic level of technical competence. Among these tools which redefine the office we can enumerate web-based meetings, videoconferencing and telepresence, shared

online workspaces, different voice technologies (speech recognition, VoIP), mobile business apps, instant messaging, collaboration platforms, data visualization, Internet of Things etc.

Nevertheless, no matter how much technology we are using, communication is still about people connecting to people. There is always a need for face to face interaction and human contact in solving tough issues in the workplace and maintaining productive relationships.

The question arising is: what exactly should we teach in a business communication course when it comes to technology? Should the teacher be a specialist in technology, in communication or in both?

I would say that in our case it is first about the language. The course is taught in English (or another foreign language), so students who choose this course are expected to have at least a B2 level. Unfortunately, it is not always the case as students underestimate the difficulty of the new course. Consequently, you need to be first and foremost a language teacher, although you do not teach language anymore; however, your students still need linguistic guidance. They still make pronunciation, spelling or grammar mistakes and it is your duty to pay attention to these mistakes and correct them.

Secondly, you should be a specialist in communication. In my case, it is maybe easier as I hold a PhD in management and communication. Other colleagues have different areas of expertise this is why they are not so willing to teach this course unless it is really necessary. From my personal experience, I could say that it is not enough to tell students which language structures and functions they can use in different business situations, you also need to have a background in organizational communication in order to be able to explain students what expects them in the workplace. This is even more necessary as they do not have any other communication course in their curriculum whatsoever. One of the most important things they need to understand is the importance of context in business communication, one of the ideas I wrote about in my PhD thesis being inspired by Pamela Shockley-Zalabak's model of organizational communication<sup>vi</sup> (Zelter, 2011). One cannot refer to the communication process in the professional environment without considering the context of communication. Whatever you say or write for a business purpose needs to be adapted to the context and hence from to the interlocutor, to your relationship with them, leading to the use of correct style, intonation or even attitude. It is difficult for a student to understand the idea of communication context as long as they have never been in one. Nevertheless, as I also teach distance learning students, I could notice the differences. Distance-learning students already have a job and they are usually older than full-time students. They understand better the organizational context as they are integrated in such a context. They also understand the need for adaptation as well as the ethical and cultural implications of communicating effectively in the workplace. In the case of full-time students, the use of case studies has proven to be a good tool in helping them understand the essence of organizational communication in an organizational context.

Finally, when teaching Business Communication, you also need to be familiar with communication technologies. This depends a lot on your ability of dealing with novelty and being permanently updated with the technological progress. I noticed that younger colleagues (those in their 20's and 30's) are more interested and therefore more familiar with the use of technology in different areas of teaching and researching, which is absolutely normal as they grew up with computers and mobile phones. Things are more complicated for the older generation who still finds it difficult to keep the pace with the tremendous technological development in the last years. The new generations of students are more and more demanding in this area and they expect their professors to know at least as much as they do, no matter their age. Personally, I have to admit that I am not a "genius" of technology and I still need to learn a lot about it in order to improve my teaching methods and provide better input for my students. At the same time, I am aware that students are my collaborators so there should not be any problem if I ask them for help, Students are more than happy to share their experience and to make contributions to courses and seminars. As part of their exam, they had to make a presentation on a business topic or a topic related to their field of study or bachelor degree thesis. It

was amazing to see how much students know about the use of technology in business and communication, especially those who study IT (Business Information Systems). They develop applications which facilitate the communication between the company and their clients, accounting software, platforms which would improve distance learning and training in companies as well as integrated technologies for specific areas of business. Just by listening to these presentations, both me and the other students had a lot to learn and we could practically understand how technology improves business communication and business processes.

Taking into account the three roles mentioned above, the changing needs of the job market and the importance of technology in all business areas, we can summarize the employers' expectations (which a business communication course should help students fulfil) as follows:

- recognizing information needs and using efficient search techniques to locate reliable sources of information – digital information fluency;
- organizing ideas and information logically and completely;
- expressing ideas and information coherently, persuasively and concisely;
- actively listening to others;
- communicating effectively with people from different backgrounds;
- using communication technologies effectively and efficiently;
- following accepted standards of grammar, spelling and register;
- communicating in a civilized manner;
- communicating ethically;
- managing time and resources efficiently;
- using critical thinking<sup>vii</sup> (Bové & Thill, 2018)

I consider that these elements should be the guidelines to be followed in preparing and teaching a Business Communication course. All communication topics and activities should aim at helping students organize ideas and information logically, express ideas and information coherently and follow accepted standards of grammar, spelling and register. At the same time special emphasis should go to teaching and practicing active listening and for each topic, the use of technology should be pointed out. Moreover, cultural awareness and ethical communication norms should be present in lectures as well as case studies and other types of drills. Critical thinking (the ability to evaluate evidence completely and objectively in order to form logical conclusions and make sound recommendations) needs to be cultivated when dealing with case studies so that students would be able to use the same ability when solving real life work issues.

#### **4. DISCUSSION**

As mentioned earlier, the course in Business Communication covers two semesters in the third year. One of the semesters is dedicated to the study of oral communication and the second to the study of written communication and recruitment documents. The schedule goes with a 2 hour-lecture every second week and a corresponding 2 hour-seminar in the other week.

For the first semester, given the feedback and recommendations we got from current and former students, no major changes would be necessary in the list of topics. However, the introductory lecture should strengthen the importance of communication skills for the future employee and for the

companies in terms of what employers expect from the graduates and what effective professional communication means. Students should also be given a brief input into the communication of a company and types of communication which are used inside the company. The role of technology in business communication should also be mentioned from the very beginning. Regarding the introduction to oral communication, advantages and disadvantages of using oral communication at work will be presented and special emphasis will be placed on the value of active listening. The seminar will deal with practical situations of oral communication in professional life such as socializing, telephoning or handling interpersonal situations and conflicts.

The other topics will stay as they were, i.e. business presentations, business meetings and business negotiations. However, new input on the use of technology in presentations and meetings will be added. Thus, in the lecture dedicated to presentations, besides referring to the structure, preparation and delivery of an effective business presentation, we are also going to refer to incorporating technology in the presentation. The new elements will be represented by the use of the backchannel (which is a line of communication created by people in an audience to connect with others inside or outside the room, with or without the knowledge of the speaker) and integrating social media in the presentation process in order to monitor, ask for and review feedback. Another element will be the online delivery of presentations and the challenges this process involves. Finally, more emphasis will be placed on selecting the most appropriate type of visuals and creating effective slides by using not only Power Point, but also Prezi. Practical examples with effective presentations in video format will be shown to students and discussed in detail in order to see the advantages and disadvantages of using different types of visuals and delivery techniques.

When it comes to the topic “Meetings” we are also going to add a chapter on the use of technology in business meetings. Reference will be made to the advantages of virtual meeting technologies and to their practical uses under the forms of: instant messaging, teleconferencing, videoconferencing, telepresence, virtual whiteboards, webinars, online brainstorming etc.

More changes should be made to the content of the course in the second semester. This semester should be dedicated to written communication and recruitment. It is very important for students to get familiar with internal communication issues in companies and to understand the importance of written/electronic communication in their professional life. The process of writing business messages should be taken very seriously with emphasis on formal and informal e-mails as these are mostly used nowadays.

The recruitment chapter is also essential for future graduates. They need to know how to write a CV in English (or another foreign language), a good letter of application and how to behave and answer questions in a job interview. Students will prepare their own portfolio comprising all the recruitment documents for their final evaluation. At the same time, they will work more on case studies during seminars and will have to deal with one for their evaluation.

The novelty will be represented by the lectures and seminars dedicated to the use of digital, social and visual media for business communication and the choice you have according to the business context you are in. A few points will refer to: major digital media for business messages (e-mail, messaging, web content, podcasting, social networks, media sharing sites, blogging, online videos etc.), the role of the e-mail, the advantages and disadvantages of business messaging systems, organizing website content or using podcasting.

As social media has changed so much business communication lately, it is necessary to include writing strategies for social media as well as strategies for business communication on social networks. Last, but not least, students should understand what visual communication means and how powerful images are. They will get acquainted with the visual evolution in business communication, the ethics of visual communication and the best ways to select visuals for presenting data.

Going back to the feedback provided by the business environment, students and alumni, we intend to include chapters on communication ethics and cultural awareness, however not to a great extent as students have a mandatory course in Intercultural Business Communication (in English or another foreign language) in the master programme curriculum.

Authors should discuss the results and how they can be interpreted in perspective of previous studies and of the working hypotheses. The findings and their implications should be discussed in the broadest context possible. Future research directions may also be highlighted.

## 5. CONCLUSIONS

The world is changing at an incredible pace and this is mainly due to the tremendous development of technology. Thanks to this development communication has become easier both in professional and personal life but, at the same time, it has become more complicated and new barriers have emerged. Under the circumstances, what is a teacher's mission?

I would say that our primary mission is to prepare students to cope with these incredible changes, to help them understand today's dynamic workplace and what is expected from them as future graduates. We need to show them the steps they can take in order to adapt to the job market and the importance of creating an employment portfolio and building one's personal brand. Everything we teach them should become a useful tool in finding a good job and progressing in one's career.

At the same time we should make them aware of the advantages and disadvantages of using communication technologies and of the choices they have, choices which depend on whom their interlocutor is and on the business context itself. The wrong choice may affect a relationship, a business process or even one's career.

No matter how many e-mails you sent or how many video conferences you attend, there will always be a need for human interaction and for face-to-face discussions. Technology cannot solve all the problems, it cannot think for us, it cannot replace our judgment and more important our feelings. Staying human in a technology-dominated environment could be the key to a healthy professional life and to becoming a better communicator.

This section is not mandatory, but can be added to the manuscript if the discussion is unusually long or complex.

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<sup>vii</sup> Bovée & Thill, 2018)

# Strategic Positioning of Emerging 5G Technology - Barriers and Perspectives

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## ABSTRACT

Since its introduction in the late seventies of the last century, mobile wireless communication has undergone significant stages of development, from analogue voice calls to nowadays latest state-of-the-art digital technology. The intense development of mobile communications networks, the increasing number of new types of mobile devices resulted in a large number of new applications being used and will increasingly be used in mobile connectivity and the expected growth of network traffic. The emerging and most promising one, the 5G technology, will probably not appear in the market until 2020 as a full scale commercial platform. 5G platform is expected to significantly improve customer service quality in the context of increased data volume in mobile networks and the growth of wireless devices with different services. In the near future, some of the main goals or requirements to be addressed by the 5G network are increased capacity, improved data transfer rates, reduced latency, and improved service quality. As per technological innovation theory taxonomy and strategic innovative positioning 5G technology is considered as game changer and disruptor. This paper displays how the global level key players, are preparing to introduce and boost the 5G network operability by using an inductive method, where broader EU arena with specific Croatian environment are used as a practitioners show cases.

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## 1. INTRODUCTION

For over four decades, speed mobile communications increased by around 100 million times thanks to the development and implementation of new technologies and the improvement of network infrastructure. When it comes to this network advantages, experts predict really impressive opportunities, and one of the most important is the data transfer rate, so the introduction of new technologies in Communications Infrastructure is expected to speed up to 100 Gbps. In that regard, 5G technology emerges as a mobile communications forefront, and technology will allow connectible emerging technologies, such as IOT (Internet of Things) technology experience real expansion as a result of significantly faster communication between all connected devices and the ability to exchange and store unimaginable quantities of data.

Such a scenario is particularly predicted in the industry, but in all other areas as well, especially when it comes to the autonomy of machines, cars and virtual and augmented reality. The Real expansion of applications for managing and communication with individual devices via the mobile phone, especially when it comes to a smart city and smart home solutions is to be expected.

As a result of the intensive implementation of the 5G technology, it is expected to increase the cost of infrastructure investments, as well as increased consumption of electricity. Those who first started with its introduction, game changers and the world global leaders such as South Korea, China, USA and Japan will be quickly convinced that this is the case of disruptive technology. Since this is still emerging technology, and its wider global application is expected only after 2020, the question of which countries will become leaders, and whether their approach will be an example of good practice and successful implementation in other countries, which applies to Croatia is arising. This is reason enough for the individual states to wait for the implementation of 5G technology, accepting the follower role. Therefore, this paper goal is to present strategic business review on economic, business and other benefits that 5G network brings, which are the opportunities that may be realized by introducing such technology, the interdependence and connectivity between technologies, and finally noticed disadvantages and barriers for its implementation. More specifically, this paper aims is to analyse how the global level key players, with particular focus on EU operating arena and Croatian operating environment, are preparing to introduce and boost the 5G network operability by use of an inductive method.

Following this introduction, a theoretical background and a literature review on current available research is presented. It includes the history of mobile communication development, presents the characteristics of 5G technology and its interaction as well as synergic potential with other emerging technologies and concludes with global perspective and barriers in its implementation. The third part presents obtained results based on the research of secondary sources on which strategies selected countries have undertaken, their implementation strategies, the barriers that telecommunication operators meet at local levels when it comes to implementation. Furthermore it analyses legal frameworks and standards required to enable equal conditions for all, both service providers on the one hand and users of services. Paper ends with resulting discussion on results and brief conclusions.

## **2. THEORETICAL BACKGROUND**

### **2.1. History of mobile communication development**

The history of mobile communication and its development is presented through various 'G' denominated mobile network technologies evolution phases. The first generation of G networks appeared in the early 80s. It had a data transfer rate of up to 2.4 kbps. The main disadvantages of such a network are lower capacities, misleading communication, weaker voice associations, and insecurity.



In such a network, voice calls are stored and played in radio towers, therefore increasing the vulnerability of these calls from unwanted eavesdropping.

The second generation was introduced at the end of the 1990s. Global Mobile Communications Systems (GSM) was the first generation system mainly used for voice communication and data transfer rate of up to 64 kbps. The 2G mobile phone battery lasted longer due to low power radio signals. It also provides services such as short message service (SMS) and email. Vital eminent technologies are GSM, Code Division Multiple Access (CDMA) and Interim Standard 95 (IS-95).

The 3G generation was established at the end of 2000. It reached the speed of 384 Kbps to 2 Mbps. The third- generation (3G) systems have joined the fast mobile access with the help of Internet Protocol (IP). Additional features such as global roaming and improved voice quality have made 3G a tremendous generation. The main disadvantage of 3G devices is the requirement of more power than most 2G models.

4G technology is considered the successor to 3G and 2G standards. Long Term Evolution (LTE) Advanced as the upcoming 4G standard, along with Mobile Worldwide Interoperability for Microwave Access (WIMAX) provides a reliable IP-based solution. The speed of this network ranges from 100 Mbps to 1 Gbps. Content such as voice, data, and multimedia will be assigned to subscribers every time and everywhere and at significantly higher data transfer rates compared to earlier generations. Applications using the 4G network include multimedia messaging (MMS), digital video broadcast (DVB) and video chat, highresolution TV content and mobile TV (Furht and Ahson, 2009). Summary table of data transfer rate evolution is presented in appendix 1.

## **2.2. Characteristics of 5G technology**

5G is a brand new network concept combining the benefits of fixed and mobile communications. Although it will be considerably faster than currently available networks, the 5G not only provides faster speed, but also its built-in network intelligence and ability to interoperate with other technologies (Knezović, 2018). The GSM Association set out a number of technology related criteria that should serve as a standard which are not easy to reach, while some will certainly need to be further clarified or upgraded. The download time for high definition movies lasted five to six minutes, depending on the quality of the signal, but 5G networks will take up to five seconds, while resolutions, sound quality and other aspects will surely increase with time, so more time will be needed for this kind of content. It is plausible that manufacturers will initially launch only certain models with the 5G support in order to test the network, and 5G as a mobile phone standard may start from the next year or in 2020, when the networks become commercially available (Blažev, 2018).

The introduction of the 5G network requires the upgrading of existing technologies, as well as the introduction of completely new communication technologies. The first challenge is to design new network architecture and protocols for ultra-thin cellular applications.

The strategic approach to introducing new technologies implies a significant breakthrough in performance that previous models have failed to realize. It is commonly assumed that 5G mobile networks must address six challenges that 4G does not address effectively. These challenges are: higher capacity, higher data rate, lower End to End latency, massive device connectivity, cost reduction, and consistent quality experience (Fallgren and Timus, 2013).

### **2.3. Interaction and synergies with other emerging technologies**

The upcoming 5G wireless network technology promises to be fast and efficient. And companies, in most cases, have been forced to upgrade their networks to remain competitive, even though they still do not see a persuasive case of using the 5G technology. The IoT device is a simple piece of technology, with a small computer unit, memory, an option to read / display communication and power. When used in large numbers, internet of things can simplify operations, improve the safety and security of people, enable more efficient use of energy, and even track our health. For decades, factories have used temperature sensors for temperature measurements, counting and production monitoring, and quality assurance. Only recently, sensors are connected to wires to provide greater flexibility in implementation, monitoring, and proactive maintenance.

5G will enable wireless sensors through the factory or warehouse, and smarter robots. Operators highlighted out the connectivity of phones, tablets and other devices, but connecting and managing more and more cars, meters, machine sensors and consumer electronics will profitably require innovative business models. Today, the vast majority of Internet affiliate revenue comes from connectivity, but in the next 5 years, revenue will also come from platforms, applications, and providing services. Operators capable of creating and managing the ecosystem of service partners, processing data from their IoT platforms and converting data into smart data will be able to generate incremental revenue based on data value, not just volume. Ericsson is already collaborating with more than 27 leading mobile operators around the world in 5G networking and usage cases, including 5G field testing. Deutsche Telekom has created IoT Solution Optimizer, a scalable online tool that provides technical consulting services and customers for reliable and cost-effective IoT solutions. This enables companies around the world to model and optimize the performance of IoT applications in a number of vertical industries such as intelligent city services, security or asset tracking.

Internet of things solutions optimizer is currently available for applications based on IoT's (NarutoBand IoT) mobile technology. NB-IoT solutions can be analysed and optimized for eight markets with Deutsche Telekom's networks: Austria, Croatia, the Czech Republic, Germany, the Netherlands, Poland, Slovakia and Hungary (Kirchhof, 2019). Like Device to Device (D2D) communications, Machine to Machine (M2M) communications are also expected to have the genuine support of the 5G wireless network. The main features of M2M communication include automatic generation, processing, transfer and exchange of data between intelligent machines, with minimal

human intervention (Zhang et al, 2012). Internet of things for operators and industries is a fertile ground for innovation and new ways of engaging the end-customers. Key success factors will be the ability to launch new short time services to the market from the idea to the commercial offer combined with the right business models and the access to the rich offer of complementary proposals of the ecosystem partners (Colella, 2017). In addition to the IOT, there is an inevitable functional connection with Big Data, Cloud and SDN in 5G Mobile Broadband Services (5G MBS). First, IoT is capable of generating Big Data with four Vs: Volume, Velocity, Variety and Veracity. Then Cloud gets to Big Data for storage and processing. Finally, the SDN is used to provide more efficient and flexible data transfer networks between the clouds. From large data, cloud and SDN, advanced technologies such as machine learning analytics, Cloud (Lin, Lin and Tung, 2016).

American companies are currently encouraged to be as efficient and productive as possible. These priorities have resulted in speeding up cloud acquisition and creating data from both the server and on the edge. Data will continue to transform the enterprise, developing IoT technology and artificial intelligence (AI) will enable companies to gain better insight into their business infrastructure through data analysis more than ever before. It is anticipated that until 2025, the public cloud will hold 55% of American data stored by organizations and consumers (Bayern, 2019).

IoT's services will spread through the industry and continue to develop through unique and innovative ways around us - seeking retail, housing, public sectors, businesses, cities, healthcare, food and beverage, industry and manufacturing. In the coming years, it is expected that the 5G technology will be scalable and energy-efficient and a pioneer in the massive internet of things world. Much attention will be directed to extreme simplicity, low energy consumption, and comprehensive coverage for challenging locations as well as increased link density so that networks can handle a large number of devices deployed for IoT applications. Connection density is the ability to support a successful certain size message delivery at a specific time, even in restricted space spaces such as a football stadium. It is expected that 5G will support up to 1 million connected devices at 0,80 square miles, compared to approximately 2,000 connected devices at 0,80 square miles of 4G.

Since 5G is becoming a reality, we will begin to see its full potential - for example life-saving applications that require low latency, high reliability, and constant availability. Robust latency-like applications can become a regular practice, saving valuable lives. 5G will be more productive than anything we've seen before. This will bring an increase in bandwidth (multi-gigabits per second) and incredibly low latency. Today, the entire mobile industry works together to ensure that 5G can support Massive IoT. But one thing that has also gone up on that road is the huge surface of the attack on hackers that IoT is creating (Notwey, 2017).

## **2.4. Global perspective and communication technology development barriers**

In 2017, Korea Telecom announced the launch of a 5G test network ahead of the 2018 Winter Olympics in Seoul, South Korea, and they are considered the main promoters of the 5G network. The following are China, estimated to account for 40% of the world's 5G networks by 2025. According to the China Academy of Information and Communication Technology, the Research Department of the Ministry of Industry and Information Technology (MIIT), 5G could account for 3.2% of total Chinese GDP in 2025. Japan mobilizes its communications industry in the hope of being among the top 5G network players. The United States already has some advantages in the 5G network race. Namely, the US already has a leading role when it comes to the existing 4G network, thanks to its infrastructure. DELOITTE Global predicts that 2019 will be the year of the fifth generation (5G) broadband wireless network. By the end of 2018, 72 operators have already tested the 5G network, and by the end of 2019, 25 operators will be expected to start using the 5G network. It is expected that by 2020, at least 20 mobile device manufacturers will produce 5G ready mobile devices. One million 5G modems will be sold (also known as packets or hot spots), and about one million 5G fixed wireless access devices will be installed. During 2019 and 2020, 5G wireless technology will have three major applications. 5G will be used for mobile connectivity, mostly with devices such as smart phones. 5G will be used to connect "less mobile" devices, mostly 5G modems or hot spots: dedicated wireless access devices, small enough to be mobile, to connect to the 5G network and then connect to other devices via Wi-Fi technology. Fixed wireless access point (FWA) devices with permanently mounted antennas on the buildings or windows provide home or business network with broadband instead of wired connections (Duncan and Lee, 2019).

### **3. RESEARCH**

As aforementioned, in reaching our research goal, which is to present the current status of 5G technology opportunities, barriers and project several plausible strategic developments on EU wide and Croatian environments we applied an inductive research approach methodology. It is mostly based on qualitative methods of data collection and data analysis of available secondary research sources.

#### **1.1.EU wide challenges and strategies**

European Commission in 2013 has set out significant resources to enable the 5G network in 2020 confirming by the fact that 5G technologies really represents an important direction in strategic positioning and orientation. This research starts with analysis of the frames within which the standards and guidelines for the introduction of the 5G network at the international and European level are regulated. There are also possibilities for individual operators when it comes to optimizing the costs of introducing the 5G network, as revenues are largely uncertain. The allocation and identification of a

globally harmonized spectrum in the frequency range require coordination between the global community, regional telecommunication organizations and national regulatory bodies.

ITU plays a key role in the development and adoption of these global regulations and standards. ITU is working to ensure that the 5G networks are secure, stable, reliable, interoperable, safe for human health and energy-efficient, and that they work without interference. The role of ITU in managing globally harmonized radio spectrum and standards for 5G is a key factor in the development and implementation of 5G. According to ITU's IMT-2020 program, ITU membership is developing international standards for achievement of ITU standards support networking innovations, such as software-defined networking, network virtualization, network-oriented networking, as well as advanced networking. These innovations will play a crucial role in making 5G networks faster, smarter, and more cost-effective. These ITU standards also enable telecommunications companies to provide innovative services because they adapt to changing customer needs at a time of major change. These innovation-related software networking standards are expected to achieve their full potential in the 5G environment (ITU, 2018).

The Regulatory Body in Europe is the Body of European Regulators for Electronic Communications (BEREC). BEREC, the European telecommunications regulator, has released the final guidelines on how to strengthen network neutrality by requiring Internet service providers to treat all web traffic equally without favouring some services over others. However, 17 mobile operators, including Deutsche Telekom, Nokia, Orange, Vodafone and BT, are arguing for a more relaxed interpretation of the rules, as it is about returning investment returns to 5G. These operators agreed not to implement high-speed 5G networks unless BEREC does not take a smoother approach to network neutrality. In the European Digital Single Market Strategy Connectivity to a Competitive Single Digital Market - To meet the European gigabit society, the importance of a very high capacity network, such as 5G, is a key value for Europe's competitiveness in the world market. At the world level, 2025 revenue from 5G technology should reach a value of 225 billion euros (Knezović, 2018).

In 2013, the Commission established a public-private partnership (5G-PPP) with the support of 700m euros in public funding to ensure that 5G technologies become available in Europe by 2020. The European Commission has defined the basic guidelines for the introduction of 5G into Europe.

- Adjust the plans and priorities for the coordinated introduction of 5G technology in all EU member states
- Set the target of introducing the first network by 2018 and transition to commercial mass introduction no later than until the end of 2020
- Provide temporary frequency bands for 5G prior to the World Radio communication Conference 2019 (WRC-19), and to provide additional bands within the fastest possible time, and to establish the recommended approach for approval of special frequency bands for 5G above 6 GHz

- Promote the early introduction in large urban areas and along the main traffic routes
- Promote pan-European studies involving a large number of stakeholders, which will speed up the conversion of technical innovations into complete business solutions
- Facilitate the implementation of a venture capital fund aimed at supporting innovation based on 5G technologies, led by industry
- Unite leading stakeholders in effort to promote global standards (EC, 2015).

Many elements of current 5G technology are built on 4G networks rather than representing a complete departure - which means that mobile operators can take the evolutionary approach to infrastructure investments. In the implementation of the more efficient solution, operators will opt to upgrade their 4G networks to cope with the rising demand. It is expected that capital expenditure associated with the network will increase by 60% from 2020 to 2025, which will roughly double the total cost of ownership of telecom operators (TCOs) over that period. For example, operators could begin upgrading the capacity of their existing 4G macro network by overwriting part of their 2G and 3G spectrums, or by gaining additional spectrum when possible. This way, they can defer investments in 5G, or Long Term Evolution LTE and LTE-Pro features, such as 4x4 or MIMO (multi-input, multiple output technology). This evolutionary approach will be a natural path for most operators, allowing them to minimize investments, while the potential of 5G revenue remains uncertain. When network upgrades are not sufficient to support increased traffic, operators will have to build new macrocells or small cells. In rural and suburban areas, as well as on the roads, operators will set up macro objects. By contrast, many densely populated urban areas will have to rely on small cell solutions for two reasons: higher traffic concentration and higher bandwidth usage (Grijpink et al, 2018).

Apart from the high costs of deploying or changing the existing infrastructure, telecommunications operators such as Crown Castle, AT & T, Sprint, T-Mobile and Verizon also point out potential problems with local authorities - overcompensation, ban on small cells accommodation, unreasonable aesthetic constraints and long-lasting licensing processes (1824 months). Total Capital Expenditure CAPEX, which is incurred for each operator, will vary depending on the population, population density, current coverage of 4G, and the proposed coverage area. In addition, the cost of fibre implementation will be lower in cities with high availability and easy access to dense networks or fibres. Where the wireless backhaul is more costeffective than fibre, aggregation costs will be significantly reduced. In cities where the density of an existing macro network is high (eg. in Madrid), there will be less need for small cells. Similarly, mobile operators with large spectrum tasks do not have to reduce their networks with small cells (ITU, 2018).

Energy consumption and greenhouse gas emissions are two imminent world problems. Information and Communication Technologies (ICT) are responsible for a significant portion of global energy consumption. Power consumption by the grid (routers, fibre, and transmission) is about 12% of

electricity consumption in countries with broadband access enabled. It is estimated that by 2020, it will increase to about 20% (Xia et al, 2010).

Figure 1. The framework for applying 5G technology to practice



In 2013, The European Commission launched the 5G Public Private Partnership (5G-PPP) in order to accelerate the 5G technology research development. The EU has also launched international co-operation with Brazil, China, Japan and South Korea. The strong commitment of the European Commission for 5G led to the adoption of a challenging target for deployment of 5G (and generally a very large capacity network); defining detailed measures for the implementation of goals; and a proposal of legislative measures aimed at facilitating 5G development. In September 2016, the EC adopted a series of initiatives and legislative proposals for the telecommunications regulatory framework reform, including:

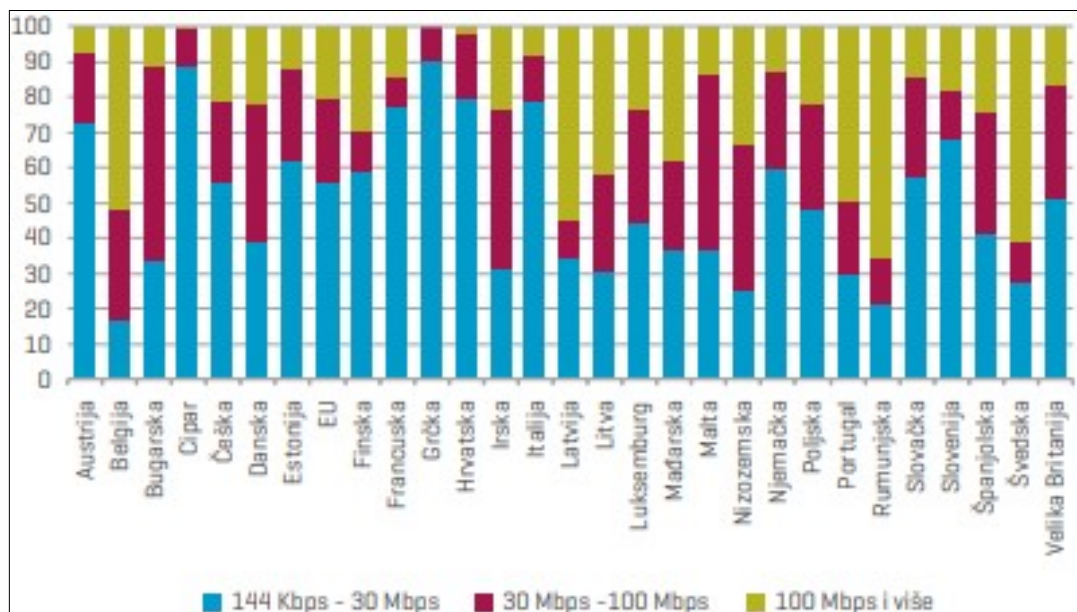
- Communication "Towards a European Gigabit Company", defining strategic goals for 2025: Europe's competitiveness, economic growth, jobs and cohesion;
- Communication "European Action Plan 5G", defining a joint plan and schedule for the introduction of 5G;
- The proposal of the Directive "Establishing a European Code of Electronic Communications", which ensures new harmonized rules on the communication network and services.

The European Commission has introduced the CE marking. It is needed for the electrical and electronic devices commercialization in Europe. The CE marking is based on the directives and proves that the product is rated and meets the EU safety requirements and health and environmental protection. The Directives define the essential requirements that products must meet. For electrical and electronic equipment, the European Standardization Organization (ESO) must develop coherent

European standards: the European Telecommunications Standards Institute ETSI, the Coinsuper Ecosystem Network CEN and the European Committee for Electrotechnical Standardization CENELEC. Standards set the requirements in order to ensure the co-existence of various communication services, the use of security and the absence of harmful substances (Bargis and Romano, 2017).

## 1.2. Case of Croatia, fragmented approach

In the case of the 5G technology in Croatia, one thing is certain, it's needed to define a strategy, build or adapt the infrastructure in accordance with the standards, and respect the guidelines of the Croatian Agency for the Management of Network Operations (HAKOM).



Graph 1. Broadband Approach

According to the latest available data from the European Commission, Croatia is at the mercy of Europe regarding broadband access, especially regarding the access to higher data rates. This situation is partly due to the high prices paid by Croatian citizens for broadband internet access.

Leading domestic operator Hrvatski Telekom (HT, subsidiary of Deutsche Telecom), as well as other operators, announced the additional mobile network upgrade investments in order to increase capacity for data traffic growth and faster Internet access, and investment in creating the foundation for the introduction of 5G technology. Second largest operator, VIPnet points out that good business results at the beginning of this year are related to investments of EUR 13.8 million in the expansion of the optical network and the development of mobile and fixed networks. In June this year, an agreement was reached between the Council of Europe, the European Commission and Parliament on the European Code of Communication, which will lead to EU citizens international calls price reduction (EIZG, 2018). HT has expanded its coverage with its most advanced 4G network based on



LTE technology. The availability of fast internet is the strategic direction of the Croatian Telecom which increases the coverage of 3G and 4G networks on a daily basis and offers the highest availability of both networks in Croatia. The project of Croatian Telecom network in cooperation with Ericsson Nikola Tesla started in Istria and will continue in remaining parts of Croatia. It is about introducing the SRAN (Single RAN) concept, which ensures the coexistence of 2G, 3G, 4G and 5G using the same equipment, enabling the 4G network capacity doubling and the latest functionality features like IoT. All available HT users will have access to increased capacity, which will ensure the smooth use of HT mobile services even in the most frequent period of the day. For this demonstration, a new Ericsson 5G radio station has been implemented, a 5G active antenna system that includes MIMO technology with multiple receiving and transmitting aerials.

## **4. CONCLUSIONS AND IMPLICATIONS**

### **4.1. Discussion and Conclusions**

This paper presents in detail the potential of this new technology that will definitely disrupt numerous business models and practices. However, there are also barriers in terms of investment capability as well as infrastructure and investment challenges when it comes to introducing this technology. New applications, such as D2D and M2M communications, internet content, vehicle communications, and healthcare applications are driving force behind 5G technology. Important challenges to be addressed by 5G networks are following: higher capacity and data rate, lower End to End latency, great connectivity of devices, reduced capital and operating costs, and QoE's quality of experience.

However, after the research carried out, it remains to be seen how the world will change with the 5G network, as the introduction of this new technology is still in the experimental phase, which is valid also for EU and Croatian areas. Although chronically lagging in technology innovation (Vlacic, Dabic and Aralica, 2018) and absorptive capacity (Vlacic et al, 2019) Croatia as a part of EU Digital Single market needs to boost 5G technology introduction momentum, to maintain its national competitiveness. We believe our research will serve as a guideline for future research when it comes to 5G networks, either at local or global scale. Results from this paper shell contribute in better understanding of 5G technology and its fields and intensity of influence, as well as guide and focus potential future research efforts particularly in the economies where it wasn't evaluated sufficiently.

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## Resources and destination competitiveness Factors important for planning Sport Tourism supply

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### ABSTRACT

The aim of this paper is to determine resources and competitive factors of sport tourism suitable to tourism business circumstances. For this paper and according to accessible and processed sources, had not been found research that determine and treats concept of sport comprehensively, by the sub-areas of sport. Sport tourism in theory represents a selective form of tourism and should be based, in accordance with contemporary trends, on comparative competitiveness and sustainable development. Sustainable development includes a wide range of relevant platforms. These platforms influence the sustainable planning of sport tourism supply. The question is what are the resources and factors that are important for the planning of sport-tourism supply and fit into comparative competitiveness and sustainable development? The practical and theoretical purpose of this paper are the determination of resources and factors important for the planning and development of sport tourism in those destinations that want to develop this form of selective tourism. In these destinations such created supply of sports and recreational amenities and facilities should resulted with increase in consumption. Previously defined resources and factors should be the basis for the planning of the overall development of a particular destination and, consequently, for decision-making process on potential investment engagements. Such structural changes should also reflected on the structure of the supply and potentially define changes in the guests structure/profile and their demand or consumption. Thus, in this paper determined resources and factors, if applied, should affect directly or indirectly the planning and decisions development in each particular destination.

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## 1. INTRODUCTION

People travel all around the World from time immemorial. From today's point of view, this can be called as "early forms of Travel and types of Journey" (Gyr, 2010). So, tourism, as we know it today, developed from traveling and different types of journey. Most likely, significant for that transformation, was invention of steam engine in 18th century and beginning of industrial revolution. Industrial Revolution, above the other reasons, brings 'steam train' in technological dimension (Sezgin, Yolal, 2012). "Introductory phase" of modern tourism lasted between the first third of the 19th

century until the twenties of 20th century (Gyr, 2010), when traveling become tourism and a business activity. From mid-20th century, tourism expanded all around the world. Receipts from international tourism rose dramatically from 1950-ies to nowadays (Mihalič, 2014) and become one of the key contribution, to almost every national GDP. “The total contribution of Travel & Tourism, on world level, to GDP was USD 8.272,3bn (10.4% of world GDP) in 2017, and is forecast to rise by 4.0% in 2018, and to rise by 3.8% to USD 12,450.1bn (11.7% of GDP) in 2028. In 2017, the total contribution of Travel & Tourism, on world level, to employment, including jobs indirectly supported by the industry, was 9.9% of total employment (313,221,000 jobs). This is expected to rise by 3.0% in 2018 to 322,666,000 jobs and rise by 2.5% to 413,556,000 jobs in 2028 (11.6% of total).” (WTTC , 2018) So, it is obvious that “travel has become a global business whose expanding market now leaves no place untouched.” (Kotler, et al., 2003:717)

Thus, the increase in tourist business activity was, and still is, linked to the liberalization of visa regimes, to the technological improvement of transport and supporting facilities and the fall in prices of transport services, to the growth of global purchasing power at global level, to the diversification of accommodation capacity and growth of supply and other not mentioned factors. Considering those, it is logical that the destinations "compete" for the largest and the best part of the tourist demand cake. In this sense, all those places that want to become interesting to tourists, strive to provide attractive content and services to attract potential consumers. Sport as a very attractive activity is not overlooked.

Global Sport Tourism is estimated at \$480 Billion and sport tourism growth 14% compared to overall tourism market of 2-3% (Delpy, Paulton, 2016). The share of economic and other impacts of sport tourism, in compare to the level of overall tourism industry effects, according to available data for Croatia, is undetermined, because there is no unique classification and methodology that would determine the impacts and other effects of sport tourism. However, some researches has been carried out on consumer preferences and tourism expenditure, such as Tomas continuous research conducted by the Institute of Tourism (IT, Tomas 2017, 2014, 2010, 2007, 2004 ...). Or, the sporadic ones - ad hoc studies, such as the research that carried out the European Commission's Directorate - Economic and Financial Affairs staff (Orsini, Ostojčić, 2018).

A “travel expenditure” was assumed to have taken place whenever a traveler exchanged money for an activity considered part of his trip (Frechtling, 1974). Alternatively, World Tourism Organization (WTO) defines tourism consumption as “the total consumption expenditure made by a visitor or on behalf of a visitor for and during his/her trip and stay at the destination” (WTO, 1999:20). Mihalic (2002) correctly indicates tourism as an “expenditure-driven economic activity. That is, the consumption of tourism is at the center of the economic measurement of tourism and the foundation of

the economic impacts of tourism and, therefore, understanding tourism consumption is essential for understanding tourism's economic impacts" (2002:88).

So, where, when and on what tourists are willing to spend their money? Frechtling (1994) claim that "travel expenditures are estimated for 19 different items in six basic expenditure categories: public transportation, auto transportation, lodging, food, entertainment/ recreation, and incidental purchases (Table 1). Total travel expenditure is the sum of all expenditure categories." (1994:14) According to same paper, the entertainment/recreation category includes admission fees at theme and amusement parks, snow ski lift tickets and lessons, casino gaming and other expenditures on entertainment and recreation . However, this is only one point of view.

Thus, such mentioned researches can be useful for other researches related to sport tourism and its effects. Sports tourism, in theory, represent selective forms of tourism and should be in line with modern trends, based on comparative competitiveness and sustainable development.

Competitiveness comes from a number of factors, and depends on the available resources.

## **2. PURPOSE, GOAL AND CONTRIBUTION OF THE PAPER**

The main purpose of this paper is to determine, and to emphasize the importance of those resources and factors of competitiveness that could be and should be important for the planning and development of sports tourism in those destinations that want to develop this form of selective tourism. Resources and factors should be used for planning of sports tourism demand and supply for the specified destination, in order to improve sports and recreation facilities and their economic and other impacts on local economy.

The aim is to detect, determine and present basic and relevant factors and resources important for decision-making process, planning and development process of sports tourism from the author point of view, in order to manage easier sports and tourism supply and resources.

The secondary aim of this paper is to show the importance of sport for tourism supply, activities and its impacts.

The original contribution of this paper is reflected in the presentation of the basic and relevant factors and resources important for decision-making, planning and development of sports tourism i.e. in order to encourage the development of methodological processes that should be used for planning of sustainable development with focus on sports-tourism facilities and products supply.

### **3. SOURCES OF DATA, USED METHODS OF ESTIMATION AND EMPTY HYPOTHESIS**

In this paper, an overview of previous researches was not set as separate chapter. The reason is that overview of previous researches are not only the source of data, but they are foundation of this paper. Therefore, based on those previous researches, the "base for planning" was set, which should influence the development and competitiveness of some certain tourist destination (in accordance with main purpose of this paper). In that sense, an overview of previous researches was given through main chapters where the topic of this paper was being dealt with. The number of factors and resources important for decision-making, planning and development was not limited.

In order to determine basic and most effective factors and resources important for decision-making, planning and development process of sports tourism, in this paper, general methods of scientific research were used. In paper was used desk research of primary, secondary and tertiary sources of data i.e. publications. For data processing were used systematic observation, description method, causal method, deductive and inductive methods, and methods of analysis, synthesis, and comparative analysis with the choice of the appropriate comparison standard. Thus, this paper uses a kind of benchmarking of various methodological approaches to research factors and resources relevant to the competitiveness of individual destinations. Paper involves, beside primary, secondary and tertiary data resources, information/factors and resources that other researchers have gathered through their original scientific researches. On such collected information's, the qualitative explanatory methods – processing, compiling, assembling and linking were done.

So, this type of explanatory method should be used if the goal is to seek the answer for a question that sought to explain the presumed causal links in real-life that are too complex for the survey or experimental strategies (Yin, 2003; Baxter & Jack, 2008:547).

In such a case of evaluation, the explanations would link to effects, resources and factors with proposed "Base for planning", which represent a compilation of various studies and researched data. All in order to determine relationship between two or more independent variables that influence dependent variable - factors and resources that positively influence on domestic supply in tourist destination, and consequently on local economy incomes. Therefore, the empty hypothesis was set:

EH: From all processed data, the extracted and segregated ones (independent variable) are those that influence on local economy (dependent variable) in those destinations who use sport tourism supply as tool for enrich and increase their incomes.

#### **4. WHAT REFERS TO THE TERM „SPORT“**

Defining the term of sport and what sport tourism includes is necessary and important. Because, golf tourism, cycling, mountain and adventure tourism were listed separately in the "Croatian Tourism Development Strategy until 2020", and the question arises whether they are an integral part of sports tourism and its variant, or sports tourism comprises something else.

In mentioned Strategy in Chapter "Introduction", under the title "Tourism infrastructure", many sports facilities were listed, which are usually missing to complete the tourist supply and encourage the consumption. However, the content is confusingly divided into sports, hiking, cycling, diving and sailing. Furthermore, in chapter "Products", golf tourism, cycling, mountain and adventure tourism were also listed separately. The close attention should be paid to these issues. And finally, it is necessary to point out that the term "sport tourism" in the whole "Croatian Tourism Development Strategy until 2020" was mentioned only three (3) times.

In practice, but also in theory, by the profession is not clearly and unambiguously defined the term "sport". Therefore, this might raise numerous dilemmas in terms of what exactly comprises the concept of sport. The very mention of the term "sport" suggests different frameworks of understandings this term. Due to the complexity of understanding the notion of sports, it is necessary to mention - sport as dynamic category is constantly evolving through praxis and researches. That also imposes the need for continuous development of the definition and understanding the notion of sport. In this sense, as a result of the logical sequence of the various definitions, the definition of the term "sport" respecting the specific interdisciplinary aspect of sport and economics and taking into account other views and opinions has been brought out. Term "Sport", from the etymological point of view, has root from the old French word "desport" which had a meaning of fun, amusement, entertainment, and at the same time indicating a set of possibilities or means by which human can pleasantly spend time. Word is accepted also in England, where it retains its original meaning over the word "disport" with the connotation of "to be cheerful" and/or "to having fun" (Novak, I., 1996:199). Sport is any activity, experience or business venture focused on fitness, recreation, sports (athletics) or free (leisure) time (Pitts, Fielding and Miller 1994). "From this point of view, sport is not necessarily competitive" (J. B. Parks et al., 1998:2). "Obviously, "sport" is a complex concept and can be understood as an activity and as business activity. In defining the term "sport" it is important to determine whether it generates the impact and what kind of effects. So, sport is an activity that generates, in a specific manner, sports business activities which are carried out through sub-areas of sport, and these sport business activities, in the broadest sense, produces socio-economic impacts of important and valuable for the life of the individuals and society as a whole (Novak, 2006:199-210).



Based on previous definition, in document "Croatian Tourism Development Strategy until 2020" golf tourism, cycling, mountain and adventure tourism were entirely unjustifiably extracted from the context of sports tourism.

This issue is important for the planning of comparative competitiveness and sustainable development of sports tourism and should take into consideration all of sub-areas and all categories of sport in order to plan comparative competitiveness and sustainable development and eventual enlargement of supply of sports facilities, products and services within the tourism product. The main purpose of this approach is to meet the needs and desires of consumers / guests, and to achieve the set of expected impacts, especially ones for encouraging the consumption (economic effects) and guest satisfaction (psychological effects). It is another question whether there are, and which, conditions for the development of certain activities for particular tourist location.

## **5. WHAT IS SPORTS INFRASTRUCTURE?**

The term generally denotes an infrastructure and refers to both basic facilities and systems, including the services and contents necessary for infrastructure functioning (compilation of Ekonomski leksikon, 1995, Collins English Dictionary, 2012, etc). It is not enough to have sports facilities and playgrounds, but a system that works, as well. The infrastructure is directly linked to economic development, ie to the possible development strategies (Ekonomski leksikon, 1995). Therefore, sports infrastructure is indivisible from facilities and ancillary services and contents, and/or human or other resource implies a system that produces all kinds of direct and indirect effects.

Sports infrastructure may be based on a complex and more expensive products and services such as SRC's , gyms, wellness, spa, indoor and outdoor playgrounds and other sporting more or less complex and/or expensive sports facilities. Furthermore, it can be based on a simple and affordable service that uses natural resources, or combined services based on supply "for each category of guest somewhat". It's the matter of choice of strategy and real possibilities.

## **6. SOME STATISTICAL INDICATORS OF CROATIAN TOURISM**

Adjusted to general economic impact of sport as a business activity, sport tourism can act through direct and indirect effects, on the macro and micro levels, which are measurable and non-measurable, and they can be tangible and intangible. Problems occur during particular procedures of valorization of these effects, because different methodologies involve different approaches, advantages, disadvantages and subjectivity, which can be directly reflected in the decision-making process. Based on data available for Croatia and considering the level of total effects of tourism activities, share of some

economic and other effects of sport tourism cannot be exactly determined. According to the available statistical data, the effects are insufficient and inadequate. Data underlying this conclusion, are results of the most important and most extensive periodic research in Croatia, research of Institute of Tourism named "Tomas", in this case "Tomas Summer 2017" (IT, 2018). Considering the representative sample and on relevant research for Croatian tourism on the Adriatic coast in summer months, the researched data show the following:

1. 20% (7% 2014) of all tourists on Adriatic coast came because of Sport and recreation as main travel motive
2. Average consumption in destination on sports and recreation is 3,05 € per day per guest (1,83 2014) or 3,87% (2.75% 2014) of the total daily consumption (78,77 €/per day)
3. Guest satisfaction is on low (intermediate 2014) level of satisfaction, due to the lack of richness of supply of sports facilities
4. The average length of stay was 8,2 (8.7 2014) nights
5. Arrival of tourists by road transport is 85% (88% 2014)
6. Arrivals with the partner was dominant 48,1% came with a partner, 37,8% of tourists came with family, 9,8% with friends, while 4,3% of tourists arrive independently.

Also, in a study “Beyond the Sun and sea” (Orsini, Ostojić, 2018) was detect that tourists in Croatia spend significantly less than in competing countries. Consumption in Croatia is about 70 percent of average consumption in other Mediterranean countries. (See Figure 1, HR - Croatia) The reason is, probably, service based on "sun and sea". This service is accompanied by a poor tourist infrastructure, which consequently meets the category of low-income guests.

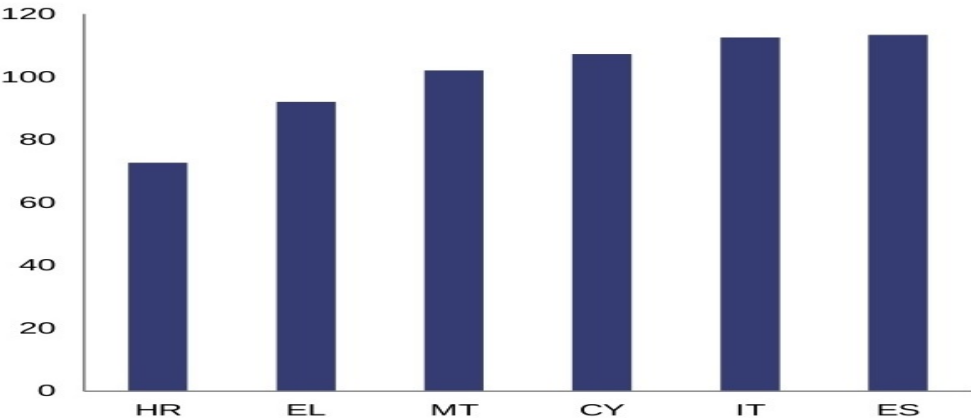


Figure 1: Average expenditure per night per person (Mediterranean region=100) Source: Orsini, K., Ostojić, V.: Croatia's Tourism Industry: Beyond the Sun and Sea, Figure 6. Page 5, (Original source: Eurostat and www.budgetyourtrip.com)

Apart from services based on the "sun and sea" model, a further disadvantage is the high seasonality of Croatian tourism in compare with other North Mediterranean countries. This is confirmed by the data of the largest number of tourist nights spent in the summer months (see Figure 2, dark blue curve HR stands for Croatia) and predominantly on the Adriatic coast.

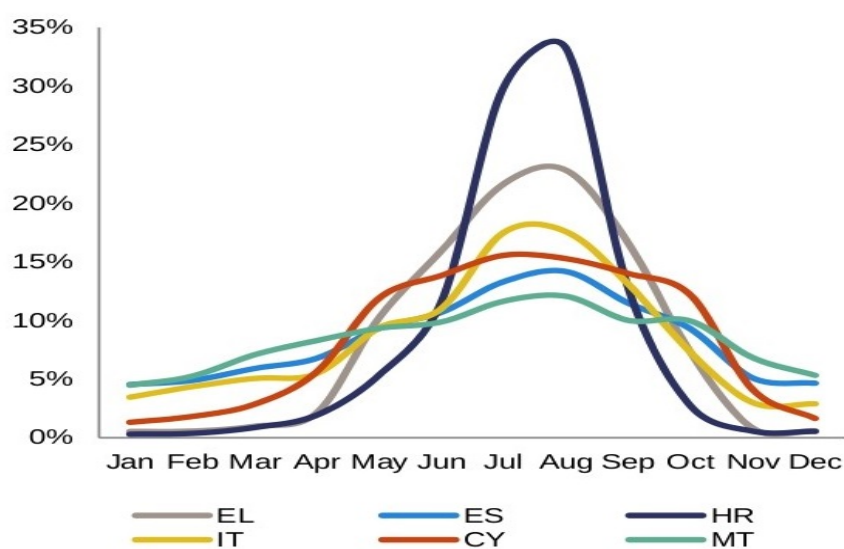


Figure 2: “Yearly distribution of overnights by international tourists, 2016” Source: Orsini & Ostojić: Croatia's Tourism Industry: Beyond the Sun and Sea, Figure 3. Page 3, (Original Source: Eurostat)

So oriented business activity also has additional unfavorable circumstances that affect total income and the overall business result of the tourist activity. First, that is a low level of turnover. Secondly, there is no re-spend effect, which directly influences the amount of revenue. Thirdly, there is no aggregate demand growth and the effect of the multipliers is significantly reduced, so there is no increase in GDP on that basis.

## 7. ANALYSIS OF INVESTIGATED DATA

Twenty (20)% of all tourists on Adriatic coast came because of Sport and recreation as main travel motive. These data provide optimism. However, presented data regarding the level of guest satisfaction on Adriatic coast in summer of 2017 was on low level of satisfaction, due to the lack of richness of supply of sports facilities. This fact may adversely affect future arrivals based on sport and recreation motive.

Average consumption in destination in 2017 on sports and recreation was 3,05€ per day per guest or 3.87% of the total daily consumption. If it is known for the fact that the average customer in Croatia on the Adriatic coast (i.e. in the summer season) spent 78.77€ per day, it can be concluded that guests might spend more if destination might offer adequate facilities. This conclusion is also based on data that show the structure of monthly household income of guests on Adriatic coast, as follows: 24% below 2000€/month, 36% of guests with monthly income between 2000-3000€/month and 40% of guests with monthly income above 3000€ (IT Tomas, 2017).

Isolated figure refers to the average length of stay, shows 8.2 nights length of stay. Although the length of stay is not short, it is possible to act on that length as well. Considering that it is a dominant motive of a passive holiday and relaxation for the 55% of all respondents (IT Tomas, 2017), e.g. it is a summer vacation of tourists who came predominantly from Germany, Austria, Slovenia, Italy, Poland, Czech Republic and Slovakia (CBS, 2016). Some facts show that "Germans have in one year 10 days holidays and 40 days of paid holiday. In average, employees in the EU have been paid for 10.5 days of holiday and 24.8 days of paid annual vacation" (CePPEI, 2017). These data suggest that longer stays on the Adriatic coast intended for vacation are possible.

Separated data for the type of transportation, shows the arrival of tourists by road vehicles in even 85% of cases, whereby 64% come by car, 9% by car-caravan, 6% by camper, 4% came by bus and 2% by motorcycle. These data suggest the possibility of using the sports facilities with the use of equipment or items that guests can bring along as well as the potential infrastructure usage in destination with a lower cost for the rental price of this equipment.

Data that refers to way of arrivals, shows that arrivals with the partner was dominant - 48,1% came with a partner, 37,8% of tourists came with family, 9,8% with friends, while 4,3% of tourists arrived independently. Each of these categories has its own potential in relation to the possible supply that can be formed and be structured according to the interests of certain categories of guests. For the couples and for the families is certainly desirable to participate in those sports and recreational activities that combine participation in such activities. The same applies to other isolated groups - friends and singles.

Furthermore, according to studies - "Consumption of Foreign Tourists in Croatia" (CNB, 2010), - "Tourist activities of the local population" (CBS & IT, 2011); and according to - estimates of the Institute of Tourism (IT), consumers spent 49% on accommodation and 17% on food and drink of the total daily consumption. Thus, there is approximately 34% of the funds remaining that can be directed towards consumption in the field of sport and recreation (current level of consumption is 3.87%), which can eventually raise the overall guest satisfaction.

## **8. SUSTAINABLE DEVELOPMENT**

Although the idea of sustainable development is very old, there is an imbalance reproducibility of (natural) resources and human needs caused by time and technology development, so the idea of sustainable development gains in significance. During the 60s of the XX century, sustainable development is linked solely to the environment protection from the effects of industrial pollution on which indicates Rachael Carson in 1962, so as consequent 1969 Americans introduced the National Environmental Policy Act (NEPA) in response to the oil spill at Santa Barbara, CA (Stofleth Danny, 2017). The idea of sustainable development, but not in those exact words, received the first recognition in 1972 at the UN conference in Stockholm, on the basis of development and ecology of the environment, as separate issues, which should operate on the common ground and be driven in a mutually beneficial way (SD Commission , 2017). In this sense, it is understandable that for the understanding of the concept of sustainable development, attention is placed on the concept of "sustainability" and the concept of "development" (Franck-Dominique Vivien, 2008). Therefore, based on the conclusions of the conference in Stockholm in 1972, and especially and explicitly in the document "Our Common Future" (UN Brundtland Report, 1987), it can be stated that contemporary sustainable development minimally and undoubtedly contains the basic platforms of sustainability - ecological (environment), economic and social sustainability. The cultural platform, which is also mentioned in Report, is not overlooked and makes the fourth (4th) pillar of sustainable development.

To these platforms is necessary to add the natural economic effort of establishing production which is based on the principle "Producing More with Less" (UN WCED Brundtland Report, 1987:31). On the basis of Brundtland Report and a variety of researched literature, it is necessary to add the technological sustainability to these platforms, because the general development and sustainability are impossible without development of (industrial) technology. This concept of sustainability is primarily related to the balance between the consumption of resources and reproduction of these same resources (Stofleth Danny, 2016). Moreover, it is also related to "the goal of sustainable development", which is "to enable all people throughout the world to satisfy their basic needs and enjoy a better quality of life, without compromising the quality of life of future generations". (NAW , 2015:2) Each of the above five (5) pillars of sustainable development certainly contributes positively or negatively to the competitiveness of tourist destinations, depending on its characteristics and potential. Although the mentioned pillars clearly represent the determinants of the sustainable development, it is necessary to provide more in-depth explanation.

### **8.1. What is sustainable tourism?**

“Sustainable tourism is a profitable business under terms acceptable to all parties. It is an investment in quality, not quantity. It is the cooperation with the local community with the aim of joint destination development. It is preservation of natural and non-renewable energy resources. It is to ensure the economic development of the local population. It is to ensure the employment throughout the year. It

is the preservation of indigenous ways of life and traditions, and it is the protection of the environment and preservation of space.“ (Bjelavac, Silajdžić, 2016:17) Such "Sustainable tourism development meets the needs of tourists and local residents, at the same time conserving resources for future development. Also, this development implies managing in a way to meet the basic economic and social requirements while preserving cultural integrity, essential ecological processes and biological diversity." (Bjelavac, Silajdžić, 2016:4)

## **8.2. Platforms of sustainable tourism development**

Ecological aspects of sustainable tourism development represent a problem in any destination, but they can also be seen as the potential, depending on the nature of problems and the solutions given by the local government with respect to the usage of natural resources and their conservation. Mihalič (2000) indicate that environmental quality is “destination competitiveness factor” (2000:66) , but “not all schemes are equally appropriate for increasing the environmental competitiveness” (2000:76) For example, Green branding can cause both, bad and good impacts. Also, “in addition to environmental managerial efforts, the destination competitiveness can be enhanced through certain environmental marketing activities” (2000:76). Political support is also worthy.

Technological sustainability is relate to technological processes within the tourism and complementary industries (agriculture, energy, transport, processing industries), without which tourism would mainly not work. This can be relate to the environmental problems, such as technological level of treatment and disposal of waste, hot water production, heating and cooling, air pollution and the problem of availability and quality of the Internet.

Social aspect of sustainability in tourism is very complex and can / must include the various aspects of social sustainability. Such as: education of the local population, the involvement of local people in decision-development and sustainable spatial planning, fiscal levies and fines for polluters of the environment, thus providing jobs and the competitiveness of local businesses, while impacting on the quality of life of local residents, etc.

Economic aspects of sustainability are necessary to be assessed from the following perspectives:

- (1) Profitability of the business operations,
- (2) Concept of "natural capital" (Franck-Dominique Vivien, 2008)
- (3) Innovative and productive economy that delivers high levels of employment (NAW, 2015)
- (4) Economic growth "without remnant".

(1) Profitability of the business operations, related to sustainability, should be based on the efficient business operations. But not with the unacceptable ratio of capital and liabilities in favor of long-term liabilities that represents a problem of successful business, but from the accumulation of capital by the

standards and criteria of business operations that are related to labor productivity, efficiency and profitability.

(2) The concept of “natural capital” is necessary to take into account since, „in accordance with the tradition started by Harold Hotelling (1931), nature is considered to be a particular form of capital. Although it was only hinted at one in texts in the 1970s, the concept of “natural capital” began to be more clearly defined from the late 1990s forward, so that it has now become part of neoclassical theorists’ line of thinking concerning economic growth. As „W. Rostow (1978:116) wrote: “Never again will the environment be taken for granted as a free good“. (Franck-Dominique Vivien, 2008.)

(3) When it comes to innovative and productive economy its main role is in delivering the high levels of employment (NAW, 2015).

(4) Economic growth "without remnant" should be based on the concept of growth that does not borrow/debit or in some other (i.e. economically / financially) possible way does not overload the community for a long time "transferring" their obligations to the next generation.

In compliance with all of the above mentioned, for the sustainable development of tourist destinations Ten (10) Melbourne Principles (Summit UN EPDTIE, Johannesburg, 2002) hold an important place since they stress the necessity to:

1. Provide a long-term vision for cities based on: sustainability; intergenerational, social, economic and political equity; and their individuality.
2. Achieve long-term economic and social security.
3. Recognize the intrinsic value of biodiversity and natural ecosystems, and protect and restore them.
4. Enable communities to minimize their ecological footprint.
5. Build on the characteristics of ecosystems in the development and nurturing of healthy and sustainable cities.
6. Recognize and build on the distinctive characteristics of cities, including their human and cultural values, history and natural systems.
7. Empower people and foster participation.
8. Expand and enable cooperative networks to work towards a common, sustainable future.
9. Promote sustainable production and consumption, through appropriate use of environmentally sound technologies and effective demand management.
10. Enable continual improvement, based on accountability, transparency and good governance.

However, in relation to the topic of this paper, tourist activity is not necessarily present only in large and/or urban areas. On the contrary, escape into the nature and rural areas, today is sought in the forms

and quantities as never before, especially since the concentration of population in big cities is large and the living conditions stimulate demand for nature in terms of intrinsic motivation. Therefore, tourist activity has the potential and provides numerous jobs and prosperity of many smaller urban areas and sparsely populated areas, including small living communities in distant places.

Sports tourism, for these reasons, can have a significant share in the motivation of tourist arrivals, particularly from the point of the need for movement and unity with nature. Namely, sports tourism is part of the tourist activity and/or industry and its supply and demand, so as such it should be considered. In this sense, sustainable tourism is only the basis and framework on which sustainable sports tourism should be based.

### **8.3. Sustainable sports tourism**

By development of sports activities and sport as a lifestyle, sport has become more and more a part of activities that tourists use in the destinations of their travels. In that sense, share and role of sport in the tourism product are issues of importance to each tourist destination. Especially in those areas where the weather conditions are a major indicator of the tourist season. Each attraction and activity that would lengthen the main season, as well as the preseason and post-season, is desirable for each destination that has been seriously engaged in the planning and management of its own tourist supply. However, to make such supply, that includes a variety of attractions and activities, it is not enough to simply have it. The attractiveness of the destination does not come by itself, but is achieved by planning, so efforts are necessary. On this point sustainable tourism come in to the focus.

This paper deals with possible attractions and activities relating to sport and recreation and other sub-areas of sport for the purposes of tourism supply. For this kind of supply, planning based on sustainable development, which includes a variety of studies and investments, is necessary. The essential questions on which the analysis and planning of sports and recreational or leisure time facilities should be based on, thus providing the accurate answers, are:

- To what extent sports tourism can really affect the tourism product as a decisive motive for tourist arrivals?
- What are the possible achievements of sports tourism?
- Is it even realistic to expect significant effects of sport tourism?
- What are the global trends?
- What significance has supply of facilities for sports and recreation and leisure for a specific destination?
- and other non-mentioned issues.



Viewed from the commercial side of tourism activities, the investments that have no predictable return on investment (ROI) are not acceptable. Also, in order to make investments that gain greater effects based on "minimum input maximum output" principle, it is necessary to use a methodology that ensures a systematic approach to the problem and sustainable use of all resources available to any tourist destination - from infrastructural, organizational, human, financial, material, IT, to the natural resources. It is necessary to design such scope of potentials methodologically.

“Responsible implementation of sustainable tourism development strategies and triggers should contribute to the local community wellbeing and welfare” (Mihalič, 2018). Also, discussing importance of tourism to a destination’s economy Kotler et.al. (2003:718) recognize infrastructure as one of postictal for tourism development. Therefore, this paper is focused on the contribution in this direction. According to this mentioned factors, it is obvious that local community and infrastructure are important for economic and sustainable development. Also, those factors can be connected to perception of some destination by their local residents, cultural heritage and natural resources (because of lack of sport infrastructure).

## **9. COMPETITIVENESS FACTORS**

This paper deals with the basic factors and resources important for decision-making, planning and development of sports tourism and encouraging the development of methodological processes for sports-tourism destination sustainable development planning. The purpose of this paper requires review of those studies that had been focused on the competitiveness of the destination and the detection of those factors and resources of competitiveness, related to sports, which are major contributors to such development. However, in this paper observed researches should be considered from the point of incomplete correlation with the idea of this paper. Methodological planning processes should consider what affects the development of the destination and its competitiveness in the long term. But, it should also respect the part which relates to the development of sports tourism products, that are only a segment of the total supply of a destination (whether smaller or larger segment, or more or less important). For this reason, the proposed resources and factors are with limited range, and cited researches have limited contact with elements of sports-tourism supply and demand.

There are numerous studies that have been conducted in the world, concerning the competitiveness of the destination. Some, to author of this paper, available and selected researches, comprise of a range of resources and factors essential for the competitiveness of destinations, and a smaller number include those factors and resources that are related to sports and/or physical activities and attractions.

A whole range of authors contributed to the various factors of competitiveness and models. There are many studies of models of competitiveness in tourism such as: -Calgary Model of Competitiveness (CMC) in Tourism advanced by Crouch and Ritchie (1993); -Chon and Mayer (1995) WES model in which price as main marketing component and fiscal & monetary policy; -Poon's model where service sector orientation was based on innovations and differentiation; -Dwyer's and Kim's model (2004) based on quantitative factors but also on qualitative factors such as attractiveness, image and reputation of destination; Borda's model based on factors of quality, socio-economic and demographic factors (Mazurek, M. 2014) etc. One such model was presented by Mihalič T. in her research in 2013, based on review of a number of references, such as Mihalic and Kaspar 1996; Ritchie and Crouch 2000, 2003; UNWTO 2004; Inskeep 1991; Dwyer and Kim 2004., all in order to set up a model that contains Tourism Environmental Resources (TENV) and Tourism-Created Resources (TCRE).

Of course, all those studies that are strategic documents for the development of particular urban areas should certainly be taken into consideration. Both, small and large.

In that sense, a desk research was conducted. The research involved different linguistic speaking areas such as English, French, Spanish, Portuguese, Slavic and German speaking area. The research encompassed different documents of strategic development plans including terms sport and sports tourism. Different countries has different approach to take care about sport tourism development. For example, in Canada the informal govern body is Canadian Sport Tourism Alliance (CSTA) but in Poland is in charge formal government body Ministry of sport and tourism. In Canada it is very common that even small places have Strategic plans for sports tourism. This so, because Canadian Sport Tourism Alliance issued “Canada sport tourism template” as a development strategy guide. In other countries, there is no such guide, but many small towns and other urban places and cities have entrusted the development of strategies to agencies and professionals. Those are places, regions and countries such as Leduc, Prince Georg, Vancouver, Canberra, Toulouse, Lozere, Barcelona, Glasgow, Edinburgh, Appalaches, Quebec, Provence Alpes, British Columbia, Valongo, Bas-Saint-Laurent, Sines, Portugal, Guadalupe, Sao Tome & Principe, Surrey, Jamaica, St. Gallen, Koln, Dusseldorf, Mainz, Seefeld, Caribbean, Iran, Charlevoix, Scotland, UK, Paraguay, Brazil, Russia, Kazakhstan, etc.

All these strategic documents more or less have a similar structure of content.

In Sport Tourism Strategic Master Plan Leduc 2014 – 2024 (Millier et.al., 2014) content include Key Factors Driving Location of Sporting Competitions, Sporting Facilities, Motivation to Host, Amenities facilities, Volunteers, Experience, Business Plan. In “Strategies to Optimize Sports Tourism Opportunities for Sustainable Development in the Caribbean” (Delpy, Paulton, 2016) conternt include Definitions, Facts & Figures, Sport Tourism Objectives, Success Factors, Case Studies, Recommendations. In “Sport Tourism Presentation Developing a Sport Tourism Strategy” (Midland,

Kingston, 2013) content include Legacies of Sport Tourism, Economic Development, Infrastructure Development, Community visibility and spirit, Volunteer and leadership development, New partnership development between sport, businesses, tourism sector and communities. According to authors of PUR Pican, an acceptable model should contain the state of the art, the experience in the country and abroad, the comparative advantages of region, the citizens' wishes, the public and private sector's view of their needs and expectations, and the economic justification of a particular project without which the projects themselves do not make sense. (Bala, PUR Pićan Municipality, 2015:72). Similar content is in "Sport Hosting Vancouver Action Plan", in "Sport tourism (Tourism business essentials) The essential guide to understanding and developing sport tourism in British Columbia" (Cowared, D., et.al., 2013) and in already mentioned "Croatian Tourism Development Strategy until 2020".

In short, those development strategic plans contain more or less very similar structure: (structural) analysis of the situation (state of the art), infrastructure analysis, objectives and vision, key driving factors, development trends and measures, tourism industry value chain, competitive and/or comparative analysis, development projects or programs, best practice and case study, economy benefits, effects and impacts, polls and analysis, financial aspects and recommendations.

In addition to analysis of development plans, it is necessary to analyze different authors who have dealt with that or similar topic. Mihalič, T. (2013) carries out the idea-model Destination Environmental and Tourism-Created Resources that separates the tourist supply on the infrastructure and super-structure (services), Natural and Cultural resources and Social resources. The last two represent in this paper previously explained two of five pillars of sustainable development. However, „tourism-created resources correspond to the group of tourism-relevant infrastructure (tourism buildings and structures) and super-structure (tourism services)“ (Mihalič, T., 2013:620). „The elements of this group are divided into two subgroups. The first is tourism infrastructure, which encompasses the different tourism buildings and structures that enable the production of tourism services, such as hotels, casinos, marinas, sport facilities, and national parks. The second is tourism super-structure, which encompasses tourism services, such as half board, casino entertainment, marina mooring, golfing, and visiting national parks, all of which are enabled by the tourism infrastructure (Planina and Mihalič 2002)“ (Mihalič 2013:619).

By its nature, sports facilities in some destination may be “ultimately” active or passive (Novak, 2006: 58). Sports infrastructure for active purposes implies the active use of material but also human resources in the function of recreation, education, competition or rehabilitation i.e. direct participation in various sports activities (in according to above mentioned definition of infrastructure). Sports facilities for passive use implies passive use of material and human resources in the function of entertainment i.e. indirect participation, passively as a spectator of various sports activities. Passive

use of sports facilities/infrastructure” on the supply side implies that interaction of all stakeholders responsible for full services and functioning of sports infrastructure on the supply side. In case of synergistic action, these factors are important generators effects of sport tourism. So, significant factors of potential competitiveness could be main purpose of sports facilities for active or passive use of their visitors. Almost same approach was pointed out in “Strategies to Optimize Sports Tourism Opportunities for Sustainable Development in the Caribbean”,(Delpy, Paulton, 2016). There was recognized travel to play sport (Active: Competition/Recreation) and travel to watch sport (Passive: Amateur/Professional). In addition, there was recognized travel to visit sport attractions (Nostalgia).

Tsai, Song and Wong (2009:524), among other issues, discuss the destination competitiveness denoting that „A destination may be considered competitive if it can attract and satisfy potential tourists“. They „listed 16 models that have substantially contributed to the tourism destination competitiveness debate“ (Mihalič, 2013:614) such as: country image, accessibility, attractiveness, safety (Cizmar and Weber, 2000), inter-enterprise competition between airlines, tour operators, hotels and other tourism services (Ritchie & Crouch, 2000), destination competitiveness based on the notion that it is a cluster of tourist attractions, infrastructure, equipment, services and organization that jointly determines what a destination has to offer to its visitors (Bordas, 1994), objectively measured variables such as visitor numbers, market share, tourist expenditure, employment, value added by the tourism industry, as well as subjectively measured variables such as „richness of culture and heritage“, „quality of the tourism experience“ etc.“ (Heath, 2003:9). „Ritchie and Crouch (2000) argued that competitiveness is illusory without sustainability.“ etc. (Tsai, Song & Wong, 2009:525)

Vodeb, K. (2014) in her research introduces the importance of the standpoint of the local population for the competitiveness of the destination.

Armenski, T. et al (2012) proposed a model that could be, within accessible desk research, with the idea closest to this paper. Their „Integrated model defines the six main categories of competitiveness:

- inherited resources (INH),
- created resources (CRE),
- supporting factors and resources (SUP),
- destination management (MAN),
- demand conditions (DEM) and
- situational conditions (SIT).“ (Armenski, T. et.al. 2012:488)

Each of above mentioned resources, factors and conditions contains a number of various constituent elements. Some of them are related to sport-touristic supply and demand. They are: Historic sites, Heritage, Flora and fauna, Artistic and architectural features, Unspoiled nature, National parks, Variety of cuisine, Special events/festivals, Health resorts & spa, Winter based activities, Diversity of

shopping experience, Rural tourism, Entertainment, Nature based activities, Congress tourism, Sport facilities, Adventure activities, Accommodation, Recreation facilities, Tourism guidance and information, Existence of tourism programs for visitors, Airports, Amusement/Theme parks, Water based activities, Hospitality of residents towards tourists, Health/medical facilities to serve tourists, Accessibility of destination, Appreciation of service quality importance, Destination vision reflecting tourists values, Development of effective destination branding, Educational structure/profile of employees in tourism, Entrepreneurial qualities of local tourism businesses, Extension of foreign investment in destination tourism industry, Quality in performing tourism services, Quality of research input to tourism policy, planning, development Resident support for tourism development, accordance between destination products and tourists preferences, Overall destination image, Investment environment, Managers capabilities, Security/safety of visitors, Value for money in accommodation, Value Value for money in tourism destination experience (Armenski, T. et.al., 2014:491-497) and many others.

However, Novak (2006, 2010) in his researches was focused on the role and potential of sport in tourism product, analyzing inductively determined model of three value measures and impact factors of sport in the development of tourism. Three value measures combine:

- establishing a functional system of various types of tourism with the motive of sport
- identifying potential opportunities of implementation of various motives of sport regarding to required investment
- spatial distribution of accommodation capacities.
- Factors of influence of sport for development of tourism:
- emphasize the importance and role of sports facilities in categorization of accommodation capacities
- emphasize the development trends of sports-tourism supply such as ethics of natural nutrition, trend of return to nature, ecological humanism
- trend of health and psychological and physical stability
- effect on growth in number of tourists and the perception of Croatia as a tourist country
- effect on quality standard of tourist destinations
- effect on sport as an instrument of stimulation on investment policy for developing tourism supply emphasizes the effects of employment caused by sports supply and other (Novak, 2006:60).

Inductively established model with three value measures can affect detection of potential opportunities of resources that destinations have at disposition for tourism development with the motive of sports.

The characteristics of the environment dictate the development potential of sports facilities. It is not certain that large investments represent a greater attraction for the individuals (Novak, 2006:56-57).

In his research Kušen E. (2002) extract several factors and resources in “Tourism resource base” which comprise the following components:

- Tourism attraction base
- Other direct tourist resources
- Indirect tourism resources

“Tourist attraction base” are all potential and actual tourist attractions in the destination. “Other direct tourist resources” are tourist, hotel and restaurant facilities, accompanying facilities, personnel, zones, agencies, travel organizations, publicity, PR and information, education of the local residents and attractiveness of the neighboring tourist destinations. “Indirect tourism resources” combine preserved environment, geographic location, traffic connections, communal infrastructure, quality of layout, facilities design, the environment and green spaces, peacetime situation and political stability.

Also, Kušen E. (2002) determined second group of factors and resources under name „Contribution to functional systematization of types of tourism”. That was an attempt to systematize all of selective tourism i.e. driving forces in motivational form. Considering the sport and business activities that are immanent to these sports activities, Contribution is modified, supplemented and adjusted (Novak, 2006:57). Tourism and sports are associated with maritime, continental, city and ubiquitous spaces and with facilities related to sports, recreational and competitive activities that make a large part of the motives. Nevertheless, in accordance with the purpose and objective of this paper, the functional systematization is necessary to supplement with activities that are not substantially covered in all sub-areas of sport. In fact, as stated above sub-areas of sport include competitive sport, sport recreation, education and science in sport, kinesitherapy and sports for disabled persons and other business sporting activities. However, such systematization significantly extends the capabilities for each destination separately, depending on local preferences, abilities and needs.

In addition, based on all of reviewed studies and papers it is possible to conclude that there is lack of some factors and resources. On the ground of work and research experience, that lack is possible to supplement with certain factors and resources, here presented:

1. Perception of destination by the local residents
2. Operational converting of perception into a coherent vision of development with:
  - Spatial Plans
  - Statutes, regulations and other acts of law

- Subvention measures and incentive funds
  - Investment plans
  - Structure of supply
  - The desired level of quality and working hours
  - Branding destinations in accordance with the level & quality of supply and desired perception
3. Perception of destination by actual and potential guests
  4. Cultural heritage and traditional relationship of domicile residents and guests
  5. Demographic and educational cornerstone of competitiveness
  6. The role and effectiveness of the tourism govern bodies
  7. Natural resources and the terrain configuration
  8. The complexity of the desired sports and tourism supply
  9. The image of destination itself and of the country of domicile according to its sports achievements
  10. Value for money

Above listed factors and resources is possible to name it as “Intangible resource base” because of its primary immaterial character.

## **10. Discussion and Findings (Extracted resources and factors important for destination competitiveness)**

Conceptually, the term “method” is an analytical thought process, based on logical thinking that helps in correct reasoning and cognition on certain principles. On the other hand research methodology is a system of these methods and principles (Anic, Goldstein, 1999), which, in this case, should be used for purposes of extracting some important (but kind of universal) resources and factors important for each tourist destination. Availability of the facts and the data is not enough, because it is crucial thought process by which the data was analyzed in the process of solving a particular problem (Bazala, A., 1978).

In this paper, empty hypothesis was set as formal goal of research. Namely, by definition empty hypothesis is such a hypothesis that cannot be verified, checked or tested, even though there is a chance that later it would be found to be correct. (Zelenika, 2000:422). Besides that, in this paper for research was taken explanatory method. This kind of method should be used if the goal is to seek the answer for a question that sought to explain the presumed causal links in real-life that are too complex for the survey or experimental strategies (Yin, 2003; Baxter & Jack, 2008:547)

So, what was concluded? And, what are the crucial findings of this paper?

It is clear that a model of sustainable development represents a form of sustainable competitiveness. For this reason, the definition of a model of sustainable sports tourism for each destination is specific. The resources and factors of competitiveness are different.

Based on desk research and above mentioned researches, groups of factors and resources of competitiveness that can or should affect the consumption of guests in the destination (named as "Basis for planning") were extracted as follows:

1. Tourist resource base
2. Economic aspects of sustainability
3. Contribution to functional systematization of selective types of tourism
4. Ten (10) Melbourne Principles
5. Active and passive users of the sports facilities
6. Intangible resource base
7. Other unlisted impacts of local character

1. First group of factors and resources "Tourist resource base" (Kušen, E., 2002) comprise the following components: Tourist attraction base, Other direct tourist resources and Indirect tourism resources.

2. Economic aspects of sustainability comprise Profitability of the business operations, Concept of "natural capital" (Franck-Dominique Vivien, 2008), Innovative and productive economy that delivers high levels of employment (NAW, 2015) and Economic growth "without remnant"

3. "Contribution to functional systematization of selective types of tourism" (Kušen, 2002) was modified, supplemented and adjusted (Novak, 2006) considering the sport and business activities that are immanent to sports activities that provoke tourist arrivals.

4. Ten (10) Melbourne Principles (UN EPDTIE, 2002) comprise a long-term vision for cities, long-term economic and social security, intrinsic value of biodiversity and natural ecosystems, minimize ecological footprint, sustainable construction, empower people and foster participation, sustainable networking, sustainable production and consumption and continual improvement.

5. Active and passive users of the sports facilities (Novak, 2006, Delpy, Paulton, 2016)) implies sports infrastructure for different kind of users. For active purposes i.e. direct use of facilities, participating in various sports activities and travel to play sport competition or recreation. Passive use implies indirect participation, passive participation as a spectator of various sports activities and travel to watch sport amateur or professional. In addition, there was recognized travel to visit sport attractions (Nostalgia).



6. Intangible resource base (Heath, 2003; Vodeb, 2014; Kotler, 2003; Mihelič, 2018; Novak) implies perception of local residents, spatial plans, regulations, subventions, investments, quality, branding, guests opinion, heritage, education, effectiveness, natural resources, supply and demand, image and value for money.

7. Finally, seventh group of isolated factors and resources are “Other unlisted factors and resources” which depend on specific local character and cannot be generalized.

## **11. CONCLUSION**

The basic idea of this paper was to extract those significant resources and factors of competitiveness and sustainable development that should be of significance for a particular tourist destination in terms of sport tourism development.

The purpose of this paper would be the application of these resources and factors in the planning of the development of a sport tourism of a particular destination. Those destinations that have decided to use sport as main travel motive and/or as supplement to the existing supply of various services. These sport attractions should attract potential guests and transform them into the actual buyer of the services of some tourist destination.

For this purpose, a desk research has been conducted in order to investigate numerous works that directly or indirectly relate to the topic of this paper. Those researches and papers processed certain factors and resources of competitiveness and sustainable development, naturally for the purpose and objectives of their research.

However, the results of their researches, related to sport tourism, are the foundation of this paper. The results of those studies were put into the function of this paper, so some resources and factors related to the topic of this paper were extracted.

Those partially separated data were integrated into a single unit in this paper. Of course, this single unit is immanent to this research, according to the perspectives and experience of the author of this paper.

So, what can be concluded from this paper?

First. Globally, tourism as business activity is one of the generators of many national economies.

Second. Tourism as a business activity (industry) has a significant growth year after year. Sports tourism has a significant share and its annual growth is many times larger than tourism in general.

Third. When demand is rising, supply rises and there is a need to think about numerous factors of competitiveness and resources that can be used in that sense. Namely, the tourists' consumption depends on the variety of supply. When supply is more unique, it is more likely of larger arrivals.

Fourth. Sport as a notion, is not sufficiently comprehended, so in various development studies, some sub-sectors of sport are treated separately, although they are part of sport and sports activities.

Fifth. Sport as activity generates and promotes numerous economic effects and transforms sports into an economic category and business activity.

Sixth. It is not enough to have a sports infrastructure, because it does not mean much for itself, so there must be a system that works and generates positive economic effects. In addition, expensive investments are not always necessary, when it is possible to use natural resources and generate, without greater investment, the same economic benefit.

Seventh. A small number of foreign people come to Croatia for sport. Main motives are mostly some others.

Eighth. Guests in Croatia spend only 3 € a day on the sport, which is very low consumption. The reason for this could be extremely high dissatisfaction with the wealth of sports content - low satisfaction.

Ninth. Croatia has an extreme seasonality, especially in the summer months. It is clear that it is necessary to design such a (sports) tourist supply that would extend the tourist season, in other seasons of the year (spring, autumn and winter)

Tenth. The concept of sustainable development focuses on the pillars of sustainable development - the economic, ecological, social, technological and cultural component. Sport tourism in this sense, must necessarily cover all the pillars of sustainable development with its concept.

Eleventh. Sustainable tourism refers to the profitability of tourism, but on the basis of sustainable development and the benefits of the local population, meeting the needs of tourists and sustainably preserving local resources.

Twelfth. Economic aspects of sustainability should include profitability, natural capital, employment and growth without remnant.

Thirteenth. There are numerous studies of tourism development and sport tourism. Apart from professional and scientific papers, for this paper were important strategic development plans of small

towns, cities, regions and countries. Some countries are in this sense more advanced and have developed a system for improving sport tourism.

Fourteenth. From the studied papers and studies, some resources and factors were extracted that could be of great importance for the purpose of this paper.

Fifteenth. Of all the extracted factors and resources, a compilation was made and called a "Basis for planning". The content of the Basis includes, in the author's opinion, those resources and factors that should influence the supply and demand of sports tourism products and services.

Therefore, most of the results shown in proposed "Base for planning" represent a compilation of proposed resources and factors of competitiveness. The proposed resources and factors of competitiveness considering what sports-tourism can offer, should be the basis for decision making process on potential investment projects in each destination. The use of the proposed "Basis for planning" should have practical implications. Those practical implications should be reflected in structural changes, consequent to the structure of supply and potentially would cause changes in the structure of guests and their demand i.e. consumption.

Empty hypothesis, by its definition, cannot be accepted nor rejected.

Further exploration of factors and resources important for better economic results of tourist destinations, especially in the field of sport tourism, are recommended.

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## Leading Factors of Sustainable Rural Tourism Development: Case of Georgia

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### ABSTRACT

### ARTICLE INFO

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**Purpose:** This study is aimed to identify the leading factors for the tourism industry sustainable development in a less developed country.

**Design/Methodology/Approach:** Sustainable development can be defined as a process of economic and social changes as well as an agreed and coordinated process of natural resource exploitation, direction of investment, scientific and technological development, personal development and institutional change enhance the present and future potential of human needs. In this paper, we have tried to show the factors contributing to the development of the tourism industry. These recommendations make it possible to promote the sustainable development and rapid resuscitation of the tourism industry. In many ways it is about ensuring the quality of life of people. The design of the article includes theoretical explanations regarding sustainable development with emphasis in the tourism industry.

**Findings:** There are proposed more effective policies promoting the industry in addition to specific projects improving the infrastructure and the social feelings about tourism

**Practical Implications:** It was defined a set of measures that can have a positive impact, able to influence the industry in a positive way regarding its direct and indirect effects in the state, regional and local economies of tourism destinations.

**Originality/Value:** This is an important contribution describing and identifying issues related to the Georgian tourism sector. It is a valuable piece of information for policy-makers to adopt the studies proposals for the further sustainable development of the industry.

*Keywords:* Sustainable development; Tourism; Tourism Industry, Georgia, Rural Tourism

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### 1. INTRODUCTION

The necessity for sustainable development in tourism becomes more and more noticeable every year because of the high competition among touristic destinations. The most important issue is, to

eliminate all negative aspects affecting the tourism industry growth/extension. The development of tourism around the world has a significant positive impact on the state revenue and environment. Tourism as one of the world's largest economic sector, supports one out of ten jobs, worldwide generating 10.4% of world's GDP (about US\$ 8.8 trillion). In 2018, travel and tourism industry also experienced a 3.9% growth, compared to the global economy which was 3.2%. One out of five new jobs were created by the industry over the last five years.

From the visual impact of the architecture of hotels and resort complexes to noise and air pollution from the increasing traffic flow, pollution of water sources and loss of natural habitats (Deutscher Reiseverband, 2015; Travel & Tourism Economic Impact 2016) tourism has been characterized as an obstacle to sustainable development if the industry discard issues relating to green economy, sustainability of natural resources, cultural habits and ethics, legal and environmental actions.

Most of the negative environmental impacts from tourism are associated with the construction of general infrastructure, such as airports, roads and tourism facilities, including resorts, hotels, and restaurants. However! Tourism and particularly nature- based tourism activities have beneficial effects on the environment by protecting and preserving the environment. It is possibility for to raise awareness about environmental values and serves as a financial instrument to the protection of natural areas and increase their economic value.

## **2. DISCUSSION**

Sustainability has environmental, sociocultural, and economic dimensions. Healthy ecosystems and environments are necessary for the survival of humans and other organisms, and thus constitute the basis of sustainable development (*Morelli, John, 2011*). Sustainable development consists of a system which provides community economic development and environmental protection in the interest of human well-being, growth and quality of life for future generations, quantitative and qualitative changes for the protected natural resources and the surroundings (Frolova, 2010; Naumova, 2003; OECD, 1980). It implies a form of economic growth that ensures the welfare of the general public for short, medium and long term. It is based on the principle that today's demands must be satisfied so as not to threaten future generations. Sustainable development means to create conditions for the long-term economic development with considerable consideration on environmental issues. The Copenhagen World Summit on

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sustainable development in 1995 emphasized the necessity of combating social segregation and public health (Frolova, 2010).

According to Tiezzi and Marchettini (1999), the new theories of sustainable development and ecological economy confront us with a paradigm: today there is no economy based on two parameters (capital and work), but an ecological economy which admits the existence of three parameters: work, natural capital, and capital produced by man.

Through the improvement of the basic infrastructure and the full involvement of local communities, tourism can contribute to poverty reduction, the first of eight MDG (Millennium Development Goals). The provision of the possibility of attracting such external sources of income and their equitable distribution within the community in a tourist-attractive area primarily contribute to improving the quality of life of the local population (Keller, 2004).

During the United Nation World Tourism Organization (UNWTO) General Assembly meeting in October 10, 2011 in Gyeongju, Republic of Korea, about 70 ministers from all regions of the world agreed to promote such a tourism policy aimed at achieving the MDG (Millennium Development Goals) by 2015. In parallel, the capacity of tourism is to promote the construction of a "more secure, fair, green and prosperous world for all" (OECD, 1980; Debbage and Ioannides, 2003).

By considering the approach to tourism development, it should be taken into account needs of other industries, ensuring their interconnection and interdependence. Despite a rather long time of development of this concept, the researchers did not come to a common opinion regarding the definition of sustainable tourism. Today, the most common definitions are:

- ✓ Sustainable development of tourism industry is all forms of tourism development and management that do not contradict the natural, social, economic unity and well-being of established societies in an indefinite period (World Federation of Natural and National Parks, 1992);
- ✓ Sustainable development of tourism industry is ensured within the limits of environmental sustainability, allows to effectively restore the productivity of natural resources, takes into account the contribution of local communities to leisure tourists;
- ✓ Provides the equality of the rights of the local population to the economic benefits of tourism;

- ✓ Human wishes and needs of the receptive sides are seriously considered (Tourist Concern & Wild World Fund, 1992);

Sustainable development of tourism industry allows modern inhabitants of the world to satisfy their own needs for rest and recreation without the threat of

- ✓ future generations losing this opportunity (UNDP, Production and consumption branch, 1998).

### **3. FACTORS AFFECTING TOURISM DEVELOPMENT**

At the present stage, the essence of sustainable development of tourism is considered as the most important factor for the sustainable development of the society. This provision is clearly stated in the Global Code of Ethics for Tourism, adopted by the SRT in 1999. It proclaimed the commitment of all participants of the tourism process to preserve the natural environment for sustainable and balanced development. An important role belongs to the central, regional and local authorities, they should support the most environmentally friendly forms of tourism.

In order to change the negative impact of large tourist flows, measures should be applied to distribute tourists and visitors uniformly, thereby reducing the seasonality factor. Planning of new objects of tourist infrastructure should be carried out taking into account the peculiarities of the terrain, to guarantee the preservation of the habitual way of life of the population. Sustainable development of the territories able to attract tourism activities is provided through the creation of tourism infrastructure, the organization of new jobs, the attraction to the standard activities in the field of tourist services for the local population. As a result, the living standard of the inhabitants of peripheral regions rises, and their consolidation takes place in the historical territory of residence.

The protection of tourism is the obligation to preserve the biodiversity of recreational areas and centers. For the realization of such approaches, it is required to use environmental technology, practical experience, recommendations of fundamental and applied sciences. For the protection and restoration of recreational areas new schemes of financing and lending environmental activities within the boundaries of the recreational areas could be an effective way to keep the level at the highest possible height (Frolova, 2010; Naumova, 2003).

All recreational resources are used for sustainable tourism development and are channeled in such a way as to satisfy economic, social and aesthetic needs while preserving the cultural identity,

ecological balance, bio diversity and life support systems of the region. Several measures are appropriate to enhance sustainable tourism development, including a modern development strategy. These measures, whether state, regional or local, can describe the structure of an industry not only in terms of legal and / or economic aspects, in terms of social behavior of the workforce involved in this industry:

- ✓ Approval at the state level sustainable development provisions, in particular on tourism;
- ✓ Cooperation and exchange of experience with the international community on issues of theory and practice of sustainable development, adapting their methods and tools;
- ✓ Increase of the level of the ecological consciousness of the population, dissemination of information on the quality of the environment and methods of protection;
- ✓ Economic and legal support of nature protection activities;
- ✓ Stimulation of environmental initiatives of the population by supporting non-governmental organizations.

The goals of sustainable development of the tourism industry as an integral paradigm of the development of society is the development of management mechanisms for the tourism industry based on a balanced unity of economic, social (including demographic), ecological and environmental characteristics for general economic progress. Scientists around the world and high-ranking nations have repeatedly stressed the importance of using the potential of tourism to achieve the goals of social and economic development, which are known as the Millennium Development Goals (MDG), and contribute to the achievement of sustainable development of the society.

We have study sustainability factors of Norwegian rural tourism market functions as a basis for the convenience sample performed for a questionnaire (incomplete study). The questionnaire was distributed in 2019 to 8 Norwegian rural tourism oriented Household Owners and The staff. It was identified that each of these respondents had minimum 5 year experience of working in rural business.

The questionnaire was addressed to people aged 25 years and older. In total, 59 surveys were returned, which represents a response rate of 99%. A review of the responses reveals a total of 59 valid questionnaires for the present study, indicating a valid response rate of 95%. The questionnaire was designed based on interviews with representatives from the tourism industry, previous studies on Norwegian tourism, and domestic statistics.

It incorporated 27 questions that represent the different preferred nature-based household activities and their experience in Norway. Other variables included in the questionnaire to segment the rural tourism households are: age, education, employment, employment qualification, gender, household income, household size, marital status, (demographic), region (geographic), expenditure, experience (travel), group size, length of stay, mode of transportation, and visitation

Tourism activities with proper planning have a positive effect for the rural destinations development, and contribute to improvement of the quality of life of the people.

#### **4. CONCLUSIONS**

In order to create long-term conditions for the development of tourism within a proper and preserved status in natural resources and the cultural values of the society, the aim of this research is to establish theoretical approaches for a sustainable development of the tourism industry in the state of Georgia. As the tourism industry itself contributes to the country's socio-economic development it is required to be treated as such. Sustainable development through a growth model with adequate use of natural resources, supporting human needs while at the same time preserving the environment, the social and the cultural aspect of the local society could be a well-balanced strategy to be used satisfying present and future needs. Future generations have the right to enjoy life, to be able to work under better working conditions and to continue efforts improving economic and social life.

Tourist activities with proper planning have a positive effect on destinations, and contribute to improving the quality of life of the population because:

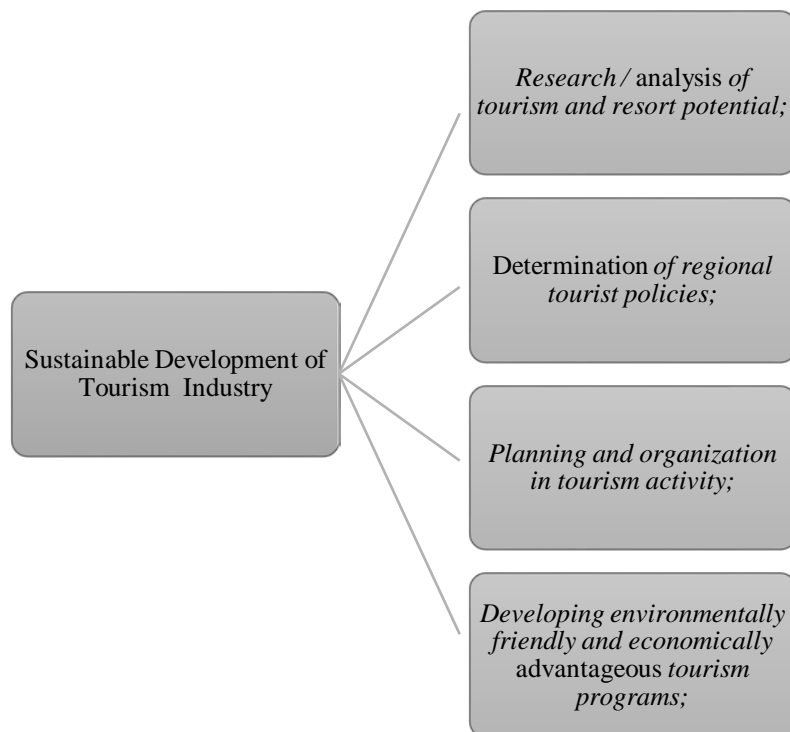
- ✓ It serves an additional source of income for the local population;
- ✓ Allows to diversify economic activities in destination;
- ✓ Provides new jobs and increases opportunities for the local population;
- ✓ Tourism is an effective catalyst for the restoration of the traditions of the area, the maintenance and the development of local culture;
- ✓ Increases the level of education and qualification of the local population in order to improve the quality of the services provided to tourists in the destination;

- ✓ Allows to develop micro, small and medium business for which advertising is a very important factor, proper outdoor advertising and manufacturing give chances to attract new customers;
- ✓ Reduces the isolation of the terrain due to the improvement of transport infrastructure, the emergence of IT technologies and modern means of communication;
- ✓ Improves the quality and accessibility of various services, including health care. The income from tourism is distributed;
- ✓ The income remaining in the region (that part is necessary for a positive change in the quality of life of the population) as income of local entrepreneurs, owners of infrastructure facilities, salary of local staff, income from sales of locally produced food products, income from sales of locally produced souvenirs, payment for maintenance of infrastructure and environmental conditions of the area;
- ✓ Income from the region as income of foreign investors and foreign travel agencies, expenses for the development of tourist products, marketing and advertising, transfers to destination, the cost of importing food, energy, technology, communication systems, highly qualified personnel, industrial goods, services.

Concluding, sustainable development of the tourism industry is a precondition for the solution of many economic and social problems. Precondition of sustainable development of tourism industry is created from different factors, such as:

- Research / analysis of tourism and resort potential;
- Determination of regional tourist policies;
- Planning and organization in tourism activity;
- Developing environmentally friendly and economically advantageous tourism programs (Figure 1).

**Figure1.** Factors of Sustainable Development of Tourism Industry



Based on the above mentioned theories and study we can determine the principles of sustainable tourism as follows:

- ✓ Promote the adoption of a full and healthy life in harmony with nature;
- ✓ Contribution to the conservation, protection and restoration of the Earth's ecosystems;
- ✓ Development and application of sustainable production and consumption patterns as a basis for travel and tourism;
- ✓ Peoples' cooperation in the field of an open economic system;
- ✓ The abolition of protectionist tendencies in the provision of tourist services;
- ✓ Obligatory protection of the environment as an integral part of the development of tourism, respect for relevant laws;
- ✓ The participation of citizens of the country in solving problems related to the development of tourism including those relating directly to them;
- ✓ Ensuring the local nature of decision-making in the planning of tourism activities;
- ✓ Exchange of experience and introduction of effective tourism technologies;
- ✓ Taking into account the interests of local population.

What is needed at present is a better understanding of the value changes and interactions, therefore it is important greater participation of local actors as well as high level transnational cooperation are both necessary to cope with current and potential obstacles and to collaboratively seek and develop opportunities of rural tourism development, for sociocultural, economic, and environmental improvements of the country.

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