Competitive Position of Croatia at The Mediterranean Tourism Market

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***Abstract**: At the contemporary increasingly open and integrated world tourism market competitiveness measurements have become the most important indicators for receptive tourism countries worldwide. Almost every tourism country conception, strategies, policy and plan contain indicators of tourism country competitiveness. The main reason for lies on one hand in the high level of accessibility of almost every tourism destination and on the other hand in the low capability of the tourism destination differentiation toward other competitors at the tourism market. Every receptive tourism country, including Croatia, has been making constant efforts to achieve and sustain the competitive advantage. Therefore, the main aim of the paper is to determine, on the basis of the sampled indicators, the competitive position of Croatia at the Mediterranean tourism market among the selected nineteen direct and indirect competitors. An additional purpose is to offer directions to obtain a better market position and achieve long term competitive advantage. In order to gain insight into the Croatian tourism position among the Mediterranean competitors, the paper contains consecutive indicators of the market share for the analysed receptive tourism market: the real tourism share, proportional market share, index of penetration and coefficient of the relative competitiveness. Since competitiveness is a distinctly complex concept which is incessantly reflection of subjective observations of qualitative features, for the purpose of the research indicators were used that applied quantification of the qualitative attributes and that provide an objective comparison. The countries that are included in the research are, according to the indicators, at different levels of economic and social development and also each of them operates at specific development level in different circumstances which are in any cases incompatible with another country that has completely different development level. Therefore the competitive analysis will be based on description and factography.*

***Key words**: competitiveness, market position, Croatia, Mediterranean*

1. Introduction

Competitiveness, strategies to achieve competitiveness and measurement of the same are the most commonly used syntagms at the tourism market today. The reason why they are so actual is availability of all components of the tourism product and services at the market as well as rather difficult differentiation from other competitive destinations. For quite some time the countries focused on development of tourism had faced the need to re-gain their competitive advantages in the fierce battle for instant prosperity and expansion. Nowadays, tourism destinations are on one hand under great pressure by the high level competitiveness and rapidly changing market requirements, and on the other hand by the shorter period of validity of tourism products due to constant technological changes and moral obligation to satisfy the increasingly sophisticated tourism demand. In order to resume their place in the race for a better position at the tourism market, i.e. to become competitive, they must get closer to the market by sensing the tourism requirements, reacting promptly and providing prompt responses on the same, respecting at the same time the competition and perusing the advantages and capabilities to the full. Competitiveness at the global level has put pressure on all tourism destinations, regardless the size or degree of development, to carry out re-organisation and re-structuring in order to stay on the market.

All tourism destinations, including Croatia, have been continuously searching the means to achieve and maintain competitive advantage. For efficient measurement of competitiveness it is above all necessary to determine the level for which research and analysis will be carried out (state, industry, business subject or product). In many recent research projects competitiveness was evaluated at national macro level.

The purpose of this paper is to determine, on the basis of market share indicators, the position of the Republic of Croatia at the tourism market with respect to selected direct and indirect competitors in the Mediterranean, and to put forward the guidelines to obtain better position at the market as well as long-term competitive advantage.
In order to achieve those goals following hypothesis has been set:

In relation to its competitors Croatia is middle positioned destination at the Mediterranean tourism market.
This hypothesis has implied the backing hypotheses:

According to the real market share in general accommodation capacities, Turkey and Greece are Croatia's main competition.

According to the penetration index competitive position of Croatia is better in foreign overnight stays than in domestic overnight stays.

2. Literature Review

The monitoring and analysis aspects being extremely varied, there is no universal and precise definition of competitiveness. In its business process it has changed shapes from competitiveness among products and companies through competitiveness among chains of companies to global competitiveness. According to the definition set by the United Nations for economic co-operation and development competitiveness is the measure of ability of a country to produce goods and services under free and equal market conditions that pass the test of international market but at the same time maintain and increase the nation's real income on a long term basis (OECD, 2011) Holistic definition of competitiveness was given by Feurer and Chaharbaghi (1994) who defined it as a relative and not absolute value dependant upon the value of shareholders and clients, financial power that determines the ability for action and reaction within competitive milieu, and potential of people and technology.

In their observation of competitiveness at a national level Scott and Lodge defined it as a nation's ability to create, produce, distribute and supply products and services in international trade making at the same time an increased return to their resources (Buckley et al., 1988).

It is difficult to define competitiveness in tourism due to a number of economic, ecological, social, cultural and political factors that determine it. For this very reason competitiveness in tourism has evolved into a central feature of economic policy at a destination level (Kunst, 2009), resulting in a large number of definitions of tourism competitiveness and consequently measurement methodologies.

Hassan (2000) defines competitiveness in tourism as ability to create and integrate product with added value that has sustainable resources through which it defends the market position in relation to competition.

Dwayer and Kim (2003) believe that destination competitiveness is closely related to ability of a destination to deliver products and services that are superior to those of other destinations in tourism in those aspects of tourism experience that are important to tourists.

The most frequently cited definition in literature is the one by Ritchie and Crounch (2003) who gave the most comprehensive definition of destination competitiveness describing it as ability of a destination to increase the number of visitors and tourists' consumption giving at the same time satisfactory and unforgettable experience and doing it by bringing profit and thriving welfare to local population as well as preservation of local natural resources of the destination for future generations.

Instead of the term competitiveness the term sustainable competitive advantage is increasingly being used. According to Hofmann (2000) sustainable competitive advantage is prolonged benefit from implementation of strategy when creating product value that cannot be implemented at the same time by an existing or potential competitor and its advantages cannot be duplicated. The best definition of sustainable competitive advantage was given by Chaharbaghi and Lynch (1999) who defined it as a process of fulfilling the existing needs without jeopardising ability of a business subject to fulfil the future needs. If applied on tourism, sustainable competitive advantage in tourism would be valorisation and utilisation of existing natural resources respecting at the same time the needs of future generations.

Guidelines for future developments in tourism depend significantly on the results of competitiveness measurements. 3P competitiveness measurement is known from literature. Measures are categorised in three groups: competitiveness of indicators (performance), competitiveness of factors (potential) and management process (process). Measurements of factors describe inputs, measurements of indicators describe outputs and the process measures management of the whole operation (Buckley et al., 1988).

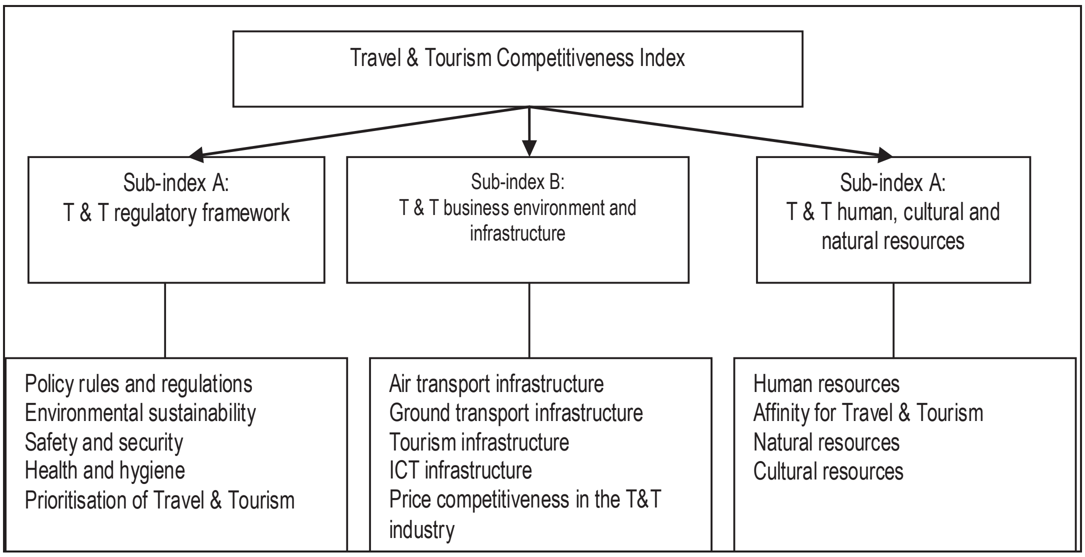
Kozak (1999) believes that both quantitative and qualitative measurement of destination competitiveness can be performed. Quantitative measurement includes the number of arrivals per year, annual revenue from tourism, expenditure per tourist, length of stay. Qualitative measurement includes tourist features, their attitudes on (dis)satisfaction, mediators' attitudes, quality of workers in tourism, quality of accommodation capacities and services in tourism.

The term destination competitiveness and efforts to find an adequate method of measurement, as well as the means for achieving and maintaining destination competitive advantages are in the focus of attention of all participants in tourism supply. The reason for this is economic potential of tourism and competitive struggle among destinations to attract a larger number of tourists (Lee and King, 2009).

Due to high profitability and rapid expansion of tourism the penetration onto the tourism market is a huge challenge to potential carriers of tourism supply, and for the existing ones it is the reason for developing a market strategy to achieve sustainable competitive advantage. In 1950 fifteen major tourism destinations realised almost the total number of international tourism arrivals, while 60 years later this number fell to 57% (Balan, Balaure, Veghes, 2009). Having in mind that the number of arrivals in the same period had grown the change resulted from an increased number of tourism destinations due to globalisation processes, which caused change in the main task in management of a tourism destination from attracting the largest possible number of tourists to achieving destination competitive advantage.

Dweyer et al. in 2003 declared that there is no special and unique set of indicators applied on all destinations, but a year later the measurement indicator called Travel & Tourism Competitiveness Index was developed and today it is the best known index of tourism competitiveness in the world. TTCI was developed within a partner programme for air, travel and tourism sector of the World Economic Forum in close co-operation with their strategic partners Booz & Company, Deloitte, the International Air Transport Association (IATA), the International Union for Conservation of Nature (IUCN), the World Tourism Organisation (UNWTO) and the World Travel & Tourism Council (WTTC) and it keeps record of 139 tourism destinations worldwide.

Travel & Tourism Competitiveness Index measures 14 indicators grouped in three sub-indices (see Scheme 1).



Scheme 1 – Travel & Tourism Competitiveness Index
Source: The Travel & Tourism Competitiveness Report 2011, www.weforum.org (accessed 19.04.2011)

Different scientists in tourism used different measurement methodologies when analysing competitiveness at national macro level, from TTC Index (Goorroochurn & Sugiyarto, 2005; Kayar & Kozak, 2008; Gursoy et al., 2009; Nechita et al., 2010), through Porter diamond (Cerovic & Batic, 2008; Miller et al., 2008; Perles Ribes et al., 2011) to hedonistic prices model (Papatheodorou, 2002). For the purpose of ascertaining competitive market position of Croatia indicators of market share will be used in this paper.

3. Mediterranean Tourism Market

Global tourism market as a special market of products and services has never shown such a dynamic progress as in the period from mid 20th century until today. A large number of participants involved in international tourism processes as of the WW II until today support the fact that tourism has become a global phenomenon.

In spite of the recession, increased human restlessness and natural disasters international tourism is on the rise. In 1950 the number of international tourist arrivals was 25,2 million and in 2010 this number rose to 935 million, having increased by more than 38 times, i.e. 6,34% per annum. Revenue from international tourism has increased from 1950 until today by approximately 450 times at an average growth rate of 10,85%. Europe is the tourism region with the highest share of tourist arrivals, namely over 476,6 million international arrivals. The number of tourist arrivals in Europe from 1950 until today has grown from 186,3 to 476,6 million at an average growth rate of 1,60%. The share of Europe in the total number of arrivals in the monitored period has been considerably reduced from 65,58% in 1980 to 50,7% in 2010. Within Europe different regions have different concentrations of international tourist arrivals. The most frequently visited region is Southern Europe with the share of 18% followed by Western Europe with the share of 16,3% (UNWTO, 2011). The analysis of the shares of regions in total arrivals indicates that interest for the so far most visited region of Western Europe has slightly fallen while at the same time the interest for Southern Europe (which includes all Mediterranean countries) has increased. The increased interest of tourists for Mediterranean countries in particular implies creation of a new region that significantly differs from the regions formed by the World Tourism Organisation. Consequently, a new region will be formed in this paper encompassing 19 Mediterranean countries on the European, African and Asian continent. The Mediterranean has been in the focus of action for centuries, it has represented a bridge between various influences, cultures and civilisations, and today it represents the confrontation area of three different continents involving countries in different stages of development. Having in mind that this is an area rich in natural and cultural resources it is only logical for it to find its modern valorisation in tourism (Petrić, 1992).

Global regionalisation that has reached the Mediterranean as well enables application of various regionalisation criteria, such as geographic, political, cultural, economic and similar. According to the geographical criteria countries in the Mediterranean are divided into three groups: the European part that includes Spain, France, Italy, Croatia, Greece, Malta, Slovenia, Montenegro, Bosnia and Herzegovina and Albania; the Near East part that includes Turkey, Syria, Lebanon, Cyprus and Israel; and the part of North Africa that includes Morocco, Algiers, Tunis, Libya and Egypt. The total area of this region comprises 8.348 km2, which is approximately 5,6% of the world area. Out of this area some 15,7% is in Europe (Žabica, 1992). According to the indicators analysed it may be concluded that there are different degrees of participation of the nineteen countries included in the analysis at the Mediterranean tourism market. In these countries 29% of total world international arrivals is realised and 26% of income from tourism is made, consequently this region requires special attention. The top position according to the number of international arrivals is occupied by France with the share of 28,4%. Italy is the top country in overnight stays with the share of 27%, and Spain takes the top position in revenue made from tourism with the share of 24,7%. The share of another group of countries including Turkey and Greece is 5-10% and of all other countries under 5%. As far as overnight shares are concerned the situation is rather similar, but the top group of countries according to revenue earned involves not only Greece and Turkey but also Egypt (according to SOURCES OF STATISTICAL INDICATORS OF THE COUNTRIES in References).

In order to carry out as complete a research as possible, besides analysis of physical indicators WTTC indicators for 19 chosen Mediterranean countries have been analysed. According to TTCI France takes the top position, Spain is second and Cyprus with 4,89 index is on the third place. The Republic of Croatia is on 34th position out of 133 analysed countries worldwide, and on 8th position out of 19 countries in the Mediterranean. The sub-index analysis showed the best results for Croatia (7th place) in the area of human, cultural and natural resources, then in the area of business environment and infrastructure (8th place), while the lowest position Croatia occupies in legal frame area (10th place). According to these indicators Tunisia, Algiers and Libya take the bottom positions. This measurement has been in use since 2004 which is why researchers interested in monitoring the tourism competitiveness dynamics must seek alternative measurement methods.

Table 1: The Travel & Tourism Competitiveness Index at the Mediterranean tourism market

	Travel & Tourism Regulation Framework	Travel & Tourism Business Environment and Infrastructure	Travel & Tourism Human, Cultural and Natural Resources	T & T Competitive Index	
	Score	Score	Score	Score	Rank
France	5,71	5,35	5,18	5,41	***1***
Spain	5,34	5,32	5,22	5,29	***2***
Italy	5,00	4,79	4,83	4,87	***5***
Turkey	4,58	4,02	4,50	4,37	***11***

Greece	5,11	4,75	4,48	4,78	***6***
Cyprus	5,33	5,15	4,19	4,89	***3***
Malta	5,69	4,93	4,02	4,88	***4***
Slovenia	5,19	4,70	4,03	4,64	***7***
Albania	4,79	3,30	3,93	4,01	***12***
B&H	4,24	3,14	3,49	3,62	***15***
Montenegro	5,15	4,15	4,38	4,56	***9***
Israel	5,04	4,33	3,87	4,41	***10***
Croatia	5,02	4,58	4,23	4,61	***8***
Algiers	3,87	2,89	3,35	3,37	***18***
Egypt	4,53	3,59	3,77	3,96	***13***
Libya	3,64	2,92	3,18	3,25	***19***
Morocco	4,55	3,50	3,74	3,93	***14***
Syria	4,17	2,91	3,39	3,49	***16***
Tunisia	5,17	4,05	3,94	3,41	***17***

Source: World Economic Forum. (2011). The Travel & Tourism Competitiveness Report 2011, retrieved on October 15, 2011 from http://www3.weforum.org/docs/WEF_TravelTourismCompetitiveness_Report_2011.pdf

In order to ascertain the competitiveness position of the analysed countries and confirm the main and backing hypotheses besides the mentioned indicators it is necessary in the positioning analysis to apply competitiveness indicators based on the market shares.

4. Methodology

To get an insight in the market position of Croatia in relation to selected direct and indirect competitors in the Mediterranean in this paper indicators of market share within the monitored receptive market have been used, as follows: real market share, proportional share, penetration index and relative competitiveness coefficient. The real market share is the share of individual competitive countries in the total number of overnight stays realised in a defined circle of competitive countries (according to types of accommodation capacities and tourist origin), proportional share is the share of individual competitive countries in accommodation capacities (hotels and other complementary capacities), the penetration index represents the relation between the real market share and proportional share (according to types of capacities and tourist origin), while the relative competitiveness coefficient represents the relation between penetration index of individual competitive countries and penetration index of Croatia (Institute for Tourism, 1997). Since movement dynamics plays an important role in tourism, the stated indicators have been chosen due to availability of data that have been continuously monitored and recorded for many years. To determine changes in position at the market this paper analysed indicators from 1999, 2004 and 2010.

The analysis involved countries in different stages of development both according to economic and social indicators, consequently the comparative analysis will focus on description and factography since each of the mentioned countries operates on its own development line under specific circumstances that are incompatible with another country that has a completely different development line.

The possibility of substitution for competitive macro destinations offering similar products on similar markets and thus similar market segments is extremely large. Consequently, it may be concluded that determination of market position and national competitive ability in general must focus primarily on the market competition between individual macro destination countries and then on other competitiveness parameters (Institute for Tourism, 1997). In globalisation environment tourism destination or region with specific tourism product is a basic measure of competitiveness. Destination may be observed from two aspects: as a geographic unit and as a marketing unit in a competitive environment focused on tourist requirements.

To obtain a full picture on market developments and relations between competitive countries in the Mediterranean and to determine position of Croatian tourism in the Mediterranean and actual competitors to Croatia in the Mediterranean physical indicators of each country were analysed. Since competitiveness is a very complex term and reflection of subjective observations on qualitative features, for the purpose of this research indicators were used that enabled quantification of qualitative features of competitive destinations enabling thus an objective comparison. As the basis for calculation of market position indicators total number of arrivals or total accommodation capacities and hotels and similar accommodation capacities of all analysed Mediterranean countries were taken. The analysis of indicators in complementary accommodation capacities did not show realistic indicators since most Mediterranean countries do not keep record on this data.

5. Results of Research

The real market share

According to overnight stays in all accommodation capacities in 1999 the largest market share among the Mediterranean competitive destinations was occupied by France (31,8%), Italy (24,5%) and Spain (23,3%). Croatia with the share of 1,5% was on the 7th place after Turkey, Greece and Syria. According to international arrivals made in all accommodation capacities in 1999 Spain took the first place because France and Italy shared a smaller share in international arrivals. In 2004 there were no significant changes in Croatia's position. The share of leading countries remained approximately the same and Croatia kept the same position as in 1999. In 2010 the largest real market share belonged to France (29,3%), Italy was second with the share of 27,1%. The second group consists of Turkey (61,%), Greece (4,8%) and Croatia with the share of 2,6%, while another group according to analysed indicators consists of the countries with a share below 1%.

Table 2: Real market share at the Mediterranean tourism market

Real market share	Total				Hotels			
	1999	2004	2010	***Rank***	1999	2004	2010	***Rank***
France	31,8%	31,04%	29,30%	***1***	19,40%	20,72%	21,08%	***3***
Spain	23,3%	20,00%	25,10%	***3***	27,41%	25,80%	24,33%	***2***
Italy	24,5%	26,00%	27,15%	***2***	25,99%	25,73%	27,40%	***1***
Turkey	3,7%	4,00%	6,10%	***4***	5,38%	5,58%	7,40%	***4***
Greece	5,3%	5,38%	4,80%	***5***	6,53%	5,67%	5,30%	***5***
Cyprus	1,5%	1,52%	0,80%	***8***	1,99%	1,61%	2,10%	***7***
Malta	0,8%	0,80%	0,55%	***11***	0,99%	0,84%	2,10%	***7***
Slovenia	0,5%	0,52%	0,40%	***12***	0,49%	0,55%	0,10%	***16***
Albania	0,1%	0,01%	0,00%	***17***	0,10%	0,11%	0,04%	***18***
B&H	0,0%	0,06%	0,00%	***19***	0,06%	0,06%	0,05%	***17***
Montenegro	0,1%	0,21%	0,20%	***13***	0,06%	0,09%	0,22%	***15***
Israel	1,5%	0,90%	0,20%	***13***	1,67%	1,77%	1,70%	***9***
Croatia	1,5%	2,08%	2,60%	***6***	1,55%	2,20%	1,70%	***9***
Algiers	0,4%	0,48%	0,20%	***13***	0,47%	0,50%	0,57%	***14***
Egypt	0,8%	2,09%	0,90%	***7***	1,78%	2,20%	2,65%	***6***
Libya	0,0%	0,01%	0,00%	***17***	0,01%	0,01%	0,02%	***19***
Morocco	0,4%	1,10%	0,20%	***13***	1,43%	1,67%	1,64%	***11***
Syria	2,3%	2,40%	0,80%	***8***	0,88%	0,90%	0,90%	***12***
Tunisia	1,5%	1,40%	0,70%	***10***	3,81%	3,99%	0,70%	***13***

Source: Authors (according to sources of statistical indicators of the chosen countries in References)

Analysis of total arrivals exclusively in hotels and similar accommodation capacities does not significantly change the position of Mediterranean competitive destinations. Namely in 1999 the largest market share of 27,4% was made by Spain, then Italy and then France as a consequence of a large share of complementary accommodation capacities in tourism supply. Croatia took the ninth position due to a large share of complementary capacities in total accommodation supply. When analysing the real market share indicator for 2004 and 2010 it is obvious that as far as total overnight stays in basic accommodation capacities are concerned the situation has not significantly changed in comparison with 1999.

The final conclusion after analysis of real market share indicators is that in overall accommodation capacities Croatia does not represent a competitive destination to Spain and France. Real competitors are Turkey and Greece which confirms the first hypothesis. According to total realised overnight stays in basic accommodation capacities Croatia can not compete with either Spain or France or Italy, and its serious competitors are Cyprus, Malta, Israel, Egypt and Morocco. The analysis of real market share indicators in complementary accommodation capacities indicates that Croatia has a better competitive position in relation to the basic accommodation capacities (hotels and similar accommodation capacities), but due to unavailability of data this indicator is not relevant.

Proportional share

According to proportional share indicator for 1999, 2004 and 2010 the leading position in total accommodation supply has France, Italy is second and Spain third. Croatia fell from fourth to sixth place in the monitored period with one percent smaller proportional share, while in other analysed countries the situation has not significantly changed.

Table 3: Proportional share at the Mediterranean tourism market

Proportional market share	Total				Hotels			
	1999	2004	2010	***Rank***	1999	2004	2010	***Rank***
France	31,0%	33,00%	28,00%	***1***	20,66%	16,40%	18,40%	***3***
Spain	23,0%	20,00%	24,00%	***3***	18,50%	19,99%	24,60%	***1***
Italy	24,1%	26,00%	26,80%	***2***	25,73%	26,44%	22,70%	***2***
Turkey	2,8%	3,30%	2,99%	***5***	4,39%	5,56%	6,80%	***4***
Greece	5,1%	4,80%	4,83%	***4***	8,52%	8,83%	4,10%	***7***
Cyprus	0,6%	0,59%	0,51%	***13***	1,18%	1,22%	1,00%	***13***
Malta	0,3%	0,23%	0,20%	***16***	0,58%	0,55%	0,47%	***16***
Slovenia	0,5%	0,39%	0,52%	***12***	0,43%	0,40%	0,52%	***14***
Albania	0,0%	0,04%	0,10%	***18***	0,05%	0,08%	0,21%	***18***
B&H	0,1%	0,07%	0,08%	***19***	0,13%	0,13%	0,13%	***19***
Montenegro	0,3%	0,31%	0,34%	***15***	0,21%	0,22%	0,51%	***15***
Israel	0,9%	0,78%	0,71%	***11***	1,71%	1,67%	1,48%	***11***
Croatia	3,5%	3,06%	2,50%	***7***	2,76%	2,63%	1,80%	***10***
Algiers	0,5%	0,50%	0,50%	***14***	1,07%	1,06%	1,03%	***12***
Egypt	2,1%	2,10%	2,44%	***8***	3,99%	4,49%	5,10%	***6***
Libya	0,1%	0,07%	0,15%	***17***	0,11%	0,11%	0,32%	***17***
Morocco	0,7%	0,76%	0,93%	***10***	1,45%	1,64%	1,95%	***9***
Syria	2,8%	2,59%	2,90%	***6***	5,41%	5,55%	6,05%	***5***
Tunisia	1,6%	1,41%	1,50%	***9***	3,12%	3,03%	2,84%	***8***

Source: Authors (according to sources of statistical indicators of the chosen countries in References)

If proportional share indicator is observed solely for hotels and similar accommodation capacities the difference in relation to total capacities and the difference between 2010 and 1999 are clearly visible. In 2010 there was a decrease in proportional share of France for two percent, causing the fall from second to third position according to this indicator. Similar situation happened to Italy too, and Spain increased its share for 6 percent. Although the share was decreased for only one percent, Croatia fell to 11th position.

For a more detailed analysis of this indicator it was necessary to monitor the situation in relation to complementary accommodation capacities as well, at least for the countries that keep record of such data. The analysis included only the countries keeping record of complementary accommodation capacities. According to the data analysed France took the lead in 2010 with the share of 50,5%, and Croatia with the share of 3,1% took the fourth position.

According to the proportional share indicator in total accommodation capacities the leading Mediterranean countries are France, Italy and Spain, followed by the group of countries Turkey and Greece, and then the group in which Croatia is competitive, while the other countries have a proportional share below one. In complementary accommodation capacities Croatia has a proportional share of 3,1% which indicates unfavourable structure of accommodation capacities with the share of complementary capacities over 65%.

Penetration index and relative competitiveness coefficient

Penetration index measured for analysed Mediterranean countries according to total realised overnight stays in all accommodation capacities indicates that the real share of Spain and France of 4,6% is larger than the share attributed to them according to total capacities. While penetration index for Italy corresponds to its real market share for total capacities for Turkey, Malta and Cyprus the situation is somewhat different since penetration index is significantly larger that the real market share, which points to efficient utilisation of accommodation capacities while other destinations have weaker relations. The picture is significantly changed if only foreign overnight stays are analysed. Italy and France are not successful in the monitored period. Cyprus, Malta, Syria and Tunisia use their capacities over realistic possibilities in relation to their competition. France and Italy due to smaller share of foreign tourists do not sufficiently utilise their overall capacities. The problem of seasonality which is influenced by the climate makes the difference for all analysed countries.
According to relative competitiveness coefficient in 2010 Croatia takes the sixth place in total arrivals in all accommodation capacities.

The penetration index and relative competitiveness coefficient largely depend on the structure of accommodation capacities and structure of visitors, consequently it is possible that global indicator as an indicator of utilisation of capacities in individual countries may be lower than when monitored at the level of individual types of accommodation.

Table 4: Index of penetration at the Mediterranean tourism market

Index of penetration	Total				Hotels			
	1999	2004	2010	***Rank***	1999	2004	2010	**Rank**
France	102,6%	93,9%	104,6%	***4***	93,9%	126,3%	114,7%	***5***
Spain	101,7%	100,0%	104,6%	***5***	148,3%	129,1%	106,9%	***8***
Italy	101,7%	100,0%	101,5%	***7***	101,0%	97,3%	120,7%	***4***
Turkey	132,1%	121,2%	203,8%	***2***	122,6%	100,4%	108,8%	***7***
Greece	104,5%	112,1%	99,4%	***8***	76,7%	64,2%	129,3%	***3***
Cyprus	233,8%	257,7%	158,3%	***3***	168,1%	132,2%	210,6%	***2***
Malta	251,4%	306,2%	238,4%	***1***	169,1%	154,1%	448,6%	***1***
Slovenia	111,0%	131,3%	76,6%	***9***	114,7%	137,6%	19,1%	***16***
Albania	4,6%	23,2%	1,0%	***17***	222,8%	118,8%	18,9%	***17***
B&H	61,0%	79,2%	0,1%	***19***	43,9%	44,7%	32,4%	***14***
Montenegro	46,1%	68,8%	58,7%	***10***	27,8%	39,1%	43,6%	***13***
Israel	170,6%	115,9%	28,2%	***14***	97,5%	106,2%	114,6%	***6***
Croatia	42,4%	68,1%	104,1%	***6***	56,1%	83,5%	94,2%	***9***
Algiers	64,5%	95,5%	40,0%	***12***	43,8%	47,5%	55,4%	***11***
Egypt	39,0%	99,5%	36,9%	***13***	44,8%	48,9%	52,0%	***12***
Libya	12,3%	14,1%	0,7%	***18***	8,4%	10,4%	4,7%	***19***
Morocco	53,5%	144,0%	21,5%	***16***	98,3%	102,1%	84,3%	***10***
Syria	82,6%	92,7%	27,6%	***15***	16,3%	16,1%	14,9%	***18***
Tunisia	93,5%	99,2%	46,7%	***11***	122,1%	131,9%	24,7%	***15***

Source: Authors (according to sources of statistical indicators of the chosen countries in References)

Upon analysis of penetration index and relative competitiveness coefficient it may be concluded that Croatia is averagely successful destination according to total realised arrivals in all capacities in comparison to the monitored Mediterranean countries. The situation changes significantly if only international overnight stays are analysed. In that case the differences between Croatia and competitive countries are less significant since Croatia has much better results due to the large share of international overnight stays. According to penetration index coefficient of 237% recorded in total accommodation capacities Croatia takes the fourth position in international overnight stays while according to the same coefficient of 23% in realised domestic overnight stays in overall accommodation capacities Croatia takes the 14th position, which confirms the third backing hypothesis.

Table 5: Relative competitiveness coefficient at the Mediterranean tourism market

Relative competitiveness coefficient	Total				Hotels			
	1999	2004	2010	**Rank**	1999	2004	2010	**Rank**
France	242,0%	137,89%	100,57%	***4***	167,20%	151,37%	121,71%	***5***
Spain	240,0%	146,79%	100,51%	***5***	264,12%	154,66%	113,47%	***8***
Italy	239,8%	146,79%	97,54%	***7***	179,93%	116,59%	128,11%	***4***
Turkey	311,7%	177,92%	195,88%	***2***	218,43%	120,26%	115,50%	***7***
Greece	246,6%	164,48%	95,57%	***8***	136,59%	76,92%	137,20%	***3***
Cyprus	551,5%	378,29%	152,12%	***3***	299,36%	158,37%	223,53%	***2***
Malta	593,1%	449,39%	229,12%	***1***	301,27%	184,66%	476,15%	***1***
Slovenia	261,9%	192,66%	73,58%	***9***	204,38%	164,90%	20,32%	***16***
Albania	10,7%	34,03%	0,95%	***17***	396,85%	142,34%	20,09%	***17***
B&H	143,9%	116,31%	0,12%	***19***	78,21%	53,61%	34,39%	***14***
Montenegro	108,8%	101,03%	56,41%	***10***	49,61%	46,89%	46,25%	***13***
Israel	402,5%	170,15%	27,08%	***14***	173,62%	127,21%	121,60%	***6***
Croatia	100,0%	100,00%	100,00%	***6***	100,00%	100,00%	100,00%	***9***
Algiers	152,1%	140,21%	38,46%	***12***	78,06%	56,96%	58,78%	***11***
Egypt	92,0%	146,09%	35,42%	***13***	79,72%	58,61%	55,17%	***12***
Libya	29,0%	20,70%	0,63%	***18***	14,88%	12,45%	5,02%	***19***
Morocco	126,3%	211,31%	20,64%	***16***	175,08%	122,26%	89,47%	***10***
Syria	194,9%	136,12%	26,55%	***15***	28,98%	19,33%	15,78%	***18***
Tunisia	220,5%	145,63%	44,85%	***11***	217,45%	157,99%	26,19%	***15***

Source: Authors (according to sources of statistical indicators of the chosen countries in References)

Following data shown in Table 6 have been obtained by analysis of all market share indicators on the basis of mean values.

Table 6: Competitive index at the Mediterranean tourism market

	FR	ES	IT	TR	EL	CY	MT	SI	AL	BH	MN	IL	HR	DZ	EG	LAJ	MA	SY	TN
Score	3,25	4,38	3,63	4,38	5,38	6,38	6,75	13,00	17,38	17,50	13,00	10,50	7,75	12,38	9,63	18,00	11,88	12,13	11,50
Rank	1	3	2	3	5	6	7	15	17	18	15	10	8	14	9	19	12	13	11

Source: Authors (according to indicators of market share)

According to market share indicators analysis Croatia takes the middle position at the Mediterranean tourism market. Although it offers similar tourism products as in competitor destinations it can by no means compete with the countries like Spain, France and Italy, however its realistic competitors are Turkey, Greece, Cyprus, Malta, Egypt and Israel. Nevertheless, other destinations like Slovenia, Montenegro, Morocco, Tunisia and Syria should not be neglected, since Croatia is their competitor too, which leads to the conclusion that in the struggle for the market and application of adequate development concept out of these nineteen destinations none has secured a firm market position. Among the most important factors influencing inadequate positioning of Croatia at the Mediterranean tourism market are certainly the non-differentiated tourism supply, lack of a defined development concept and monotonous offer beyond accommodation. Besides the mentioned, inadequate education of individuals directly or indirectly participating in tourism represents a huge problem as well as inadequate structure of accommodation facilities where complementary accommodation capacities dominate and the number of domestic tourists is rather small.

Conclusion

The existing situation with tourism development in the Mediterranean indicates that there are three regions in different stages of economic and tourism development. If the achieved degree of economic and tourism development is taken into consideration the comparative analysis shows that Mediterranean countries can be grouped into three groups regardless their geographic position. The first group of countries is the North-West region that according to indicators obtained encompasses the most developed countries as far as economy and tourism are concerned (France, Italy and Spain) with realised index of 1-5. The next group is the group of middle developed countries with the index 5-11 which includes the following countries: Cyprus, Greece, Israel, Malta, Turkey, Egypt and Croatia. The third group includes countries with the index 11-19 (Montenegro, Bosnia and Herzegovina, Albania, Slovenia, Algiers, Libya, Morocco, Syria and Tunisia).

According to the research the initially set hypothesis that Croatia occupies a middle position at the Mediterranean tourism market has been confirmed. This research has also confirmed that competitiveness is an extremely complex term which requires different approaches. The paper analysed competitiveness from the market share aspect, but necessity to implement other approaches based on other indicators must be pointed out as well.

Modern trends in development of tourism supply at the Mediterranean tourism market lead towards increasingly articulated need for implementation of adequate marketing strategy in tourism supply due to strong competition on all levels and due to increased individual character of travel. The success of carriers of tourism activities at the market in future will largely depend on a more intensive marketing of their supply and its proper strategy in the given environment.

When finding a solution for the Croatian situation at the Mediterranean tourism market the development of tourism should be based primarily on sustainable development, in particular through development of special tourism products. Due to the change of competitiveness system at tourism market the marketing strategy of mass tourism is being replaced with the strategy of differentiation and implementation of targeted marketing based on location of the market segment that is strategically sustainable for a longer period of time and development of a product and marketing combination fully adapted to each market segment both at the international and national markets.

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