



3rd GLOBAL CONFERENCE on BUSINESS, ECONOMICS, MANAGEMENT and TOURISM,  
26-28 November 2015, Rome, Italy

## The managers' attitude towards diffuse hotels as innovative form of agricultural households tourist offer

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### Abstract

The concept of a diffuse hotel is designed to connect small tourism providers in a specific small geographic area into a broader and more complete offer of tourist services. The diffuse hotel model enables the village or specific selected area to become a "hotel" with one reception, offering overnight accommodation, gastronomic services and including other providers into a network of activities, featuring tour guiding, selling of traditional food products, wine and souvenirs, horse riding, visiting of local museums and collections, bike rental and the other services. The purpose of a diffuse hotel is to provide new workplaces and to promote employment and self-employment. Permanent and seasonal employment enable the locals to work in the reception and doorman service, at the information centre, in the field of tour guiding or in the services of hotel housekeeping and maintenance. Placing a scattered hotel in a specific place stands for an increase of tourist inflow and additional income of existing business entities as a consequence. Such a hotel also makes an important contribution in maintaining the countryside vividness and population, progress of other tourist activities and products, while it enables revitalisation of old abandoned houses. Agricultural households in Dubrovnik-Neretva County very often offer just a part of the service. The aim of the paper is to explore the possibility of improving the agricultural household tourist offer based on implementation of diffuse hotels. The purpose of the paper was to explore in what measure are diffuse hotels acceptable as form of accommodation facilities for future agricultural households business practice in Konavle and Peljesac. For the purpose of this paper in 2015, the perception of 15 agricultural households managers/owners in Dubrovnik-Neretva County, Croatia has been explored. According to the results of the research it is visible that agricultural households business practice can be organized as diffuse hotels.

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Peer-review under responsibility of the Organizing Committee of BEMTUR- 2015

*Keywords:* diffuse hotels; agricultural households; attitudes; managers/owners; Dubrovnik-Neretva County; Croatia

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## 1. Introduction

The diffuse hotel is not classic hotel can be defined as an official category of accommodation which consists of a couple of facilities located in different places with a common reception. It incorporates elements of specific architecture, culture and feeling of home atmosphere Dell' Ara (2000). The main differences between integral and diffuse hotel is in fact that integral hotel consists connect different units, and there is no distance limitation. According to the Croatian law in 2014 has been introduced the term of integral and diffuse hotel, so the legislative frame for their introduction on the tourist market have been created [www.mint.hr](http://www.mint.hr).

The integral hotel is mostly predicted for urban destination, but can be used for connecting different stakeholders in rural areas too. The same case is with diffuse hotel. There are examples of introducing integral and diffuse hotels in Croatian hospitality business practice. ZIGZAG is first integrated hotel in Zagreb. The hotel ensures superb accommodation in luxurious and modern apartments and rooms of high-quality and fascinating interior design. ZIGZAG Integrated Hotel Zagreb consists of 11 specially chosen and newly decorated apartments, 4 double bedrooms and 1 single room. It can accommodate 70 persons at any given time. Receptionists and ZigZag personnel are at the guests' service. ZIGZAG Apartments&Rooms Dubrovnik is a mixture of luxury, beauty, style and cultural heritage of the Old City of Dubrovnik, which is a UNESCO World Heritage Centre. It consists of 2 apartments and 2 double rooms which can accommodate 12 persons. It is fully equipped for a pleasant and carefree stay. Prime locations in the very heart of Zagreb and Dubrovnik, within a walking distance of the majority of historical, cultural and leisure facilities, offer its guests a special experience of a city life, traditional atmosphere, and a first-hand experience of life, both in Zagreb and Dubrovnik [www.zigzag.h](http://www.zigzag.h). The second integral hotel which have been opened is „Srece prirode“ and is located in Karlovac County. Hedera-estate is the first diffuse hotel in Dubrovnik which has been opened in 2015 [www.hedera-estate.com](http://www.hedera-estate.com). There are also integral hotel on the island Dugi otok and Vir in Zadar County.

The first diffuse hotel in Croatia has been built in 2013 in the area of Biograd, in 2015, called “Raznjevica in Dvori” in Zadar County [www.raznjevica.dvori.com](http://www.raznjevica.dvori.com). The attractive diffuse hotel called “Vrbanj, is on the island of Hvar. Unlike the standard hotel accommodation units are scattered all over the place. The central reception area is where the guests informed about the history, culture and customs as well as area where employees help clients. The buildings are autochthonous, made of stone and wood, and are surrounded by clean air and unspoiled nature. The hotel includes 17 cooperative members who are engaged in different agricultural and non-agricultural activities and produce superior products that are sold through a diffuse hotel. The service is based on the ecological products and organic food. The hotel is used by indigenous soaps and shampoos made on the basis of local herbs. Accommodation can be chosen, or by the sea or in the interior. The hotel slogan is "Good food, fine vine & quite stay". The products are certificated and can be bought in the hotel as unique souvenir [www.poslovni.hr](http://www.poslovni.hr)

The initiatives for organizing private accommodation facilities as diffuse hotel have started in Istria, too. They have been faced with the legislative problems in the past. One of important projects is project in Završje, ancient village near Grozňjan. The plan has included the reconstruction of all buildings, which will later become hotel dependances, so the rooms are scattered all over the place. The project included and the central reception area, small restaurants and souvenir shops, that is all the facilities of a hotel. It was the first project in Istria [www.grozňjan-gisignan](http://www.grozňjan-gisignan). The same initiative has started in the village Oriha in Istria, where private accommodation facilities providers have intention to make cooperation. The same is planned for the village Barban and Hrboki in Istria [www.glasistr.hr](http://www.glasistr.hr).

Very important factor for future development of new and innovative forms of accommodation facilities is creation of positive attitudes towards changes.

For the purpose of this paper we have stated basic hypotheses:

H1. The managers of agricultural households in Konavle and Peljesac area are willing to accept new and innovative form of accommodation facilities and find that diffuse hotels are suitable and convenient for future development of agricultural households, both for keeping authenticity of destinations and preservation of local products.

We have carried out empirical research in Dubrovnik-neretva County including the sample of 15 agricultural households. For analyzing data we have used descriptive statistic.

## 2. Rural and agrotourism in Croatia

Agrotourism is a form of rural tourism, includes tourist stay in rural area and especially at agricultural households. The definition of the term and specific features of agrotourism are accepted and defined by Croatian laws and regulations Official gazette 43/09, 149/09, 88/10, 127/10, 136/06, 152/8, 50/12, 68/07, 05/08, 48/08, 44/11, 118/11. The agricultural households are mostly located in Istria, Dubrovnik-neretva County and Zagreb County. Unfortunately, ecologic production on agricultural households has not been sufficiently developed. Creation of identity and recognition, adds value and contributes to the visibility of the destination, thus contributes to rural development. Recognized and autochthonic products are important factor for Croatian positioning domestic and at the international touristic market. There are examples of good business practice, such as „Ekotourism Veselic“ in Lonjsko Polje offering authentic accommodation facilities and the food based on ecological production [www.ruralna.hr](http://www.ruralna.hr). The family agricultural household Jankovic in the village Stara Marca near Ivanic Grad has accommodation facilities in the authentic style, there is a lake with fish, family have deers, fitness center, they organize sport and entertainment facilities and they prepare food what includes local (own) food and traditional specialities Franic & Cunj (2007). Agricultural household “Sveti Martin on Mura” in 2007 has been awarded as the best European destination in rural tourism (by the European Commission). The accommodation facilities have been offered in their bungalows and the visitors can eat wide range of authentic food specialities. The clients can also play tennis and football and see animals. They have arranged the area for kids where they can play different games and spend their time <http://www.ruralna.hr>. Participating in the organic farming of fruit, vegetables and herbal plants have been applied in agro resort Bracka perla on the island Brac. In agro resort Bracka Perla, the owners have cultivated fruits and seasonal vegetables, as well as aromatic and medicinal herbs (lavender and sage) with organic techniques. So, all food is produced ecologically and is being used both in hotel Bracka Perla, and on eco-farm Bracka Perla. It is also possible to participate in planting and harvesting fruits and vegetables [www.agroturizam-brac.com](http://www.agroturizam-brac.com).

In the area of Dubrovnik there is association called “Agrotourism of Konavle”. It is the association of agricultural households which brings together owners of rural houses and accommodation. Members of the association are also renowned winemakers, olive oil producers, they make dried figs, cheese and honey, traditional desserts and sweet products and a whole range of traditional genuine products of the Konavle region. From traditional arts and crafts in Konavle there are saddle makers, folk costumes' makers, makers of traditional souvenirs of Konavle, blacksmiths, sculptors, painters etc. We will mention some of agricultural households in Peljesac: Agricultural household Kapor (Mokalo), Antunovic (Kuna), Agricultural household Katicic (Ston), Agricultural household Bartulovic (Oskorusno), Agricultural household Panorama (Orebic). Some of the agricultural households in Konavle and Dubrovnik (Osojnik, Zupa) are: Agricultural household Vukorep (Cilipi), Agricultural household Glavinja (Cilipi), Agricultural household Obad (Pridvorje), Agrotourism Carevina (Mocici, Cilipi), Agrotourism Zlatovisce (Gruda, Konavli), Agrotourism Brajkovic (Dubravka, Konavle), Agrotourism Brautovic (Mocici, Cilipi), Agrotourism Muhoberac (Osojnik), Agrotourism Kameni dvori (Pridvorje), Agrotourism Konavoska kuca (Radovcici), Agrotourism Arkulin (Lovorno), Agrotourism Kleskovic, (Zupa), Agrotourism Dragic (Pridvorje), Agrotourism Rilovic (Gruda), Agrotourism Sisa (Mihanici), Agrotourism Sambrailo (Zupa).

In 2013, the gold medals for quality in agro tourism have received next agricultural households located on Peljesac Peninsula, Konavle and some other parts of Dubrovnik-Neretva County: agricultural household Carevina (Mocici, Konavle), Antunovic (Peljesac Peninsule), Frano Milina Bire (Korcula island), family farm Katicic (Peljesac Peninsule) and agricultural household Mlinica Sapro (Dubravka, Konavle) With the silver medals were awarded agro tourism Zlatovisce (Gruda, Konavli), Brajkovic (Dubravka, Konavle), Brautovic (Cilipi, Konavle), Muhoberac (Osojnik) and agricultural household Podanje (Lastovo island). Bronze medal for quality in agro tourism has received Villa Izvor (Konavle) [www.agroturizam-konavle.hr](http://www.agroturizam-konavle.hr).

## 3. Results of the empirical research carried out in Dubrovnik-Neretva County, Croatia

### 3.1. Research methodology

For the purpose of this paper we have carried out primary research in Dubrovnik-Neretva County. The empirical

research has been carried out by interviewing 15 agricultural households managers/owners. The first group of questions was about demographic data, the second about services they offer and about their experience, the third about limitations and barriers in their business practice. For analyzing data we have used descriptive statistics. The results of the research have been shown below.

### 3.2. Results of research and discussion

All agricultural households are located in Dubrovnik-Neretva county, in the area of Konavle and Peljesac. The men in the study were represented with a share of 67%, while women accounted for 33%. Managers/owners are mostly secondary school educated (73%). Some of them are college-educated or have finished high school (20%) or have finished doctoral degree (7%). The share of 13% belongs to the owners/managers who were between 31 and 35 years, 28% between 36 and 40 and 13% between 41 and 45. The managers were mostly older than 50 years (46%).

The product/service which they offer to the clients are shown in table 1.

Table 1. Agricultural households product/service

Product/Service	The share of agricultural households (%)
Accommodation	27
Food & Beverage	27
Food/ Beverage & Accommodation	27
Food/Beverage, Accommodation and other services	19
Total	100

The agricultural households product includes accommodation (27%), food and beverage service (27%), food/beverage & accommodation (27%). With the share of 19% are represented agricultural households which offer food/beverage, accommodation and other services (entertainment, sport, ethno collections/museums, participation in activities etc).

The products they produce from their own production are: arancini, kotonjata, jam, eucalyptus, mantala, smokovnjaci, brostulani mjenduli (almonds in sugar), pandispanj, domestic apple pie, rozata, wine, liquor, vegetables, oil, meat, konavoski vez (Embroidery from Konavle which is protected cultural heritage). They mostly produce vegetables (33%), oil (33%), meat (27%), liquor (33%), wine (40%), arancini (40%). Agricultural household Brautovic (Cilipi) organize and offer School of traditional cooking. According to the research which have been done in the area of Dubrovnik the tourist are faced with lack of authentic products Barac, Dragicevic & Letunic (2012), so we find out that agricultural households production is very important part of tourist offer for the town Dubrovnik and whole Dubrovnik area and should be better supported by local community in the future.

They all find out that the quality of their products is satisfying, but they consider that it is necessary to continuously improve the level of quality. The findings show that agricultural households are aware that clients demand and expect high level of quality and safety standards.

Table 2. The level of product safety

Safety level	The share of respondents (%)
Very high	80
High	20
Neither low, nor high	-

Low	-
Total	100

They never had problems with the safety of their product and although they do not have international certificate for their products (except the declarations with the data about producer, name of product, duration), all of them consider the safety level satisfying and very satisfying.

The main advantages of agricultural households business practice are: possibility to work in the own way, flexible working hour, traditional way of living, family business, possibility to offer specific type of service to the market niche, possibility to produce and sell in their own houses, possibility to sell with higher prices.

The most important disadvantages are: bureaucracy and complexity and limitation of the legislation which is not adapted well with specific features of the agricultural households business practice. The main barriers for the future development are limitations connected with the human resources, financial obstacles, difficulties to place the product on the international market and to find market niche which is optimal for the household.

One part of them considers that agricultural households offer is good enough in all segments of tourist supply (30%), but the significant part of them think that there is a need for improvement (70%). All of them are willing to cooperate with other agricultural households.

#### 4. Conclusion

The agricultural household offer in Croatia and in Dubrovnik-Neretva County, are based on the food and beverages services, food and accommodation and food, accommodation and other service. According to the results of this research and previous research Dragicevic, Klaić & Pisarovic (2014), it is visible that agricultural households in Dubrovnik-Neretva County mostly provide just a part of service, that is one or two services and the complete service is still missing. Some of agricultural households owners in their business practice have been applying different types of cooperation until now, but they are willing to accept new strategies and new types of cooperation. There also support financing from the EU projects and they are willing to apply to them (but they found out that basic limitations are in time and the knowledge necessary for filling the documentation). The main problems in realizing formal form of cooperation, such as diffuse hotel, they see in the possible conflicts about decisions and in legislation such as in financing projects.

The agricultural households in Konavle and Pelješac produce and sell some of the authentic products, but they mostly could produce more. On the other side, very often it is not possible for the individual producers because they are faced with different problems. It is necessary to rise the level of production and preserve and protect the autochthonous products and services (by the marks of origin, geographical origin and traditional reputation). The above mentioned includes and investment. Very often the agricultural households owners invest their capital, without some other type of support. According to the results of the research it is visible that agricultural households owners/managers are willing to innovate (what can be realized in the form of diffuse hotels), and that is overlapping with tourist expectations. According to the results of our research we find out that diffuse hotels could be acceptable form in the agricultural household future development in the area of Dubrovnik-Neretva County, not only for networking of different stakeholders, but also in helping keeping authenticity of the destinations and developing ecological production and preservation of autochthonous products, and rising the existing production on the higher level.

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