



„EXCOVER - EXPERIENCE, DISCOVER & VALORISE HIDDEN TREASURE TOWNS AND
SITES OF THE ADRIATIC AREA (ID:10047202)“

EXCOVER – LOCAL SWOT REPORT

KARLOVAC COUNTY – OLD TOWNS OF KARLOVAC COUNTY

IMPRESSUM

The contents presented in the document are made in accordance with the requirements of the Client and exclusively for the Client. Other persons using the information in this document do so in good faith and at their own risk.

Rijeka, July 2020.

CLIENT:



Public Institution Regional development agency of Karlovac county, Jurja Haulika 14, 47000 Karlovac, Croatia, VAT ID: 51670715831

AUTHOR ORGANIZATION:



SENSUM Ltd., Kvaternikova 21, 51000 Rijeka, Croatia, VAT ID: 83240465383

Authors:

Ph.D. Duško Radulović

Ph.D. Bruno Grbac, prof.emer.

Katarina Marčan, mag.oec.

Ivan Šarlija, bacc.oec.

Ines Prgin, dipl.oec.

CONTENT

1. INTRODUCTION.....	4
2. RESIDENTS' WILLINGNESS TO PARTICIPATE.....	5
2.1 ANALYSIS OF THE PARTICIPATION INDEX	7
2. RESIDENTS' ATTITUDE TOWARDS THE SHARING ECONOMY.....	11
3. SWOT ANALYSIS OF THE LOCAL TOURISM SYSTEM.....	13
3.1 STRENGTHS OF THE LOCAL TOURIST SYSTEM	18
3.2 WEAKNESSES OF THE LOCAL TOURIST SYSTEM.....	22
3.3 OPPORTUNITIES FOR DEVELOPMENT OF THE LOCAL TOURIST SYSTEM.....	25
3.4 THREATS TO THE DEVELOPMENT OF THE LOCAL TOURIST SYSTEM.....	28
4. CONCLUDING REMARKS	33
List of graphs:.....	36

1. INTRODUCTION

Public institution Regional development agency of Karlovac county is participating in the project "EXCOVER - EXPERIENCE, DISCOVER & VALORISE HIDDEN TREASURE TOWNS AND SITES OF THE ADRIATIC AREA (ID:10047202)", funded by the European Union under the INTERREG V-A Italy-Croatia 2014-2020 cross-border cooperation program, from the European Regional Development Fund (ERDF).

The main objective of the project is the valorization of natural and cultural heritage in order to achieve sustainable and balanced development. Project aims to contribute to a territorially and seasonally balanced influx of tourists in Croatia and Italy, which is still concentrated in certain coastal areas and large cities, and to find new and innovative ways to address identified constraints and challenges for tourism development in small towns that have relevant local resources and potential but small influx of tourists.

The duration of the project is predicted from January 1, 2019 to June 30, 2021. Total value of the project is 2.474.876,05 EUR, out of which the European Union is financing the project with 2.103.644,64 EUR and the partners' co-financing in the amount of 371.231,41 EUR.

The project holder is the Development Agency of Lika-Senj County - LIRA for encouraging, implementing and coordinating regional development activities in Lika-Senj County, and project partners are University of Zadar, County of Primorje and Gorski Kotar, Public institution Regional development agency of Karlovac County, Unione territoriale intercomunale Della Carnia, Alma mater studiorum - Università di Bologna, Università degli studi di Udine, Comune di Rive d'Arcano, Delta 2000 - Società Consortile A.R.L., Comune di Campobasso, Ente Parco Naturale Sasso Simone e Simoncello, GAL Montefeltro Sviluppo società consortile a r.l, Comune di Predappio.

One of the activities in the implementation of the Excover project is the SWOT analysis of Karlovac County - an analysis of the market situation that will assess the local socio-economic system, with emphasis on the environment, demography, socio-cultural environment and production. The SWOT analysis that is the subject of this Report was done basis on field research and capacity building seminars for community stakeholders in order to generate consolidated conclusions on the stand of local population, policy makers and major stakeholders from Karlovac County.

2. RESIDENTS' WILLINGNESS TO PARTICIPATE

In order to achieve the main goal of the project - valorization of natural and cultural heritage in order to improve the living and economic conditions of its inhabitants, preserving local cultural identity and environmental resources while developing sustainable tourism, it is necessary for the local community to be involved. It is fundamental for the local community to participate in the tourism development planning and implementation phases, in fact it is one of the main characteristics of the process of sustainable tourism development.

Before going into the residents survey-based SWOT Analysis, main topic of this report, it is necessary to investigate the willingness of residents to participate in local tourism development. This was examined through the participation index developed specifically for EXCOVER project.

The residents participation index was built from different types of information, both direct (retrieved from the answers to specific questions) and indirect (using response rates), collected during the SWOT survey. Index is a weighted average composed of 5 components:

- "1_COMMUNITY PARTICIPATION": the evaluation of the extent to which the respondent's local community is willing to participate in the local tourism development (directly asked in the questionnaire and measured with the reported level of agreement, in range from 1 to 7);
- "2_MAIL LEFT": the actual willingness to be more involved and active in the tourism development planning (estimated indirectly with the rate of respondents who left their personal e-mail address to be contacted in the near future to provide further information about their town);
- "3_PERSONAL SHARING ATTITUDE": the self-reported willingness of the respondent to make use of sharing economy platforms to share something of his own with visitors (directly asked in the questionnaire).
- "4_WELCOMING COMMUNITY": the assessment of the extent to which tourists and people with different cultures are welcomed by the respondent's local community (directly asked in the questionnaire and measured with the reported level of agreement, in the range from 1 to 7);
- "5_RESPONDENT ENGAGEMENT": the manifested intention to participate in the local tourism development by providing information (indirectly retrieved from the average response rate to the SWOT open-ended questions, that require a considerable involvement and effort, compared to closed-ended ones).

As the first two components of the index are expressed on a scale ranging between 1 and 7 (while the other components are rates), they are normalized by dividing the average level of agreement by the maximum value possible (that is 7), to facilitate comparisons. The 5 components are weighted based on their relative importance in the context of EXCOVER, especially in view of the forthcoming activities of the next working packages:

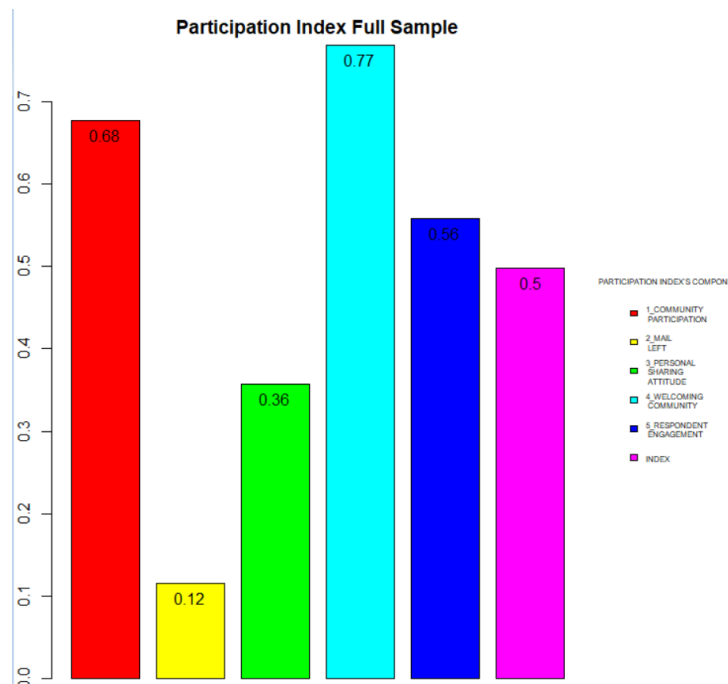
- weight of 1_COMMUNITY PARTICIPATION = 0.4
- weight of 2_MAIL LEFT = 0.2
- weight of 3_PERSONAL SHARING ATTITUDE= 0.2
- weight of 4_WELCOMING COMMUNITY= 0.1
- weight of 5_RESPONDENT ENGAGEMENT = 0.1

By construction, the minimum value of the participation index is 0, the maximum is 1.

2.1 ANALYSIS OF THE PARTICIPATION INDEX

In Karlovac County, the participation index and its 5 components, described above, take the following values:

Graph 1. Participation index by components



The graph showing the Participation Index shows that the component "WELCOMING COMMUNITY" has the highest value (0.77), while the lowest value was achieved by the component "MAIL LEFT" (0,12). Regarding the factors of the component "COMMUNITY PARTICIPATION", it is evident that there is a significant number of respondents who are willing to participate in the activities necessary for the development of the local tourist system.

The high welcome rate provided to tourists by the community is visible, but also a low rate of readiness to leave a personal e-mail address for the purpose of further contact, which tells us that the real willingness to be more actively involved in tourism development planning is disappointing because respondents do not want to be involved in further steps of project development.

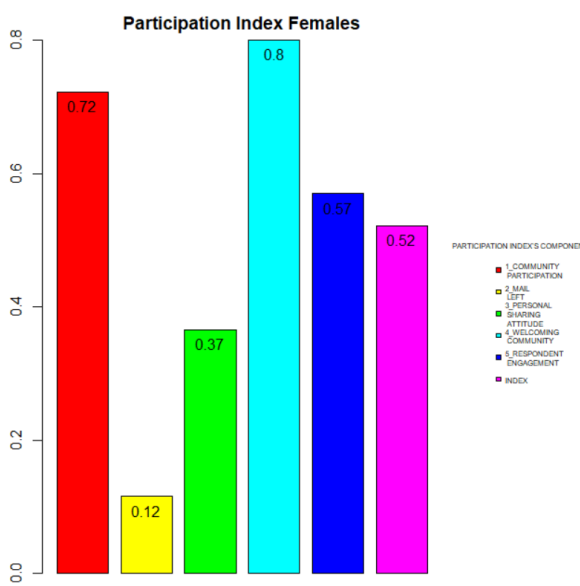
The "COMMUNITY PARTICIPATION" component has a value of 0.68, which can lead to the conclusion that respondents believe that there is a great willingness for the local community to participate in the tourism

development of Karlovac County, which is interesting considering that “PERSONAL SHARING ATTITUDE” is relatively low (only 0,36). That tells us that respondents are not so interested in using platforms of the sharing economy. It can therefore be concluded that respondents believe that their community is ready to share the necessary inputs for the development of the local tourism system, but the respondents themselves are not as ready. Such data tell us that the respondents are not ready to start using the sharing economy platform on their own, and some education on the sharing economy systems may be needed in order to bring them closer to the respondents.

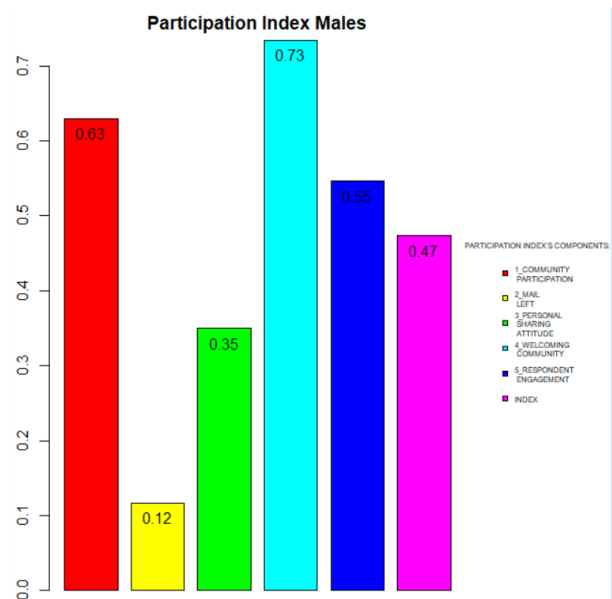
For work packages WP4 (Widespread Welcoming: local heritage & hospitality through alternative & sustainable tourism products) and WP5 (Setting up of the Tourist Supply Chain, establishment of DMC and web promotion), it can be concluded that there is a possibility of some difficulties occurring in designing the best product variation that should result from this project because respondents are not particularly interested in future contact regarding the EXCOVER project.

Looking at the graphs representing the values of the participation index and its components by gender, the situation is as follows:

Graph 2. Women's participation index



Graph 3. Men's participation index

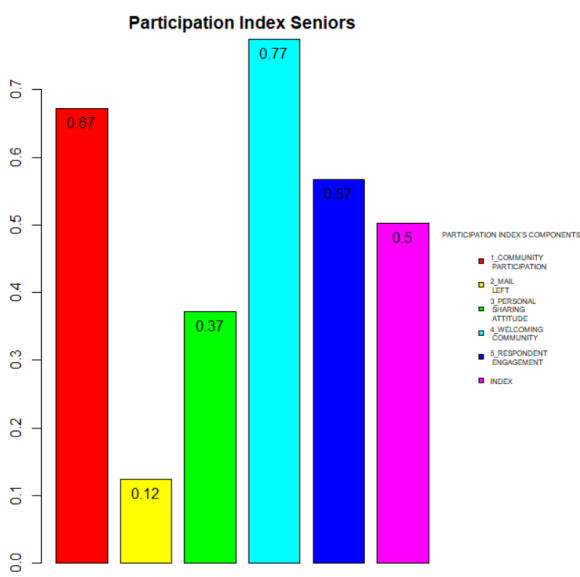


The graphs show that there are no significant discrepancies in the results of male and female respondents, on the contrary, the results are quite similar. A small difference is noticeable in the “WELCOMING COMMUNITY” component, where the responses of females have a very high value of 0.8, while the responses of males reach a slightly lower 0.73.

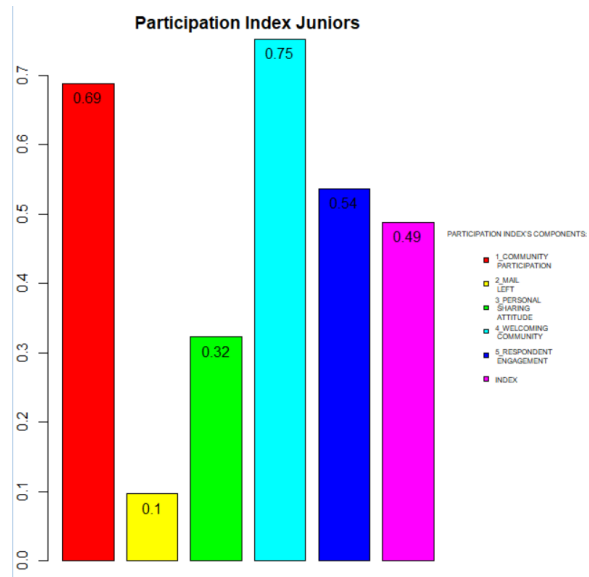
Both categories of respondents show a belief that their local community is really willing to share different things/services with visitors. In the context of WP4 and WP5 work packages, it can be said that both groups believe that the product that will result from this project is very likely to be accepted by the community because the community itself will recognize the real need for its development. Graph analysis clearly show that women give higher values to all components, except the category “MAIL LEFT”. Also, for further project activities, ie work packages WP4 and WP5, it is clear that women are less focused on maintaining further communication for project implementation activities.

The following graphs represent the values of the Participation Index and its components for juniors (respondents aged 15 to 34) and seniors (respondents aged 35 and over):

Graph 4. Senior Participation Index



Graph 5. Junior Participation Index



From the graphs shown above, it is evident that in the “RESPONDENT ENGAGEMENT” factor there are no major differences between younger and older people, in fact the results are very similar. There is a minimal difference in the component “MAIL LEFT”, where the value of answers for group older than 35 is 0.12, while for the younger respondents it is 0.1. Please note that these are very low response values, and

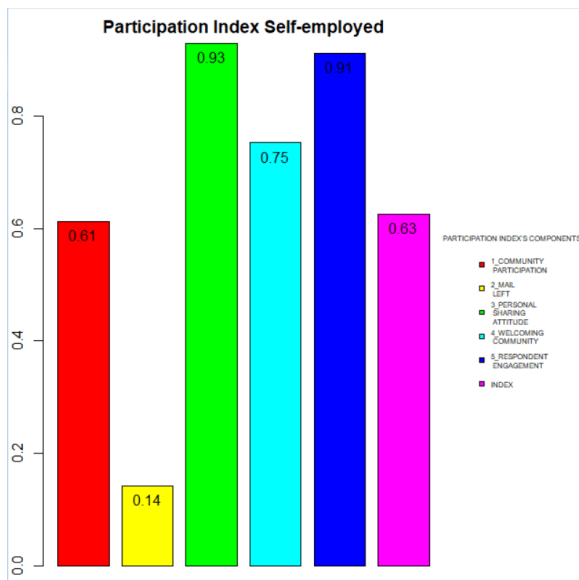
the reason can be found in the fact that younger respondents do not want to participate in sharing economy platforms and have no interest in leaving their email for further information because they do not have enough time for other external information.

The values of the “COMMUNITY PARTICIPATION” component are very similar – with the older population 0.67 and younger population 0.69. According to the values obtained, both groups believe that the local community is ready to share various elements with visitors. There are also no major differences in their own willingness to participate (both groups have very similar response values (0.37 and 0.32)).

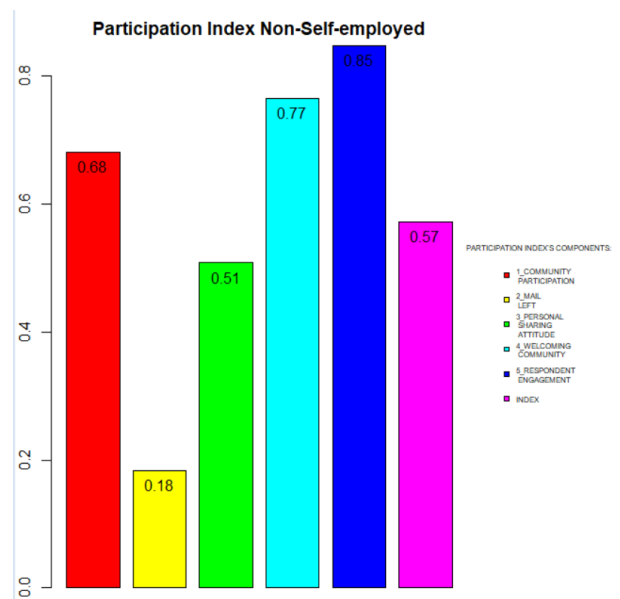
In the context of work packages WP4 and WP5, it can again be concluded that the younger group of respondents is not particularly willing to further help create a new product for tourists in Karlovac County which is very disheartening fact, but unfortunately it is clearly visible that the elderly are not ready for that either.

The following graphs represent the values of the Participation Index and its components for the self-employed and respondents with other occupations (not including the self-employed):

Graph 6. Self-employed Participation Index



Graph 7. Participation Index of respondents with other occupation



The graphs show a larger difference in the “PERSONAL SHARING ATTITUDE” component between the self-employed (0.93) and the unemployed (0.51). The explanation for these results can be found in the fact that self-employed people are aware that the use of the sharing economy represents a certain development that needs to be achieved in order for such platforms to be used. For this reason, they are more supportive of this way of sharing because it would ensure development that would benefit the whole community, especially entrepreneurs.

These results are contrary to the general predictions, according to which self-employed persons will not be overly prone to the use of platform sharing economy. For the WP4 and WP5, this is a positive aspect that shows the openness of the self-employed as well as their desire for the development and prosperity of Karlovac County. Since large part of the population of Karlovac County belongs to the group of elderly people (according to the definition of this survey), it can be said that they do not have many opportunities to use the sharing economy (they do not have enough time or financial conditions) but unfortunately the lack of understanding of the benefits of such platforms is also visible.

Looking at the component “COMMUNITY PARTICIPATION” it is noticeable that there are no important differences between self-employed respondents and those in other occupations (0.61 vs. 0.68). In the context of work packages WP4 and WP5, it can be concluded that respondents feel the local community would be willing to participate in the project activities.

2. RESIDENTS’ ATTITUDE TOWARDS THE SHARING ECONOMY

Since EXCOVER aims at developing sustainable tourism in Karlovac County, where the local natural and cultural heritage constitute potential tourism attractions, sadly many tourist services and facilities are missing. A crucial phase of the project is dedicated to the construction or strengthening of the local supply chain.

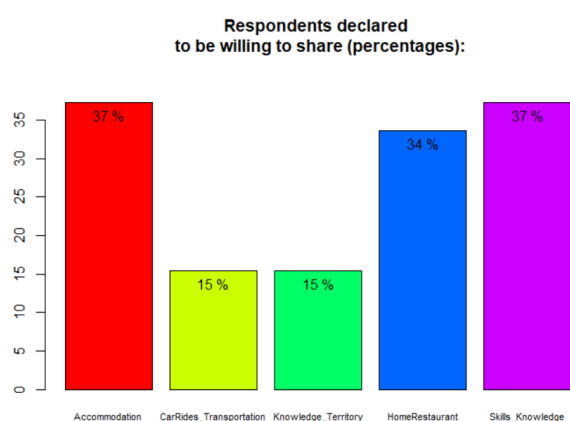
A pivotal idea of the project is to invite the local community to put into play their unused assets to deliver tourist services, by exploiting new opportunities offered by the sharing economy.

“Sharing economy” means sharing something of a private’s own with another person on a temporary basis, in exchange for money, through the web. Then, for the prosecution of the project, it is essential to understand on which private unused assets the construction of the supply chain can rely. To this aim, the SWOT questionnaire included 2 specific questions:

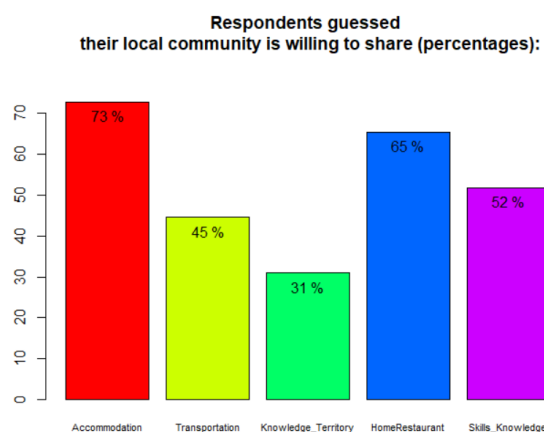
- In your opinion, what may your fellow villagers be willing to share?
- What would you share?

From the analysis of the respondents answers, the following emerges:

Graph 8. Respondents willing to share, by sharing categories



Graph 9. The assessment of the will to share



Services and contents that can be offered through the sharing economy are:

- accommodation,
- car ride service - transport,
- knowledge of the area,
- private (home) restaurant and
- skills (knowledge).

These values certainly meet the needs of potential visitors. Before residents start sharing the mentioned items, they should work on increasing the interest of visitors to come to Karlovac County, otherwise there is no need to use the sharing economy, a least for now.

The amounts of values offered to visitors are adjusted in accordance to tourism demand, but in the case of increased tourism demand, general supply would also need to be increased, then the focus should be on sharing economy platforms so they can help local entrepreneurs ensure sufficient supply compared to demand. This will need to be achieved in order to ensure the normal functioning of the market.

Tensions between local companies and private individuals who use certain tools of the sharing economy are possible, but in order to even have the need to use these tools at all, it is necessary to shift the focus on increasing tourist attractiveness for Karlovac County. For the entire EXCOVER project, this would mean that, in addition to designing a tourism product, emphasis should also be placed on promotion and good marketing messages in order to maximize the benefits of designing such a product.

The two graphs mentioned above show data on respondents who stated that they personally were willing to share property or the previously mentioned values, and respondents who assumed that their local community was willing to share property. Comparing the results, it can be seen that respondents rate the local community's desire to share higher than their personal desire for it. The estimate that the local community would be willing to share accommodation units is 73% and home restaurants 65%. In the case when respondents should share their private accommodation, the following percentage is obtained - 37% for accommodation and 34% for a home restaurant, which shows that the percentage for personal sharing is much lower.

It is also interesting to note that there is a larger number of those respondents who assume that their local community is willing to share (70 of them), and a much smaller number of those who stated that they are willing to share property themselves (35 of them).

3. SWOT ANALYSIS OF THE LOCAL TOURISM SYSTEM

Analysis of the market situation, ie SWOT analysis, is in the function of strategic planning or a systematic way to achieve control over the future - looking for answers on the following questions:

- What is to be achieved?
- How will this be achieved?
- When will this be achieved?

The SWOT analysis considers strengths, weaknesses, opportunities and threats through the impact of the external and internal environment on an organization / system and their interdependence. The aim of the analysis of the market situation is the individualization of factors that strengthen the market position and the individualization of factors that hinder progress.

Strategic management determines the measures that need to be taken, identifies opportunities and risks that affect business and competitiveness.

Although Karlovac County can rely on some tangible and intangible values that are potentially attractive to tourists, when it comes to strengthening the development of sustainable tourism, it is clear that the tourism sector and its economic potential is still poorly developed. Hence the need for in-depth research into how local resources can be used effectively to attract and create value for visitors, why they are not currently a source of economic growth, what opportunities should be used to valorize underutilized or neglected assets and how to anticipate risks that may appear. In order to obtain the necessary information, SWOT analysis was carried out and presented in this Report. The analysis was made on the basis of a field and telephone survey of residents and seminars held to build the capacity of stakeholders in the community. The purpose of this dual way of collecting and processing information is to generate unified conclusions about the attitudes of the local population, policy makers and major stakeholders from the Karlovac County area.

Factors of the SWOT analysis were identified through a semi-structured survey on the opinions of 135 residents. The involvement of the local population is crucial to co-construct a tourism development consistent with their vision of the future of Karlovac County. Interviews with research participants were conducted in person and by telephone in the period from December 30, 2019 to January 27, 2020. The locations where the survey was conducted included: Karlovac, Ogulin, Ozalj, Slunj, Duga Resa and Rakovica, at the following micro-locations: shopping malls, museums, aquarium, Advent, hotels, cafes, shops, travel agencies and other popular locations. Sights in the focus of the analysis were the old towns of Karlovac County:

- Bosiljevo, Old town of Bosiljevo,
- Cetingrad, ruins of Old town of Cetin,
- Josipdol, ruins of Old town of Modruš,
- Karlovac, Old town of Dubovac,
- Novigrad on Dobra, ruins of Old town of Novigrad,
- Ogulin, Frankopan Castle,
- Ozalj, Old town of Ozalj,
- Rakovica, ruins of Old town of Drežnik,
- Slunj, ruins of Old town of Slovin,
- Star (Zvijezda), Karlovac fortress.

The SWOT analysis composed on the basis of the conducted research was additionally analyzed in two capacity building seminars for community stakeholders, ie “focus groups”, in order to start the process of community-led tourism valorisation of the county's potential. The seminars were held in the City of Ozalj on June 9, 2020. in two terms. Focus groups were attended by public and private sector stakeholders of Karlovac County - representatives of Karlovac County and local governments from the county's area, representatives of the Ministry of Culture of the Republic of Croatia, representatives of local action groups, tourist boards and agencies, cultural and social organizations and associations, as well as private sector representatives from the segment of tourism and hospitality services.

The existing elements of all categories of the SWOT matrix were explained and discussed with the participants, and new ideas, opinions and observations of the participants were taken into account. Based on the above, the elements of strengths, weaknesses, opportunities and threats are enriched with new factors arising from the views of focus group participants and each factor is assigned a relative assessment of importance for its impact on the development of sustainable tourism in Karlovac County. Such an approach has enabled the effective improvement of future strategic interventions and the efficient allocation of financial resources. The assessment of importance was obtained by applying the Analytical Hierarchical Process to paired comparisons of factors belonging to the same SWOT quadrant, for all four quadrants. Through the implementation of focus groups, concrete ideas and guidelines have been realized, which should be given additional thought when making future decisions and documents for strategic development.

The obtained SWOT matrix is presented below and the factors of strengths, weaknesses, opportunities and threats listed in it are ranked by their importance, rating from the most important to the least important, according to the average ratings awarded by the focus groups participants:

STRENGTHS

1. Interest of emitting markets for rural areas
2. Number and type of accommodation capacities
3. Entrepreneurial spirit
4. Strategic position
5. Possibility of doing sports (rafting, cycling, hiking, etc.)
6. Natural resources and landscape diversity and biodiversity associated with it
7. Rich cultural, historical and sacral heritage
8. Local attractions
9. Security and tranquility
10. Organization of manifestations and events
11. Local gastronomy
12. Ecological agriculture and development of special interest products (based on natural resources and biodiversity)
13. Welcome of the local community towards tourists
14. Residents' attachment to the area

WEAKNESSES

1. Information interactivity
2. Lack of promotion
3. Inconsistency of strategic development documents with tourism demand results in disorganization of the local community
4. Lack of tourist facilities
5. Unequal development of accommodation capacities within the county
6. Poor infrastructure
7. Untapped tourist potential
8. Lack of skilled and professional workforce associated with depopulation
9. Lack of ambition, education and cooperation
10. Lack of investment and innovation
11. Low life standard
12. Orientation to exploitation regardless of sustainability
13. Lack of tourism tradition

OPPORTUNITIES

1. New trends in tourism - the trend of active holidays, the trend of weekend travel, extreme sports, teambuilding
2. Managing indigenous resources in an innovative and sustainable way
3. Ecological production and development of creative industry
4. Developed tourist destinations in the area
5. Organization of outdoor manifestations
6. Education of the local population
7. EU funds and projects and support from local government
8. Inclusion in the EU cultural routes and interpretive tourism
9. Proximity to emitting markets
10. Attracting quality workforce
11. Construction of a hotel for congress tourism and construction of an autocamp

THREATS

1. Loss of natural resources - climate change and environmental threats
2. Low level of demand caused by the lack of promotion due to lack of financial resources
3. Insufficient investments by the state (in the flood defense system and cultural development) and little help from local and state authorities
4. Depopulation of the young educated people
5. Insufficient education of responsible people in the ways of withdrawing EU funds
6. Migrant crisis
7. Commercialization of a product dominated by quantity rather than quality
8. Increase in prices of services and taxes and introduction of EUR
9. Consequences of war
10. Inadequate internet infrastructure
11. Attractiveness of developed tourist destinations

3.1 STRENGTHS OF THE LOCAL TOURIST SYSTEM

The factors presented in the first quadrant of the SWOT matrix represent the strengths of the tourist system of Karlovac County. They provide answers to the questions *"What are the strengths of this destination?"*, *"How is it different from other destinations?"* and *"Are these advantages sufficiently used?"*. Their meaning and influence are explained in more detail below.

According to research participants, **the interest of emitting markets in rural areas** is an extremely important element of strength. Given that the area of Karlovac County is rich in rural areas with great tourist development potential, the very existence of the interests of target markets is a good basis for further development of the tourist system of the entire county.

In addition to the existence of market interest in rural destinations, another strength of Karlovac County is added, reflected in the **number and type of accommodation capacities**. Namely, the county has adequate quantities of accommodation units, especially private accommodation. The largest share of accommodation capacity is in the wider area of Plitvice Lakes and surrounding municipalities. In addition to the quantitative indicators, the quality of the offered accommodation is also very important. In this segment, additional efforts are needed to enrich the offer, given that there is a lack of accommodation in the 4* and 5* category, aimed at guests with higher purchasing power.

Entrepreneurial spirit - Karlovac County can boast on experienced and professional tourist guides and active young entrepreneurs who adorn the love for their homeland and are highly motivated to improve the tourism and economy of their county. Such a positive and motivating approach further contributes to the future development of tourism in Karlovac County.

Karlovac County is **geostrategically** well positioned and connected because it is located near the capital of the Republic of Croatia, and there is the proximity of neighboring countries such as Slovenia and Bosnia and Herzegovina, which are the backbone of many traffic routes. Nearby are Plitvice Lakes National Park, which has great attendance and is an extremely important and recognized attraction of the Republic of Croatia, as well as the vicinity of the Nature Park Žumberak Samoborsko gorje, and relatively close by is Kvarner which is also very well visited by tourists. Also worth mentioning is the proximity of several airports which can significantly affect the quantity of tourist arrivals. If Karlovac County would provide and implement a strong tourist brand, it would certainly be able to attract tourists who would primarily go to visit the listed locations and attractions. That fact can be used as a positive advantage for further growth and development of the County. Position is also important in economic development. Thus, by reducing taxes, in addition to employers, it could also attract investors, which would encourage an

entrepreneurial climate. Excellent traffic position (highway and proximity to several airports) guarantees easy connection, which makes the **strategic position** of the location even more important.

The possibility of doing sports such as rafting, cycling, hiking, fishing, other sports and recreation, promenades, camping, etc., is a very important factor that adorns Karlovac County. Given the great wealth of natural beauty that Karlovac County has, it is possible to use it as a basis for a strong development of active tourism. Although active tourism already exists - such as various cycling events (Traditional 1st of May cycling race and Tour of Croatia), athletic races (Karlovac center) and the European Rafting Cup (Rafting), the space for further development and improvement of the offer is very large.

The next strength of Karlovac County is represented by **great natural resources, landscape diversity and biodiversity**. The county is adorned with extremely attractive and diverse nature such as unique specimens of karst (Vrbovsko and Plitvice), specimen of the rainforest „Čorkova uvala“, protected natural landscapes, diverse animal and plant species and rich flora and fauna. Such natural benefits create an opportunity for tourism of special interests which, in addition to visitors interested in healthy living, sports and recreation in general, can also be directed to people interested in geology, speleology, animal observation and similar.

The next element of strength is the **rich cultural, historical and sacral heritage**. Namely, Karlovac County is known for its great historical sites and diverse and rich cultural heritage that is mostly evident through 10 old towns. The old towns of Karlovac County are: the Old town of Bosiljevo, the ruins of the Old town of Cetin, the ruins of the Old town of Modruš, the Old town of Dubovac, the ruins of the Old town of Novigrad, Frankopan Castle, the Old town of Ozalj, the ruins of the Old town of Drežnik, the ruins of the Old town of Slovin and Karlovac Fortress. By investing in their renovation and promotion, Karlovac County would have a great opportunity to stand out in the tourism market with this comparative advantage, given that a large number of destinations do not have such historical and cultural values. Furthermore, Karlovac County has a wide sacral heritage, ie a large number of churches worth visiting and which can be interesting to both foreign and domestic tourists. Karlovac County has a rich and important historical heritage, of which the Zrinski and Frankopan conspiracy against the Viennese court, war events during the Turkish conquests and the Homeland War should be highlighted. Various historical figures are also associated with Karlovac County such as Nikola Tesla, Slava Raškaj and Ivana Brlić Mažuranić, which is interpreted in museums for tourist purposes and which is reflected as the strength of the destination.

Closely related to the previous elements are the **local attractions**. In addition to the already mentioned archaeological sites such as old towns and fortresses, among the most famous attractions in Karlovac County there are four rivers, Aquatika - freshwater aquarium, Barać Caves, Cetingrad, Dubovac, Klek mountain, Ozalj, Rakovica, Rastoke, St. Joseph's National Shrine, Žitna lađa (Grain Ship), Karlovac Star

(Karlovac fortress), etc., but also hydroelectric power plants - Munjara in Ozalj, small hydroelectric power plant Pamučna industrija Duga Resa, hydroelectric power plant Lešće in Duga Gora and hydroelectric power plant Gojak near Popovo Selo. It is important to point out, however, that most hydroelectric power plants are still unrecognized by tourists in terms of tourism valorization. This however can be influenced by the renovation of sites and their adaptation to tourist needs in terms of organizing tourist visits, implementing certain marketing strategies and including such attractions in tourist package deals, which could profile these sites as notable tourist attractions capable of attracting large numbers of visitors. Also worth mentioning is Žumberak Nature Park, which is in the immediate vicinity of Karlovac County and which attracts a larger number of tourists, thus filling the accommodation capacity not only in Zagreb County but also in Karlovac County. In addition, the county's interpretive and visitor centers such as the Homeland War Museum and the Zorin dom city theater in Karlovac, Ivana's Fairytale House in Ogulin and the Homeland Museum in Ogulin and Ozalj are quite popular and attract a certain number of tourists. It is very important to invest in existing attractions and their maintenance, as well as the constant improvement of existing contents by complementing them with new interesting activities and features.

The **safety and tranquility** of the area is vital for providing quality service in tourism. The success or failure of a tourist destination, more than any economic activity, depends on its ability to provide a safe and peaceful environment for visitors. This is an extremely important strength of Karlovac County, which is perceived as very safe and pleasant for living, both in the eyes of the local population and in the eyes of visitors.

Furthermore, **events and manifestations and their skilful organization** represent the next most important strength in Karlovac County. At the stage when the events become meaningful and interesting to visit, they have a great opportunity to become a tourist attraction. Karlovac County already hosts important events such as Beer Days, International Folklore Festival and Momento Demento Festival, while other events such as Advent festival on Mrežnica, Karlovac Crafts Fair, River Cinema and Ogulin Fairy Tale Festival have not yet reached that level of tourist attendance and popularity. Through enhanced promotion and design of new interesting features, these events could be made even more famous and meaningful so that these events become synonymous with Karlovac County, alongside the development of new events. Novelties in the offer could be related to the local gastronomic offer, old crafts or some other form of intangible heritage of the area. Existing event organizers will have a major role since they have already proven themselves to be extremely professional and successful in organizing events and have attracted a large number of visitors from all over the world. Their successful practice should be followed by the organizers of other mentioned events in order to ensure greater recognition and higher number of tourists to their events in order to turn them into a part of the tourist tradition of Karlovac County.

Local gastronomy is closely related to the previous element of strength and plays a major role for tourist destinations. Karlovac County has very interesting gastronomic customs or dishes that can be offered to visitors. Research shows that foreign tourists have different motivations regarding gastronomy, which is why they are grouped into three dimensions: a new food experience, culture and socialization. The results of such and similar research can be used as a basis for designing top gastronomic experiences based on fresh home-made ingredients. It is recommended to make one thematic event for each season (in example workshops during apple season, mushrooms, pumpkins...) which generate the need to strengthen cooperation with local partners in order to create the offer.

The next element of the strength of the tourist system of Karlovac County is the potential for **ecological agriculture** and the development of family farms. Given the existence of interest in rural tourism whose main feature should be sustainability in relation to the natural resources of the local area, encouraging ecological agricultural development with emphasis on indigenous experience, the quality of local gastronomy based on fresh organic food from organic farming, would contribute to the **development of products of special interests based on the natural resources and biodiversity of the area**. This would also promote care for the environment and emphasize sustainable tourism development based on quality rather than quantity.

The **welcome provided by the local community** plays an important role in the development of tourism. The local community is considered a legitimate and moral stakeholder in the development of tourism. It must be involved in local policy-making and decision-making in order to increase the confidence of the local population in the tourism industry. The fact that the local community welcomes tourists is very important for the future development of tourism in Karlovac County.

Residents' attachment is the last element of strength according to the average ratings of research participants. A sense of love for the country and territorial affiliation is a positive characteristic that could be used to strengthen the sense of commitment by conducting educational workshops aimed at making citizens aware of the need to participate and care for the environment in which they live as one of the elements of development. Through active dialogue between policy makers and the local community, it is necessary to reach a consensus on key development guidelines, which would encourage the involvement of local people, activate the entrepreneurial climate, and ultimately contribute to the comprehensive development of economy and tourism in Karlovac County.

3.2 WEAKNESSES OF THE LOCAL TOURIST SYSTEM

The factors presented in the second quadrant of the SWOT matrix speak of the internal weaknesses of the tourist system of Karlovac County as a whole. They provide answers to the questions *"What are the weaknesses of Karlovac County as a destination?"*, *"What makes Karlovac County weaker than other related tourist destinations?"*, and are according to the research participants' opinion, reflected in the following:

According to research participants, **IT interactivity** is at a low level in relation to the needs of the global market and equal participation in it. It is reflected in the insufficient digitalization of the system and the entities that participate in it, which affect the insufficient amount of adequate information available via the Internet (both information for the local population and information available to visitors). Multilingual adaptation of available online content is also insufficient, which has great affect on the insufficient information level about locations and offers in Karlovac County. This is followed by insufficient Wi-Fi signal coverage, which in the digital world dominated by Internet presence on social media, blogs, YouTube, etc. can not have a positive impact on the tourist development of the destination.

Related to the above, there is a visible **lack of promotion** through online and offline advertising channels. The lack of Karlovac County's destinations in tourist guides for the Republic of Croatia is particularly noticeable, and given the geo-traffic position, insufficient advertising of the destination on highways via billboards and megaboards is visible, which is unusual given the proximity of the highway and the central strategic position of the County. Furthermore, the insufficient promotion of existing attractions is noticeable, as well as the lack of communication with visitors regarding less popular tourist sites. This, in addition to the insufficient multilingualism of promotional content already mentioned in all channels, has a negative impact on the creation of the tourist brand of Karlovac County.

The incompatibility of strategic development documents with tourism demand results in the disorganization of the local community. Participants were of the opinion that there is no adequate two-way communication and understanding between the public and private sectors and that greater efforts are needed to bring information from the field to the level of decision-makers at the local level. They believe that the County has inadequate development strategies, restrictive legal and administrative procedures, inadequate policies and slow administration, which creates a climate that does not encourage development but keeps it static. They are also of the opinion that the existing documents for strategic development lack an operational approach to be conducted by local stakeholders. This is reflected, for example, in the inconsistency of spatial plans with tourism demand, the lack of operational measures

needed to protect the environment or the lack of consensus on key development guidelines such as the renewal of tourism and other contents. Namely, each of the previously mentioned elements of strength would need to be accompanied by appropriate economic activity, which will not only encourage the growth of tourism but also the entire economy of the County. However, local community participants point out their unpreparedness and disorganization in this segment given their inadequate degree of involvement in local development and policy-making. For this reason, they consider the very notion of local politics to be adequately negative and inefficient, and they see a great shortcoming in the excessive bureaucracy that hinders development.

Furthermore, the **lack of tourist contents** (such as cinemas, nightlife, lack of restaurants, interesting events and attractions and entertainment for all age groups but especially for young people during the winter, etc.) is reflected as a disadvantage. In addition, hospitality facilities such as restaurants and accommodation are not adapted to tourist trends, which is especially evident during the summer season in destinations near Plitvice Lakes where a large number of tourists are present and local restaurants are unable to provide their services to such a large number of visitors. This incompatibility with tourist demand means that with a smaller number of tourist arrivals in some places, especially out of season, many tourist facilities remain empty and unused, while in more attractive tourist areas, supply cannot meet the level of demand. All of the above is justifiably a problem for a destination that strives for attractiveness and strengthening of the tourism sector. However, these circumstances can be positively influenced by the development of new tourist attractions, investments in the modernization of existing ones as well as better promotion.

Unequal development of accommodation capacities within the county is an important obstacle to tourism development. As previously mentioned, there are enough accommodation capacities within the County, but the problem is in their territorial distribution and quality. It is to be expected that the largest concentration of accommodation capacities is in the wider area of Plitvice Lakes and larger cities and municipalities, while other areas are unevenly covered by tourist accommodation. Furthermore, the existing accommodation capacities, in the opinion of the participants, were assessed at a mediocre level of quality and with significant differences in quality throughout the county. Given the attractiveness of locations and their great potential for attracting visitors with higher purchasing power and with a tendency for longer stays, there is a lack of accommodation of higher categorization (primarily 5* but also 4* accommodation). In addition, the lack of investment in the accommodation capacities of the county was mentioned, as well as the need to renovate the facilities, especially the facades where the impact of war and neglect is still visible.

This is closely related to the next element of weakness - **poor infrastructure**. According to local community participants, the real situation in Karlovac County is such that there is poorly maintained and inadequate transport infrastructure (roads and unpaved access roads to localities), outdated communal infrastructure (especially sewerage system), poor public transport, poor transport connections especially in terms of buses and trains, which negatively affects the development of tourism. The poor condition of the railway was also pointed out, which could be used much more efficiently if renewed and could certainly provide tourists with an additional way of moving through the destination. The consequences of the Homeland War are still visible on a large number of buildings, as well as the general neglect of the cities, the old city centers, but also the cultural and historical areas.

All of the above negatively affects the tourism potential of the destination. Karlovac County has historically focused on industrial development, so it has no significant tourism tradition, the county is not advertised, there is not enough quality accommodation, and online representation and promotion is poor. Thus, there is **underutilized tourism potential**. This is especially evident in the fact that part of the population is not even aware of the tourism potential of the region. Educating the population and their involvement in the adoption of operational development documents and encouraging investments would have a positive impact on changing the awareness of citizens and further enhancement of tourism development.

A particularly important factor for the development of tourism are the people or the workforce. Unfortunately, there is a **lack of trained and skilled labor force** in Karlovac County - especially young labor force, which is a big problem at the national level and is directly related to the trend of emigration from the Republic of Croatia. In addition, there are seasonal work restrictions, so any success in tourism in the future should be influenced by this circumstance. It is the result of depopulation - immigration caused by economic stagnation, lack of jobs and lower living standards, an aging population and the creation of an intergenerational gap. Unfortunately, this is a realistic picture of the situation in the entire territory of the Republic of Croatia, but especially in smaller underdeveloped communities, which is why young people escape to larger cities in search of work and a better future. This is a topic that requires urgent action by investing in key points to stabilize the situation. In addition to everything, the poor demographic structure of the population is visible, namely the largest number of inhabitants of Karlovac County is older than 65, which does not give a positive picture of the county in terms of demography. Therefore, there is a **lack of ambition and willpower, ideas, education, communication and cooperation between residents**, which is an important problem to solve. It is clear that in such an environment there are no adequate investment opportunities, innovations, the population is unaware of the opportunities offered, the placement of information by local authorities is inefficient and local entrepreneurs and family farms are poorly connected with local authorities. For example, there is a big problem with neglected and dangerous

military training grounds, parts of Karlovac County that are still unrestored and there is also a lack of facilities and industrial development. In the absence of a favorable entrepreneurial climate and **lack of investment**, entrepreneurship and crafts suffer, and all together leads to a bad social picture and causes a **low standard of living**. These factors are a very serious problem and should be addressed at the national level with the strong insistence of local development institutions. It is necessary to work on creating a positive local environment that encourages sustainable development, to educate the population and acquaint them with development opportunities based on EU funds, in order to encourage economic and tourism development, raise living standards of local population and prevent further emigration.

Furthermore, the **orientation of tourism stakeholders towards the exploitation of resources** is visible, **regardless of sustainability**, ie insisting on quantity at the expense of quality. Such short-term observations calls into question the quality and long-term sustainability of natural, historical and cultural resources In order to encourage a positive development environment, it is necessary to change the awareness of the local population, implement certain measures to protect natural, historical and cultural attractions in order to achieve long-term sustainability of such sites in Karlovac County and achieve an enviable level of tourism services.

As previously mentioned, Karlovac County has historically focused on industrial development, so **it does not have a significant tourist tradition**. Unfortunately, the whole area is quite neglected, so for example in the center of Karlovac you can find neglected large areas of the former barracks, unfinished residential buildings in the "Star" (the historic center of the city), there are many dilapidated and neglected buildings, neglected old towns and cultural and historical and generally neglected environment and settlements throughout the area. Although historically there is no significant tourist tradition, it is necessary to make the local population aware of the need to preserve the natural and cultural sights of the area, influence the creation of a stimulating environment for the development of new and improvement of existing tourist products, encourage young people to engage in production and adapt investments to market needs, all with the aim of enabling the sustainable development of the economy and tourism of this region.

3.3 OPPORTUNITIES FOR DEVELOPMENT OF THE LOCAL TOURIST SYSTEM

The elements of the third quadrant of the SWOT matrix talk about external opportunities (factors) that can be exploited if the opportunity arises and if resources are available. According to the opinions of research participants, they are reflected in the following:

New trends in tourism - the trend of active holidays, the trend of weekend travel, extreme sports and teambuilding represent an excellent opportunity for further development of tourism in Karlovac County. Namely, Karlovac County has great potential in the development of great infrastructure for active holidays with natural resources such as 4 rivers, Barač caves, rural and hiking trails, forest roads and the overall wealth of natural beauty. Given the proximity of major cities, it offers an excellent opportunity for a weekend getaway from the hectic city rhythm towards rest and relaxation in nature. In addition to nature enthusiasts, there is a growing share of extreme sports enthusiasts, and the natural resources of this area can also be used for popularization purposes. Team building organizations for business users are increasingly associated with active holidays, which also represents an opportunity for innovation in the regional tourist offer. For all the above, Karlovac County is an excellent choice due to the many natural features that provide huge potential for the development of these new types of active tourism.

Furthermore, given that the County has a large number of **indigenous resources**, intangible and tangible cultural heritage, by managing them in an **innovative and sustainable way**, it is possible to achieve numerous benefits and significant competitive advantage. The potential for the development of rural tourism is extremely large, there are no major pollutants, which opens the possibility for organic production in the area popularly called as the "*Green Heart of Croatia*". Due to richness hidden in the natural heritage and the population that has traditional knowledge, the combination of which could create a very successful tourist products because the mentioned type of tourism has many enthusiasts around the world. The potential lies in the implementation of the necessary infrastructure for the development of ecotourism, ethno parks, family farms, etc. Renovation of old towns and castles, hydroelectric power plants, buildings facades, cultural facilities such as Edison Cinema, connecting with local wineries and breweries, connecting the experience with a story of celebrities and localities of this area, promoting sports and entertainment on rivers and in nature are just some of the additional elements of potential development of the tourist offer of Karlovac County.

The next opportunity is manifested in the **development of organic production and related creative industries**. This element, although somewhat lower rated by the research participants, is closely related to the management of indigenous resources in an innovative and sustainable way, in the sense that economic activity is focused on authentic values and destination products. For example, through traditional activities and old crafts, the production of unique and trending products and souvenirs from local resources could be initiated, all for the purpose of creating an authentic experience for the visitor. Using the rich natural features of Karlovac County and the fact that there are almost no major pollutants, a significant opportunity is reflected in the development of organic production and encouragement of family farms, as well as connecting with local caterers and developing new authentic gastronomic offer

based on fresh and domestic ingredients. All the above would provide visitors with a completely authentic experience of staying at the destination.

A great opportunity is manifested in the **vicinity of developed tourist destinations** in the area. From the proximity of the capital of the Republic of Croatia, which attracts a large number of visitors, to tourists visiting the Plitvice Lakes National Park or those who are just traveling through the region on the way to the sea, the central position and great tourist potential of this region, Karlovac County could attract a large number of visitors by improving the existing and developing new tourist offers, alongside an adequate level of promotion. The strategic arrangement of urban centers, which are very well positioned throughout the county also contributes to that.

We have previously mentioned the successful organization of events and manifestations as a strength of the tourist system of Karlovac County. Considering the natural resources and the space it abounds in, as well as the great experience in organizing existing events, a good opportunity is reflected in the creation and organization of new thematic **outdoor events**.

To encourage the development of the tourism sector of Karlovac County, first of all, it is necessary to **educate the stakeholders of local communities** and acquaint them with the opportunities that are offered. Educational programs provide an opportunity for Karlovac County to ensure that people are well informed and able to assist in the development of the County. In this sense, it is necessary to work on establishing the best possible cooperation between local governments, tourist boards, entrepreneurs/craftsmen and the local population in terms of better communication, creating operational development plans tailored to the needs of local people and the overall support system.

The education of the population opens the door to the **use of EU funds** for the purpose of creating development projects, the use of state and local aid for small tourism projects, all with the aim of turning all these potentials into comparative advantages of this destination. This requires the appropriate support of local authorities, whose strategic development documents and plans should enable the long-term development of the region as well as operational support in the implementation of development projects.

By using the support from the EU program, the opportunity is manifested in the inclusion of Karlovac County in the **EU cultural routes** and/or regional cultural routes that connect thematically related areas. Given that the routes are of an international character and connect several countries in the region, involvement in such projects would ensure additional international promotion that would spread the word about the destination to many potential tourists. Involvement in such projects would further valorize the tangible and intangible cultural heritage, especially within the framework of interpretive

tourism. In addition, digitalization and the use of multimedia would improve the tourism experience of visitors by using new modern technologies.

Previously, the strategic position of Karlovac County and its characteristics of the transit county as well as the interest of emitting markets for rural areas were mentioned as a strength. Given the central position at the intersection of busy roads with all natural and cultural resources, a great opportunity for tourism development is located in **the vicinity of emitting markets**, primarily Slovenia and Bosnia and Herzegovina. With investments in the development of existing and new tourist attractions, enrichment of the local offer as well as adequate efforts in the promotion of the destination, the share of visitors from the emitting markets could greatly increase. The networking of local stakeholders would also contribute to this, as well as their connection with the tourism sector of neighboring countries.

In addition to good connections and in order for a tourist destination to survive and function normally, it is necessary to have **quality staff** who is highly competent and highly professional. Karlovac County, like other rural parts of Croatia, is facing emigration, which leads to a lack of quality tourist staff. By encouraging economic and tourist development and creating opportunities for young people, it is possible to reverse the trend of emigration in search of a better life and thus provide quality staff on which to base future tourism and economic development of the region.

In addition to the previously mentioned new trends in tourism, and also with the use of EU support, a significant opportunity is seen in the **construction of a hotel intended for congress tourism, but also the construction of an autocamp**. In this way, a complete service intended for the corporate sector could be offered, while the feature of Karlovac County as a car destination would be best exploited by investing in the construction of an autocamp. In addition to hotel and private accommodation, autocamps are the next large accommodation segment that is continuously growing. With the proximity of emitting markets, but also the proximity of other attractive destinations, this could be excellent for the development of the tourist offer of this region.

3.4 THREATS TO THE DEVELOPMENT OF THE LOCAL TOURIST SYSTEM

In the fourth quadrant of the SWOT matrices threats are located. They answer the question *"What external factors can negatively affect the reduction of the market share?"*. According to the combined results of the field research and the capacity building seminars for stakeholders in the community, the results are as follows:

Given that **natural resources** are one of the greatest strengths of Karlovac County, the potential **loss of these resources** would pose a major threat to the development of tourism in this region. First of all, this includes river pollution, deforestation, environmental threats that can cause various pollution and soil contamination, and the loss of flora and fauna. Under the influence of increasingly visible climate change that can result in strong and unpredictable weather conditions, the climate is also one of the sources of threats to the development of tourism and the economy as a whole. Namely, the tourism industry is very dependent on climate and weather conditions. In Karlovac County, known for its four rivers, there is a real and considerable possibility of floods, which is unfortunately an increasingly common occurrence, due to increased river levels during the rainy season. In addition to posing a threat to people, animals and property, floods also result in great material damage. Besides environmental issues, potential threats are reflected in the consequences of the disease or infection, as we are currently seeing during the widespread of COVID-19 virus. The security of the destination is one of the important factors for visitors when choosing a location, so good organization of the entire system and the availability of adequate resources are extremely important. From all the above, it is evident that the occurrence of such circumstances would be a huge loss for the county, so all measures should be taken to prevent these circumstances, or to mitigate their consequences for tourism and the economy as a whole.

According to research participants, the next threat lies in the **low level of demand that may be caused by the lack of promotion due to lack of financial resources**. The previously mentioned trend of the current absence of an adequate level of promotion of Karlovac County as a tourist destination needs to be urgently changed and thus enable the creation of stimulating conditions for the development of tourism. In addition to promotion, funds are needed to maintain the existing tourist offer, and necessary for the further development of new products and services as well as all necessary aspects of tourism and economic growth of the county. For example, the renovation of old towns and hydroelectric power plants for the purpose of their tourism valorization, in itself will not have great consequences for the tourist development of the destination if these activities are not accompanied by an adequate marketing campaign, raising awareness and informing visitors about the possibilities of staying in the destination. Considering the growing trend of active vacation, weekend holidays and the impression of Karlovac County being a car destination, it is necessary to act not only towards foreign visitors but also to increase domestic demand. Connecting local stakeholders, creating tourist package deals, generally developing a new tourist offer and cooperating with local tourist boards, is the path to a steady and sustainable tourism development of Karlovac County.

Continuing on the previous threat, insufficient investment by the state as well as little help from local authorities are major obstacles to the development of this region. Starting from the systematic neglect of the flood defense system, lack of investment in reconstruction and tourism reallocation of existing

resources for the purpose of development of cultural heritage, the level of utilization of grants provided by local and state authorities is inadequate and leads to uninventiveness at the local level – there is a dispersion of small grants that give a counter-effect to development. A great potential threat is reflected in the increasingly mentioned abolition of counties, cities and municipalities as well as local tourist boards. It is important to note that this is not directed on the efficiency and sustainability of the local government system, but research participants share the opinion that the loss of the entire system of policy makers would cause a complete loss of support for local tourism and economic development.

The next big threat is the **depopulation of young and educated people**, which must definitely be addressed. Unfortunately, this circumstance is something the entire Republic of Croatia is facing and is related to the trend of emigration due to economic stagnation, lack of jobs and lower living standards. In such conditions, young people, especially in smaller underdeveloped communities, do not see the potential to achieve their life and business goals so they go to larger cities or abroad in search of work and a better future. These factors represent a very serious problem and should be addressed primarily at the national level but with the strong involvement of local development institutions. It is necessary to create a positive local environment that encourages sustainable development, to acquaint the population with development opportunities (based, among other things, on EU funds) in order to stimulate economic and tourism development, raise living standards of local population and prevent further emigration.

In addition to the previous factor, there is a **lack of education for people who work in the local government in the ways of withdrawing EU funds**, which has a negative impact on the development opportunities of the county and local communities. By investing in the education of local and county government employees, experts are created who are ready to identify new investment opportunities at all levels of management as well as help the local population in recognizing them. Such experts would be able to take a proactive approach to local subjects, animate them, educate and assist them in the preparation and implementation of development projects, which would influence the promotion of development opportunities of local communities.

Although the excellent transit position of Karlovac County is one of the previously mentioned opportunities, it also poses a kind of threat, which is manifested in the current **migrant crisis** that a large number of European countries are currently facing. Unfortunately, Karlovac County, due to its central position, proximity to Bosnia and Herzegovina and Slovenia, as well as its natural features, is located on the route used by migrants. There are frequent media reports about the level of destruction of cottages, mountain houses and other property by migrant groups, especially in the more isolated mountainous areas of the county. This can negatively affect the impression of the safety of the destination and create an unfavorable tourist image.

The next threat to the county's tourism development seen by participants is the **over-commercialization of tourism products**. Although Karlovac County does not strive for mass tourism and globalization that would lead to the loss of identity and distinctive features of the destination, the commercialization of tourist products, if not planned and controlled, can be negative for creating an indigenous product and authentic experience. In the conditions of mass tourism, there is often an overload of infrastructure - transport and utility (smaller communities face it even in current conditions), as well as excessive exploitation of natural resources, which in the long run has negative consequences and prevents sustainable development.

One of the dangers can be seen in **the increase in the price of services** if the quality would not be proportional to the price. Furthermore, the level of tax burden, especially for small entrepreneurs and craftsmen, combined with the low level of income, is also an obstacle to the development of already under-average developed areas. For a stable development, there should also be a stable market interest in investments, which would be helped by favorable interest rate movements and general bureaucratic relief for entrepreneurs. The announced **introduction of the euro** as the official currency may also pose a threat, prompting residents to fear a drastic increase in basic food and energy prices and the potential inability of the population to adapt to the new conditions while keeping the price of their tourism products and services competitive.

Unfortunately, the still present threat to the development of tourism in Karlovac County are still visible consequences of the Homeland War. Part of the war damage and devastation is still visible not only in rural areas but also in city centers, which gives the impression of carelessness and general neglect of the area. For this reason, it is necessary to put efforts and funds in the reconstruction of war-affected areas, fix facades where the damage is still visible and renovate and put into function abandoned buildings, especially those in the centers of larger cities and municipalities.

Inadequate Internet infrastructure in relation to the needs of the global market, according to research participants, is the next threat to development. In the light of global networking, the development of digital technologies and new tourism products and services based on them, good coverage and good condition of the Internet infrastructure are necessary for the flow of information from tourism service providers to recipients. In order to improve Wi-Fi signal coverage of city centers and municipalities, it is possible to use EU incentives and thus improve the existing infrastructure or introduce a new one in areas where it does not exist.

As the last most important threat to the tourist development of Karlovac County as a destination, the respondents see the **attractiveness of developed tourist destinations** in the immediate vicinity. Although the proximity of other tourist destinations has been mentioned several times as a strength or opportunity

for further development, given that visitors are already in the nearby region, it is possible to attract them to interesting locations within Karlovac County with an adequate level of tourist offer and its promotion. However, the proximity of the capital city of Zagreb or the proximity to the sea, also represents direct competition. Given the characteristics of the transit county, it is necessary to work on improving accommodation capacity and developing an innovative offer based on new tourist trends and indigenous resources, and with an adequate level of promotion, to influence the awareness of potential visitors. It is also necessary to profile the characteristics of the targeted customers, in order to achieve maximum effects when investing funds in the promotion of the destination.

4. CONCLUDING REMARKS

Karlovac County joined the EXCOVER project with the aim of improving the living and economic conditions of its inhabitants, while preserving the local cultural identity and environmental resources, and developing sustainable tourism. In order to achieve this goal, the participation of the local community in the development of tourism is necessary, especially in the phases of planning and implementation of activities.

As part of the project activities, a market research was conducted by surveying the local population and seminars were held to build the capacity of community stakeholders. The purpose of this dual way of collecting and processing information is to generate unified conclusions about the opinions of the local population, policy makers and major stakeholders from the area of Karlovac County. Based on the research, a detailed analysis of the environment was performed in which key factors from the external environment were identified and recognized as opportunities or threats and factors from the internal environment which can be described as strengths or weaknesses of the Karlovac County's tourism system. The analysis was conducted with the aim of identifying strategies that will make the best use of strengths and minimize weaknesses and capitalize on opportunities while minimizing threats.

From the results obtained by conducting a survey of the local population, it is evident that respondents generally (not related to gender, age or other characteristics) believe that their local community is willing to participate in the sharing economy. On the other hand when assessing their own desire to participate in the sharing economy the rating is significantly lower. This recognizes that respondents feel that someone else should participate in the sharing economy for them because they are not personally into it, but overall their desire to participate in such an economy is relatively high. For the entire process planned to be carried out in this project, this means that it will be difficult to make a final tourism product without the help of the local community. In order to encourage the local population to participate, trainings are planned in order to acquaint stakeholders with the use of sharing economy platforms. Given their openness to this possibility, additional education will help to increase their interest and the use of these platforms.

According to the data obtained from SWOT survey questionnaires, there is a lack of accommodation units, poor connectivity in terms of bus and train timetables, ie there is a lack of opportunities for tourists who do not come with their own cars, lack of tourist sites such as restaurants, lack of general offer and there is a lack of knowledge in the form of educated tourism workers who could work in tourism activities. Respondents mentioned these factors as those that they would share with tourists, ie accommodation, transport ie car rides and home restaurants that could be organized in a way consistent with the platforms

of the sharing economy. Local residents are ready to share their knowledge and skills. Based on the above, it is possible to meet the needs of tourists by using the platform of sharing economy by the inhabitants of Karlovac County, more precisely, the shortcomings mentioned in the SWOT analysis could be very well minimized. It should be noted that the demand for such services is also an important factor.

Karlovac County is very specific due to its great tourist potential, while at the same time it has no tradition of tourism. For this reason, the strategy that should ensure the launch of tourism development in Karlovac County should include investments in necessary renovations of local attractions and education of citizens to be able to work in positions related to tourism. The next step is promotion which must be smart and well organized in the most effective way. This should create higher demand or a higher influx of tourists that can be responded to by an educated population and the use of sharing economy platforms.

According to the research, it is evident that self-employed people are open to using the sharing economy, which is a positive step. The assumption is that the population believes that using the sharing economy will ensure a greater number of tourist arrivals in Karlovac County, but it is to be assumed that certain situations will occur in which a competitive note could be felt among those who have a local company and other residents using applications based on the sharing economy platform.

The SWOT matrix, which was created from data obtained from surveys and focus groups attended by local stakeholders, strengths are first stated. It was emphasized that Karlovac County has an excellent strategic position, an incredible wealth that is manifested in culture, history, historical sites and natural resources. The main weaknesses were poor infrastructure, poor accommodation capacity, neglect of the entire county and lack of workforce. However, Karlovac County has good opportunities for further development. One of them is an increasing trend of active vacation as well as trend of weekend travel for which Karlovac County has great potential and could make the most of. All natural resources provide Karlovac County with a great opportunity to invest and excellent promotion of these attractions with opportunities for sports such as cycling, rafting, hiking, walking, etc. The County could definitely be differentiated as an oasis of peace and active vacation, whose combination is a highly sought after holiday these days. Also, investments should be made in the procurement of the necessary equipment for various sports activities with the renovation of the existing neglected complexes. The basis of development would be to use natural resources and strengthen their promotion, thus attracting guests with a diverse offer. It is necessary to renovate old towns and other cultural attractions such as hydroelectric power plants and invest in infrastructure in order to achieve a good foundation for the further development of Karlovac County as a tourist destination. In order to solve obstacles in the development of sustainable tourism, the County should work on educating quality tourist staff, investing in neglected parts of the area and helping to improve bus and rail transport in order to lay the foundations for further tourism development -

connectivity. Promotional activities should be further improved by putting organic production as high priority, cooperation with family farms, creating new events and many other potential opportunities identified and explained in the SWOT matrix. Finally, Karlovac County also has certain weaknesses and threats to development that are manifested in the danger of loss of natural resources, depopulation, insufficient investment, poor infrastructure, etc. These are all circumstances that need to be minimized.

In conclusion, it can be said that for all prominent strengths and potential opportunities, it is necessary to devise a good development plan that will anticipate the use of all available development opportunities, based on joint cooperation of the community and local authorities. The plan must also be operationally easy to implement in order to obtain maximum results and ensure the sustainable development of the tourism sector and the entire economy of Karlovac County.

List of graphs:

Graph 1. Participation index by components	7
Graph 2. Women's participation index.....	8
Graph 3. Men's participation index	8
Graph 4. Senior Participation Index.....	9
Graph 5. Junior Participation Index	9
Graph 6. Self-employed Participation Index.....	10
Graph 7. Participation Index of respondents with other occupation.....	10
Graph 8. Respondents willing to share, by sharing categories.....	12
Graph 9. The assessment of the will to share.....	12