Croatia, The Mediterranean As It Once Was

Croatian National Tourist Board

Sania Jelic  April 2010
Before 1991 Croatia = Yugoslavia

Croatia as a name was not used as a cachet and possessed no “trademark” value.
From 1991 Croatia ≠ Yugoslavia

Completely new positioning strategy, not only for the country as a whole but also for Croatian tourism
Croatia in Europe

Croatia is a Central European and Mediterranean country

Population: 4.5 million inhabitants

Area: 56,542 km² with an additional 31,067 km² of territorial waters

Capital: Zagreb
Rich Cultural and Historical Heritage
The Mediterranean As It Once Was

Authentic Cities and Villages
The Original Spirit of the Mediterranean
The Ecological Oasis of Europe
Clean and Transparent Waters
8 National and 11 Natural Parks

- Archipelago Brijuni
- Risanjak
- River Krka
- Island Mljet
- Paklenica
- Plitvice Lakes
- Archipelago Kornati
- Velebit North
14 UNESCO World Heritage Goods

- Palace of Dioclecian - Split
- Basilica San Eufrasio - Poreč
- Cathedral of Santiago - Šibenik
- Old Town of Trogir
- City of Dubrovnik
- Plitvice Lakes
The Role of Tourism

- Tourism represents about **16% of the GDP**

- In 2009:
  - Income from tourism was 6,37 billion EUR,
  - 11 million tourist arrivals and
  - 56,3 million overnights
  - Ranked as the top Rising Star in the FutureBrand ranking of the Country Brand Index (CBI)

- Croatia was the fourth incoming destination in the South and Mediterranean European region
How Did We Do It?

Croatia has gained the recognition as one of the most successful incoming destinations in the Mediterranean

• How was that achieved?
• Which strategy did Croatia employ to position itself among the big and established tourist destinations?
• What were and are the main challenges?
• Where do we go from here?
History of Tourism in Croatia

- Mid 19th c. the Croatian coast became the winter residence of the Austrian aristocracy
- Mid 1950ties it was a regular tourist destination in Europe
- From 1960-1980 it had a 7% market share in tourism mainly from Europe
- In the 80-ties, the former Yugoslavia was a recognized tourist destination
- Income from tourism from 12-15% of GDP
- 1986 was a record year with 10,2 mill. international tourist arrivals and 68 mill. overnights
Tourism in Croatia

• 1995 the conflict officially ended
• 1995-2000 a slow recovery process
• Limited infrastructure: roads, hotels
• The Croatian Privatization Fund was created
• No recognizable country image / brand
• A turnaround towards market economy
• The Ministry of tourism and the Croatian National Tourist Board were founded
Crucial Decisions

• The role of the government in defining:
  – Importance of tourism industry
  – Rules of Privatization Fund
  – Financial help to the private sector
  – Environment protection laws

• Development strategy based on guidelines of sustainable tourism

• Introduction and implementation of Master plans
Reinventing Croatia as a Tourist Destination

In reinventing the country and its positioning, and having done the SWOT, we looked at:

• Branding strategies
• Geographic markets strategies
• Product strategies
• Communication strategies
• Sales, promotion and distribution strategies
Managing the Brand

The Brand strategy = the essence of marketing activities
Tourist Image of Croatia

The tourist image of Croatia is the perception that a potential client (visitor) has about our destination. And it is dual:

- **Inducted image**: the result of the communication efforts of the CTNB. It is a planned, required image

- **Organic image**: created over time and outside the control of the CTNB. This organic image affects the tourist’s perception of the country, but it is created by elements not directly related to tourism
Building a Powerful Brand for Croatia

The Identity of Croatia

Central Identity

Extended Identity

Croatia as a product
Croatia as a person
Croatia as a symbol

The value proposition of Croatia

Functional benefits
Emotional benefits
Self expression benefits
Central Identity

The new Croatia is the only destination in the Mediterranean that has literally preserved its legacy from its forebears.

This corporate identity contains the essence of Croatia; it contains those defining elements that will remain constant over time.
Extended Identity

Croatia as a product
• Unspoilt nature
• A system of 1,000 islands
• The variety of landscape
• The authenticity of towns
• The purity of its sea

Croatia as a person
• Authentic
• Mediterranean spirit
• Joyful, calm and warm
• Human in approach
• Generous
• Exotic

Croatia as a symbol
• The heritage of the Mediterranean of our ancestors.
• Dubrovnik
• The symbol of the “squares” itself
The Value Proposition

**Functional benefits**
- Contact with authentic nature and genuine people
- Variety of tourist activities
- Purity of the sea

**Emotional benefits**
- The feeling of being in the Mediterranean of 40 years ago.
  - **It still exists!**

**Self expression benefits**
- To be the first to discover a destination that is becoming fashionable
- To set trends
- To be an opinion leader
Outcome

The Mediterranean As It Once Was
Results

<table>
<thead>
<tr>
<th>INTERNATIONAL TOURIST ARRIVALS (IN MILLIONS)</th>
<th>INCOME FROM TOURISM (IN BILLIONS USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>2005</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>World</td>
<td>762,5</td>
</tr>
<tr>
<td>Europe</td>
<td>415,2</td>
</tr>
<tr>
<td>Croatia</td>
<td>7,9</td>
</tr>
</tbody>
</table>

Source, UNWTO

- In the last five years, Croatia has increased its tourist arrivals 19% and the income from tourism a remarkable 64%
## European Comparative Data

<table>
<thead>
<tr>
<th></th>
<th>Tourist Arrivals 2008 (in mill.)</th>
<th>Index 08/07</th>
<th>% of total</th>
<th>Income from Tourism in Billion of USD</th>
<th>Index 08/07</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CROATIA</strong></td>
<td>9,4</td>
<td>101,2</td>
<td>5,2</td>
<td>11</td>
<td>110,5</td>
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<tr>
<td><strong>CYPRUS</strong></td>
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<td>99,5</td>
<td>1,3</td>
<td>2,7</td>
<td>101,9</td>
</tr>
<tr>
<td><strong>ISRAEL</strong></td>
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<td>124,4</td>
<td>1,4</td>
<td>4,1</td>
<td>131,1</td>
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<tr>
<td><strong>ITALY</strong></td>
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<td>97,9</td>
<td>23,8</td>
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<td><strong>MALTA</strong></td>
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<td>103,8</td>
<td>0,7</td>
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<tr>
<td><strong>PORTUGAL</strong></td>
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<td>0</td>
<td>10,9</td>
<td>107,9</td>
</tr>
<tr>
<td><strong>BOSNIA &amp; HERCEGOVINA</strong></td>
<td>0,3</td>
<td>105,2</td>
<td>0,2</td>
<td>0,8</td>
<td>112,1</td>
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<tr>
<td><strong>SLOVENIA</strong></td>
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<td>1</td>
<td>3,1</td>
<td>123,2</td>
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<tr>
<td><strong>SPAIN</strong></td>
<td>57,3</td>
<td>97,7</td>
<td>31,9</td>
<td>61,6</td>
<td>106,9</td>
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<td><strong>TURKEY</strong></td>
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<td>112,3</td>
<td>13,9</td>
<td>22</td>
<td>118,7</td>
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<tr>
<td><strong>SOUTH AND MED. EUROPE</strong></td>
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<td>100,8</td>
<td>100</td>
<td>183,7</td>
<td>110,4</td>
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<tr>
<td><strong>TOTAL EUROPE</strong></td>
<td>488,5</td>
<td>100,4</td>
<td>51,7</td>
<td>473,6</td>
<td>108,8</td>
</tr>
</tbody>
</table>

Source, UNWTO
Main Incoming Markets and Regions

<table>
<thead>
<tr>
<th>Country</th>
<th>% of total</th>
<th></th>
<th>Country</th>
<th>% of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
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<td>Istria</td>
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<td>Slovenia</td>
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<td>Kvarner</td>
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<td>Italy</td>
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<td>Split</td>
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<td>Austria</td>
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<td></td>
<td>Zadar</td>
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<tr>
<td>Czech Rep.</td>
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<td></td>
<td>Dubrovnik</td>
<td>8</td>
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<tr>
<td>Poland</td>
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<td></td>
<td>Sibenik</td>
<td>7</td>
</tr>
<tr>
<td>Netherlands</td>
<td>4,8</td>
<td></td>
<td>Lika</td>
<td>3</td>
</tr>
</tbody>
</table>

Around 70% of arrivals is by road and about 80% individual travel.

Source: Croatian National Institute for Statistics, 2009 data
Product Offering

Based on different market segments:

- Sun and beach
- Cultural travel
- Nautical tourism
- Active vacations
- MICE
- Wellness
Recent Years

Improved infrastructure:

- 7 international airports
- Modern highway network
- 48 nautical ports
- Around 126,000 beds in hotels, tourist settlements; around 420,000 in private accommodation; 50,000 in camping
- Investments done in hotel industry in 2008 surpass EUR 1 billion
International Hotel Chains in Croatia

Le Méridien
LAV, SPLIT

Westin
Hotels & Resorts

InterContinental
Hotels Group

Radisson
BLU
Hotels & Resorts

Hilton

Sheraton
Hotels & Resorts

RIU
Hotels & Resorts

Sol Meliá
Hotels & Resorts

Iberostar
Hotels & Resorts

Adriatic Luxury Hotels

Falkensteiner
Hotels & Resorts

Four Points
Sheraton

Regent International Hotels

Where Value Never Means Compromise
Small and Family Hotels

Hotel San Rocco 4*, Brtonigla

Hotel Villa Astra 4*, Lovran

Hotel Korana 4*, Karlovac

Hotel Maestral 3*, Prvić Luka

Hotel Palača Dešković 4*, Pučišća

Hotel Bacchus 4*, Baška Voda
Nautical Tourism

- There are 98 ports and a total of 35,000 berths
- 48 marinas with 16,848 sea berths and 5,200 dry berths
- It represents 10% of tourist income and had significant increases
- Planned increase of 15,000 berths by 2019
Strategic Aims and Challenges

• Extend tourist season
  – About 65% of arrivals are in 2 peak months

• Impact on nature and quality of life for population: the ratio is 2,5 tourist arrivals per inhabitant
  – Preserve nature and create quality employment

• Revenue from tourism
  – Create new products; extend tourism to entire country; gradually develop new infrastructure and content; promote autochthonous products

• Involvement of population
  – Master plans and education

• Maintain strong brand
Long Term Objectives – by 2020

Achieve:

- 17,6 mill. foreign arrivals
- 80 mill. Foreign overnights
- 19,8 bill. EUR income from tourism
Role of the Croatian National Tourist Board

- Based in Zagreb with **21 delegations**, and a budget of EUR 38 million
- Main task - promotion of Croatia as a tourist destinations through:
  - Promotional campaigns in the international and national market place
  - Creation and distribution of brochures, DVDs and promotional material in general; website; online image bank; social networks
  - Assistance at trade fairs
  - Press trips for international journalists and the “Golden Pen Award”
  - Familiarization trips for travel agents and touroperators “Buy Croatia”
  - international Workshops “Sell Croatia”
Role of the Croatian National Tourist Board – in Croatia

“I Love Croatia” national awareness programme

- Cooperation with school children
- The employee of the year: “The Person is Key to the Success of Tourism”
- Blue Flower and Green Flower
- Educational programmes
“I Love Croatia”
CNTB in Spain (1/2)

- Since 2006, 3 staff, in charge of Spain and Portugal
- Objective: to increase the number of tourist arrivals and overnights from the Iberian peninsula
  - 2006 to 2009 ca. 300%
- Main challenge: lack of knowledge about the destination
  - Excellent cooperation and support from the media
  - 2006 to 2009 value of presence in media over EUR 12 mill
- Close cooperation with travel trade sector
  - 2006: around 20+ tour operators had Croatia in their programmes; no regular scheduled direct flights
  - 2009: over 50 tour operators had Croatia in their brochures and 4 airlines with regular direct flights
  - Training sessions and online training courses for travel agents and booking staff
CNTB in Spain (2/2)

- Diversification of tourist offer
  - Workshops, fam trips for travel agents and touroperators “Buy Croatia”
  - Bus tours; fly & drive, nautical tourism, MICE, adventure travel, senior citizens

- Direct promotion to public
  - Assistance at trade fairs: 5-8 per year
  - Advertising campaign in media: TV, press, radio, internet
  - Social networking media
Examples of Presence in Media
Brand Awareness and Positioning
Brand Awareness and Positioning
Brand Awareness and Positioning
Reasons For Travelling to Croatia

• Experience exceeds expectations
• Word of mouth recommendations
• Good value for money
• Safe, close and exotic destination
• Diversification of offering
• Creation of brand/country awareness
• Correct
  – positioning of destination
  – sales process
  – information on destination

• Because Croatia is,

*The Mediterranean As It Once Was*
Thank you!
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