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Horwath HTL
Hotel, Tourism and Leisure

mpr

STRATEGIC MARKETING AND OPERATIONAL PLAN

Executive Summary

PMKCRO16 – SMOPCT 2023-2027

XTH SEPTEMBER 2022



Outline of this document

This document gathers the most relevant inputs of the **Strategic Marketing and Operational Plan for Croatian Tourism for the Period 2023-2027**, which has been prepared in response to four main objectives:

1. Attracting higher expenditure tourists, enlarging the season and reducing the geographical concentration of demand
2. Increasing Croatia's brand power
3. Helping the industry to do more and better marketing
4. Supporting the national Strategy for the Development of Sustainable Tourism by 2030 (hereafter STDS)

This document comprises three main sections:

A. Strategic Analysis

An exhaustive analysis has been carried out, which has led to the identification of 22 key issues to be tackled by the strategy.

B. Branding and Communication Strategy

This is followed by the redefinition of the national tourism brand, based on the key identity values of Croatia as a country, in order to establish a memorable and respected international brand.

C. Action Plan

Finally, 24 initiatives have been developed to be implemented as a matter of absolute priority, in order to achieve the set objectives and vision.



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1

SITUATION & VISION

Where is Croatia's
tourism marketing
heading?

2027 Vision of the National Tourism Marketing

Recognized by referential travel media

A leading destination that is known to cater well to diverse traveler profiles

Aspirational timeline

“Croatia will be **acknowledged** by **2027** and beyond as a **premium, multi-segment, sustainable** destination, which will with the goal of improving quality of life of local population be offering a wide range of **authentic** quality tourism experiences”

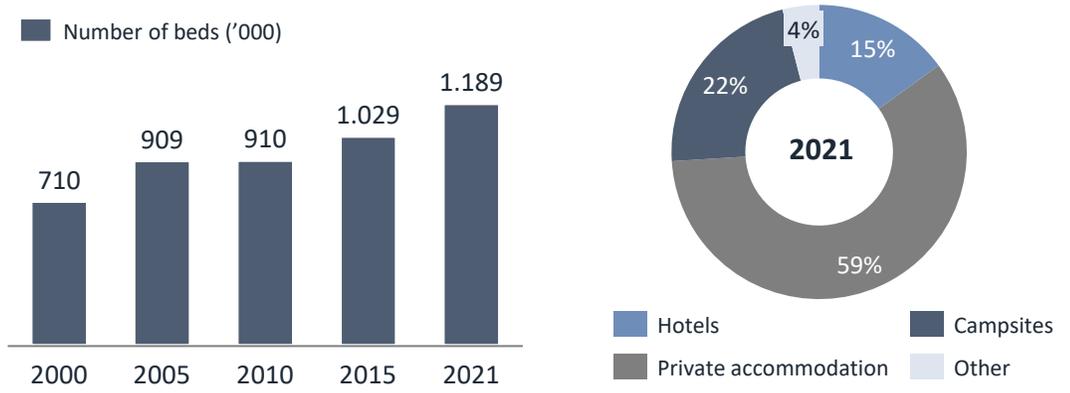
A destination that offers superior quality experiences aimed at mindful travelers that are likely to spend more

Preserving and fostering unique Croatian customs and genuine local experiences

Maintains high environmental sustainability standards, ensures socio-economic growth for its community and contributes to GDP

Croatia's tourism industry has been constantly growing over the years, perpetuating a business model that is unsustainable in the long term

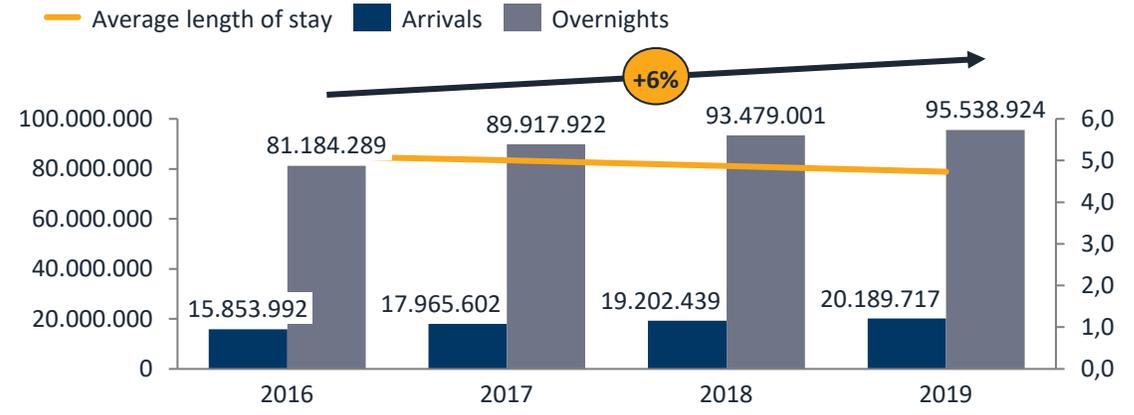
Supply



Overall, the accommodation infrastructure demonstrates a **low level of diversity and ability to create an adequate offer capable of extending demand into the PPS period and into inland regions.**

An unbalanced business model that is mostly low-performing and generates important externalities such as: **over construction and over tourism, positioning Croatia as a low-cost mass destination**, holding back necessary investments and making it difficult to attract human resources.

Demand

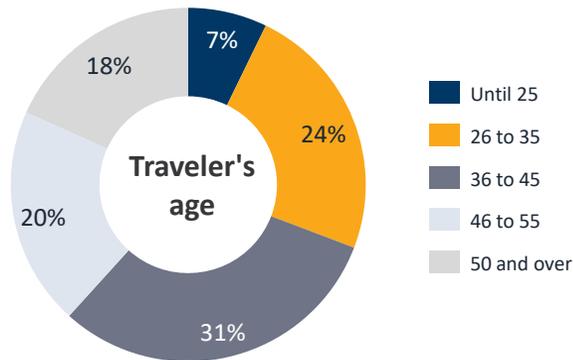


Croatia has experienced a rapid expansion of visitor numbers, **reaching 20.2 million arrivals and 95.6 million overnights in 2019.**

Nonetheless, the risk of unsustainable growth is increasing.

A destination focused on seaside summer vacations of low sophisticated and low-income families from nearby countries

Socio-demographic profile



The average tourist is **43 years old**, especially in Adriatic Croatia, where **families are dominant (43%)**, closely followed by couples (40%).



42% of tourists attended university or higher levels of education.



49% have a monthly household income of more than 3.000 EUR.

Travel behavior



In 2019, **83% of overnights were registered from June to September** and **95% were carried out on the coast**.



And spend on average **98 EUR/day**



Visitors stay about **5 days per trip** (2-3 days in off-peak season).



48% of travellers stay in private accommodation, followed by hotels (27%) and campsites (20%).



71% of visitors come by car (including caravan or camper).



55% of guests acquire information online, followed by recommendations of relatives and friends (25%).



Current tourists are **loyal guests**, especially in Adriatic Croatia (52%), compounded with an overall **satisfaction with the experience**.

Source markets

Croatian tourism is **strongly dependent on its top five markets**, especially neighbouring countries, representing 52% of overnights (2019). However, mid-haul markets are on the rise given the recent improvements in air connectivity.

Share of overnights (2019)



21,5%



8%



8%



7,8%



6,4%



5,5%



5,5%



4,8%

Travel motivations

Croatia is undoubtedly a holiday destination (91%), although business trips are quite relevant in Continental Croatia (22%).

Adriatic Croatia

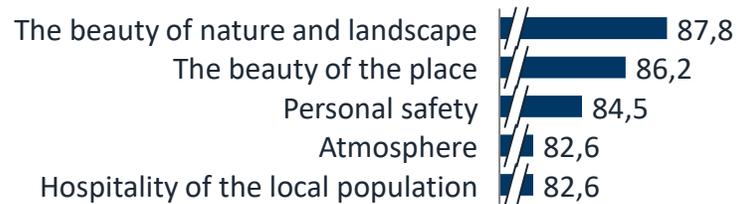
- #1 The Sea (81%)
- #2 Nature (56%)
- #3 City Break (24%)
- #4 Touring (21%)

Continental Croatia

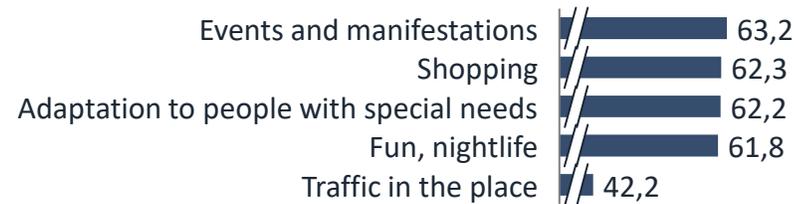
- #1 Nature (32%)
- #2 Touring / Sightseeing (26%)
- #3 City Break (26%)
- #4 Sports and recreation (24%)

Tourists are attracted by Sun and Sea, although its maximum satisfaction comes from the BEAUTY of the coast and towns

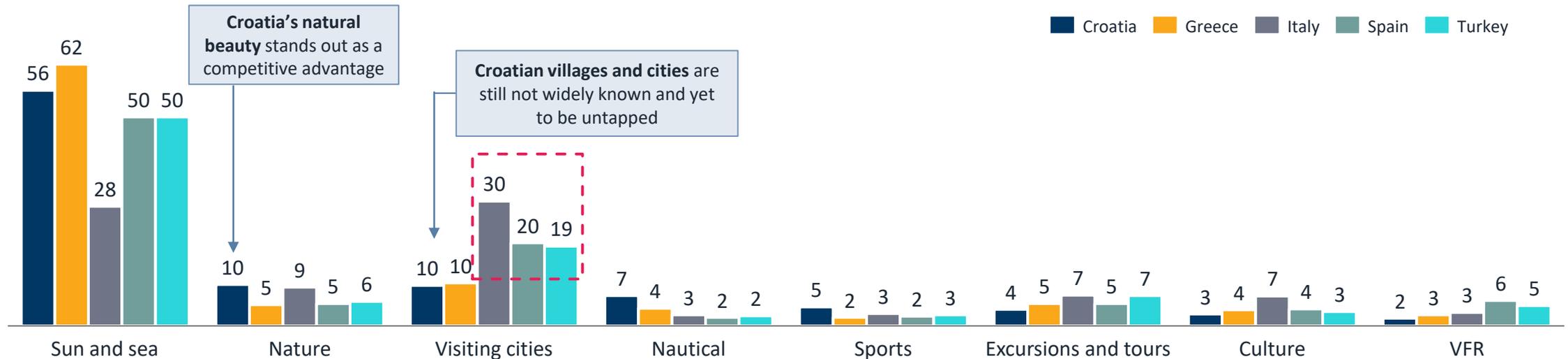
Most satisfying elements of the tourist offer (%)



Most dissatisfying elements of the tourist offer (%)



Main reason for visiting the country (%)



The strategic analysis has identified 10 major implications for Croatian tourism marketing and for the role of the CNTB

1	Croatia has many opportunities to exploit	This refers both to penetrating and to developing markets and to improving the Customer Value proposition especially in relation to the country's exceptional beauty. This will be key to the necessary repositioning and avoiding the fatal positioning of low-cost mass tourism.
2	Need for more effective marketing processes and use of new digital technologies	Croatia needs its general marketing effort and not only that one of the CNTB to be more efficient and this will require improving the objectives, processes and relationships between the actors. And it will have to quickly enter the field of marketplaces, marketing analytics, big data and artificial intelligence. The latter to improve the prediction system and also modernize the distribution system, as well as improve monitoring of tourism satisfaction and the customer journey.
3	Important efforts in value design are required	This is a marketing component in which Croatia has not yet invested much effort and which now acquires special relevance in view of the repositioning of the destination and the new brand system. This will help to improve yield and conquer more diverse higher-value target segments.
4	A Croatian Brand System is needed	The CNTB should lead, in complicity with the rest of the stakeholders, the development of a Croatian Brand System that includes destination, product and other types of trademarks and integrates everything within an effective management system.
5	Need to Relaunch the Pre-Post Season program	It is an ambitious objective, but with a very high profitability that should be implemented in 2-3 destinations on an experimental basis, before generalizing it throughout Croatia.

The strategic analysis has identified 10 major implications for Croatian tourism marketing and for the role of the CNTB

6	Reposition Croatia as a destination	In the immediate future, a major repositioning effort will be essential, associating Croatia with other images and perceptions capable of attracting better-yielding tourism that is more spatially, temporally and motivationally deconcentrated.
7	Marketing at the service of sustainability and smart growth	The new marketing to be promoted by the CNTB must be aligned with sustainability and smart growth. Marketing actions should be oriented towards higher yield tourism, more sustainably responsible, outside the high season, etc. And to communicate a Master Brand more based on images and perceptions associated with environmental preservation, local culture, km0 products, etc.
8	Marketing Diamond Development	The CNTB, in cooperation with and under mutual understanding with the rest of the sector's stakeholders, must develop a Marketing Diamond in Croatia made up of tools, regulations and financial support, which will help companies to carry out better marketing in a relevant, innovative and creative way. The Phase II of the e-visitor could be one of the key components of this Diamond.
9	Redefine and clarify the role, responsibilities, and powers of the CNTB	The CNTB must increase its leadership and for this it must ensure that its role, organizational structure, and attributions are pertinent and are understood and assumed by all stakeholders. This must happen internally, as well. The CNTB must align communication with marketing and branding objectives and improve a results-driven culture.
10	Align the CNTB organization with the strategy	Non-alignment is the reason 70% of strategies fail. The actions and initiatives to be undertaken by the CNTB in the next four years will be impossible without this alignment. This is the most important initiative of the new Plan that should deserve the highest priority.

The strategic analysis revealed 22 key issues to be addressed by the strategy

Issues that *favor* reaching the vision

Issues that *hinder* reaching the vision

	✓ Strengths	✓ Opportunities	✗ Weaknesses	✗ Threats
Perspective 1 Results			<ul style="list-style-type: none"> 6. Over reliance on a few source markets 7. Low yield of Croatia's tourism demand 8. Excessively short tourism season 9. Excessive concentration of tourism along the coastline 10. Weak brand power in several source markets 	<ul style="list-style-type: none"> 19. High risk of negative positioning as a low-cost, over tourism destination
Perspective 2 Value for partners and clients	<ul style="list-style-type: none"> 1. Exceptional beauty of the coastal area, its sea, villages, and islands 	<ul style="list-style-type: none"> 2. Opportunity to improve and expand Croatia's Customer Value Proposition 		
Perspective 3 Strategic processes		<ul style="list-style-type: none"> 3. Opportunity to implement a state-of-the-art marketplace for global distribution of all tourism offerings of Croatia 	<ul style="list-style-type: none"> 11. Weak branding system design and management 12. Misalignments between communication efforts and marketing objectives 13. Communication could benefit from more innovation and creativity 14. Need for an urgent executive education effort in marketing 15. Insufficient availability and leverage of market intelligence 16. Limited availability of marketing resources 17. Sub-optimal management efficiency of the national marketing framework 	<ul style="list-style-type: none"> 20. Insufficient awareness and clarity of the core strategy 21. Absence of modern monitoring of customer satisfactions and experience/journey
Perspective 4 Organization, culture and core competences		<ul style="list-style-type: none"> 4. Opportunity to digitize selected processes of CNTB to improve both its internal efficiency and its relations with the industry 5. Opportunity for CNTB to deliver more value to the industry while reinforcing its leadership 	<ul style="list-style-type: none"> 18. CNTB organization structure unaligned with overall strategy 	<ul style="list-style-type: none"> 22. Need to improve the results and cost-benefit culture in CNTB

2

SETTING THE AMBITION

Which are our business and marketing objectives?

What do we really expect from our marketing efforts?

Our business objective is not “more heads” but more “sustainable prosperity”

Business objective

The fundamental entity

The fundamental entity behind this Marketing Plan is the National **Tourism Brand CROATIA** which acts as a **Master Brand** for a wide and diverse set of regional, local and corporate brands.

Our Core Competence

The skill that leads Croatia to a sustainable competitive advantage is our capacity to **keep our territory beautiful**. This is the powerful, exceptional, **strategic asset Croatia** uses to create a unique benefit for its customers.

What business are we in?

We are in the business of offering tourist **experiences in a place of exceptional beauty**, which is one of the most desired attributes for tourists. This kind of miracle is the great benefit that none of our competitors can duplicate in the way we do it.

Where are we going?

Our main business objective is to take advantage of the immense strength of our strategic asset, to become a destination with a **touristic model** capable of generating **sustainable tourism prosperity** as set out in the recent STDS.

Build by capitalizing on BEAUTY as a powerful and main strategic asset of Croatia as a tourism destination

We will focus our efforts in 3 different tourism business concepts



The Relaxation Tourism
 People in search of tranquility, calming sensations, and flight from daily routines by doing things more slowly and without pressure.



The Discovery Tourism
 People seeking enrichment by exploring and discovering original places, cultures, and by living genuine hospitality.



The Special-Interest Tourism
 Those who seek sports, activities, and hobbies such as gastronomic trips or cycling tourism.

Croatia must compete in the tourism markets of relaxation, discovery and the enjoyment of special interests, as they **make up approximately 1.500 million international trips** with an average expenditure of around 1.200 € per trip.

The Ambition is a remarkable one – improving the type and class of tourism that Croatia currently welcomes, as well as **repositioning the country with a focus on products of higher value, and across new customer segments and geographic markets.**

To all **these groups Croatia offers one of the best tourist spaces in the world.** A country bathed by the mythical Adriatic sea, its villages, islands and secluded bays. This is boosted by the Croatian hinterland, full of robust natural spaces and romantic ruralism.

Croatia is on the cusp of a re-conception of its tourism business model. The country, while already present in the minds of many travelers, is still in the beginning phases of receiving deserved notice from around the globe.

To achieve this, marketing will contribute through the attainment of a set of strategic goals and objectives

The Expanded Vision



5. Increase stakeholder satisfaction

6. Diversify tourists' motivations and source markets

Main results to be achieved

Objective	Measure	Situation 2019	Objective to be achieved 2027	Objective to be achieved 2030	Variation 2019-2030
1. Brand Adoption ¹	Short- and Long-term purchase intention	11%	14%	17%	+6 p.p.
2. Average daily expenditure per tourist (net of inflation) ²	Average daily expenditure per night per visitor	109€	158€	172€	+58%
3. PPS index ³	% of arrivals from October to May	17%	18%	25%	+9 p.p.
4. Territorial concentration Index ⁴	% of overnights outside coastal areas	5%	7%	10%	+5 p.p.

Note⁽¹⁾: Based on the research from the brand funnel HTZ Brand Tracker

Note⁽²⁾: Average daily expenditure per capita

Note⁽³⁾: Percentage of visitors during shoulder and low seasons: From October to May (both included)

Note⁽⁴⁾: % of overnights carried out outside coastal areas

3

CORE MARKETING STRATEGY

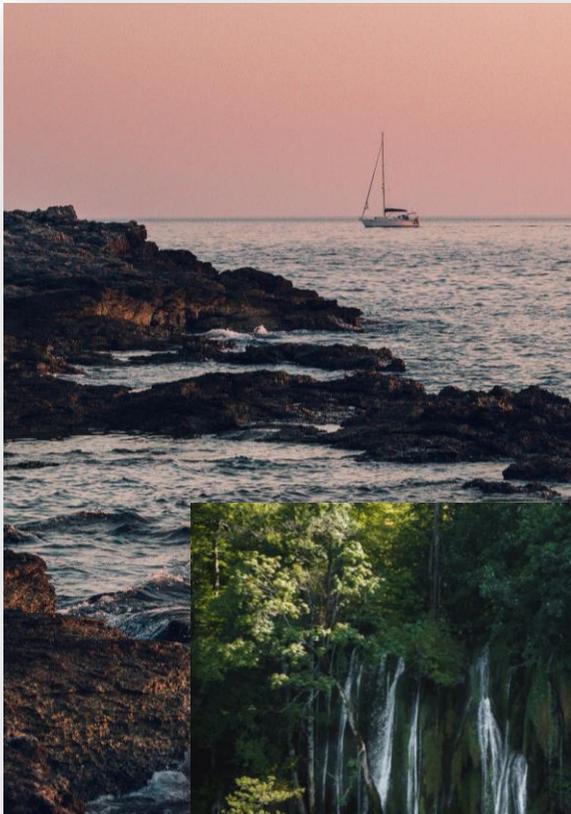
What is our new strategy to compete and win?

- 3.1. Advantages & positioning
- 3.2. Segmentation & targeting
- 3.3. Product portfolio
- 3.4. Target geo-zones

3.1 Advantages and positioning

Croatia will compete with 7 main competitive advantages





Croatia will capitalize on its competitive advantages to reposition the brand

A positioning associated to low-cost and mass tourism is not sustainable. Therefore, the repositioning strategy aims to modify certain current brand attributes and images to improve overall brand success, which will be done towards two main directions.



Strategic research clearly indicates that **BEAUTY** is the main element of Croatia's value proposition highlighted by many tourist markets and Croatia's **best and most powerful differentiator** from competitors.

Beauty will be the **core of our re-positioning** becoming the inspiration for future tag-lines, communication, product development, etc.

Re-positioning direction 2 PREMIUM DESTINATION

Types of tourism according to quality and sophistication of services used

Expenditure per person per day in a tourist destination varies depending on the quality and sophistication of the services used by the different types of tourists. Each generates different levels of added value, employment and fiscal contribution and have very different preferences in terms of services, sophistication, infrastructure and facilities, aesthetics, security, etc.

Types of tourists and average expenditure

Type of tourist	Average weight on international tourism ¹	Expenditure per pax, per day in €.	Estimated average ²
Luxury	5%	600-1.000+	800+
Premium	15%	200-400	300
Mid-market	35%	90-150	120
Low-cost	45%	30-70	50

Premium tourism products are sophisticated products, superior to mid-market products, because they provide more value for the tourist by offering three additional things: **more services and features, more quality and certain privileges**. They are not marketed on the basis of the "brand" like "luxury" products, but on the basis of **objective superior performance and quality**.

Destination typologies according to their demand mix

All tourist destinations – towns, regions or countries – have visitors of all four types, although **in different proportions, as shown in the table below**:

Destination types according to their demand mix

Type of destination	% of luxury + premium tourists	Examples
High-end	>30	Mykonos, Ibiza, Cala di Volpe, Portofino, Capri, etc.
Premium	15-30	Dubai, Tyrol, Marbella, Venice, Firenze, etc.
Standard	10-15	Benidorm, Larnaka, Lido di Jesolo, etc.
Low-cost	<10	Tunisia, Bulgaria, Rimini, etc.

Croatia should be positioned between Standard and Premium, shielding from being perceived as a low-cost destination. The overall tendency in communication should be to move away from low-cost and standard positioning and **start emphasizing orientation towards premium**. Such approach will bring multiple positive impacts, particularly towards **promotion of more sustainable products and business models and greater wellbeing for local communities**.

Due to overall shallowness of Croatia's offer in premium segment, even more in luxury, while we use "premium" we refer to both premium and luxury segments of Croatia's tourist offer in order to equally promote them and put them forward towards market in order to more efficiently build premium positioning.

Croatia's brand essence



3.2 Segmentation and targeting

New strategy uses NEEDS SCOPE to mainly focus on 3 segments



Segment prioritization matrix results



Opportunity segments to grow

Croatia should further develop its offering and focus communication to attract these two highly attractive target segments.



Already established segments

Croatia is recognized for its beautiful coast and natural heritage. Therefore, it is recommendable to build these segments, especially the high-value end.

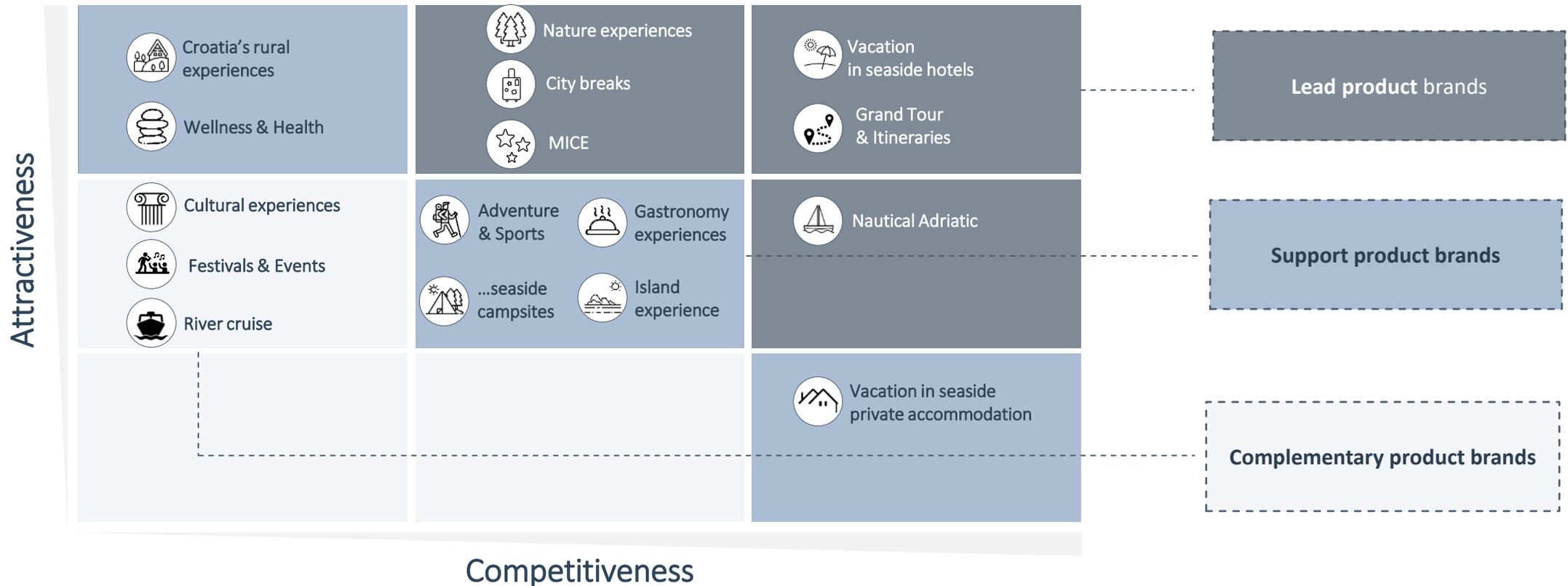
Segment prioritization varies slightly according to products and some geo-zones.

3.3 Product portfolio

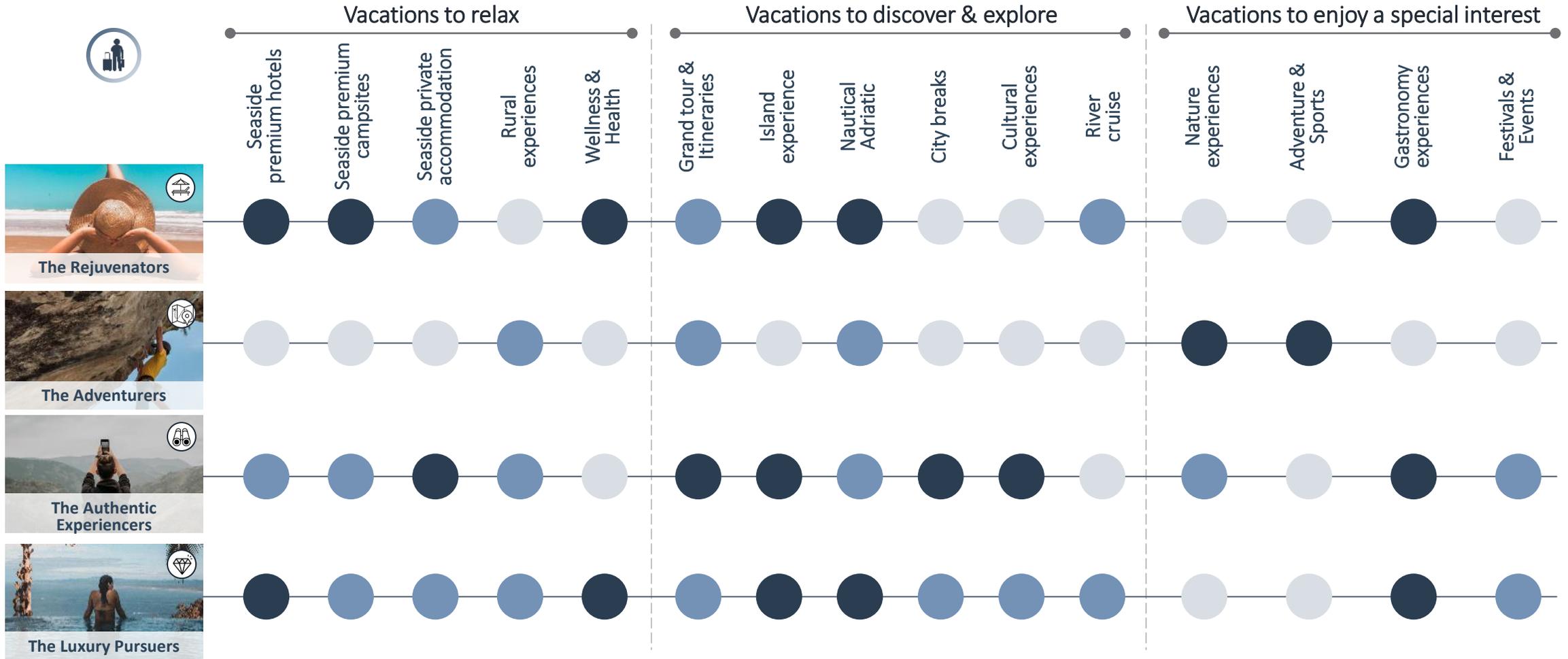
Croatia's product portfolio respond differently to strategic priorities



Product prioritization matrix results



Each product category cater to a specific segment, thus requiring different marketing efforts



Special attention will be paid to the marketing support of underdeveloped areas and its current and potential offering

Regarding the product prioritization, it is important to highlight that **certain products and experiences, as well as Unique Selling Propositions (UPS) will be identified to better promote and support the development of certain un(der)developed regions**, thus improving the quality of tourism assets and providing increased visibility through targeted campaigns.

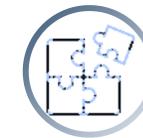


Preliminary selection

Specific **marketing support to tourism development of un(der)developed areas** will be addressed in the set of strategy directions and initiatives, encompassing the following main areas:



Provision of fundamental marketing infrastructure



Strategic and operational value creation process



Implementation of two-fold marketing approach



Provision of training and capacity building

3.4 Targeted geo-zones

The new strategy focus on source geo-zones to optimize marketing results

Marketing efforts and resources need to be split among a list of relevant source markets, with the aim of attracting visitation to the destination.

Nonetheless, the selection of a holiday destination is a rather **rational decision**, due to its economic relevance in a household.

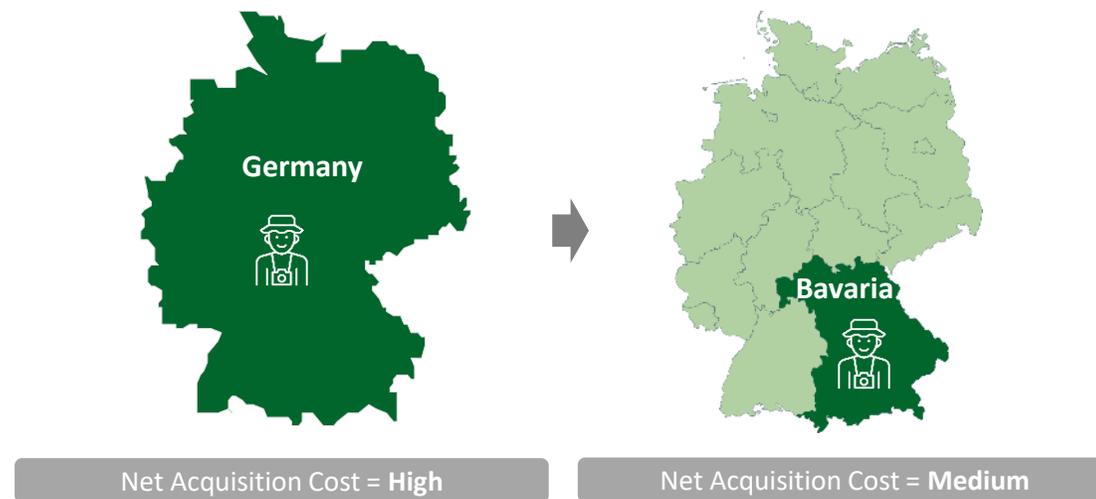
As a result, **marketing efforts of many destinations may lose efficiency**, in favor of other more convincing techniques such as word-of-mouth, sales promotions or earned media publications.

Additionally, a destination needs to exert a **minimum efficient marketing pressure** to obtain results in a certain market, **thus undermining exaggerated diversification in low budgets**.

Considering Croatia's main target objectives:

- **Position Croatia as a premium destination in the Adriatic**
- **Position Croatia's as a pre-post-season destination**

We deem necessary a more updated approach to segmentation, **regional segmentation**, thus focusing marketing efforts on specific geographic regions that better adjust to our set targets, **thus lowering Net Acquisition Cost**.



15 geo-zones are identified as drive-in catchment areas



Drive-in geo-zone prioritization matrix results



Note 1: Catchment area includes locations that are within 7h by car.

Note 2: Venice include Padova and Verona; Milan include Brescia and Bergamo; Bologna include Emilia-Romagna; Munich include Augsburg.

Source: Eurostat (2021); *Metroverse*, Harvard Centre for International Development (2020); OECD (2018-2019); Consultants analysis

35 medium- and high-capacity fly-in geo-zones will be targeted according to priorities



Fly-in geo-zone prioritization matrix results



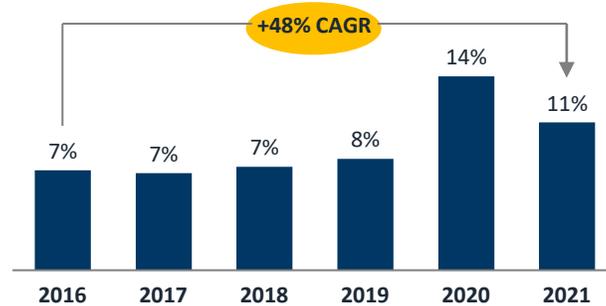
Note 1: Results are subject to joint validation with the client, since some additional qualitative insights might be included in the prioritization.
 Note 2: Geo-zone include other airports with direct connectivity within 2h catchment area.
 Source: Eurostat (2021); Metroverse, Harvard Centre for International Development (2020); OECD (2018-2019); Consultants analysis

To the resulting prioritization two important considerations are to be highlighted: Domestic and Asian markets

Domestic market



Share of overnights of domestic tourism in Croatia



- Domestic tourism has historically been a very important market in Croatia and, therefore, one to take into account in the strategy.
- Due to its comparatively lower cost of acquisition and the characteristics of being an internal market, **it makes it especially relevant as a target for PPS initiatives and geographical redistribution**, making it the first target encouraged to "rediscover" continental Croatia out of season.
- Finally, even though from 2016 to 2020 **non-commercial accommodation registered accounted for almost 50% of total accommodation**, in 2021 it was drastically reduced to only 36%.

Selected Asian markets²

Share of overnights of selected Asian markets in Croatia (2019)



- From 2016-2019, the number of overnights of Asian markets was on the rise, **especially China and Taiwan (27% and 18% CAGR respectively)**.
- Nonetheless, Covid-19 wreaked havoc and **Asian countries have been the ones more impacted from travel restrictions** and with higher reluctance to resume long-haul travel.
- Therefore, although Asian markets are not considered of high priority in the short-term due to travel restrictions and post-pandemic behavioral implications, **it is advisable to maintain marketing some pressure levels there to seize the opportunity when these markets finally resume international travel.**

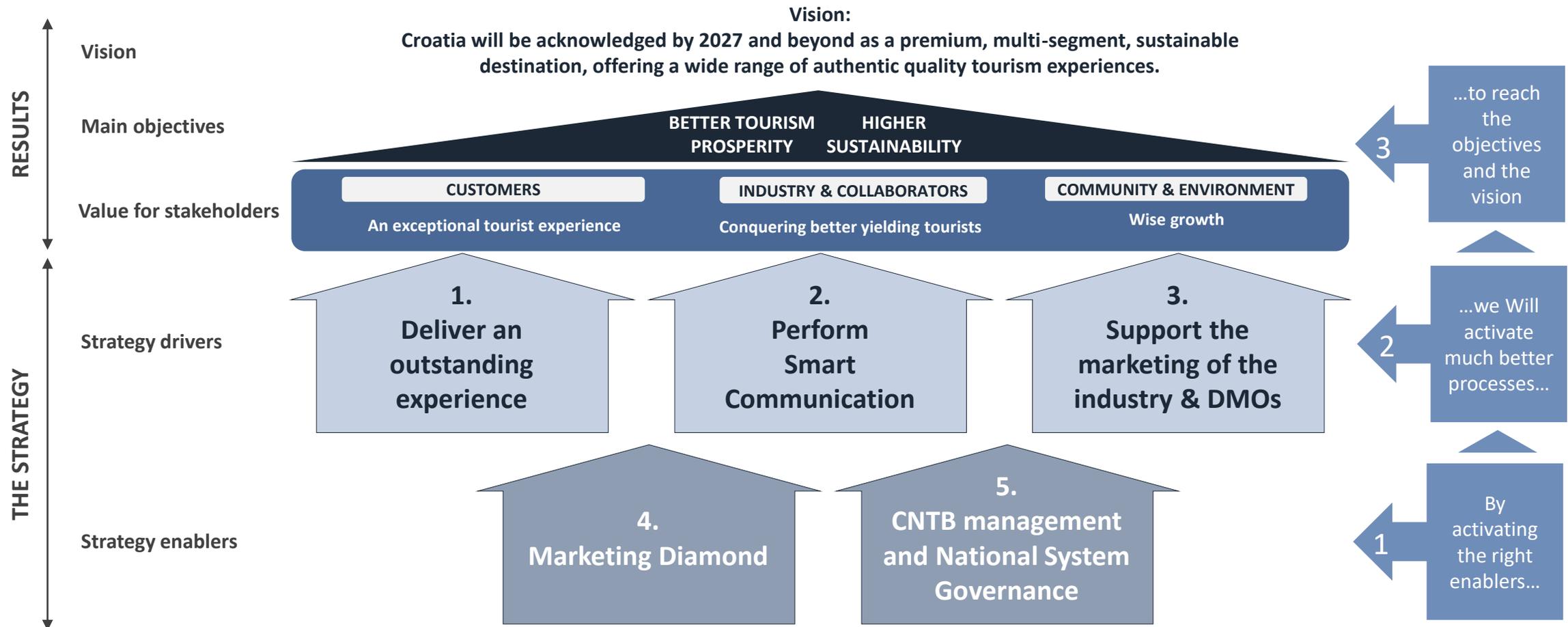
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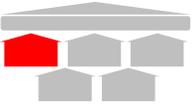
STRATEGY DIRECTIONS

How can we multiply the effectiveness of our marketing?

Strategic Directions are those that bridge the gap between strategy and its implementation. They are organized in a Strategy Map that groups them into 5 themes, three DRIVERS and two ENABLERS

The strategy map summarizes the essence of the strategy, acting as a bridge between strategy and action plan





1. Deliver an outstanding experience



Responding to Key Issue 2

Strategy Direction

1

Create a Value Design Team to generate new, better value for the customers

We will implement a **permanent Value Service Design** to continuously identify and exploit opportunities to design value based on ideas and concepts that represent “gain creators” and “pain relievers” for the tourist which will be **transformed into new concepts, brands, seals, and rankings** that provide an important differentiating value to the tourist.

The system of “**Signature Experiences**” of Croatia will be developed as will be the **Rural Croatia**, the **Grand Tour of Croatia** that will include Continental Croatia and the Island Experience, **The islands Discovery** program, and **the Adriatic Cruise**, among other new innovative tourism products.

All this aimed at **reinforcing the power of the brand**, lengthening the season, and raising the yield.

Benefits

Important improvement of the Customer Value Proposition that will bring differentiation to the Brand and customers of superior yield in PPS.

Responding to Key Issue 8

Strategy Direction

2

Reactivate the PPS “Pro” program

We will re-activate this program by improving it based on past learnings.

We will **better specify the conditions to enter the program as a “PPS Destination”**, we will clarify the support and collaboration measures, we will activate an adequate promotion package and we will help fill the planes that are already flying to the country during pre- and post-season as well as capturing new frequencies.

In the next two years, this program will focus on a limited number of destinations and new market segments adequate for PPS.

Benefits

A longer season means more business profits, better jobs and lower costs for the Social Security System.

Responding to Key Issue 7

Strategy Direction

3

Promote a superior economic yield per capita in Croatia

We will increase yield by **offering better value propositions** and communicating them more efficiently.

We will act on the tourist at the destination to promote up-selling and impulse buying and we will **promote the premium offer** in all types of accommodation, including private accommodation, restaurants, experiences, regional products, etc.

Benefits

Expand the season and increase business profits, as well as improving Croatia’s perception in the mind of the consumer, collaborators and international media.

Responding to Key Issue 9

Strategy Direction

4

Bring more tourism to less (or not) frequented areas

We will **support a selection of viable products and experiences in the un(der)developed regions**, and we will effectively promote Continental Croatia, its main attractions and small tourist destinations in the hinterland of coastal zones.

We will also **develop the “Islands” product** as another way to decongest the coast, taking advantage of the excellent existing ferry system.

A new brand for "Continental Croatia" will be created and its tourist offer will be connected to an eventual marketplace **fostered by CNTB**.

Benefits

Reduce pressure of coastal areas and enrich the country’s value proposition, reverting Croatia’s excessive association with “sun, beach & summer”.



2. Perform Smart Communication



Responding to Key Issue 1

Strategy
Direction

5

Reposition Croatia around the concept of "Beauty"

We will consider the **unique and exceptional beauty** of the destination as Croatia's **competitive advantage**, in addition, we will use it as a **dynamic positioning variable**.

This positioning will be used as a proactive strategy to neutralize weaknesses such as the short season, low yield, etc.

Benefits

All this will form the basis for a new "Big Idea" that catalyses the entire branding system of the country in a much more effective way.

Responding to Key Issue 11

Strategy
Direction

6

Implement an effective National System of Tourism Brands

We will **design a National Branding System** in collaboration with the Tourism Council and the industry, establishing rules to **ensure good coordination between the different types and levels of brands** so that their use is optimal and beneficial for all. We will redesign the official website so that **all brands** are conveniently communicated online.

The system will contain destination brands, company brands, product brands, etc. including innovation and refreshment brands.

Benefits

A consistent and positive use of the Croatian tourism brands, favoring cooperation.

Responding to Key Issue 10

Strategy
Direction

7

Boost the power of Croatia's tourism brand in selected geo-zones

We will act on **five fronts** to effectively address this issue: **advertising, media relations, travel trade training, destination information and the innovative use of web pages**. And we will measure, every two years, the improvement achieved in purchase intention in the main target geo-zones.

The driver of the whole process will be the **communication of the dynamic variable** of positioning and differentiation in certain specific products for the PPS and the improvement of yield.

Benefits

A more powerful brand not only means more secondary demand interested in visiting Croatia but also a facilitator of purchase justification and a positive stimulus for our commercial partners.



2. Perform Smart Communication

Responding to Key Issue 12

Strategy
Direction

8

Ensure alignment between communications and marketing objectives with an Integrated Marketing Communications plan

We will focus all communication efforts on **three objectives: improving brand power, extending the season, and increasing yields**. A Strategy Director (*see Strategy Direction 20*) will oversee the compliance of all communication with these objectives.

The new Strategy Director will be responsible, among other things, for checking the compliance between marketing objectives and communication messages.

Benefits

In this way, relevant messages will be more focused on the targets, generating better results.

Responding to Key Issue 13

Strategy
Direction

9

Foster creativity and innovation within CNTB's marketing efforts

We will set **mechanisms to encourage, reward, and attract marketing innovation and creativity** to Croatia (i.e., awards programs, creative agencies, creative hubs, etc.), thus increasing CNTB's returns on marketing activities.

The CNTB will benchmark tourism communication and other products to **identify best practices in terms of innovation** (especially in media and formats) **and creativity**. Croatian and international creative agencies will be invited to contribute with new and creative ideas to communicate a good "big idea" in a creative and innovative way.

Benefits

Innovation and good creativity will mean more effective impacts, equivalent to having a bigger budget. It will also increase our commercial partners' stimulation.



3. Support the marketing of the industry & DMOs

Responding to Key Issue 5

Strategy
Direction
10

Foster B2B cooperative marketing

We will **inform the industry by sharing annual marketing plans and strategies** to promote alignment of marketing efforts.

We will **create a collaborative B2B platform** to increase its transparency vis a vis industry stakeholders. This would allow for more involvement of stakeholders in the decision-making process and be better informed of key marketing projects and campaigns.

We will **develop a content creation hub** with high-quality videos and imagery per different tourism products and experiences, as well as providing **co-creation services of elementary marketing infrastructure** to DMOs.

Benefits

Greater cooperation will help align marketing efforts and improve performance, thereby increasing industry's competitiveness and stakeholder satisfaction.

Responding to Key Issue 12

Strategy
Direction
11

Run a high-quality executive education program on tourism marketing

The CNTB in cooperation with prestigious educational institutions will launch **an executive education program in advanced and practical marketing** at the same time covering value design, traditional and digital communication, state-of-the-art MarTech, marketing planning for small and medium-sized companies, etc.

This will be accompanied by a **specific educational program for CNTB officers**.

Benefits

As a result, we will have better marketing managers who will do better marketing for industry and better trained specialists in the CNTB. This will help to successfully achieve strategic marketing objectives.



4. Marketing Diamond

Responding to Key Issue 15

Strategy
Direction
12

Make marketing intelligence accessible to the Croatian tourism industry

At the CNTB we will review and improve our capabilities and skills to generate truly useful and timely **market intelligence** for the industry and DMOs.

This will focus on the **identification of opportunities** in the target geo-zones, the **analysis of products and prices** of 5 groups of strategic competitors, the **permanent scanning** of successful new marketing ideas and the **selection of the best technical literature** considered to be useful for our companies.

Benefits

A better and above all more practical intelligence will result in better marketing and consequently in a more successful achievement of our ambitious objectives.

Responding to Key Issue 21

Strategy
Direction
13

Monitor the Customer Journey & satisfaction of our clients in each destination

We will look for partners in the Government to **measure the Customer Journey of tourists** in Croatia and therefore their satisfaction with the 30 main points of contact with their vacation experience.

This information, which will be obtained from each destination, by types of accommodation, ages, nationalities, etc., will be **key in feeding the local Working Groups focused on brand management and product/experience improvement**. The entire system will be digital and will use our customers' cell phones.

Benefits

A deeper understanding of traveler's expectations and a clear list of areas to improve.

Responding to Key Issue 4

Strategy
Direction
14

Digitize selected internal processes of CNTB and touchpoints with the rest of the industry

We will **implement applications that will help manage the main processes that the CNTB will need to deploy** to implement the new strategy and those processes necessary to establish good interactions with the industry and Croatian DMOs.

This will surely include market research processes, intelligence transmission, marketing planning, digital media buying, teamwork, project management, MarTech apps, etc., as well as content management processes, reservation of marketing services such as fairs, workshops, etc.

Benefits

The industry and the DMOs will benefit from new and better services that will help them better relate to the CNTB and do better marketing with their own resources and capabilities.



5. CNTB management and National System Governance



Responding to Key Issue 18

Strategy Direction

15

Align the CNTB with the strategy and improve its organization

We will improve the current organization, its departments, relationships, and leadership in **three directions**.

On the one hand, we will **identify the new critical processes that must be executed** so that the strategy is implemented effectively and the skills necessary to execute each of them.

On the other hand, we will **group these processes into specialized departments** in which we will locate the best available talent.

Finally, we will **specify the new responsibilities** and the necessary leadership, communication, and collaboration systems.

Benefits

Less risk of the strategy failing, more motivated staff and better achieved marketing objectives.

Responding to Key Issue 22

Strategy Direction

16

Upgrade CNTB's management culture towards a results and cost-benefit-oriented one

We will **launch a state-of-the-art monitoring system** based on objectives-measure KPIs and initiatives (Balanced Score Card) to improve overall marketing performance. This will set the organization on a better track to the fulfillment of its objectives.

We will also **help employees set individual goals** and we will evaluate **collective and individual performance** on a monthly basis to encourage a results-driven culture on an individual basis that will also improve overall performance.

All relevant proposals will be "cost-efficiency" evaluated before approval.

Benefits

A refreshed culture that motivates teams to achieve measurable results rather than just perform given tasks.

Responding to Key Issue 17

Strategy Direction

17

Improve CNTB's cooperation and leadership practices

The CNTB will **promote a new cooperation scenario** based on the Supplier-Client-Partner relationship system in which CNTB and the industry will play the 3 roles.

This will be accompanied by a **system that will better define the roles and responsibilities** of each partner **and the processes of effective cooperation** in the diverse national marketing efforts and its governance.

The **role of the Regional DMOs** as an intermediary between the CNTB and the local DMOs will also be agreed upon.

Benefits

A better management framework with improved services to the industry will enable the achievement of the set national objectives.



5. CNTB management and National System Governance



Responding to Key Issue 16

Strategy
Direction

18

Get CNTB better funded

We will work in **four directions**:

- The best way to "increase" our budget is to **increase the effectiveness of the marketing actions** that we execute.
- We will then try to **leverage our budget with that of the DMOs and the industry**, to achieve greater marketing pressure on some activities.
- We will also **look for sponsors inside and outside the country** that find value by co-signing certain actions together with us.
- Finally, we will consider the possibility of **generating additional resources by selling some services**.

Benefits

More funds mean more brand power and higher level of achieved objectives.

Responding to Key Issue 20

Strategy
Direction

19

Impulse the strategy implementation. Ensure the compliance of marketing with sustainability and STDS

As most institutions and corporations that have successful strategies, we will **create in the CNTB, the figure of the Strategy Manager (SM) reporting directly to the Director**.

The SM will be responsible for ensuring that the strategy is well implemented and that the vision of sustainability is not lost. These tasks can be summarized in **5 things**:

- **Permanent communication of the strategy** inside and outside the CNTB.
- **Coordination** of the alignment of the organization.
- **Management of progress** with dashboards and quarterly follow-up meetings.
- **Supervision** of the compliance of the actions with the sustainability desired by the SDST.
- **Internal coaching** on strategy implementation.

Benefits

Strategy implemented in a better and quicker way.

The Strategy Directions tackle each of the key issues to be addressed by the STDS

Strategy Directions and its contribution to STDS Strategic Goals

	#1 Year-round and more regionally balanced tourism	#2 Preserved environment, space and climate	#3 Competitive and innovative tourism	#4 Resilient tourism
1. Create a Value Design Team to generate new, differential value for our potential customers	●	●		
2. Reactivate the PPS “Pro” program	●	●		
3. Promote a superior economic yield per capita in Croatia	●			
4. Bring more tourism to less (or not) frequented areas	●	●		
5. Reposition Croatia around the concept of “Beauty”	●			
6. Implement an effective National System of Tourism Brands			●	
7. Boost the power of Croatia’s tourism brand in selected geo-zones	●			
8. Ensure alignment between communications and marketing objectives with an Integrated Marketing Communications plan	●			●
9. Foster creativity and innovation within CNTB’s marketing efforts			●	
10. Foster B2B cooperative marketing	●		●	
11. Run a high-quality executive education program on tourism marketing	●		●	
12. Make marketing intelligence accessible to the Croatian tourism industry			●	●
13. Monitor the Customer Journey & satisfaction of our clients in each destination		●	●	
14. Digitize selected internal processes of CNTB and touchpoints with the rest of the industry		●	●	●
15. Align the CNTB with the strategy and improve its organization			●	
16. Upgrade CNTB’s management culture towards a results and cost-benefit-oriented one				●
17. Improve CNTB’s cooperation and leadership practices			●	●
18. Get CNTB better funded			●	●
19. Impulse the strategy implementation. Ensure the compliance of marketing with sustainability and STDS			●	



5

THE CNTB

How can we enable the marketing of the future, today?

The marketing of the future today

Here are some examples of the marketing of the future that we will implement in Croatia, **today**

Positioning

In the future, all destinations must have a positioning based on a powerful and inimitable competitive advantage. We will have it today.

Digitalization

The battle for the customer will take place very soon in the digital space. In Croatia we will immediately start our digitalization. The idea of a state-of-the-art marketplace will be studied.

National Branding System

In the future, destinations will have to put their internal brands to work together with a strong national branding system. The CNTB will address this immediately.

New segmentation strategies

The way we are segmenting consumers and source regions gives us at least 5 years of advantage on majority of our most direct competitors

A new way of cooperating with industry and DMOs

In the future, national DMOs will have to cooperate with industry on a customer-supplier-partner model. In Croatia we will start now.

Value design

DMOs will shift their role more and more towards value design for their potential tourists. The CNTB will create a specialized unit on Value Design within 6 months.

Marketing at the service of the National Tourism Strategy

This Marketing Plan is fully aligned with the recent STDS. This happens in very few of best world tourism destinations.

2027 Vision of the CNTB as the key marketing player

Change years

Stakeholders related to the sector including tourism companies and collaborators, regional and local destinations, as well as tourists and Croatian society

Aspirational timeline

A highly-regarded and trusted organization

Recognized authority of influencing marketing decisions

“To become by the end of **2027** a **reputed marketing leader** within Croatia’s tourism **industry**, excelling in the provision of **market intelligence** and its **organisational efficiency**, driven by **innovation** and regarded as the **ultimate conductor** for **destination marketing.**”

Leveraging eVisitor and providing an accessible source of valuable market insights

Displayed in its processes and marketing activities

Internally aligned with the strategy, acting as a coordinated thoughtful entity with a shared objective

A leading institution capable of coordinating and supporting a complex system of brands

TABLE OF CONTENTS

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A. Strategic Analysis

1. Situation and vision
2. Setting the ambition
3. Core marketing strategy
4. Strategy directions
5. The CNTB

B. Branding & Communication Strategy

6. Current image
7. Identity elements
8. Tourist brand
9. Brand architecture
10. Communication guidelines

C. Action Plan

11. Initiatives
12. Roadmap for implementation





CURRENT IMAGE

How is Croatia
perceived in the world?

Perception of Croatia as a brand according to key brand indices



US News Best Countries Index

According to US News Best Countries Index, Croatia is ranked globally on 45th place and it stands relatively well in categories such as Adventure (26th place), Quality of Life (29th place), Social Purpose (27th place). However, it has a relatively weak international influence, and unrecognizable attributes outside of tourism.



Travel and Tourism Competitiveness Index

The competitiveness of Croatia as a tourist destination, according to the tourism competitiveness index of *the World Economic Forum* - TTCI index, has improved by 9 places since 2011 and is in 27th place.



The Bloom Consulting Tourism Edition

According to *The Bloom Consulting Tourism Edition index*, Croatia ranks 16th in the world and 9th in Europe in terms of the strength of its tourism brand.

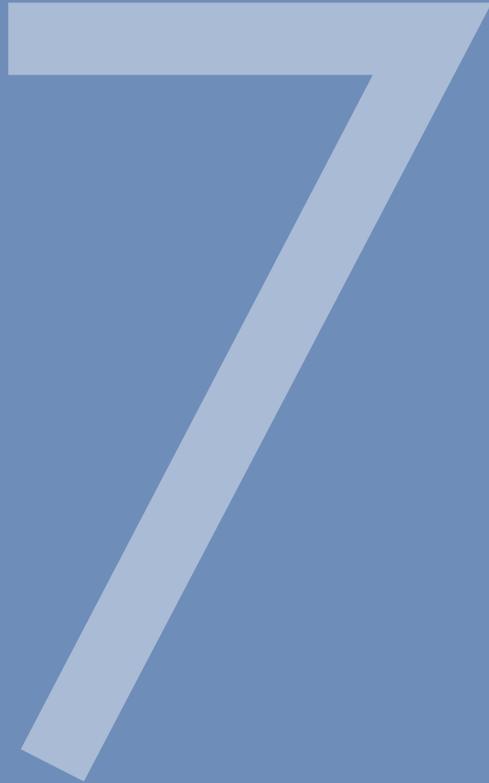
Key findings on the interviews with key stakeholders from the tourism sector, politics and national branding

Croatia as a country

- Croatia's most recognizable elements are **tourism and sports**.
- Despite the positive implications of Croatia's EU and NATO membership, **political, economical and cultural** components are not enough recognized in Croatia as a brand.
- Croatia is perceived as a **good place to live and work**, although it is also associated as an unorganized highly bureaucratic country.
- **Uniqueness of Croatia** is determined by its natural beauty and climate, the hospitality of its people and lifestyle, the cultural heritage and its geographical location.
- **Contemporary brand identity elements** include the checkerboards, its natural beauty, football, Dubrovnik or the tie. **Cultural attractions and IT innovations** are considered to be given more importance in the future.

Croatia as a tourism destination

- Croatia is considered to have a **positive image** as a tourism destination.
- **Key assets of the tourist offer** encompass the destination's natural beauty and cultural heritage, personal safety, accessibility or the gastronomic offer.
- Nonetheless, **attributes considered to be emphasised** to attract modern tourists include gastronomy, outdoor recreation and ecological conservation.



IDENTITY ELEMENTS

What are the elements of contemporary Croatian national identity, and which identity attributes and values can contribute to strengthening the Croatian brand?

Croatia's identity as a country is based on 4 dimensions

1
Geographical determination of the country

A meeting point of great natural and cultural diversity in a small space

2
Natural peculiarities and beauties

A beautiful¹ and ecologically preserved country, of clean seas and thousands of islets

3
Historical and cultural heritage

A rich and preserved heritage from ancient times², with diverse cultural identities, traditions and customs

4
People and their way of life

A sporting, innovative and creative nation, with an attractive lifestyle

Top 40 national symbols, icons and recognizable motifs of Croatia

- | | | | |
|--|--|---|---|
| 1. Croatian National Parks | 11. Sea organ in Zadar | 21. Saint Mark's Church | 31. Nevera (Bugatti_Rimac) |
| 2. Dubrovnik | 12. Diocletian's Palace in Split | 22. Klapa (traditional a cappella singing) | 32. Rovinj |
| 3. Plitvice Lakes | 13. Dalmatian dog | 23. Olive oil | 33. Water and water wealth |
| 4. Amphitheatre in Pula | 14. Croatian wine | 24. Sports greats (Luka Modrić, Dražen Petrović, Janica Kostelić, etc.) | 34. Zagreb Christmas Market |
| 5. Nautic – Sailing destination | 15. Licitar heart | 25. Slavonian kulen | 35. Trakošćan Castle |
| 6. Croatian inventions (parachute, pen, torpedo, dactyloscopy, zepellin, etc.) and inventors (R. Bošković, N. Tesla, F. Vrančić, etc.) | 16. 1244 islands | 26. Dalmatian stone house | 36. Prosciutto (Dalmatian and Istrian) |
| 7. Croatian red and white squares (checkerboard) | 17. Kornati islands | 27. Brijuni | 37. Cathedrals in Zagreb, Split, Dubrovnik, Đakovo, Trogir, Poreč, etc. |
| 8. Zlatni rat Beach, Bol na Braču | 18. Istrian truffle | 28. Pag cheese | 38. Fjaka (croatian <i>siesta</i>) |
| 9. Lace | 19. Sinjska alka (a knight tournament in Sinj) | 29. Štrukli | 39. Picigin |
| 10. Tie | 20. Drywall | 30. Baška Tablet | 40. Bajadera, Vegeta, Maraschino and Pelinkovac |



Research highlights seven determinants of national identity by which Croatia can be distinguished from competing countries



Elements around which there is a consensus among Croatian citizens and which are perceived abroad



A beautiful and extremely diverse country
(great experiences in a small space)



A country that connects Central Europe and the
Mediterranean, East and West, traditional and
modern



The land of warm and hospitable hosts



Safe country



Sports country



A country that offers quality health and social
care (important during a pandemic)



A country of brave, responsible, innovative and
hardworking people, who have put the world in
debt (Tesla, Rimac...)



Relaxing lifestyle



A wealth of cultural heritage

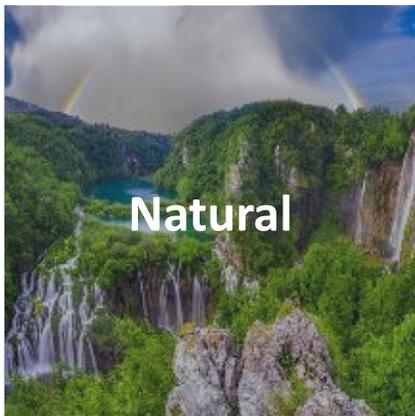
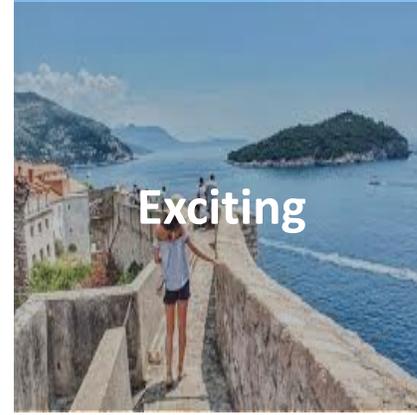


Varied and attractive gastronomy, organic food

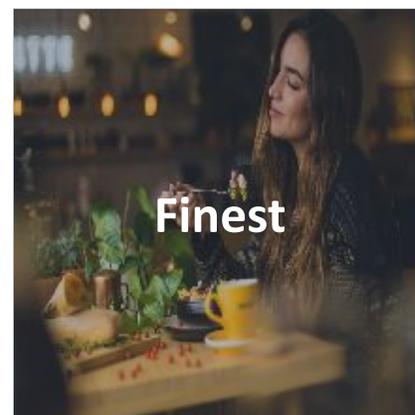
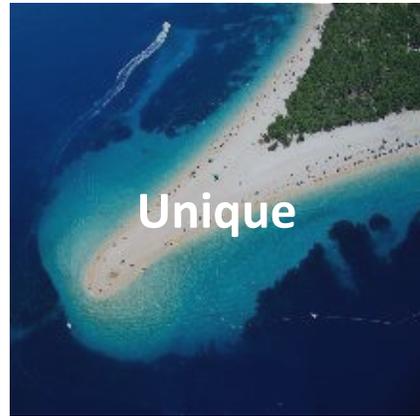
Summary: A country with exceptional natural beauty and diversity, ideal for a life tailored to man

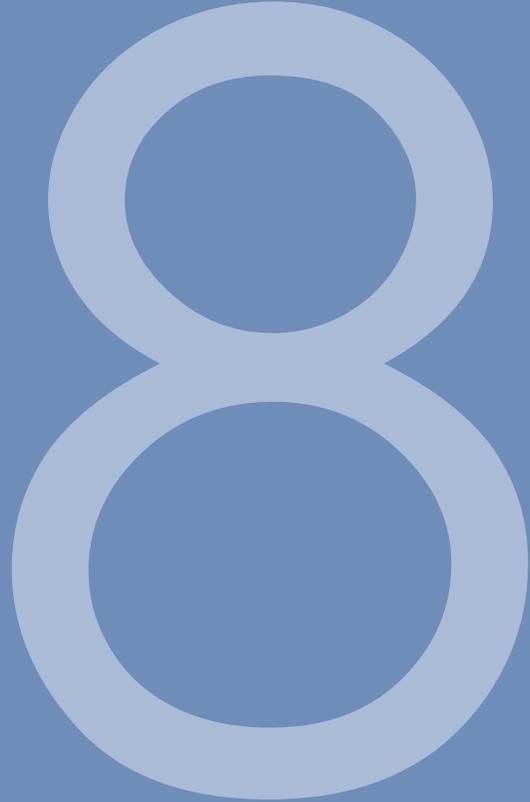


8 key attributes of the brand Croatia



8 elements desirable for brand upgrading





TOURIST BRAND

How to reposition Croatia
as a tourism brand?

Objectives and goal of the new vision of Croatia's Tourism

Main objectives

Strategy goal



Increase purchase intention



Increase average daily expenditure per tourist



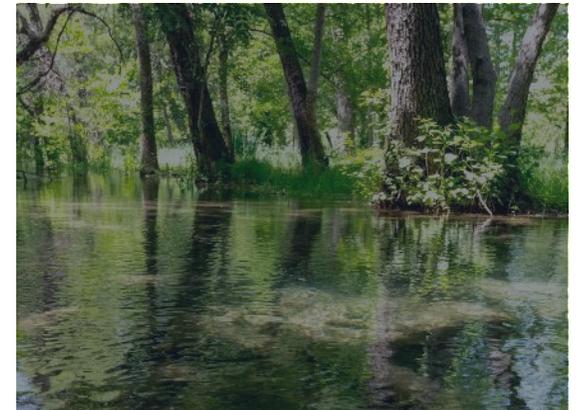
Enlarge tourism season



Reduce tourism geographical concentration



A more sustainable tourism model



To achieve the objectives the tourism brand of Croatia must be urgently repositioned

The intention to visit Croatia is low among international travellers, mainly due to the destination having a weak brand, with insufficient knowledge of the tourist offer and differentiation, being overly associated with the Sun & Sea segment and having established other negative brand associations, such as lack of connectivity or tourist massification.



1. Low intention to visit

Only 10% of total universe have intention of purchasing the arrangement for visiting Croatia in less than 3 years, and only 31% of total respondents have travelled to Croatia in the last 5 years.



2. Insufficient brand strength

Despite the increased awareness about Croatia as tourist destination, almost 40% of respondents have heard of Croatia but cannot identify specific attractions or what to do there (familiarity) paired with an insufficient differentiation towards its competitors.



3. Excessive association to Sun & Sea

The brand, and thus the destination, are perceived as a summer destination and many of its extended offer and attributes, such as its villages and cities, are still not widely known and yet to be untapped.



4. Negative associations

Croatia is already perceived as an overcrowded destination with insufficient connectivity and rather expensive for the middling quality offered.

The repositioning must go in 6 directions

BEAUTY		
	CURRENT STATUS	DESIRED OUTCOME
Sophistication	Low-cost Mediterranean destination	Central European/Adriatic Premium destination
Target	Sun and beach in the coast	Multi-segment and multi-destination
Experience	<i>Dolce far niente</i>	Experiential-active tourism destination
Season	Only July and August	PPS destination
Growth	Unsustainable growth	Environmental and social sensibility

The essence of the repositioning

Both the **brand identity** and the **brand image** must be aligned with the positioning of the tourist destination. Therefore, when repositioning a destination, its brand must also be redefined.

The new brand should focus on 6 selected **images and perceptions** of the destination:

- *A destination of exceptional beauty*
- *Central European & Adriatic premium destination*
- *Multi-segment & multi-destination*
- *Experiential destination*
- *Ideal destination for PPS*
- *Sustainable destination*

New brand need to be aligned with the **new targets**:

- *Authentic experiencers*
- *Rejuvenators*
- *Luxury Pursuers*
- *Adventurers*

It is advisable that **the process of redefining the brand starts with the current visual**, which is closely associated with the old positioning and thus with less priority types of tourism. The "cues" associated with this visual are, in many cases, contrary to the desired positioning and branding.



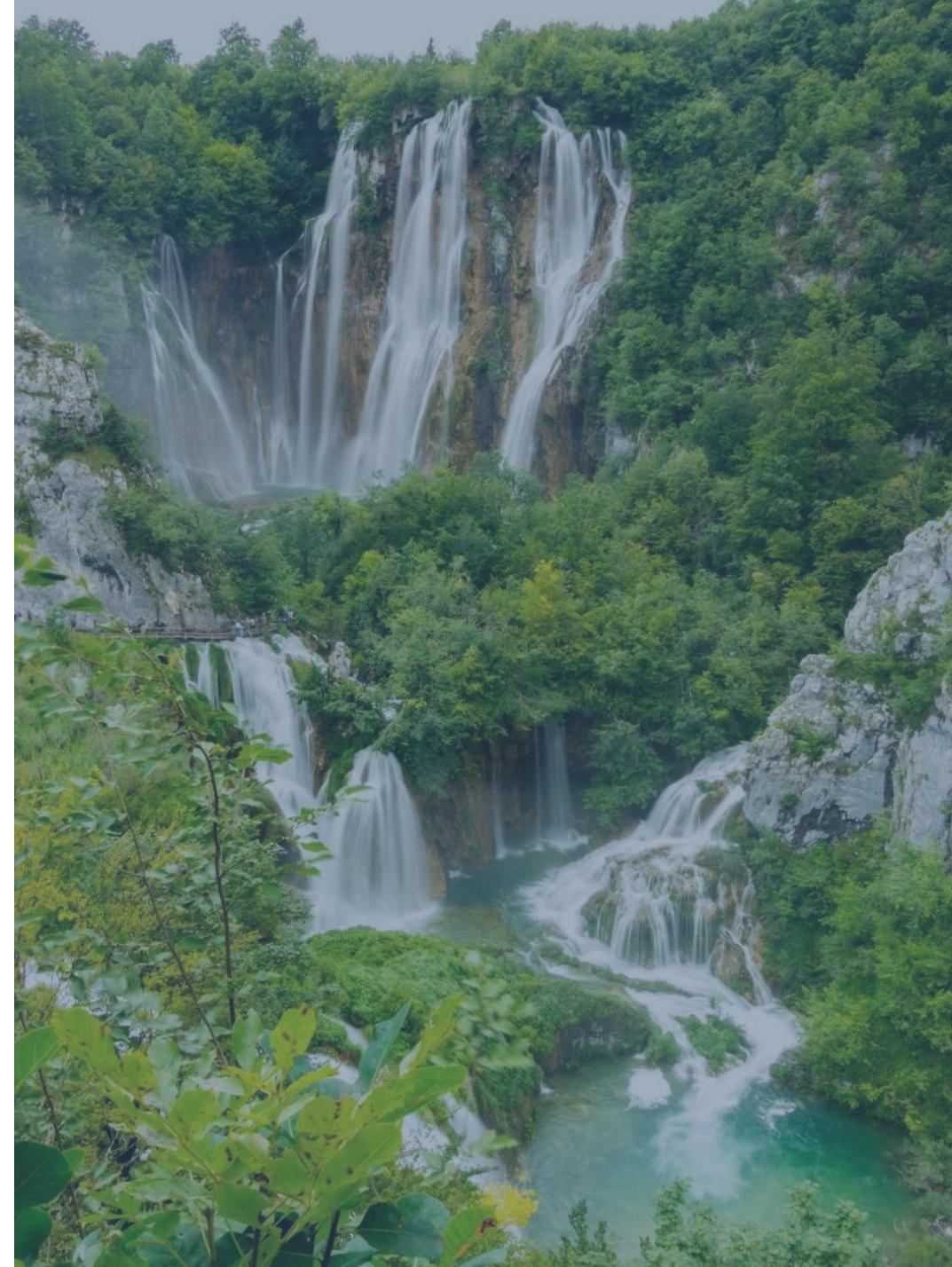
Croatia's beauty is highlighted as the main attribute associated with the brand



5. Unparalleled beauty

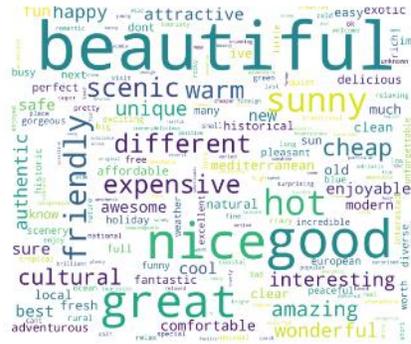
Beauty is the differential element of the brand, widely recognised not only for Croats but for international travellers, and source of competitive advantage.

More than just a beautiful destination, **Croatia stands for beauty, an absolute concept that encompasses not only unspoilt nature but also quality of life, gastronomy, picturesque cities, culture, etc. A competitive advantage on which to lay the foundations of the brand.**



Croatia, a destination of undeniable beauty

Main brand associations



Response to “What are three words or short sentences that sum up Croatia?”

Croatia’s beauty is especially highlighted by travellers from higher-value markets, such as Austria, UK, Sweden, France and the USA.

Croatia’s should capitalize on its holistic beauty, including its natural attractions, charming villages and breath-taking bays.

Level and source of tourist satisfaction

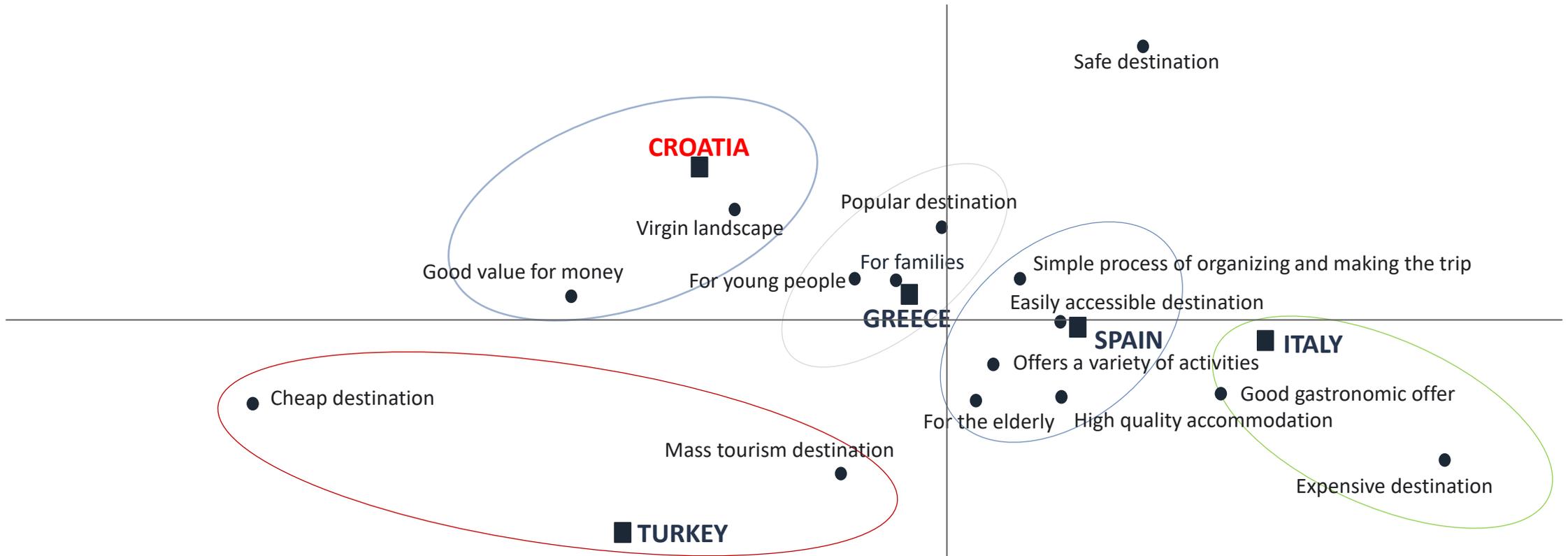
Tourist offer element	In total	Adriatic Croatia	Continental Croatia
The beauty of nature and landscape	87.8	87.7	89.3
The beauty of the place	86.2	86.1	87.5
Personal safety	84.5	84.0	93.8
Atmosphere	82.6	82.2	88.2
Hospitality of the local population	82.6	82.1	91.1
TOTAL STAY	80.6	80.1	89.6

Among all the different tourist attractions in Croatia, its **beauty is encompassed in the two attributes that bring the greatest satisfaction to the visitor.**

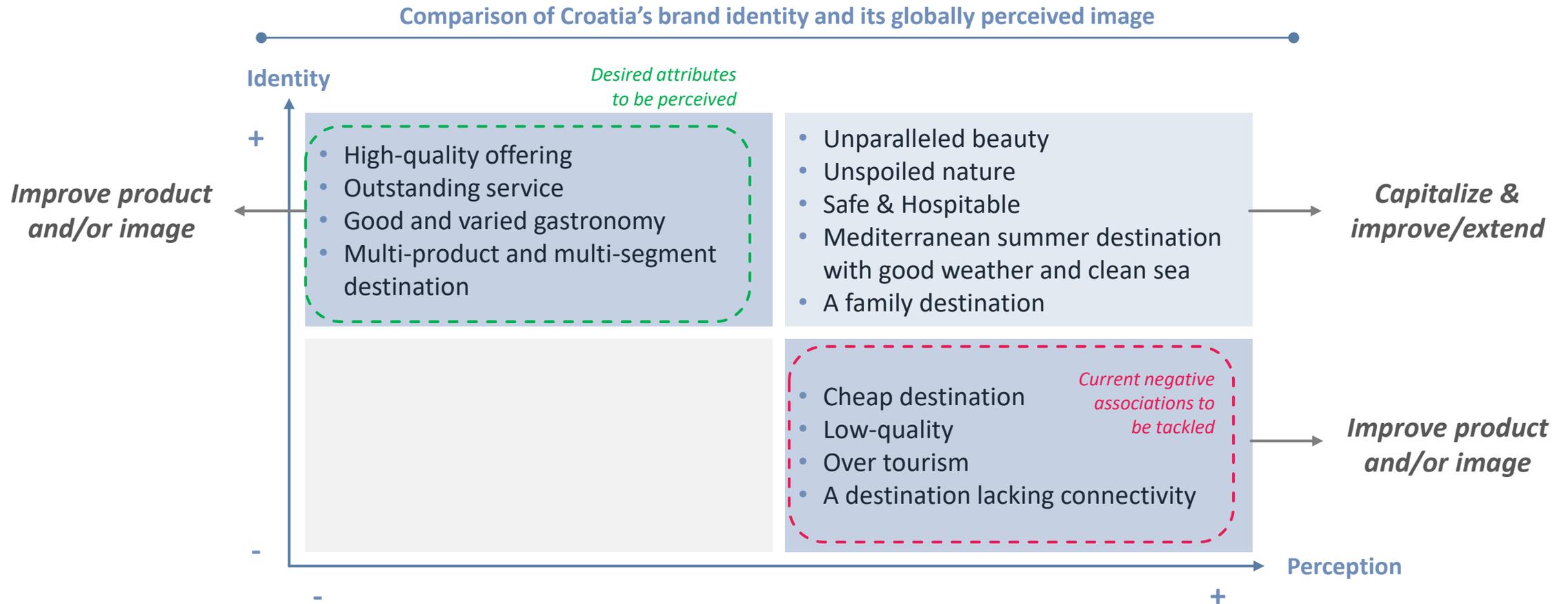
The experience in destination is one of the key factors in building a brand’s image, which reinforces the fact that beauty is also one of the strongest perceptions associated with the destination.

BRAND POSITIONING MAP

Croatia is the country showing the highest association with virgin landscapes



Despite Croatia's acknowledged beauty, the limited offer range and the low-quality experience associations are branding gaps to be addressed



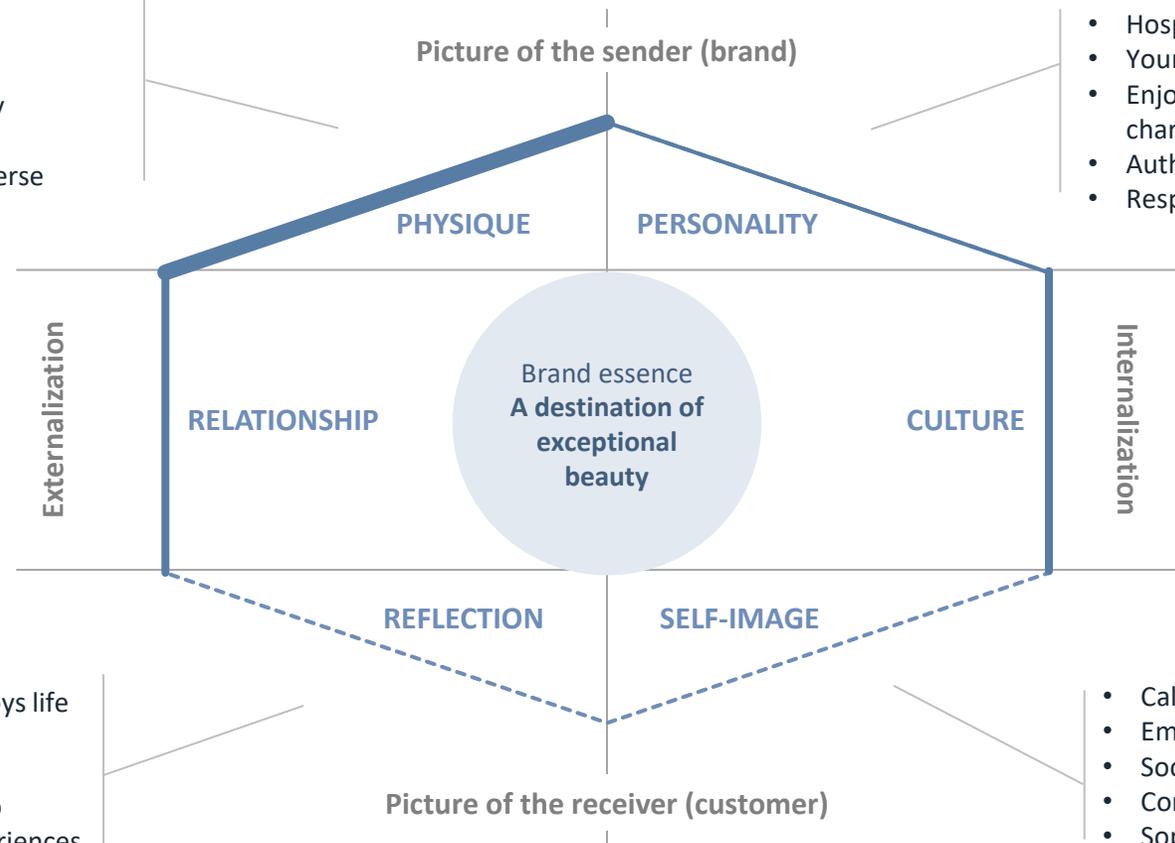
The pillars of the new Brand Strategy



Croatia's Brand Identity Prism

- One of the most beautiful destination in the world
- Breath-taking preserved nature
- Crystalline waters
- Cultural meeting point
- A premium destination with high quality standards
- A multi-segment destination, with a diverse offering

- Hospitable destination
- Young and lively
- Enjoyable and relaxed Mediterranean character
- Authentic, genuine
- Respectful and generous



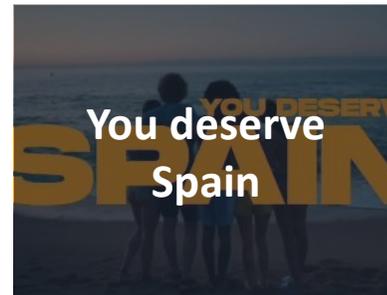
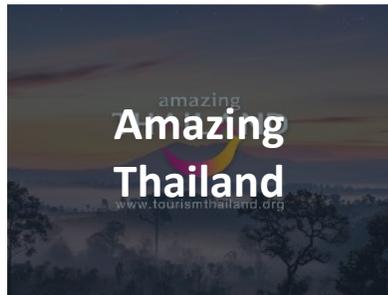
- Safe and family-friendly
- Close and trusted
- Ability to fulfil expectations
- Accessible

- Heritage and tradition
- Sports culture
- Openness and cordiality
- Driven by creativity and innovation
- The perfect combination of tradition and modernity

- A traveller who feels young and enjoys life "to the fullest"
- Discoverer / explorer
- Mindful and respectful traveller who appreciates enjoying authentic experiences

- Calm & with inner balance
- Emotional well-being
- Social
- Confidence and security
- Sophisticated traveller who deserved being pampered

The most successful tourist destinations have a *Big Idea* that is strong, truthful to their brand and relevant to consumers



The Big Idea is an attempt to communicate the destination Brand to the general public, by creating a strong message which contains the core of the brand that **pushes brand boundaries and resonates with the consumers.**

It should be an overarching concept that can be **stretched across all media** so that it's not just limited to one channel.

A good Big Idea should be **declinable into several themes, products and regions**, a timeless concept to be used for many years.

Beauty should be the driving concept behind the repositioning



Beauty is one of the **top 3 reasons** for choosing a destination, along with safety and hospitality.



It is Croatia's **main strategic asset** and at the same time the country's strongest and most powerful differentiator as a tourist destination.



It is **fully accepted** in the markets and also among Croats.



It is the **best strategy** to spearhead urgent re-positioning.



Summary: Croatia must capitalise on the beauty of the destination while reinforcing 5 additional key attributes and images

Key concept

Beauty

Croatia is to be perceived as the most beautiful destination, an attribute encompassing the wonders of the destination and sources of its competitive advantage, which is declined not only in its natural landscapes and crystalline waters, but also in its people, villages, culture, etc.

Premium

Croatia is to be perceived as **premium destination** able to cater to the most sophisticated travel needs. Its high-quality offering and the careful attention of its service make it stand out as an unequalled destination.

Multi-segment

Due to the **extended offering** of the destination, Croatia **has the ability to cater to different segments**. Within a small territory, travellers can enjoy of a wide range of genuine and memorable experiences and services.

Experiential

Croatia is to be perceived as **a destination to provide countless adventures** and experiences to be enjoyed with the 5 senses. A destination that must appeal to the desire of living consciously and intensely.

Off-season wonder

Croatia's **Mediterranean climate** and its wide range of activities beyond Sun & Sea make it an ideal destination for off-season holidays and getaways.

Sustainable

A destination **committed to the preservation of its natural and cultural heritage**, as well as to the development of its local communities in harmony with tourism.

Complementary elements to enrich the brand identity

Extended brand identity

<p><i>Crystalline waters and secluded bays make Croatia the ultimate nautical destination</i></p>	<p><i>A one-of-a-kind archipelago for travellers with an explorer's soul</i></p>	<p><i>A destination of flavours. Top-quality fresh fish and seafood, truffles, wine...</i></p>	<p><i>A place of great cultural traditions and diversity – a place where Central Europe meets the Mediterranean and East meets West</i></p>
<p><i>An unspoilt destination, that has preserved not only its pristine nature but also its many traditions and customs</i></p>	<p><i>A hospitable and safe destination to enjoy peace and quiet in a relaxed atmosphere</i></p>	<p><i>An easily accessible destination with an irresistible way of life for an unforgettable getaway</i></p>	<p><i>Captivating fortress villages pair with bustling urban cities to blend a perfect mix of tradition and modernity</i></p>



BRAND ARCHITECTURE

How to define the new
architecture of the national
tourism brand?

The current system of brands and names is complex and hinders a correct understanding of the destination's offer

In Croatia there are 21 nomenclatures for different tourist regions and 282 for tourist destinations in addition to thousands of companies and concepts.

The vast majority of these names have very low awareness, esteem, differentiation and relevance in the minds of consumers and are not brands in the technical sense of the word.

But they are all part of the Croatian tourism offer and should have their place in the country's brand architecture and official communication channels.

The answer to this problem is the development of a National System of Brands for Croatian tourism offer that will make all these names, denominations and brands work as a team, broadcast uniform stories and reach the market in a strong and orderly manner.

The **National System of Names and Brands** will be composed of a Master Brand, product and destination brands and a number of brands and labels that will bring innovation and freshness to the whole system, regulated by precise rules shared with the industry.

This complexity also creates a perception of a lack of internal structure and **hinders the traveller's experience even before arrival at the destination**, which among others:

- Prevents a better understanding of Croatian value offering in its whole
- Reduces tourist satisfaction
- Negatively affects conversion in the customer journey decision phase

The CNTB will be the ultimate responsible of the definition of a solid brand architecture structure, as well as its proper implementation and management.



The architecture of the national tourism brand is defined through a 3-step approach



Step 1

Benchmark

- How are other destinations structuring their brand portfolios?
- What are the different types of brand architectures?



Step 2

Current architecture

- What is the current brand architecture in Croatia?
- Which type of brands are there? What are their current roles and hierarchies?



Step 3

Proposed architecture

- What should be the desired brand architecture?
- Which roles should the different brands have?
- How can this system be implemented and ensured in the long-term?

An analysis of 4 main tourist destinations provides insights an implications on different brand architectures

How is the overarching brand applied to other associated brands?
The brand architecture process defines the relationships, structure and links that exist within the "brand system" and explains how to construct a brand promise across a diverse destination brand portfolio.

Destinations analysed

Tirol	Catalonia
Balearic islands	Argentina

Key tasks of the process

- Identify the main territorial sub-brands present, as well as product brands, labels, endorsements and rankings
- Create a "brand system" composed of a Master Brand, product brands, engine brands, innovative brands, etc.
- Identify strategic and tactical relationships as well as coordination processes between different brands in the brand portfolio

Expected outcome

Effective brand architecture with a clear Master Brand and supporting product brands

Each of Croatia's destinations has its own sub-brand, however, it is not clear what is their coexistence or the appropriate use of each of them

Brand architecture

Several architecture types are combined without any common strategy

22 Regional Tourist Boards

202 Local Tourist Boards

Proposal for a national brand system of labels, recommendations and rankings

MASTER BRAND

Territorial Brands	Product Brands	Special Brands
<p>Proposed brand</p> <ul style="list-style-type: none"> Master brand that provides high-level structure and offers differentiation and/or meaning <p>Recommendation Brands</p> <ul style="list-style-type: none"> Specific cities, scenic viewpoints, etc. Use the regional brands, they will have different roles depending on their relevance and contribution to the master brand positioning 	<p>Price offer is a responsible offer, that has been structured in collaboration with the industry, and represents what is recommended by a public entity. It requires a branding process</p> <ul style="list-style-type: none"> There will be different roles depending on their relevance and contribution to the master brand positioning 	<p>Cooperation according to the fulfilment of requirements that is recommended by a public entity. It requires a branding process</p> <p>Recommendation Brands</p> <ul style="list-style-type: none"> Cooperation according to the fulfilment of requirements that is recommended by an external entity for the public administration <p>Rankings</p> <ul style="list-style-type: none"> Labels that are the same offer and resources Rankings represent the best offers in a category

A solid Brand Portfolio Strategy will allow Croatia to be more competitive by addressing 6 key issues

Key issues to be addressed



1. Scope and positioning of Master Brands

What is “the promise” of the Master Brand?



2. The portfolio of brands

How can we achieve the vision with the least number of brands?



3. Brand roles

Which role shall each brand within the “team” hold?



4. Hierarchy & levels

How to communicate the relevance and the position of the brands and sub-brands?



5. Brand visuals

How can they communicate and properly present each brand?



6. Management

How to successfully implement and manage the new system?

Strategy Directions

1

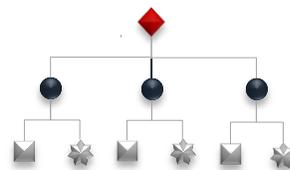
Define brand portfolio and roles



- Decide which brands will be included in the portfolio, its visual and establish the roles (master brand, flagships, differentiators, energisers, etc.) that each will play.

2

Determine portfolio structure



- Design of the structure which will be used to organise and locate the destination and product labels.

3

Establish hierarchy and priorities



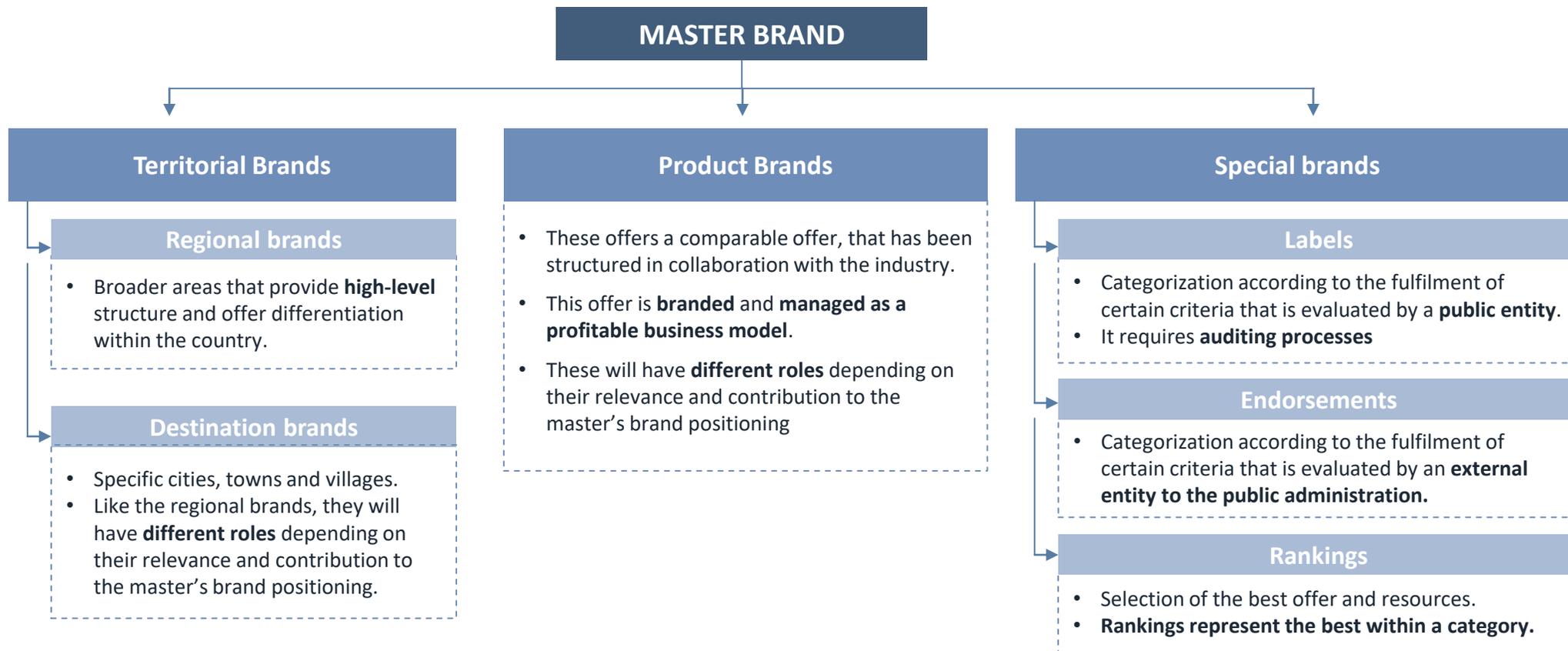
- Definition of the different levels and associated priorities.
- Establish relations between brands.

4

Implement management models (destinations, products and systems)

- Definition of the destination and product management model.
- Composition of the institutional framework responsible for managing the portfolio.
- Definition of the roles and responsibilities of each of the members.
- Constitution of the management bodies of the destinations, products and system.

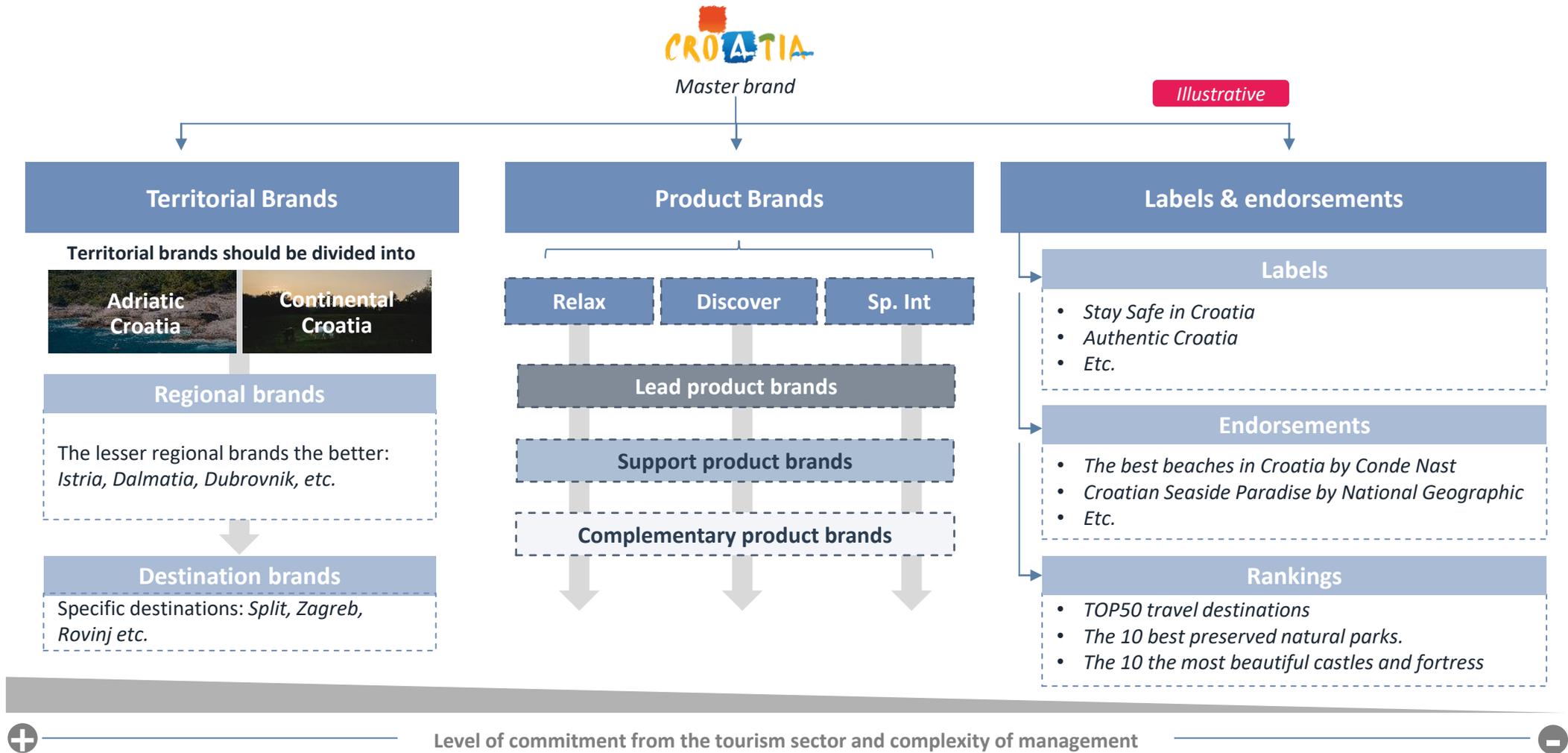
Proposal for a national brand system of labels, recommendations and rankings



Level of commitment from the tourism sector and complexity of management



The current architecture needs to be better defined and enriched



Each brand should also take on a specific role according to its contribution to the value proposition of the master brand

Brand Portfolio Roles

Illustrative

Not all brands are equally important. Architecture guides decisions about innovation and investment as portfolio brands compete for resources.

Strategic brand		Significant contributor to company's future sales, perceptions or market position.	Premium Croatia
Silver bullets	Differentiator brands	They intend to create a point of differentiation that is meaningful for customers, usually related to special features, services, programs, etc.	Croatian finest cuisine
	Energiser brands	They intend to create positive associations that significantly enhances and energises the Master Brand.	Authentic Croatia
Cash cow		Money making brand that does not represent future significant growth.	Vacations in the seaside
Corporate brand		May have low visibility to costumers, but important to regulatory bodies, investors, employees, trade groups, partners.	CNTB
Flanker brand		Addresses competitive threat. Protects share of other brands in the portfolio.	Work from Croatia

The National System of Tourism Brands and Names should have a clearly defined and visible structure especially online

01 DRIVER

Web efficiency

The National System of Tourism Brands and Names must be **designed to be very clear and efficient and contain all of Croatia's tourism offer in a unique master website**. And then, it must also ensure a good functioning in the off-line environment.

02 DRIVER

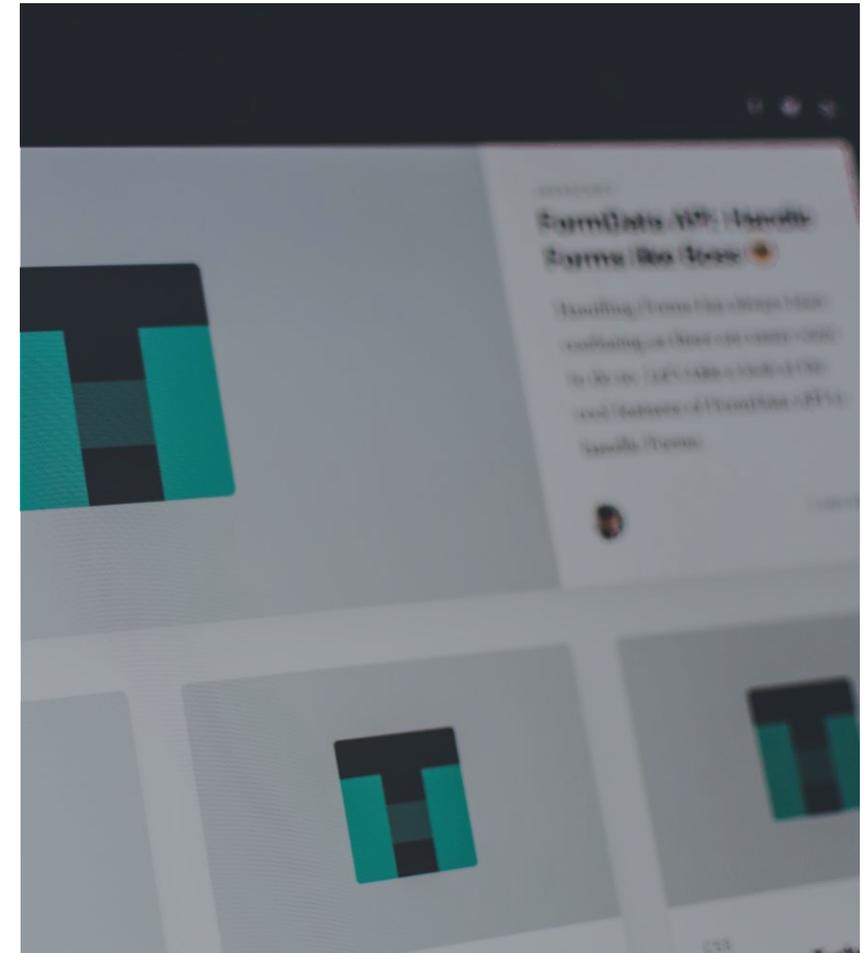
The entire Croatian offer is transparent and well organized

Small and large destinations, big brands and modest names, **the entire Croatian offer will be accessible within the same site for inspiration, selection and planning purposes**. The user will then be redirected to each particular website to finalize the transaction or purchase.

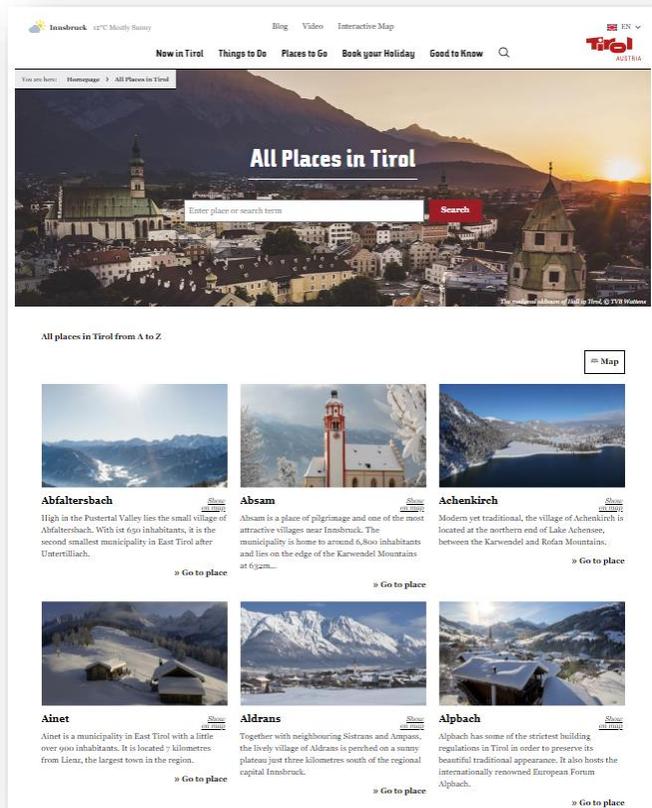
03 DRIVER

One Master Site and 5-7 Dedicated Sites

All communication actions led by the CNTB or implemented in cooperation with DMOs and private partners will **direct users to the Master Site or specialised Dedicated Sites: Grand Tour, Islands Experience, Croatia Premium, Spring & Fall Miracle, etc.**



The National System of Tourism Brands and Names should have a clearly defined and visible structure especially online



Benchmark in the extended version

04 DRIVER

More than 1 million transactions induced

A communication effort, which could reach 80M euros in the next 4 years – including direct investment, coops and sponsoring – will foster online visits to the master and dedicated sites, **generating increased traffic to regional, destination and corporate websites**, facilitating and encouraging about numerous re-directed digital transactions.

05 DRIVER

Simplicity and logic

The National System of Tourism Brands and Names should display an easy to understand Croatia Tourism and **be inspired by a great ease of navigation**. An intuitive filtering system should make it very easy to find what one is looking for: experiences, destinations and tourist service companies.

06 DRIVER

A System curated by the CNTB

The CNTB will develop the system and **establish the collaboration mechanisms with the industry to build and maintain one of the best tourism web systems in Europe**. The system will enable a common and consistent structure of the content and it will be agreed with each destination and company how best to collaboratively update the information provided.

10

COMMUNICATION GUIDELINES

What are the guidelines for the new concept of tourist communication?

The new direction of the Croatian communication strategy should be more holistic, segmented and consistent

1

Value enrichment of the brand

After the generic promotion of Croatia as a Mediterranean tourist destination, which today is recognized in the world for its natural beauty, clean sea and a thousand islands, **it is time for Croatia to tell the world a more meaningful story about its entire natural, cultural, creative and holistic tourist offer.**

Communication efforts need to **enrich the existing image beyond "sun and sea"**, towards a more multi-segment premium destination, catering the needs of cultural enthusiasts, foodies, mindful travellers or the greatest adventures on the look for genuine experiences.

2

Two-fold communication approach

On one side, there should be the **promotion of the umbrella brand of Croatia as a tourist destination.**

On the other side, this would be enriched by the **promotion of individual products and destinations** through targeted campaigns addressed to specific target segments. Stronger emphasis should be placed on regional and local destinations, even micro locations, such as regions, cities, festivals, attractions and individual restaurants or hotels.

Thus, **branding of the country should be carried out in a capillar way**, because Croatia's branding as a national destination is only the starting point.

3

Brand consistency

The **consistency and uniformity of the value messages between the umbrella and individual brands is paramount**, where a gap has been observed so far.

Namely, each individual regional or local brand must lean on the values of the umbrella brand, that is, contribute to telling a unique story about Croatia, and at the same time illustrate and bring it to life with concrete stories, products and experiences.

Strategy direction for smarter communication



Who will we communicate with?

We will communicate with our **potential users at source, with our customers at destination, with our industry and commercial partners and with the local population.** We will try to deliver the right messages to all of them in order to improve our marketing effectiveness and the perception of value in our marketing.



What do we want to communicate?

In the first 3 years, efforts will focus on **product communication offering concepts, product categories and regions/destinations to a variety of segments.** It will not be about communicating to a certain segment all our offer relevant to that segment. It will be about offering a certain product to those segments that are likely to be most interested. From the third year onwards, the CNTB in co-operation with companies, regions and destinations will launch a **programme of "segmented offers"** through a combination of CRM and an advanced Marketplace.

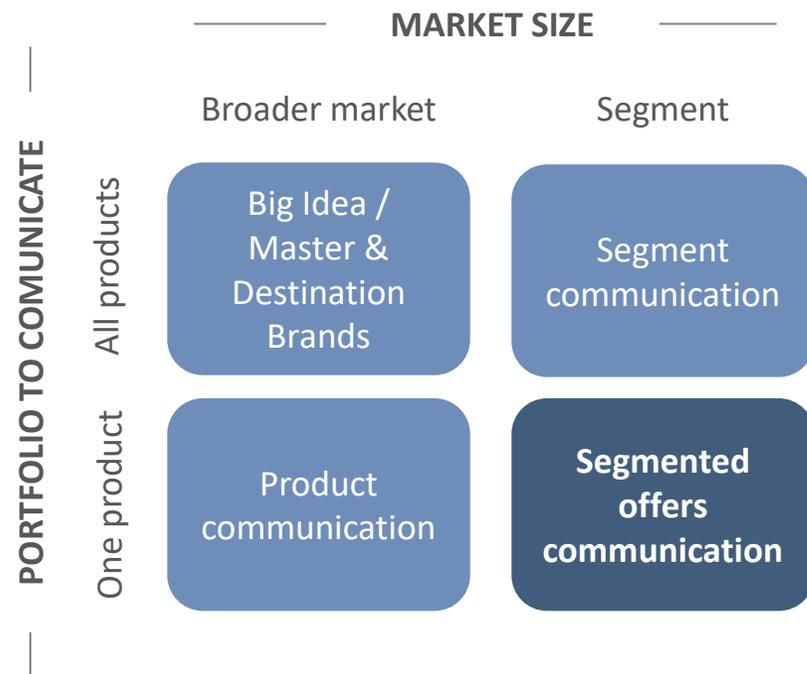


What will be the main areas of communication?

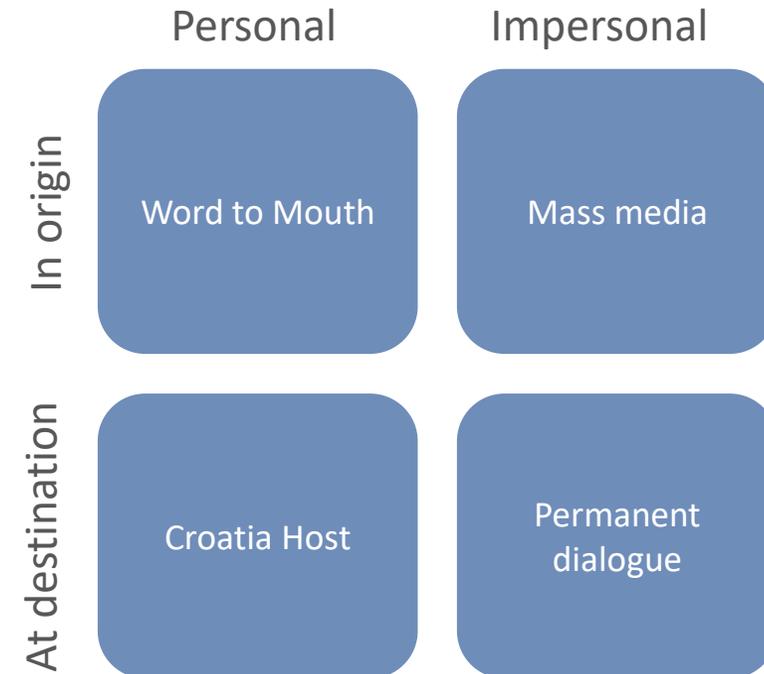
Efforts will be concentrated on communicating the new Master Brand and its Big Idea, the Spring & Fall Miracle, the new big concepts (Grand Tour, Island Experience, Signature Experiences, etc.), Premium Croatia, new labels and rankings, segmented offers and other topics.

Efforts will be focused on product communication and 4D communication

Product-segment communication matrix



4D communication matrix



Strategy direction for smarter communication



What types of tools will we use?

The CNTB does not renounce advertising, but enters the field of **integrated communication, combining advertising with media relations, impersonal with personal communication, on-line with off-line, generated by the CNTB and by users, etc.** We will move from "big" campaigns once a year to **mini-campaigns all year round** and we will use formats beyond the typical advertising spots such as editorials, testimonials, branded content, etc., in an unprecedented exercise of innovation and creativity. And, we will employ the latest in MARTECH for high digital performance.



How will we manage innovation and creativity?

Creativity will help double the effectiveness of our communication. We will make internal efforts to generate innovative ideas (messages, tools, etc.), and creative proposals for messages and formats. And we will **collaborate with some of the best creative agencies in Europe.**

Our communication pieces will be tested beforehand, providing enough time in advance to test both the channel and the creativity.

Some best practices can contribute to strengthening the brand, including the selection of key channels and specialized media

- | | | | | | |
|----------|---|----------|---|----------|--|
| 1 | From conventional media to specialized and digital | 4 | Stories and symbols as key elements in the presentation of country values | 7 | Film locations and product placement as promotional tools |
| 2 | Creation of <i>owned</i> media content in the local languages of the emissive markets | 5 | Proactivity and timeliness of communication through official channels | 8 | Inspired by Croatia - greater influence on the creative industry |
| 3 | Take advantage of local residents, employees, incomers and tourists as promoters | 6 | Events as a destination branding tool | 9 | Co-branding with global brand products |

Current trends try to increase performance by fostering communication at the destination while increasing personalisation and micro-segmentation

Trends that are shaping the future of destination's communication



Smartphones allow DMOs to communicate with those customers who wish to do so while they are enjoying the destination.

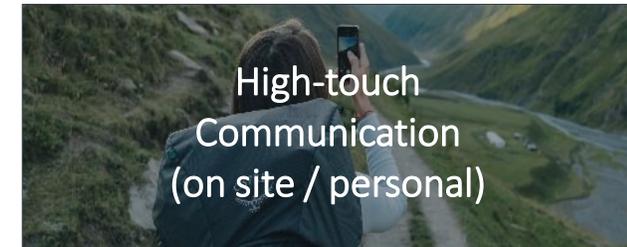
It is extremely useful for **cross-selling, offering personalised experiences and help increase the "bucket list" of returning travellers.**

This mechanism also allows to **monitor the satisfaction throughout the traveller's Customer Journey** in the destination.



Satisfied tourists recommend destinations to their family and friends, which constitutes one of the main motivations to chose a destination (around 32%).

Therefore, **encouraging recommendation, including UCG in social media, becomes one of the most powerful marketing tools.**



In a week, a standard tourist has between 300-400 personal interactions with locals and employees in the destination. The quality of these interactions is one of the main elements of satisfaction and therefore of competitiveness and marketing.

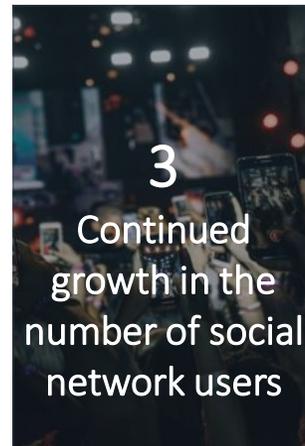
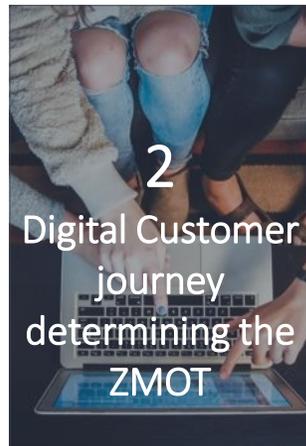
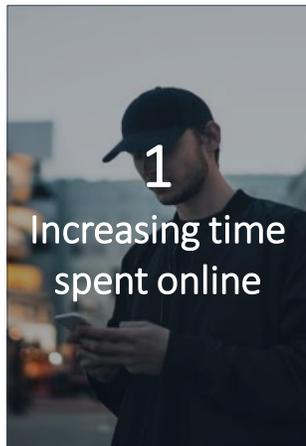
Being an already considered hospitable country, **communication should reflect such level of attention and detail, since it key to ensure customer retention.**

Digital communication, as the prevailing ecosystem, allows for hyper-segmentation and a more personal communication with the traveller

Digital communication gives more direct effects, reaches the target audience more easily and influences more rational spending of the budgets.

The analysis clearly shows the growth of digital marketing at the expenses of traditional media and the increasing creativity and innovation in online communication.

Global trends in communication



Some inspiring examples provide insights into the management of owned, earned and paid media

01 TAKEAWAY



Social media to boost engagement

Create a **community of content creators** and collaborations with key curated influencers, as well as and increase social media activity and visual content production, including short videos and multiple formats to increase engagement.

02 TAKEAWAY



Media formats to boost influence

Capitalize on new formats and channels to **rise awareness and popularity** of the destination, such as collaborations with the media industry. This should be paired with a **air traffic strategy** to enable capture the potential increase in demand.

03 TAKEAWAY



100% integrity

In order to achieve a strong positioning, besides having a consistent message throughout all communication activities, it is also necessary to **enforce actions and initiatives to support such claim**.

04 TAKEAWAY



Creativity & Innovation

The key to optimising marketing budgets is creativity to make the most of own channels. Listen to the target audiences and **create relevant, interesting and engaging content that captivates and amuses them (pull)**, which in turn can be amplified by earned media.

05 TAKEAWAY



The power of User-Generated-Content (UGC)

Today's users are capable of creating large amounts of high quality content, efforts that most destinations are wasting because they do not have the infrastructure to manage it. Tools such as hashtags or social media contests, allow the capitalisation of this valuable resources to multiply a destination's visibility (for free!)

06 TAKEAWAY



Advertising campaigns to make a difference

Marketing efforts dedicated to paid media, in particular advertising campaigns, have to be well thought out in order to convey the desired positioning and achieve the objectives set, to **ensure an optimal return on investment**.

The new direction leads to 7 Initiatives to be addressed

Part A: National System of Brands

 Re-design of the Master Brand initiative	
	 Implementing an integrated national system of brands (Programme)
	

Part B: Integrated, innovative & creative communications

 New Brand & Big Idea initiative		 Core product campaigns (Programme)
	 Brands, labels and rankings Communication (Programme)	
 Segmented offering (Programme)		 Other communication initiative

Communication projects to be launched in the next 4 years

In the next 4 years we will implement between 5 and 8 communication projects depending on financial availability. These are the projects by priorities and the expected results of each one of them

	Communication Project	Timing	Expected result
A 15.000.000 €/year (60% CNTB = 9M)	COM 1. BIG IDEA	2023 →	Generate secondary demand and increase brand power
	COM 2. SPRING AND FALL MIRACLE	2023 →	Attract additional tourists between 1 st - 30 th June & 15 th Sept - 15 th October
	COM 3. PREMIUM CROATIA	2023 →	Generate visits to the specific website and induce conversion
	COM 4. NEW CONCEPTS LAUNCH	2024 →	Generate visits to the specific website and induce conversion
	COM 5. SEGMENTED OFFERS	2025 →	Adding value and attract niche market segments of high interest to Croatia
B 5.000.000 €/year (60% CNTB = 3M)	COM 6. CONTINENTAL	2024 →	Generate visits to regional websites and increasing continental tourism share
	COM 7. EXPENDITURE	2025 →	Foster up-selling and cross-selling in the planification phase and in-destination to increase compulsive and induced purchase
	COM 8. LOYALTY	2025 →	Increase tourism satisfaction and develop a database (CRM) of potential and recurring visitors, including the “We Care Programme” and “Croatia Beauty”

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4. Strategy directions
5. The CNTB

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8. Tourist brand
9. Brand architecture
10. Communication guidelines

C. Action Plan

11. Initiatives
12. Roadmap for implementation



11

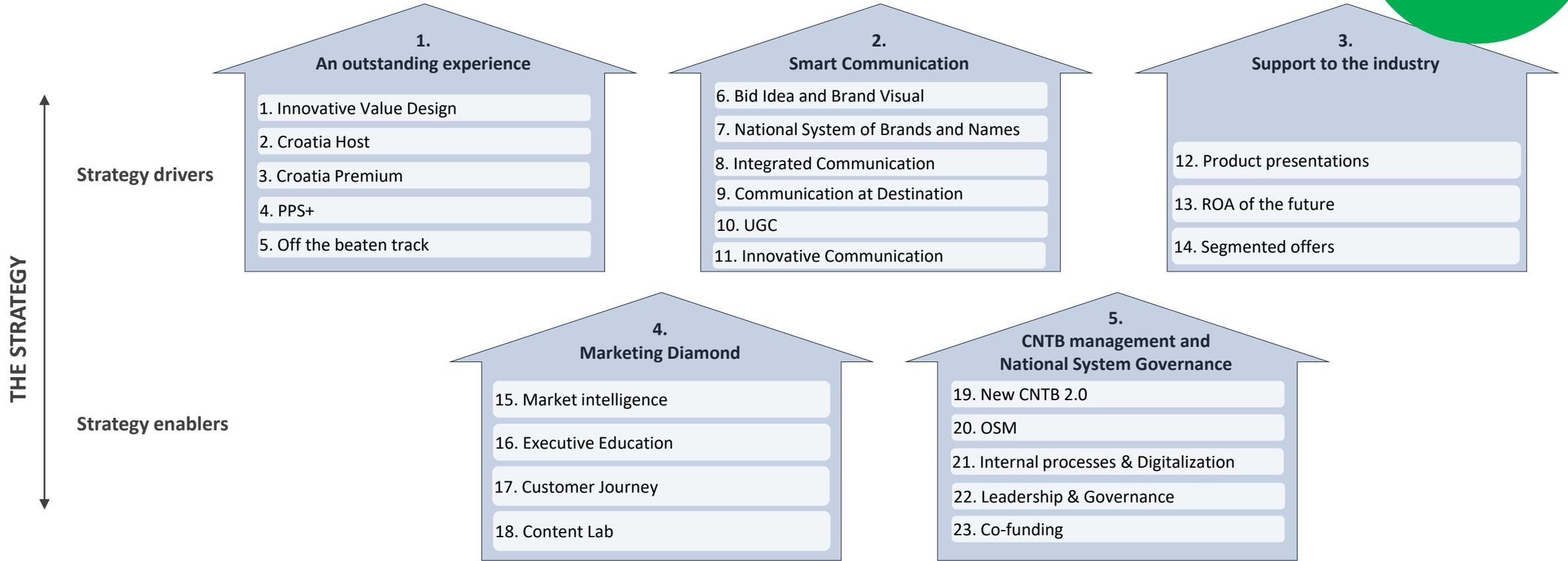
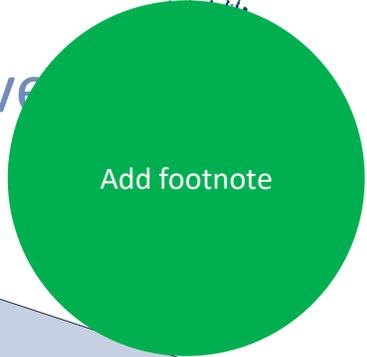
INITIAITVES

Which initiatives
compose the Plan?

The operational plan consists of strategy drivers and enablers that underpin the strategy map

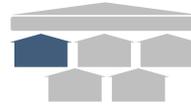


The 5 themes of the strategy bring together the 24 initiatives included within the Plan



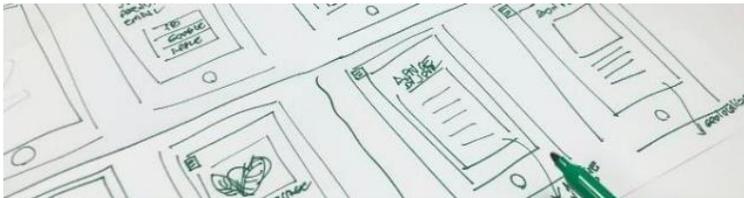
11.1

Deliver an exceptional tourist experience



Issue Addressed	Strategy Direction	Strategic Objective	Initiatives
Opportunity to improve and enhance our Customer Value Proposition System	Develop new high-value concepts for the market by making our value proposition more attractive and more focused on higher yields	Implement Value Design approach to develop an innovative high-value system of products and experiences	1. Innovative Value Design Programme
		Improve the quality of the service offered to enhance the destination experience	2. Croatia Host Programme
7. Low yield of Croatia's tourism demand	Promote a superior economic yield per capita in Croatia	Identify, label and highlight Croatian tourism offer catering to higher yielding targets	3. Premium Croatia Initiative
8. Excessively short tourism season	Design an attractive CVP for selected PPS destinations	Increase the number of arrivals and overnight stays to extend the tourism season by 20-45 days	4. PPS+ Initiative
9. Excessive concentration of tourism on the coast and desire to bring more tourism inland	Bring more tourism to less (or not) frequented areas	Promote value development in these areas to increase their attractiveness as a tourist destination	5. Off the beaten track Programme

Initiative
1 Innovative Value Design Programme



Goal of the initiative:

It will contribute to the creation of new experiences of greater added value, to reposition the Croatian brand and to increase visitors' satisfaction and loyalty, thus providing a stronger and more differentiated market positioning. This initiative aims to develop:

- New product concepts of tourism offerings that respond to specific interests or segments
- Signature Experiences: new high quality tourism experiences that are attractive and differentiating

Actions to be taken:

To achieve this the CNTB needs set up a Value Design Unit, in charge of developing innovative and unique experiences and support the industry in implementing them.

Initiative
2 Croatia Host Programme



Goal of the initiative:

The re-positioning of Croatia as a tourist destination requires improving the quality of hospitality and the treatment given to tourists. This initiative intends to train 250.000+ frontline professionals using easy-accessible devices such as smartphones, so that they can acquire a Service Excellence mindset, adopt invaluable skills and become representatives of the tourism industry at the destination. This will increase the quality of interactions with travelers and transform their stay into a memorable and unique experience.

Actions to be taken:

To achieve this the CNTB will need to identify the key competences to be achieved for each critical segment and develop a training curriculum that shall be easily accessible from online platforms (desktop and mobile). Promotional activities will be required to incentivise participation and enrolment to the program.

Initiative
3 Premium Croatia Initiative



Goal of the initiative:

Premium Croatia highlights those tourism attractions, resources and services that offer great "premium" value in order to:

- Strongly promote the excellent "premium" tourism offer of the country.
- Create a product brand that distinguishes this offer from the rest in close collaboration with regions, destinations and companies.
- Reverse the current perception of Croatia being a low-cost destination.

Actions to be taken:

The creation of a Working Group will drive the definition of the concept, operational manual and brand guidelines to be followed by all those affiliates to the programme. Additionally, international premium brands and anchors shall be identified and associated with the destination.

Initiative

4

PPS+



Goal of the initiative:

Nowadays, close to 80% of Croatia’s current offering is primarily focused on Sun & Sea summer vacations for a non-sophisticated demand. To prevent this, this initiative proposes expanding Croatia’s value proposition and available offering to increase tourism arrivals during the Pre and Post months of the peak season, in an unprecedented exercise of cooperation between the CNTB, companies, regional and local tourism authorities, airlines, tour operators. In turn, this will increase the profitability of tourism stakeholders, allowing for higher profits, long lasting jobs and a better tourism investment climate.

Actions to be taken:

The CNTB will select 3 pilot destinations for which it will develop a strong Value Proposition for PPS, while re-engineering the programme of events and experiences.

It will also create a „Wing Team” to promote air capacity during PPS.

Initiative

5

Off the beaten track

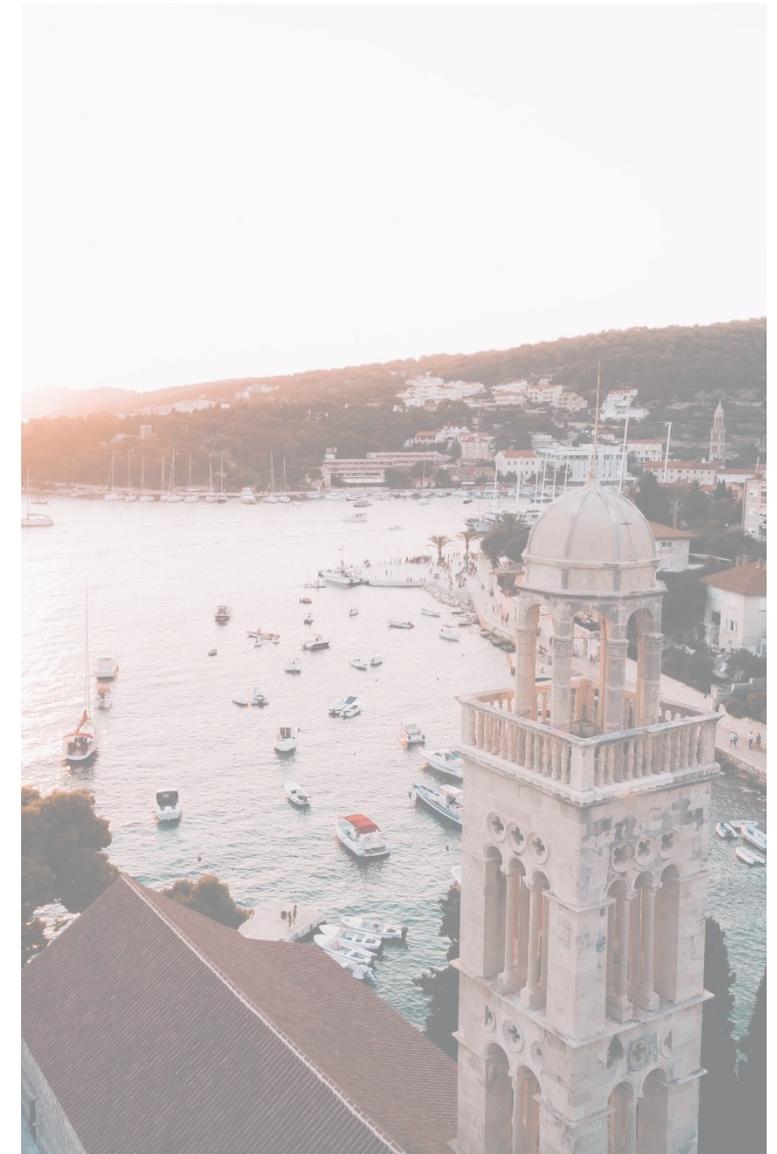


Goal of the initiative:

More than 90% of overnight stays in Croatia are concentrated on the coast, which causes a myriad of problems. This initiative aims to exploit the prospects of non-coastal areas that have tourism potential by creating new tourism development opportunities for inland destinations, attracting new segments of demand and distributing tourist flows throughout the territory. Therefore, Croatia will attract more diversified demand segments, fostering a wide variety of tourism experiences, including nature, culture, gastronomy, adventure, etc.

Actions to be taken:

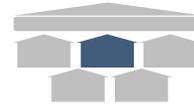
The CTNB needs to audit the current inland tourism offer and develop the value proposition for each destination. Then, it shall prioritize 4/5 destinations (focusing on viable and feasible products and territories) in which implement Tourism Development Masterplans. These destinations should be branded as „Continental Croatia”.



11.2

Communicate the value in a smart way

First column: numbers and minor adjustments



	Strategy Direction	Strategic Objective	Initiatives
1. Exceptional beauty of the coastal area, its sea, villages and islands	Capitalise on the strategic concept of "Beauty" to differentiate Croatia	Create a new Big Idea inspired by the Adriatic concept of "beauty" and update the Brand Visual accordingly	6. Big Idea and Brand Visual Initiative
11. Weak branding system design and management	Implement an effective National System of Tourism Brands	Develop and effectively manage a consistent Tourism Brand System, encompassing territorial, product and special brands	7. National System of Brands and Names Initiative
10 & 12. Weak brand power & misalignments between communication efforts & marketing objectives	Boost brand power in source markets aligning communication with marketing objectives	Increase secondary demand among higher yielding tourists while ensuring that all communication efforts are consistent and aligned with the marketing objectives	8. Integrated Communication Programme
19. High risk of negative positioning as a low-cost, over tourism destination: <i>Lack of awareness of the diversity and richness of the Croatian tourist offer beyond sun & sea</i>	Foster a B2B cooperation marketing and capitalise on the tourists already in the destination	Increase awareness of the tourism offer and foster impulsive buying, thus increasing the average expenditure and the promotion of strategic products (Premium, PPS, etc.)	9. Communication at destination Initiative
10. Weak brand power in several source markets: <i>Opportunity to use user-generated content and create an online community</i>	Build a network of online collaborators	Provide more content and of higher engagement, to strengthen the relationship between the brand and its followers	10. User Generated Content Special Initiative
13. Communication could benefit from more innovation and creativity	Foster creativity and innovation within CNTB's marketing efforts	Foster innovation and creativity among CNTB employees & marketing collaborators	11. Innovation in Tourism Communication Initiative

Initiative
6
Big Idea & Brand Visual Initiative



Goal of the initiative:
Croatia needs to re-position itself with new images and perceptions that will help the destination to be perceived as a multi-product, multi-segment destination ideal for PPS with a great premium offer. Consequently, this initiative aims to develop a new Big Idea associated with the Beauty concept and re-design the logo.

Croatia's re-positioning will help to improve Croatia's tourism performance, achieving higher per capita spending, extending the season, attracting more inbound tourism and stronger sustainability.

Actions to be taken:
To achieve this, a Group of Experts needs to be created, who will be in charge of evaluating the proposals and supervising the work of the winner agency. A tender will be launched, extending invitations to international agencies. Once awarded, a Brand Book shall be developed.

Initiative
7
National System of Brands and Names Initiative



Goal of the initiative:
As happens in many tourist destinations, Croatia suffers from a great proliferation of names of products and destinations (more than 300) that fight for a place in the hyper-saturated universe of destination brands. This initiative aims to transform Croatia's vast, dispersed and disorganised universe of brands by:

- Defining the types and levels of brands and names.
- Establishing the roles and hierarchies of each type.
- Developing a set of labels and rankings to enrich the system.

Actions to be taken:
To achieve this the CNTB will need to re-design the National System of Brands and Names (brand architecture) and elaborate all the guideless to effectively deploy and manage the system, while marketing and promoting key tourist products and labels.

Initiative
8
Integrated Communication Programme

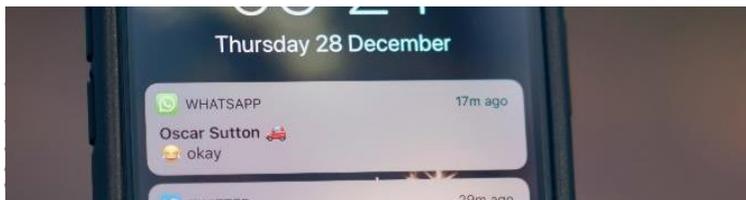


Goal of the initiative:
This initiative aims to manage 7 communication projects over the next 4 years in order to decisively contribute to the re-positioning of Croatia in the consumer's mind and to generate a better yielding demand for Croatia, while optimizing marketing efforts and enhancing brand consistency.

These 7 plans will be the cornerstone of communication efforts, homogeneously enforced across the different media channels and ultimately, this will provide higher return on investment while preventing brand dilution, achieve a better repositioning of Croatia and bring to the Country a higher yielding demand.

Actions to be taken:
The CNTB will need to centralize and strengthen brand communication processes, and launch the new brand vision and communication strategy focusing on targeted campaigns and media relations.

Initiative
9
Communication at Destination Programme



Goal of the initiative:

This initiative aims to increase awareness of the diversity and richness of the tourist destination, while visitors are already in the country. It also aims to promote a more satisfactory experience, making them feel welcome and cared for through a better personal communication and service. Thus, it intends to encourage greater spending at the destination through cross-selling and up-selling actions, while promoting "less common" experiences and destinations, alleviating concentration.

Actions to be taken:

To achieve this the CNTB needs to develop a touchpoint map and channel framework, leveraging communication opportunities in all stages of visitors' journey.

Initiative
10
User Generated Content Special Initiative



Goal of the initiative:

Croatia needs to keep up with increasing content demands and deliver experiences that are authentic, relevant or personalized enough for this new generation of consumers. By making UGC and integral part of our strategic plan we will be able to source more engaging content and deliver more visuals faster across an increasing number of consumer touchpoints. Croatia's marketing will become more credible, more effective and more customer centric. Strategic curation and use of UGC will contribute to driving visitation to less visited areas of Croatia and seasonal campaign themes will actively engage visitors and residence in addressing seasonality.

Actions to be taken:

The CNTB will need to select UGC technological platform and integrate curated content widgets in the official website while ensuring a fluid and interactive activity on social networks. An ad-hoc campaign will be launched to make content creation and sharing a natural part of the Croatian holiday experience.

Initiative
11
Innovation in Tourism Communication Initiative



Goal of the initiative:

The purpose of this initiative is to create the conditions to substantially improve innovation in marketing and communication creativity of the CNTB and also of the industry as a whole.

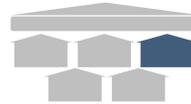
This initiative will provide the right conditions for continued innovation and establish a context, culture and methodology to ensure the Croatian tourism industry can apply innovative thinking to the implementation of this Plan and to everything they do, thus favouring a long-lasting sustainable positioning of the destination and its communication efforts.

Actions to be taken:

For this purpose, the CNTB will need to conduct a benchmarking on marketing creativity and innovation to be shared with the industry. It will also create an innovative marketing Breakthrough Forum, a meeting place for all those seeking new ideas and best practices for better marketing.

11.3 Boost the industry's marketing

First column: numbers and minor adjustments



Assessed	Strategy Direction	Strategic Objective	Initiatives
3. Opportunity to implement a state of the art marketplace for global distribution of all tourism offerings of Croatia	Implement a state-of-the-art Marketplace	Make Croatian tourism offer accessible for 90% of the world OTA's and gather new valuable market data.	12. Marketplace Initiative
19. High risk of negative positioning as a low-cost, over tourism destination: <i>Overly traditional product presentations with limited effectiveness</i>	Optimise marketing efforts to effectively cater to quality operators and distributors to better reach a high-value target segments	Implement innovative and more effective product presentations	13. Product Presentations Initiative
6. Over reliance on a few source markets, leading to an opportunity to increase the efficiency of a representative offices system	Boost efficiency of current network of offices abroad	Update the model according to current market dynamics and best practices	14. ROAs of the Future Initiative
19. High risk of negative positioning as a low-cost, over tourism destination: <i>Opportunity to sale premium offerings to a higher yielding tourists</i>	Highlight key Croatian products and events to niche profiles with a proven high interest in order to attract quality segments	Achieve higher ROI benefitting from micro segmentate marketing actions addressed to high-value target audiences	15. Segmented Offers Special Programme

Initiative
12

Marketplace Initiative



Goal of the initiative:

In a current environment led by technology and immediacy, Croatia has the opportunity to implement a state-of-the-art marketplace for the global distribution of all tourism offerings of Croatia. In order to do so, this initiative proposes to:

- Reduce dependence on third-party distribution systems, while boosting the distribution capacity of the Croatian offer
- Create a powerful tool for specific, tailor-made promotions
- Generate a new source of market data
- Increase the perceived value of the CNTB

Actions to be taken:

Necessary licenses are to be acquired, and the CNTB shall assist the onboarding of companies, enabling them to perform 1.000 special promotions per year.

Initiative
13

Product Presentation Initiative

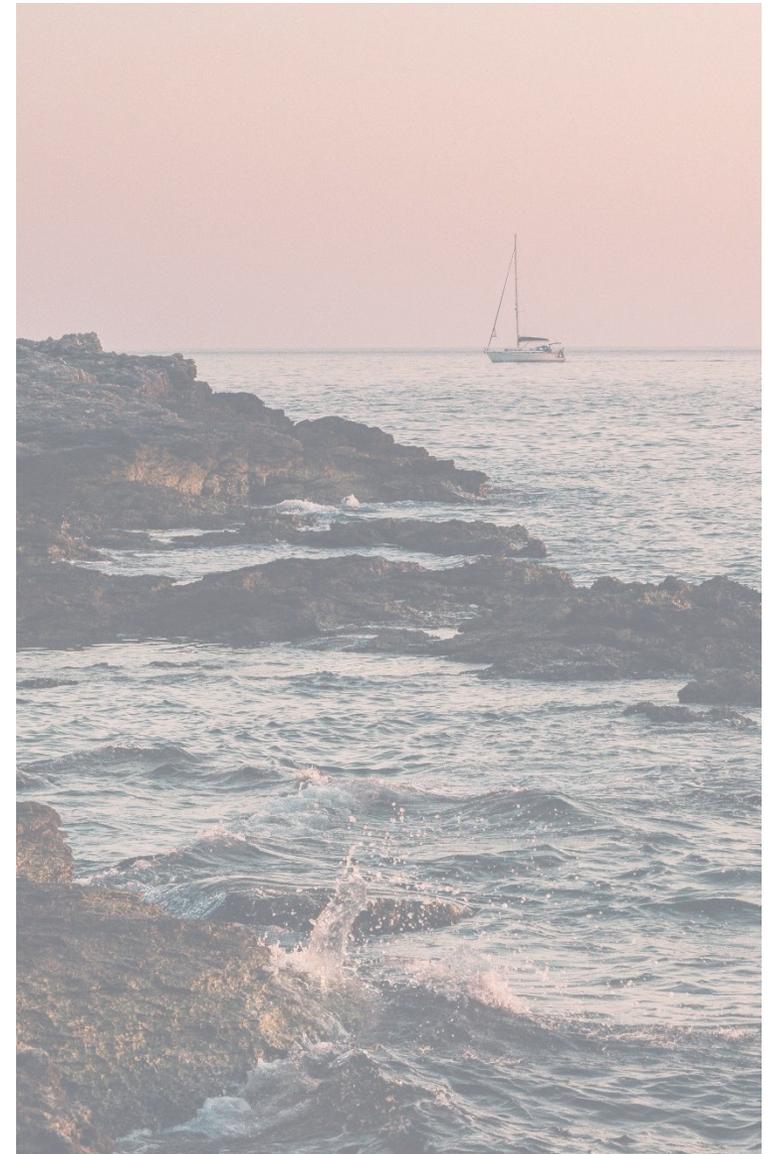


Goal of the initiative:

Some of the product presentation actions are very low efficient. Therefore, this initiative suggests developing mechanisms to facilitate product introductions and access to Special Interest Tour Packages that will help to boost the PPS demand, the demand in inland destinations and that of better yielding consumers.

Actions to be taken:

To achieve this the CNTB will need to establish a calendar of trade fairs and a program of roadshows with selected trade partners. Additionally, it will need to focus on the organisation of strong „Love Croatia” events. Finally, CNTB will have to engage in promoting collaboration and co-financing models for companies from the Croatian tourism ecosystem.



Initiative
14

ROAs of the Future Initiative



Goal of the initiative:

With this initiative, activities are proposed that would help increase the return on investment, clarify the ROAs' role, and propose new models to reshape the entire network.

Croatia will optimise a more streamlined foreign representation network to generate business opportunities and better serve the interests of the Croatian industry, making it a much more competitive destination. At the same time, it will strengthen the organisation's leadership and efficiency.

Actions to be taken:

A new structure of international representation will be established, clustering certain markets into areas. Clear roles and responsibilities will be established, along with a clear management system. Then, a detailed Action Plan will be developed per source market and results will be evaluated periodically.

Initiative
15

Segmented Offers Special Programme



Goal of the initiative:

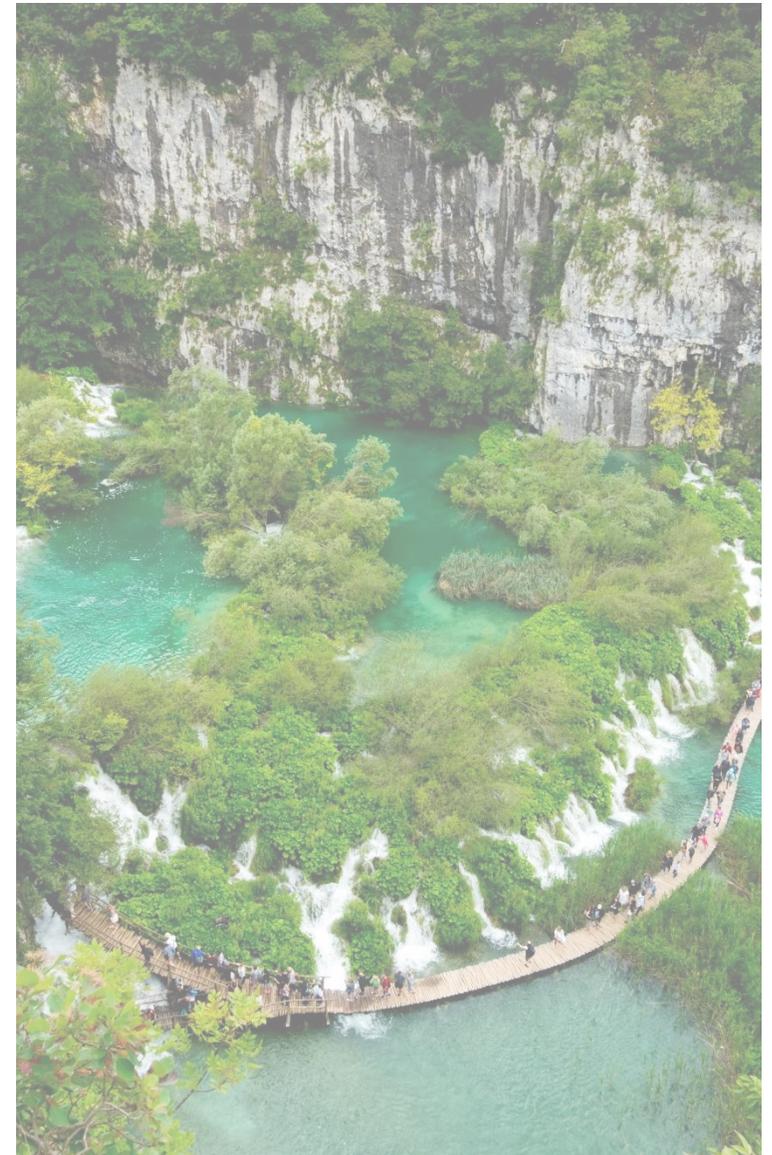
From 2025 onwards, this initiative proposes to send +300 concrete proposals to +500.000 people who we know that may potentially be interested in them.

These proposals can be related to special interests, hobbies, group trips, etc., for example: White truffle weekend, olive oil harvest, Malvasia production, special events, Christmas on Hvar Island, romantic weekend in Dubrovnik, etc.

If well managed the system could attract transactions on PPS and special holidays, also creating closer relationships with customers through highly attractive and relevant experiences and offers.

Actions to be taken:

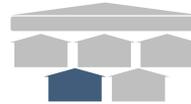
To achieve this the CNTB will need to implement a sound CRM software, in order to build a database to capture segment information under different criteria. Transforming the traveller insights into dedicated product and experience categories will enable the promotion of specific proposals to key target groups.



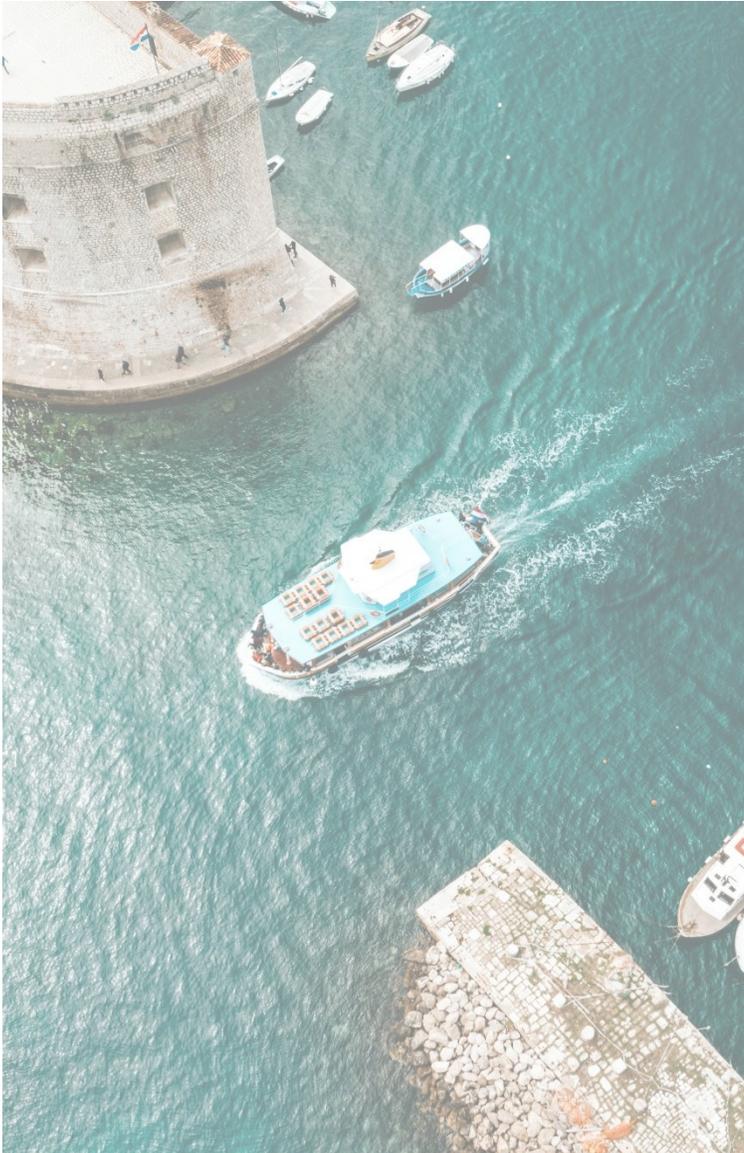
11.4

Croatia's Marketing Diamond

numbers and minor adjustments



Assessed	Strategy Direction	Strategic Objective	Initiatives
15. Insufficient availability and leverage of market intelligence	Make marketing intelligence and smart data accessible to the Croatian tourism industry	Widespread the use of market information and intelligence by industry	16. Market Intelligence Initiative
14. Need for an urgent executive education effort in marketing	Run a high-quality executive education program on tourism marketing	Improve the marketing abilities of tourism industry's marketers and CNTB officials	17. Executive Education Programme
21. Absence of modern monitoring of customer satisfactions and experience/journey	Destination Customer Journey tracking and performance measurement at local, regional and national level	Achieve travellers' evaluation of 40-50 attributes of their holiday experience in Croatia and develop action plans to address gaps	18. Customer Journey Initiative
4. Opportunity to digitize selected processes of CNTB to improve both its internal efficiency and its relations with the industry	Digitize the most relevant interaction processes between CNTB and the DMOs and companies and foster B2B cooperation marketing	Facilitate the marketing activities of the industry	19. Content Lab Initiative



Initiative
16
Market Intelligence Initiative



Goal of the initiative:
The optimization and democratization of market intelligence for the sector will allow the CNTB to provide added-value resources to facilitates decision-making by companies in the sector, thus boosting Croatia’s competitiveness and contributing to a more sustainable prosperity. It will also reduce dependence on third-party distribution systems that have significant costs, while creating a powerful tool for specific, tailor-made promotions. By generating a new source of market data, gathering relevant insights on traveller’s behaviours and purchase drivers, the value perceived of the CNTB will increase.

Actions to be taken:
The CNTB needs to define a portfolio of market intelligence services and upgrade the current eVisitor platform which, complemented with other sources of information, will allow the creation of an online intuitive, interactive and dynamic market intelligence system to be shared with the industry.

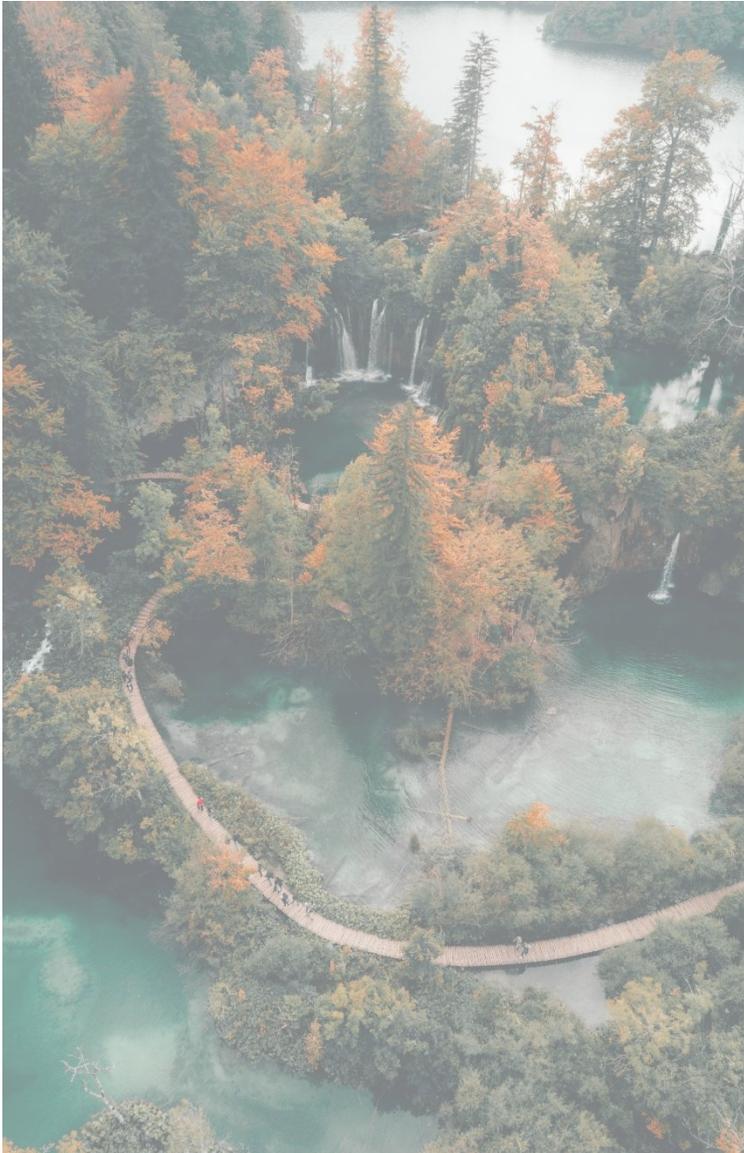
Initiative
17
Executive Education Programme



Goal of the initiative:
The purpose of this initiative is to train more than 1,500 people to be able to execute "state of the art" marketing according to the size of their company or DMO. And specifically:

- Increase the quality of marketing actions carried out by the industry.
- Improve the alignment between CNTB’s and industry marketing actions.
- Increase CNTB’s perceived value of CNTB to the industry.

Actions to be taken:
For each segment (companies, DMOs and SMEs) specific contents will be developed together with academic partners. An e-learning platform will be created to allow a proper accessibility to the courses.



Initiative
18 Customer Journey Initiative



Goal of the initiative:
Destinations currently lack the information about their competitiveness that would allow them to establish improvement plans and thus increase satisfaction. A better understanding of a destination’s “Customer Journey” and customer satisfaction on 50 attributes will be a key tool for making experience improvement plans that increase satisfaction, loyalty and recommendation by tourists. Thus, Customer Journey Measurement is a powerful marketing tool that will help to retain customers and increase demand.

Actions to be taken:
The CNTB shall identify 40-50 touchpoints that are important to measure from the moment the tourist arrives at the destination until check-out in order to design the Customer Journey Local Management model and destination branding to be tested in 3 pilot destinations.

Initiative
19 Content Lab Initiative

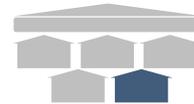


Goal of the initiative:
The Content Lab initiative proposes the collection of data related to tourism into a single unit available to all stakeholders of the sector, also known as Digital Asset Management (DAM). This makes information widely usable and exchangeable, both within the tourist board system and with other partners and stakeholders. In that way, stakeholders will get more involved in the process of decision making and better informed on the current status of key marketing projects and campaigns. Collaborative B2B platforms can serve as certain meeting point to share all types of materials, including CNTB’s marketing strategy.

Actions to be taken:
For such, the CNTB will need to select and collect the data and materials to be included in the platform, which will be developed (web/app) to allow easy access, providing registration IDs to selected and more sensible information. Materials and information of the Content Hub will need to be frequently updated.

11.5 CNTB management and national governance

First column: numbers and minor adjustments



Issue	Strategy Direction	Strategic Objective	Initiatives
17. Sub-optimal management efficiency of the national marketing framework	Optimize the CNTB internal organization	Increase the efficiency and satisfaction of CNTB employees so that they are able to implement the strategy	20. New CNTB 2.0 Initiative
18. CNTB organization structure unaligned with overall strategy	Impulse the strategy implementation. Ensure the compliance of marketing with sustainability and SDST	Guarantee effective implementation of the strategy by ensuring the on-boarding of all parties involved	21. Office of the Strategy Manager Initiative
22. Need to improve the results and cost-benefit culture in CNTB	Upgrade CNTB's management culture towards a results and cost-benefit-oriented one	Activate new procedures to achieve more efficiency and better results	22. Internal Process Improvement and Digitization Programme
5. Opportunity for CNTB to deliver more value to the industry while reinforcing its leadership	Improve CNTB's cooperation and leadership practices	Develop practical protocols and tools to boost the leadership of CNTB and the overall system of Governance	23. Leadership and Governance Programme
16. Limited availability of marketing resources	Optimise CNTB financial capacity	Increase B2B collaboration by fostering co-financing models for marketing activities (sponsors, co-ops, etc.).	24. Co-funding Initiative

Initiative
20 New CNTB 2.0 Initiative



Goal of the initiative:

This initiative aims to make the CNTB more effective in achieving the marketing objectives established and at the same time better serving the local tourism industry and business partners. Therefore, this initiative aims to align the organisation with the strategy and introduce the necessary changes so that the CNTB can operate as the effective marketing organisation that the country needs. The organisational empowerment and internal executive education programme will lead to an increase in self-empowerment, authority and influence of managers, which will also improve the speed and flexibility of decision-making, action-taking and time-to-market.

Actions to be taken:

A re-definition of the organization structure is needed, while describing the main functions, responsibilities and objectives of each role and department. Executive education and capacity building will be paramount to achieve a successful implementation.

Initiative
21 Office of the Strategy Manager (OSM) Initiative



Goal of the initiative:

The overarching purpose of the OSM is ensuring that the strategy is well implemented and that the plan vision is not lost. The OSM will be responsible for overseeing all strategy-related activities ranging from formulation to execution. This includes internal and external coaching on strategy implementation, as well as management of progress with dashboards and quarterly follow-up meetings.

To perform its mandate, the OSM has three main roles: Process designer, process owner and process coordinator.

Actions to be taken:

A special unit within the CNTB will be created, encompassing three main areas of responsibility: planning and alignment, execution and performance. Specific tasks and roles will be defined for each position and a monitoring and coordination system will be implemented.

Initiative
22 Internal Process Improvement and Digitization Programme



Goal of the initiative:

This initiative aims to ensure a clear and shared vision for the CNTB, establishing clear objectives and modern empowerment systems that reduce staff turnover and ensure high efficiency and good strategic leadership. Therefore, it is necessary to identify tasks, related actors, stages and information flow where digitisation could bring significant benefits. It aims to improve CNTB's efficiency by:

- Identifying and promoting internal talent and addressing training needs
- Improving the relationship with the industry and the value perception

Actions to be taken:

CNTB will need to identify the main responsibilities, and promote a culture of collaboration. Furthermore, CNTB will have to identify the key processes to be digitalised, and ensure that all managers implement an individualised development plan to foster professional development and employee satisfaction.

Initiative
23

**Leadership and Governance
Programme**



Goal of the initiative:

A better management framework with improved services to the industry will enable the achievement of the set objectives and increase the perception of the CNTB as a leader within the National Marketing System, while fostering a more collaborative framework. Thus, this initiative aims to define and communicate a common vision for all Croatian marketing organizations, achieve a more effective collaboration between tourism actors at all levels and clarify roles and responsibilities of the different institutions.

Actions to be taken:

CNTB will need to establish a common vision and agree on framework roles or matrix of responsibilities within the tourist administration. The implementation of a common cultural code will be paramount, together with an excellent planning of cooperation actions and improved interactions, including a clear distribution of tasks on all organisational levels.

Initiative
24

Co-funding Initiative

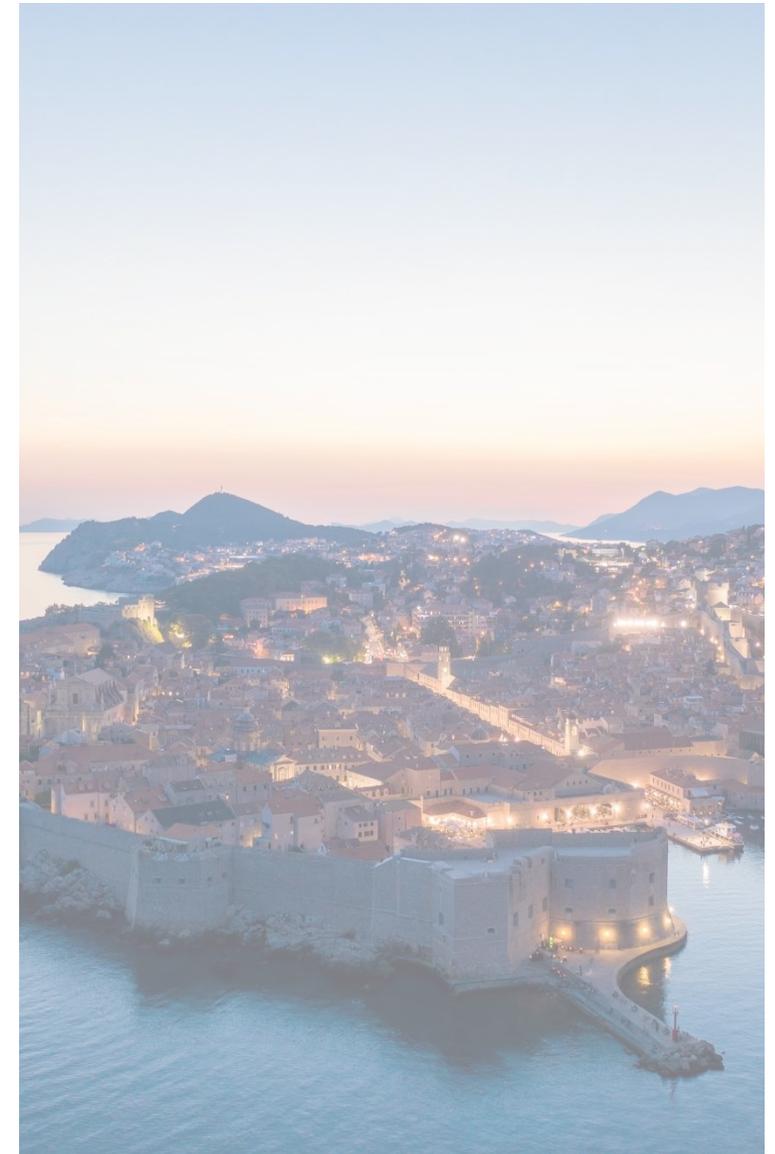


Goal of the initiative:

This initiative aims to increase the cooperation level with key stakeholders in the tourism industry to scale marketing campaigns and tap into larger marketing efforts. Thus, alliances with industry partners (transport carriers, travel trade, media brands, etc.) that have the same interest in promoting the destination should be reinforced. Partnerships with transport carriers, OTAs, tour operators and media brands can give place to cooperative programs that allow the Croatian tourism industry to engage in communication and sales actions in foreign markets.

Actions to be taken:

To achieve this CNTB will need to elaborate an annual co-funding plan including the leverage ratio objective. Furthermore, CNTB will need to establish the different types of co-ops opportunities with clear and measurable benefits and contributions. Finally, it will have to implement a rigorous evaluation to ensure transparency.



3 strategic directions and 6 operational initiatives will provide dedicated support to un(der)developed regions

Creation of elementary marketing infrastructure



1. Upgrade of the websites as a promotion tool
2. Providing support for the content development

Strategic and operational value creation process



1. Development of signature experiences
2. Development of big value design concepts
3. Development of labels and rankings

Implementation of two-fold marketing approach



1. Ensuring support for execution of marketing activities

Reduced to 4

Contribution to the objectives to be addressed by the Strategic Marketing Plan

	#1 Increase Croatia's tourism brand power	#2 Increase per capita expenditure	#3 Increase pre-post season tourism	#4 Achieve better geographical tourism dispersion
A. Deliver an exceptional tourism experience				
1. Value Design Programme	◐	◑	◑	◑
2. Croatia Host	◑	◐	◐	○
3. Croatia Premium Initiative	◑	◑	◐	◐
4. PPS+ Initiative	◐	◐	●	◑
5. Off the beaten track Programme	◐	◐	◐	●
B. Communicate the value in a smart way				
6. Big Idea & Brand Visual Initiative	●	◐	◐	◐
7. National System of Brands and Names Initiative	◑	◐	◐	◐
8. Integrated Communication Programme	●	●	●	●
9. Communication at destination Initiative	◑	●	◐	◐
10. User Generated Content Special Initiative	●	◐	◐	◐
11. Innovative Communication Initiative	◑	◐	◐	◐
C. Boost the industry's marketing				
12. Marketplace Initiative	◐	◐	◐	◐
13. Product Presentations Initiative	◑	◐	◐	◐
14. ROA of the future Initiative	◐	○	◐	○
15. Segmented offers special program	◐	●	◐	◐

Reduced to 4

Contribution to the objectives to be addressed by the Strategic Marketing Plan

	#1 Increase Croatia's tourism brand power	#2 Increase per capita expenditure	#3 Increase pre-post season tourism	#4 Achieve a better geographical tourism dispersion
D. Croatia's Marketing Diamond				
16. Market Intelligence Initiative				
17. Executive Education Programme				
18. Customer Journey Initiative				
19. Content Lab Initiative				
E. CNTB management and national governance				
20. CNTB 2.0 Initiative				
21. Office of Strategy Manager (OSM)				
22. Internal processes improvement & Digitization Programme				
23. Leadership and Governance Programme				
24. Co-funding initiative				

Please note that the SMOPHT provides the expected contribution of each initiative to achieve the vision of the plan. Nonetheless, **no specific cost-benefit analysis can be defined at this stage**, since it will highly depend on the details to be defined during the implementation, for example, the scope of the products created (value design), the resources available including the level of third-parties cooperation, the number of people enrolled in executive education, etc.

12

ROADMAP FOR IMPLEMENTATION

How can we ensure an optimal implementation?

The budget for the coming years should largely be geared towards implementing the initiatives



INCOME	2023	
	Amount	%
A. RECURRING INCOME	34.799.444 €	100%
1. Tourist Tax	17.930.851€	51,5%
2. Tourist membership fee	5.769.460 €	16,6%
3. State budget	5.839.804 €	16,8%
4. Other income	588.250 €	1,7%
5. Transferred income from the previous year	4.491.064 €	12,9%
6. Refund of EU funds	179.924 €	0,5%
B. FUNDS	7.982.440 €	100%
1. Funds for tourism underdeveloped areas and the continent from the previous year	5.397.685 €	67,6%
2. Funds from the Fund for Associated Tourist Boards from the previous year	2.584.755 €	32,4%

EXPENSES	2023	
	Amount	%
A. MARKETING ACTIONS	28.626.698 €	87,1%
1. OUTSTANDING EXPERIENCE	600.000 €	1,8%
2. COMMUNICATION	18.700.000 €	56,9%
3. SALES & DISTRIBUTION	5.241.698 €	15,9%
4. SUPPORT TO THE INDUSTRY	1.910.000 €	5,8%
5. MANAGEMENT & GOVERNANCE	2.175.000 €	6,6%
B. OTHER CATEGORIES	185.012 €	0,6%
C. OVERHEAD EXPENSES	4.063.968 €	10,5%
D. CONTINGENCY RESERVE	1.923.675 €	5,9%
TOTAL	32.875.678 €	100%



Co-funding marketing actions are estimated to reach a total amount of **12.633.000 € (1,49 average leverage ratio)¹**



Initiatives have been prioritized in order to identify those that will be paramount for the overall strategy achievement

Criteria:

- Combined **investment, time expected** and **level of cooperation required** for each initiative.

Expected effort

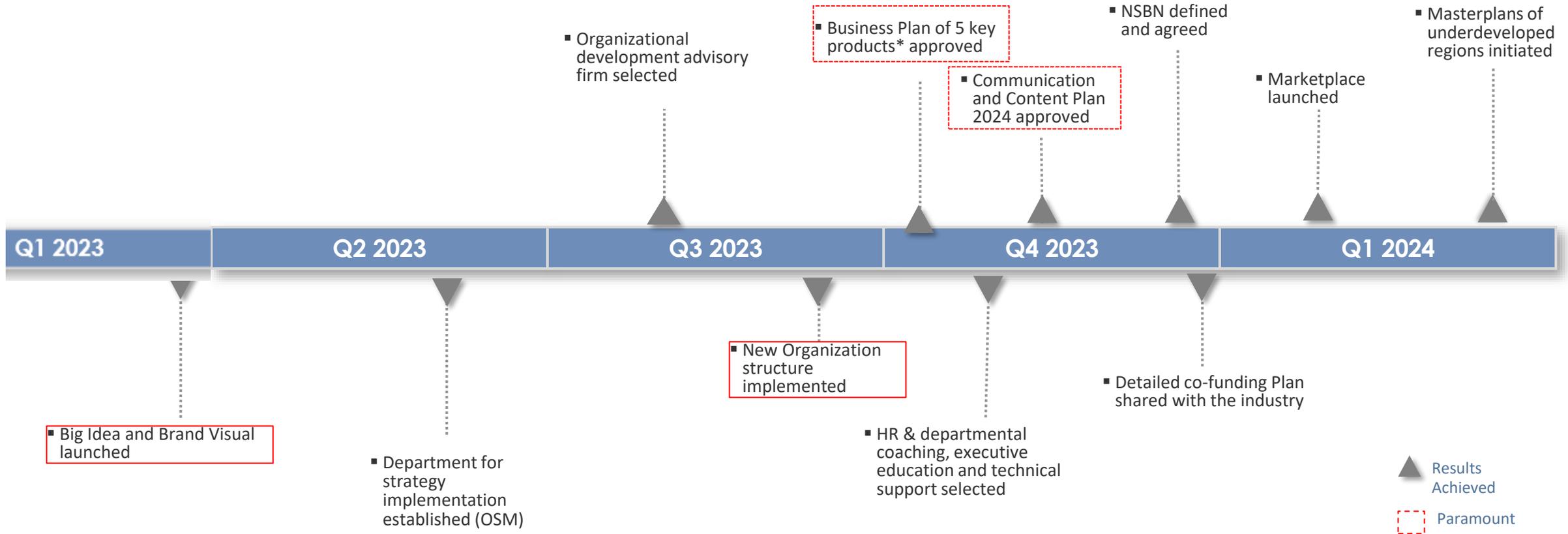
Low	<ul style="list-style-type: none"> 10 User Generated Content Special 11 Innovation in Tourism Communication 	<ul style="list-style-type: none"> 6 Big Idea and Brand Visual 	<ul style="list-style-type: none"> 21 Office of the Strategy Manager
Medium	<ul style="list-style-type: none"> 18 Customer Journey 19 Content Lab 	<ul style="list-style-type: none"> 9 Communication at destination 7 National System of Brands and Names 15 Segmented Offers 16 Market Intelligence 17 Executive Education 22 Internal Process Improvement & Dig. 23 Leadership and Governance 	<ul style="list-style-type: none"> 1 Value Design 3 Premium Croatia 4 PPS+ 5 Off the beaten track 8 Integrated Communication 20 New CNTB 2.0 24 Co-funding
High	<ul style="list-style-type: none"> 14 ROAs of the Future 	<ul style="list-style-type: none"> 2 Croatia Host 13 Product Presentations 	<ul style="list-style-type: none"> 12 Marketplace
	Low	Medium	High

Contribution to strategic objectives

Criteria:

- **Expected level of contribution to the strategy goals:**
 1. Increase Croatia's tourism brand power
 2. Increase per capita expenditure
 3. Increase pre-post season tourism
 4. Achieve a better geographical tourism dispersion

Milestone achievement of some of the initiatives will be key to the proper development of the proposed plan



Each milestone entails the successful accomplishment of critical activities



MILESTONE	CRITICAL ACTIVITIES	2023				
		Q1	Q2	Q3	Q4	
#1 Big Idea and Brand Visual launched	Commission Group of Experts	■				
	Launch the tender		■			
	Select the wining agency			■		
#2 OSM Implemented	Appointment Chief Strategy Manager			■		
	Establish the monitoring system and performance evaluation framework			■	■	
#3 New organizational structure implemented	Hire an organizational Development Consulting (output: definition of the final organization chart and practical management manuals / cost-benefit culture)				■	
	Hire an HR & departmental coaching, executive education and technical support advisor					■
#4 Business plan of 5 key products approved	Appoint Product Managers				■	
	Prioritization and selection of key products					■
#5 Communication and content plan approved	SMOPHT approved by Tourism Council & Assembly		■	■		
	Appointment of Product Managers					■
	Elaboration of product category marketing and communication plans					■

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