

Proposal of the Brand Strategy of the Island of Pag in Function of Tourism Development

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Abstract. By managing the tourism development on Croatian islands on a systematic approach means development of the island's economy due to its multiplicative effect. In this paper authors deal with proposal of the brand strategy as a specific way of managing the tourism development on the example of the island of Pag. Research has been conducted by the method of interviewing the experts. We find out that brand of the island of Pag doesn't exist due to the lack of unique master plan and existence of Destination Management Organization of the Island of Pag. Promising is the fact that in practice respondents have a mutual cooperation in promoting the unique island of Pag and are willing to create a brand of the island of Pag. On a conducted based primary research and relevant literature authors generated their own suggestion of a potential brand strategy of the island of Pag in function of tourism development as a guideline for its branding in practice.

Keywords: branding, destination management organization, master plan, island of Pag, tourist destination

1 Introduction

Croatian islands attract with untouched, natural, harmonious environment, unique landscape and mild Mediterranean climate presenting priceless treasure. Each Croatian island is specific with its own potentials and requires individual approach in developing the tourism due to its importance on the island and national economy (Grgona, 2002).

The island of Pag is one of the largest and most indented Adriatic island which has many bays, coves and beaches. It is also the only Croatian island which has been divided into two counties. Northern part of the island (City of Novalja) belongs to Ličko-senjska county and its southern part (City of Pag, municipality of Kolan and municipality of Povljana) belongs to Zadarska county. Other its relevant features have been given further in the text.

In this paper authors used the results of the research which has been conducted by Bašić et al. (2015) while this paper presents its upgrade. The purpose of the paper is to find out some new information about possible branding of the island of Pag because this research now covers all key persons of the island of Pag (majors and presidents of the tourist boards). The aim of this paper is to upgrade brand strategy which Bašić et al. (2015) presented in their paper.

Paper has been divided into five parts. First part deals with the Croatian islands as a tourist destination. Second part deals with the process of managing the brand of the tourist destination in general. In third part have been given relevant resources of the island of Pag, in fourth part results of the research and fifth part gives the proposal of the brand strategy of the island of Pag according to the results of the research and relevant scientific literature.

2 Croatian islands as a tourist destination

Croatian Adriatic region characterizes natural components such as: landscape values, purity and clarity of the sea, maritime climate and vegetation usually represented in indigenous evergreen forests and maquis. In the realm of peace and harmony particularly stands out series of Adriatic island with unique scenic beauty. Croatian Adriatic is one of the most indented and the most representative of the Mediterranean coast (Vlahović, 2009).

Croatian islands represent exceptional natural, cultural, historical, social, economic and ecological systems where different natural-geographic and socio-economic factors intertwine. The most important factors are sea, rocky ground, Mediterranean climate, diverse island wildlife and coastline (Razović and Tomljenović, 2015).

Development of tourism on the island will be successful only if it's based on the island's specificities as its own development (tourism) advantages. Properly conceived island tourism means showing high sensitivity to specific natural and cultural heritage (Vlahović, 2009).

Island region with its natural particularities and socio - economic development makes specific unit. Also, islands represent one of the most attractive resources of Croatian tourism. They cover 5% of the area and 3% of the Croatian population (Mikačić, 1994).

In his paper Grgona (2002) states that on islands exists possibilities for successful development of selective forms of tourism like sport, recreational and medical tourism, taking into account preferences and tourist motives for traveling. Therefore, it is important to determine concept development of touristic offer for each island (or closer island groups).

Soldić-Frleta (2014) has point out that on a global tourist market exist increased interest for coastal areas in general, and especially for islands. Also, Faričić et al. (2010) conclude that Croatian islands are increasingly abandoning centuries old island function as an area of permanent life and work and take on the role of an area designed for rest and recreation.

Additional tourist facilities and attractions in the island's tourism offer, primarily based on the original identity of an island, are becoming imperative of efficient market communication. Island tourist offer should bring together all available tourists exploitable resources what is necessary to take into account during the branding process due to new forms of tourist needs and new segments of the tourist demand (Šerić, 2012).

3 Managing the Brand of Tourist Destination

Tourist destination, in its simplest term, is a special geographical entity in which visitors enjoy a special tourist experience (Vodeb, 2010). Hence, tourist offer in destination must be integrated and cover all necessary facilities for comfortable stay of tourists. It is a way of moving away from mass tourism which is still present in many European coastal destinations (Vodeb, 2010).

Strong competition on a global tourist market generates need to be properly positioned and differentiated from the competition. The market position of tourist destinations will be improved by efforts on developing brand destination (Cetinski et al., 2006).

There are many definitions of brand while in its simplest sense it represents everything what's in the minds of the customers or potential visitor - if we talk about brand of tourist destination. Branding as a complex and long during process requires, first of all, market research of contemporary trends in order to investigate customers/visitors preferences. The main goals of branding are creation of a story which stands behind brand, its positioning in the minds of the customers and creating the desired relationship between customer and brand (Krajnović et al, 2013).

Although there is plenty of literature about destination marketing, very little attention is focused on the development of the theory of branding destinations which can be a guide for managers in branding destination, and be the basis for future research (Hankinson, 2009).

Thus, destination branding represents a challenge for contemporary tourist management which means that it requires managing the brand on a systematic approach in a manner to gain desired results and avoid unwanted risks. This ensures effective year-round tourist valorization of destination (Voase, 2012).

Destination branding is one of the most current topics of destination marketing and is relatively new field whereby interest for this topic continuously evolves (Čorak, 2011).

In a process of brand developing, according to Šerić (2012), it is necessary to:

- Adapt brand identity¹ to original identity of an island, but also with specifics of target market groups,
- Control costs of development and management of the brand,
- Monitor brand activities of competing destinations in wider environment.

For creating destination brand it is necessary to know whereby the respective destination is different from others, which are its comparative advantages, main associations, who are carriers of tourism offer, etc. Also, efficient branding process requires coordination of all carriers of tourism offer together with main national institutions (Gregorić and Skenderović, 2012).

Destination brand increases utilization of accommodation, extends the tourist season and average consumption of tourist (Marušić and Prebežac, 2004). Branding process should be based on original destination identity through relevant resources and development of added facilities and attractions (Ispas and Saragea, 2011).

Efficient destination branding process demands adoption of the master plan. Master plan, as a key strategic document is efficient marketing tool which should be followed (Kerimoglu et al., 2013; Čizmar and Lisjak, 2007). In his paper Morgan (2012) and Pearce and Schanzel (2013) point out that for the effective implementation of the master plan should be formed Destination Management Organization. Such an organization would be based on the following principles and activities:

- Focused on the target market groups,
- Through its programs should cover the entire area,
- Create information system that will connect all local tourism organizations of concerned destination.

¹Brand identity comprises verbal and visual elements (Philips et al., 2014).

Destination Management Organization will be dominant and very important governing body of the tourist destination which will have an impact on quality tourism through branding process of destination. Quality tourism integrates the needs and desires of tourists, tourist industry and local citizens (Varghese, 2013).

This new structure should be a clear partnership between the public and private sector with both contributing resources (financial, human and in-kind), it should be a permanent, independent and safe from dissolution because of the change in administration. Its financing arrangements should be guaranteed by statute and its resources totally within its own control (Shkira, 2013).

Sharpley (2007) has conceptualized island tourism development as dependent on three mutually related factors: spatial planning and management, tourism product development and marketing. More recently, the policy of island tourism development, in particular, takes into account the dynamics of the development of new facilities, the sustainable development of tourism and encourages development of new products such as cultural tourism and agro tourism. In marketing, attempts are made to decrease dependence on "sun and sea" tourism product by introducing a wider range of products attractive to tourists with higher purchasing power and outside the main summer season (Sharpley, 2004 as stated in Razović and Tomljanović, 2015).

4 Original Identity of the Island of Pag

In a process of creating brand identity it's necessary to take care of original identity of destination. Exploitable resources in process of creating brand of an island is possible to divide on cultural, historical, religious and spiritual, gastronomic, legends and tales, sports and specific island's resources (Šerić, 2012). According to previously mentioned, in this section are going to be presented examples of relevant resources of an island of Pag as a basis for creation its future brand.

The island of Pag is located between Velebit channel and Kvarner region, island of Rab, Olib and Vir near the mainland. With area of 286,6 km² is one of the largest Adriatic islands, and with 270 km of indented coastline is an island with the largest coastline, with many bays, coves and beaches (TZ Grad Pag, 2010).

On the island of Pag are 24 settlements from which, as the largest, stand out city of Pag (with 4500 residents) and city of Novalja (around 3500 residents) while the other major places are: Lun, Jakišnica, Kolan, Mandre and Povljana (TZ Grad Pag, 2010).

It is important to emphasize that the island of Pag belongs to two different Croatian regions: Kvarner and Dalmacija (Žagar, 2007). Also, island of Pag is the only island that has been divided into two counties. Northern part of the island (City of Novalja) belongs to Ličko-senjska county and its southern part (City of Pag, municipality of Kolan and municipality of Povljana) belongs to Zadarska county. Other its relevant features have been given further in the text.

The island of Pag has been known as one of the sunniest island on the Adriatic with more than 2500 sunny days per year (TZ Grad Pag, 2010). Although the climate on the island is Mediterranean, vicinity of mountain Velebit greatly affects the vegetation on the island, which is why the eastern part of the island, due to the strong hits of the wind so called "bura" and layers of salt is completely "naked". The largest part of the island makes rocky ground, where grows thin grass, low aromatic herbs - sage and immortelle. Forest area makes only 5% of the total area of the island (Jadrešić, 2001). Aromatic herbs are the basis of nutrition of Pag sheep on the rocky ground so they give specific taste to milk, lamb and famous cheese (Grad Pag, 2010).

A point of interests are numerous sources of drinking water. Water mainly comes to an island under the seafloor from Velebit downhill. Also, there are three freshwater wetland lakes: Veliko blato, Malo blato and Kolanjsko blato. During the migration and wintering, many bird species can be seen on them (TZ Grad Pag, 2010).

Because of the surface which is mainly rocky, often has been pointed out the similarity of the island with the lunar surface (Žagar, 2007). Pag mainly offers visitors a magnificent and almost frightening picture of rocky expanses, almost completely white and bare stone in various shapes and positions. Thus, the Island of Pag has been known as a stone island (Žagar, 2007).

Although there is abundant fertile soil, Pag area is also known for its vineyards. Due to the strong summer heat, little rain and relatively much wind, grapes have a pronounced sweetness. Olives and olive-growing are other important features of Pag, especially on its northern, green part of an island (TZ grada Paga, 2010).

As especially historical and cultural interesting place on the island, stands out the town of Pag which is, after a stormy and long history, full of many ups and downs with many historical attractions (TZ grada Paga, 2010).

More than three hundred years, Benedictine nuns prepare delicious and fragrant delicacy of lace toast, so called “baškotine”. That delicious and special delicacy is another specificity of the city of Pag which is still prepared on the old, traditional way (TZ grada Paga, 2010).

Folk costume of city of Pag is one of the most attractive traditional values of Croatian coastline (TZ grada Paga, 2010). Also, only the island of Pag has its white gold - widely known and respected Pag’s lace.

City of Novalja has a long, turbulent and interesting history, as evidenced by numerous archaeological findings at different sites in the city and its surroundings (TZ Grad Novalja, 2011). From the folk treasury of city of Novalja stands out domestic dance – “naški” and folk singing in two voices – “nakanat” (TZ Grad Novalja, 2011).

5 Research Results

The results of the primary research can be used as initial guidelines for further research in this area, but also as a starting point for branding the island of Pag as a tourist brand in practice. The research is based on an analysis of interviews conducted with experts – majors and directors of the tourist boards on the island of Pag.

5.1 Sample of Research

Authors interviewed major of city of Novalja, director of tourist board of city of Novalja and director of tourist board of Kolan municipality. Also, results of the research that conducted Bašić et al. (2015) with the major of the city of Pag, director of tourist board of the city of Pag and director of Poveljana municipality tourist board, have been merged into the results of this research. Thus, this paper analyses and synthesizes 6 interviews with majors and directors of the tourist boards on the island of Pag.

Majors have been interviewed because according to the "Law of Tourism Boards and Promotion of Croatian Tourism (nn/152/08)" they are presidents of the city's tourist boards - represent tourist board and participate in its work.

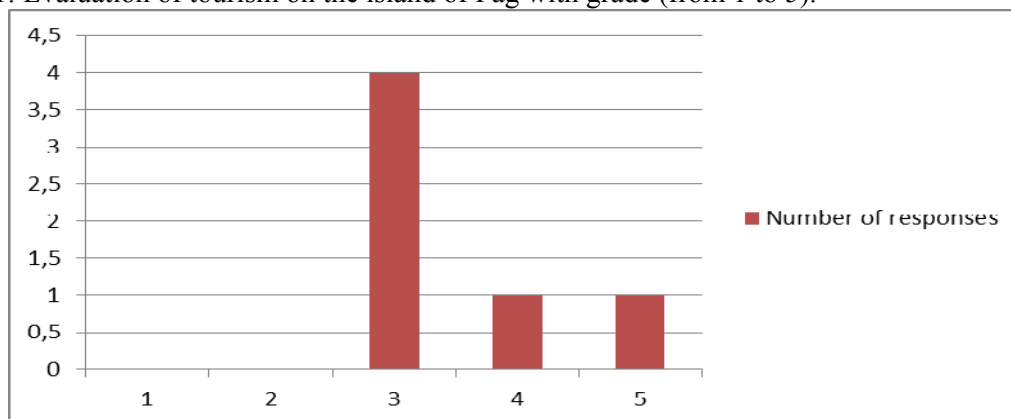
Directors of the tourist boards (should) know the needs of tourists, existing touristic resources and activities, opportunities in tourism, etc., and should greatly contribute in creating a proposal of the brand strategy of the island of Pag.

5.2. Analysis of Responses

Respondents were first asked to evaluate with the number from 1 (bad) to 5 (excellent) and explain current situation of tourism on the island. Then, they were asked to define attractive resources of the island according to their own opinion, dividing them on activated, inactivated and new tourist products that the island can offer the tourists. Also, respondents were asked "According to your opinion, what should be done in a manner of creating island of Pag as attractive tourist destination and recognizable brand?"

Average grade of the current tourist situation on the island of Pag is 3,5 - according to respondents which have been usually given grade 3 due to unequal development of tourism on the island of Pag. Thus, four respondents gave grade 3, while the remaining two of them gave grade 4 and 5 (graph 1).

Graph 1: Evaluation of tourism on the island of Pag with grade (from 1 to 5).



Source: made by authors.

The average score of 3,5 doesn't surprise because the question has been referred to the entire island of Pag, which also included city of Novalja. In Novalja tourism has primarily economic importance, and it's the only place on the island that has long term development strategy in which tourism has been putted on a first place (Strategija gospodarskog razvitka Grada Novalje 2010-2020, 2010).

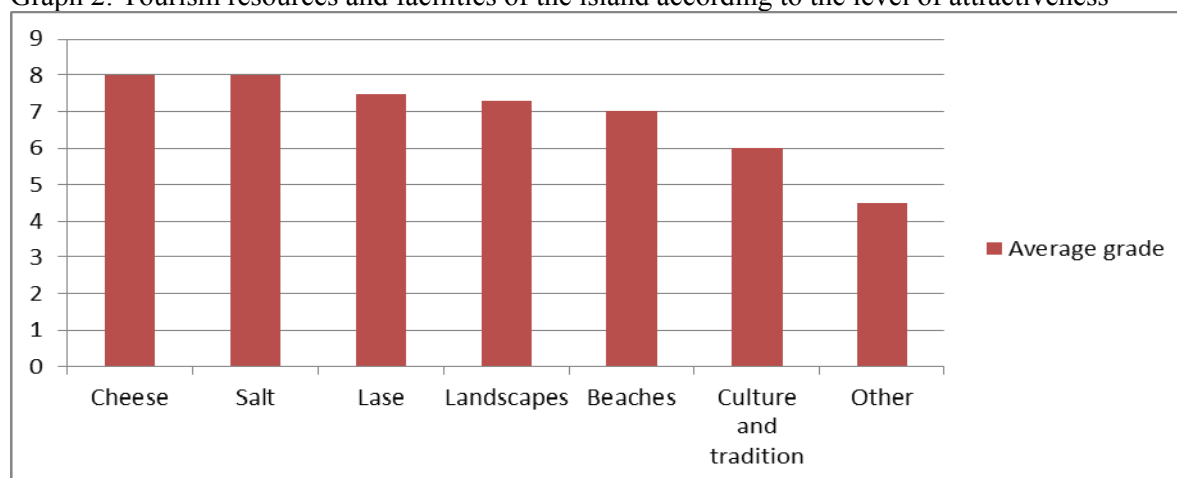
Success in achieving Novalja tourist plans, projected as the average for the entire island, creates an incorrect picture of the importance of tourism on the island of Pag. Novalja is the center of tourism on the island of Pag and achieves more tourist arrivals and overnight stays than any other local government units together.

Hence, island of Pag activated only a small part of its tourism potential. In an area of Novalja has been used most of the tourist potentials but the rest of the local governments are far behind it.

According to the respondents, entertainment and natural resources have been mainly activated, tradition and culture very slightly while sport isn't activated at all.

The most attractive resources and facilities of the island of Pag are its indigenous products (cheese, salt, lase), landscapes, beaches and rich culture and tradition (graph 2).

Graph 2: Tourism resources and facilities of the island according to the level of attractiveness



Source: made by authors.

New tourist products which island of Pag can offer tourists are:

- Nautical tourism,
- Trails and paths that lead to particularly interesting parts of the island,
- Protected Miocene sediments in the area of Kolan municipality which have been 18 million years old – researchers founded numerous fossils of plants and animals,
- Remains of old buildings,
- Medical tourism,
- Revival of numerous cultural events based on tradition.

In a manner to create island of Pag more attractive tourist destination, respondents pointed out necessity of branding the island of Pag. From the economic point of view, respondents state synergic effect of possible reduction of the promotion costs. Respondents are aware of the importance of a common brand while they point out its just one aspect – common promotion which they try to implement in practice.

They have opinion that with branding, the island of Pag can achieve better, quality and sustainable tourism. The first prerequisite for the branding of the island, according to the respondents are political will and sufficient knowledge of leading people which in practice certainly exist. Therefore, we can assume that in a near future brand of the island of Pag can be created.

Support in branding process should give Ministry of Tourism pointing it at various tourism fairs and by giving various incentives. Ministry of Economy, Labour and Entrepreneurship should encourage traditional crafts and industries, invest in small and middle entrepreneurship in a manner to create recognizable traditional tourist product of the island of Pag.

Tourism industry should include in its offer indigenous products and specialties. From the local governments, respondents expect understanding the importance of joint cooperation. They should take a positive and open attitude towards all the possibilities that can develop the brand of the island.

Division of the island on two counties and four local governments should not be an obstacle in process of building a common brand of the island of Pag.

6 Proposal of the Brand Strategy of the Island of Pag

In a manner to create island of Pag year-round tourist destination, it is important to organize and promote its tourist offer during the whole year. Therefore, authors present a proposed model of brand strategy of the island which has been shown on figure 1.

Figure 1: Brand development model of the Island of Pag



Source: made by authors

First of all, it is necessary to unite all local governments of the island for establishment of specific Destination Management Organization whose purpose and responsibility should be managing the brand on the strategic level based on master plan. DMO of the island of Pag should be also in charge for developing the master plan and conduction of all managerial functions.

Master plan of the island of Pag will precisely analyze current situation of tourism on the island of Pag, detect its problems in tourism development and define specific short and long term steps for achieving tourist development. Thus, this kind of document should be basis for managing the brand of the island of Pag.

Brand of the island of Pag should be build up on the basis of its unique characteristics, most attractive resources and by developing new and better tourist valorization of existing

resources which respondents pointed out (see chapters: “research results” and “original identity of an island of Pag”).

7 Conclusion

From the conducted research we can conclude that the island of Pag doesn't have efficient strategy for its branding due to the absence of the unique master plan of the island and particularly DMO of the island of Pag which should be in charge for its conduction. However, we find out high level of cooperation and preparedness for joint promotion of the island as unique destination.

It is especially important to emphasize that respondents are aware of importance of branding. Thus, it doesn't surprise the fact that all respondents have the same opinion that the island of Pag should be branded due to better, efficient and sustainable tourism on the island. Also, it is important to emphasize preparedness for joint cooperation in brand building process.

Many identical identity facilities throughout the island of Pag and importance of destination management and marketing impose the need for a strong tourism marketing of the island for creating a clear, strong and unique “story of the island of Pag”.

The authors created a proposed model of brand development of the island as a guideline for its branding in practice which is based on scientific knowledge and conducted research.

By this research we haven't found new information that could significantly affect modification of the model which has been proposed by Bašić et al. (2015), but has been proven joint readiness in creating the common brand of the island while obstacles almost doesn't exist.

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