

Destination Management in Dubrovnik

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Keywords: Tourism planning, sustainable tourism, tourism development.

Destination management is becoming a necessity for successful tourist destinations and sustainable planning. A survey of stakeholders investigated perception about the involvement, destination branding and decision-making procedures in the city of Dubrovnik in the Republic of Croatia. Results suggest that stakeholders perceive Dubrovnik as an upper-level cultural destination that should focus on its cultural heritage niche. The results were compared to the official 10 year strategic plan of Dubrovnik County, and the comparison shows a gap between priorities and perceptions of current wants in 2015, as opposed to those in 2011.

Introduction

The National Bureau of Statistics of the Republic of Croatia issued a report in 2014, stating that Croatia is a 70% service based economy, and has a tendency to become one of the most developed central European countries. The biggest contribution to this shift comes from the tourism industry, which constitutes 20% of the overall GDP. Tourism development is in part responsible for the shift towards an advanced, service based economy.

C.A. Gunn (2002) stated that tourism is not so simply defined, since its influence on the economy is spreading in many different directions. Definitions that were set over the last decade by many researchers commonly consisted of human movement (Bridges, 1959), economy, relationships, (Chadwick, 1994) and the view of tourism as a system (Cuervo, 1967; Leiper, 1993). C.A. Gunn defines tourism as a

multidisciplinary field that is influenced by the power of supply and demand. Dimensions of tourism include the environment, the economy, politics, sociology and geography (Gunn, 2002). An article published in Narodne Novine (NN 55/13) suggests a positive trend and a bigger contribution of tourism to GDP in years to come (Strategy of Croatian Tourism Development up until 2020). From the given statistics, it is evident that tourism contribution is significant enough to be given special attention in the Croatian economy.

A number of authors stated that rapid tourism development can negatively effect the GDP, because shifting from traditional methods (primary and secondary activities) to tourism, and focusing on tourism only, is likely to harm the economy and the environment. The way to avoid the negative is by promoting the importance of sustainable development of tourist destinations (Brida, 2010).

It is very important to distinguish between a destination management company (DMC) and a destination management organization (DMO). A destination management company can be any legal entity which is in charge of planning/scheduling tourism-related activities, whilst the destination management organization serves the purposes of mediating between the interests of its stakeholders, namely private and public sector (Trezner, 2008; Sautter, & Liesen, 1999).

Reaching a higher level of cooperation consequently brings additional benefits that lead toward destination governance, which is classified as the advanced cooperation between stakeholders with special focus towards networking and building relationships between key players of the destination (Pechlaner, Hertrei, Pichler & Volgger, 2009).

“Strategy of Tourism Development in the Dubrovnik County” (Horwath Consulting, 2011) is an official document with the

aim of presenting strategic development and future planning of Dubrovnik as a tourist destination. Along with long-term goals, cluster classification, and crucial projects that Dubrovnik should embrace in years to come, special attention was given to destination management. The destination management entity should play a crucial role in managing tourism related processes. It is classified as a team of professionals which would eventually consist of 3 branches: planning and development, destination management and destination marketing. Destination management should be in charge of, among other duties, coordination between local destination organizations and local industry.

At the time when the strategy was published (July, 2011), Dubrovnik County had a destination management team, which was dismissed and set aside only half a year later (January, 2012). As of January 2012, when the Mayor of the city of Dubrovnik refused to extend the contract to the president of the destination management entity, destination management hadn't received a new head of department, and the entity stopped all operations.

When it comes to the interests of stakeholders and their opinions about the future development of tourism in Dubrovnik County, the strategy suggests that Dubrovnik should develop towards principles of elite tourism, as per which golf courses, marinas and 5-star hotels should be predominant in the area. Conclusions were excerpted based on the opinions of 30 interviews and 120 questionnaires, as per which 63% of participants think that Dubrovnik should be developing in this direction. Seemingly, types of activities (niches) in Dubrovnik that should be predominant are events (77%), MICE (69%), and sun & beach (46%). It is important to mention that Dubrovnik was compared with the Azure coast in a benchmark study, and used to envision the future of tourism.

In this research I touched upon the branding solutions available in Dubrovnik and I tried to examine whether stakeholders' perceptions about Dubrovnik and its future development as a tourist destination have changed in the meantime, given the fact that the last study was conducted 4 years ago. The above mentioned strategy forecasted that in 2015 there will be a golf resort on Srđ, a congress center in Dubrovnik, a marina and resort on the island of Mljet, and a marina on the island of Lastovo. It

is evident that none of the objectives set in 2011 for 2015 were realized nor brought to existence.

I tried to investigate whether there is still a need for a destination management organization, which will lead the destination towards desired goals, and whether the preferences of the stakeholders have changed.

Methods

The introductory part of the project has indicated that there should be 13 different stakeholders actively involved in the decision-making processes regarding the competitiveness and branding of a destination (Sheehan & Ritchie, 2005). Primary research was conducted by distributing surveys in the Dubrovnik area randomly to a target population (people between 18 and 80 years). The ideal population of this research would be individuals above 18 years old, who feel involved in tourism-related activities in city of Dubrovnik. According to Trochim (2011), it turned out that a survey seemed to be most appealing method, since this project aims to achieve deeper understanding of a problem, and not to solve the problem in essence.

A study of 144 people, both directly and indirectly involved in tourism-related activities in Dubrovnik, was conducted to measure their perception about destination management, destination branding and decision-making procedures in Dubrovnik. The survey was designed based on a previously conducted survey designed by Hugh Wilkins, Bill Merrilees, and Charmel Herrington on the topic of Sustainable Tourism Cooperative Research Centre on Destination branding in Australia.

Based on research done by Sheehan & Ritchie (2005), in which five main stakeholders were identified, the questionnaire used in this research was randomly distributed to travel agency employees, hotel and restaurant employees, citizens of Dubrovnik, tourist board of Dubrovnik, and tourists.

Seven copies were excluded from the results due to invalid data. Prior to distributing the final version of the questionnaire, a pilot version (pen and paper) was distributed to 24 RIT Croatia students. Final version of questionnaire differs from the pilot version in two questions, which needed to be

rephrased in order to improve readability and context of the questions. Questions 7 and 8 were rephrased and improved, based on peers' suggestions.

The final version consisted of 10 questions in total. The form of questions in the survey varied from multiple choice answers, fill in the blank and semantic differential type questions that were measured by using a five point rating scale (Trochim, 2011). Participant's perception about the stakeholder's involvement in the decision-making process was evaluated in order to find out who, according to their opinion, should be involved in the strategic planning of tourism offer. Participants were also presented with 5 different niches of market that are common and specific to Dubrovnik, and were asked to evaluate each one on a scale from one to five, in order to see which word describes Dubrovnik the best.

Each answer was assigned a value from one to five in which one was the lowest and five was the highest value. Values were used in order to count the frequency of answers in which greater value represented greater frequency. Given averages ranged from one to five, in which one represented the lowest average and 5 represented the highest average.

The survey was translated and distributed both in English and in Croatian.

Results

The questionnaire used for the purposes of this research paper aimed to measure four different aspects of destination management entity; involvement of its stakeholders in tourism-related activities, branding niches, participants in strategic planning procedures, and opinions between two types of tourist offer that should be embraced by authoritative bodies and the extent of collaboration between the stakeholders that shape the offer in general.

Results came back from 151 respondents, of which seven were fulfilled invalidly, and therefore were excluded from the sample. Final results were evaluated based on 144 valid responses.

The five point Likert scale type question measured the involvement of the participants. The sample size group

involvement average was significantly high (3.7). Out of 144 participants, 21 (14%) reported lack of involvement in tourism-related activities in the city of Dubrovnik. The age group that predominated in the low involvement section was between 18-30 years of age (52%). Participants who felt less involved perceived the destination the same as participants who felt more involved when it comes to the branding, decision-making and type of tourist offer. A deviation of 6% difference between the involvement groups average suggested no significant difference exists.

The second part of the questionnaire measured the extent to which respondents could associate Dubrovnik by evaluating seven offered words (niches), which are specific to Dubrovnik. Evaluation was based on the five point Likert scale in which one represented poor description (respondent didn't perceive the word as specific/appealing to Dubrovnik), whilst five represented the idyllic word that respondents associated with Dubrovnik and could easily relate to it. Words used in evaluation for the purposes of this research project were luxury, nightlife, cruise ships, culture, shopping, restaurants & bars and history & heritage. Respondents perceived luxury as word that is reasonably appealing to Dubrovnik as a tourist destination, giving it an average grade of 3.45. The largest portion of respondents (36%) perceived luxury as slightly below group average, giving it 3 out of 5. 31% of respondents perceived luxury as slightly above average, giving it four out of five. Based on the group average, 46.9% think that luxury describes Dubrovnik well. Most of the respondents that perceived luxury as unappealing to Dubrovnik were hotel employees (52%). Nightlife in Dubrovnik received an average grade of 2.6. Similar to luxury, the largest portion of participants gave a 3 out of 5 to nightlife (37.2%). Interestingly, only two respondents considered nightlife in Dubrovnik as idyllic, giving it 5 out of 5. Cruise ships in Dubrovnik are being perceived as a niche that is quite common and recognizable, given the fact that 42.1% of respondents rated it as idyllic word that describes Dubrovnik. The average point grade given to cruise ships is 4.14. As expected, most responses that graded cruise ships as poor description are people who don't have use for this particular niche (private accommodation owners). Culture in Dubrovnik is as well perceived as a very good description and respondents could

relate to it easily. The average grade given to this niche is 4.3. More than half of the respondents (55.2%) perceived culture as very appealing for Dubrovnik. Results from this section suggest that culture is the second most powerful word that describes Dubrovnik as tourist destination. The most powerful word that describes Dubrovnik belongs to the history & heritage section, where a majority (71%) of respondents graded it as the idyllic word. The average grade for this particular segment is 4.63. The poorest average grade (1.8) belongs to the shopping section, in which a majority of respondents (64%) graded it 1 out of 5. Only two people think that Dubrovnik is a great place to do shopping; both classified themselves as tourists.

The question that measured respondents' perception about the destination's benchmarking required evaluating Dubrovnik in terms of hotel stars (1-5). 54.2% of respondents indicated that their perception about Dubrovnik in this sense is that it is a 4-star hotel. None of respondents perceived Dubrovnik as either one star or two stars. The average was 4.04. A majority of respondents that consider Dubrovnik as a five star hotel are employed in hotels and are dealing with private accommodation services. 48.3% of respondents are most likely to recommend visiting Dubrovnik to people between 34-50 years of age. Most respondents who think that this is the target group are people between 25-30 years of age. Noticeably, none of the respondents think that Dubrovnik is an appealing destination for people who are under 18 years of age.

The third aspect evaluated in the questionnaire aimed to measure respondents' perception about their preferences when it comes to identifying stakeholders that should be involved in strategic planning procedures in the city of Dubrovnik. 61.4% of the respondents marked all of the above, referring to mayor and leading political party, local tourist agencies and professionals in field of tourism and local people. Only 1 respondent suggested that other people instead of the ones offered should be involved in strategic planning procedures, without explaining who in particular. Two respondents (1.4%) left this question unanswered. The second most popular opinion was that local tourist agencies and professionals in the field of tourism (26.9%) should be exclusively involved in strategic planning procedures of the destination.

In the question that measured the preferred type of tourist offering, respondents were able to opt for individually-shaped, unrelated offering, or congruent, specific tourist offer. A majority of respondents (56.1%) were more prone to the specific tourist offer, as opposed to the 12.4% of respondents who were strictly fond of an individualistic approach to designing a tourist offer in Dubrovnik. An average of 3.6 out of 5 indicated that the stakeholders' general opinion is that the tourist offer should be specific and related to Dubrovnik. Similarly, respondents think that people involved in tourism-related activities of Dubrovnik should work together and in collaboration when designing tourist offer (78.3%) while only 1.4% consider that it would be better to work individually. Other than Croatian citizens, respondents' residencies vary from UK, Ireland, Bosnia, Slovenia and Korea, making a total of 25 (17%) of non-Croatian residents.

Discussion

Results suggest that the hypothesis about involvement groups of participants may differ in perception has been strongly refuted. A difference of 6% in comparison has shown that no distinction was necessary to be made, so that the entire sample could be classified as one group, regardless of their personal involvement in tourism related activities. However, a change in participants' preferences happened, as opposed to the results found in official strategy of tourism development in Dubrovnik County since stakeholders prioritize culture and history & heritage more than 4 years ago. Results have shown evident agreement that Dubrovnik as a destination should be governed more and that tourist offers need to be harmonized and specific to Dubrovnik, which is essentially one of the roles of a destination management organization. As already mentioned, strategic plans that were set in the official document were not yet realized. The reason for that, presumably, is because of lack of a destination management organization that would control the processes and set a path toward preferred goals.

Both the literature review and results obtained from primary research suggest an increased need for control of tourist-related activities, products and services in Dubrovnik. Although, a question that

arises from this conclusion is why are there no destination management organizations in Dubrovnik? Lack of such an organization may diminish the overall image and impression of Dubrovnik, and consequently can harm the tourism prospects in general. The former president of the destination management organization in Dubrovnik stressed the importance of a DMO, and noted that Dubrovnik cannot develop in several different directions, which are contradictory to one another. Dubrovnik should nurture either mass tourism (cruise ships, arrivals, transit guests) or elite tourism (5 star hotels, golf resorts, cultural events and similar). Dubrovnik is being recognized as a strong tourist brand, but it seems that it lacks governance that a destination

management organization could provide. Research therefore suggests a need for developing a team of professionals, local and public sector to get together and discuss long-term plans for Dubrovnik, in order to avoid possible mistakes in its development.

Given the fact that Dubrovnik is namely seasonal destination, whose main tourist months last from the middle of June to the middle of September, one of the limitations of the study was the time frame in which questionnaires were distributed (April, 2015). Additionally, not many similar studies have been done in the Dubrovnik region, which consequently shrank the possibility to collect existing data and compare it with this research. Even though that

hypothesis about change in stakeholders' preferences has been confirmed, it is important to mention that the same people did not participate in both surveys. Based on this fact, the conclusion about the changed preferences cannot be taken for granted, but it surely indicates the current trends and opinions of its stakeholders. Therefore, it is crucial to conduct development studies continually in order to react to existing trends and foresee the future trends in tourism to be prepared and ready when change occurs. Another limitation of this study was the inability to reach the original questionnaire that was distributed in strategy of tourism development in Dubrovnik County and make another assessment in 2015.

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