MODEL FOR MARKETING MANAGEMENT AT CULTURAL INSTITUTIONS IN THE CITY OF ZADAR

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Abstract
The purpose – the purpose of this paper is to research the role of marketing concept in the cultural institutions in the city of Zadar.
Design – The special focus is given to analysis the importance and advantage of networking of all cultural institutions in Zadar, to create unique product and more creative supply.
Methodology – a number of methods has been used in the research, including analysis, synthesis, induction, deduction, compilation and detailed interview. The detailed interview has been carried out by means of a questionnaire comprising ten questions, while the sample has encompassed relevant cultural institutions in the City of Zadar.
Approach – Implementation of Zadar Cultural strategy is important of cooperation and coordination on among of all cultural institutions in Zadar.
Findings – Key findings indicate that marketing today, is indispensable for functioning of all business subjects and nonprofit institutions, whose primary goal is socially responsible behavior. Marketing strategies of cultural institutions are starting point for quality implementation of marketing in cultural institutions. The authors of this paper propose mutual interweaving of cultural institutions and cultural tourism, and suggest models for networking Zadar cultural institutions.
The originality of this research – The originality comes from the model’s for networking Zadar cultural institutions, which provides the guidance and ideas for further research and improvements.
Keywords marketing, non-profit marketing, cultural institutions in Zadar, cultural tourism, cultural activities, networking of cultural institutions.

INTRODUCTION

This paper deals with non-profit marketing in the area of cultural activities. The research has been inspired by the fact that the area of non-profit marketing has been insufficiently studied and the potential benefits of marketing management in non-profit activities have not been sufficiently reaped in practice. This particularly refers to the fact that the area of cultural activities is large and comprehensive, involving a number of human activity areas and affecting various aspects of life, such as the quality of life of people residing in a region, the quality of tourist sojourn, preservation and valorisation of cultural heritage, economic aspects regarding sponsorship and organisation of cultural events, funding the system of cultural activities, issues related to connections and interactions between the cultural activity systems and tourism systems, and the like.
This paper specifically deals with the marketing in culture, the type of marketing that essentially tries to determine cultural products, services and ideas that are supplied or demanded on this specific market. Furthermore, the research examines the present state of the marketing organisation at cultural institutions, featuring the City of Zadar as the case study. The obtained results are used to create a model for networking all Zadar's cultural institutions for the purpose of creating a unique cultural product. The objectives of this research include: finding out whether there are adequate personnel and/or marketing departments at cultural institutions in Zadar; exploring the significance of marketing at Zadar's cultural institutions and its important role in the development of Zadar's residential and cultural tourism and, through promotion of cultural activities, in the overall social development of the city. Moreover, one of the goals is to explore the level of awareness of the development of culture and cultural tourism across the institutions engaged in cultural activities in Zadar, but also to explore the potential for further growth of cultural awareness in the City of Zadar, which is crucial for creating a diversified high-quality tourism product of Zadar as a tourist destination. The following hypotheses have been formulated: The existing model of funding cultural institutions is not at optimal level so that cultural strategy should be developed and introduced to the institutions of the system and all these institutions should be networked with the purpose of creating a unique cultural product. Most frequently, Zadar's cultural institutions have an employee who (in addition to other duties) is in charge of marketing as they lack funds for engaging marketing experts.

The basic methodology in this paper is a detailed interview with key stakeholders - managers of cultural institutions in Zadar.

MARKETING AT NON-PROFIT INSTITUTIONS

In modern era, marketing is an important matter and it is simply unimaginable to do business without it. Profit or non-profit, organisations have to develop marketing awareness in order to survive in today's dynamic and complex environment. With reference to American Marketing Association (AMA) (2004), Gundlach and Wilkie (2009) state that marketing is an organisational function and a set of processes through which a value is created, communicated and delivered to the consumers, and through which relations with consumers are managed in a way that this is beneficial to the organisation and its interest groups. Meler (2006), asserts that the core of the non-profit sector consists of social activities, including the activities of humanitarian and other associations, political parties and movements, religious institutions, etc. which, over a shorter or longer period of time and to a certain extent, may contribute to minor or major social changes. According to Shapiro (1973), some non-profit organisation managers used efficient marketing tools that were once considered as exclusively profit-making marketing techniques. However, most of non-profit organisation managers have not yet become aware that marketing is an indispensable tool both in profit and non-profit sectors. Meler (2006) states that today's non-profit marketing

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1 The term “non-profit” comprises a very large and varied set of entities, including charitable, social welfare, political, cultural, philanthropic, educational, medical and governmental entities (Meler, 2006).
involve the activities performed by individuals and organisations pursuing goals other than ordinary business goals such as profit, market share or return on investment. Non-profit marketing is primarily focused on achieving specific social results, not on making profit or return on investments.

**MARKETING IN ART AND CULTURE**

Referring to Colbert (2001), Meler (2005) defines marketing in art and culture\(^2\) as the activity including spreading onto the market segments where there is a likely interest for the product, adjusting the commercial variables of the product – price, place and promotion – in order to bring the product into touch with a sufficient number of consumers and to achieve goals in line with a cultural organisation's mission. Colbert (2003) defines marketing in art as an individual artistic form or event, which may be described as a continuum with high art at one end and popular art at the other end, or as a dichotomy between audiences of two different forms of entertainment. Colbert (2003) states that the fundamental concept in traditional marketing, i.e. meeting the needs of consumers, is not applicable in high art. This is the separation line between marketing in culture and traditional marketing. An artistic product is not created to fulfil market demands. Its *raison d'être* is not dependant on the market and this makes it particularly challenging in terms of marketing. Instead of striving to meet the users' needs, art managers seek for consumers who will find the product appealing. In order to find them, a manager has to be thoroughly familiar with the market and the preferences that are present in various market niches. In modern competitive environment, it is also expected that art managers develop and position the brands for their organisations. Managers who are not committed to this goal will not be able to ensure entrepreneurship and leadership that are essential for the development of their organisations. Referring to Kotler (1975), Meler (2005) states that the marketing in cultural and artistic organizations should first of all be focused on solving the problem of exchange characteristic of this type of market. Marketing goals in cultural and arts organizations are mostly qualitative, while the economic activities generally are quantitative.

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\(^2\) The notion of culture implies: (1) general civilisation process striving for self-perfection and education; (2) belief, practice and way of life which distinguish one ethnic entity or society from another, as well as the features distinguishing social classes, youth sub-groups, professions etc. and (3) works and practice carried out by intellectual, especially artistic activities (Strategy of cultural development of the Republic of Croatia, 2003).
Meler (2005) states that the cultural and artistic organizations necessarily have to realize this task by marketing:

- research the demand for cultural and artistic products,
- development of appropriate cultural and artistic products to meet the identified needs,
- appropriate financing programs of cultural organizations, and
- create image according to the environment in which cultural and artistic organizations operated.

Since the cultural institutions are more qualitative indicators than a quantity, measurement and monitoring implementation of marketing objectives in cultural institutions should include:

- following financial performance (planned resources by event, product etc.)
- following non-financial indicators: market research (whether they are marketing goals in the system aligned with the motives of users in the system of cultural activities, focus groups with stakeholders in tourism, culture and others, swot analysis, monitoring trends in macro and micro environment (as in tourism, so in culture).

Jestin & Parameswari (2002) state that the factors which characterize the difficulties of marketing information services are:

- the relatively low level of knowledge and lack of agreement on user requirements, wants, and needs,
- the subsidized non-market environment in which most scientific and technical information products and services are used,
- the virtual impossibility of estimating the value contributed by information products and services to the efficiency and conduct of research and development and the advancement of scholarly pursuits,
- the general economic unsophistication of those, mostly schooled in the humanities and the non-market-oriented library school environment, who purchase information products and services.

THE RAPID GROWTH OF CULTURAL TOURISM

According to Zbuchea (2012) data from the World Tourism Organization (UNWTO, 2012) show that despite the economic crisis, in 2011 the tourism flows increased with almost 5% and continues to grow in 2012 at a similar pace. Very specific data for cultural tourism is hard to isolate from the total tourism flows. Nevertheless, the cultural tourism research program undergone by ATLAS (2007) shows that from 1997 to 2007 the percentage of tourists on cultural vacations grew from 17% to over 30%.

Stakeholder input can also be important in evaluating the success of programs. Unlike businesses, where the success of an activity can be measured in terms of sales or profits, non profit organizations have less tangible measures of success. Focus groups conducted either during a program or after its completion can give the organization insight into the perceived success or failure of the program. This feedback can then be used designing future programs (Bruneau & Campbell, 2001).
We stress that not only the proportional most doubled, but the actual figures to which it is applied also increased. Therefore the actual number of cultural tourists grew with more than 100%.

Jelinčić (2005b) states that culture, although indispensable for destination development, has always been considered as a market niche in tourism industry. Due to a more powerful development and interest in cultural tourism, the concept of niche has changed recently. Culture is becoming a basic supply, thus assisting in the booking of a destination and creating a destination's image by referring to local / regional / national identity. Accordingly, culture is likely to become a driving force in redefining a tourist destination, whether it is used as a basic supply or not.

PAST RESEARCH AND RESEARCH DESCRIPTION, RESULTS OF AUTHORS

Theory and practice abound in different studies, for cultural tourism, but much less research has a population (tourist regions) so as to take into account their cultural needs, if any, were probably made for the larger cities.

One of these studies is TOMAS research “Cultural Tourism 2008”. In the 2008 survey was conducted in TOMAS for the Ministry of Tourism in collaboration with the Council for Cultural Tourism Croatian National Tourist Board. It was the first comprehensive survey of attitudes and consumption of cultural visitor attractions and events in Croatia. The survey was to collect data on the characteristics of tourism demand and consumption of cultural visitor attractions and events that would be useful as a basis for quality decisions related to the development of cultural tourism products and their promotion.

A research related development of tools for the valorisation of cultural heritage for tourism purposes, was conducted by the project financed by the EU pre-accession funds in cooperation Viro's Vičnianska Development Agency and the Tourism Cluster Umag-Novigrad, workshops with stakeholders. In this research has led to similar results, as well as from interviews authors of this article, which confirms the thesis of this article.4

In March 2011, a research was conducted regarding the marketing management at the cultural institutions in the city of Zadar in order to identify the level of use and implementation of marketing across Zadar's cultural institutions5. Therefore, the research included 11 cultural institutions and one employee at the Documentation service of National Museum Zadar6 (N= 12). The research was conducted by the

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4 Downloaded from Archives Tourist Board of Novigrad.
6 Art Gallery, Natural History Department and Documentation service are departments of National Museum Zadar that took part of the survey conducted for the purpose of this research.
personal interview. The research was based on a survey carried out in public cultural institutions. The questionnaire contained ten questions, including three open-type questions.

Briefly, the research results proved the hypotheses that had been formulated: most frequently, Zadar's cultural institutions have an employee who (in addition to other duties) is in charge of marketing as they lack funds for engaging marketing experts; the existing model of funding cultural institutions is far from perfect, and the current funding model should be upgraded by attracting private investors, donors and other sources. Furthermore, it was assumed that the observed institutions promoted themselves within the scope of their financial and other assets, as the managers of these cultural institutions were convinced that marketing was necessary for efficient operation of their institutions. Naturally, the future plans of most of the observed institutions include hiring a marketing professional, as they can no longer imagine a successful operation without engaging such an expert.

In the continuation of this paper, the results of research are presented. The first question and the obtained responses indicate that most of cultural institutions in Zadar have an employee who is in charge of marketing, and none of them has established a specialised marketing department.

Figure 1: How is marketing service organised at Zadar cultural institutions?

Some of the institutions have neither marketing department nor an employee appointed to marketing duties. However, the City of Zadar and the County have recently defined and presented the ambitious project to convert Knight's Palace and Venetian Deputy's Palace into a first-class multimedia cultural site. This opens the way for employing marketing experts, as the entire project would not make sense without their

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7 Knight's Palace and Venetian Deputy's Palace are among the most relevant monuments in Zadar. Knight's Palace was recorded in historical documents as early as in 13th century.
engagement. The City of Zadar and the County financially support the project and its implementation, which makes the project stable and feasible. The project is crucial for further development of Zadar and the surrounding area, particularly due to the fact that Zadar and the neighbouring towns represent well known tourist destinations, for example, Dubrovnik.

Figure 2: Why do Zadar cultural institutions lack a person in charge of marketing?

The responses to the second question clearly show that the managers of Zadar’s cultural institutions do not have enough funds for hiring marketing experts. Some of the respondents affirm that these tasks are performed by someone else. If the two first questions are combined, it appears that the persons performing marketing activities (Question 1) are either institution managers or other employees who are not directly related to marketing.

Figure 3: How important is marketing to Zadar cultural institutions?
The responses to Question 3 indicate that most of the respondents believe that marketing is essential to the functioning of their institutions. Some of them think that marketing is very important, whereas only one respondent asserts that marketing is a little important. These responses imply that, in the future, it will be impossible for cultural institutions to carry out their activities without the support of marketing.

Figure 4: Who should care more about cultural institutions in Zadar?

The question "Who should care more about cultural institutions in Zadar" triggered a variety of reactions. Most of the respondents believe that the City and the County should provide most of the financial support as they are the founders of the majority of the observed institutions. However, the respondents also feel that the Ministry of culture and Zadar Tourist Board should support them more. It is the opinion of this paper's authors that the Tourist Board should provide better financial support to Zadar's cultural institutions because the budget of the Tourist Board largely benefits exactly from the tourism income.

Figure 5: Which tools do Zadar cultural institutions most often use as a means of promotion?
This question encouraged various responses too. Zadar’s cultural institutions use the means of promotion in accordance with their modest budget. It is necessary to point out that all of them use a number of promotion tools, not just one. Most of the institutions use print media, TV and radio. Some of the cultural institutions use brochures, posters and “city-light” advertisements. Due to the development of information technologies, the Internet has been increasingly used in marketing. In addition to creating standard websites, some of the institutions use specific applications such as Facebook, YouTube (Public Library) and sms-marketing (National Museum Zadar).

Figure 6: Do managers and employees of Zadar cultural institutions promote their institutions?

![Figure 6](source: Authors' research)

This is one of the questions that yielded a unanimous response. All the respondents have affirmed that they promote their cultural institutions.

Figure 7: What are the future plans of Zadar’s cultural institutions?

![Figure 7](source: Authors' research)

This question and the responses it yielded reflect the first two questions. Most of the respondents state that they are making plans for hiring a marketing expert in the future if, of course, the financial assets of the institution permit such an employment. The
A minority of the respondents affirm that this task is performed by someone else and that they do not have any intention to hire another employee. One respondent says that, in addition to a person who is already in charge of marketing, the institution may hire one more person.

The remaining questions in the questionnaire were open-type questions. Although the authors of this paper expected that the respondents would provide detailed responses, the responses were rather short and uninspired.

Figure 8: Should the City of Zadar, like the region of Istria, implement a cultural development strategy?

The responses given to the eight question indicate that the City of Zadar or Zadar County should create and implement a cultural strategy, at the level of the city or the county, for further growth and progress.

Figure 9: What is your opinion regarding the networking of Zadar's cultural institutions with tourism?

The responses given to the eight question indicate that the City of Zadar or Zadar County should create and implement a cultural strategy, at the level of the city or the county, for further growth and progress.
The responses to the ninth question lead to the conclusion that the networking of cultural institutions within themselves as well as their networking with the tourism system is essential. The networking activities have started and positive results are expected in the future.

Figure 10: Can public sector be unburdened through private investments?

![Figure 10: Can public sector be unburdened through private investments?](source)

The responses regarding the last question indicate that the public sector could be unburdened through investments of private entrepreneurs, although some respondents believe that the solution lies not in unburdening the public sector but in adding private investments\textsuperscript{8} to the existing model of funding, without blackmailing, privatisation of public areas and similar phenomena that Croatia has experienced in the past two decades.

**FINAL DISCUSSION, GUIDELINES AND POSSIBLE SOLUTIONS**

Here are the suggestions and possible solutions.

Zadar County should first define and implement the cultural development strategy. Naturally, the cultural strategy has to be drafted first. The draft should be designed by all kinds of cultural workers, grouped in teams, with the purpose of generating high-quality ideas during the strategy formulation process. The process of drafting the strategy should be available to public at the official web site of the county so that the public may follow the process and provide comments, ideas and suggestions.

Concert life in Zadar comprises musical performances that mainly take place in summer. It often occurs that there are several cultural events across the city at the same time.

\textsuperscript{8} In order to eliminate the weaknesses of the existing model of financing cultural institutions, a hybrid approach (adding private investments to the existing model) is a feasible solution. However, the process should be regulated and a special law or set of regulations should be enforced by the Government and the Parliament, in order to avoid harmful phenomena such as blackmailing and privatisation of public areas.
time as there is no event management. It is necessary to avoid this events overlapping each other and encourage institutions to cooperate and coordinate their activities. Incentives must be found for concert production, cooperation between local and visiting artists and for teachers who familiarise pupils and students with the theatre plays during their primary and secondary education.

Presentation of the cultural heritage is not satisfactory either. The city museums do not have enough appropriate exhibition space, there is no information or database system which could provide basic information, many sights are hard to find due to lack of signposts or waymarks for tourists, a number of sights remain unavailable to public due to inadequate system of cultural and tourist activities.

The cooperation among Zadar museums is not satisfactory. Possible solutions for improving the inter-museum cooperation include the training of personnel, development of education services, joint exhibiting activities, investments in common infrastructure (e.g. arrangement of exhibition space), international cooperation and development of partnership projects with other sectors, etc. In order to improve museum activities, it is necessary to network the museums and to harmonise their activities with professional standards. Furthermore, the inter-sector cooperation in Zadar and Croatia as a whole is not at the satisfactory level either. This can be improved by networking, according to the concept described earlier. It is therefore necessary to open the cultural sector to other sectors and encourage inter-sector cooperation to the benefit of all parties involved.

Financing the culture and cultural activities in Zadar is largely dependent on the budgets of municipalities and towns, Zadar County and the Ministry of culture. The share of other sources is negligible. The financial assets that cultural activities earn themselves are rather small and insufficient to maintain cultural activities at the desirable level. This also refers to sponsorship and donations. However, as the assets from budgets are not sufficient to carry out cultural activities, many cultural organisations are forced to seek alternative financial sources. It is expected that, in the near future, the most important sources will include sponsorship funds and the money acquired through financial programs of the European Union. Tourist sector should much more participate in financing the events and the overall cultural service that attract a large number of tourists. When it comes to including culture in the regular tourist service, it is necessary to improve significantly the quality of signposts to heritage sites and increase the accessibility of information on all events, heritage sites, collections, museums. There are a number of possible meeting points of the tourist and cultural sectors and this is where mutual understanding and joint presence should be developed. What would surely be harmful is the withdrawal of one sector before the other, usually the cultural sector in favour of the tourist one.

In the continuation the authors' bring own model for networking Zadar cultural institutions, as a groundwork for defining a genuine cultural, i.e. cultural-tourist product of the City of Zadar.
According to Grbac (2005), networking allows that the marketing of economic and other entities develops in cooperation with other networked participants. The process of networking comprises the integration of activities of various economic and other entities into a coordinated and integrated marketing unity. This form of marketing approach fosters the cooperation of a number of economic and other entities and drives their efforts towards joint implementation of the programs that they alone could not carry out individually in an efficient way. This creates the groundwork for a new form of marketing, the so-called network marketing.9

Figure 11: **Graphic presentation of the Model for networking Zadar cultural institutions**

This presentation shows that the centre of the networked Zadar cultural and tourist units should be Zadar Tourist Board whose task is to record all tourist movements and to integrate the overall tourist service of the city and the surroundings. All larger European cities have their city cards10 that facilitate the sojourn of tourists and assist them in finding and visiting a large number of sights within a short period of time, granting discounts to the users and saving their time.

Off season, the authors of this paper suggest a similar model for the networking of cultural institutions, adjusted to the cultural life of the city and the surrounding area off the tourist season. The city, i.e. the county would be the core of the model whose structure would be slightly different now. Particular emphasis is now placed on the Public and University Libraries where local residents can acquire additional education and cultural refinement. In accordance with the previously described model, the off-

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9 Network marketing focuses on the efficiency of the network. It is achieved by using complementary features and by combining and synchronising numerous economic and other entities or their parts in order to yield individual and common benefits (Grbac, 2005).

10 In Croatia, city cards are available in Zagreb, Split and Dubrovnik. More information at: http://www.europeancitycards.com/citycard.asp?id=47&cur=45
The authors of this paper suggest some guidelines for further research. Firstly, it is necessary to study the appropriate model for marketing and marketing management in culture sector in tourist destinations. Secondly, more money for financing cultural activities should be drawn from the sector of economy, as the present model of acquiring funds exclusively from the public sector is not feasible any more, given the

Figure 12: **Graphic presentation of the Model for networking Zadar cultural institutions off the tourist season**

Drawing upon research results and their own experience in planning, organising and realizing cultural events, the authors of this paper have come to interesting conclusions confirming that the cultural and entertainment events should confer the necessary "added value" upon the existing basic cultural product of Zadar. One of the fundamental conclusions reached by the authors on the basis of their research is that much effort should be channelled into achieving a better coordination of the "cultural" and tourism systems. The outcomes that could thereby be achieved would have a beneficial influence on the tourism product in this area and would help obtain better results in the cultural activities system by increasing event attendance, thus fulfilling their basic task.

**GUIDELINES FOR FURTHER RESEARCH**

The authors of this paper suggest some guidelines for further research. Firstly, it is necessary to study the appropriate model for marketing and marketing management in culture sector in tourist destinations. Secondly, more money for financing cultural activities should be drawn from the sector of economy, as the present model of acquiring funds exclusively from the public sector is not feasible any more, given the
global economic crisis, budget cuts and other constraints that the overburdened public budgets are experiencing. Thirdly, it is necessary to develop a model for integrating cultural tourism and cultural activities for local population. Naturally, it is also necessary to develop better models for integrated management, i.e. for integrated management of cultural activities featuring all stakeholders. Furthermore, it is necessary to develop a unique cultural, i.e. cultural-tourism product, and make additional efforts aimed at promotion and availability of the cultural institutions. The “Night of museums” taking place across the country once a year, when museums, galleries and other cultural institutions offer free entrance and remain open late into the night, is a positive example that may be followed when considering the promotion and availability of cultural institutions in general.

Finally, as regards the links between culture and tourism, it is necessary to neutralise the discrepancies between the supply and the demand. It happens much too often that tourists are not familiar with the cultural events and remain in their hotel rooms and apartments; likewise, local residents are often not familiar with cultural events taking place in their city.

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