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DESTINATION BRANDING AIMED AT INTERNATIONAL AFFIRMATION OF TOURISTIC POTENTIALS OF BiH

ДЕСТИНАЦИЈСКО БРЕНДИРАЊЕ У ФУНКЦИЈИ МЕЂУНАРОДНЕ АФИРМАЦИЈЕ ТУРИСТИЧКИХ ПОТЕНЦИЈАЛА БИХ

Summary: *The aim of the paper is to explain how application of marketing and branding principles contributes to effective management of destinations under conditions of globalization. The paper emphasizes the importance of understanding of tourists' behavior model, with special focus on importance of destination image in process of decision making on destination choice. Case of the city of Rovinj was presented as good practice example in development of destination brand. In order to get the answer to the question where BiH is located in comparison to other countries of the Western Balkans in regard to the most important tourism indicators, findings of relevant research of the World Tourism Organization and the World Economic Forum were presented. In the last part of the paper, some of the shortcomings that usually arise in the process of destination management in BiH were presented, with recommendations how they can be overcome in accordance with the principles of destination marketing and branding, in order to better utilize tourism potentials in BiH.*

Key words: *destination marketing, destination brand and branding, destination image, tourist behavior, Bosnia and Herzegovina*

JEL Classification: *M31, M39*

Резиме: *Циљ рада је да објасни како примјена принципа маркетинга и брендинга доприноси ефективном управљању дестинацијама у условима глобализације. Истакнута је важност разумјевања модела понашања туриста, са посебним нагласком на значај имиџа дестинације у процесу доношења одлуке о избору дестинације. Као примјер добре праксе у изградњи дестинацијског брэнда, презентован је случај града Ровиња. Како би се дошло до одговора на питање гдје се налази БиХ у односу на остале земље Западног Балкана у погледу најважнијих туристичких индикатора, презентовани су налази релевантних истраживања Свјетске туристичке организације и Свјетског економског форума. У последњем дијелу рада су наведени неки од недостатака који се најчешће јављају у процесу управљања дестинацијама у БиХ уз препоруке како се они могу превазићи у складу са принципима дестинацијског маркетинга и брендинга, како би се боље искористили туристички потенцијали у БиХ.*

Кључне ријечи: *дестинацијски маркетинг, дестинацијски брэнд и брендинг, имиџ дестинације, понашање туриста, Босна и Херцеговина*

ЈЕЛ класификација: *M31, M39*

1. INTRODUCTION

Development of information and communication technologies and means of transport has contributed to increase in mobility and speed of information, people, goods and capital with reduced costs. As a consequence, globalization is emerging, which creates increasing interdependence and availability of certain destinations (countries, regions, municipalities, cities), while the spatial and temporal distance between them becomes smaller. In such circumstances destinations become competitors in an effort to attract investors, people (especially talents), tourists and visitors, organizers of major sport, entertainment and cultural events and others who can influence positively their economies and development. Describing this situation, Anholt (2007, 1) states that "the rapid advance of globalization means that every country, every city and every region must compete with every other for its share of the world's consumers, tourists, investors, students, entrepreneurs, international sporting and cultural events, and for the attention and respect of the international media, of other governments, and the people of other countries".

Looking from this perspective, it is clear that there is some kind of market of destinations with the following stakeholders and elements: customers, sellers, destination offer, price, communication and information.

In most cases, customers are: visitors and tourists who are looking for a place to rest; investors who are looking for a business friendly environment; human resources (especially talents) who are looking for a place where they can find a job with adequate quality of life, organizers of international sports, entertainment and cultural events who are looking for a place with adequate infrastructure for their organization as well as a critical mass of interested visitors.

The role of sellers lies on those who are responsible for destination management such are representatives of legislative and executive authorities and in a broader sense, representatives of industry, academia, NGOs and citizens.

Destination's offer consists of specific attractiveness of location which has significant attracting power for different categories of customers. It is always a combination or set of products and services provided by different stakeholders in the destination.

Price, in the broad sense, is manifested through the cost of time, energy and mental effort that customers invest in the process of gathering relevant information on available destinations which are considered, in processing and analyzing the information and deciding on choice of destination. In a narrow sense, it is about the prices of all products and services which a customer uses in certain destination.

Communication refers to all messages that sellers, through various channels, disseminate to customers to entice them to visit a particular destination and use available products and services.

Information are related to data flows from customers towards sellers (e.g. about number of destination's visitors, their satisfaction etc.) which help them in making decisions that can improve position of the destination in the market and facilitate its "selling".

Bearing in mind that customers on market of destinations can be visitors and tourists, human resources (talents), investors, organizers of international sports and other events, it can be concluded that market of destinations consists of many segments, so that, for example tourist market is only a part of destinations market. Findings of the research that included members of Economic Development Forum of network of major European cities *Eurocities*, suggest that tourists are one of the most important target groups (over 70% of answers) (Seisedos 2006, 8).

In such circumstances, when there is a market, target groups and competition, the most effective is use of destination marketing aimed at design of destination in such a way to meet the needs and requirements of target markets and fulfill their expectations (Kotler et al. 1993, 18).

2. DESTINATIONS AS TOURIST PRODUCTS AND BRANDS

Destinations and geographic regions are different by their names, history and tradition, culture, their appearance, climate, atmosphere, and many other things. Hence, destinations, geographic localities, cities and states, by definition, have all needed elements to be considered as different brands. All countries in the world have their own flags, coats of arms, national anthems, official

languages, meaning they have protected elements of their identity. Situation is similar with the major cities in different countries. However, the point is not in regard to elements of their identity, but in regard to deserved positive image, reputation and real value and attractiveness of destination brands.

In destination branding emphasis is on planning and creating the most realistic, the most competitive and the most possible strategic vision of development and affirmation of a country, region or city, which can be made well-known and acceptable at the broadest international and global scale. In a globalized world, all countries, all cities and other destinations must compete with each other actively and continuously. Competition takes place on a world scale in the struggle for the highest share in the world income, world exports, world tourism, world financial and investment flows, in human resources and creative potentials. States and destinations with a strong brand that offer a wide range of internationally recognized strong and credible brands, have much better results in the fierce global competition between different countries and destinations.

Kotler and Keller (2006, 372) argue that "the product is anything that can be offered to a market to a want or need" and that the products include "physical goods, services, experiences, events, persons, places, properties, organizations, information and ideas". In terms of tourism, it means places that are visited by tourists, the term that is commonly used is destination which represents "place that gains relevance because of its power to entice people to leave one location in order to visit or relocate to another" (Baker 2007, 25). This can be a particular resort or town, a region within a country, an entire country or even a larger area of the globe (Holloway et al. 2009, 14).

The tourist product includes a set of transportation and accommodation services as well as (natural and/or built) attractions that are available at specific destination. Hence, it is a very heterogeneous product, while quantity and quality of each of services that make it may be different. It may happen that only one segment of the service is unsatisfactory and that the whole tourist product may be perceived as bad. However, one should bear in mind that tourists do not buy set of services, but expected experience at specific destination and memories that they later remember and share. Given the relatively high level of expectations, intangibility of tourist product and significant financial expenditures which are characteristic for buying process, it is evident that the process is relatively risky. In such circumstances, tourists' trust and destination image are very important. In this context, the importance and role of destination branding aimed at development of destination brand is crucial.

There is a big difference between the product and the brand. Every brand is a product, but every product is not a brand. Products are created in production facilities as a result of manufacturing process, while brands are created in minds of customers as a result of appropriate combination of analytical and creative activities of marketing departments in companies and marketing agencies. Products are tangible while brands are intangible - they exist only in consumers' minds (Rakita and Mitrović 2007, 8-10). In offering of a product its functionality aimed at satisfying needs is dominant, while in offering of a brand its values aimed at fulfilling desires are dominant. The relation between goods or products and brand is illustrated in the Table 1.

Table 1. Relationship between product and brand

Product	Brand
It is offered	It is wanted
It is impersonal	It is personalized
Similarity	Difference
Unrecognizable	Recognizable
Sellers' market	Customers' market
Tangible value	Both tangible and intangible value
Useful for seller	Useful for customer

Source: Rakita and Mitrović 2007, 7

The brand in sense of positioning and value¹ is "a singular *idea or concept that you own* inside the *mind* of a prospect" (Ries and Ries 2002, 110). Olins (2003, 19) argues that the best and the most successful brands "in itself have a tremendous emotional content and create loyalty for which there is no rational explanation". However, there is an explanation and it suggests that motives for such behavior are not found in rational, but in the emotional sphere, because as Kotler and Pfoertsch (2006, 58) say, "while reason does lead us to conclusions, emotions are the ones that lead to action". On this basis Gobe (2006, xv) establishes a concept of emotional branding which "provides tools and methodology for deep emotional connection of consumers and products". Communicating a set of values, brands for consumers who identify with them and accept them, enable not just to explicitly express a message about themselves - what they are or what they want to be, but they also allow them to improve and amend personal identity and image (Kotler and Pfoertsch 2006, 19, 29; Olins, 2003, 14, 249). Anholt (2007, 4) defines branding as "the process of designing, planning and communicating the name and the identity, in order to build or manage the reputation". This process strives for creation of a set of specific associations and unique perception of the product in the mind of consumers, which is different compared to competitors' products in a way that is important and valuable to them. Branding strives for differentiation of the product to the level that there is no substitute for it. Such product (which became brand), provides consumers with added value, which they are willing to pay for more than for generic product (Rakita and Mitrović 2007, 11-12, 14). Thus, thanks to the "psychological monopoly", brands come to a position that they are not sold, but bought.

Analogously to this, one destination can be considered as a brand when it provides visitor with a unique and unforgettable experience that cannot be achieved in any other destination (Rakita and Mitrović, 2007, 135). Destination brand should be based on the most important characteristics and values of destination and as such it must be interesting and appealing to target markets, but at the same time it must be accepted by the local community (local businessmen, residents and other stakeholders). Brand (in terms of a set of values and promise that it communicates) facilitates decision making in destination management because it provides criteria for determining whether specific plans or activities are in accordance with the values of the brand (*on brand*) so that they strengthen it, or they are not in accordance with the values of the brand (*off brand*) so they may harm it (Van Gelder and Roberts 2009, 2).

By destination branding, positive associations in the minds of consumers and the general public are created and promoted. Positive image of the destination is developed in order to attract as many visitors as possible. Consumers' perception about a specific destination is the sum of the individual perceptions of the constituent elements of the destination. This means that the brand is built in every contact that a consumer (e.g. tourist) has with respective elements of the destination.

Generally, branding of destinations and countries differs from branding of tangible products, although it largely depends on product's branding within its borders. There is an indisputable positive correlation between development of internationally successful brands of one destination and country, on the one hand, and the image or brand of the destination and the country on the other side. Branding of destinations and countries as a concept is relatively close to branding of services, as the emphasis is on raising attractiveness of conditions and attracting power of climate, atmosphere, environment, economic and human resources. In fact, destination branding is a kind of conceptual combination of service and institutional branding. Unlike product branding where there are almost no restrictions, in destination branding there are some significant constraints. Destinations cannot be moved. They cannot move towards visitors and tourists, so they have to move towards destinations. Some features of identity of well-known destinations are already given and fixed. Destination's name is determined so it is not possible to change or modify it to a great extent. Complexity of this type of branding in relation to branding of products and services is reflected in the fact that destinations are sort of compilations of independent companies, products and services that are owned by different stakeholders, without centralized and coordinated management. Therefore, specialized agencies are often established at the destination level, whose task is to unify and synchronize activities and communication of all stakeholders, and to direct their efforts towards achieving agreed objectives of the destination. Anholt (2007, 3) uses the term *competitive identity* as "the synthesis of brand

¹ Kevin Lane Keller, one of the world's leading authors on branding, marks brand in this sense with capital B - Brand.

management with public diplomacy and with trade, investment, and tourism and export promotion“. In fact, that is a nationally coordinated identity strategy (Anholt 2007, 18).

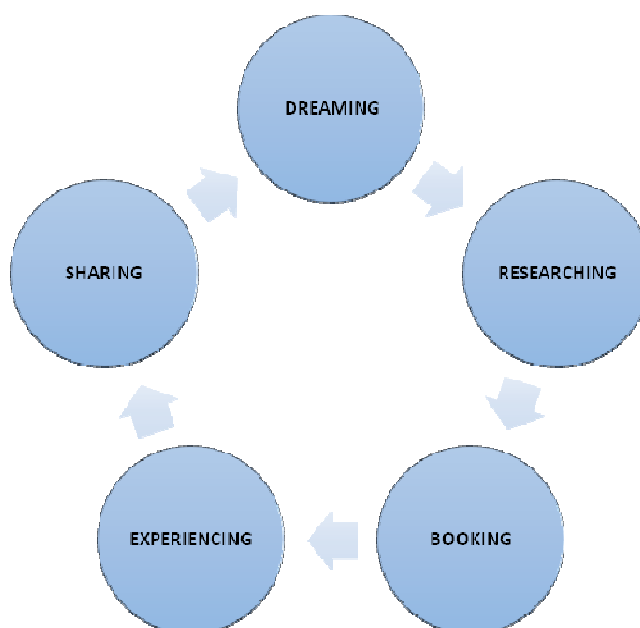
3. TOURISTS' BEHAVIOR AS THE BASIS FOR BUILDING DESTINATION BRANDS

Focal point of destination marketing and branding are tourists, i.e. an endeavor for identification and satisfying their needs and desires in order to meet or even exceeder their expectations. The prerequisite for this is a good knowledge about tourists and their behavior in process of making decision on the choice of destination. The complexity of tourists' behavior is affected by the following factors:

- A high level of risk which is characteristic for process of buying and destination choice, because of intangibility of the tourist product,
- A high level of engagement in process of making a decision on the choice of destination,
- Great emotional importance of buying a tourist products and destination choice,
- Great need for information,
- Big importance and significance of recommendations,
- Decision-making process takes relatively long time (Horner and Swarbrooke 2007, 72).

Today, the tourists' behavior is largely influenced by the Internet, i.e. by information being used and shared there. It is believed that typical tourists' behavior includes the following phases: dreaming, researching, booking, experiencing and sharing experiences, as shown in Figure 1 (UNWTO 2011, 7-8).

Figure 1. Tourists' behavior



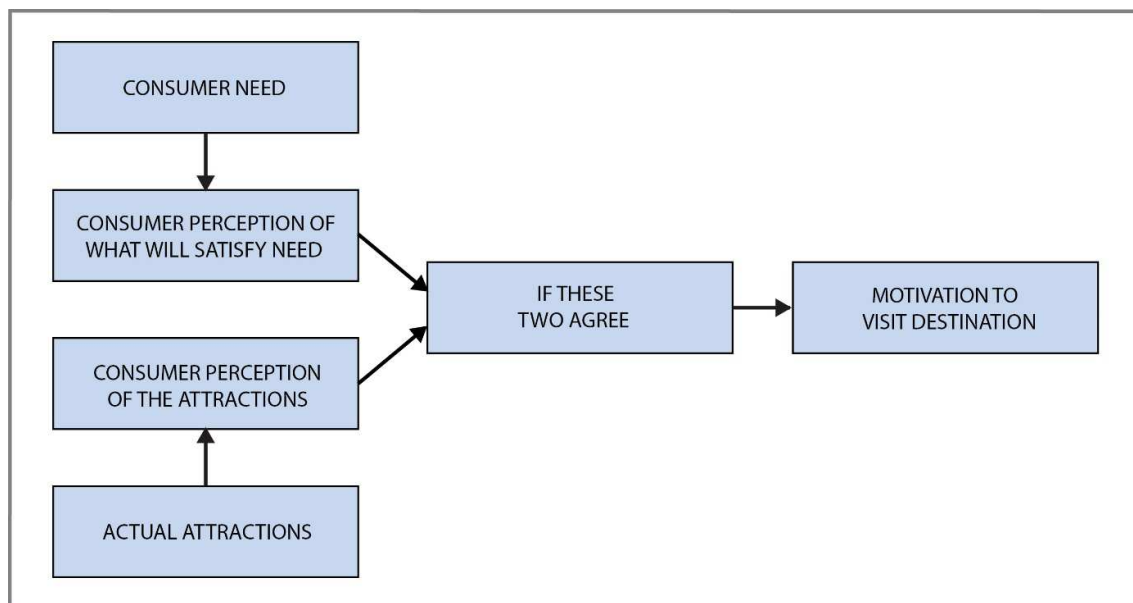
Source: UNWTO 2011, 8 (adapted)

Dreaming is the first phase when inspiration for travel is sought and early information about potential destinations is received. At this stage tourists visit various websites, blogs, social networks and read comments and recommendations of relevant organizations and individuals. The next phase is researching, when tourists seek large number of detailed information and start narrowing the choices. This stage takes a lot of time and effort. The third phase is booking, which is result of decision made on the choice of destination to visit. A large number of bookings is being realized through the Internet

today. Experiencing, as the next phase involves stay at chosen destination, enjoying available attractions and use of a variety of products and services. Perception of all these elements in relation to expectations creates a feeling of satisfaction or dissatisfaction. The last phase is transfer of experiences. Thanks to the Internet and mobile devices which are used massively (laptops, "smart" phones, etc.), after coming back home, but also while they are still at the destination, tourists share their impressions and experiences with family members, friends or the public. That way, experiences of some tourists become an inspiration for dreaming for other tourists, thus starting a new cycle (UNWTO 2011, 7-8).

Tourists, like other consumers, in process of making decision on the choice of destination, compare the costs (invested time, effort and money) with benefits of visiting a specific destination (vacation, entertainment, experiences and memories) (Kotler et al. 1993, 212). A model that shows how the need for rest is transformed into decision to visit a particular destination can be presented as in Figure 2.

Figure 2. The motivation process



Source: Holloway et al. 2009, 62

As shown, potential tourists must not only recognize the need, but must also recognize how particular destination can satisfy the need. People are different and what one perceives like an ideal solution, someone else may perceive as completely unacceptable. Perception of one destination by different people may be different, so attitudes and behavior in relation to it (willingness to visit it) may be different, too. Just in case when perception of the ways in which needs can be satisfied match perception of destination as a place that provides it, motivation to visit the destination is created and decision about its visiting is made (Holloway et al. 2009, 62). Regarding this, it is important to find answers to the following questions: who are our tourists (gender, age, education, income, family status), where do they come from (states, cities), how do they gather information about destination (e.g. recommendations, internet, tour operators etc.), how do they travel (in groups or individually, what means of transport do they use), what are their primary motives for the visit (e.g. vacation, recreation, health, etc.), when do they come, how long do they plan to stay, what type of accommodation do they want, etc. Answers to these questions create the basis for making strategic marketing decisions - segmentation, targeting and positioning, and for building destination brand.

4. DESTINATION BRANDS IN THE REGION – CASE OF ROVINJ CITY

Having in mind that the brand is "a singular *idea or concept that you own* inside the *mind* of a prospect" (Ries and Ries 2002, 110), it is clear that brands have a high share of consumers' hearts and minds. As a consequence, consumers buy these brands thus creating high market shares. This is also case with city of Rovinj as destination brand. Statistical data about number of overnight stays and arrivals prove that. Namely, the County of Istria with 2,980,663 arrivals and 19,445,130 overnight stays in 2013 achieved the best results in comparison to other counties in Croatia. Within the leading County of Istria, in the same period, the city of Rovinj with 440,186 arrivals and 2,989,600 overnight stays has the leading position (Croatian Bureau of Statistics 2014), which is presented in figures 3 and 4.

Figure 3. Number of overnight stays and arrivals by Adriatic Counties

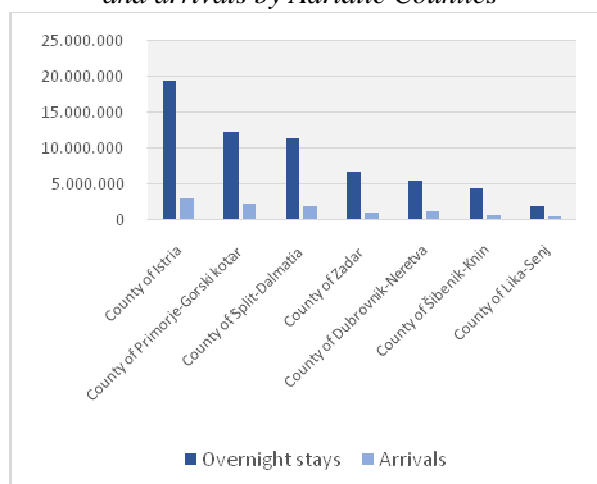
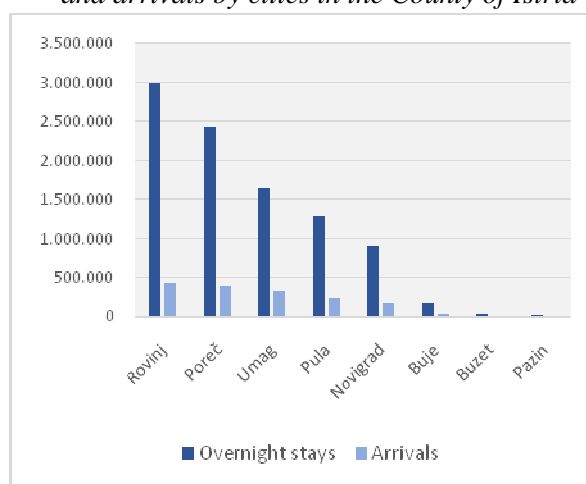


Figure 4. Number of overnight stays and arrivals by cities in the County of Istria



Source: Croatian Bureau of Statistics 2014

In order to become a brand, a destination must continuously improve its offer (attractiveness, products, services) in accordance with the identified needs, desires, requirements and expectations of the target groups of tourists, with special emphasis on those characteristics that are specific and unique for the destination compared to the competition. Another important prerequisite for effective building of destination brand is effective communication of these specifics (unique selling proposition) that contains a set of emotional and rational values aimed at creation of the unique position of the destination in minds of target group of tourists in comparison with competitors. These elements can be identified in managing city of Rovinj as a tourist destination.

A study aimed at researching image of Rovinj City among tourists was conducted in 2005. Questions were related to specific aspects of the city that most tourists associate Rovinj with, opinions on specific characteristics of the city measured with appropriate scale (e.g. the extent to which the city is traditional/modern, organized/unorganized, safe/unsafe, lively/quiet, etc.), the degree of (dis)satisfaction with elements of the city offer (e.g. availability of parking space, opportunities for shopping, diversity and quality of catering services, availability of tourist information and excursions, attractiveness of souvenirs etc.), a comparison of Rovinj City with several competing cities from the region and its comparison with an imaginary, ideal city. The findings of this study help to identify strengths of the Rovinj City in order to keep and utilize them and weaknesses that need to be overcome (Paliaga 2005, 5-27).

As a prerequisite for building a brand of Rovinj City, a profile of target tourist was created, who was described as a romantic researcher who wants relaxation from everyday stress, enjoying with all senses and the physical and psychological recovery. He is searching for an active vacation, but not frenetic fun and he is interested in everything related to nature, good food and wine, and recreation. He often attends traditional and cultural events and festivals, concerts and exhibitions. He has relatively high purchasing power and prefers high quality accommodation in hotels ranked with four or five stars. In accordance with described profile of the target tourists, central identity of Rovinj City is

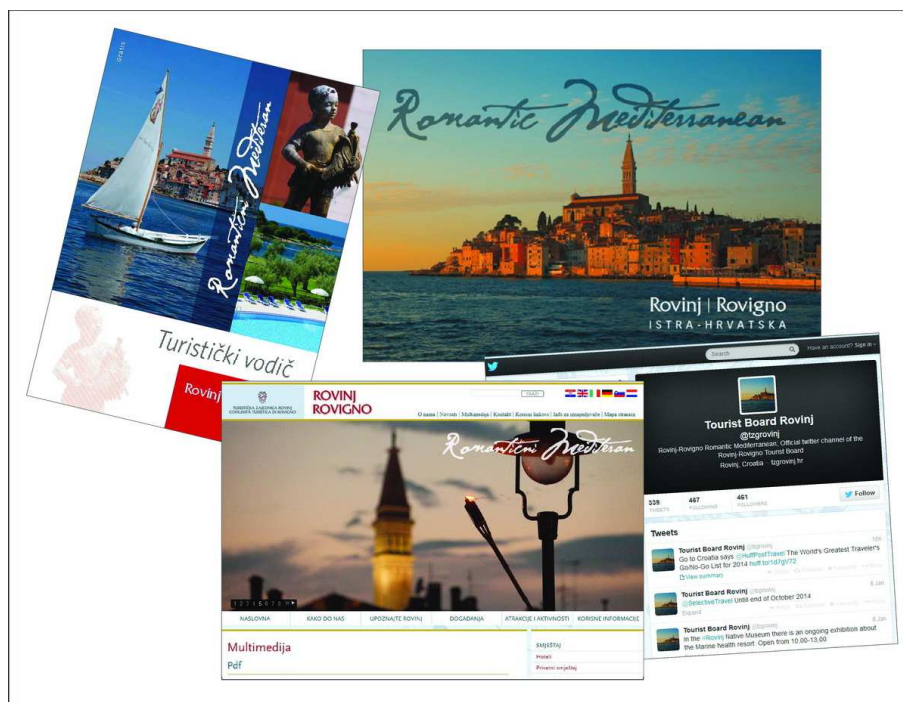
described as a romantic hideaway, sleepy Mediterranean environment appropriate for romantic lifestyle. Main characteristics of Rovinj City are: refined, posh, beautiful, well-preserved, directed towards sensual pleasures, ancient, cultured and exclusive. The most important symbols of Rovinj City are: old town, church tower on the top of hill and light of candles. In order to personalize the brand, Rovinj City as a person is described as a dreamer, romantic, warm, kind, pleasant, sensual, loving and faithful (Istarska županija 2014). Elements for differentiation (unique selling proposition) are:

- The most beautiful old town center on the Mediterranean - the romance of the old town with sound of waves and sunset, everyday of the Mediterranean in the picturesque town, playful old town center in Mediterranean style,
- Culture, tradition, nature and customs - prehistoric-ancient sites, old town center in the Venetian form and model of late antique-medieval substratum, the influence of the Austro-Hungarian heritage, Mediterranean character and customs,
- The best gastronomic experience of Mediterranean in Europe - European center of excellence for Mediterranean cuisine, the best wines and olive oils of Mediterranean, flavors and scents of Istria (Službene stranice Grada Rovinja 2014, 68-69).

Based on these elements it is strived to design and develop system of aesthetic experiences (panoramic views, romantic itineraries, the old town and square), entertainment experiences (boat trips, performances, festivals, dinners) and the experience of learning with fun (courses of painting, cooking, dancing, sailing, bird watching). On this basis, programs, projects and measures are developed, while in their implementation representatives from both, public and private sector are involved (Istarska županija 2014). Also, on the basis of the guidelines of the master plan for outbound countries, marketing mix by target group and outbound country is developed, with communication plan (Službene stranice Grada Rovinja 2014, 146). During the whole process the offer and communication of identified benchmark destinations (six tourist destinations from five different regions) were being taken into account (Službene stranice Grada Rovinja 2014, 55).

Slogan "Romantic Mediterranean" which is consistently used in various promotional materials contributes to intended positioning of Rovinj City in the minds of tourists, as shown in Figure 5.

Figure 5. An example of a consistent use of the slogan on promotional materials of Rovinj City

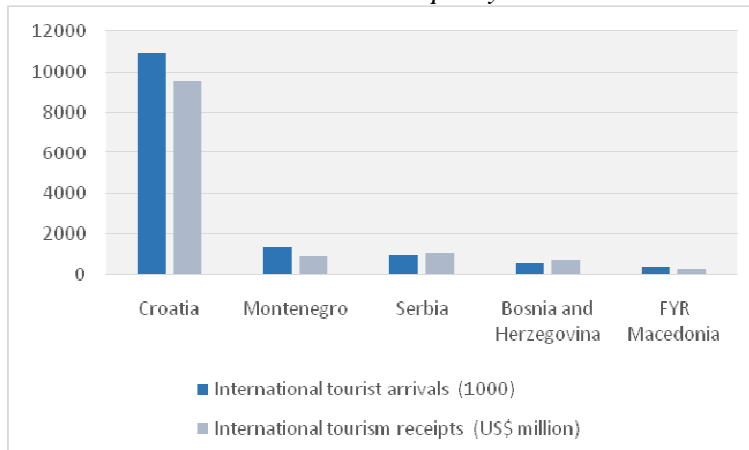


In communication, special attention is paid to the Internet and relevant social networks like YouTube, Facebook, Twitter, etc.

5. POSITION OF BOSNIA AND HERZEGOVINA IN THE TOURISM MARKET

Looking at data on international tourism arrivals and international tourism receipts of Western Balkan countries in 2012, it can be easily concluded that Croatia with 10.95 million of international tourism arrivals and USD 9.56 billion of international tourism receipts is undisputed leader. Croatia is followed by Montenegro and Serbia, while Bosnia and Herzegovina is on penultimate position with 529,000 international tourism arrivals and USD 689 million of international tourism receipts (World Tourism Organization UNWTO 2014, 8).

Figure 6. International tourist arrivals and receipts by Western Balkan countries in 2013



Source: UNWTO 2014, 8

If this group of countries is observed through the prism of 14 factors which influence the competitiveness of travel and tourism industry (according to methodology which was developed by the World Economic Forum), it is evident that Bosnia and Herzegovina with an average score of 3.79 is in the worst position in comparison to other observed countries². Bosnia and Herzegovina has a relatively good score only in the area of security and protection (score 5.6), while in all other aspects further improvement is needed.

Table 2. Rating of factors affecting the competitiveness of travel and tourism industry by countries

	Croatia	Montenegro	FYR Macedonia	Albania	Serbia	BIH
Policy rules and regulations	4,2	5,1	4,5	4,5	4,1	4,0
Environmental sustainability	4,9	5,0	4,5	4,6	4,1	4,1
Safety and security	5,3	5,3	5,3	4,9	5,0	5,6
Health and hygiene	6,0	5,3	5,7	4,7	5,7	5,2
Prioritization of Travel & Tourism	4,5	4,7	4,0	4,5	3,6	3,5
Air transport infrastructure	3,0	3,4	2,2	2,5	2,3	1,8
Ground transport infrastructure	4,1	3,1	3,2	3,2	2,8	2,6
Tourism infrastructure	6,7	6,0	4,3	3,7	4,5	4,2
ICT infrastructure	4,3	3,6	3,4	2,5	3,6	3,3
Price competitiveness in the T&T industry	4,0	4,6	4,8	4,6	3,8	4,1
Human resources	4,6	5,0	4,8	5,1	4,6	4,8
Affinity for Travel & Tourism	5,1	5,7	4,6	5,9	4,3	4,8
Natural resources	3,8	3,7	2,8	2,8	2,4	2,9
Cultural resources	3,9	2,6	2,2	2,0	2,5	2,1
Average	4,60	4,51	4,02	3,96	3,81	3,79

Source: The World Economic Forum 2013, 33-41

² Scale is ranged from 1 to 7, where 1 indicates the worst, and 7 the best score.

Given that the largest number of tourists in Bosnia and Herzegovina comes from Croatia and Serbia (82,176 tourist arrivals from Croatia and 62,731 tourist arrivals from Serbia in 2013) (Agency for Statistics of Bosnia and Herzegovina, 2014, 6), relevant are findings of research of image of Bosnia and Herzegovina and its citizens in Croatia and Serbia. The most common associations related to Bosnia and Herzegovina are: burek³ and ćevapi⁴ (for 27% of respondents from Croatia and for 18% of respondents from Serbia); humor and life without stress (for 16% of respondents from Serbia and 14% of respondents from Croatia); war (for 13% of respondents from Serbia), political tensions (for 12% of respondents both from Serbia and Croatia) and multiculturalism (for 12% of respondents from Serbia). The following is perceived as the most attractive from BiH: people (37% of respondents from Croatia and 36% of respondents from Serbia), nature (21 % of respondents from Serbia and 20% of respondents from Croatia) and lifestyle (13% of respondents from Serbia and 12% of respondents from Croatia). Destinations which respondents would like to see soon are: Sarajevo (40% of respondents from Serbia and 36% of respondents from Croatia), Međugorje (25% of respondents from Croatia), Mostar (15% of respondents from Croatia and 9% of respondents from Serbia) and Banja Luka (15% of respondents from Serbia and 4% of respondents from Croatia) (Skoko, 2012, 70, 75, 80). Given the significant impact of destination's image in the process of making decision about the visit, one should have in mind the study findings in making strategic marketing decisions (segmentation, targeting, positioning) on destination at the micro level, and take into account the impact of the image of Bosnia and Herzegovina on image of specific destination within it (co-branding effect).

6. DETERMINANTS OF COUNTRY BRANDING

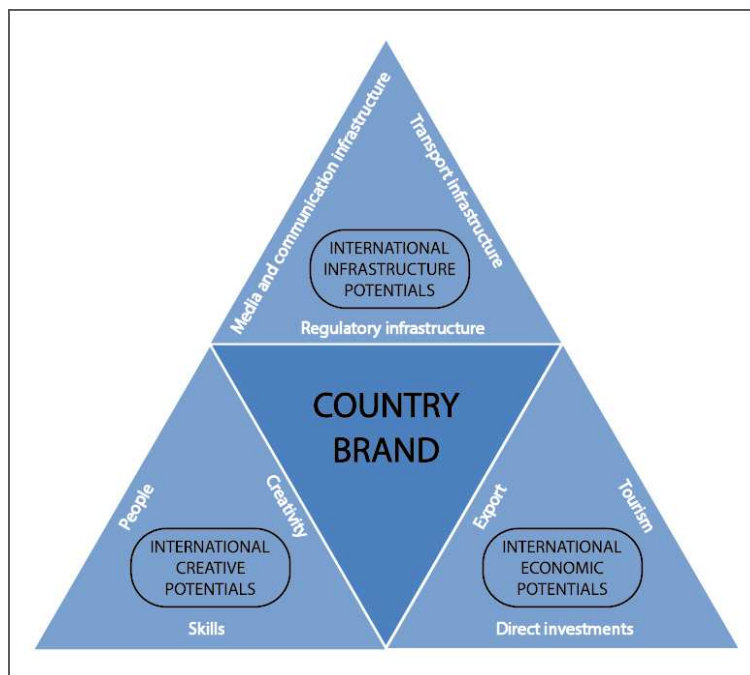
Elements that can successfully present a destination to the world and significantly contribute to improving its reputation are: export and internationally well-known brands which originate from the country, foreign direct investments which are implemented in the country, tourism potentials, people who travel abroad or who contact with foreigners, cultural facilities, history and tradition, international sports and other competitions, international affairs and diplomacy of the country, internal and external politics, successful representatives of the Diaspora, international friendships, international events and performances, participation in international organizations and institutions, conclusion of bilateral and multilateral agreements, international exchange of media products and achievements, foreign visitors and business people who have worked in a particular country, international exchange of students, researchers, professors and many more.

Following the logic of strategic determination and directing of branding of state or some destination within it, we suggest approach of triangle in delimitation and coordination of communicative categories which are available to any destination if it wants to deliberately and systematically enhance its reputation in the world. A decisive role is played by a triangle of structural determinants of country branding, which consists of international economic potentials, international creative potentials and international infrastructure potentials of a country. Each of these structural determinants has its own triangle of operational determinants of country branding (Rakita 2012, 524-527).

³ Burek is meat pie.

⁴ Ćevap is special type of kebab, a grilled dish of minced meat.

Figure 7. Determinants of country branding



Source: Rakita 2012, 526

International economic potentials are key and in long-term the most important prerequisite for creating a positive image and successful brand of one destination in the world. The image of one destination and its economic progress always go hand in hand. Positive image of one destination is much more dependent on economic progress, rather than vice versa. However, full and true effects can be achieved by parallel and coordinated managing of image and economic progress of respective destination. Influence of economic potentials of destination on its international reputation can be best noticed through three most visible aspects of economic potentials: quality of exports and power of export brands, scope and international credibility of foreign direct investments, tourism development and image of tourism destinations.

International creative potentials of destination are the second triangle of very important operational determinants of its branding. People and human resources can be very important part of competitive advantage of destination if they have distinctive knowledge, organizational and operational skills and values. There are huge differences between countries in terms of availability, quality, competence and price of human resources.⁵ Creative potentials of people and country, as another aspect of creative triangle, are manifested most visibly through the state of science, art, culture and music. These are creative activities where it is possible to reach international and global standards and achievements. If representatives of a nation or state achieve superior results in creative activities, such as science, culture, art, music, etc., then international and global image of these results is directly transferred to image of the country where these representatives come from. Having in mind that superior results of creative activities directly contribute to international and global recognition of the country, it is very important that the country is aware of that and foster and promote positive and stimulating relationship towards development of these activities. The third segment of creative triangle of operational determinants of destination branding is distinctive skills which representatives of the destination can demonstrate and manifest. These are primarily sports, folklore, as well as handicraft, design and other operational skills. It is of strategic importance to adequately recognize, realistically evaluate and stimulate various skills and talents of a nation. Skills always draw attention and never

⁵ For example, the minimum hourly wage in USA is about USD 5 , and in the UK around GBP 4. On the other hand, the minimum hourly wage in China is only 18 pence (or 29 cents), which is about 17 times less, while in India it is only 7 pence (or 11 cents), which is about 45 times less than in USA and UK (Clifton, R., & Simmons, J., 2003, 231).

tolerate manacles and boundaries. Therefore, skills, like creativity, always have international and global potential of recognition and validation.

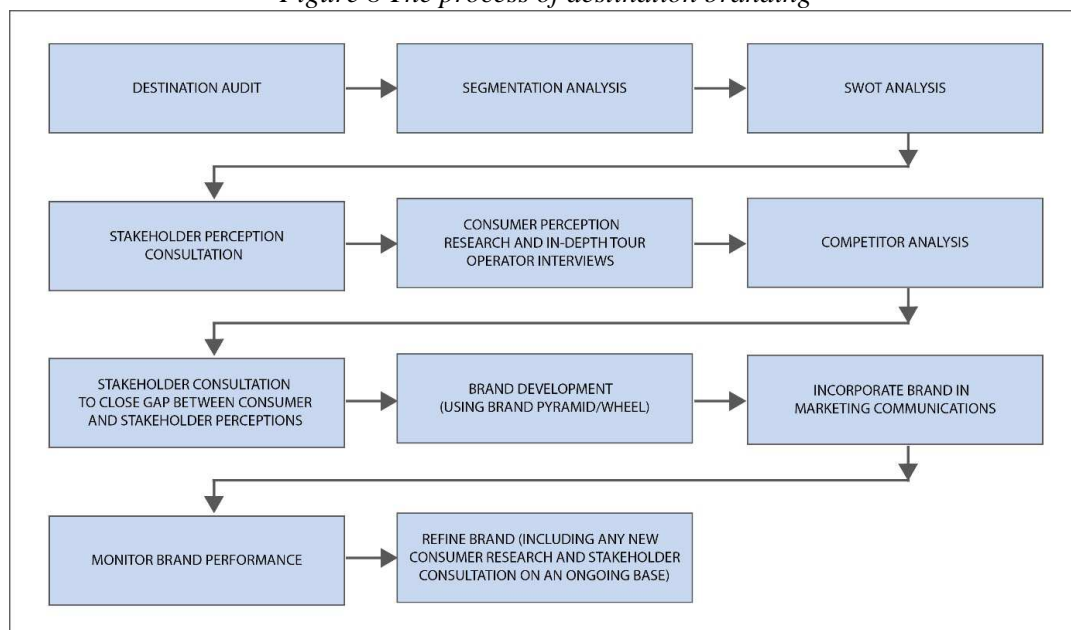
International infrastructure potentials are the third triangle of very important operational determinants of a destination or country. There are three important segments of infrastructural prerequisites: regulatory, transport, and media and communication infrastructure. Existence of clear rules and procedures, reliable, stable and internationally comparable laws, market-supportive regulations, as well as stable framework of internal and foreign policy, largely speak of internationally credible and respected country, city or town. Stimulating regulations always contributes to greater international activism of destination and greater satisfaction of all stakeholders who participate in the activism. Development of media market, as well as the latest telecommunication and multimedia technologies and devices have a large ponder in determination of international attractiveness of the country or some other geographic locality. Development of transport infrastructure does not have only a huge economic and developmental importance, but it also has a huge promotional importance for international position of destination. Perception of destination by tourists and business people from abroad largely depends on traffic conditions and transport infrastructure.

From a structural and operational review of determinants of contemporary destination branding, it is easy to conclude that it is a strategic and long-term oriented activity. There is neither quick nor easy way to build a successful destination brand with a positive image in the world. During that process it is necessary to demonstrate patience and perseverance, creativity and innovation, realism and objectivity, as well as coherence of internal and external, national and international, tradition and modernity. Without real potentials and real basis there is no successful destination branding.

7. CONCLUSION

Building a destination brand is a long-term and challenging process which should include as large number of interested and influential stakeholders as possible in order to obtain the best possible quality of concept and to facilitate its implementation in practice. It is a process which has both analytic and creative component, and involves implementation of appropriate research and analysis, selection of desired positioning, set of values and destination's promises, (re)design of elements of visual identity and communication towards target group of tourists on selected foreign markets. This process is shown in detail on Figure 8.

Figure 8 The process of destination branding



Source: UNTWO and European Travel Commission 2009, 35 (adapted)

In the process of branding of tourist destinations at micro-level (cities, towns and geographical areas), and therefore in Bosnia and Herzegovina, as a country, it is necessary to implement already mentioned triangle approach of destination branding and perform all tasks and activities in process of destination branding fully and comprehensively. Some elements of this process already exist in different categories of destinations. There are many unexploited potentials in different segments, starting with winter and spa tourism, including cultural and historical, health and convention tourism, as well as hunting and fishing tourism. We could say that potential competitive advantage is significantly above the effective or realized competitive advantage. This negative discrepancy or gap between potential and effectively achieved competitive advantage can only be explained by insufficient and inadequate application of concept and strategy of destination marketing and brand management. More precisely, this is reflected in the following shortcomings that arise in managing of many of our tourist destinations:

- Imprecise or "stereotypically" defined target groups of tourists (in relation to the characteristics of the destination and its most important attractive points),
- Lack of reliable information about the needs, wishes and preferences of target tourist groups, the main factors that determine their decision on the choice of destination, as well as about the fact how they perceive the destination in comparison to competitive destinations,
- Lack of continuous improvement of the destination (especially the most important attractiveness at destinations, which are the main motive of tourists' arrivals) as well as related products and services at the destination, on the basis of relevant research results (such as, for example a survey of tourist satisfaction after visiting the destination),
- Difficult access to the destination - underdeveloped transport infrastructure and/or inadequately organized transportation between the destination and regions where target groups of tourists come from,
- Inadequate communication - messages neither emphasize why the destination is different and unique compared to competitors, nor does it contain a promise of benefit from its visit (i.e., *unique selling proposition*). The choice of communication channels is not often harmonized with "the media habits" of target group members, while social networks on the Internet are often neglected.
- Lack of communication and cooperation between neighboring and especially less attractive destinations in terms of joining, creation of joint products and services and joint communication towards target groups of tourists, but also towards government officials, international organizations, donors and others in terms of obtaining the necessary support for development of the destination.

In order to reduce or eliminate the aforementioned shortcomings in managing of many of our tourist destinations, it is necessary to:

- Precisely define target groups of tourists in relation to characteristics of the destination and its main attractions, in order to get the most precise profile of tourists (in terms of regions they come from, sex, age, education, income, lifestyle, etc.) and their models of behavior. Understanding of behavior of target groups of tourists is a prerequisite to influence that behavior.
- Periodically conduct (qualitative and quantitative) of research to obtain information on the needs, wishes and preferences of target groups of tourists, the main factors that determine their decision on the choice of destination, as well as the perception of the destination in relation to competitive destinations. That is a way to get reliable information basis for making strategic and tactical marketing decisions. It should be mentioned that if there are no surprising findings in the research, it is probably not well designed and/or conducted.
- Continually improve the destination, and particularly improve the most important attractiveness at the destination which is the main motive for arrival of tourists, using results of relevant studies (such as a survey of tourist satisfaction after visiting the destination). It is important to emphasize that the destination and its attractiveness, along with supporting products and services, should be further developed in a way, which contributes to the creation and protection of its diversity and uniqueness compared to competitive destinations. That can include specific products, services, events organized at the destination, opinion of

leaders who visit the destination or anything else that provides a benefit and a sense of satisfaction for tourists, and creates an authentic experience.

- Maintain and improve transport infrastructure and organize new transportation lines between the destination and regions that target group of tourists come from, in order to make the destination more accessible.
- In integrated marketing communications must dominate the message which clearly emphasizes what makes the destination different and unique compared to competitors, with the promise of benefits offered (i.e. *unique selling proposition*). Of course, in the process of creation of the message, it must be taken into account that the destination with its attractiveness, as well as with supporting products and services must be able to meet or even exceed the given promise and expectations of tourists. A communication channel should be selected on the basis of information as to which media the target group of tourists use/watch most. Given that the experiences and recommendations of friends have an important role in making a decision on the destination choice, the Internet and social networks should have a relatively important share in media mix.
- Establish and improve communication and cooperation with neighboring destinations and work on creating a joint offer i.e. tourism products and services that would include attractiveness, which are available at two (or more) destinations. That way, attractiveness of offer is increased and resources available to individual destinations are better exploited, while the value for tourists is at a higher level. This joining also makes sense in the context of communication with the authorities, international organizations and donors in terms of ease of getting necessary funds for development of the destination.

Many of our destinations conduct some of the aforementioned activities, but there are few that perform all of them and apply any marketing concept in managing destination. Without that, there is no synergy between the elements described above, so results in the market are often dissatisfactory. For example, if target groups are not precisely defined, it is not possible to conduct research well. If there are no data on the needs, wishes and preferences of target groups of tourists, the main factors that determine their decision on the choice of destination, the perception of the destination in comparison to competitive destinations, their level of satisfaction after visiting the destination, etc., it is difficult to create and improve the destination offer (attractiveness, products, services, events, etc.) or to send them the right message that could motivate them to visit the destination. Therefore, it is precisely the marketing approach to destination management, as well as an interaction and synergy between its elements that create preconditions for a better position of specific destinations on the tourism market, creation of a destination brand and increased arrival of tourists. Of course, it should be borne in mind that the touristic product is very heterogeneous and that many stakeholders are included in the process of managing the destination. In this process, a very important role is played by the authorities at a local and entity/state level.

Finally, once again we remind that only the destination that continually meets and exceeds expectations of its visitors can become a brand. It takes acceptance and application of marketing philosophy in which focus is satisfying needs, desires and requirements of current and potential visitors profitably, by creating a superior offer different from competitors' offers, and its effective communication.

There are many locations in Bosnia and Herzegovina which have a great potential to become a destination brand, well-known and recognized in international environment, thus transferring desired message about Bosnia and Herzegovina. The quality of destination characteristics and attractiveness is necessary but not sufficient condition for successful branding of tourist destinations. It is sure that many micro locations have necessary quality requirements for tourism development, and it would be a pity not to brand and position, in a professional manner, in international scale everything that has satisfactory quality.

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