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## **TOURIST DESTINATION BRANDING IN FUNCTION OF MARKET POSITIONING AND INCREASED COMPETITIVENESS OF SPA TOURISM**

### **БРЕНДИРАЊЕ ТУРИСТИЧКЕ ДЕСТИНАЦИЈЕ У ФУНКЦИЈИ ТРЖИШНОГ ПОЗИЦИОНИРАЊА И ПОВЕЋАЊА КОНКУРЕНТНОСТИ БАЊСКОГ ТУРИЗМА**

**Summery:** *Tourist destination branding is a process that distinguishes a particular destination according to its unique attributes, creating its distinctive image and identity. In fact, the greatest success is achieved by emphasizing and promoting authentic tourism values. The research focuses on spa tourism destinations as the most developed forms of domestic tourism. Based on the theoretical premises and for the purpose of the research, ZTC "Banja Vrućica" was the best suited for empirical analysis as a successfully branded and market-recognized destination that can serve as a model and an example for the branding of less renowned destinations. The study uses the test method by survey research of the attitudes and opinions of the visitors on the elements of the destination brand and statistical methods for the treatment of primary and secondary sources of data and information. The research gave clear indications of the close connection between the destination brand development process and strategic positioning of a developed destination. In a special way, this study reveals some of the essential components of branding destinations that are highlighted in the literature and that are intertwined with the process of formulating destination strategies and it forms the basis for improving the image and destination attractiveness experience with potential market segments.*

**Keywords:** brand, tourist destination, image, identity, experience, authenticity, destination branding, positioning, competitiveness.

**JEL classification:** Z33

**Резиме:** *Брендирање туристичке дестинације је процес који издваја одређену дестинацију по њеним јединственим атрибутима стварајући њен препознатљив имиџ и идентитет. При томе се највећи успјех постиже истицањем и промовисањем аутентичних туристичких вриједности. У фокусу истраживања се налазе дестинације бањског туризма као најразвијенијег облика домаћег туризма. На основу теоријских поставки за потребе истраживања најприкладнија за емпијску анализу била је ЗТЦ "Бања Врућица", успјешно брендирана и тржишно препознатљива дестинација која може послужити као модел и примјер за брендирање мање афирмисаних дестинација. У истраживању кориштене су: метода испитивања, путем анкетног истраживања ставова и мишљења посјетилаца о елементима дестинацијског бренда и статистичке методе за обраду примарних и секундарних извора података и информација. На основу спроведеног истраживања дошло се до јасних показатеља о блиској повезаности процеса развоја дестинацијског бренда и стратешког позиционирања развијене дестинације. На посебан начин, ово истраживање открива неке од суштинских компоненти брендирања дестинације које су наглашене у литератури и које се преплићу са процесом формулисања стратегије дестинације и чини основу за побољшање имиџа и доживљаја атрактивности дестинације код потенцијалних тржишних сегмената.*

**Кључне ријечи:** бренд, туристичка дестинација, имиџ, идентитет, доживљај, аутентичност, дестинацијско брендирање, позиционирање, конкурентност.

**JEL класификација:** Z33

*Paper presented at the 5th Scientific Conference with International Participation "Jahorina Business Forum 2016: Tourism and Competitiveness", Jahorina, 24-26th February 2016*

## **1. INTRODUCTION**

Destination brand promotes better positioning of a tourist destination in the minds of its visitors by creating tourism products of recognizable image and identity. Previous studies have not largely dealt with the problem of branding tourist destinations in the Republic of Srpska, including the spa tourism. The aim of this study is to provide a better understanding of the importance of branding a tourist destination, strengthening its market position and increasing its overall competitiveness.

Tourism in the Republic of Srpska is at the low level of development, with a share of only 1% of GDP and revenue of 110 million in 2013. According to the Republic Bureau of Statistics in 2013 there was a total of 629,663 nights, and 43% accounts for foreign tourists. In the structure of overnight stays, 35%

were overnight stays in spa resorts, and 19.3% in the mountain centers, and these forms of tourism can be considered the most developed in terms of tourism demand and the destination infrastructure development. Measured in the European context, the Republic of Srpska tourism is lagging 15 times behind Europe by the number of tourist nights per inhabitant, and by about 13 times regarding the tourism share in GDP.

The previous strategies of tourism development gave low scores because they did not follow the trends in the tourist market, and successfully branded destinations stand behind marketing strategies of developed tourist destinations in the region and beyond. In today's era of globalization, creating a distinctive destination brand and its tourism products is necessary in order to successfully market the destination and position it to fight for greater competitiveness in the market.

The most significant tourist potentials of the Republic of Srpska are spas (spa centers), with rich sources of high quality mineral and thermal waters, as well as heterogeneous tourist potentials in their immediate surroundings. Except ZTC "Banja Vrucica", the spa-tourism potential is under-utilized, with a low volume of tourist traffic, the low level of capacity utilization, a marked seasonality, as well as low income from tourism.

It is the research question that needs to be answered: *how the market positioning of the tourist destination of the spa tourism is to become recognizable on the tourist market, and how to make it competitive in the conditions of strongly built destinations in the region and beyond?* The research is aimed at defining the views and opinions of the visitors on basic components of destination brand by testing method, in order to: *explain the importance of developing and creating a destination brand in order to increase market positioning and competitive advantage of spa tourism.*

## 2. REVIEW OF THE LITERATURE

### 2.1. The competitiveness of tourist destinations

Modern approach to tourist destination is based on the fundamentals of strategic management and marketing, as a result of the turbulent changes in the external and internal environment of the destination. The new, modern tendencies in tourism are reflected in the emergence of a sophisticated tourist demand due to political changes, development of new technologies, market segmentation, globalization, etc. All of these changes as well as many other important events such as the world economic crisis, contributed to the complexity of tourist destination management.

The concept of a tourist destination in the literature has been broadly defined (Gunn 1988; Laws 1995; Jovičić 2002; Popescu 2011), and is often viewed from different aspects (geographical, economic, sociological, marketing, managerial), and it can be concluded that the destination is a relatively vague concept. This is why understanding of tourist destination, and then analysis, planning, managing and control of the destination development require systemic and interdisciplinary approach. Modern approach to the definition of a tourist destination makes the division based on the essential elements, resources that urge basic desire of tourists to travel to a specific destination (Ritchie and Crouch 2003; UNWTO 2007) including: attractions, services and facilities, accessibility, human resources, image and prices.

Image as an element of a tourist destination is one of the most important factors when making decisions about visiting a destination by potential tourists. Tasci and Kozak (2006, p. 299) define the destination image as a set of beliefs, ideas and impressions that people have of a destination. Destination image is a complex phenomenon, and several authors have stated that it is in the case of a tourist destination often quite vaguely defined (Echtner and Ritchie 2003; Pike 2002 Tasci and Gartner 2007). Most definitions of the destination image are based on the "associations, impressions and beliefs" or "thinking" about the destination in visitors' minds. The importance of the image of the destination marketing is reflected in the fact that the overall image of the destination is an essential element for loyalty and repeated visits of tourists to the destination. The image can be considered one of the key factors influencing the decision-making process on tourist travel and choice of tourist destinations, which in conditions of increased competition focuses tourist destinations to rely on the image as a source of competitive advantage (Konečnik 2002, 11).

In order to be competitive<sup>1</sup> in the global tourism market, tourist destination must be innovative and continually look for new sources of comparative advantages. Such competitive advantages may, in the form of new tourism products and services, provide a tourist destination with a stable long-term sustainable tourism growth and development, and thus strengthen or improve its market position. Comparative advantages<sup>2</sup> of tourist destinations are important, but not a sufficient condition for their market competitiveness. An important determinant of the competitiveness of tourist destinations is experience that tourists acquire while staying at the destination (Pine and Gilmore 1999). The goal of every tourist travel is the achievement of the desired or expected experience. Experience as a determinant of competitiveness is individual and difficultly measurable category. Here it is necessary to point out the connection of the tourism product that meets the needs of tourists and experience that meets their wishes. In practice the more diverse a tourism product is and a potential tourist experience richer and more diverse, the more competitive a tourism product is.

The story of the brand would not be able to start without understanding the idea of positioning that led to significant changes in market research. Position of a tourist destination can be defined as an image that consumers have in their minds about the destination and its position in relation to competitors (Reich 1999,1). The main task of positioning is to build a positive and realistic image of the destination that will be sufficiently compelling to attract and target segments of demand (Jovičić 2002,197). The ultimate goal of positioning is to achieve a competitive advantage which is characterized by an attractive offer targeted at groups of consumers, which is an advantage over the competition and which may be retained for a longer period.

## 2.2. Destination branding

As global tourism industry is becoming more competitive, airlines are increasingly looking for new sources of competitive advantages. In the last two decades, the creation of brand tourist destination has attracted much attention both among marketing specialists who deal with it in a scientific manner and destination managers. The concept of the brand in the literature is usually defined as a trade mark, name, term, sign, symbol, design, shape, a combination of all the above, which is intended to identify the goods or services of one employer (manufacturers, suppliers, vendors) or groups and their differentiation from the competition (Kotler and Keller 2008, 443). This definition emphasizes the visual elements of the brand, and we can say that it describes it more in the meaning of the trade mark. A brand is much more than a visual identity, and it covers also the invisible, which gives additional value for consumers and for the company - the brand owner (Veljkovic 2008, 19). So, the brand is intangible concept that carries a deep set of opinions and associations, and must provide certain additional value to the consumer. The brand holds a special place in the minds of consumers, and its success and survival depends on constantly fulfilling the promise. (Kotler and Ferch 2007, 14). Successful brands are actually certain products, services, destinations or people whom consumers see as unique and those that best satisfy the needs and desires of consumers. In order to create a strong and recognizable brand, it is necessary to have long-term planning and significant investment. Therefore, the creation of a strong brand requires branding and strategic management process that includes the design and implementation of marketing programs and activities in order to develop, measure and manage the value of the brand (Keller 2003, 44).

The issue of the tourist destination brand has become significant in recent years (Cai 2002; Morgan and Pritchard 2002; Konecnik 2004; Gartner 2007; Pike 2009, Popescu 2011). Changing trends in the tourism market impose the need to create a unique identity and differentiation of the tourism product by creating, building and developing a destination brand. The distinctive destination brand increases the competitiveness of the destination by promoting its positive values, attracting specific market segments, positioning its position as a destination worth visiting. For each destination, regardless of its size, a strong brand is particularly important in the fight to increase its value, sustainability and competitive advantage. Competitive advantage is the basis for the process of branding tourist destinations. On the other hand, a

<sup>1</sup> Travel and Tourism Competitiveness Model by World Economic Forum, according to which the TTCI is calculated is the only model which is now used in practice to measure competitiveness, and as such is the only basis for comparison of the competitiveness of countries in tourism. The ranking included 140 countries around the world, including Bosnia and Herzegovina which is ranked as the 90th country in 2013. The place of Bosnia and Herzegovina can be assessed as very negative, even alarming. Source: <http://www.weforum.org/.../travel-and-tourism-competitiv>.

<sup>2</sup> Example: some spas in the Alps located at high altitudes (St. Moritz in Switzerland, Badgastein in Austrian part of Tyrol and Saint-Gervais in the region of Mont Blanc in France) oriented to the winter sports and spa facilities mostly have complementary character of the tourist offer.

successful destination brand is based on the original and a clear message that touches consumers emotionally, is associated with confidence and causes a design image and positive associations in the minds of consumers (Najdić 2012, 49). In this context, the emotional concept that refers to the experience of visitors should be included in the process of branding. The success of the branding process is measured by success in attracting and retaining visitors. Therefore, the measure of destination branding is viewed through the realized tourist experience and satisfaction of tourists who seek and expect new inspiration while traveling, and authenticity and distancing from everyday life. The fulfillment of these requests contributes to visitors' direct and emotional ties to a particular destination and thus they become its best promoters and ambassadors (Kotler, Keller, 2008, p. 136). Creating a brand requires the design of marketing<sup>3</sup> programs which send a clear message of the strength of the brand to target market segments. Brand must possess certain qualities to be a positive promoter of destinations but there might also be negative aspect that spoils the overall experience of the destination and creates a bad image of the destination.

The negative<sup>4</sup> factor in branding Republic of Srpska destinations is the bad image that it has had in most parts of the world, particularly in major tourist generating countries. In the last twenty years, images and information pertaining to the Republic of Srpska and Bosnia and Herzegovina have had the most pronounced negative connotation, and led to negative motivational forces that would bring many tourists to this tourist area.

### 2.3. Spa tourist destinations

Spa tourist destinations include the spa centers which are formed around mineral, thermal and thermo-mineral springs, which usually appear in groups on specific geographical areas of similar geological structure. Spas appear as individual centers, often in groups of such centers in a certain area, which may form specific spa tourism offer in the form of clusters. Clusters in tourism are usually formed according to geographic coverage or according to prevailing, i.e. a dominant activity (Bakić 2009, 208), and examples are the branded spa centers of Austria, Germany and Slovenia.<sup>5</sup>

Spa destinations are the longest tradition in the Balkans, and in the last ten years, most spa resorts are in the process of reconstruction and modernization of the receptive and accommodation capacities, innovating medical tourism products as well as the aggressive appearance on the tourist market. Today, the spa destinations try to find their place in an extremely turbulent tourism market and as a major trend in the development of modern spa centers is wellness (spa) tourism, where spas are promoted as a place in which you can prolong youth, in contrast to the previous concept, as places making old age comfortable. The widest space for the development of wellness is provided by health-tourist offer because it already possesses certain objects, facilities and professional staff to provide wellness services (Batoluci et al. 2007, 199). We can say that the spas are in the process of changing the image, because they have so far been seen as the place for treatment, and now they change their image as places for renewing body energy, preserving health and rejuvenating.

In the Republic of Srpska there are nine spa facilities and several possible sufficiently investigated and not affirmed potentials. The most important health tourism center is ZTC "Banja Vrućica", which in the total turnover of the Republic of Srpska accounts for about 28%, and is one of the most successful branded spa resorts of South East Europe. In addition to Banja Vrućica, the Republic of Srpska spa tourism is based on existing capacities of the spas: Vilina Vlas, Guber, Dvorovi, Kulaši, Mlječanica, Slatina, Laktaši and Toplice and they possess accommodation and receptive capacities, as well as several potential thermal

<sup>3</sup> Example: Austria has recognized the importance of wellness and it tied it to the traditional spa and mountain destinations, promoting them as a unified campaign under the slogan "Wellbeing" that defines a specific theme for each of its nine regions for example. Burgeland "Spa world", Upper Austria "Wellness and treatment", Vienna "Take a break in the capital" and others.

<sup>4</sup> Example: Northern Ireland has many similarities with the Republic of Srpska because it is a relatively young nation with a turbulent history and constant pressure from political changes. It is believed that due to such a long history and political instability there is no unique and distinctive identity in the market and among the population. Although it might seem that Northern Ireland has built a strong national image (Gould and Skinner (2007, 100-113) considered that this image is problematic and does not bring positive results expected in the literature on branding.

<sup>5</sup> An example of a successful branding spa is the example of the Republic of Slovenia, which has 15 state-verified thermal spas included in the public health network of Slovenia with a rich health tourist offer. In addition to the development of health tourism, thermal tourism in Slovenia is dedicated to the development and improvement of wellness tourism by creating a recognizable thermal brand, under the slogan "*With nature to health*", which have spread through the countries of South Eastern Europe along the same or a similar concept. However, wellness and spa tourism which Slovenia develops is not typical spa tourism, because it is primarily designed for tourists who have good health and want to maintain health.

resources, among which we can mention Lješljane and Ozren. Basically, spa-tourism potential is under-utilized, spas have poor transport links with the generating centers, inadequately built destination infrastructure, a small number of innovative contents on offer, and the low level of promotional activities in the tourism market.

### 3. RESEARCH METHODOLOGY AND EMPIRICAL CONTEXT

#### 3.1. Methodology of research

Research methods are tailored to the individual units, that is the problem and research objectives. The relevant method for collecting primary data sources is a test method, while the analysis of primary and secondary data and information is done by use of statistical methods. Based on the theoretical lines for the purposes of research, the best suited for empirical analysis was ZTC "Banja Vrućica", a successfully branded and market distinctive destination that can serve as a model and an example for destination branding.

A survey research was needed to find out the opinions and attitudes of visitors on the current image and destination brand identity elements, in order to set the answer to research question: *how can creating and building a tourist destination brand position spa tourism on the market and increase the spa competitiveness?* Further step was to bring the results of a survey in relation to the investment program of Banja Vrućica in the period 2010-2014 and realized tourist traffic in the specified period in order to get the answers based on empirical examples, to the question: *what are the opportunities and branding models of less renowned destinations and tourist potentials of the spa or other types of tourism?*

The main method for data collection was the test method. Reliability of this method is in the relevance of the data collected by this method, however all serious research on the subject of this study includes the test method.

In the realization of field research a questionnaire was used as an instrument of test method. The questionnaire asked close questions in which respondents were asked to choose one or more answers in relation to the offered answers. They prepared different formats of questions: from those where you may choose only one of the multiple choice answers to questions with a choice of two or more possible answers, to the assessment of offered responses at the Likert scale. Closed questions are more appropriate because they allow generalization, and it means the answers to those questions were adequate to verify the research hypotheses.

Survey of visitors was made in the period August - September 2015, on a sample of 167 visitors (respondents), while around 250 visitors were asked to participate in the study. Data collection was performed by random sample; however, attention was paid to include visitors located in all four hotels and visitors of various health tourism programs. Please note that the older participants and visitors from the region expressed a greater desire to participate in the survey than younger respondents. It must be noted that this research is aimed at creating a destination brand by observing Banja Vrućica as a tourist destination and as a health tourism center, so it was necessary to examine all visitors, accommodation facilities and health tourism programs. The aim of this method of determining the patterns is in the creation of a general (average) image of the spa, as well as assessing destination brand. More detailed analysis would certainly be necessary to do research on the level of hotel units or profit centers (health care, catering).

Field research was conducted by the researcher himself, due to the proximity of the place, and during the survey there were some difficulties immanent to this type of research. It was necessary to explain the questions to respondents on the grounds that it is an older population who finds the brand rather a vague term, a foreign word. Epistemological difficulties arise because of the different levels of education and literacy of respondents, and such subjects can directly affect the accuracy and relevance of their answers, and that is why special attention was dedicated to the participants of the elderly population. On the other hand there have been the so-called social difficulties related to the concept of wellness that is a social trend, and it was noticeable that respondents provided somewhat more comprehensive answers on issues related to wellness services, although most of the respondents did not use these services.

The statistical methods were used to analyze data and information of survey research in order to prove the proposed hypotheses, and thereby the following methodological statistical procedures were applied: the arithmetic mean (average value of the variable in the sample), standard deviation (average deviation of the individual value of a variable than the average in the sample), analysis of variance (ANOVA test). The data were processed by the computer program *Statistical Package for the Social Sciences (SPSS)*.

### 3.2. General characteristics of ZTC "Banja Vrućica"

Banja Vrućica is located in the municipality of Teslić, a town in the Usora River Valley at an altitude of 230 m. It is 3 kilometers away from the town center and covers an area of 280 ha, while the ZTC complex covers an area of 78 ha. The most important natural resource is thermal mineral water, which appears on multiple springs at this location.

Tourist and geographical position of the spa is relatively good, it is located 90 km from Banja Luka, 174 km from Sarajevo, 274 km from Belgrade, 271 km from Zagreb, 409 km from Ljubljana as the most important generating centers. Close generating tourist markets and accessibility of the destination is a significant factor in the competitiveness of the holders of the offer and the very tourist destination.

The attraction of Banja Vrućica as a tourist destination is reflected in the rich health-tourist offer, which was launched in the form of programs in addition to boarding services and the following services:

- ✓ *cardio-vascular and physiatrist and rheumatology program*: includes specialist examination, ECG, laboratory, mineral baths, physical therapy and medical follow-up;
- ✓ *balneo therapy* which includes a medical exam and mineral bath;
- ✓ *weight loss program, rehabilitation of immobile and low movable people and program for pensioners*;
- ✓ *sports and recreational program* includes the services of open sports fields including football field with artificial turf, the use of open and closed swimming pools, a bowling alley and fitness center;
- ✓ *business program* includes the use of conference rooms and equipment and recreational facilities;
- ✓ *wellness program* consists of a popularly called water world, the sauna world and the massage world.

Basic activity of Banja Vrućica is medical rehabilitation, which is carried out in the "*Special hospital for rehabilitation of cardiovascular diseases*." In addition, the spa successfully conducts the rehabilitation and treatment of rheumatologic, neurological and posttraumatic diseases and conditions. The Special hospital is located on the premises of the hotel "Herzegovina" and is equipped with the necessary equipment, custom spaces, all-day medical supervision necessary for the rehabilitation and treatment of cardiovascular patients. The long tradition, natural factors, modern equipment and professional staff, make Banja Vrućica the leading balneo climatic resort in Bosnia and Herzegovina. Banja Vrućica has modern accommodation and receptive capacities in the complex of four hotels "Kardial", "Posavina", "Serbia" and "Herzegovina". Capacity units are about 1000 beds, and besides accommodation the visitors have receptive facilities of health tourism offer, which position the spa as a famous natural medical spa, wellness, conference, sports and recreational and event center.

Since 2001, Banja Vrućica has been operating as a joint stock company and in the last five years they made significant investments, among which the most important are shown in Table 1. The investments are financed by: securities issue, their own funds and credit assets.

Table 1 An overview of major investments in the period 2010-2014

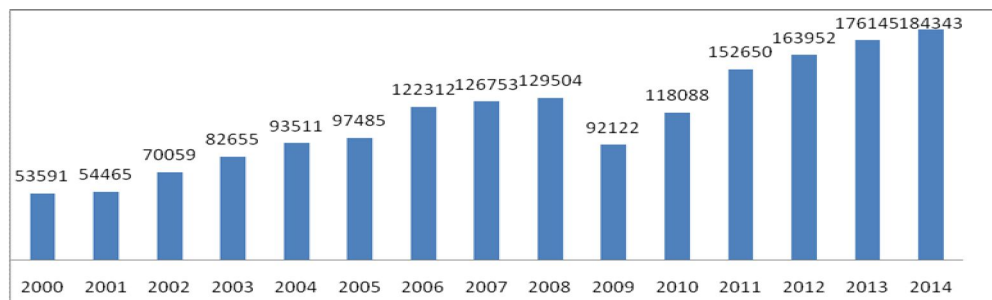
Year	Investment works	Investment value in KM cca.
2010	- Modernization and reconstruction of the "Kardial" hotel and construction of wellness centre	16.961.00,00
	- The construction of a football field with artificial turf in 2010	800.000,00
2011	- Purchase of a modern ultrasound device	106.000,00
2012	- Rehabilitation of the central treatment area, basement and ground floor of the "Serbia" hotel	4.020.000,00
	- Construction of a balloon hall	225.500,00
	- Purchase of equipment for the "Health" profit center	202.500,00
	-Purchase of equipment for the "Hospitality and Tourism" profit center -	59.000,00
	Construction of an open tennis court and equipment	48.200,00
2013	- Construction works on the "Herzegovina" hotel	39.600,00
	- Construction works on the "Health" profit center	22.300,00
	- Renovation of the hotel "Serbia" rooms	295.000,00
2014	- Open pool design	61.000,00
	- Investment in equipment of the "Serbia" hotel	145.000,00
	- Procurement of four-cell bathtubs for the central therapy	35.000,00
	- Construction of an outdoor pool	2.000.000,00

Source: Banja Luka stock exchange 2015

An overview of investments shows that the spa equally develops all its functions, primarily by modernizing and equipping health and recreational programs, and expanding modern market trends, sports and recreation and wellness programs.

The most suitable indicator for the analysis of the importance of innovative investment programs and tourism products is the number of overnight stays in the period 2000-2014, i.e. in the period before and after the reconstruction and modernization of capacities and introduction of new spa health tourism product offer. The movement of tourist traffic shows the size of market valuation of investments in creating a recognizable destination brand.

*Graph 1 Overview of number of tourist nights in the period 2000-2014*



Source: Data taken from the management of ZTC "Banja Vrućica"

Overview of nights for this period shows a steady growth of tourist traffic with minor falls. A significant drop in overnight stays was in 2009 and 2010 during the reconstruction and modernization of the "Kardial" hotel, and in this period the hotel was not open. In the period from 2011 to 2014 there was a steady growth rate of nights as a direct consequence of the spa modernization, the introduction of new spa health tourism product offer. During this period, the image of the spa and the highlighted health function also promote modern tourist programs like wellness center, the world of water, sports courts built in the tradition of Slovenian spas.

#### 4. RESEARCH RESULTS

The field research and data and information collection was followed by the analysis and interpretation of research results. In the questionnaire, the general characteristics of the visitors include issues relating to gender, age group and the country from which visitors come and their education level.

The study included 167 visitors, of which 50.9% or 85 of surveyed visitors belong to the female population, while 49.1% or 82 of interviewed visitors belong to the male population. The largest number of surveyed visitors belong to the group of the elderly population above 60 years of age (55 patients), mostly pensioners visitors in health rehabilitation program, while the smallest number of respondents belongs to the population under 20 years (2 patients) and aged from 21 to 30 years (19 respondents), visitors of sports and recreational programs. The average age of respondents was 49.7 years showing that the most spa visitors are older people and linking it with the spa health function.

Most of the surveyed visitors come from the Republic of Srpska, a total of 99, while 11 visitors from the Federation of BiH were examined. From the countries in region most respondents come from Croatia or a total of 29, while 2 respondents each from Austria, Italy, Hungary and Switzerland, as well as 1 each from Sweden and the United States. The largest number of respondents has a high school education or a total of 52.1%, followed by higher education or a total of 28.7% of the surveyed visitors. Primary school was completed by 3.6% of the respondents, comprised of older visitors to treatment and rehabilitation. A Master degree was acquired by 5.4% of the respondents, mostly foreign visitors, business program visitors (seminars, business conferences). A total of 101 visitors were in the spa for the first time, while 66 had been visiting the spa several times, among whom the most important groups are domestic visitors to health and rehabilitation program and visitors to the workers' sports games. Visitors who revisited the spa did it in average 2.5 times.

##### 4.1. The quality of health and tourism offer

The literature cites most often the following segments for evaluation of image or brand identity: attractions, accommodation facilities, catering services, hospitality of the population, the quality of services, etc., depending on the specifics of the given tourist destination. Destination brand and image are

one of the most important factors in the perception of the quality of the tourism product. In the case of Banja Vrućica a list of ten segments was selected and offered to visitors to assess the quality of individual segments of the offer.

*Table 2 Quality of individual segments of health tourism offer*

Identity elements of (image) brand	N	Min	Max	M	SD
Accommodation facilities	167	2,00	5,00	4,0120	,83585
Catering offer (cuisine)	167	1,00	5,00	3,7904	1,00500
Service staff hospitality	167	1,00	5,00	<b>4,0180</b>	,97852
Availability of useful tourist information	167	1,00	5,00	3,2814	1,05788
Local infrastructure and transport	167	1,00	5,00	2,9222	1,08102
Tourist attraction in the spa environment	167	1,00	5,00	3,7365	1,00722
Night life and entertainment	167	1,00	5,00	<b>2,8383</b>	1,18889
Local population hospitality	167	2,00	5,00	3,9521	,89043
Souvenir availability	167	1,00	5,00	3,1737	1,02957
Unpolluted environment	167	1,00	5,00	3,9760	,89141

N-number of respondents; Min-Minimum value of the variable in the sample; Max-Maximum value of the variable in the sample; M-Arithmetic mean (average value of the variable in the sample); SD-Standard deviation (average deviation of the individual values of the variables from the average of the sample)

When it comes to the quality of health tourism offer of Banja Vrućica, respondents judged the best the accommodation facilities with 4.01, courtesy of service staff with 4.01, unpolluted environment with 3.97, the hospitality of the local population with 3.95, while the lowest estimate was for nightlife and entertainment with 2.83, local infrastructure and transport with 2.92 and the availability of souvenirs with 3.17.

*Table 3 Differences in attitudes and perceptions of observed market segments*

Brand identity elements	Domestic tourists (BIH)		Tourists from region		Foreign tourists		Total		F	p
	M	SD	M	SD	M	SD	M	SD		
Accommodation facilities	<b>3,99</b>	0,84	<b>4,00</b>	0,86	<b>4,30</b>	0,67	4,01	0,84	,631	,534
Gastro offer (cuisine)	3,71	0,98	3,87	1,10	<b>4,30</b>	0,67	3,79	1,01	1,820	,165
Service staff hospitality	<b>3,99</b>	0,99	<b>4,04</b>	1,00	<b>4,20</b>	0,79	4,02	0,98	,228	,797
Availability of useful tourist information	3,19	1,05	3,53	1,04	3,10	1,10	3,28	1,06	1,887	,155
Local infrastructure and transport	2,95	1,10	2,98	1,01	2,30	1,16	2,92	1,08	1,787	,171
Tourist attraction in the spa environment	3,70	1,06	3,77	0,89	<b>4,00</b>	0,94	3,74	1,01	,432	,650
Night life and entertainment	<b>2,68</b>	1,17	<b>3,26</b>	1,19	2,60	0,97	2,84	1,19	4,201	<b>,017</b>
Local population hospitality	3,90	0,93	<b>3,98</b>	0,79	<b>4,40</b>	0,84	3,95	0,89	1,483	,230
Souvenir availability	3,05	1,03	<b>3,51</b>	0,95	<b>2,90</b>	1,10	3,17	1,03	3,725	<b>,026</b>
Unpolluted environment	<b>3,95</b>	0,90	<b>4,00</b>	0,88	<b>4,10</b>	0,88	3,98	0,89	,144	,866

M-Arithmetic mean (average value of the variable in the sample); SD-standard deviation (average deviation of the individual values of the variables from the average of the sample); F-ANOVA test; p-statistical significance

The respondents from different countries of origin answered about their image of attributes of the health tourism product, and there are significant statistical differences in the attributes: night life and entertainment and availability of souvenirs. The nightlife is best evaluated by visitors from the region with 3.2, and the worst by domestic visitors with 2.68. Availability of souvenirs again is best graded by the respondents from the region with 3.51 and the worst by foreign visitors with 2.9. Visitors from abroad best judged the accommodation facilities with 4.3, gastro offer with 4.3, courtesy of service personnel with 4.2 and hospitality of the local population with 4.4, compared to the other two market segments because they are mostly common visitors of the "Cordial" hotel, which has the highest level of quality of mentioned services.



Banja Vrućica positioned itself in the market as a center for health tourism with constant strengthening of sport and recreational and congress tourism. Innovative (wellness) segments gain growing importance in differentiating the quality of health tourism offer. Visitors evaluated positively the quality of health tourism offer of Banja Vrućica, they particularly highly rated accommodation facilities, courtesy of service staff, the hospitality of the local population and unpolluted environment with an average grade of about 4.0, which is necessary to maintain and continuously improve. Research has shown that a recognizable brand of Banja Vrućica has significantly affected the raising of the quality of health tourism offer, as well as the growing awareness of quality standards due to the increasing share of regional and foreign markets in the total tourist traffic.

#### 4.2. Features and the personification of the brand

When creating a destination brand it is necessary to find out how destination image is experienced in order to determine the best way to position it according to the selected market segments. Features of personalized brand can influence the attitudes of tourists visiting a destination partly based on these characteristics.

*Table 4 Features and personification of the Banja Vrućica brand*

Features and personification of the brand	Frequency	Percent
traditional	35	21.0
creative	21	12.6
hospitable	66	39.5
communicative	45	26.9
romantic	19	11.4
quiet and peaceful	42	25.1

\*Multiple questions

The question what are the features and personifications with which you can connect your adventures and experiences regarding the visit to BanjaVrućica, had most answers connected to the hospitality with 39.5% and communicative with 29.9%, and least answers connected to romantic with 11.4% and creative with 12.6%.

#### 4.3. Attributes of the brand attractiveness

The recognizable destination brand is most easily identified and differentiated compared to competing brands via attractive destination attributes and visual elements of the brand identity.

*Table 5 Importance of certain elements of the identity and attractiveness of Banja Vrućica*

Attributes of the brand attractiveness	N	Min	Max	M	SD
„Kardial,, hotel	167	2,00	5,00	<b>4,3653</b>	,75538
Cardio-vascular and rheumatoid program	167	2,00	5,00	4,3234	,86616
Slogan „In the heart of nature,,	167	1,00	5,00	3,6287	1,06698
Logo	167	1,00	5,00	<b>3,1557</b>	1,09751
New outdoor pool	167	1,00	5,00	4,1377	,91780
Wellness program offer	167	1,00	5,00	3,7784	1,06647

N-number of respondents; Min-Minimum value of the variable in the sample; Max-Maximum value of the variable in the sample; M-Arithmetic mean (average value of the variable in the sample); SD-standard deviation (average deviation of the individual values of variables than the average in sample).

The respondents find the “Kardial” hotel as the most important element of the identity and attractiveness of Banja Vrućica with an average score of 4.36 and cardiovascular and rheumatoid program with 4.32. The least important is the logo with 3.15 and the slogan "In the heart of nature” with 3.62. All the attributes of the brand attractiveness have relatively high marks, demonstrating a positive image of the spa and its positioning in the market. Defining brand identity allows tourist destinations to develop more easily their marketing plans for a larger number of markets, adapting the positioning to the specific needs of individual markets. The challenge is the manner in which the identity of the brand is used to create the image of the destination that will attract visitors and stimulate activities that allow adjustments between the wishes of visitors and the brand image. Research shows that the visual elements of the brand, as well as

defining the essence of brand identity enable better identification and competitive differentiation of the tourism product and represent the most valuable asset of tourist destination.

#### 4.4. Market positioning of health tourism product

The positioning of a tourist destination in the market depends on its overall perception and knowledge of all relevant characterization of its visitors within selected market segments. In this sense, it is necessary to identify the key dimensions of visitors and to review their perceptions and preferences in selecting one of the possible programs of health tourism offer in the market. The actual offer is always a combination of attractive attributes, prices, services and communication. To find out the views and opinions of visitors we offered five programs of health and tourism offer for visitors to assess.

Table 6. Market positioning of a health tourism product

Segments of health tourism product	N	Min	Max	M	SD
Health services	167	2,00	5,00	4,2635	,78544
Wellness programs	167	2,00	5,00	3,8263	,95047
Pools	167	1,00	5,00	4,0120	,83585
Sports and recreational services	167	2,00	5,00	3,9820	,84649
Events (business, cultural)	167	1,00	5,00	3,7126	1,14124

N-number of respondents; Min-Minimum value of the variable in the sample; Max-Maximum value of the variable in the sample; M-Arithmetic mean (average value of the variable in the sample); SD-Standard deviation (average deviation of the individual values of variables than the average in sample).

All programs of health and tourism offer of Banja Vrućica were evaluated taking into account the high average values of about four. However, the health care services were best rated with 4.2, and the events (business, cultural) were worst rated with 3.7.

In order to get a clearer picture of the market positioning of the program of health tourism offer we can analyze them by age, gender and geographical segmentation of the market.

Table 7 Country of origin and market positioning of health tourism product

Segments of health tourism product	Domestic tourists (BIH)		Tourist from the region		Foreign tourists		Total		F	p
	M	SD	M	SD	M	SD	M	SD		
Health care services	4,32	0,80	4,19	0,77	4,00	0,67	4,26	0,79	1,027	,360
Wellness programs	<b>3,63</b>	0,92	4,11	0,91	<b>4,70</b>	0,67	3,83	0,95	9,573	,000
Pools	4,05	0,84	3,87	0,85	4,30	0,67	4,01	0,84	1,343	,264
Sports and recreational services	3,99	0,86	3,87	0,82	4,40	0,70	3,98	0,85	1,632	,199
Events (business, cultural)	3,72	1,17	3,68	1,12	3,80	1,03	3,71	1,14	,048	,953

M-Arithmetic mean (average value of the variable in the sample); SD-standard deviation (average deviation of the individual values of the variables from the average of the sample); F-ANOVA test; p-statistical significance

We also researched whether there is a difference between respondents of different countries of origin due to the vision of positioning the individual segments of health tourism offer. It was found that there is a statistically significant difference in terms of wellness<sup>6</sup> programs. These programs are best evaluated by participants from abroad (4.7) and worst by domestic tourists (3.63). Domestic visitors have not built a clear picture of what wellness means and there is a free space in the domestic market.

Banja Vrućica seeks to profile itself as a center of wellness tourism, and special attention should be paid to wellness as an innovative tourist product. The current trend shows a continuous increase in the number of overnight stays of wellness visitors, as well as the income of wellness services, which in 2014 was 6% of total spa revenues. The respondents assessed wellness programs rather high with an average grade of 3.82. The results showed that the proven market value of the recognizable brand of Banja Vrućica as a tourist destination made it possible to easily introduce and affirm innovative tourism products

<sup>6</sup> According to researches of the Statistical Bureau of Slovenia, motives for coming tourist to Slovenian spas in the period from June to August in 2009, were primarily those regarding wellness (4.5), natural attractions (4.3) and climatic conditions (4.1). The results refer to the respondents from Austria, Italy, Germany, the former Yugoslavia countries and other western and eastern European countries.

(wellness) in the offer, at first mostly as a complementary offer, and later as a built stand-alone tourism product through marketing activities to target markets.

## 5. CONCLUSION

This research shows the importance of creating a distinctive destination brand, whose basis is the creation of its own competitive tourism product whose identity will be authentic and superior to the competition, with the aim of better positioning on the tourist market. The most difficult task of the branding process is the creation of an authentic tourist destination because the destination can promote something special, which is often the same or similar to the products of competitors. The European and the world spa tourism destinations are on the rise and have a steady upward trend thanks to the innovation of medical tourism offer through creation of modern health and wellness tourism products. This worldwide trend should be followed by domestic tourist destinations in order to be competitive in the market.

Based on the research, in the case of Banja Vrućica, we can conclude that the branding of tourist destinations with the aim of market positioning and increasing the competitiveness of spa tourism lies in the following:

- creating a destination brand is the result of the applied theoretical and practical knowledge, which should be the basis for the management work, which is expected to become the engine of development of destinations on new (innovative) grounds,
- the main determinant of destination brand in the development of spa centers is in the continuous innovation of health programs and the creation of a unique wellness product,
- besides wellness and health tourism the destination brand strength can be successfully valorized by sports and recreational and event (business) tourism,
- destination brand affects the preservation and promotion of one's own identity, tradition and culture of the destination,
- a recognizable brand positively influences the degree of loyalty of visitors,
- destination brand makes it easier to identify potential market segments for innovative tourism products,
- recognizable brand influences better identification and differentiation of destinations through marketing communication,
- market-recognizable destinations significantly increase their offer quality, because there is a need to adapt offers to visitors from the region and abroad in order to remain competitive in the market,
- the destination brand is an important factor in the perception of the quality of the tourism product by visitors,
- a distinctive destination brand makes it easier to attract investment, which significantly strengthens the competitiveness of the destination,
- diversity of health tourism product affects the recognition of the destination brand through the widening of offer outside the spa centers in combination with other forms of tourism (winter, rural, hunting and fishing, cultural, religious).

The Republic of Srpska can better and more efficiently exploit its tourism potential which has long been neglected and not well-established, and impose itself to the market as a branded tourist destination that offers visitors something innovative and recognizable. No need to realize that it is necessary to brand all the attractive potential because it often is a process with an uncertain outcome. First, the backbone of the brand identity should consist of those elements that give the greatest strength of the brand. Research has shown that the greatest strength of spa resorts is the mineral water and its medical function, including wellness as an essential tourism product. Other potential is not less important (sports, recreation, events, business tourism, culture, and resources in an environment of spa resorts) and it enhances the strength of the brand and makes the tourism product heterogeneous. The initial idea of branding under-renowned spa resources of the Republic of Srpska needs to be designed as a tool to encourage investment programs, modernization and expansion of existing facilities and the development of innovative tourism products. Marketing strategies can more easily position on the market a well designed brand of spa centers especially in the international market because of the challenges that under-explored destinations and regions offer.

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