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**DESTINATION BRANDING AS A DESTINATION
COMPETITIVENESS FACTOR: CASE OF CROATIA**

DOCTORAL DISSERTATION

Ljubljana, 2016

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DESTINACIJSKA ZNAMKA KOT DEJAVNIK KONKURENČNOSTI DESTINACIJE: PRIMER HRVAŠKE

POVZETEK

Doktorska disertacija obravnava destinacijsko znamko, ki velja za relativno nov koncept v teoriji in praksi turizma, in njen vpliv na konkurenčnost turistične destinacije. Kljub temu da gre za novo raziskovalno področje, je že splošno priznано, da predstavlja destinacijska znamka eno izmed najmočnejših in najbolj inovativnih instrumentov v okviru izvajanja strategije trženja destinacije. Kljub temu je zaznati pomanjkanje teoretičnih okvirov in empiričnih dokazov, ki bi potrdili povezavo med destinacijsko znamko in konkurenčnostjo destinacije same. Namen doktorske disertacije je premostiti teoretično vrzel med ciljnim trženjem destinacijske znamke in konkurenčnosti destinacije ter opredeliti morebitno vlogo destinacijske znamke turistične destinacije v obstoječih modelih konkurenčnosti turistične destinacije.

Teoretske temelje te tematike je mogoče najti v turistični literaturi, povezani s turistično destinacijo, ki velja za jedro razvoja turizma, destinacijski znamkami in konkurenčnostjo destinacije. Natančneje zapisano, disertacija vsebuje obsežen pregled literature o najpomembnejših konceptih, povezanih z (i) opredelitvijo turistične destinacije in njene vloge v celotnem razvoju turizma, (ii) znamko in procesom uveljavitve destinacijske znamke na ravni turistične destinacije in (iii) modeli konkurenčnosti destinacije ter dejavniki, ki vplivajo na konkurenčnost destinacije. Za zagotovitev empiričnih dokazov, ki bi obravnavali že omenjeno raziskovalno vrzel, se je v okviru naloge izvedla raziskava na množici hrvaških obmorskih destinacij. Ta je temeljila na osnovnih informacijah, zbranih s pomočjo vprašalnika, ki so ga pripravile organizacije za upravljanje destinacij, in dodatnih podatki, ki so se pridobile s pomočjo vprašalnika TOMAS Summer 2010. Nenazadnje velja omeniti, da doktorska disertacija raziskuje koncept destinacijske znamke in konkurenčnosti z vidika turističnega povpraševanja ter z vidika turistične ponudbe.

Empirične ugotovitve študije kažejo, da je destinacijska znamka pozitivno povezana z destinacija konkurenčnost, merjene s z razliko v prednostnih nalogah (indeks DiPs) med DMO in turistov. Izvedena raziskava daje empirične dokaze, da imajo poprej navedeni predlogi za izboljšanje obstoječih modelov destinacijske konkurenčnosti trdne teoretične podlage. Nadalje, ugotovitve raziskave podajajo nove predloge za izboljšanje trenutnih modelov konkurenčnosti. Ti predlogi temeljijo na uvedbi destinacijske znamke kot dejavniku, ki vpliva na modele turistične destinacije. Doktorska disertacija podaja v zaključku sklepne ugotovitve in priporočila za nadaljnje raziskave.

Ključne besede: turistična destinacija, destinacijska znamka, destinacijska konkurenčnost, Hrvaška

DESTINATION BRANDING AS A DESTINATION COMPETITIVENESS FACTOR: CASE OF CROATIA

SUMMARY

This dissertation explores tourism destination branding as a relatively novel concept in tourism theory and practice, and its influence on tourism destination competitiveness. It is widely acknowledged that destination branding, although relatively new research area, represents one of the most powerful and innovative tools of destination marketing strategy. However, theoretical framework and empirical evidences that would connect destination branding and destination competitiveness are still missing. Therefore, the purpose of the dissertation is to bridge the theoretical gap between destination branding and destination competitiveness and to determine possible role of tourism destination branding in the existing models of tourism destination competitiveness.

Theoretical underpinnings of this study can be found within tourism research literature related to the tourism destination, as a nucleus of tourism development, destination branding and destination competitiveness. More precisely, the dissertation provides an extensive literature review on the most important concepts related to: (i) definition of tourism destination and its role in overall tourism development; (ii) brand and branding process at the tourism destination level; (iii) destination competitiveness models and factors that influence destination competitiveness. In order to provide an empirical evidence that would address previously mentioned research gap, an exploratory research on a set of Croatian seaside destinations was conducted in this study. Exploratory research was based on the primary data, collected through an on-line questionnaire from destination management organizations (DMO's), as well as on the secondary data available from the TOMAS Summer Survey 2010. It is noteworthy that this dissertation investigates the concept of destination branding and competitiveness from the perspective of tourism demand as well as from the perspective of tourism supply.

Empirical findings of the study show that destination branding is positively related to destination competitiveness measured by DMO's performance using discrepancy in priorities index (DiPs) between DMOs and tourists. Research findings provided empirical evidence that previously defined suggestions for advancement of existing destination competitiveness model with the use of branding have theoretical grounding. Research findings also provide suggestions for the improvements of the current destination competitiveness models by introducing destination branding as a factor of tourism destination competitiveness models. Finally, conclusions and recommendations for further research are also presented in this dissertation.

Key words: tourism destination, destination branding, destination competitiveness, Croatia

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1 INTRODUCTION

Travel and tourism are one of the world's largest and fastest growing industries, significantly contributing to the employment, foreign exchange earnings and gross domestic product (GDP) of many countries, particularly smaller and less developed countries, such as Croatia. According to the data available from World Travel and Tourism Council (WTTC, 2013), total contribution of travel and tourism to the world GDP was USD 6,630.4 billion in 2012 (9.3% of total), and it is forecasted to rise by 4.4% annually in the next ten years. Additionally, in 2012 travel and tourism, directly and indirectly (including jobs created by the supporting and related industries), generated about 261.4 million jobs, representing 8.7% of total employment, which is expected to rise by 2.4% by 2023 (WTTC, 2013). Finally, in 2012 tourism generated about USD 1,243 billion of foreign exchange earnings (or USD 3.4 million per day), which was 5.4% of total exports in 2012 (WTTC, 2013). According to the WTTC (2013), travel and tourism foreign exchange revenues are expected to grow by 4.2% annually by the year 2023. It should also be emphasized that, according to the WTTC data, travel and tourism related investments amounted to USD 764.7 billion in 2012 (4.7% of total investment) and are expected to rise by 5.3% annually in the next ten years (by 2023).

Tourism is even more important for Croatian economy. According to the Croatian Bureau of Statistics (2014), Croatia recorded 12.4 million tourist arrivals and 64.8 million tourist overnights in 2013. Croatian National Bank (2014) reported that international tourism receipts reached EUR 7.2 billion in 2013. It is estimated that direct contribution of tourism to Croatia's GDP is approximately 8.3% (Gatti, 2013) while its direct and indirect contribution is around 14.7% (Šutalo, Ivandić and Marušić, 2011). Additionally, tourism activity has strong and positive influence on total employment, since tourism generates around 7% of total employment in Croatia. TTCI index showed that Croatia's tourism is relatively competitive, ranking the 35th place among 140 analyzed countries in 2013 (WEF, 2013).

Given the large economic contribution of tourism for the economy, it is not surprising that tourism market is becoming increasingly saturated and highly competitive environment for tourism destinations. Destinations are under extreme pressure to rejuvenate in order to remain competitive and to secure long term sustainable market positions on the global tourism market. Put it differently, destinations must be attractive, innovative, different and original. Thus, is not surprising that destination competitiveness, as well as its underlying factors, have been in the

focus of travel and tourism research for a relatively long time. Tourism researchers are constantly developing and improving models of destination competitiveness. As the current body of knowledge is constantly expanding and evolving, new factors that might potentially influence destination competitiveness are emerging and being tested empirically. Therefore, one of the main objectives of this dissertation is to explore the relatively recent concept of destination branding and its influence on tourism destination competitiveness. One of the main arguments of the dissertation is that destination branding is one of the key factors for achieving destination competitiveness. However, this position is still not widely accepted in the tourism research literature, resulting in the fact that destination branding is still not an integral part of any of the frequently cited and generally accepted models of destination competitiveness (Dwyer and Kim, 2003; Gooroochurn and Sugiyarto, 2005; Heath, 2003; Ritchie and Crouch, 2003). Research conducted in this dissertation is aimed at shedding additional light on this important topic from the perspective of Croatia's seaside destinations. Croatia, as a mature tourism receiving country on a highly competitive Mediterranean tourism market, has to improve a whole range of factors that are affecting its competitiveness. This includes defining the role of destination branding in the process of achieving destination competitiveness and subsequently, developing a brand that would clearly communicate Croatia's major competitive advantages on the global tourism market.

1.1 Rationale for the research

Global tourism marketplace is becoming increasingly competitive environment for tourism destination and destinations are under extreme pressure to differentiate themselves against its competitors, in an attempt to become unique, recognizable and remain competitive (Krešić and Prebežac, 2011). Therefore, it comes as no surprise that the global interest for competitiveness has drawn the attention of tourism researchers to competitiveness in tourism, on destination and as well as on hotel industry level. Ritchie and Crouch (2003, p. 1), as the world's most recognized and most frequently cited destination competitiveness researchers, are claiming that destination competitiveness is "a manifestation of the broader phenomenon of the new economic competition and the even broader phenomenon of human competition in social, technological, cultural and political spheres". Additionally, Dwyer and Kim (2003) pointed out that destination competitiveness is linked to destination's performance, which has to be more successful than their competitors in aspects of complete tourism experience. Therefore, in order to be competitive on the global tourism marketplace, destinations have to be innovative, distinctive and continuously seek new sources of competitive advantages.

Among the important sources of destination competitive advantage are its market uniqueness and visibility, which can be achieved through the destination branding process. However, even

though different determinants and attributes of destination competitiveness and destination branding have been well studied and meticulously documented throughout the tourism research literature, a comprehensive and generally accepted theoretical framework, connecting the notions of destination branding and destination competitiveness, has still not been developed. Consequently, it can be argued that there is still a lack of knowledge and understanding about the role that destination branding plays in the process of achieving tourism destination competitiveness and this represents an important research gap, which is partially addressed by this dissertation. In order to shed some additional light on the complex relationship between destination branding and destination competitiveness, selected Croatia's seaside tourism destinations are used as a case study.

1.2 Research problem

Having in mind all previously mentioned, the main objective of this dissertation is to investigate whether destination branding is a factor that influence destination competitiveness and to investigate the role that destination branding, as a relatively novel concept in tourism theory and practice, plays within the complex process of achieving tourism destination competitiveness. Here, it is important to point out that this dissertation applies holistic approach to the destination branding analysis, without special emphasis on any of the elements of the destination branding.

In the last thirty years branding has become a very important marketing approach, which involves wide variety of stakeholders who must collaborate in order to achieve a successful outcome (Green, 2005). On the other hand, destination branding is still a relatively new research area, which is explained in more detail in the subchapter 2.2 of this dissertation. Although the importance of destination branding has been recognized in tourism research literature, most researches have only focused on destination image and identity (Ahmed, 1991; Baloglu, 1997; Baloglu and Mangaloglu, 2001; Beerli and Martin, 2004; Dimanche and Moody, 1998; Elliot, Papadopoulos and Kim, 2011; Govers, Go and Kumar, 2007; Konecnik and Go, 2008; Perdue, 2000; Prebensen, 2007; Stock, 2009; Uysal, Chen and Williams, 2000), which is actually a product of destination branding. Morgan, Pritchard and Pride (2004) pointed out that a brand has become one of the key determinants of destination's success, along with products and price. Kotler, Bowen and Makens (2006a) also argue that the products and the brands are extremely important for the success of the destination because they can be utilized as a tool to communicate destination's unique identity. Zenker and Braun (2010) see destination brand as "collage" of associations in the consumer's mind based on the visual, verbal, and behavioral expression of a place. The literature review has shown some other perspectives to destination branding such as customer-based brand equity (Boo, Busser and Baloglu, 2009; Konecnik and

Gartner, 2007), and brand loyalty (Oppermann, 2000), both important for the destination brand measurement.

According to Anholt (2008), countries would not and should not be branded like products because of their complexity. Still, destination branding process is very similar to product branding process, except that destination branding is a more complex process due to the variety of stakeholders involved in the process. Destination branding process certainly leads to destination's better performance, same as the strong brand leads to competitive advantages (Lee and Back, 2010). However, a clear relationship between destination competitiveness and destination branding is still not clear. It is only partially mentioned in the two most known destination competitiveness models – a general model of destination competitiveness proposed by Ritchie and Crouch (2003) and the Integrated Model of Destination Competitiveness proposed by Dwyer and Kim (2003). According to Ritchie and Crouch's model, positioning/branding is a part of destination policy, planning and development dimension, while Dwyer and Kim recognized destination positioning and clarity of destination image as variables that influence destination competitiveness, but they don't discuss destination branding process explicitly.

Pike (2009) recognized three main potential research gaps in destination branding researches:

1. Destination brand identity development,
2. Destination brand positioning, and
3. Destination brand equity measurement and tracking.

Some of the issues that have to be explored are related to better understanding of destination brand decision making, unified brand “umbrella” strategies, appropriate brand positioning, the importance of customer relationship management (CRM) for destination loyalty, brand slogans and logos effectiveness, and destination brand performance measurement. Zenker and Martin (2011) pointed out that according to the place marketing practice, destination branding is still limited in approaches aimed at measuring the success of destination. Referring to the literature, they argued that the measurement of destination's success is not often performed on regular basis. Marketers mostly limit their data to key figures and indicators (such as tourist overnight stays or press clippings) due to the high costs of more comprehensive methods. So, the question of efficiency and effectiveness of the place marketing activities and their influence on destination competitiveness remain unanswered.

Since there is a lack of empirical evidence of destination branding as a destination competitiveness factor in the tourism research literature, destination branding performance and effectiveness could be identified as major gaps in the current body of knowledge. Therefore, it should be emphasized that destination branding should be explored in more detail in future

research, while destination competitiveness models should be extended with the branding as a factor of tourism destination competitiveness.

1.3 Research goal and research questions

According to the previously mentioned, it is clear that, on one hand, destination branding is an important factor of destination competitiveness, but, on the other hand, there is still limited understanding of how destination branding affects the overall level of destination competitiveness. Therefore, the main research questions stem from the previously defined research gap related to the unclear and vague relationship between the concepts of destination branding and competitiveness, but can also be anticipated from the dissertation topic as well as from the analyzed literature. The goal of this dissertation is to provide answers to the following research questions:

RQ1: What are destination competitiveness factors and models?

RQ1A: This research question will be answered in the form of literature review.

RQ2: How is destination competitiveness measured?

RQ2A: This research question will be answered in the form of literature review.

RQ3: What is destination branding?

RQ3A: This research question will be answered in the form of literature review.

RQ4: Are those tourism destinations which implement destination branding more competitive than those which don't?

RQ4A: The answer to this research question will be based on the results of the exploratory research.

The answers to previously formulated research questions should provide a useful informational basis for assessment of the branding process as a tourism destination competitiveness factor. This could contribute to the advancement of the existing body of knowledge, and, on the other hand, might help improve tourism destination competitiveness.

1.4 Expected scientific contribution

The scientific contribution of the dissertation relates to the advancement of the existing body of knowledge from the field of destination branding and destination competitiveness. The

suggested improvements of destination competitiveness model, related to introduction of branding as a destination competitiveness factor, will try to provide new insights into current body of knowledge connecting destination branding and competitiveness and attempt to fill the existing research gaps in destination branding and destination competitiveness literature. Furthermore, the expected managerial contribution of the dissertation stems from the fact that the research results should be useful to the destination management experts when making long term, strategic decision concerning tourism destination development using the improved model of destination competitiveness.

1.5 Dissertation structure

In addition to Introduction, this dissertation is structured into six chapters. First chapter consists of the rationale for the research, research problem, research goal and research questions, expected scientific contribution and dissertation structure. Second chapter provides systematic and comprehensive literature review from the fields relevant for the topic of this dissertation, including general tourism literature, brand and destination branding literature, and competitiveness and destination competitiveness literature.

The third chapter represents the central and most important part of the dissertation. By explaining the relation between destination branding and destination competitiveness, it provides methodological framework and theoretical underpinning for the conducted research, defines the research model and hypotheses. It also provides suggestions for the improvements of the current destination competitiveness models by introducing destination branding as a factor of tourism destination competitiveness. Fourth chapter describes research methodology which includes desk and exploratory research. This chapter also includes study setting which describes research sample in more detail.

Fifth chapter provides the analysis and interpretation of research results. Additionally, this chapter includes testing of previously defined research hypothesis. The goal of this chapter is, through research result analysis and hypothesis testing, to determine whether the theoretical foundation of the idea proposed in this dissertation is sound and viable. Finally, conclusions and recommendations for further research are presented in the sixth chapter.

2 LITERATURE REVIEW

Having in mind the need for comprehensive and systematic overview of theoretical framework used in this dissertation, the concept of tourism destination, as a framework of modern tourism research, is defined in the first part of the Chapter 2. This is followed by the insight into the notion of general marketing literature that includes topics such as brand definition, branding process and branding at the tourism destination level. Besides literature related to tourism destination and marketing literature, literature review also covers tourism competitiveness and an overview of factors that are affecting the competitiveness of tourism destination. In order for the dissertation to be completely underpinned by an appropriate theoretical framework, the literature review also includes measurement of competitiveness, as well as tourism destination competitiveness models.

2.1 The concept of tourism destination

The term destination originates from the Latin word *destinatio* and in its original form has been used as a synonym for a final point of travelling. This term has entered tourism from transport sector, especially air transport, which uses an English term that foremostly denotes the furthest and final point of air travel (Hitrec, 1995). The term tourism destination has evolved from terms such as tourism region, tourism zone, or tourism place, mostly used by spatial planners and geographers, thus giving a wider and new meaning to the term destination in modern tourism theory and practice. According to Bartolucci (2013), a tourism region is a geographical area that is characterized by common characteristics and synergy between tourism products and services, but also political-administrative boundaries in which tourism planning and tourism policy are being implemented. Furthermore, a tourism place represents a functional and spatial unit and does not necessarily need to match administrative boundaries of the place. On the other hand, tourism destination can be viewed as a wider integrated geographical area of one or more tourism places that comprise a functional spatial unit and does not need to match administrative boundaries of a certain place, and is dominantly conditioned by visitors' wishes, tendencies and interests (Vukonić and Čavlek, eds., 2001). Today, tourism destination has become the focal point of contemporary tourism system management as well as tourism research.

2.1.1 Tourism destination earlier concept

Many issues related to spatial planning and environmental protection have emerged from the phenomenon of mass tourism, which led researchers and tourism development planners to try and define, in certain spatial limits, behavior rules for tourist and their hosts, as well as to quantify all the necessary infrastructural and carrying capacities a ratio of the number of visitors and spatial unit area (Kušen, 2002). The previously used term “tourism place” was not sufficient for a precise definition of a tourism product, market sales and communication activities. Therefore, an appropriate spatial unit was required, which would contain enough elements to launch it on the market as a unique and complete product (Kušen, 2002).

The term tourism destination, as we know it today, emerged in the scientific and professional literature in 1970s. Gunn (1972) was one of the first authors who tried to define the tourism destination, suggesting the classification of the so-called tourism destination zones as urban, radial and extended zones. His classification was used as an important starting point for other authors in defining a tourism destination. From a historical point of view, for a long time tourism places met tourists’ needs with their supply, while ensuring profit for local population (Hitrec, 1995). The emergence of tourism places caused by an increasing economic significance of tourist consumption, which affected the level of awareness about the need to promote tourist trends, which led to increased investments in accommodation facilities and other elements of tourism offer necessary to attract and host tourists (Jovičić, Jovičić and Ivanović, 2005). Later on, the term tourist region was developed, i.e. a geographical area characterized by common features and synergy between tourism products and services and political-administrative boundaries within which tourism planning and policy are implemented (Čavlek, Bartoluci, Prebežac, Kesar et al., 2011).

Evolution of the notion of tourism destination has its grounds in the term tourism resort/tourism place. In order to be attractive to tourists, destination needs to possess essential attributes, such as attractive resources, intensity and continuity of visits, as well as a certain level of consumption which ensures prosperity for the local residents (Kušen, 2002). Tourism places were classified as coastal, mountain, climate, lake, cultural-historical etc., depending on tourism potentials, as well as on conditions and legislatives in a certain country (Hitrec, 1995). The official announcement of certain places as tourism places is considered to be a milestone in the history of tourism development, which started in the late 19th and early 20th century in Croatia. For example, under the Health Act from 1906, several recognized maritime spa centers, such as Opatija, Lošinj, Crikvenica, Dubrovnik and Cavtat, were already famous in the Austrian-Hungarian Empire (Hitrec, 1995), while the first accommodation facility built for tourist purposes, was Villa Angiolina in Opatija, finished in 1844. In the second half of the 19th century

tourism started spreading in neighboring countries of Slovenia and Bosnia and Herzegovina. Lake Bled had an open guesthouse Pri Mallnerju in 1848, on the location of today's Hotel Park. The Badehaus baths, the forerunner of today's Hotel Toplice, was opened in 1853. The famous Hotel Evropa in Sarajevo was built in 1882 and in 1892 the Tourist Club was founded. Tourism development was within the jurisdiction of the government, which funded the construction of guesthouses and mountain houses in the alpine regions (Kranjčević, 2012). The emergence of tourism products in a certain tourism place resulted with the development of a tourism destination, as a functional spatial unit larger than a tourism place, which ensured the following (Vukonić, 1995):

- A general better usage of space designated for tourism,
- Economic valorization of tourism resources,
- Creation of a more complex supply for potential tourists,
- Possibility for creation of a tourism identity and recognizable image on a tourism market,
- Better presentation and placement of such a spatial unit on domestic and foreign tourism market, and finally
- A guarantee for tourists that, in a larger spatial unit, their stay will be more eventful, which is an important, almost crucial criterion for a decision making process on whether to visit that or some other area.

Adding up to the theoretical aspects of destination research in tourism, it can be concluded that over the last 30 years researchers have primarily focused on a concept of tourism destination which influenced a development of various theories related to destination management, destination marketing, destination attractiveness, destination competitiveness etc. According to Krešić (2009), majority of destination research does not investigate the notion of tourism destination itself, but its physical, temporal and economic characteristics. On the other hand, earlier authors (Čomić 1988; Gunn, 1972; Marković and Marković, 1972) discuss about tourism place, primarily within its geographical characteristics, while Cooper, Fletcher, Fyall, Gilbert and Wanhill (2008) claim that one of the principle barriers for defining tourism destination is the inconvenient nature of administrative, political or geographical boundaries.

2.1.2 Contemporary understanding of tourism destination

A modern concept of a tourism destination is significantly different from the earlier concepts. Tourism destination is associated with places and areas defined by certain administrative boundaries, the formation which was influenced by ownership of land, means of land usage, geographical and morphological features of a space, as well as important political events. In contrast to this, the contemporary concept of a tourism destination sets off a destination as a spatial unit that is visited and used by tourists, regardless of its administrative boundaries that

are, in this case, a result of market acceptance and valorization of a certain destination (Jovičić et al., 2005). According to Kušen (2010, p. 412), “tourism destination is a clearly defined geographical area; it is always a part of the area strongly marked by distinctive physical features, potential and real tourism attractions and spatial relations between them and other tourist attractions”. According to Jafari (2000), tourism destination is a place where tourists intend to spend their time away from home. That might be a self-contained center, or a village, a town, a region, an island or a whole country. Also, destination may be a single location or a set of multi-destinations as part of a tour such as a cruise. According to Medlik (2003), tourism destination is a main location of tourist activity with a tendency of occupying tourists’ time which will consequently increase their intention for spending. From consumer’s perspective, tourism destination is the principal motivating factor behind the consumer’s decision and expectations (Cooper et al., 2008).

Kušen (2010) claims that today’s generally accepted definitions of tourism destination are mainly in the function of marketing and less in the function of physical, geographical, and long-term tourism development. According to Buhalis (2000), tourism destination is a place that offers different tourism products and services which are under the same brand name in order to offer an integrated experience to tourists. Harris and Leiper (1995) argues that tourism destinations are places that people travel to and decide to stay in for a certain period of time in order to attain a certain experience. While previous definitions, according to Kušen’s claims, are oriented more on marketing, Čavlek et al. (2011), define a tourism destination from a tourism economics point of view. According to them, tourism destination represents a space of temporary tourist stay, a space where tourism activity is conducted and where tourism products are being consumed, i.e. a space where tourism supply and demand are met.

Generally speaking, tourism destination is commonly defined as an administrative or geographical area visited by tourists because of certain benefits expected from such temporary stay. It is a place that is characterized by the real or imagined boundaries that may be natural boundaries (e.g. between the islands), political boundaries or boundaries created by the market (Jafari, 2000; Kotler et al., 2006a; Williams and Hall, 2000). For example, a tourist from Japan or China perceive the Mediterranean as a single tourism destination, especially if, during his/her trip, more Mediterranean countries are visited. Likewise, tourists from the USA or Northern Europe often see former Yugoslav countries as a single tourism destination (Krešić, 2009). Weber and Mikačić (2004) define tourism destination in a similar way. According to them, it is a spatial unit (autonomous tourism object, settlement, city, region, island, country or continent) which implies a destination of a tourist travel and enables tourist arrivals and stay with its capacity.

Previously mentioned definitions of tourism destination are mostly representing a scientific approach of defining this important term. More professionally oriented and technical definition of tourism destination is provided by the UNWTO (2007, p. 1), which claims that tourism destination is “a physical space in which a tourist spends at least one overnight. It includes tourism products such as support services, attractions and other tourist resources within one day’s return travel time. It has physical and administrative boundaries defining its management, but also images and perceptions defining its market competitiveness. Local destinations incorporate various stakeholders often including a host community, and can nest and network to form larger destinations”. From definition provided by the UNWTO (2007) it is possible to extract several elements necessary for an area to be considered as a tourism destination:

- Tourism destination must have clearly defined administrative boundaries or borders defined on the basis of their tourism resources and attractions, such as national parks,
- Tourism destination must have a defined image and certain abstract characteristics and qualities that can contribute to a clear definition of a destination brand, and
- Tourism destination must be an area where the local community is ready to develop tourism and where different tourism activity stakeholders find it convenient to cooperate.

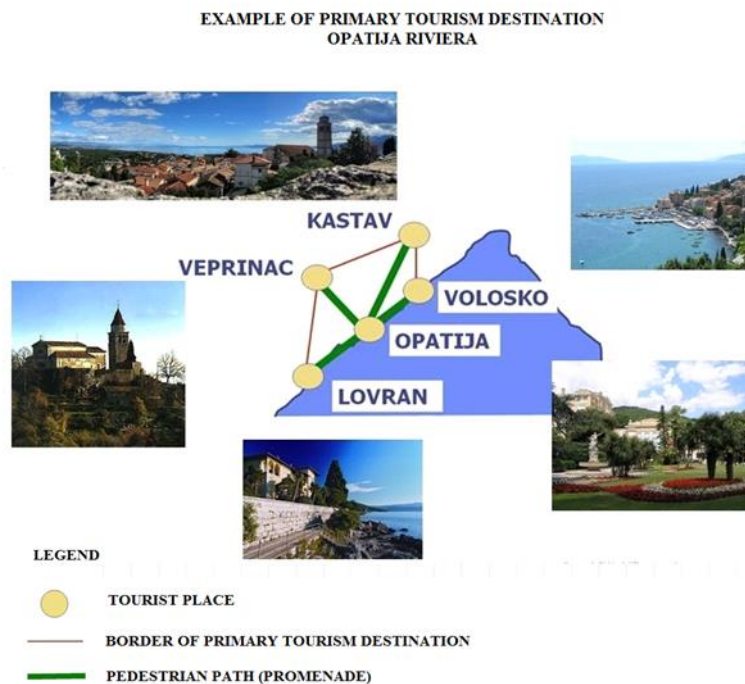
In brief, “tourism destination represents a flexible, dynamic space, whose boundaries define the market itself, regardless of administrative boundaries” (Dulčić, 2001, p. 119). In accordance with the current explanations of a tourism destination, one can conclude that a tourism destination implies a market-adjusted area with optimally compliant system of elements and functions, which, through development of important and dominant features, create conditions that will lead to beneficial and competitive tourism results in the long run.

2.1.3 Types of tourism destinations

Starting from the definition and the criteria that define tourism destination, various authors (Buhalis, 2000, Kotler et al., 2006a; Mihalič, 2008; Vukonić, 1995) provide different classification of tourism destination: (i) homogenous and heterogeneous, (ii) macro and micro, (iii) traditional, (iv) location-defined destinations, and (v) destinations defined by a basic attractions. Mihalič (2008) differs monovalent, bivalent and polyvalent tourism destinations. Monovalent tourism destinations have limited tourism resources and attractions, thus usually developing only one type of tourism and consequently having a relatively low occupancy rate. Bivalent tourism destination have two distinctively different types of tourism resources and attractions which are appealing to tourists in the different periods of the year, therefore having two peak tourism seasons, e.g. summer and winter. Polyvalent tourism destinations are not characterized by the seasonality of tourism demand, tourism activity is intensive throughout the year and those destinations have high occupancy rate, usually above 70%.

The UNWTO (2007) also distinguishes three types of destinations: (i) remote destination – the furthest place away from the domicile, (ii) main destination – a place where most time was spent and (iii) motivational destination – a place visitors consider a primary goal of their visit. According to Kušen (2010) there are primary tourism destination and tourism destination of higher order. Primary tourism destination is the one in which the primary tourism metabolism occurs and which cannot be further subdivided. From the other side, tourism destination of higher order is the one marked by the sum of common features and effects of its primary tourism destination. As shown by example presented on Figure 1, the entire area of Opatija Riviera can be considered as tourism destination of higher order, while each specific micro location (Veprinac, Kastav, Volosko, Opatija and Lovran) can be considered to be primary tourism destination. Therefore, primary tourism destinations are the building blocks of tourism destination of higher order and their area most commonly corresponds to administrative boundaries of the local government.

Figure 1: Example of primary tourism destination



Source: Kušen, 2013.

Cooper et al. (2008) distinguish three basic types of tourism destination: (i) coastal destinations (seaside destinations), (ii) urban destinations (major cities) and (iii) rural destinations (from countryside to national parks, wilderness areas, mountains and lakes). According to Cooper et al. (2008), the key features of a tourism destination are:

- Logical geographical unit recognized by visitors,
- Significant visitor attractions,

- Access or possible provision of access,
- Internal transport network,
- Tourist infrastructure and superstructure are present or can be developed, and
- Administratively possible to plan and manage.

In accordance with the dissertation topic, it is important to mention that Croatian legislation defines the criteria for the classification of towns and municipalities as tourism destinations (Official Gazette, 152/08). Legislation uses the level of their overall tourism development as the criteria for their classification into four tourism classes (A, B, C and D). Those criteria include quality as well as quantity indicators. Quantity indicators for classification include a 5-year average number of overnight stays, tourism traffic intensity coefficient, the specific tourism turnover coefficient and a 5-year average of tourist overnight stays in a municipality, city or town per bed or housing unit. Quality indicators include tourist and accommodation capacities of an adequate quality, level of infrastructure development, wealth of natural and cultural heritage, the condition of health protection organization, place picturesque as well as additional supply such as sport, culture, shopping etc.

2.1.4 Tourism destination management

In order to achieve certain economic and other benefits, tourism destination development must be properly managed. According to Buhalis (2000) tourism destination management can be defined as a set of managerial practices aimed at creating a common platform for achieving a wide variety of strategic objectives within a destination, with the ultimate goal of satisfying the needs and wants of different tourism development stakeholders. Destination management includes the management of tourism supply side, i.e. management of the sites and amenities available to tourists as well as management of the tourism demand side, i.e. management of tourism inflows and tourists satisfaction (Goeldner and Ritchie, 2003). Destination management organizations (DMOs) as a para-state bodies, have a crucial role in the process of stakeholders networking since they are connecting all the relevant tourism development stakeholders within a given tourism destination.

According to some authors (Dwyer and Kim, 2003; Ritchie and Crouch, 2003), the process of tourism destination management is one of the destination competitiveness factors. Ritchie and Crouch (2003) claim that destination management consists of a total of nine components, listed as follows:

- Organization,
- Marketing,
- Quality of service/experience,

- Information research,
- Human resources development,
- Finance and venture capital,
- Visitor management,
- Resource stewardship, and
- Crisis management.

According to above mentioned components, destination management organization must effectively perform many tactical functions that require close daily attention in order to maintain the competitiveness of the destination for which it is responsible. Contemporary approach to tourism destination management suggests that destination should be managed by an organization which should encompass a tourist board, travel agencies, hotels, restaurants, room renters, various entrepreneurs related to tourism, boat owners and other stakeholders in a destination who participate in the tourism system (Bartoluci, 2013). There are three fundamental levels on which a DMO most commonly functions – the national level, the regional/provincial level, and the urban/municipal/city level. The basic roles of a DMO are generally similar at all destination levels and they include different internal and external tasks (Ritchie and Crouch, 2003).

Table 1: DMO managerial tasks

DMO internal tasks	DMO external tasks
<ul style="list-style-type: none"> • Definition of organizational by-laws • Determination of committee structures • Determination of budget/budgeting process • Organizational administrative procedures • Membership management • Community relations • Publications 	<ul style="list-style-type: none"> • Marketing • Visitor services/quality of service/visitor management • Visitor management • Information/research • Finance and venture capital management • Resource stewardship • Humane resources management

Source: Ritchie and Crouch (2003).

Tourism destination management is a very complex practice, since it requires intense cooperation of all interest groups within a destination (Boranić-Živoder, Tomljenović and Čorak, 2011). For that reason, destination management organizations among countries are named differently, e.g. national tourism authority, national tourist board, national tourism commission, government tourism department, crown/government corporation, while in its core business they all have very similar or the same mission.

From the Croatia’s standpoint, destination management activities are performed by the national network of tourist boards, i.e. a network of tourist boards on municipality/town, county and

national levels. The tasks of tourist board network in Croatia are defined by the Act on Tourist Boards and Promotion of Croatian Tourism (Official Gazette 152/08) and the simplified description of their common activities and tasks is provided by Magaš and Meler (2013). According to mentioned authors, the main activities that should be performed by the Croatia's tourist board network include tourism promotion, development of new tourism products, and innovation of existing tourism products for those areas for which they were established. Another important function of tourist board network is to raise the level of public awareness regarding the importance of economic, social and other effects of tourism development as well as the level of public awareness regarding the need for the sustainable tourism development, especially the importance of sustainable use of natural and cultural heritage.

According to the Strategic marketing plan for Croatian tourism 2014-2020 (CNTB, 2014a), CNTB's Central office should become a marketing agency and there should be 10 regional management organizations and 10 tourism regions defined by the Marketing plan from 2008 (CNTB, 2008). DMOs should replace the existing municipality/town tourist boards. DMO's key tasks would be tourism products development, promotion, informing and research, which is basically very similar to the existing tasks of municipality and town tourist boards. Considering the increasing role of branding in achieving the overall competitiveness of tourism destination, Croatian National Tourist Board has decided to make significant changes in this regard. In 2014 CNTB launched a tender for the development of an umbrella branding communication concept called "Big Idea". The main goal of the communication concept is to improve the existing Croatian tourism brand and to strengthen the sub-brands of Croatian destinations and regions (CNTB, 2014b). Although the branding is one of the activities of Croatian National Tourism Board and its subsidiaries, hereby, with the communication concept "Big Idea", role of branding has been reinforced.

2.2 Destination branding

Today, every country, region and city must compete with others for its share of the world's economic, political, social and cultural visibility in the market which can be characterized as mostly intangible assets (ETC/UNWTO, 2009). Tourism destinations will have a short lifecycle if they don't manage their products and services properly (Kotler, et al., 2006a). In order to be widely recognized, destinations don't need to have some spectacular attractions like the Eiffel Tower or Great Wall of China, it is more important that the existing attractions are managed properly and innovatively and in accordance with the current destination management trends (Kotler et al., 2006a). Countries that have a bad reputation for being underdeveloped, unsafe or corrupted will face many problems while trying to create positive and encouraging environment for potential target markets. On the other hand, countries with the positive reputation can

achieve these goals much easier. That is the reason why the concept of place branding, and its sub-sector tourism destination branding has become very important issue. Because of the place branding, Switzerland is today recognized as safe country, a country of wealth, watches and precision mechanics which is ideal for foreign investments. Additionally, based on this positive image, Switzerland has built recognizable tourism brand based on its main competitive advantages such as beautiful nature, the mountains, chocolate, cheese, etc. In a similar manner, France is internationally recognized as a country where life can be enjoyed to the fullest because of fine wines, superb cuisine and high-end luxury products and fashion (Miličević, Skoko and Krešić, 2012). Having in mind all previously mentioned as well as in the context of the theme of this dissertation, the basic concepts important for understanding destination branding process such as brand, place branding and destination branding are analyzed in detail in the next section.

2.2.1 Definition of brand

The term brand appeared during the 1970's in marketing papers about positioning and many professionals were protesting due to the similarity of branding concept and the positioning concept (Kotler and Lee, 2007). According to American Marketing Association (2012), brand is a "name, term, design, symbol, or any other feature that identifies one seller's goods or service as distinct from those of other sellers". According to Kotler and Keller (2012), elements of the brand are its features that can be protected by trademark, brand names, URLs, logos, symbols, characters, spokespersons, slogans, advertisements and are used to identify and distinguish brand on the market. Although the product might have a name, a trademarked logo, unique packaging and other design features, a brand does not necessarily have to exist in the mind of the consumers (Holt, 2004). According to Holt, names, logos and designs are the material makers of the brand. If the product does not yet have a history, those markers can be empty. From the other side, famous brands also have markers, but these markers have been filled with customer experiences. Brand identity encompasses the entire spectrum of consumers' awareness, knowledge and images of the brand as well as the company behind it. It is the sum of all points of encounter or contact that consumers have with the brand, and it extends beyond the experience or outcome of using it (Belch and Belch, 2007). Brands identify product manufacturer and they also enable costumers, whether they are individuals or organizations, to assign specific quality attributes to the manufacturer or a distributor (Kotler and Keller, 2012). At the same time brands also have important functions within the company. First of all, brands simplify the process of product handling. Furthermore, brands can help in organizing the inventory and organizing the accounting data. According to Kotler and Keller (2012), brands also provide the opportunity for the company to legally protect the unique features of the product.

The concept of branding refers to the transfer of the organization's values (company, destination etc.), mission and vision to the employees and clients. Factors that are contributing to the brand creation decision are (Kotler, et al., 2006a):

1. The development of brand name is a key element in the development of its identity. Brand name should suggest something about the benefits and attributes of the product, it should be easily pronounced, recognized and remembered, it should be distinctive, it should be easily translatable into a foreign languages and it should be possible to register and legally protect the brand name.
2. The brand name draws its value from the consumer's perception while brand attracts consumers by developing good quality and value.
3. To be successful, brands with more units have to develop systematic standards in order to meet consumers' expectations. If a brand is successful in quality image development, consumers will expect the same quality in all units that are positioned under same umbrella brand. Inconsistency in standards will decrease the brand value, therefore, consistency and standardization are the key factors for success of any brand.
4. New product is being developed to meet the needs of a certain market segment. Subsequently, the product can be additionally developed so it is able to cover more market segments or the original market segment can grow in size making the product more important because of the large market share, therefore strengthening the brand value.
5. The creation of brand requires significant expenditures, therefore, in order for company to justify spending on administration and advertising, the brand must provide the effects of economies of scale. For example, a company lowers advertising costs because all brand units reached by advertising can benefit from the promotion.

Well known and accepted brands draw customers on the basis of the product offer that is embodied in their strategy (Kotler and Keller, 2009; Lazer and Layton, 1999). Strong brands can simplify the choices that have to be made and increase the satisfaction derived from a visit. For example, a stay at the Plaza Hotel in New York is a memorable experience simply because of the power of the brand name and the reputation that goes with it (Lazer and Layton, 1999). According to the same authors, the strength of a brand depends on:

- Brand loyalty,
- The extent of brand awareness among members of key market segments,
- Perceptions of quality embodied in the brand strategy,
- The appeal of ideas or associations linked with the brand, and
- The use of proprietary brand assets such as trademarks and distribution channel linkages.

Many organizations recognize the importance of integration of marketing communications with the goal of strengthening the strategic position of the brand and its market value, but still effective implementation of communication activities remains a great organizational challenge

(Magzan and Miličević, 2012). Marketers recognize that in the modern world of marketing there are many different opportunities and methods for contacting current and prospective customers to provide them with information about brands. The challenge is to understand how to use the various integrated marketing communication tools to make such contact and deliver the branding message effectively and efficiently (Belch and Belch, 2007). The above mentioned has become important especially when it comes to the brand equity measurement (Vranešević, 2007). Vranešević further argues that the company that sells the brand must correctly determine its brand equity while the company that is buying the brand is going to return the investment because of the brand's potential value.

In order to conceptualize destination branding, it is useful to understand product branding and corporate branding. All of the above is a part of the product branding which can be seen as a part of the corporate branding. According to Balmer (2001) corporate brand is the sum of the corporation's marketing activities whose goal is to present corporation's value system and identity. Schultz and Hatch (2003) define corporate branding in four cycles:

1. Stating the foundation for the corporate brand and linking it to corporate vision,
2. Linking vision to culture and image,
3. Involving stakeholders through culture and image, and
4. Integrating vision, culture and image.

According to the same authors, challenge of corporate branding lies in balancing the conflicts that corporate branding addresses. It is important for corporations to shift between the opposing forces during different stages of the corporate branding process. Furthermore, branding process from the perspective of corporate branding and product branding can be seen as a useful basis for the place, and specifically, destination branding (Saraniemi, 2009).

2.2.2 From place marketing to place branding

Marketing of the places has become one of the leading economic activity and, in some cases, the dominant generator of local wealth (Anholt, 2007; Kotler et al., 1993). Places differ in their histories, cultures, politics, leadership, and particular ways of managing their public-private relationships and must see itself as competitive with other places in order to retain and enhance their resources. Places are increasingly competing with other places to attract their share of businesses and investments, to attract new residents as well as new tourists. Kotler et al. (1993) claim that main target markets for a place are:

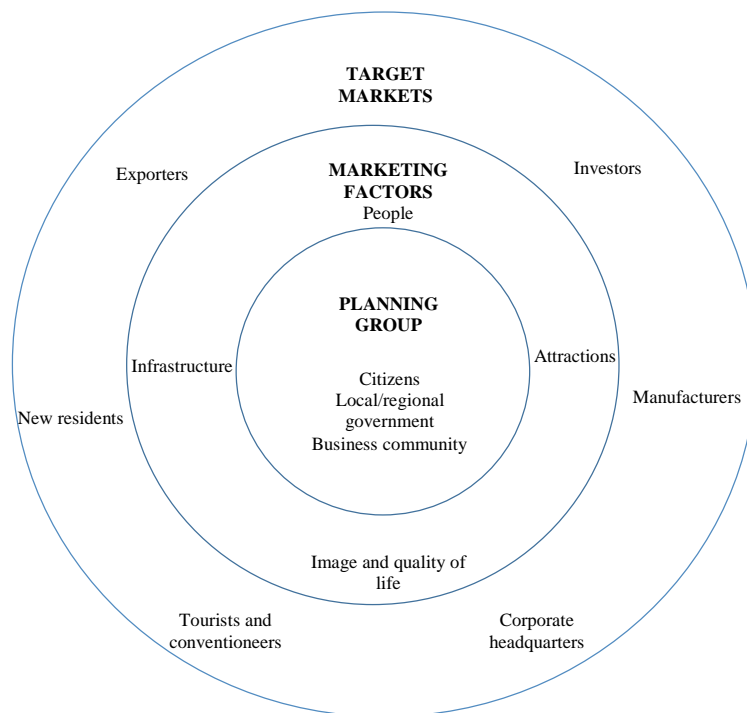
- Visitors,
- Residents and workers,
- Business and industry, and

- Export markets.

Place marketing refers to the broad set of efforts by country, regional and city governments, and by industry groups, aimed at marketing the places and sectors they represent. The intent of such efforts, typically, is to achieve one or more out of four main objectives: enhance the place's exports, protect its domestic businesses from nonresidential competition (for sub-national places this may include those from other regions in the same country), attract or retain development factors and generally speaking to position the place favorably, domestically and internationally, in economic, political and social sense (Papadopoulos, 2004).

Places have three levels of marketing. According to Kotler et al. (1993), the major elements in strategic place marketing are planning group, marketing factors and target markets. The planning group must define and diagnose the community's condition, its major problems and their causes, develop a vision and a long-term place marketing plan in order to maintain satisfaction and generate support of its citizens, businesses and visitors.

Figure 2: Levels of place marketing



Source: Adapted from Kotler et al., 1993.

There are two fundamental impulses leading to place marketing and branding. First, the citizens of a place want their place to be filled with opportunities to exercise their individual skills and interests. Secondly, people and resources are increasingly mobile as a result of 21st century technology and globalization (Kotler, 2004). According to Papadopoulos (2004), a place

branding is becoming commonplace in government circles around the world as well as among trade association executives. A positive place image, as a result of place marketing and place branding, is a prerequisite for successful tourism, export or investment (Govers, 2011). From a place marketing perspective, place brand as umbrella brand can be seen as the corporate brand versus the category or product brand. As branding has evolved, place branding, while not necessarily identified by that term, became a significant marketing issue while country image has been subject to extensive research since the early 1970s (Nebenzahl, 2004).

Parkerson and Saunders (2004) explored the relevance of branding models originally developed for products and services at the city level by using a city of Birmingham as a case study. The research results revealed four themes used as a framework for a city brand analysis: namely (i) the impact of a network on brand models developed for organizations, (ii) segmentation of brand elements, (iii) corporate branding, and (iv) political dimension. All four themes were found to be very complex. The research results indicated that brand models developed for organizations should be modified to suite a network better in the context of city branding. When it comes to brand elements segmentation, the authors concluded that the Birmingham city brand can be segmented according to the perceptions of the residents and tourists. These two brand segments are sharing many of the same brand elements but at the same time the brand promise for these two groups will be diametrically opposed. Additionally, the authors concluded that the relation between the brand and its sub-brands is different in the context of city branding. The main difference is in the decision making process because in the case of city branding there is no strategic decision maker. Instead, the decision, if and how the city brand will be used, are made by destination management composed of tourism stakeholders' representatives. Finally, the authors concluded that the political dimension (role of local government) is much more influential in the context of city branding compared to the branding of traditional products or services.

Place branding should inform place marketing and function as a strategic compass. One needs to think about how tourism, export or investment policy can contribute to building a strong corporate brand (Govers, 2011). Finally, it can be concluded that the need for place branding, as it has surfaced over the last decade and a half, can also be explained as an evolution from place marketing. Therefore, even though place branding is obviously related to place marketing, it still represents a separate research area, which is subject to its own theory and practice.

2.2.3 Tourism destination branding

Place branding, as a wider approach than destination branding, is mainly induced by the globalization process, by the appearance and wider utilization of human technologies, typical of post-industrial economies. From the other side, destination branding, as a new aspect of place marketing, can help the place to move to a more sophisticated level in their place marketing practices (Rainisto, 2004). Branding has come a long way since its early days when the brand was defined as the assignment of a name to products so that they can be uniquely identified (Nebenzahl, 2004). In today's global tourism scene, destination marketing and destination brand development have become strong strategic tools due to the growing competition among destinations. From the global tourism perspective, countries, along with their names, flags, and related symbols, represent tourism destination brands (Tasci, Gartner and Cavusgil, 2007). The ETC/UNWTO (2009) defines "destination brand" as a destination's positioning in the mind of potential tourists and destination's competitive identity. It is what makes a destination distinctive and memorable and what differentiates it from all others. According to Ritchie and Ritchie (1998, p. 103) "a destination brand is a name, symbol, logo, word mark or other graphic that both identifies and differentiates the destination, it conveys the promise of a memorable travel experience that is uniquely associated with the destination and it serves to consolidate and reinforce the recollection of pleasurable memories of the destination experience".

In the last 30 years branding has become a very important marketing approach which involves many heterogeneous stakeholders who must collaborate in order to achieve a successful outcome (Green, 2005). On the other hand, destination branding is still relatively recent research area. The first two articles about the need for destination branding were published by Croatian authors Ozretić Došen, Vranešević and Prebežac (1998) and by Morgan and Pritchard (1999). Literature review on destination marketing and destination branding is showing that this is becoming increasingly popular area of tourism research. Since 1998 when the first papers on destination branding were published, more than 100 papers and articles covering this topic has been published (Pike, 2009; Saraniemi, 2009). The focus of the published papers evolved from the place image, place marketing and place branding topics to destination branding topics, mostly related to measuring success in destination marketing and branding.

The need for place branding can also be explained as an evolution from place marketing, but even if place branding is clearly linked to place marketing, it is a separate field of study and practice in its own right (Govers, 2011). The key of destination branding is that consumers perceive a difference among brands in a product category because a distinctive and unique brand is hardly to be replaced by other brands (Qu, Kim and Im, 2011). Morgan et al. (2004), pointed out that a brand has become the key for destination success, along with products and

price. Kotler et al. (2006a), also argue that products and brands are extremely important for the success of the destination and that the destination must constantly manage its products. In other words, brand development can be perceived as a way to communicate destination's unique identity and considered mutually beneficial from both the supply and demand perspectives (Pike, 2009).

Since the role of destination branding is to communicate the promise and benefits that the destination has to offer, the concept of destination branding is becoming more immanent for the destination management process and therefore a more important factor of the competitiveness of the destination (Miličević et al., 2012). The need for destinations to promote a differentiated product is more critical than ever, since today's leading destinations offer superb accommodation and attractions, high quality services and facilities and almost every country as a destination claims unique culture and heritage (Morgan and Pritchard, 2005). Target groups in destination marketing practice differ, not only with regard to their structure, but also in their particular needs and demands and it is important to customize destination marketing to each group (Zenker and Martin, 2011). Destinations are the world's most under-realized brands. For many tourists a destination choice is significant lifestyle indicator, and the places where they choose to spend their squeezed vacation time and hard-earned income increasingly have to have emotional appeal, high conversational capital and even celebrity value (Morgan et al., 2004).

According to Anholt (2007), destinations would not and should not be branded like products because of their complexity. Still, when it comes to destination branding process, there is almost no difference between product branding, except that destination branding is more complex process. According to the research conducted by Park and Petric (2006), who interviewed persons-in-charged in 25 destinations, the main reason for destination branding implementation were as follows: (i) to build desirable image in order to attract tourists, (ii) to differentiate destination against its competitors, (iii) to attract high spending tourists, (iv) to manage image, and (v) to increase economic benefits of tourism as well as the living standard of local population. Additionally, the authors concluded that the most common measures of branding effectiveness were level of target markets awareness, perception of a destination, behavior of tourists and intention to revisit. Today, there is a new view of communications as an interactive dialogue between the destination and its customers that takes place during the preselling, selling, consuming and post consuming stages (Kotler et al., 2006a). Destinations have to ask not only "How can we reach our tourists?" but also "How can our tourists reach us?". The importance of marketing communication for every tourism company or destination lies in the fact that it acts as the "voice" of the brand because it informs, persuades and reminds the consumers about products that a company or destination sells (Fill, 2006). That is why communications from tourist boards are seen as a legitimate representation of the country to

the global public (Anholt, 2007). Accordingly, tourism is, in most cases, the most important and most powerful of the nation's six "booster rockets" (brands, policy, investment, culture, people, tourism). The rationale behind this line of thought is that tourism offers the opportunity to brand the country or the destination directly.

2.2.4 Destination branding process

Although the concept of destination branding is similar to the concept of product branding, it should be stressed that destination branding is more complex process due to the: (i) high complexity of tourism product, (ii) intangible nature of tourism destination product, and (iii) large number of different stakeholders involved in the process. Given the fact that tourism product represents a mix of different products and services, which can be, and usually are branded separately, destination branding process is more comparable to corporation branding process aimed at creating an umbrella brand for corporation than to branding process of any single product or service. This point of view is additionally confirmed by Morgan and Pritchard (2005) who claim that, even though there are numerous similarities between product branding and destination branding, at the end destination cannot be branded if it would be a single product. Kotler (2004) claims that it should be recognized that places are more difficult to brand than products since every place has a history and heritage that will affect its image. The introduction of the holistic branding process gives a place a lead over locations which only practice promotion, because the branding process forces the development of the place resulting from the process (Rainisto, 2004).

As stated earlier, tourism product besides being very complex, is also mostly intangible product. According to Cai (2002), the challenge of destination branding lies with the complexity of decision process tourists have to make when choosing a destination. Author stresses that the purchase of tourism product, compared to purchase of traditional "physical" product, involves greater risk and requires extensive information search in order to make informed decision whether tourism offer on a destination level fits his/hers specific needs and wants. This is a direct consequence of intangible nature of services in general and specifically of tourism product which cannot be tested before purchase. Besides this, destination branding process involves large number of different stakeholders with different interests. Marzano and Scott (2009) claim that different stakeholders exert different forms of power within the destination branding process in order to include their own values in the destination brand that is being developed. The importance of stakeholders in destination branding process is also emphasized by Garcia, Gomez and Molina (2012) who claim that, when estimating destination brand equity (BE), it is necessary to take into account not only visitors opinions (visitor-based BE) but also stakeholders opinions (stakeholder-based BE). Therefore, destination branding should be seen

as a collaborative process that has to include all of the stakeholders involved in the tourism development on the destination level. Large number of tourism stakeholders, as well as the need for their joint decision-making, is therefore one of the main differences between destination branding process and the process of branding traditional products and services, where the entire brand development process is controlled within the single organization. Finally, Morgan and Pritchard (2005) emphasize that a destination branding process is a long-time effort whose results are not always visible in the short run. The authors point out that it takes time and systematic, dedicated work to build a powerful destination brand. Even those destinations, which at first glance appear to have easily built a recognizable brand, had to go through a time consuming process of destination branding, which is process that is not always visible to the general public.

The main objective of destination branding process is to create a desirable and appealing destination image, based on the distinctive destination features, and to accurately convey this image to the potential visitors (Blain, Levy and Ritchie, 2005). This process should facilitate the creation of strong emotional attachment between the destination and the potential visitors. The created emotional attachment is symbolically represented in the form of the destination brand and should, consequently, have positive influence the consumers' choice i.e. their decisions to visit or revisit particular destination. Ekinçi (2003) argues that destination brand represents emotional component of destination image, therefore only branded destinations can establish emotional connection with the potential visitors. As noted by Qu, Kim and Im (2011), the competitive tourism destination must create positive and strong brand in order to increase repeat visitation and to attract new visitors. Additionally, the authors noted that the destination image, created through destination branding process, directly influences intention to revisit since the study found that the overall image of destination was perceived more positively by the repeated visitors. Therefore, it can be argued that destination branding process and a destination brand, as its final result, are representing an important elements in the process of achieving destination competitiveness on a global tourism marketplace. According to the comprehensive literature review on destination branding published by Pike (2009), destination branding process most commonly includes following constructs: (i) brand development, (ii) positioning brand in the market and achieving the desired brand identity and (iii) measuring the performance of the brand or brand equity. Those three streams of research also represent three basic steps in destination branding process.

In order to develop a successful destination brand, destinations must go through several technical phases (steps) of the destination branding process. Some of the most important phases of the destination branding process, whose importance is emphasized by several authors (Anholt, 2007; ETC/UNWTO, 2009; Kotler et al., 1993; Paliaga, 2007), are following:

- Potential target groups' definition (visitors, local population, entrepreneurs, investors, well-known international companies etc.),
- Destination competition analysis,
- SWOT analysis,
- Definition of vision,
- Destination brand building,
- Destination brand integration into the social, tourism, economic and political sphere and
- Destination brand communication to all of the previously defined target groups.

Following theoretical overview analyzes competitiveness in tourism, mainly focused on destination competitiveness. Also, theoretical findings are synthesized in chapter 2.4 – Relation among destination branding and destination competitiveness. Summary of key theoretical concepts used in this dissertation is provided in table 2, page 42.

2.3 Competitiveness in tourism

The term competitiveness is nowadays widely used as a synonym for economic efficiency (Cracolici, Nijkamp and Rietveld, 2008; Tsai, Song and Wong, 2009). Today everybody wants to be competitive, regardless of whether they are individuals, family run businesses, multinational corporations or tourism destinations. The widespread importance of competitiveness is mostly driven by the globalization process which facilitated easier flow of the goods and services, capital, labor force and technology. Consequently, increasing importance of competitiveness has also influenced tourism on the level of tourism businesses as well as on the level of tourism destinations. Dragičević (2012) argues that competitiveness related research can answer many important questions such as: Why some individuals, with the similar or same education, doing the same jobs, are more successful than the others? Why are some countries in a better competitive position, as measured by the global competitiveness indexes, and why, at the same time, some countries are lagging behind? Why some regions are more successful compared to the others? What are the underlying factors of the overall economic success or failure of regions and countries, companies and individuals and, considering the context of this dissertation, tourism destinations?

The following text defines the notion of competitiveness, methods of competitiveness analysis and measurement, the competitiveness in the context of tourism as well as competitiveness models available in the tourism research literature. Having in mind that the tourism system is an open system which means it is a subject to many influences and pressures that arise outside the system itself (Crouch and Ritchie, 2004), competitiveness of tourism destination is still in focus for many researchers and scholars.

2.3.1 Definition of competitiveness

Before defining the notion of competitiveness itself, it is important to emphasize that terms of competitiveness, competitive advantage and competition are not synonyms. Competitive advantage implies advantage compared to the competitors, which is achieved by creating added value for the customers, by price differentiation strategy or by providing greater benefits to the customers, therefore justifying the premium pricing strategy (Kotler, Wong, Saunders and Armstrong, 2006b). The sources of competitive advantage have been changing over time, from the traditional production factors that played important role in the past to the human resources, managerial skills, the level of innovativeness, technology development, which are all factors influencing competitive advantage in the modern knowledge-based economies (Vrdoljak Raguž, Jelenc, Podrug, 2013). The sources of competitive advantage of a nation are based on the innovativeness of its national development strategy and on the new and specialized skills and competencies which will be used in the strategy implementation (Dragičević, 2012). When discussing competitive advantage of the nation, it should be emphasized that the essential concepts relevant to its competitive advantage should be taken into consideration, such as the level of its economic development as well as its strengths, weaknesses, opportunities and threats (Dragičević, 2012; Porter, 1990).

According to Li and Liu (2012) and Vrdoljak Raguž et al. (2013), there are several different types of competitive advantages:

- Absolute competitive advantage – it implies the competitive advantage unreachable by the competitors,
- Relative competitive advantage – represents a slight higher competitive advantage in comparison to the competitors,
- Dynamic competitive advantage – implies the survival and success of the company over a long period of time, even in the times of uncertainty,
- Temporary competitive advantage – the short term competitive advantage which is possible to sustain in the long term if the company begins to develop new sources of competitive advantage which are sustainable in the long run.

According to Porter (1990) competitive advantage can be achieved by low cost of production and price differentiation. Competitive advantage is a dynamic process which requires continuous effort in order to be sustainable in the long term, since the competition is always present and just waiting for its moment (Zoroja, 2013).

According to Webster's dictionary (2014), competition is the process of trying to get or win something, price or a higher level of success, that someone else is also trying to get or win, and those processes are usually done by people, companies, etc., that are competing against each

other. In doing so, there are four distinct levels of competitiveness (Dragičević, 2012; Kotler and Keller, 2009):

1. Product form competition – it occurs when company perceive competition in the form of other companies which are producing same or similar products and services and offering it to the similar markets at the similar prices,
2. Product category competition – it occurs when the company perceives competition as all other companies which are producing similar class of products,
3. General competition – it occurs when companies perceive as competitors all other companies that are producing products or service which have the same function,
4. Budget competition – it occurs when companies perceive all other companies, regardless of the products and services they are producing, as competitors.

Competition can be viewed as a necessary but sufficient condition for improving national competitiveness. In most countries, as well as in Croatia, competition is encouraged preserved and regulated by the legislative restrictions and limitations that are defining by competition policy and competition legislation (Dragičević, 2012). Specifically, this role in Croatia has the Croatian Competition Agency (CCA, established in 1995), which is a governmental body in charge of ensuring the effective competition, as one of the basic prerequisites for the normal functioning of the market. According to the information published on the CCA web site (www.aztn.hr) “the objective of the CCA is not to protect competitors of any undertaking. It is to create a modern approach to the enforcement policy in the area of competition which relies on deterrence and sanctioning of anticompetitive practices which harm the consumers”.

At the other hand, competitiveness, as a concept, covers a much broader phenomenon of economic competition that transcends social, technological, cultural and political spheres (Ritchie and Crouch, 2003). Intensive competitiveness research started with Porter’s (1990) work. The competitive advantage of nations introduced competitiveness as a widely accepted phenomenon and the most important factor determining the long-term success of organizations, industries, regions and countries (Kozak and Rimmington, 1999). Hence, competitiveness can be defined as the ability of national economies to achieve long-term sustainable growth rate of gross domestic product. National competitiveness is an outcome of a nation’s ability to innovatively achieve an advantageous position over other nations in key industrial sectors (Porter, 1990). Boltho (1996) is distinguishing between short-term and long-term competitiveness among nations. According to this author, the short-term international competitiveness can be observed as the level of the real exchange rate that ensures internal and external balance with appropriate domestic policies. On the other side, the long-term international competitiveness could be associated with the highest possible growth of productivity that was compatible with external equilibrium. Papadakis (1994) argues that nation’s competitiveness can be measured by the accumulation of the competitiveness of firms operating within its boundaries. He is also suggesting that competitiveness is reflected by the

consumer choice between two or more goods competing for the consumer's dollar. Therefore, it is possible to differentiate three levels of competitiveness:

1. Competitiveness of an individual,
2. Competitiveness of the company, and
3. Competitiveness of the nation.

Competitiveness of individuals refers to the ability of an individual to compete with others in order to achieve better results compared to them. The competitiveness of companies depends on several factors: internal factors, external factors, the capacity of the management, cost management as well as political and economic environment in which the company operates in relation to customers and shareholders (Dragičević, 2012; Man, Lau and Chan, 2002; Vrdoljak Raguž et al., 2013). In other words, competitiveness is influenced by its micro and macro environment, i.e. employees, customers, internal and external public, suppliers and competitors as well as political, social, technological and legislative environment (Kotler et al., 2006b).

National competitiveness represents the most comprehensive form of competitiveness, because it covers competitiveness of the individuals as well as the competitiveness of the companies. The ultimate goal of national competitiveness is to increase the overall level of prosperity of its residents, which is possible only through increased level of economic prosperity and wealth accumulation for the individuals and companies operating within a national boundaries (Garelli, 2006). Competitive advantage of a nation, i.e. the level of its prosperity, is influenced by three mutually connected factors: (i) competitiveness of an individual which is focused on the increase of its personal wealth, (ii) competitiveness of a company which is focused on the profitability and (iii) competitiveness of a nation, which is focused in the sustainable and continuous prosperity (Zoroja, 2013). Zoroja also argues that classical economists define national competitiveness through the productivity and economic growth, i.e. that competitiveness is determined by traditional production factors such as labor, land, capital and natural resources. On the other hand, modern economists recognize the importance of globalization and are claiming that, besides traditional production factors, national competitiveness is also influenced by other soft factors, such as political and social stability, legislative framework, and quality of education and promotion of innovativeness (Zoroja, 2013).

According to the World Economic Forum (WEF, 2013), competitiveness is defined as follows: "The set of institutions, policies, and factors that determine the level of productivity of a country. The level of productivity, in turn, sets the level of prosperity that can be reached by an economy. The productivity level also determines the rates of return obtained by investments in an economy, which in turn are the fundamental drivers of its growth rates. In other words, a more competitive economy is one that is likely to grow faster over time. The concept of

competitiveness thus involves static and dynamic components. Although the productivity of a country determines its ability to sustain a high level of income, it is also one of the central determinants of its returns on investment, which is one of the key factors explaining an economy's growth potential sustainable competitiveness as the set of institutions, policies, and factors that make a nation remain productive over the longer term while ensuring social and environmental sustainability.”

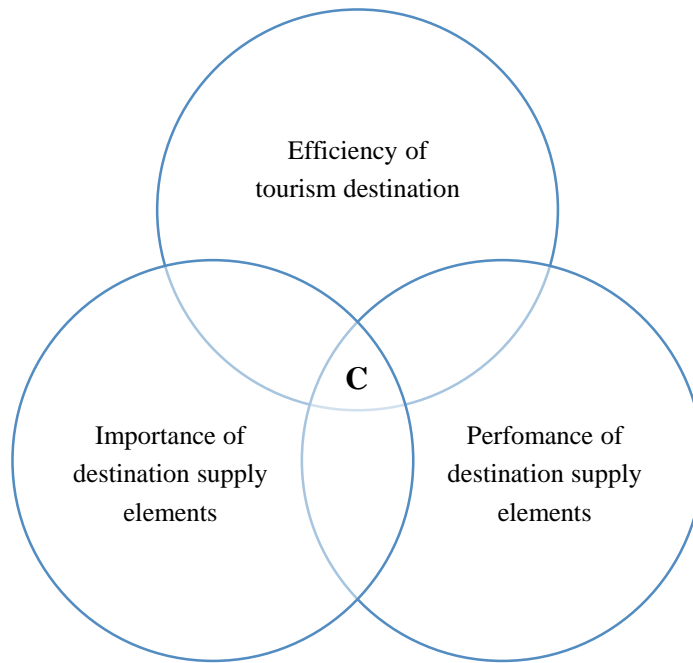
While discussing the notion of competitiveness, it is important to distinguish between productivity and performance and their relation to the competitiveness. Tefertiller and Ward (1995) state that competitiveness is related to productivity growth, relative prices, production and distribution costs and the efficiency of the supporting marketing and distribution system. According to Huggins (2000), elements of competitiveness are productivity, efficiency and profitability in order of achieving rising standards of living and increasing social welfare. Israeli, Barkan and Fleishman (2006) argue that there is lack of a generally accepted method for performance measurement which puts managers under pressure, because the quality of their performance is commonly assessed by a mechanism that they don't know or understand. Čižmar and Weber (2000) state that there is a positive correlation between marketing effectiveness and business performance in the hotel industry. Measuring performance in hospitality industry can be especially difficult because the setting of a service organization may be extremely dynamic (Bowen and Ford, 2004).

When it comes to tourism destination, performance ratings can be developed for destination competitiveness as a whole, as well as for particular aspects of competitiveness (Dwyer and Kim, 2003). In the same vein, Dwyer and Kim states that performance measures can be developed to compare the competitiveness of destinations in respect of all of the main determinants of tourism destination competitiveness factors. The performance importance model proposed by Israeli et al. (2006) suggests that the best strategy managers can use is to direct their efforts and allocate their resources to match importance and performance. International Institute for Management Development (2013) distinguishes four factors that influence on national competitiveness: economic performance, government efficiency, business efficiency and infrastructure.

The aforementioned indicates that efficiency is important for achieving competitiveness while performance is a measure of competitiveness. At the same time importance and performance should be matched in order to accomplish competitiveness which can be measured in the form of customer satisfaction (Israeli et al., 2006). This point of view is additionally confirmed by Dmitrović and Žabkar (2010) by stating that visitor's satisfaction is an important source of destination competitiveness. Similarly, it can be argued that tourist satisfaction based on their experience is important for the financial performance of destination stakeholders, and

ultimately destination competitiveness (Žabkar, Makovec Brenčič and Dmitrović, 2010). Therefore, destinations should strive to accomplish a high level of importance and performance compatibility of the most important determinants of tourism supply in order achieve a high level of efficiency and therefore to be competitive.

Figure 3: Relation between efficiency, performance, importance and competitiveness



*C – competitiveness.

Source: Author's research.

This relation should be seen as an important issue from the perspective of the dissertation's topic since customer satisfaction was used to assess the impact of destination branding on tourism destination competitiveness.

2.3.2 Competitiveness analysis

The concept of competitiveness is a universal concept, within which there is a variety of analytical instruments and models developed with the objective of competitiveness analysis. The following text is elaborating on the most important methods that can be applied for the analysis of the competitiveness of individuals, companies and nations. The most important method and model of competitiveness analysis is Porter's Diamond model of competitiveness. Having in mind that Porter's Diamond model has suffered some criticism over time (Cho, Moon and Kim, 2008), the adopted version of his model, so called The Dual Double Diamond, was eventually developed. Besides Porter's model of competitiveness, the following text also

explains some other methods of competitiveness analysis, such as SWOT analysis, VRIO matrix and benchmarking analysis.

Porter's Diamond

According to Porter (1990), national competitiveness is not inherited but it is created and should be permanently built, and only the integration of micro and macro reforms, situational conditions and government policy can induce the growth of competitiveness and prosperity of an economy. Porter's model is a dynamic and comprehensive, it highlights the sources of national competitive advantage, which includes the essential role of geographic proximity. For Porter, success in the international market is the primary indicator of the competitive strength of the nation. Finally, it is important to point out that almost every analysis of the competitiveness of the regional industrial clusters begins with Porter's Diamond. Four key drivers of competitiveness, according to Porter's model, are: business strategy, structure and rivalry, demand conditions, related and supporting industries factors and conditions (Dragičević, 2012).

The Dual Double Diamond

Expanded Diamond model, which includes the role of human factors and multinational activities of a country, was proposed by Cho, Moon and Kim (2008). Model considers physical and human factors (workers, politicians, bureaucrats and entrepreneurs) in both domestic and international contexts and is expected to provide a more comprehensive explanation for national competitiveness than the existing models. Model assumes that different human resource factors are important for economic development while, at the same time, it accepts Porter's proposition that national prosperity is created instead of inherited (Dragičević, 2012). According to this model countries are classified on the basis of their size and competitiveness.

SWOT analysis

This is an analytical method commonly used in strategic planning, business development, but can be successfully applied to the analysis of the competitiveness of a country, region or tourist destinations. SWOT denotes the acronym of strengths, weaknesses, opportunities and threats, where these factors are identified and analyzed. The goal of the SWOT analysis is to take advantage of certain strengths, stop weaknesses and try to turn them into strengths, exploit opportunities and identify threats that could be the basis for development strategy and competitiveness strategy.

VRIO matrix

This matrix is commonly used as an analytical tool in the strategic planning activities of the company. VRIO is an acronym denoting four questions related to the resources or ability to determine the competitive potentials, namely: value, rarity, imitability and organization. This method can also be applied to analyze the potential competitiveness of a nation (Dragičević, 2012). It can be used to identify potential competitors and key success factors.

Benchmarking analysis

The Webster's Dictionary (2014) defines benchmark as "something that can be used as a way to judge the quality of similar things". The term benchmark has historically been associated with geological investigations in which it has been used as a leveling sign/reference point during the land measurement. Recently, it is commonly used in a context of comparison or reference point for the assessment of organizational, managerial and competitive achievements against the competitors, in the global competitive marketplace (Dragičević, 2012). Put it differently, benchmarking is the process of analyzing competitors, which establishes the basis for improving competitiveness. The concept of benchmarking emerged in business management in the 1980s and it has been used to evaluate products, services and processes in a number of industries (Kozak, 2002).

Today, there are two widely accepted reports, describing the competitiveness of the nations, The World Competitiveness Yearbook published by the International Institute for Management Development (IMD) and the WEF Global Competitiveness Report. These reports are characterized by some differences in the definition of the concept of competitiveness and the scope of its analysis (Dragičević, 2012). IMD defines competitiveness as an ability of a nation to create value added and to increase national wealth. The definition of competitiveness, according to IMD, is based upon GDP growth and productivity growth but, at the same time, it is emphasized that competitiveness cannot be reduced only to the growth of GDP and productivity. The IMD report emphasizes ten golden rules for competitiveness of the nation (IMD, 2013):

1. Stable and predictable legislative and administrative environment should be created,
2. Speed, transparency and accountability of the administration, as well as the ease of doing business should be ensured,
3. It should be continually invested in developing and maintaining of economic and social infrastructure,
4. The middle class as a key source of prosperity and long-term stability should be strengthened,

5. Privately owned and medium sized enterprises, as a key element of diversity in an economy, should be developed,
6. Balanced relationship between wage levels, productivity and taxation should be maintained,
7. A local market should be developed by promoting private savings and domestic investments,
8. Aggressiveness on international markets should be balanced with attractiveness for value added activities,
9. The advantages of globalization should be in the same proportion with the imperatives of proximity to preserve social cohesion and value systems, and
10. In order to achieve successful competitiveness, a higher level of prosperity for all citizens should be provided.

On the other hand, WEF accepts GDP and productivity as a factors of competitiveness, but also adds additional set of indicators. With this respect, WEF's concept of competitiveness involves static and dynamic components grouped into 12 pillars of competitiveness: Institutions, Infrastructure, Macroeconomic environment, Health and primary education, Higher education and training, Goods market efficiency, Labor market efficiency, Financial market development, Technological readiness, Market size, Business sophistication, and Innovation (WEF, 2013). Although the definitions of competitiveness provided by IMD and WEF are partially different, both of them are using similar elements of competitiveness: economic performance, government efficiency, business efficiency and infrastructure, macroeconomic environment, aggregate indicators of economic activity, public institutions and legislation, domestic competition, general infrastructure, technological innovation and information and communication technology (Dragičević, 2012).

2.3.3 The concept of destination competitiveness

Destinations intention to be more competitive is influenced by intense competition among tourism destinations. It can be argued that the competitiveness of tourism destinations is one of the most important tourism research themes of the last two decades (Dwyer, Knežević Cvelbar, Koman and Mihalič, 2013). Many researchers have studied destination competitiveness from different perspectives. For some authors, custom marketing and management strategies are important for destination competitiveness (Ahmed and Krohn, 1990; Bordas, 1994; Čižmar and Weber, 2000; Heath, 2003). Destination marketing is becoming more complex and often has been recognized as a perceived as a threat to destination sustainability (Buhalis, 2000). According to Čižmar and Weber (2000), marketing practices are positively contributing to business performance and they provide an answer to the question of how to attract guests.

Buhalis (2000) argues that destination authorities need to realize that strategic marketing should be used to achieve destination policies and overall competitiveness of tourism destination. According to Dwyer, Forsyth and Rao (1999), a destination may be price competitive from the perspective of some tourists, but not for others, depending on visit purpose. It is necessary that destinations monitor their price competitiveness relative to alternate locations (Dwyer, Forsyth and Rao, 2000). The price competitiveness also could be seen as one of the marketing practices. Buhalis (2000) recognizes the importance of suppliers and the multiplicity of the individually produced products and services that help make up the overall tourism product, but is more concerned with the difficulties this raises for marketing issue than for the destination competitiveness. Management performance also has strong influence on destination competitiveness (Dwyer and Kim, 2003; Go and Govers, 2000; Kozak and Rimmington, 1999). Destinations can enhance the competitiveness by implementation of integrated quality management activities (Go and Govers, 2000). Mihalič (2000) pointed out that destination competitiveness can be enhanced through certain environmental marketing activities.

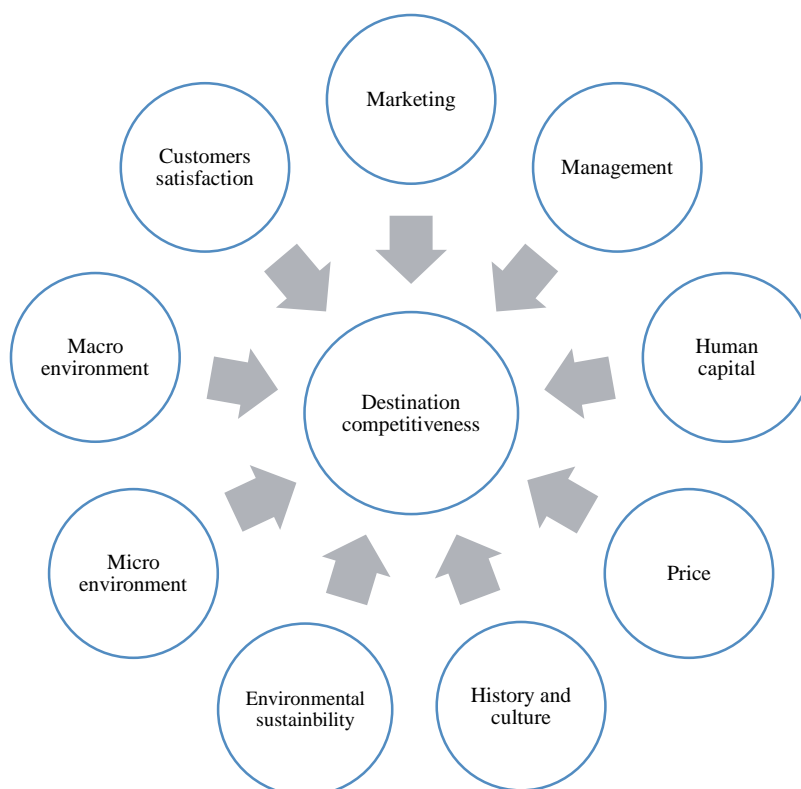
According to Ritchie and Crouch (2003), enhancing the well-being of destination's residents and preserving the natural resources of a destination for future generations has an important role for destination competitiveness. Enright and Newton (2004) have demonstrated the value of including business-related factors in determining tourism destination competitiveness. Buhalis (2000) argues that the use of new technologies is very important in order to manage and market competitive destination of the future for the benefits of its stakeholders. According to Kotler et al., (2006a) tourism development has to reflect the balance between the pursuit of profit maximization and the preservation of natural resources and the quality of life for local residents.

Destination competitiveness is influenced by many factors which have to be coordinated in order to accomplish a destination's successful and continuous competitiveness. Different management organizations on the destination level have to be very well coordinated in order to bypass competitiveness complexity, since there is a very large number of attributes difficult to manage (Crouch, 2011). Competitiveness is widely accepted as the most important factor determining the long term success of organizations, industries, regions and countries (Kozak and Rimmington, 1999). According to the Dwyer and Kim (2003), a large number of variables appear to be linked to the notion of destination competitiveness. These include objectively measured variables such as number of visitors, market share, size of tourist expenditure, level of employment, value added by the tourism system, as well as subjectively measured variables such as richness of cultured heritage, quality of the tourist experience etc. Ritchie and Crouch (2003) pointed out that tourism destination competitiveness is its ability to increase tourism expenditure, to increasingly attract visitors while providing them with satisfying, memorable experiences, and to do so in profitable way, while enhancing the wellbeing of destinations

residents and preserving the natural capital of the destination for future generations. According to Tsai et al. (2009), destination can be considered to be competitive if it can attract and satisfy potential tourists. They also state that competitiveness of a destination indirectly influences the tourism-related businesses, i.e. the hotel and retail industry in a specific tourism destination.

Tourism competitiveness is one manifestation of the broader phenomenon of the new economic competition and the even broader phenomenon of human competition in the social, technological, cultural and political spheres (Ritchie and Crouch, 2003). In order to be globally competitive, destinations have to be innovative and continuously seek new sources of competitive advantages. To achieve competitive advantage for its tourism system any destination must ensure that its overall appeal and the tourist experience offered, must be superior to the offer of the alternative, i.e. competitive destination (Dwyer and Kim, 2003). Generally speaking, it can be assumed that, according to contemporary trends in tourism demand, the competitiveness of tourism destination should be less associated with the achieved levels of socio-economic, political or regulatory development and more with the attractiveness of its experiential mix (Kunst, 2009). According to the above mentioned, major variables that influence tourism destination competitiveness, expressed by various researchers, are shown in the following figure.

Figure 4: Major variables that influence tourism destination competitiveness



Source: Based on Tsai et al. (2009).

One of the variables that certainly exerts high influence on destination competitiveness is branding, the process of creating destination as a brand. According to the ETC/UNWTO (2009), the term destination brand refers to a destinations positioning in the mind of potential tourists and destinations competitive identity. It is what makes a destination distinctive and memorable and what differentiates the destination from all others. It is the foundation of the destinations international competitiveness. In their Conceptual model of destination competitiveness, Ritchie and Crouch (2003), pointed out that destination brand is a name, symbol, logo, work mark or other graphic that both identifies and differentiates the destination. Furthermore, it conveys the promise of a memorable travel experience that is uniquely associated with the destination and it also serves to consolidate and reinforce the recollection of pleasurable memories of the destination experience. Dwyer and Kim (2003), also recognized destination positioning and clarity of destination image as one of variables that influences on destination competitiveness. According to them, branding is essential to make tourism happen in a destination. Still, this process certainly leads to destinations' better performance, but there is not clear linkage between destination competitiveness and destination branding.

2.3.4 Destination competitiveness models

The researches interested in measuring destination competitiveness are facing several challenges (Dwyer, Knežević Cvelbar, Edwards and Mihalič, 2012). The main problem lies in the integration of objective indicators and subjective measures of destination competitiveness (Dwyer et al., 2012). According to Kozak and Rimmington (1999), destination competitiveness can be evaluated quantitatively and qualitatively, i.e. destination competitiveness (performance) can be measured by use of hard data (numbers of tourist arrivals and tourism receipts) and soft data (customer satisfaction). Every destination has its own competitiveness set depending on the nature and structure of its tourism industry compared with alternative tourism products offered in the world wide tourism market (Kozak and Rimmington, 1999). In order to systematically evaluate and organize current body of knowledge related to tourism destination competitiveness models, models are divided in two groups:

- a) Conceptual models, and
- b) Empirical models.

2.3.4.1 Conceptual tourism destination competitiveness models

The Ritchie and Crouch Model

The model developed by Ritchie and Crouch (2003) is one of the best theoretically based and comprehensive destination competitiveness models (Kunst, 2009). The Conceptual model of

destination competitiveness incorporates several categories of factors and sub-factors and the importance of each factor is relative and depends very much on the unique circumstances of each destinations. The Ritchie and Crouch Model takes into account supply and demand factors, i.e. supporting factors and resources, core resources and attractors, destination management factors and destination policy, planning and development and qualifying and amplifying determinants, i.e. location, safety/security, cost/value, interdependencies, awareness/image and carrying capacity suggests that quality of tourism related resources represent the core of the destination's market appeal and the primary motive to visit a destination. The model acknowledges the impact of global macro environmental forces and competitive micro environments (Dwyer et al., 2013). When it comes to the branding authors identify "positioning/branding" as a part of destination policy, planning and development dimension. Positioning is defined as a unique perception of tourism destination in the minds of potential market segments, but they don't discuss destination branding.

The Dwyer and Kim Model

Dwyer and Kim (2003) developed an Integrated Model of Destination Competitiveness (IMDC model). This model encompasses the key theoretical determinants of national and firm competitiveness and tourism destination competitiveness, as proposed by various tourism researchers, e.g. Ritchie and Crouch (Dwyer and Kim, 2003). Dwyer and Kim had listed some of the main dimensions and indicators of destination competitiveness that can enable comparison between countries and between tourism related industries. Those indicators are: endowed resources, created resources, supporting factors, destination management, situational conditions and market performance indicators. According to Dwyer and Kim (2003) model of destination competitiveness will allow identification of the relative strengths and weaknesses of different tourism destinations, and can be used by industry and governments to increase competitiveness in the form of tourism numbers, expenditure and positive socio-economic impacts resulting from tourism growth. When it comes to the branding authors identify "destination positioning and clarity of destination image" as a variables that influence destination competitiveness, but they don't discuss destination branding process explicitly.

The Heath Model

The model is primarily based on experience gained through the destination strategic planning processes facilitated in Southern Africa and it brings together the main elements of destination competitiveness as proposed in the wider literature by various tourism researchers (Heath, 2003). The model is presented in the form of house, consists of various key components: the foundations that provide an essential base for competitiveness; the cement, which links the respective facets of competitiveness; the building blocks, which are connecting destination

competitiveness involving an integrated development policy and framework and a strategic and innovative destination marketing framework and strategy (Heath, 2003). The roof represents the key success drivers including the people factor of destination competitiveness.

2.3.4.2 Empirical tourism destination competitiveness models

World Travel and Tourism Center Model (The Gooroochurn and Sugiyarto Model)

Gooroochurn and Sugiyarto (2005) had developed very pragmatic model for assessing and comparing tourism competitiveness among countries. The authors applied this model to over 200 countries, comparing all available and comparable data from various credible publications of the institutions such as the World Bank, United Nations and United Nations Development Programme (UNDP) (Kunst, 2009). The model provides eight main indicators of tourism competitiveness – price, openness, technology, infrastructure, human tourism, social development, environment and human resources (Gooroochurn and Sugiyarto, 2005). The indicators in the destination Competitiveness Monitor (CM) were similar to those used in monitoring the mainstream competitiveness of nations based on the Porter's Diamond (Tsai et al., 2009). The components included in each indicator are far from exhausted, and the Competitiveness Model is constantly being updated to include new components and data for more recent years (Gooroochurn and Sugiyarto, 2005).

The World Economic Forum Model

Basis for the World Economic Forum Model was the IMDC model developed by Dwyer and Kim (2003). Competitiveness of countries as a tourism destinations is based on the so-called Travel and Tourism Competitiveness Index (TTCI) and presented in Travel and Tourism Competitiveness Report. It provides a “platform for multi-stakeholder dialogue to ensure the development of strong and sustainable tourism and travel industries capable of contributing effectively to international economic development” (WEF, 2013). The aim of Travel and Tourism Competitiveness Index (TTCI) is to provide strategic tool for measuring the factors and policies that make tourism destination attractive on the international tourism market. The TTCI is based on three broad categories of variables that facilitate travel and tourism competitiveness, summarized into the three subindexes (i) the travel and tourism regulatory framework subindex, (ii) the travel and tourism business environment and infrastructure subindex and (iii) the travel and tourism human, cultural, and natural resources subindex. Index calculation is based on 14 competitiveness pillars: (i) policy rules and regulations, (ii) environmental sustainability, (iii) safety and security, (iv) health and hygiene, (v) prioritization of Travel and Tourism, (vi) air transport infrastructure, (vii) ground transport infrastructure,

(viii) tourism infrastructure, (ix) ICT infrastructure, (x) price competitiveness in the Travel and Tourism industry, (xi) human resources, (xii) affinity for Travel and Tourism, (xiii) natural resources, and (xiv) cultural resources.

According to Vengesai (2003) researchers should move from conceptual to empirical validation of the proposed models and the challenge should be to investigate the relationship between identified variables of competitiveness and how strongly they influence tourism destination competitiveness. To date, the Integrated Model of Destination Competitiveness has not been rigorously tested but it has been used to explore destination competitiveness of four countries including Australia, South Korea, Slovenia and Serbia (Dwyer, Knežević Cvelbar, Koman, Mihalič, 2013). As previously mentioned, this Integrated Model has originally been used to explore competitiveness of Australia and South Korea. Omerzel Gomezelj and Mihalič (2008), applied the Integrated Model of destination competitiveness developed by Dwyer and Kim (2003) to Slovenia. They have been examining determinants and individual competitive indicators as perceived by Slovenian tourism stakeholders on the supply side. According to the results, Slovenia is more competitive in its natural, cultural and created resources, but less competitive in the management of tourism and according to the IMDC model, demand conditions, i.e. awareness, perception, preferences, overall destination image. Authors have argued that understanding of the main competitiveness factors (determinants) and the placement of their elements that affect the competitiveness of a tourism destination should be common. The study concluded that the Integrated Model was a useful framework for analyzing the competitiveness of Slovenia (Dwyer et al., 2013). The Integrated Model of destination competitiveness has also been applied to Serbia (Armenski, Gomezelj, Djurdjev, Čurčić and Dragin, 2012; Dragičević, Jovičić, Blešić, Stankov and Bošković, 2012; Dwyer, Dragičević, Armenski, Mihalič and Knežević Cvelbar, 2014). In the most recent analysis of destination competitiveness by Dwyer et al. (2014), authors applied IPA analysis in order to identify activities, in both public and private sector, which could help Serbia to achieve competitive advantage on the tourism market.

According to Kunst (2009), above mentioned conceptual destination competitiveness models are too complex and too demanding for efficient practical implementation, so their significance is mostly of academic and educational nature. The presented empirical destination competitiveness models have their base in mainstream economic principles and in the theory from the field of destination competitiveness, but still, regarded to the variables that they use for each country, it can be concluded that they are not only highly mechanical and stereotypical in approach, but also rather unconvincing (Kunst, 2009). One of the reasons is that the factors affecting the competitiveness of tourism destinations are not the same for all destinations and the hard data, which they are utilizing for competitiveness assessment and measurement, are not always accurate. For example, the number of international tourist arrivals and overnight

stays, used by the WEF for the purpose of composing Travel and Tourism Competitiveness Report, in the case of some countries, i.e. Bosnia and Herzegovina, does not correspond to the actual number of international tourist arrivals (Federal Ministry of Tourism and Environment, 2014). This is not a methodological problem, but the problem of inadequate input tourism statistics regarding the number of international tourist arrivals and overnight stays in a country, in this case of Bosnia and Herzegovina.

An empirical test of the Integrated Model of Destination Competitiveness (Dwyer and Kim, 2003) was conducted in 2013 by Dwyer et al. This was the first study in tourism literature that used secondary data available from international sources for 139 world countries in period 2007 to 2011 to test the validity of Dwyer and Kim's IMDC model (Dwyer et al., 2013). Results showed that "the structure of the IMDC, with some exceptions, complies with the empirical data on a data set of more than 100 countries, thus with the real world of competitiveness attributes and their groupings" (Dwyer et al.: 219, 2013). Even though, the IMDC model predicted eight main elements of destination competitiveness, the empirical analysis suggested five elements, namely: (i) situational conditions, (ii) supporting resources, (iii) endowed and created resources, (iv) destination management – private and (v) destination management – public. Contribution of the paper is very important for the future research of the destination competitiveness, since paper allows policy makers to understand the content of competitiveness factors and to manage and monitor them better (Dwyer et al., 2013).

2.4 Relation among destination branding and destination competitiveness

Having in mind all of the previously discussed issues related to the destination branding and destination competitiveness, it can be concluded that destination branding is an important determinant of destination competitiveness. The following theoretical background is given to substantiate this point of view. The main goal of destination branding is to emphasize the unique destination attributes (*differentia specifica*) and thus, to make that destination recognizable and different compared to competitors.

Lee and Back (2010) argue that, due to the large overlapping between the concepts of destination branding and product branding, it is not unreasonable to assume that the process of destination branding can lead to better destination performance in the same manner as the process of product branding can lead to a competitive advantage of respective companies. Additionally, Pike (2009) points out that destination brand performance measurement is recognized as one of the issues that have to be explored in order to improve destination competitiveness. In a similar vein, ETC/UNWTO (2009) points out that tourism destination must have a defined image and certain characteristics and qualities that can contribute to a clear

definition of a destination brand and subsequently, to destination competitiveness. As previously mentioned, the brand is also partially included in the two most popular and frequently cited destination competitiveness models – i.e., in the *General model of destination competitiveness* by Ritchie and Crouch (2003), and in the *Integrated Model of Destination Competitiveness* (IMDC) by Dwyer and Kim (2003). Both of models recognized positioning and brand concept, but they don't discuss the destination branding process explicitly. At the same time, there is a number of papers that are addressing some aspects of the relationship between destination branding and competitiveness.

According to the analyzed destination competitiveness models and literature reviewed, one would intuitively confirm validity of the relationship between destination branding and competitiveness, but studies that have empirically analyzed this relationship are still missing in the tourism research literature. Therefore, it can be argued that there is a lack of knowledge and understanding about the role that destination branding plays in the process of achieving tourism destination competitiveness which represents an important research gap. In order for destinations to attract as many market segments as possible, which consequently may lead to the better performance and improved competitiveness, destination should build a clear and universally recognizable brand. To accomplish this, destination should primarily define a clear picture of what it offers and what its promise is. Keeping in mind the increasing number of tourism destinations with similar tourism resource base and promotion activities, trying to attract the same market segments, it becomes evident that a clear definition of major brand determinant will become an imperative for the competitive destinations in the future. Tourists will ask themselves why they would choose one destination over another if they all have similar tourism product as well as other elements of marketing mix (price, place and promotion). It is a brand of tourism destinations itself that should create an emotional link with potential tourists and evoke a “sense of a destination” with an ultimate goal of selecting that particular destination. However, it should always be kept in mind that destination is not a place that should be interesting only to tourists, but also to other (tourism development) stakeholders, such as residents, entrepreneurs, investors, international companies, public sector and many other (e.g. non-profit sector). The interest of wide variety of stakeholders, who should collaborate in order to build a strong and sustainable destination brand, is vital for the long term competitiveness of tourism destination. Accordingly, in order for a destination to develop and implement successful destination management practices, the branding process must be implemented and managed by the variety of stakeholders involved in tourism development.

The process of destination branding considered as an integral part of destination management, is a slow and continuous process which takes time but also requires specific knowledge and dedication. An example that can be more than useful in illustrating the above mentioned point of view is a “destination mini brand test” which ask the question: “What is the tallest or largest

dam in the world?” Most of the respondents, except those familiar with the topic being discussed, answer that the tallest dam in the world is the Hoover Dam, located in the USA. However, this dam is actually not the tallest dam in the world. According to the World Register of Dams database, compiled by ICOLD (2003), Hoover dam is ranked 27th tallest dam in the world, but it was heavily promoted as an interesting tourist attraction and today, it is probably the only dam in the world that has built a strong and internationally recognizable brand. Having in mind that the Hoover Dam records more than one million of tourist visits annually (just for comparison, Croatia’s capital City of Zagreb has recorded 877,000 visitors in 2013; CBS, 2014) it can be concluded that the branding process and building a desired destination image (which is a product of destination branding process) can have an enormous impact on destination performance and competitiveness.

Table 2 briefly defines key theoretical concepts, which are used in this dissertation, including (i) tourism destination, (ii) destination management organization (DMO), (iii) destination competitiveness, (iv) destination brand and (v) destination branding process.

Table 2: Key theoretical concepts of the dissertation

Theoretical concept	Definition
Tourism destination	Tourism destination is a place where tourists intend to spend their time away from home. Tourism destination may be a self-contained center, or a village, a town, a region, an island or a whole country (Jafari, 2000).
Destination management organization	Destination management organizations (DMO’s) are a formal governmental bodies, which have a crucial role in the process of stakeholders networking since they are connecting all the relevant tourism development stakeholders within a given tourism destination (Goeldner and Ritchie, 2003).
Destination competitiveness	Tourism destination competitiveness is its ability to increase tourism expenditure, to increasingly attract visitors while providing them with satisfying, memorable experiences, and to do so in profitable way, while enhancing the wellbeing of destinations residents and preserving the natural capital of the destination for future generations (Ritchie and Crouch, 2003). Destination can be considered to be competitive if it can attract and satisfy potential tourists (Tsai et al. 2009).
Destination branding	Tourism destination branding can be defined as the process which is aimed at achieving a desired image of tourism destination in the

	<p>minds of potential tourists. Process includes: definition of target markets, analysis of competitors, SWOT analysis, definition of tourism destination development vision, and definition of destination brand, integration of brand in all tourism development activities and communication of the brand towards tourists as well as towards the tourism development stakeholders (Anholt, 2007; ETC/UNWTO, 2009; Kotler, Haider and Rein, 1993; Paliaga, 2007).</p>
Tourist satisfaction	<p>According to Pizam, Neumann, and Reichel (1978) tourist satisfaction can be defined as the results of the comparison between a tourist's experience at the destination visited and the expectations about the destination. Similarly, Chon (1989) defined tourist satisfaction as the "goodness of fit" between expectation about the destination and the perceived outcome of the experience.</p>

Source: Author's research.

3 CONCEPTUALIZATION OF THE RESEARCH MODEL

This chapter includes suggestions for destination competitiveness model improvements with the use of branding, research model and research hypotheses.

3.1 Suggestions for destination competitiveness model improvements with the use of branding

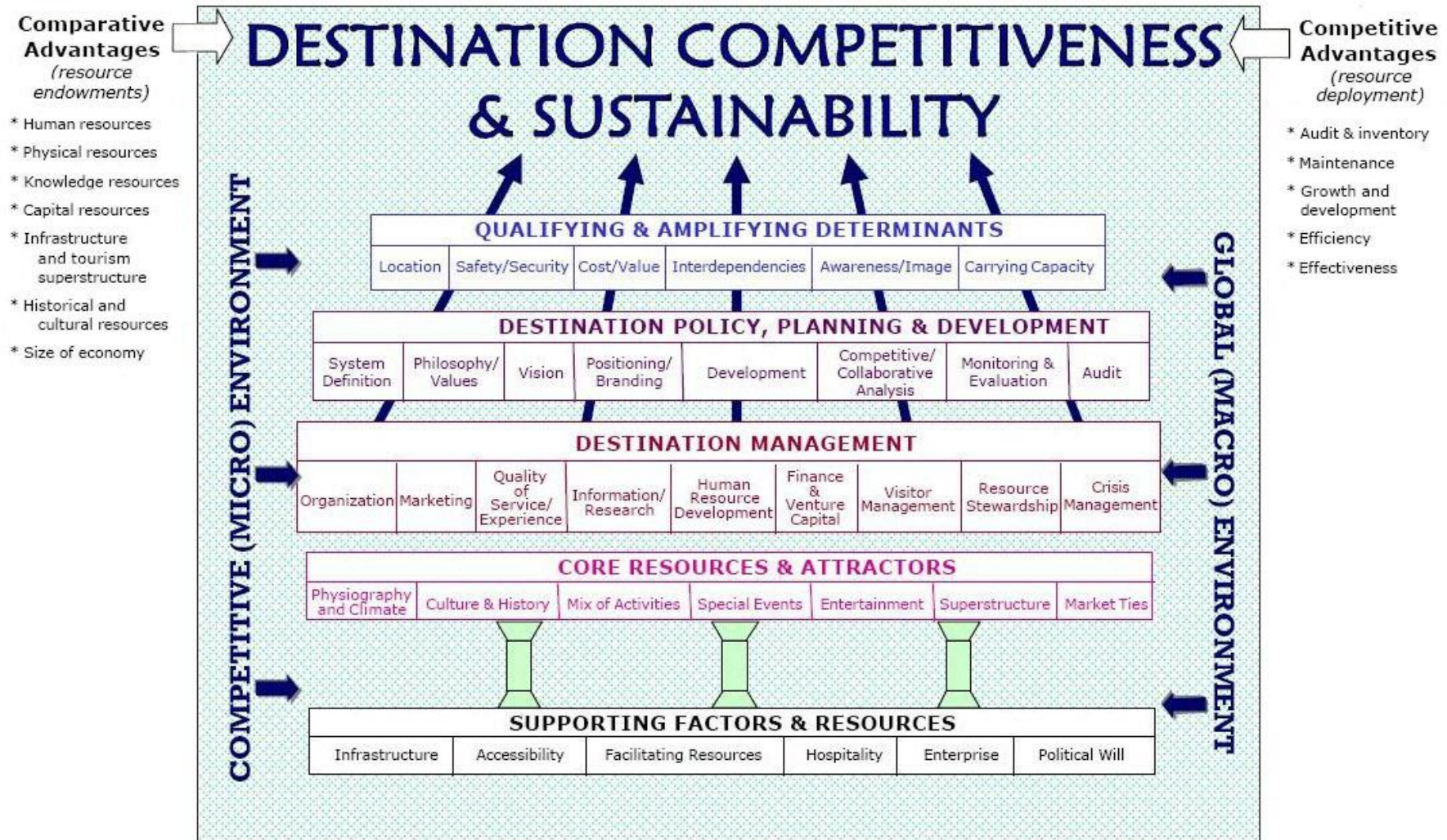
In order to achieve high level of overall destination competitiveness with the implementation of branding, destination should go through all phases of the destination branding process. As previously discussed, destination branding process includes: (i) definition of potential target groups, (ii) destination competition analysis, (iii) SWOT analysis, (iv) definition of vision, (v) destination brand building, (vi) destination brand integration into the social, tourism, economic and political spheres, and (vii) destination brand communication to all of the previously defined target groups. First four elements of the process are typical for the destination management practices and therefore are performed by majority of tourism destinations. On the other hand, last three elements of the destination branding process are directly related to the destination brand building and they are applied in order to achieve desirable image which is the product of the branding process. It should be emphasized that every tourism destination is characterized by an image that exists in the minds of potential customers, but that image does not necessarily has to be product of a destination branding process.

Therefore, destination branding process should start with the definition of potential target groups. Target groups, beside tourists, include a variety of tourism stakeholders within a destination which are all contributing to the creation of successful tourism destination product. This is important in the context of the destination brand positioning and creation of brand values. Selected attributes should be those that are most appealing to selected market segments. Second phase is destination competition analysis which is a phase of destination branding process aimed at analyzing destination market position in relation to the main competitors. Third phase includes a SWOT analysis which should be developed for every tourism destination, regardless of whether a destination is implementing a branding process or not, since it represents an important analytical tool within the destination management framework. After

SWOT analysis has been developed, next phase of the branding process relates to the definition of tourism development vision, which is important in the context of destination management in general as well as in context of destination branding in particular. A clearly defined development vision represents a picture of destination's desired future, which should be acceptable to the key tourism development stakeholders. It should be tailored to suit the needs of the most important tourism market segments, but also defined in accordance with the most important features of destination attraction base. The defined vision represent a starting point for building consistent, strong and recognizable destination brand. Brand building, as the following phase of the destination branding process, enables destination to include products and experiences which will substantiate destination brand and deliver what is promised by the brand proposition. Destination brand building provides answer to the important questions such as "How do you wish to be perceived by your target markets?" or "What is the true character of the brand?" or "What are the tangible benefits you can deliver to potential tourists?". According to the ETC/UNWTO (2009), brand building should define brand values, brand essence and brand proposition. Brand values shape a destination brand personality while the brand essence is a combination of all values of the brand. Brand proposition consist of inputs how to promote the brand essence. After successful brand building, this brand should be incorporated into the tourism destination social, tourism, economic and political sphere, which is the sixth phase of destination brand building process. Basically, this means that all of the most important tourism development stakeholders should accept a newly defined brand and incorporate its main determinants into their business strategies. Finally, the last phase of the destination branding process is the communication of the brand to all of the previously defined target groups.

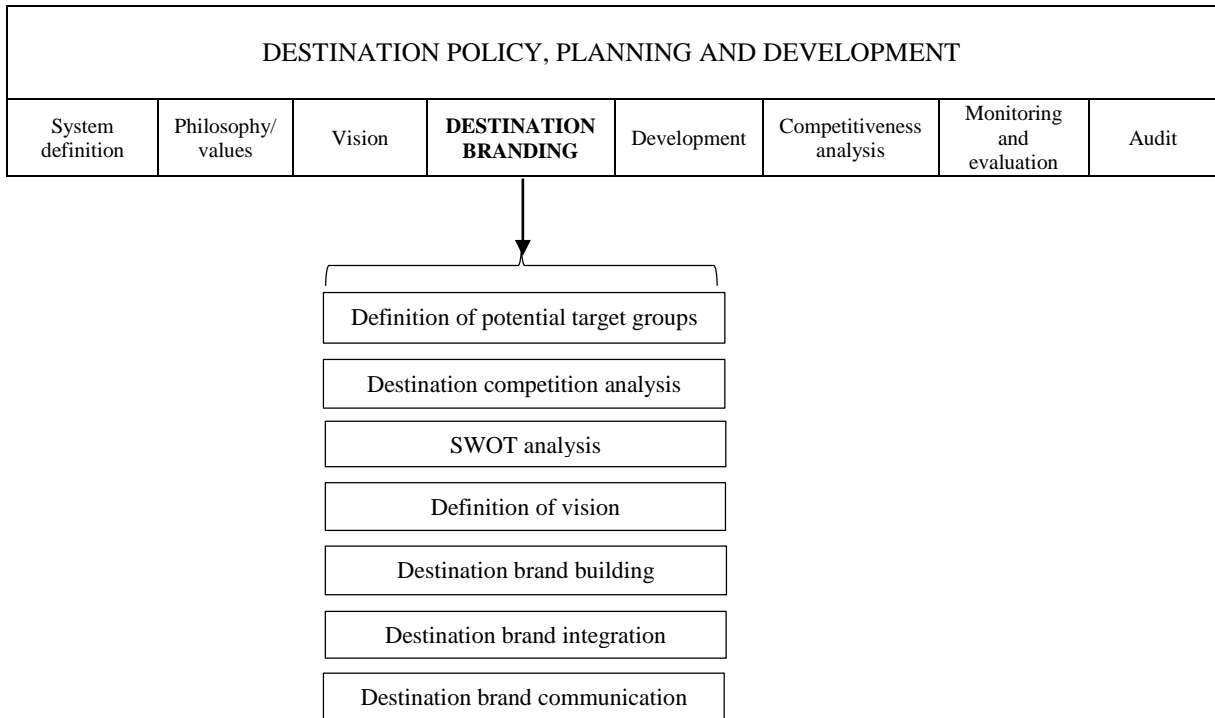
Having in mind the high importance of the destination branding for the overall level of the destination competitiveness, it is clear that destination branding process should be integrated in to the existing models of destination competitiveness, primarily into the Conceptual model of destination competitiveness (Ritchie and Crouch, 2003) (see figure 5) and Integrated Model of Destination Competitiveness (Dwyer and Kim, 2003) (see figure 7), as widely accepted and frequently cited models of tourism destination competitiveness. This is important within the context of this dissertation since one of its focal points is that integration of branding into existing models of destination competitiveness represents an important step forward in developing a comprehensive, more sophisticated and generally applicable model of destination competitiveness. Figure 6 and figure 8 are outlying possible approaches aimed at the integration of branding in the existing destination competitiveness models.

Figure 5: Conceptual model of destination competitiveness



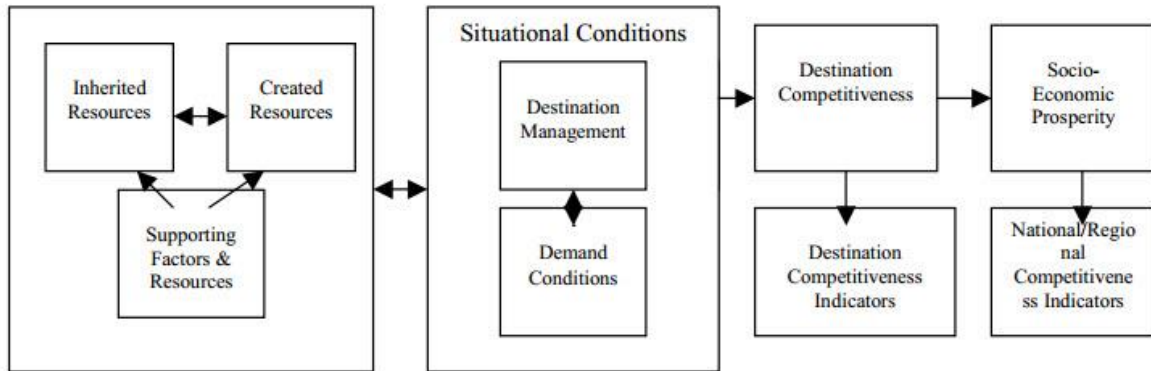
Source: Ritchie and Crouch, 2003.

Figure 6: Suggestions for the modification of the Conceptual model of destination competitiveness



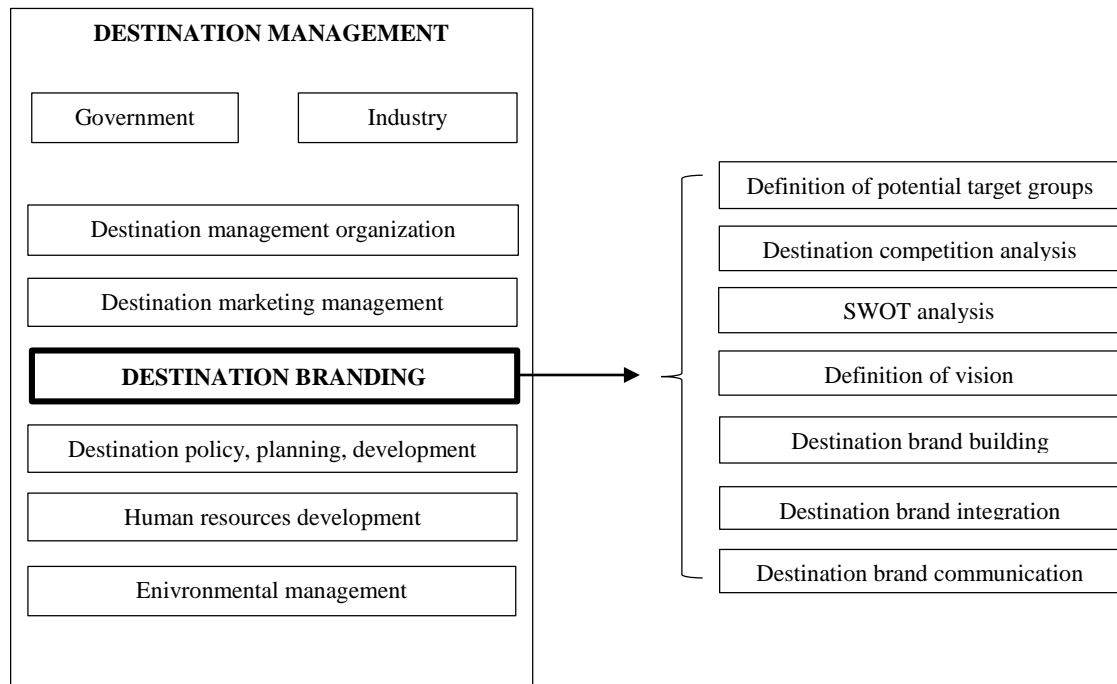
Source: Author's research.

Figure 7: Integrated Model of Destination Competitiveness



Source: Dwyer and Kim, 2003.

Figure 8: Suggestions for the modification of the Integrated Model of Destination Competitiveness



Source: Author's research.

3.2 The research model

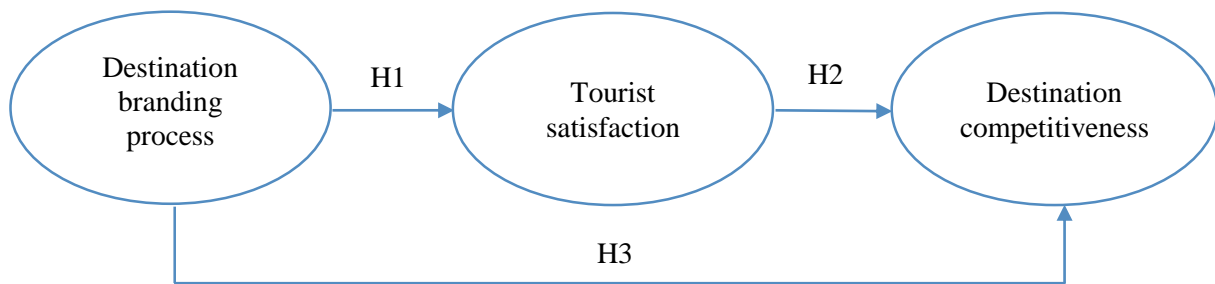
According to the previously defined research goal and research questions, the main hypotheses are shown in the model presented by Figure 9. The assumption for hypotheses is that tourists are more satisfied in those destinations that implement the destination branding process, which consequently influences destination competitiveness. There are three important theoretical constructs included in the research model, namely:

- (i) Destination branding process
- (ii) Tourist satisfaction and
- (iii) Destination competitiveness.

Destination branding process is defined as a process which is aimed at creating desired image of tourism destination in the minds of potential tourists (Blain, Levy and Ritchie, 2005). The scope of destination branding process was assessed by exploring the number of destination branding activities implemented by each destination. Furthermore, tourist satisfaction is defined as the result of the comparison between a tourist's experience at the destination visited and the expectations about the destination (Pizam, Neumann, and Reichel, 1978). According to some authors (Andriotis, Agiomirgianakis and Mihiotis, 2008; Crouch and Ritchie, 2004; Israeli et al., 2006.), tourist satisfaction has been considered as a tool for increasing and measuring destination competitiveness. Tourist satisfaction was assessed based on the data collected

through the TOMAS Summer Survey 2010 research about tourist satisfaction with different elements of tourism destination supply. Finally, destination competitiveness, which is hypothetically influenced by destination branding and tourist satisfaction, is defined as an ability of destination to perform effectively in order to attract and satisfy tourists (Tsai et al., 2009). Therefore, destination competitiveness is largely determined by the destination performance, which is point of view supported by some authors (Dwyer and Kim, 2003; Israeli et al., 2006; Žabkar, Makovec Brenčić and Dmitrović, 2010) and also adopted in this dissertation. Having this in mind, competitiveness is explored from the perspective of destination performance and measured by calculating discrepancy in priorities (DiPs index) between tourists and DMOs. The value of DiPs index (level of destination competitiveness) is interpreted as the ability of destination to identify and satisfy the needs and wants of its visitors. Hence, the closer the value of DiPs index is to 0, the destination is more able to identify and to satisfy the needs of its visitors and, therefore, the destination is more competitive.

Figure 9: Hypotheses model



Source: Author's research.

Note: Solid arrows show the hypothesized associations between constructs, and not the causal-effect relationships.

The hypothesized model shown on figure 9 examines relationship between previously described theoretical concepts – destination branding, tourist satisfaction and destination competitiveness. Hypothetically, destination branding influences tourist satisfaction (H1), which then influences destination competitiveness (H2). Therefore, destination branding has an indirect effect (through tourist satisfaction) on destination competitiveness (H3).

3.3 Hypotheses

Based on the previously mentioned, the first hypothesis is:

H1: Destination branding process is positively related to tourist satisfaction.

The first hypothesis is tested with few auxiliary hypotheses, which are related to destination branding process, and are defined on the basis of destination branding literature (Kotler et al. 1993; Paliaga, 2007; ETC/UNWTO, 2009):

- H1a: Destination branding process is positively related to tourist satisfaction with cultural beauties.
- H1b: Destination branding process is positively related to tourist satisfaction with natural beauties.
- H1c: Destination branding process is positively related to tourist satisfaction with destination picturesqueness.
- H1d: Destination branding process is positively related to tourist satisfaction with variety of entertainment opportunities.
- H1e: Destination branding process is positively related to tourist satisfaction with quality of accommodation.
- H1f: Destination branding process is positively related to tourist satisfaction with quality of gastronomic offer.
- H1g: Destination branding process is positively related to tourist satisfaction with variety of sport activities.
- H1h: Destination branding process is positively related to tourist satisfaction with value for money.
- H1i: Destination branding process is positively related to tourist satisfaction with personal safety.
- H1j: Destination branding process is positively related to tourist satisfaction with hospitality of residents.
- H1k: Destination branding process is positively related to tourist satisfaction with destination accessibility.
- H1l: Destination branding process is positively related to tourist satisfaction with shopping opportunities.

The second hypothesis is:

H2: Tourist satisfaction is positively related to destination competitiveness.

Auxiliary hypotheses are based on twelve elements of destination offer (TOMAS Summer Survey, 2010). Both, satisfaction and importance of these elements for visiting destination, were measured.

H2a: Tourist satisfaction with cultural heritage is positively related to destination competitiveness.

- H2b: Tourist satisfaction with natural beauties is positively related to destination competitiveness.
- H2c: Tourist satisfaction with destination picturesqueness is positively related to destination competitiveness.
- H2d: Tourist satisfaction with variety of entertainment opportunities is positively related to destination competitiveness.
- H2e: Tourist satisfaction with quality of accommodation is positively related to destination competitiveness.
- H2f: Tourist satisfaction with quality of gastronomic offer is positively related to destination competitiveness.
- H2g: Tourist satisfaction with wealth of sport activities is positively related to destination competitiveness.
- H2h: Tourist satisfaction with value for money is positively related to destination competitiveness.
- H2i: Tourist satisfaction with personal safety is positively related to destination competitiveness.
- H2j: Tourist satisfaction with hospitality of residents is positively related to destination competitiveness.
- H2k: Tourist satisfaction with accessibility of destination is positively related to destination competitiveness.
- H2l: Tourist satisfaction with shopping opportunities is positively related to destination competitiveness.

Third hypothesis is:

H3: Destination branding process is positively related to destination competitiveness.

Auxiliary hypotheses are based on destination branding process elements:

- H3a: Potential target groups' definition is positively related to destination competitiveness.
- H3b: Destination competition analysis is positively related to destination competitiveness.
- H3c: SWOT analysis is positively related to destination competitiveness.
- H3d: Definition of vision is positively related to destination competitiveness.
- H3e: Destination brand building is positively related to destination competitiveness.
- H3f: Destination brand integration is positively related to destination competitiveness.
- H3g: Destination brand communication is positively related to destination competitiveness.

4 RESEARCH METHODOLOGY

Two basic research methods were used for the purposes of the dissertation – desk research and exploratory research, both explained in more detail in the following text.

4.1 Desk research

The desk research included an overview of current literature in destination competitiveness and destination branding field, as well as the secondary data analysis. Various scientific and professional articles covering different aspects of destination competitiveness and destination branding were analyzed. Some of the journals most commonly used for compiling literature review include following:

- Acta Turistica,
- Annals of Tourism Research,
- Current Issues in Tourism,
- International Journal of Contemporary Hospitality Management,
- Journal of Brand Management,
- Journal of Hospitality and Tourism Management,
- Journal of Hospitality and Tourism Technology,
- Journal of Travel Research,
- Journal of Vacation Marketing,
- Place Branding and Public Diplomacy,
- Tourism Economics
- Tourism Management,
- Tourism Review, and
- Tourism - An International Interdisciplinary Journal.

Apart from the mentioned scientific journals, various books and textbooks covering topics related to tourism destination management, destination marketing and destination branding were also used for the literature review, in order to define the following:

- Research goal and research questions,
- Research hypotheses,
- Research methods, and
- Methods of research results interpretation and dissemination.

Secondary data analysis included data collected through TOMAS Summer Survey 2010 on attitudes and expenditures of tourists in Croatia's seaside destinations, conducted by the Institute for Tourism, Zagreb. The survey was conducted on a sample of 4,973 respondents interviewed in 85 seaside destinations in Croatia during the peak tourism season, from mid-June to the end of September of 2010. This dissertation utilized only a smaller part of the data set collected for the abovementioned survey. In particular, the data on tourist satisfaction with different elements of tourism destination supply and the data on the importance (influence) of different elements of tourism destination supply for the destination choice were used. Tourist satisfaction was measured on a five-point Likert scale (1=very poor and 5=excellent) and importance for destination choice was measured on a six-point Likert scale (1 = totally irrelevant and 6 = extremely important).

TOMAS Summer Survey is a longitudinal survey periodically conducted by the Institute for Tourism, Zagreb (since 1987) which collects data from domestic and foreign tourists who are close to the end of their stay in Croatia's coastal destinations. The main objectives of the survey are: (i) to determine tourism market segmentation, (ii) to identify major strengths and weaknesses of tourism supply in Croatia's coastal destinations, (iii) to determine characteristics of tourism expenditures and (iv) to monitor trends of inbound and outbound tourism demand. The instrument of data collection was a structured questionnaire (printed on a single sheet of A3 paper size) available in twelve languages: Croatian, German, English, Italian, French, Spanish, Slovenian, Czech, Slovak, Hungarian, Polish and Russian. The majority of questions were closed-ended questions with predefined answers. The exceptions were questions about the age of respondents, the number of accompanying persons, the length of stay on the journey and in the destination, and the questions concerning respondent's travel expenditures, which were open-ended questions (Marušić, Čorak, Sever and Ivandić, 2011). Specifically, the questions utilized in this study were questions labelled as D1 and D3, formulated as follows:

D1: "Please, indicate how satisfied you are with tourism product and services in the place where you are staying?"

D3: "How important were the following aspects in your decision to visit this destination?"

The questions consist of 27 and 14 elements of tourism destination supply, out of which 12 elements are being used in this research. The used elements were suitable for the research scope.

The method of data collection was a personal interview conducted by the specialized market research agency, whose interviewers had previously been specially trained by experts from the Institute for Tourism. Additionally, the Institute was also responsible for the overall prearrangement of the field work, which includes: (i) definition of the questionnaire content, (ii) questionnaire design and printing, (iii) preparation of instructions for the interviewers, (iv)

sample design, (v) sample allocation on the destination level and the accommodation facility level and (vi) monitoring/controlling of interviewers' performance.

The research population was composed of all adult tourists (domestic and foreign) who were staying in commercial accommodation facilities in Croatia's coastal and island destinations, in seven Croatian seaside counties, from mid-June to September 2010 (Marušić et al., 2011). The sample size was 4,973 respondents, which represented around 0.07% of the total number of tourists that stayed in Croatia's seaside counties from June to September 2010. The sample was allocated to destinations with the highest number of recorded tourist overnights in 2009. Below is the list of destinations by counties which participated in the survey during the summer of 2010.

Table 3: The list of Croatia's counties and destinations that participated in the TOMAS Summer Survey 2010

County	Destinations
Istria County	Fažana, Katoro, Medulin, Novigrad, Poreč, Premantura, Pula, Rovinj, Savudrija, Tar, Umag, Vrsar
Primorje-Gorski Kotar County	Banjol, Baška, Cres, Crikvenica, Krk, Lopar, Mali Lošinj, Malinska, Martinšćica, Nerezine, Novi Vinodolski, Njivice, Opatija, Punat, Rab, Selce, Veli Lošinj
Lika-Senj County	Karlobag, Novalja, Senj, Stara Novalja, Stinica, Sveti Juraj
Zadar County	Biograd, Kukljica, Mandre, Nin, Pag, Pakoštane, Petřčane, Privlaka, Starigrad, Šimuni, Vir, Zadar, Zaton
Šibenik-Knin County	Jezera, Murter, Pirovac, Primošten, Rogoznica, Šibenik, Tisno, Vodice
Split-Dalmatia County	Baška Voda, Bol, Brela, Duće, Gradac, Hvar, Jelsa, Makarska, Okrug Gornji, Omiš, Podgora, Seget Donji, Split, Stari Grad, Supetar, Trogir, Tučepi, Živogošće
Dubrovnik-Neretva County	Cavtat, Dubrovnik, Korčula, Lumbarda, Orebić, Slano, Ston, Trpanj, Vela Luka, Mlini

Source: Marušić et al., 2011.

4.2 Exploratory research

Both, data collected through the exploratory and secondary data research were used for the assessment of branding as a destination competitiveness factor. Exploratory research was focused on data collection from DMO's of tourism destinations that were included in the TOMAS Summer Survey 2010. The survey instrument of primary data collection was an on-line questionnaire in Croatian language (see English translation in Appendix 1) administered via professional version of the QuestionPro online research software. The research was

conducted in the period from February to March 2013. Out of the total of 85 tourist boards of destinations listed in Table 3 that were included in the research, 39 of them responded to the questionnaire, yielding a response rate of 46%. According to the research conducted by Shih and Fan (2007) about response rates of web surveys, it can be concluded that the response rate of 46% is an above average response rate. Below is the list of destinations by counties whose DMO's responded to the online questionnaire and therefore participated in the primary data collection.

Table 4: The list of Croatia's counties and destinations that participated in the primary data collection

County	Destinations
Istria County	Poreč, Pula, Rovinj, Umag, Vrsar
Primorje-Gorski Kotar County	Krk, Malinska, Novi Vinodolski, Njivice, Opatija, Punat, Rab
Lika-Senj County	Karlobag, Novalja, Senj
Zadar County	Mandre, Nin, Pag, Privlaka, Vir, Zadar
Šibenik-Knin County	Pirovac, Primošten, Rogoznica, Šibenik, Vodice
Split-Dalmatia County	Baška Voda, Brela, Makarska, Omiš, Podgora, Supetar, Trogir, Živogošće
Dubrovnik-Neretva County	Dubrovnik, Korčula, Orebić, Ston, Mlini

Source: Author's research.

The main goal of the primary data collection was to gain more insight in the process of destination branding development, with the focus on definition of potential target groups, competitiveness and SWOT analysis, definition of vision and destination brand building, integration and communication. The data was recorded as dichotomous variables (Yes/No) or measured on a five-point Likert scale anchored by 1 = completely disagree and 5 = completely agree. The last question included assessment of relative importance of 12 different elements of destination supply for destination competitiveness (also evaluated by tourists in TOMAS Summer Survey 2010), by ranking them from the most important to the least important.

The research on the implementation of branding process on a destination level was conducted by using a structured questionnaire composed of 14 questions. The questions were answered by the directors of DMOs included in the research, as previously explained in greater detail. Research goals of the exploratory research were defined as follows:

- To determine the extent of strategic planning on a destination level;
- To define the share of brand strategy elements in the destination strategic plans;
- To identify limitations associated with the brand strategy definition;
- To identify brand strategy elements implemented by the destination;
- To rank the importance of different brand strategy elements that, according to the employees of surveyed DMOs, influence the competitiveness of tourism destination.

The questionnaire used for exploratory research can be found in Appendix 1 of this dissertation.

The methods of exploratory research included descriptive statistics with frequency analysis of all variables included in the branding process. Relative importance of different elements of destination supply was compared between DMOs (assessed in primary research) and tourists (assessed in TOMAS Summer Survey 2010) and formed a basis for evaluating DMOs performance. It is important to emphasize that tourist boards in Croatia have the role that is commonly performed by destination management organization (DMO), therefore the term DMO is used onwards in this chapter. A Discrepancy in Priorities index (DiPs) index was created in order to group destinations with above average (median) and below average (equal or below median) compatibility of priorities. Median was used as a measure of central tendency as distribution of values of DiPs index was not normal. Normality was assessed by Shapiro-Wilk test and Normal probability plot. Box plots were used to compare distributions of DiPs index between destinations with different values (i.e. condition) of branding process elements.

Furthermore, the relationship between destination branding and DMOs performance was tested by Chi-square test (for dichotomous variables) and Wilcoxon Rank Sum test (for ordinal variables, i.e. those measured on a Likert scale). The magnitude of relationship, besides statistical significance, was also evaluated by the effect size, which adjusts test statistic by sample size and thus represents a robust comparative measure. Phi coefficient was used as a measure of effect size for Chi-square test and Cohen's r for Wilcoxon Rank Sum test. Absolute values of these coefficients above 0.5 indicate a high association between variables, from 0.3 to 0.5 a moderate association, from 0.1 to 0.3 a low association and below 0.1 no association (Cohen, 1988; Crewson, 2006). The multivariate effect of branding process elements on DMOs performance was analyzed by logistic regression. Univariate logistic regression analysis was conducted for each branding process indicator, with $p < 0.25$ being the criterion for acceptance in the multivariate model. The main problem in defining a multivariate model is choosing from a large set of covariates that should be included in the best model. This decision is usually based on the statistical significance. A p -value of 0.25 from univariate analysis is often used as a threshold value for initial selection of variables into a multivariate model, where any variable with a p -value below 0.25 is selected (Hosmer and Lemeshow, 2000; Bursac, Gauss, Williams and Homser, 2008). More traditional significance levels such as 0.05 can fail in identifying all important variables in multivariate analysis (Bursac et al., 2008). Collinearity was checked with a matrix of correlations, using the Spearman rank correlation coefficient between independent variables. A conservative strategy was adopted, with $r \geq 0.4$ as the criterion for multicollinearity. In the case of collinearity, the variable with the largest effect on the outcome was retained for model fitting.

To evaluate the effect of DMOs performance on tourist satisfaction, an importance-performance analysis (IPA) was applied. Importance-performance analysis (IPA) is a popular research framework as well as intuitive and low-cost analytical tool that is frequently used to analyze priorities and detect possible areas for improvements in complex and multi-attribute environments (Tyrrell and Okrant, 2004; Krešić, Mikulić and Miličević, 2013). Since it was originally developed and introduced by Martilla and James (1977) it was regularly applied in many areas of research, especially for the research of customer satisfaction in tourism and hospitality. The underlying idea of IPA methodology is to measure stated importance and stated performance of different attributes studied (i.e. elements of tourism destination supply) and to plot those values against each other on a two dimensional chart (the importance on the “y-axis” and the performance on the “x-axis”), producing an IPA matrix with four quadrants, wherein the cut points (thresholds) are being set to arithmetic means of measured attribute importance and measured attribute performance. Each of the resulting IPA quadrants have different managerial implications, depending on the position of specific attribute across the matrix. Quadrant A is a quadrant with high importance and low performance, therefore it is known as the “concentrate here” quadrant. Quadrant B is a quadrant with high importance and high performance, therefore it is known as the “keep up the good work” quadrant. Quadrant C is a quadrant with low importance and low performance, therefore known as the “low priority” quadrant. Finally, quadrant D is a quadrant with low importance and high performance, known as the “possible overkill” quadrant. Even though traditional IPA methodology has suffered much criticism throughout the years, mostly relating to operationalization of attribute importance (i.e. stated vs. derived importance, see Mikulić and Prebežac, 2012), due to its simplicity and wide applicability, it has remained one of the most popular analytical techniques in the research area of tourism.

To enable proper analysis and interpretation of differences in satisfaction and importance scores, as the latter were measured on a different scale, importance scores were rescaled to a five-point scale prior to analysis by using linear transformation technique. IPA plot was divided into quadrants with the cut points placed at overall satisfaction and importance means. Furthermore, relationship between DMOs performance and proportion of elements in each quadrant was tested by Chi-square test. As contingency table had more than four cells, Cramer’s V was used as a measure of effect size instead of Phi coefficient (the same interpretation) to adjust the Chi-square statistic by both sample size and number of dimensions.

Besides IPA, relationship between DMOs performance and tourist satisfaction was assessed by comparison of mean differences in tourist satisfaction and importance of different destination attributes between destinations with above average and (below) average DMO’s performance. Inspection of the data indicated that assumptions of normality and variance homogeneity were met. Sample size was 2,977 respondents and included respondents from those destinations

whose DMOs were involved in primary data collection regarding the destination branding process. Due to the large sample size ($n=2,977$), increasing sensitivity of normality tests with sample size, normality of data was assessed graphically, by examining Normal Probability plot, and by examining data skewness and kurtosis. Also, the Central Limit Theorem could be applied. Heteroscedasticity was tested by Box-Cox test and indicated a homogenous variance. Due to the clustered data (multiple observations from the same destination), statistical assumption about independent observations was violated. Not accounting for within cluster correlation would lead to biased standard errors of model parameters, usually underestimated, and artificially low p-values. To account for this correlation, Generalized Estimating Equations (GEE) model was applied, an extension of the Generalized Linear Models. Correlation within clusters was assumed exchangeable, i.e. the correlation between any two observations from the same cluster was assumed to be the same. Thereby, normal distribution with identity link function and exchangeable correlation structure were used as a part of GEE model settings. Presented results included means, standard errors and 95% confidence intervals and p-values. The significance level was set at 0.05. Taking into account primary research design, the nature of the test, the level of statistical significance (0.05) and aimed statistical power of 80%, the obtained sample size ($n=39$) was sufficient to reliably detect large effect sizes in both Chi-square and Wilcoxon Rank Sum tests. Due to a larger sample size of secondary data (TOMAS Summer Survey 2010), tests performed on this data were more powerful and could reliably detect even small effect sizes. The analysis was performed using SAS system version 8.2 (SAS Institute Inc., North Carolina, USA) and G*Power software (Heinrich-Heine-University Düsseldorf, Düsseldorf, Germany).

On the other hand, the exploratory research was focused on data collection from Croatia's DMOs in coastal destinations ($n=85$; the same destinations as in TOMAS Summer Survey 2010) on destination branding process development, more specifically on potential target groups' definition, competitiveness and SWOT analysis, definition of vision and destination brand building, integration and communication. As previously mentioned, an online questionnaire was used as a survey instrument.

The results obtained served to confirm or reject previously defined research hypotheses, and are presented and analyzed in more detail in Chapter 4 of the dissertation.

4.3 Study setting – Croatian seaside destinations

As mentioned earlier, the area frame of the research covers seven Croatian seaside counties which generated more than 95% of the total number of officially recorded tourist overnights in Croatia during 2013. Overall, there were 39 destinations that participated in the research (listed

in Table 4) and those destinations generated slightly less than 50% of the total number of officially recorded tourist overnights in Croatia during 2013. The largest number of destinations that participated in the research was from the Split-Dalmatia County (8 destinations) and Primorje-Gorski Kotar County (7 destinations), while the lowest number of destinations was from Lika-Senj County (3 destinations). In relative terms, analyzed destination from Istria County (5 destinations) and Primorje-Gorski Kotar County (7 destinations) accounted for the largest share of the total number of officially recorded overnight in Croatia in 2013, 15% and 8.3% respectively. At the other hand, analyzed destinations from Lika-Senj County accounted for only 2.5% of the officially recorded number of overnights in Croatia in 2013. The following text provides an overview of the most important features for each of the analyzed counties, including geographical features as well as quantitative and qualitative characteristics of tourism demand.

4.3.1 Istria County

Istria County is the northernmost seaside county in Croatia, which is covering most of the Istria peninsula. According to 2011 census, population of Istria County amounted to 208.4 thousands which represents around 4.65% of the population of the Republic of Croatia. It covers area of 2,820 km² (5% of the total area of the Republic of Croatia) and population density is 74 inhabitants per square kilometer. The length of coastline in Istria County is 539 km and can be characterized as moderately indented.

Istria County is, economically as well as touristically, the most developed region of Croatia. In 2013, there were around 19.4 million of tourist overnights recorded in Istria County, which is slightly less than one third (30%) of the total number of officially recorded overnights in Croatia in 2013. The most important tourism generating markets for Istria County in 2013 were Germany (32% of overnights), Austria (12% of overnights) and Slovenia (11% of overnights). During 2013, the average length of stay in Istria County was 6.5 days. Most visited types of accommodation facilities in Istria County in 2013 were camps (44% of overnights), hotels (22% of overnights) and private accommodation (17% of overnights). Tourism demand of Istria County can be considered as highly seasonal, since around 75% of the total number of overnights is recorded in summer period (June-August).

According to the results of TOMAS Summer 2010 research on attitudes and expenditures of tourist in Croatia, the average tourist visiting Istria County is middle aged (30-49 years), comes with family members, has higher level of education with an average monthly household income between 1,500 and 3,000 EUR (57%). The most important motivation for tourist visiting Istria County is rest and relaxation (74.1%), entertainment (52.9%) and gastronomy (25.9%). The

most important factors for destination choice among tourist visiting Istria County are friendliness (61.6%), acceptable prices (59.3%), beauty of nature (58.9%) and quality of restaurants (58.8%). Average daily expenditure of tourists visiting Istria County is 66.63 EUR which is slightly above national average, which is 58.00 EUR.

4.3.2 Primorje-Gorski Kotar County

Primorje-Gorski Kotar County is located in the north-western part of Croatia and it is bordering with the Republic of Slovenia in the north, with Karlovac County and Lika-Senj County in the east and with the Zadar County in the south-east. According to 2011 census, the population of Primorje-Gorski Kotar County was 296.1 thousands, which represents around 7% of the population of the Republic of Croatia. Its area size is 3,582 km² (6.3% of the total area of the Republic of Croatia) and population density is 83 inhabitants per square kilometer. The length of coastline in Primorje-Gorski Kotar County is 1,065 km. It is characterized by extremely diversified landscape, including mountains, coast and islands.

Primorje-Gorski Kotar County is, alongside Istria County, one of the economically as well as touristically, most developed regions of Croatia. According to the data available from Croatian Bureau of Statistics, Primorje-Gorski Kotar County recorded 12.3 millions of tourist overnights and 2.4 millions of tourist arrivals in 2013, which is around 19% of the total number of officially recorded overnights and arrivals in Croatia during 2013. The most important tourism generating countries for Primorje-Gorski Kotar County were Germany (27.8% of overnights), Slovenia (13.7% of overnights) and Austria (10.9% of overnights). During 2013, the average length of stay in Primorje-Gorski Kotar County was 5.2 days. Most visited types of accommodation facilities in Primorje-Gorski Kotar County in 2013 were private accommodation facilities, camps and hotels, with 35.8%, 26.8% and 24.7% of overnights, respectively.

According to the results of TOMAS Summer 2010 research on attitudes and expenditures of tourist in Croatia, the average tourist visiting Primorje-Gorski Kotar County is middle aged (30-49 years), comes mostly with family members (44%) or with partner (41%), has middle (46%) or higher level of education (54%), with an average monthly household income between 1,500 and 3,000 EUR (60%). The most important motivation for tourist visiting Primorje-Gorski Kotar County is rest and relaxation (78.6%), followed by entertainment (54.4%) and new experiences (36.3%). The most important factors for destination choice among tourist visiting Primorje-Gorski Kotar County are personal safety (81.6%), acceptable prices (72.3%), friendliness (64.4%) and image of the country (58.5%). Average daily expenditure of tourists visiting Primorje-Gorski Kotar County is 56.20 EUR, which is slightly below national average (58.00 EUR) and well below the average of the neighboring Istria County (66.63 EUR).

4.3.3 Lika-Senj County

Lika-Senj County, with the area size of 5,350 km² (9.5% of the total area of the Republic of Croatia) is the largest County in Croatia. Geographically, it is located between Primorje-Gorski Kotar County in the north-west, Zadar County in the south-east and the Republic of Bosnia and Herzegovina in the east. According to the 2011 census, the population of Lika-Senj County was 50.9 thousands (around 1,3% of the total population of the Republic of Croatia). Its population density of 9.5 inhabitants per square kilometer is well below national average (75 inhabitants per square kilometer). The length of coastline of Lika-Senj County is 200 kilometers.

Contrary to nearby counties of Istria and Primorje-Gorski Kotar, Lika-Senj County is one of the, economically as well as touristically, least developed counties in Croatia. In 2013, there were around 1.95 million of tourist overnights recorded in Lika-Senj County, which is 3% of the total number of officially recorded overnights in Croatia in 2013. The most important tourism generating markets for Lika-Senj County in 2013 were Germany (23.3% of overnights), Slovenia (13.2% of overnights) and Italia (12.9% of overnights). During 2013, the average length of stay in Lika-Senj County was 3.95 days, which is considerably shorter than national average length of stay (5.2 days). Most visited types of accommodation facilities in Lika-Senj County in 2013 were private accommodation facilities, camps and hotels, with 50.2%, 25% and 15.3% of overnights, respectively. It is noteworthy that the share of private accommodation in Lika-Senj County is much higher compared to neighboring Istria and Primorje-Gorski Kotar counties.

According to the results of TOMAS Summer 2010 research on attitudes and expenditures of tourist in Croatia, the average tourist visiting Lika-Senj County is middle aged (30-49 years), visiting with family members (57%), has middle (41%) or higher level of education (57%), with an average monthly household income between 1,500 and 3,000 EUR (51%). The most important motivation for tourist visiting Lika-Senj County is rest and relaxation (66.3%), entertainment (43.3%) and visiting natural attractions (24%). The most important factors for destination choice among tourist visiting Lika-Senj County are natural beauties (53.6%), personal safety (49%), quality of accommodation (45.2%) and friendliness (39.1%). Average daily expenditure of tourists visiting Lika-Senj County is 44.91 EUR, which is 30% lower compared to the national average and even 47% lower compared to the average daily expenditures of tourists in the nearby Istria County.

4.3.4 Zadar County

Zadar County is located in the central part of the Adriatic region of Croatia, covering parts of northern Dalmatia and south-east parts of Lika region. It has area size of 7,486 km² (3,641 km² of land area and 3,845 km² of sea area) which accounts for around 6.5% of the territory of the Republic of Croatia. The length of the coastline in Zadar County (including islands) is 1,300 km. According to the 2011 census, the population of Zadar County is 170 thousands which is about 4% of the total population of the Republic of Croatia. The population density is 47 inhabitants per square kilometer, which is below the national average.

According to the data available from Croatian Bureau of Statistics, Zadar County recorded around 6.75 million of overnights and slightly less than 1.1 million of tourist arrivals, which is around 10% of the total number of officially recorded overnights and 9% of the total number of tourist arrivals in Croatia in 2013. The most important tourism generating markets for Zadar County, during 2013, were Germany (20% of overnights), Slovenia (14% of overnights) and Czech Republic (8.6 percent of overnights). Zadar County is characterized by an above average share of domestic tourists, which accounted for 10.3% of overnights and 12.7% of tourist arrivals during 2013. The average length of stay during 2013 was 6.2 days which is slightly above the national average. Most visited types of accommodation facilities in Zadar County are private accommodation (48% of overnights), camps (25% of overnights) and hotels (15% of overnights).

According to the results of TOMAS Summer 2010 research on attitudes and expenditures of tourist in Croatia, the average tourist visiting Zadar County is middle aged (30-49 years), coming with family members (57%) and less frequently with partner (29%), with more than two thirds of the visitors having higher level of education and monthly household income between 1,500 and 3,000 EUR (71%). The most important motivation for tourists visiting Zadar County are rest and relaxation (70.4%), entertainment (40.3%) and gastronomy (30.4%). Zadar County is characterized by an above average share of tourists whose main motivation is visiting friends and family (26.8%), mostly due to the high share of the domestic tourists in the overall structure of tourist arrivals. The most important factors for destination choice among tourist visiting Zadar County are natural beauties (45.4%), quality of accommodation (41.2%), friendliness (36.5%) and acceptable prices (34.8%). Average daily expenditure of tourists visiting Zadar County is 39.90 EUR, which is the lowest average daily expenditure among Croatian seaside counties.

4.3.5 Šibenik-Knin County

Geographic position of Šibenik-Knin County is similar to the position of Zadar County, being located in the central part of the Adriatic region of Croatia. It covers the surface of 5,670 km² (2,994 km² of land area and 2,676 km² of sea area), which is around 4.7% of the total land area of the Republic of Croatia. According to the 2011 census, the population of Šibenik-Knin County is 109.3 thousands which is around 2.5% of the total population of the Republic of Croatia. The population density of Šibenik-Knin County is 37 inhabitants per square kilometer, which is below the population density of neighboring Zadar and Split-Dalmatia counties and well below the national average.

During 2013, Šibenik-Knin County recorded around 4.5 million of overnights and slightly less than 717 thousands of tourist arrivals, which is around 7% of the total number of officially recorded overnights and slightly less than 6% of the total number of tourist arrivals in Croatia during 2013. The most important tourism generating markets for Šibenik-Knin County, in 2013, were Germany (16.3% of overnights), Czech Republic (11.9% of overnights) and Poland (11.4% of overnights). Similar to the neighboring Zadar County, Šibenik-Knin County is characterized by the high share of domestic tourists, which accounted for 11.6% of overnights and 15.3% of arrivals during 2013. The average length of stay during 2013 was 6.3 days which is slightly above the national average. Most visited types of accommodation facilities in Šibenik-Knin County are private accommodation (55.7% of overnights), hotels (19.3% of overnights) and camps (18% of overnights).

According to the results of TOMAS Summer 2010 research on attitudes and expenditures of tourist in Croatia, the average tourist visiting Šibenik-Knin County is middle aged (30-49 years) with an above average share of young tourists. More than two thirds of tourists visiting Šibenik-Knin County are coming with family members, with the significant share of tourists coming with partner (22%). Most of them have middle level of education and their monthly household income is between 1,500 and 3,000 EUR. The most important motivation for tourists visiting Šibenik-Knin County are passive rest and relaxation (81.1%), followed by entertainment (30%) and visiting natural attractions (30%). The most important factors for destination choice among tourist visiting Šibenik-Knin County are personal safety (58.6%), natural beauties (56.3%), acceptable prices (42.8%) and quality of accommodation (36.7%). Average daily expenditure of tourists visiting Šibenik-Knin County is 48.12 EUR.

4.3.6 Split-Dalmatia County

Split-Dalmatia County is spatially the largest and one of the most populated counties in Croatia, covering the area of 14,106 km² (4,523 km² of land area and 9,583 km² of sea area), which is around 8% of the total area of the Republic of Croatia. According to the 2011 census, the population of Split-Dalmatia County is 471.3 thousands, which is around 11% of the total population of the Republic of Croatia. The population density of Split-Dalmatia County is 100 inhabitants per square kilometer, which is well above the national average. Split-Dalmatia County is characterized by very varied relief, consisting of mountainous hinterland region, a coastal region and islands, with the very indented coastline.

During 2013, Split-Dalmatia County recorded around 11.5 million of overnights and 1.2 million of arrivals, which is around 18% of the total number of officially recorded overnights and slightly more than 16% of the total number of tourist arrivals recorded in Croatia during 2013. The most important tourism generating markets for Split-Dalmatia County, in 2013, were Czech Republic (14.7% of overnights), Poland (13.4% of overnights) and Germany (12.4% of overnights). It is noteworthy that the structure of tourism demand in Split-Dalmatia County is slightly different compared to the previously analyzed counties, with the central European countries (Czech Republic and Poland) being the most important tourism generating markets. At the other hand Germany, which is most important generating market for majority of Croatian seaside counties, is only in third place in this county, while the domestic tourists, with a share of around 6% of overnights, are also less important in terms of tourism demand, compared to the Šibenik-Knin and Zadar County. The average length of stay during 2013 was 5.6 days which is slightly above the national average. Most visited types of accommodation facilities in Split-Dalmatia County are private accommodation (51% of overnights), hotels (24% of overnights) and camps (7% of overnights).

According to the results of TOMAS Summer 2010 research on attitudes and expenditures of tourist in Croatia, the average tourist visiting Split-Dalmatia County is middle aged (30-49 years), comes mostly with the family members, has higher education with the monthly household income between 1,000 and 2,500 EUR. The most important motivation for tourists visiting Split-Dalmatia County are passive rest and relaxation (76.6%), entertainment (29.8%) and visiting natural attractions (22.8%). The most important factors for destination choice among tourist visiting Split-Dalmatia County are natural beauties (68.7%), personal safety (57.8%), quality of accommodation (53.1%) and friendliness (51.2%). Average daily expenditure of tourists visiting Split-Dalmatia County is 55 EUR, which is slightly less than national average (58 EUR).

4.3.7 Dubrovnik-Neretva County

Dubrovnik-Neretva County is the southernmost county in Croatia, with the area size of 9,272 km² (1,782 km² of land area and 7,482 km² of sea area) which is around 3% of the total land area of the Republic of Croatia. According to the 2011 census, the population of Dubrovnik-Neretva County is 122.9 thousands, which is around 2.6% of the total population of Croatia. The population density of Dubrovnik-Neretva County is 69 inhabitants per square kilometer, which is slightly below the national average. Dubrovnik-Neretva County is characterized by the territorial discontinuity, since its territory is divided by the 20 km long coastline of Bosnia and Herzegovina.

During 2013, Dubrovnik-Neretva County recorded 5.6 million of overnights and 1.3 million of arrivals, which is around 8.7% of overnights and 10% of the total number of tourist arrivals recorded in Croatia during 2013. The most important tourism generating markets for Dubrovnik-Neretva County, in 2013, were United Kingdom (14% of overnights), Germany (10% of overnights) and Poland (8% of overnights). Generally speaking, Dubrovnik-Neretva County receives the highest share of tourists originating from long-haul markets compared to other Croatian seaside counties. This is mostly due to the fact that this county is spatially farthest from the most important tourism generating markets (central and western European countries) and a large share of tourists in Dubrovnik-Neretva County is arriving by plane. The average length of stay during 2013 was 4.5 days which is well below the national average. Most visited types of accommodation facilities in Dubrovnik-Neretva County are hotels (50% of overnights) and private accommodation (35% of overnights).

According to the results of TOMAS Summer 2010 research on attitudes and expenditures of tourist in Croatia, the average tourist visiting Dubrovnik-Neretva County is middle aged (30-49 years) with an above average share of tourists with high level of education. Dubrovnik-Neretva County is also characterized by an above average share of tourists with the monthly household income above 3,500 EUR and by the below average share of tourists coming with family members. The most important motivation for tourists visiting Dubrovnik-Neretva County are passive rest and relaxation (71.9%) followed by visiting natural attractions (35%) and entertainment and new experiences (32.6%). The most important factors for destination choice among tourist visiting Dubrovnik-Neretva County are natural beauties (84.6%), quality of accommodation (72.5%), acceptable prices (70.9%) and quality of restaurants (70.7%). Average daily expenditure of tourists visiting Split-Dalmatia County is 89.80 EUR, which is 55% above the national average. Finally, it is noteworthy that Dubrovnik-Neretva County has the highest level of average daily expenditure among all Croatian seaside counties.

5 INTERPRETATION OF THE RESEARCH RESULTS

The following chapter includes analysis and interpretation of the research results, including the analysis of the branding process implementation in Croatia's seaside destinations, effects of destination branding on tourist satisfaction, calculation of the discrepancy in priorities (DiPs index), relationship between tourist satisfaction and destination competitiveness and effects of branding process on DMO's performance. This chapter also includes hypothesis testing.

5.1 Analysis of the branding process implementation in Croatia's seaside destinations

The study included a total of 39 destinations (or 46% of the total), as more precisely their DMOs, to whom the questionnaire was sent. Research results showed that two thirds (67%) of the surveyed destinations have had some kind of a strategic planning document, while brand strategy was represented in all of the reviewed strategic documents.

Table 5: Existence of planning documents on a destination level (tourism development plan, marketing plan and/or promotional plan) in surveyed destinations

Planning documents	Structure in %
Existing	66.7
Non-existing	33.3
TOTAL	100.0

Source: Author's research.

It seems to be encouraging for the successful implementation of the branding process across Croatia's seaside destinations, which have participated in the survey for this dissertation and have developed some kind of strategic documents related to destination planning (67%), that all of them (100%) actually adopted some elements of the branding strategy in their strategic documents.

Additionally, factors such as passive attitude toward tourism destination branding process (86%) and limitation related to human resource development (71%) were identified as the main limitations among those destinations that had at least one strategic planning document.

Table 6: Limitations related to the branding strategy in surveyed destinations

Limitations	Structure in %
Passive attitude toward destination branding process	85.7
Lack of financial resources	57.1
Limitations related to human resources	71.4
Low level of cooperation among destination management stakeholders	28.6

Note: Destinations with at least one strategic planning document but without branding strategy; multiple choice question.

Source: Author's research.

The following table indicates that most of the surveyed destinations have adopted tourism development plans (54%) among which destination brand is clearly defined in a half of them, while less comprehensive documents related to destination planning, such as marketing plan or promotion activities plan, have relatively smaller inclusion of destination brand elements.

Table 7: Existence of clearly defined destination brand in destination strategic planning documents

Existing planning documents	Structure in %	Destination brand	
		Clearly defined	Not clearly defined
Tourism development plans	53.6	50.0	58.3
Marketing plan	28.6	25.0	33.3
Promotion activity plan	39.3	43.8	33.3
Other planning documents	17.9	12.5	25.0

Note: Destinations with at least one strategic planning document; multiple choice question.

Source: Author's research.

Although 26 out of 39 surveyed destinations have developed some of the strategic planning documents, nearly 30 of them (or 78%) have included a brand strategy in such documents. This proves that seaside tourism destinations in Croatia have recognized the importance of building their brands as well as implementation of branding strategy that serves as a tool for achieving a long term competitive advantage.

Table 8: Inclusion of brand strategy in strategic planning documents in surveyed destinations

Brand strategy	Structure in %
Existing	77.8
Non-existing	22.2
TOTAL	100.0

Note: Destinations with at least one strategic planning document.

Source: Author's research.

In order to determine whether the destination branding process is being implemented, respondents had to answer a set of questions related to the elements of destination branding process (see subchapter 2.3, where the destination branding process is theoretically explained). Research results showed that 57% of surveyed destinations had clearly defined target markets, while 81% of surveyed destinations were familiar with the branding strategy of their competitors. Furthermore, the SWOT analysis was clearly defined in 50% of the surveyed destinations, while 43% had a clearly defined vision of tourism development. The question related to brand definition showed that even those destinations that did not have a clearly defined brand strategy had a clearly defined brand (34%). At the same time, the total of 48% of surveyed destinations had a clearly defined brand. Almost one half of surveyed destinations (43%) integrated its brand in all tourism development activities and 50% of them communicated the defined brand toward tourists and tourism development stakeholders.

Almost all of the surveyed destinations (98%) believe that brand strategy is important for destination competitiveness, while 88% of surveyed destinations believe that destination brand should be incorporated in the umbrella brand of Croatia.

Table 9: Existence of destination brand definition in surveyed destinations

Statement	Structure in %	Brand strategy	
		Existing	Non-existing
Destination has clearly defined brand	47.7	61.9	34.8
Destination integrates its brand in all tourism development activities	43.2	57.1	30.4
Destination communicates defined brand toward tourists and tourism development stakeholders	50.0	66.7	34.8

Note: Results show the percentage of respondents who answered 4 or 5 on a 5 point scale (1 – strongly disagree, 5 – strongly agree).

Source: Author's research.

The last part of the research includes the ranking of tourism supply elements in accordance to their importance for tourism destination competitiveness. According to the research results, the tourism supply elements which are most important for destination competitiveness include natural beauties, quality of accommodation and personal safety. At the same time, elements of

tourism supply which are least important for destination competitiveness are value for money, entertainment and shopping opportunities.

Table 10: Mean importance of selected elements of destination supply for its competitiveness

Rank	Elements of destination offer	Total	Brand strategy	
			Existing	Non-existing
1	Natural beauties	3.7	4.5	3.0
2	Quality of accommodation	5.2	5.1	5.4
3	Personal safety	5.5	5.9	5.1
4	Quality of gastronomic offer	5.7	5.2	6.2
5	Cultural heritage	5.8	6.0	5.6
6	Hospitality of local residents	6.0	6.2	5.8
7	Picturesqueness	6.7	6.6	6.9
8	Accessibility of destination	6.7	6.5	6.9
9	Wealth of sport activities	7.1	7.3	6.9
10	Value for money	7.4	7.4	7.3
11	Variety of entertainment opportunities	7.7	7.3	8.0
12	Shopping opportunities	10.3	10.3	10.3

Note: Arithmetic means presented in the table.

Source: Author's research.

5.2 Effects of branding performance on tourist satisfaction

Tourist satisfaction was measured on 12 elements of destination offer, the same elements which were rated according to their importance for destination choice (TOMAS Summer Survey 2010). Separate assessment of satisfaction and importance is ineffective as it does not account for differences in importance and satisfaction of particular destination attribute. Satisfaction scores could suggest that certain destination attribute requires intervention, but this may not be true if satisfaction is rated higher than importance. Thus, tourist satisfaction was evaluated using the importance-performance analysis (IPA), i.e. tourists' satisfaction with certain destination attribute was adjusted for their expectations (i.e. importance of that attribute). Satisfaction scores were measured on a five-point Likert scale anchored by 1 = very poor and 5 = excellent, compared to a six-point Likert scale adopted for importance scores. To enable proper analysis and interpretation of differences in satisfaction and importance scores, as the latter were measured on a different scale, importance scores were rescaled to a five-point scale using linear transformation technique.

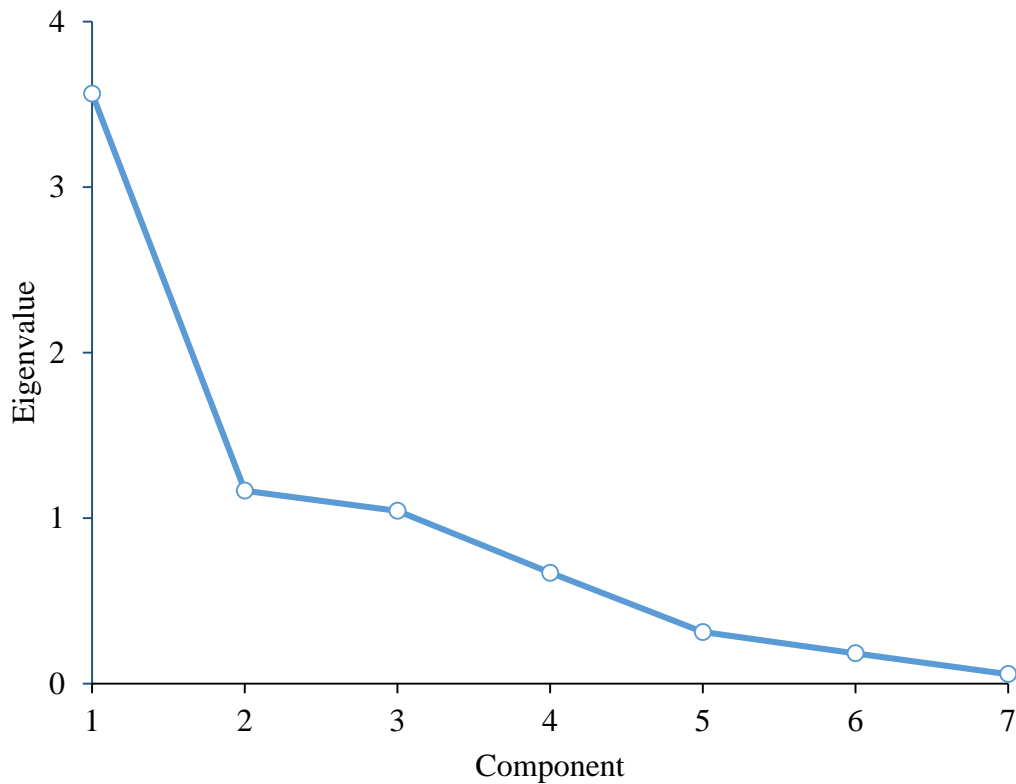
The rated elements include following attributes: cultural heritage, natural beauties, picturesqueness, variety of entertainment opportunities, quality of accommodation, quality of

gastronomic offer, wealth of sport activities, value for money, personal safety, hospitality of local residents, accessibility of destination and shopping opportunities. Corresponding hypotheses were defined as:

- H1a: Destination branding process is positively related to tourist satisfaction with cultural beauties.
- H1b: Destination branding process is positively related to tourist satisfaction with natural beauties.
- H1c: Destination branding process is positively related to tourist satisfaction with destination picturesqueness.
- H1d: Destination branding process is positively related to tourist satisfaction with variety of entertainment opportunities.
- H1e: Destination branding process is positively related to tourist satisfaction with quality of accommodation.
- H1f: Destination branding process is positively related to tourist satisfaction with quality of gastronomic offer.
- H1g: Destination branding process is positively related to tourist satisfaction with variety of sport activities.
- H1h: Destination branding process is positively related to tourist satisfaction with value for money.
- H1i: Destination branding process is positively related to tourist satisfaction with personal safety.
- H1j: Destination branding process is positively related to tourist satisfaction with hospitality of residents.
- H1k: Destination branding process is positively related to tourist satisfaction with destination accessibility.
- H1l: Destination branding process is positively related to tourist satisfaction with shopping opportunities.

Principal components analysis (PCA) was applied on a set of branding process elements – definition of target groups, competitiveness analysis, definition of vision, destination brand building, integration and communication, and perceived importance of brand strategy – in order to address their underlying structure in smaller number of principal components, i.e. to reduce the dimensionality of the data. Measure of internal consistency (reliability) of branding process elements was satisfactory with Cronbach's alpha coefficient above 0.80, meaning that these items are closely related as a group (i.e., measure the same issue). The scree plot (Figure 10) was used as a criterion for the number of extracted components, and indicated that retaining one component was appropriate.

Figure 10: Scree plot



Source: Author's research.

Furthermore, the second and third principal components had high loadings by only one or two variables. Therefore, the first principal component was retained in further analysis, and explained more than 50% of overall variability (51%). Rescaled loadings are presented in Table 11.

Table 11: Rescaled loadings for extracted principal component

Item	Component 1
Definition of target groups	0.694
Competitiveness analysis	0.388
Definition of vision	0.663
Destination brand building	0.898
Destination brand integration	0.909
Destination brand communication	0.913
Perceived importance of brand strategy	-0.159

Source: Author's research.

These loadings present correlations between the original variables and first principal component. The Component 1 was strongly and positively correlated with destination brand building, integration and communication, definition of target groups and definition of vision. It also has moderate correlation with the indicator of competitiveness analysis. This principal

component is linear combination of measured variables or branding process elements, and it explained more than 80% of variability in destination brand building (81%), destination brand integration (83%) and destination brand communication (83%), and almost 50% of variability in definition of target groups (48%) and definition of vision (44%). This principal component will form an index of branding development measured by above elements of branding, which was labeled as BiPs index. Higher score of the BiPs index, i.e. higher values of the first principal component, indicate that destination has more developed branding process measured by increase in the perceived performance of branding elements – destination brand building, integration and communication, definition of target groups, definition of vision and competitiveness analysis.

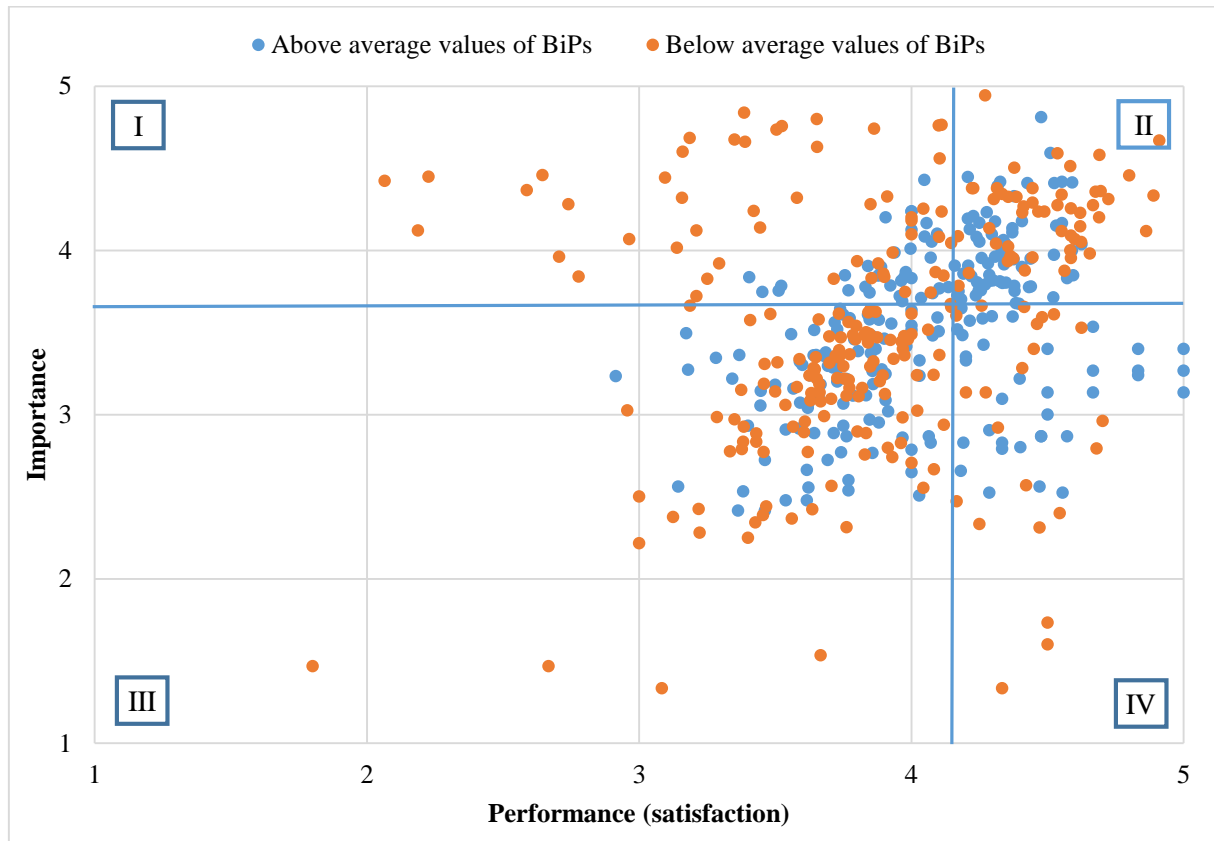
Effect of BiPs index (or level of development of destination branding process) on tourist satisfaction was assessed by IPA analysis, including a Chi-square test, and by GEE model, to account for correlation arising from clustered data when assessing satisfaction with individual elements of tourism destination supply.

5.3 Effect of BiPs on tourist satisfaction

The results of IPA are presented in Figure 11, combining tourism destination supply importance and performance measures into a two-dimensional grid. Tourists indicated the importance of 12 different destination attributes on the destination choice and their mean importance was contrasted to the mean satisfaction with these elements at a destination-specific level.

The mean importance and satisfaction scores were calculated for each destination attribute in each destination (n=39), making a total of 468 dots classified into two groups – attributes of destinations with above average value of BiPs (i.e. greater branding process performance; blue color) and attributes of destinations with below average value of BiPs (i.e. lower branding process performance; orange color). A cut point dividing the grid into quadrants was placed at the overall satisfaction and importance means. Quadrant III represents the area of low importance and low satisfaction, the so-called “Low priority” area. Elements in quadrant IV have low importance, but offer high satisfaction (this is the area of “Possible overkill”), while in quadrant II both importance and satisfaction are high (“Keep up the good work” area). The most delicate is the I quadrant with elements offering low satisfaction, but of high importance for tourists’ experience (“Concentrate here” area).

Figure 11: IPA plot of elements of destination supply by BiPs index



Source: Author's research.

Presented IPA plot shows that elements of tourism destination supply for destinations with above average and below average values of BiPs are not equally distributed in all quadrants, especially not in quadrant I, where DMOs should focus their attention due to the negative discrepancy in tourists' satisfaction and importance. While only 14% of elements related to tourism destination supply for destinations with above average value of BiPs are located in quadrant I, this percentage is higher among destinations with below average value of BiPs or lower performance of branding process (20%). The association between the values of BiPs and the share of elements in different quadrants of IPA matrix was statistically significant ($p = 0.045$) (Table 12).

IPA plot and Chi-square test indicate that tourists are more satisfied in destinations where the values of BiPs index related to destination branding performance are higher.

Table 12: Relationship between BiPs and tourist satisfaction based on IPA scores

BiPs value		IPA matrix QUADRANT				Chi-square test p-value
		I Concentrate here	II Keep up good work	III Low priority area	IV Possible overkill	
Above average	n	33	70	89	36	0.045 (Cramer's V = 0.13)
	Row %	14.5	30.7	39.0	15.8	
	Column %	41.3	53.0	45.0	62.1	
Below average	n	47	62	109	22	
	Row %	22.2	26.6	42.5	8.7	
	Column %	58.8	47.0	55.1	37.9	

Source: Author's research.

Furthermore, the comparison of mean differences in satisfaction with and the importance of particular destination attribute indicated that tourists were on average more satisfied in destinations with above average than below average value of BiPs index (Table 13). This was true for all elements of tourism destination supply, except for the picturesqueness.

Quality of accommodation, wealth of sports activities, value for money (at 5% level of significance), and natural beauties, entertainment opportunities and shopping opportunities (at 10% level of significance) were on average significantly better rated in destinations with above average value of BiPs than in destinations with below average value of this index (results of GEE model; Table 14).

According to aforementioned results, null-hypotheses H1e, H1g and H1h were rejected (at 5% level of significance) as well as null-hypotheses H1b, H1d and H1l (at 10% level of significance). The conclusion may be drawn that tourist satisfaction with these elements – natural beauties, entertainment opportunities, quality of accommodation, wealth of sports activities, value for money and shopping opportunities – is positively related to the destination branding performance measured by BiPs index.

Therefore, based on IPA plot and the presented results of Chi-square test and GEE model, it can be concluded that tourist satisfaction with the overall tourism supply is generally higher in those destinations with better developed branding process, as measured by BiPs index.

Table 13: Comparison of mean difference in satisfaction with and importance of different destination attributes between destinations with above average and below average values of BiPs index

Destination attribute	Above average value of BiPs index				Below average value of BiPs index			
	Mean	SE	95% Confidence interval		Mean	SE	95% Confidence interval	
			Lower	Upper			Lower	Upper
Cultural heritage	0.446	0.116	0.219	0.674	0.332	0.145	0.048	0.616
Natural beauties	0.489	0.086	0.321	0.657	0.304	0.107	0.094	0.514
Picturesqueness	0.797	0.095	0.611	0.983	0.905	0.117	0.675	1.135
Variety of entertainment opportunities	0.347	0.124	0.105	0.589	0.005	0.177	-0.341	0.351
Quality of accommodation	0.391	0.092	0.210	0.572	0.110	0.137	-0.159	0.379
Quality of gastronomic offer	0.467	0.102	0.267	0.668	0.240	0.165	-0.083	0.563
Wealth of sport activities	0.435	0.106	0.228	0.643	0.029	0.191	-0.345	0.402
Value for money	0.284	0.094	0.100	0.467	-0.066	0.159	-0.377	0.245
Personal safety	0.425	0.088	0.254	0.597	0.245	0.131	-0.013	0.502
Hospitality of local residents	0.324	0.090	0.149	0.500	0.151	0.133	-0.110	0.412
Accessibility of destination	0.569	0.082	0.408	0.731	0.449	0.133	0.188	0.711
Shopping opportunities	0.643	0.095	0.456	0.830	0.301	0.250	-0.188	0.790

Note: Results of GEE model taking into account correlated data within clusters; SE = Standard error.

Source: Author's research.

Table 14: Mean differences in satisfaction-importance scores between destinations with above average and below average values of BiPs index

Destination attribute	Mean difference	Standard error	95% Lower limit	One-sided p-value
Cultural heritage	0.115	0.186	-0.191	0.268
Natural beauties	0.185	0.137	-0.041	0.089*
Picturesqueness	-0.108	0.151	-0.356	0.238
Variety of entertainment opportunities	0.342	0.216	-0.013	0.056*
Quality of accommodation	0.281	0.165	0.009	0.045**
Quality of gastronomic offer	0.227	0.194	-0.092	0.121
Wealth of sport activities	0.407	0.218	0.048	0.031**
Value for money	0.349	0.184	0.046	0.029**
Personal safety	0.180	0.158	-0.079	0.127
Hospitality of local residents	0.173	0.160	-0.091	0.140
Accessibility of destination	0.120	0.157	-0.138	0.222
Shopping opportunities	0.342	0.267	-0.097	0.100*

Note: Results of GEE model taking into account correlated data within clusters; One-sided test ($H_a : \mu > 0$).

* Statistically significant at 0.10 significance level. ** Statistically significant at 0.05 significance level.

Source: Author's research.

5.4 Discrepancy in priorities index

Comparison of relative importance of certain element of tourism supply on destination appeal between tourists and DMOs was performed by calculating the Discrepancy in Priorities (DiPs) index. This index represents the weighted difference in the order of importance of selected tourism supply elements between these two groups, and the calculation of its value includes the following steps:

- *Ranking the elements of tourism supply by their importance to tourists (TOMAS Summer Survey 2010)*

Tourists rated the influence of the main elements of tourism supply (12 in total) on destination appeal on a six-point Likert scale (scores ranging from 1 – no influence on destination choice to 6 – extremely important in choosing a destination). The rank of an element, at destination-specific level, was calculated by ranking the mean importance of each element based on scores of all tourists in a certain destination and by assigning the highest rank (1) to the most important element (i.e. element with the highest mean importance score), (2) to the next most important element, etc.

- *Obtaining relative importance (i.e. ranks) of the same elements of tourism supply from DMOs (Exploratory research)*

The same methodology was used for this step.

- *Comparisons of ranks*

Rankings of elements on the demand side, obtained by surveying tourists, were compared to rankings of the same elements on the supply side, obtained by surveying DMOs. Consequently, the differences in rankings were calculated.

- *Weighting the differences in ranks*

Differences in the ranks were weighted with the mean importance of that element to tourists, so the discrepancy in element with the highest influence on tourists' destination choice had the highest influence on DiPs index. Thereby, if the mean value of the most important element of destination's tourism supply was 5.3 and of the least important element 2.9, the same absolute discrepancy in ranks of those elements between tourists and DMOs had different influence on DiPs index – the influence of the most important element was approximately 1.8 (5.3/2.9) times larger.

- *Calculation of DiPs index*

Finally, the sum of weighted differences in ranks gave the value of DiPs index. Maximum value of index (0) presents no discrepancy in priorities between tourists and DMO, while

increasingly negative values denote larger differences in their preferences. Thereby, similarly defined priorities by both sides should result in a value of DiPs index close to zero.

In the following stage of the research the values of DiPs index were presented, as well as rankings for each analyzed element of tourism supply, for best performing destination in each of the seven seaside counties in Croatia. Positive discrepancy in weighted rank differences implies that a certain element of tourism supply is more important for the overall level of destination competitiveness from the visitor's perspective, while negative discrepancy in weighted rank differences implies that a certain element of tourism supply is more important for the overall level of destination competitiveness, from the DMO's perspective. The calculated value of DiPs index can be interpreted as the ability of tourism destination to identify and satisfy the needs and wants of its visitors. The closer the value of DiPs index is to 0, the destination is more able to identify and satisfy the needs of its visitors and, therefore, the destination is more competitive.

The rankings of tourism supply elements, as well as values of DiPs index for other analyzed destinations, can be found in the Appendix 2 of this dissertation. The results presented in Table 15 show that the best performing elements of tourism supply in Poreč.

Table 15: Ranking the elements of tourism supply by importance and derivation of DiPs index for Poreč as the best performing destination in Istria County

N	Elements of tourism destination supply	TOMAS Summer Survey 2010 Tourists		Primary survey	Rank diff.	Weighted rank diff.
		Mean	Rank	DMO Rank		
160	Cultural heritage	4.87	4	8	-4	-19.5
	Natural beauties	4.80	10	7	3	14.4
	Picturesqueness	4.83	6	10	-4	-19.3
	Variety of entertainment opportunities	4.81	9	9	0	0.0
	Quality of accommodation	4.74	11	2	9	42.6
	Quality of gastronomic offer	4.92	1	3	-2	-9.8
	Wealth of sports activities	4.88	2	4	-2	-9.8
	Value for money	4.88	3	5	-2	-9.8
	Personal safety	4.65	12	6	6	27.9
	Hospitality of local residents	4.85	5	11	-6	-29.1
	Accessibility of destination	4.82	7	1	6	28.9
	Shopping opportunities	4.81	8	12	-4	-19.3
DiPs index for Poreč						-2.7

Source: Author's research.

According to the opinions of surveyed tourists, were the quality of gastronomic offer, wealth of sports activities and value for money. At the same time, according to the DMOs, the most

important elements of tourism supply for overall level of destination competitiveness were accessibility of destination, the quality of accommodation and the quality of gastronomic offer. The highest positive discrepancy among the analyzed elements of tourism supply was recorded for the element quality of accommodation (9) and the highest negative discrepancy was recorded for the element of hospitality of local residents (-6). The value of DiPs index of -2.7 suggests that the overall level of discrepancy in priorities between visitors and DMO is relatively low in Poreč.

Table 16: Ranking the elements of tourism supply by importance and derivation of DiPs index for Opatija as the best performing destination in Primorje-Gorski Kotar County

N	Elements of tourism destination supply	TOMAS Summer Survey 2010 Tourists		Primary survey	Rank diff.	Weighted rank diff.
		Mean	Rank	DMO Rank		
83	Cultural heritage	3.83	10	2	8	30.7
	Natural beauties	5.27	1	1	0	0.0
	Picturesqueness	3.77	11	5	6	22.6
	Variety of entertainment opportunities	4.11	7	8	-1	-4.1
	Quality of accommodation	4.10	8	3	5	20.5
	Quality of gastronomic offer	4.39	4	7	-3	-13.2
	Wealth of sports activities	4.22	5	9	-4	-16.9
	Value for money	3.84	9	11	-2	-7.7
	Personal safety	4.69	2	4	-2	-9.4
	Hospitality of local residents	4.47	3	10	-7	-31.3
	Accessibility of destination	4.15	6	6	0	0.0
	Shopping opportunities	2.92	12	12	0	0.0
DiPs index for Opatija						-8.7

Source: Author's research.

The results presented in previous table show that the best performing elements of tourism supply in Opatija, according to the opinions of surveyed tourists, were natural beauties, personal safety and hospitality of local residents. At the same time, according to the DMOs, the most important elements of tourism supply for overall level of destination competitiveness were natural beauties, cultural heritage and the quality of accommodation. The highest positive discrepancy among the analyzed elements of tourism supply was recorded for the element of cultural heritage (8) and the highest negative discrepancy was recorded for the element of hospitality of local residents (-7). The value of DiPs index of -8.7 implies a moderately high level of discrepancy in priorities between visitors and DMO in Opatija.

Table 17: Ranking the elements of tourism supply by importance and derivation of DiPs index for Novalja as the best performing destination for Lika-Senj County

N	Elements of tourism destination supply	TOMAS Summer Survey 2010 Tourists		Primary survey	Rank diff.	Weighted rank diff.
		Mean	Rank	DMO Rank		
195	Cultural heritage	3.48	10	10	0	0.0
	Natural beauties	4.25	1	1	0	0.0
	Picturesqueness	3.37	12	12	0	0.0
	Variety of entertainment opportunities	3.85	6	2	4	15.4
	Quality of accommodation	4.13	2	9	-7	-28.9
	Quality of gastronomic offer	3.96	5	4	1	4.0
	Wealth of sports activities	3.80	7	8	-1	-3.8
	Value for money	3.76	9	6	3	11.3
	Personal safety	4.05	4	3	1	4.1
	Hospitality of local residents	4.09	3	7	-4	-16.3
	Accessibility of destination	3.80	8	5	3	11.4
	Shopping opportunities	3.45	11	11	0	0.0
	DiPs index for Novalja					

Source: Author's research.

The results presented in Table 17 show that the best performing elements of tourism supply in Novalja, according to the opinions of surveyed tourists, were natural beauties, the quality of accommodation and hospitality of local residents. At the same time, from the DMO's perspective, the most important elements of tourism supply for overall level of destination competitiveness were natural beauties, variety of entertainment opportunities and personal safety. The highest positive discrepancy among the analyzed elements of tourism supply was recorded for the element variety of entertainment opportunities (4) and the highest negative discrepancy was recorded for the element of quality of accommodation (-7). The value of DiPs index of -2.9 suggests that the overall level of discrepancy in priorities between visitors and DMO in Novalja, even though slightly higher than in Poreč, is still relatively low.

The results presented in Table 18 show that the best performing elements of tourism supply in Vir, according to the opinions of surveyed tourists, were value for money, natural beauties, variety of entertainment opportunities, the quality of accommodation and the quality of gastronomic offer. At the same time, according to the DMO, the most important elements of tourism supply for the overall level of destination competitiveness were personal safety, the quality of accommodation and natural beauties. The highest positive discrepancy among the analyzed elements of tourism supply was recorded for the wealth of sport activities (6.5) and the highest negative discrepancy was recorded for the element value for money (-5). The value of DiPs index of -4.1 suggests that the overall level of discrepancy in priorities between visitors and DMO in Vir, even though slightly lower than in Opatija, is still low.

Table 18: Ranking the elements of tourism supply by importance and derivation of DiPs index for Vir as the best performing destination for Zadar County

N	Elements of tourism destination supply	TOMAS Summer Survey 2010 Tourists		Primary survey	Rank diff.	Weighted rank diff.
		Mean	Rank	DMO Rank		
21	Cultural heritage	3.25	8	9	-1	-3.3
	Natural beauties	3.38	2	3	-1	-3.4
	Picturesqueness	2.90	11.5	10	1.5	4.4
	Variety of entertainment opportunities	3.33	4	4	0	0.0
	Quality of accommodation	3.33	4	2	2	6.7
	Quality of gastronomic offer	3.33	4	8	-4	-13.3
	Wealth of sports activities	2.90	11.5	5	6.5	18.9
	Value for money	3.62	1	6	-5	-18.1
	Personal safety	3.29	6.5	1	5.5	18.1
	Hospitality of local residents	3.29	6.5	7	-0.5	-1.6
	Accessibility of destination	3.24	9	11	-2	-6.5
	Shopping opportunities	2.95	10	12	-2	-5.9
DiPs index for Vir						-4.1

Source: Author's research.

Table 19: Ranking the elements of tourism supply by importance and derivation of DiPs index for Vodice as the best performing destination for Šibenik-Knin County

N	Elements of tourism destination supply	TOMAS Summer Survey 2010 Tourists		Primary survey	Rank diff.	Weighted rank diff.
		Mean	Rank	DMO Rank		
108	Cultural heritage	3.97	9	2	7	27.8
	Natural beauties	4.63	1	1	0	0.0
	Picturesqueness	3.52	11	11	0	0.0
	Variety of entertainment opportunities	4.18	7	3	4	16.7
	Quality of accommodation	4.54	2	5	-3	-13.6
	Quality of gastronomic offer	4.41	4.5	8	-3.5	-15.4
	Wealth of sports activities	3.81	10	4	6	22.9
	Value for money	4.47	3	9	-6	-26.8
	Personal safety	4.31	6	7	-1	-4.3
	Hospitality of local residents	4.41	4.5	6	-1.5	-6.6
	Accessibility of destination	4.13	8	10	-2	-8.3
	Shopping opportunities	3.44	12	12	0	0.0
DiPs index for Vodice						-7.7

Source: Author's research.

The results presented in Table 19 show that the best performing elements of tourism supply in Vodice, according to the opinions of surveyed tourists, were natural beauties, the quality of accommodation and value for money. At the same time, from the DMO's perspective, the most important elements of tourism supply for the overall level of destination competitiveness were natural beauties, cultural heritage and variety of entertainment opportunities. The highest positive discrepancy among analyzed elements of tourism supply was recorded for the element

cultural heritage (7) and the highest negative discrepancy was recorded for the element value for money (-6). The value of DiPs index of -7.7 suggests that the overall level of discrepancy in priorities between visitors and DMO in Vodice is moderate.

Table 20: Ranking the elements of tourism supply by importance and derivation of DiPs index for Baška Voda as the best performing destination for Split-Dalmatia County

N	Elements of tourism destination supply	TOMAS Summer Survey 2010 Tourists		Primary survey DMO Rank	Rank diff.	Weighted rank diff.
		Mean	Rank			
79	Cultural heritage	3.90	8	9	-1	-3.9
	Natural beauties	4.71	1	1	0	0.0
	Picturesqueness	3.70	10	6	4	14.8
	Variety of entertainment opportunities	3.68	11	10	1	3.7
	Quality of accommodation	3.92	7	5	2	7.8
	Quality of gastronomic offer	3.95	4	7	-3	-11.8
	Wealth of sports activities	3.73	9	11	-2	-7.5
	Value for money	3.94	5	8	-3	-11.8
	Personal safety	4.28	2	3	-1	-4.3
	Hospitality of local residents	4.10	3	2	1	4.1
	Accessibility of destination	3.92	6	4	2	7.8
	Shopping opportunities	3.49	12	12	0	0.0
DiPs index for Baška Voda						-1.0

Source: Author's research.

The results presented in previous table show that the best performing elements of tourism supply in Baška Voda, according to the opinions of surveyed tourists, were natural beauties, personal safety and hospitality of local residents. At the same time, from the DMO's perspective, similar tourism supply elements were the most important for the overall level of destination competitiveness, i.e. natural beauties, hospitality of local residents and personal safety. The highest positive discrepancy among analyzed elements of tourism supply was recorded for the element picturesqueness (4) and the highest negative discrepancy was recorded for the elements quality of gastronomic offer and value for money (-3). The value of DiPs index of -1.0 suggests that the overall level of discrepancy in priorities between visitors and DMO in Baška Voda is very low. According to the DiPs index value, tourism supply of Baška Voda is characterized by the lowest discrepancy in priorities between tourists and DMO among all analyzed destinations.

Table 21: Ranking the elements of tourism supply by importance and derivation of DiPs index for Dubrovnik as the best performing destination for Dubrovnik-Neretva County

N	Elements of tourism destination supply	TOMAS Summer Survey 2010 Tourists		Primary survey	Rank diff.	Weighted rank diff.
		Mean	Rank	DMO Rank		
411	Cultural heritage	4.73	4	1	3	14.2
	Natural beauties	4.97	1	2	-1	-5.0
	Picturesqueness	4.23	8	5	3	12.7
	Variety of entertainment opportunities	4.20	9	10	-1	-4.2
	Quality of accommodation	4.80	2	3	-1	-4.8
	Quality of gastronomic offer	4.76	3	8	-5	-23.8
	Wealth of sport activities	3.87	11	11	0	0.0
	Value for money	4.54	6	7	-1	-4.5
	Personal safety	4.55	5	4	1	4.6
	Hospitality of local residents	4.36	7	6	1	4.4
	Accessibility of destination	3.97	10	9	1	4.0
	Shopping opportunities	3.77	12	12	0	0.0
DiPs index for Dubrovnik						-2.6

Source: Author's research.

The results presented in Table 21 show that the best performing elements of tourism supply in Dubrovnik, according to the opinions of surveyed tourists, were natural beauties, the quality of accommodation and the quality of gastronomic offer. At the same time, from the DMO's perspective, the most important elements of tourism supply for the overall level of destination competitiveness were cultural heritage, natural beauties and the quality of accommodation. The highest positive discrepancy among analyzed elements of tourism supply was recorded for the element cultural heritage (3) and the highest negative discrepancy was recorded for the element quality of gastronomic offer (-5). High value of DiPs index of -2.6 suggests that the overall level of discrepancy in priorities between visitors and DMO in Dubrovnik is very low, indicating a good match between tourist priorities and DMO's perspective on the importance of individual elements of tourism supply for the overall level of destination competitiveness.

Finally, it should be emphasized that the values of DiPs indexes varied from -38.1 to -1.0 across all of the 39 analyzed destinations. The highest value of DiPs index, reflecting a better match of priorities between tourists and DMO, was detected in Baška Voda, followed by Makarska, Dubrovnik, Poreč and Novalja, with the values of DiPs index above -3.0. Much lower values of DiPs index were detected for Šibenik, Primošten, Karlobag, Krk and Punt, which had the lowest value of DiPs index – below -29.0, indicating the largest discrepancy in priorities (Table 22: Values of DiPs indexes by destination).

Table 22: Values of DiPs indexes by destination

Rank	Destination	Value of DiPs index
1	Baška Voda	-1.01
2	Makarska	-2.35
3	Dubrovnik	-2.55
4	Poreč	-2.71
5	Novalja	-2.93
6	Podgora	-3.23
7	Omiš	-3.50
8	Vir	-4.11
9	Brela	-4.32
10	Pula	-4.46
11	Rovinj	-4.55
12	Supetar	-5.64
13	Mandre	-6.38
14	Nin	-7.07
15	Vodice	-7.68
16	Mlini	-8.07
17	Vrsar	-8.17
18	Umag	-8.26
19	Privlaka	-8.29
20	Opatija	-8.73
21	Živogošće	-10.01
22	Novi Vinodolski	-10.79
23	Pirovac	-10.90
24	Trogir	-11.09
25	Rogoznica	-11.25
26	Rab	-11.73
27	Korčula	-13.20
28	Zadar	-15.78
29	Ston	-16.55
30	Pag	-17.67
31	Orebić	-19.18
32	Senj	-22.16
33	Malinska	-22.62
34	Njivice	-23.73
35	Šibenik	-29.44
36	Primošten	-29.64
37	Karlobag	-35.33
38	Krk	-37.38
39	Punat	-38.12

Above average DMO performance

Below average DMO performance

Source: Author's research.

The mean value (standard deviation) of DiPs index was -12.6 (10.25). The values of index were not normally distributed and had a noticeable negative skew. Thus, the median (-8.7) was used

as a measure of central tendency. According to above/below median values, destinations were divided into two groups:

- Above average DMO's performance – destinations with the value of DiPs index above median (> -8.7), denoting high compatibility of priorities, and
- Below average DMO's performance – destinations with the value of DiPs index equal to or below median (≤ -8.7), denoting large discrepancy in priorities.

5.5 Relationship between tourist satisfaction and destination competitiveness

Tourist satisfaction was measured in 12 elements of tourism destination supply, the same elements which were rated according to their importance for destination choice (TOMAS Summer Survey 2010). A separate assessment of satisfaction and importance is ineffective, as it does not account for differences in importance and satisfaction of particular destination attribute. Satisfaction scores could suggest that certain destination attribute requires intervention, but this may not be true if satisfaction is rated higher than importance. Thus, tourist satisfaction was evaluated by utilizing the importance-performance analysis (IPA), i.e. tourists satisfaction with certain destination attribute was adjusted for their expectations (i.e. importance of that attribute). Satisfaction scores were measured on a five-point Likert scale anchored by 1 = very poor and 5 = excellent, compared to a six-point Likert scale adopted for importance scores. To enable proper analysis and interpretation of differences in satisfaction and importance scores, as the latter were measured on a different scale, importance scores were rescaled to a five-point scale using a linear transformation technique.

The rated elements include the following attributes: cultural heritage, natural beauties, picturesqueness, variety of entertainment opportunities, quality of accommodation, quality of gastronomic offer, wealth of sports activities, value for money, personal safety, hospitality of local residents, accessibility of destination and shopping opportunities. Corresponding null-hypotheses were defined as:

H2a: Tourist satisfaction with cultural heritage is positively related to destination competitiveness.

H2b: Tourist satisfaction with natural beauties is positively related to destination competitiveness.

H2c: Tourist satisfaction with destination picturesqueness is positively related to destination competitiveness.

H2d: Tourist satisfaction with variety of entertainment opportunities is positively related to destination competitiveness.

H2e: Tourist satisfaction with quality of accommodation is positively related to destination competitiveness.

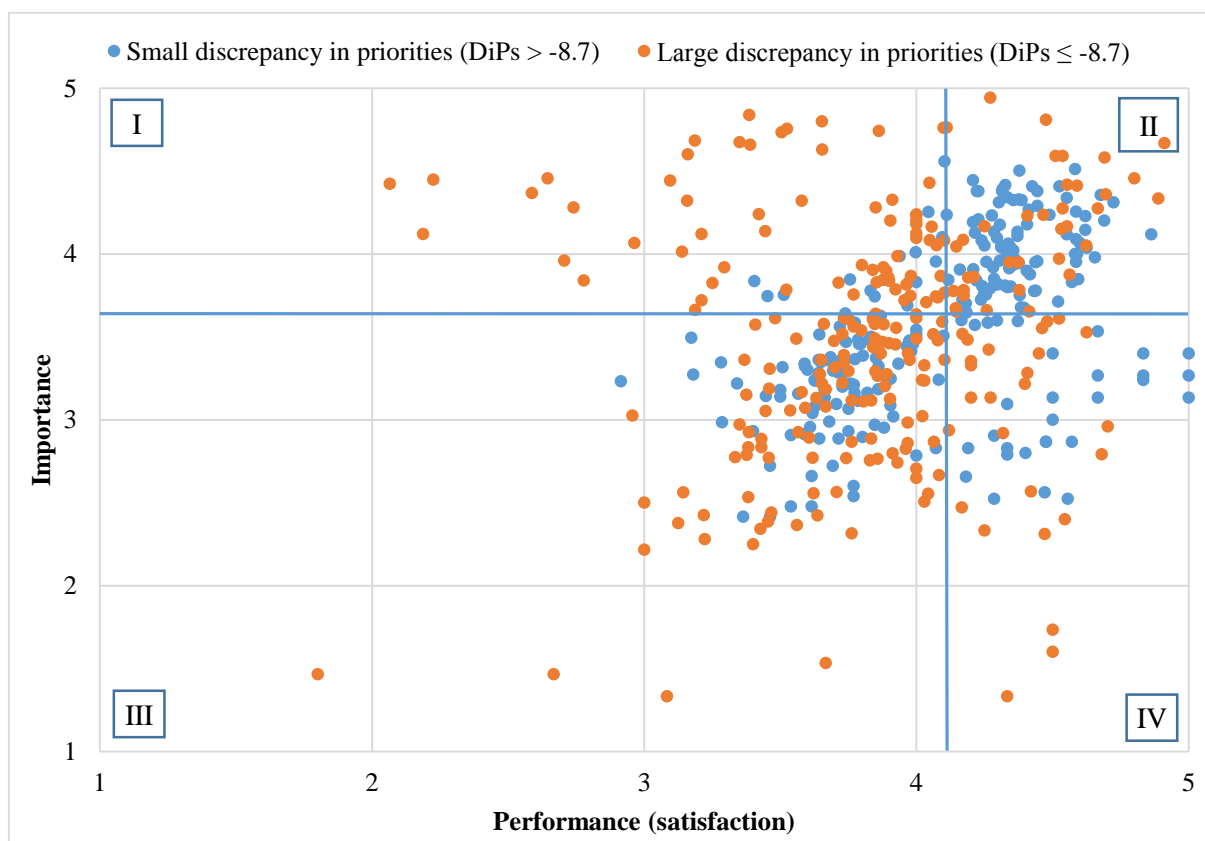
- H2f: Tourist satisfaction with quality of gastronomic offer is positively related to destination competitiveness.
- H2g: Tourist satisfaction with wealth of sport activities is positively related to destination competitiveness.
- H2h: Tourist satisfaction with value for money is positively related to destination competitiveness.
- H2i: Tourist satisfaction with personal safety is positively related to destination competitiveness.
- H2j: Tourist satisfaction with hospitality of residents is positively related to destination competitiveness.
- H2k: Tourist satisfaction with accessibility of destination is positively related to destination competitiveness.
- H2l: Tourist satisfaction with shopping opportunities is positively related to destination competitiveness.

Effects of DMO's performance on tourist satisfaction were assessed by IPA analysis, including a Chi-square test, and by GEE model, to account for correlation arising from clustered data when assessing satisfaction with individual elements of tourism destination supply. The results of IPA are presented in Figure 12, combining tourism destination supply importance and performance measures into a two-dimensional grid. Tourists indicated the importance of 12 different destination attributes on the destination choice and their mean importance was contrasted to the mean satisfaction with these elements at a destination-specific level.

As in previously presented IPA analyzes, the mean importance and satisfaction scores were calculated for each destination attribute in each destination (n=39), making a total of 468 dots classified into two groups – attributes of destinations with above average DMO's performance (i.e. higher compatibility of priorities; blue color) and attributes of destinations with below average DMO's performance (i.e. larger discrepancy in priorities; orange color). A cut point dividing the grid into quadrants was placed at the overall satisfaction and importance means. Quadrant III represents the area of low importance and low satisfaction, the so-called "Low priority" area. Elements in quadrant IV have low importance, but offer high satisfaction (this is the area of "Possible overkill"), while in quadrant II both importance and satisfaction are high ("Keep up the good work" area). The most delicate is the quadrant I with elements offering low satisfaction, but of high importance for tourists' experience ("Concentrate here" area). IPA plot presented by Figure 12 shows that elements of tourism destination supply with above average and below average DMO's performance are not equally distributed in all quadrants, especially not in quadrant I, where DMOs should focus their attention due to the negative discrepancy in tourists' satisfaction and importance. While only 7% of elements related to tourism destination supply with above average DMO's performance are located in quadrant I, this percentage is

higher among destinations with below average DMO performance or larger discrepancy in priorities (27%). Furthermore, the share of “keep up good work” elements (quadrant II) is much higher among previous destinations (41% vs. 16%). The association between DMO’s performance and the share of elements in different quadrants of IPA matrix was statistically significant ($p < 0.001$) and of medium to large effect size.

Figure 12: IPA plot of elements of destination supply



Source: Author’s research.

Table 23: Relationship between DMO’s performance and tourist satisfaction based on IPA scores

DMO performance		IPA matrix QUADRANT				Chi-square test p-value (Cramer’s V = 0.34)
		I Concentrate here	II Keep up good work	III Low priority area	IV Possible overkill	
Above average (DiPs > -8.7)	n	15	93	89	31	< 0.001 (Cramer’s V = 0.34)
	Row %	6.6	40.8	39.0	13.6	
	Column %	18.8	70.5	45.0	53.5	
(Below) average (DiPs ≤ -8.7)	n	65	39	109	27	
	Row %	27.1	16.3	45.4	11.3	
	Column %	81.3	29.6	55.1	46.6	

Source: Author’s research.

IPA plot and Chi-square test indicate that tourists are more satisfied in destinations where efforts of DMO are focused in the right direction.

Furthermore, the comparison of mean differences in satisfaction with and the importance of particular destination attribute indicated that tourists were on average more satisfied in destinations with above average than below average DMO’s performance (Table 24). This was true for all elements of tourism destination supply except for destination picturesqueness, which was, conversely, better rated in terms of satisfaction versus expectations in destinations with below average DMO’s performance.

Table 24: Comparisons of mean difference in satisfaction with and importance of different destination attributes between destinations with above average and (below) average DMO performance

Destination attribute	Above average DMO’s performance (DiPs > -8.7)				(Below) average DMO’s performance (DiPs ≤ -8.7)			
	Mean	SE	95% Confidence interval		Mean	SE	95% Confidence interval	
			Lower	Upper			Lower	Upper
Cultural heritage	0.408	0.105	0.203	0.613	0.364	0.154	0.062	0.666
Natural beauties	0.494	0.082	0.333	0.656	0.295	0.109	0.081	0.508
Picturesqueness	0.696	0.080	0.539	0.852	1.002	0.118	0.770	1.233
Variety of entertainment opportunities	0.393	0.103	0.191	0.594	-0.046	0.185	-0.408	0.317
Quality of accommodation	0.354	0.088	0.181	0.526	0.141	0.144	-0.141	0.422
Quality of gastronomic offer	0.408	0.097	0.218	0.598	0.290	0.170	-0.044	0.624
Wealth of sport activities	0.436	0.096	0.249	0.624	0.018	0.197	-0.367	0.403
Value for money	0.275	0.093	0.092	0.458	-0.065	0.160	-0.378	0.248
Personal safety	0.436	0.072	0.295	0.577	0.229	0.139	-0.045	0.502
Hospitality of local residents	0.356	0.078	0.204	0.509	0.113	0.138	-0.159	0.384
Accessibility of destination	0.567	0.072	0.426	0.708	0.448	0.141	0.171	0.724
Shopping opportunities	0.597	0.099	0.404	0.791	0.342	0.253	-0.153	0.837

Note: Results of GEE model taking into account correlated data within clusters; SE = Standard error.

Source: Author’s research.

Natural beauties, entertainment opportunities, wealth of sports activities, value for money, personal safety and hospitality of local residents were on average significantly better rated in

destinations with above average DMO's performance than in destinations with below average DMO's performance (results of GEE model; Table 24). The largest differences were observed for assessment of value for money, variety of entertainment opportunities and wealth of sports activities ($p < 0.05$).

Table 25: Mean differences in satisfaction-importance scores between destinations with above average and below average DMO's performance

Destination attribute	Mean difference	Standard error	95% Lower limit	One-sided p-value
Cultural heritage	0.044	0.186	-0.262	0.407
Natural beauties	0.200	0.137	-0.025	0.072*
Picturesqueness	-0.306	0.143	-0.541	0.984
Variety of entertainment opportunities	0.438	0.212	0.090	0.019**
Quality of accommodation	0.213	0.168	-0.064	0.103
Quality of gastronomic offer	0.118	0.196	-0.204	0.273
Wealth of sports activities	0.418	0.219	0.059	0.028**
Value for money	0.340	0.185	0.036	0.033**
Personal safety	0.208	0.157	-0.051	0.093*
Hospitality of local residents	0.244	0.159	-0.017	0.062*
Accessibility of destination	0.119	0.158	-0.141	0.225
Shopping opportunities	0.256	0.271	-0.191	0.173

Note: Results of GEE model taking into account correlated data within clusters; One-sided test ($H_a: \mu > 0$).

* Statistically significant at 0.10 significance level. ** Statistically significant at 0.05 significance level.

Source: Author's research.

According to aforementioned results, hypotheses H2d, H2g and H2h were rejected and a conclusion may be drawn that tourist satisfaction with these elements – entertainment opportunities, wealth of sports activities and value for money – is positively related to DMO's performance. Furthermore, satisfaction with natural beauties (H2b), personal safety (H2i) and hospitality of residents (H2j) was significantly related to DMO's performance at 10% significance level. Only destination picturesqueness has not demonstrated a positive relationship between tourist satisfaction and DMO's performance.

Therefore, based on IPA plot and the presented results of Chi-square test and GEE model, it can be concluded that tourist satisfaction with the overall tourism supply is higher in those destinations where DMO is aware of the elements that have more influence on tourist satisfaction, i.e. in destinations that are more competitive.

5.6 Effects of branding process on DMO's performance

Branding process was assessed by a number of elements – existence of brand strategy and SWOT analysis, competitiveness analysis, definition of potential target groups and vision, level of destination brand building, integration and communication. Effects of these elements on DMO performance were tested by following null-hypotheses whose elements represent destination branding process:

H3a: Potential target groups' definition is positively related to destination competitiveness.

H3b: Destination competition analysis is positively related to destination competitiveness.

H3c: SWOT analysis is positively related to destination competitiveness.

H3d: Definition of vision is positively related to destination competitiveness.

H3e: Destination brand building is positively related to destination competitiveness.

H3f: Destination brand integration is positively related to destination competitiveness.

H3g: Destination brand communication is positively related to destination competitiveness.

Effects of branding process on DMO's performance were assessed by Chi-square and Wilcoxon rank sum tests and logistic regression analysis. Brand strategy was more represented within a group of destinations with above average DMO's performance or lower discrepancy in priorities. Most of those destinations had a brand strategy (53%), compared to 35% of destinations in a group with higher discrepancy in priorities (differences not significant; Table 26). SWOT analysis was equally represented in both groups of destinations (47% and 50%).

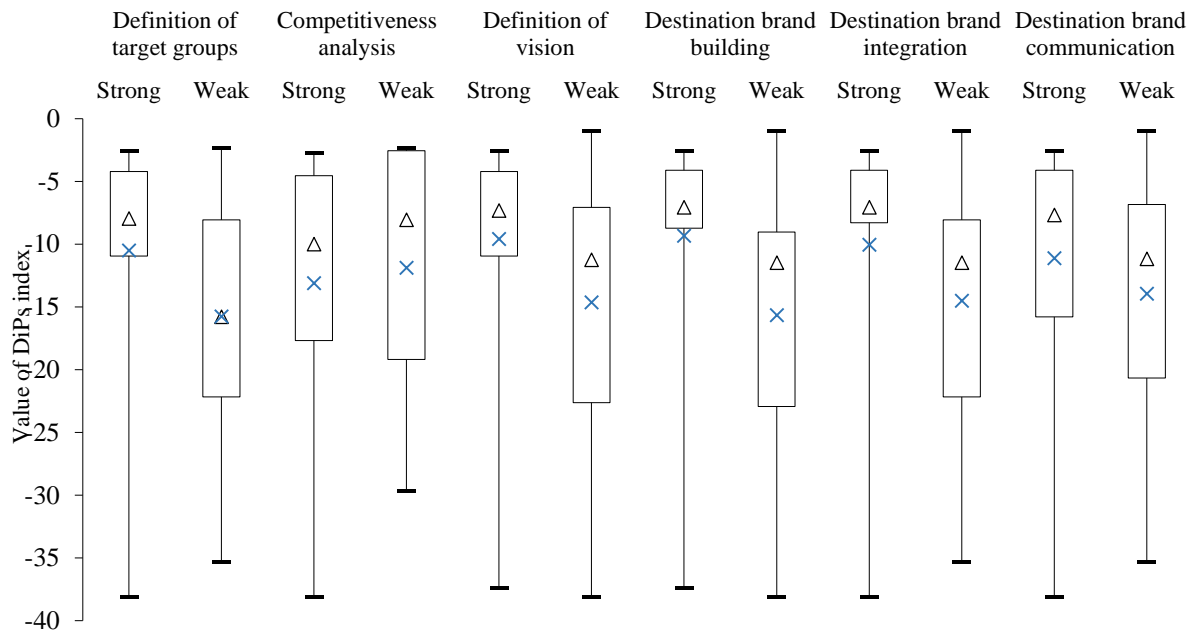
Table 26: Brand strategy and SWOT analysis by DMO's performance

DMO performance	Destinations having brand strategy in %	Chi-square test p-value	Destinations having SWOT analysis in %	Chi-square test p-value
Above average (DiPs > - 8.7)	52.6	0.267	47.4	0.870
Below average (DiPs ≤ - 8.7)	35.0	(Phi=0.18)	50.0	(Phi = - 0.03)

Source: Author's research.

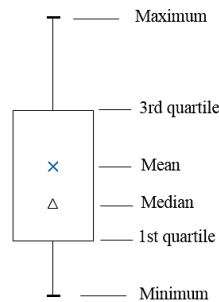
Values of other elements were measured on a five-point Likert scale. Values of 4 and 5 were grouped and considered strong performance element, while values of 1, 2 and 3 were considered weak performance. Except for branding process element related to the analysis of competitors, other elements suggested a somewhat higher value of DiPs index (i.e. smaller discrepancy in priorities) among destinations with strong performance in an element than among destinations with weak performance (Figure 13).

Figure 13: Difference in distributions of DiPs indexes between destinations with strong and weak performance in branding process elements



Strong - values of indicator equaling 4 or 5 on a 5-point Likert scale

Weak - values of indicator equaling 1, 2 or 3 on a 5-point Likert scale



Source: Author's research.

Values of DiPs indexes were significantly higher among destinations with stronger performance in destination brand building and integration, and among destinations with better definition of target groups, compared to destinations with lower ratings of these elements.

Furthermore, multivariate effect of branding process elements on DMO's performance was analyzed by logistic regression. The dependent variable was formed by aforementioned grouping of DiPs index values into 2 groups: above average DMO's performance (DiPs > -8.7) and below average DMO performance group (DiPs ≤ -8.7).

Table 27: Effect of branding process elements on DiPs index

Element of branding process	Performance ^a	Value of DiPs index		Wilcoxon exact one-sided p-value	Effect size (Cohen's r)
		N	Median		
Definition of target groups	Strong	20	-8.0	0.037*	0.29
	Weak	17	-15.8		
Competitiveness analysis	Strong	31	-10.0	0.710	0.09
	Weak	7	-8.1		
Definition of vision	Strong	16	-7.3	0.064	0.24
	Weak	23	-11.3		
Destination brand building	Strong	19	-7.1	0.015*	0.34
	Weak	20	-11.5		
Destination brand integration	Strong	17	-7.1	0.024*	0.32
	Weak	22	-11.5		
Destination brand communication	Strong	19	-7.7	0.097	0.21
	Weak	20	-11.2		

Note: Results of Wilcoxon Rank Sum test.

^aStrong performance – values of indicator equaling 4 or 5 on a five-point Likert scale; Weak performance – values of indicator equaling 1, 2 or 3 on a five-point Likert scale.

*Statistically significant at 0.05 significance level.

Source: Author's research.

The probability of above average DMO performance or of having a higher compatibility in priorities was modelled in logistic regression. Univariate logistic regression analysis was conducted for each branding process indicator (Table 28).

Table 28: Univariate effects of branding process elements on DMO performance

Branding process indicator	Odds Ratio Estimate			p-value
	Point Estimate	95% Wald Confidence Interval		
Having brand strategy (No vs. Yes)	0.49	0.13	1.75	0.270
Definition of target groups	1.54	0.80	2.98	0.198
Competitiveness analysis	0.82	0.29	2.28	0.703
Definition of vision	1.37	0.72	2.58	0.335
Destination brand building	3.67	1.49	9.01	0.005*
Destination brand integration	2.17	1.07	4.41	0.031*
Destination brand communication	2.01	0.97	4.17	0.061
Having SWOT analysis (No vs. Yes)	1.11	0.32	3.90	0.870

Note: Modeling probability of having a good DMO performance (i.e. small discrepancy in priorities; DiPs index > -8.7).

* Statistically significant at 0.05 significance level.

Source: Author's research.

Collinearity was checked with a matrix of correlations, using the Spearman rank correlation coefficient between independent variables (Table 29). Results showed strong correlation between destination brand building, integration and communication. Low correlation with other

variables was detected only for the analysis of competitors. To avoid multicollinearity, only one of highly-correlated variables was included in logistic regression.

Table 29: Correlation between branding process elements

Element of branding process	Definition of target groups	Competitiveness analysis	Definition of vision	Destination brand building	Destination brand integration	Destination brand communication
Definition of target groups	1.00	0.33	0.61	0.59	0.60	0.57
		0.047	< 0.001	< 0.001	< 0.001	< 0.001
Competitiveness analysis	37	37	37	37	37	37
		1.00	-0.04	0.18	0.27	0.30
			0.828	0.276	0.096	0.064
		38	38	38	38	38
Definition of vision			1.00	0.56	0.46	0.44
				< 0.001	0.003	0.005
Destination brand building			39	39	39	39
				1.00	0.84	0.84
					<.0001	<.0001
Destination brand integration				39	39	39
					1.00	0.95
					39	< 0.001
Destination brand communication						39
						1.00
						39

Note: Spearman correlation coefficients, p-values and sample sizes presented in table.

Source: Author’s research.

The greatest univariate effect on DiPs index was detected for destination brand building, so this variable was selected to assess the effect of destination branding process on DMO’s performance or discrepancy in priorities between tourists and DMOs, after dealing with multicollinearity and selecting all variables with $p < 0.25$ (Table 30: Effect of destination brand building on DMO’s performance).

Table 30: Effect of destination brand building on DMO’s performance

Variable	Odds Ratio Estimate			p-value
	Point Estimate	95% Wald Confidence Interval		
Intercept	-	-	-	0.006*
Destination brand building	3.67	1.49	9.01	0.005*

Note: Modeling probability of having above average DMO’s performance (i.e. small discrepancy in priorities; DiPs index > -8.7); Nagelkerke $R^2 = 0.32$; Likelihood Ratio Test = 0.001.

Source: Author’s research.

Results indicate a positive effect of destination brand building on DMO's performance (i.e. on the smaller discrepancy in priorities between tourists and DMOs). For a one unit increase in ratings of destination brand building, the odds of above average DMO's performance (i.e. DiPs > -8.7) increased 3.7 times.

Overall, all analyzed elements, besides SWOT and competitiveness analysis, showed some sort of positive relationship to DMO's performance. While a significant relationship between DMO's performance and having a brand strategy, SWOT and competitiveness analysis or definition of vision and destination brand communication was not found, elements of destination brand building and integration revealed positive and significant effects on DMO's performance (odds ratio estimates of 3.7 and 2.2, respectively). Although the definition of target groups was not a significant factor in logistic analysis, Wilcoxon Rank Sum test indicated significant differences in the value of DiPs indexes between destinations with strong (median = -8.0) and weak (median = -15.8) definition of target groups ($p = 0.037$; Table 27). Thus, null-hypotheses (H3a), (H3e), and (H3f) were rejected.

Branding process indicator (BiPs index) was developed in Section 5.2 as an output of principal components analysis on the elements of destination branding process – definition of target groups, competitiveness analysis, definition of vision, destination brand building, integration and communication, and perceived importance of brand strategy. Rankings of the destinations according to the values of BiPs index are presented in Table 31, together with the corresponding values of DiPs index.

Destinations were ranked according to the values of BiPs index:

Table 31: DiPs and BiPs indices for destinations

Rank	Destination/Tourist Board	DiPs index	BiPs index
1	Umag	-8.261	2.067
2	Dubrovnik	-2.552	1.452
3	Kolan	-6.385	1.430
4	Poreč	-2.706	1.178
5	Privlaka	-8.291	0.995
6	Vir	-4.107	0.995
7	Podgora	-3.229	0.995
8	Rovinj	-4.549	0.995
9	Krk	-37.378	0.915
10	Opatija	-8.735	0.915
11	Pula	-4.462	0.915
12	Vodice	-7.684	0.733
13	Omiš	-3.502	0.724
14	Malinska	-22.619	0.483
15	Pag	-17.668	0.482
16	Nin	-7.067	0.448
17	Brela	-4.322	0.393
18	Novi Vinodolski	-10.790	0.208
19	Trogir	-11.088	0.208
20	Punat	-38.119	0.100
21	Zadar	-15.782	0.010
22	Vrsar	-8.172	0.001
23	Šibenik	-29.442	-0.157
24	Primošten	-29.636	-0.250
25	Ston	-16.550	-0.339
26	Živogošće	-10.014	-0.496
27	Omišalj	-23.732	-0.679
28	Župa Dubrovačka	-8.067	-0.933
29	Baška Voda	-1.008	-1.010
30	Rab	-11.727	-1.024
31	Novalja	-2.930	-1.044
32	Senj	-22.160	-1.118
33	Orebić	-19.180	-1.190
34	Pirovac	-10.905	-1.207
35	Korčula	-13.198	-1.207
36	Makarska	-2.346	-1.289
37	Karlobag	-35.333	-1.390
38	Rogoznica	-11.250	-1.390
39	Supetar	-5.639	-1.920

Legend: Destinations with above average DiPs and BiPs index

Source: Author's research.

Correlation between values of DiPs and BiPs indices, measured by Spearman's correlation coefficient, was marginally significant ($p = 0.059$) and positive ($r = 0.305$). The values of BiPs index were compared between destinations with above-average values of DiPs index ($\text{DiPs} > -8.7$) and below-average values of DiPs index ($\text{DiPs} \leq -8.7$). The independent t-test was used for comparison.

Table 32: Comparison of average values of BiPs index between destinations with above average and below average values of DiPs index (results of t-test)

DiPs index	BiPs index		
	Mean	Standard deviation	p-value
Above average	0.375	1.098	0.020
Below average	-0.356	0.764	

Source: Author's research.

Results of t-test reveal that the BiPs index is on average higher in destinations with above-average compatibility of priorities between tourists and DMO than in destinations with below-average compatibility in these priorities ($p = 0.020$). Average value of BiPs index was 0.375 for the former and -0.356 for the latter destinations.

Finally, with respect to all of the previously presented and interpreted research results, it can be concluded that DMO's performance is positively related to destination branding process.

6 CONCLUSION

The concluding chapter includes summary of the findings, explanation of the scientific and professional contribution, and methodological limitations and recommendations for the further research.

6.1 Summary of the findings

The main objective of this dissertation was to investigate whether destination branding, as a relatively novel concept in tourism theory and practice, is a factor influencing destination competitiveness. This line of thought is based upon the premise that one of the important sources of destination competitive advantage is its market uniqueness and visibility, which can be achieved through the destination branding process.

Even though different determinants and attributes of destination competitiveness and destination branding have been well studied and meticulously documented throughout the tourism research literature, a comprehensive and generally accepted theoretical framework, connecting the notions of destination branding and destination competitiveness, has still not been developed. As determined by the literature review, there is a lack of knowledge and understanding about the role that destination branding plays in the process of achieving tourism destination competitiveness and this represents an important research gap which is partially addressed by this dissertation. In order to shed some additional light on the complex relationship between destination branding and destination competitiveness, selected Croatia's seaside tourism destinations are used as a case study, which is closely described in the text below.

Even though there is no clearly defined relationship between destination competitiveness and destination branding, destination branding is nevertheless partially mentioned in the two most known destination competitiveness models – a General model of destination competitiveness proposed by Ritchie and Crouch (2003) and the Integrated Model of Destination Competitiveness proposed by Dwyer and Kim (2003). According to Ritchie and Crouch's model, positioning/branding is a part of destination policy, planning and development dimension, while Dwyer and Kim recognized destination positioning and clarity of destination

image as variables that influence destination competitiveness, but they don't discuss destination branding process explicitly.

Two basic research methods were used for the purposes of discussion and hypotheses testing in this dissertation – desk research and exploratory research. The desk research included an overview of current literature covering various scientific and professional articles in destination competitiveness and destination branding fields, and secondary data analysis. Secondary data analysis included data collected for TOMAS Summer Survey 2010 on attitudes and expenditure of tourists in Croatia's seaside destinations, conducted by the Institute for Tourism, Zagreb. The survey was conducted on a sample of 4,973 respondents interviewed in 85 seaside destinations in Croatia during the peak tourism season, from mid-June until end of September of 2010. Both, data collected through the exploratory research, as well as secondary data were used for the assessment of the importance of branding as a destination competitiveness factor. Exploratory research was focused on data collection from DMO's of tourism destinations that were included in the TOMAS Summer Survey 2010. The survey instrument of primary data collection was an on-line questionnaire. The main goal of the primary data collection was to gain more insight in the process of destination branding development.

Three out of the four initially formulated research questions were answered based on the data collected through the literature review. Those questions are: (i) "What are destination competitiveness factors and models?", (ii) "How is destination competitiveness measured?" and (iii) "What is destination branding?". Answer to the fourth research question is provided by the results obtained by the statistical analysis of the data collected through the exploratory research. This question is: "Are those tourism destinations which implement destination branding more competitive than those which don't?". The research included total of 39 destinations or 46% of all destinations' to whom the questionnaire was sent. Research results showed that two thirds (67%) of the surveyed destinations had some kind of a strategic planning document, while brand strategy was represented in all of the destinations that had some kind of strategic documents.

In order to examine hypothesis H1: Destination branding process is positively related to tourist satisfaction, 12 auxiliary hypotheses were used (H1a-H1l). Principal components analysis (PCA) was applied on a set of branding process elements – definition of target groups, competitiveness analysis, definition of vision, destination brand building, integration and communication, and perceived importance of brand strategy – in order to address their underlying structure in smaller number of principal components, i.e. to reduce the dimensionality of the data. IPA analysis, including a Chi-square test, and GEE model was applied to assess the effects of destination branding process on tourist satisfaction. According to the research results, it can be concluded that tourist satisfaction with the overall tourism supply is higher in those destinations with better developed marketing strategy and brand

definition. Therefore, the analysis of the effects of branding process on tourist satisfaction, measured by assessing the relationship of three branding process factors on 12 elements of destination supply (12 auxiliary hypotheses), shows that tourist satisfaction with the overall tourism supply is higher in those destinations with better branding performance, as measured by BiPs index, which confirms the hypothesis H1.

In order to examine hypothesis H2: Tourist satisfaction is positively related to destination competitiveness, 12 auxiliary hypotheses were used (H2a-H2l). Tourist satisfaction was evaluated by utilizing the importance-performance analysis (IPA), i.e. tourists satisfaction (performance) with certain destination attribute was compared to their expectations (i.e. importance of that attribute). At the other hand, destination competitiveness (measured by DMO's performance) was determined by calculating discrepancy in priorities (DiPs) index, which can be interpreted as the ability of tourism destination to identify and satisfy the needs and wants of its visitors. The closer the value of DiPs index is to 0, the destination is more able to identify and satisfy the needs of its visitors and, therefore, the destination is better performing i.e. more competitive. Based on the IPA plot and the results obtained by Chi-square test and GEE model it was concluded that tourist satisfaction with the overall tourism supply is higher in those destinations with smaller values of DiPs index. In other words, destinations with higher level of tourism satisfaction will be better performing and, hence, more competitive, which confirms hypothesis H2.

Finally, in order to examine hypothesis H3: Destination branding process is positively related to destination competitiveness, 7 auxiliary hypotheses were used (H3a-H3g). The effects of branding process elements on destination competitiveness (measured by DMO's performance) were tested. All analyzed branding process elements (besides SWOT and competitiveness analysis) showed some sort of positive relationship to DMO's performance. While a significant relationship between DMO's performance and having a brand strategy, SWOT and competitiveness analysis or definition of vision and destination brand communication was not found, elements of destination brand building and integration revealed positive and significant effects on DMO's performance. In order to aggregate destination branding activities into single, composite indicator, a branding process indicator (BiPs index) was developed. BiPs index represents a weighted average of all the factors included in the destination branding process. Weights were determined based on relative importance of these factors on destination competitiveness measured as a DiPs index. Correlation coefficient between values of DiPs and BiPs indices, measured by Spearman's correlation coefficient, was significant ($p = 0.059$) and positive ($r = 0.305$). Therefore, it can be concluded that destination with better branding will have better performance and be more competitive, which confirms hypothesis H3.

6.2 Scientific and managerial contributions

According to the research results, it is determined that destination branding significantly influences the level of destination competitiveness. Therefore, the extension of existing models of destination competitiveness with the use of destination branding process is considered to be an important step forward in filling the theoretical gap between the fields of destination branding and competitiveness. Keeping in mind the increasing number of tourism destinations with similar tourism resource base and promotion efforts, trying to attract the same market segments, it becomes evident that a clear definition of major brand determinant will become an imperative for maintaining destinations competitive in the future. Visitors frequently ask themselves why they would choose one destination over another if they all have similar tourism product as well as other elements of marketing mix (price, place and promotion). It is therefore, a brand of tourism destination itself that should create an emotional link between destination and potential visitors, and evoke a “sense of a destination” leading to executive decision of selecting that particular destination.

In order to achieve high level of overall destination competitiveness by the implementing a branding strategy, destination should go through all phases of the destination branding process. Having in mind the high importance of the destination branding for the overall level of the destination competitiveness, it is clear that destination branding process should be integrated in to the existing models of destination competitiveness, primarily into the Integrated Model of Destination Competitiveness (Dwyer and Kim, 2003) and the Conceptual model of destination competitiveness (Ritchie and Crouch, 2003), two widely accepted and most frequently cited models of tourism destination competitiveness. This aspect is important within the context of the scientific contribution of this dissertation since one of its focal points is to provide an empirical evidence that supports the integration of branding process, with two previously mentioned models of destination competitiveness. This theoretical advancement could represent an important step forward in developing a more comprehensive, sophisticated and efficient model of destination competitiveness.

The expected managerial contribution of the dissertation stems from the fact that the research results should be useful to destination management experts when making long term, strategic decisions related to tourism destination development. The improved model of destination competitiveness should help them to stay focused on those elements of destination branding process that could enable them to remain competitive in the market. Additionally, survey instrument developed for the exploratory research of this dissertation could be useful managerial tool for any destination in checking whether all elements of destination branding process have been correctly identified, discussed and implemented.

6.3 Methodological limitations and recommendations for the further research

As an exploratory study in the field of tourism destination branding, the research conducted for this dissertation had some inherent limitations that must be addressed. First, the sample regarding tourism demand cannot be considered as up-to-date (the last TOMAS Summer Survey in Croatia was conducted in 2010) and thus can only be approximately used for the research in present times. Having in mind that TOMAS Summer Survey is rather complex survey that requires extensive financial, temporal and human resources, this limitation could be properly addressed within the scope of this dissertation. Secondly, even though the sample of surveyed DMOs is rather large (39 out of 85), obtained results can be considered as insufficient to be generalized beyond the sample size, especially when applied on tourism destinations out of Croatia's seaside region. A third limitation of this research is in its focus on a single-country case study, which seems to be a common limitation for the majority of doctoral theses in this field of research, especially due to the previously mentioned scarce resources. In spite of the fact that research has been conducted only for Croatia, it must be noted that Croatia: (i) has over a century and a half long tradition in tourism development; (ii) has well developed and organized system of DMOs; (iii) has developed a reliable and internationally comparable tourism statistics; and (iv) according to the UNWTO, participates with notable shares of 1% in global and 2% in European number of total tourist arrivals, which all indicate the accuracy of the country selected for case study. Although data used in this research have some limitations, they can be considered reliable for theoretical advancements in measuring tourism destination competitiveness and hypotheses testing towards drawing final conclusions. Finally, fourth limitation of this research are selected elements of tourist satisfaction. They are based on twelve elements of tourism offer (TOMAS Summer Survey, 2010) on which satisfaction and importance of these elements for visiting destination, were measured.

The empirical research related to linking concepts of destination branding with tourism destination competitiveness, which was the focal point in this dissertation, has revealed an emerging multidimensional structure of tourism destination competitiveness matrix. On the other hand, tourism destination branding has been widely recognized and accepted as one of the key aspects of keeping tourism destination competitive on the market. For that reason, it is not surprising that tourism destination competitiveness and destination branding have become increasingly important research areas for both scientists and professionals who strive to find the most efficient model of tourism destination planning and management. Therefore, there are some recommendations for the future research in this particular area. In order to improve the result's external validity, further research should test hypotheses, assessments and conclusions from this research on larger and more diversified samples, which should include other regions and countries. On account of interpreted empirical evidence provided in this dissertation on

positive relationship between destination branding and destination competitiveness, future research should discover other key elements and aspects that will strengthen the position of destination branding concept in the body of knowledge related to modeling tourism destination competitiveness.

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APPENDICES

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Appendix A: Questionnaire - The influence of branding on the tourism destination competitiveness

Dear Sir/Madam,

I would kindly ask you to take 5-7 minutes of your time and fill out the questionnaire about tourism destination branding. The answers will be used solely for the purpose of doctoral dissertation research, which investigates the influence of branding on tourism destination competitiveness. If you have any questions or unclarities regarding the survey, please send an e-mail on the following address: katarina.milicevic@iztzg.hr.

Thank you for your help and cooperation!

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*Remark: Tourism destination branding can be defined as the process which is aimed at achieving a desired image of tourism destination in the minds of potential tourists. Destination branding process includes: definition of target markets, analysis of competitors, SWOT analysis, definition of tourism destination development vision, definition of destination brand, i.e. what the brand should represent, integration of brand in all tourism development activities and communicating the brand towards consumers (tourists) as well as towards the tourism development stakeholders.

Please enter your tourist board name:

1. Does your destination have tourism development plan, marketing plan or plan of promotional activities? *(Check the appropriate answer)*
 1. Yes, we do have the specified planning documents.
 2. No, we do not have any of the specified planning documents. *(Go to question 5)*

2. Please mark all of the planning documents that exist for your destination. *(Multiple choice possible)*
 1. Tourism development plan
 2. Marketing plan
 3. Plan of promotional activities
 4. Other:

3. Do your tourism planning documents (adopted by 2010) include tourism destination brand strategy? *(Check the appropriate answer)*

1. Yes (go to question 5)
2. No (go to question. 4)

4. What are the main limitations related to definition of brand strategy for your destination? *(Check all that, in your opinion, represents a limitation)*

1. Passive attitude toward the branding process
2. Lack of financial resources
3. Human resources limitation
4. Inadequate cooperation among stakeholders of destination management
5. Other: _____

5. To what extent do you agree with the below statements regarding the target markets? *(Mark the appropriate answer on the scale)*

	Completely disagree	Disagree	Neither agree nor disagree	Agree	Completely agree
Your destination has clearly defined target markets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your destination is informed with the practices of competitor destinations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

6. Does your destination have a critical analysis of strengths, weaknesses, opportunities and threats, so called SWOT analysis?

1. Yes
2. No

7. To what extent do you agree with the below statement regarding the vision of destination tourism development? *(Mark the appropriate answer on the scale)*

	Completely disagree	Disagree	Neither agree nor disagree	Agree	Completely agree
Your destination has clearly defined tourism development vision	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

8. To what extent do you agree with the below statements? *(Mark the appropriate answer on the scale)*

	Completely disagree	Disagree	Neither agree nor disagree	Agree	Completely agree
Your destination has clearly defined brand, ie. a promise that gives to tourists	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your destination integrates its brand in all tourism development activities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your destination communicates previously defined brand toward consumers (tourists) as well as towards tourism development stakeholders	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

9. To what extent do you agree with the below statement regarding the importance of brand strategy for the competitiveness of your destination? *(Mark the appropriate answer on the scale)*

	Not important at all	Not important	Neither important nor unimportant	Important	Very important
Brand strategy is important for the competitiveness of your destination	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

10. Do you think that your destination brand should be incorporated into the unified umbrella brand of Croatia?

1. Yes (Go to question 11)
2. No (Go to question 12)

11. Explain why you think that your destination brand should be incorporated into the unified umbrella brand of Croatia.

12. Explain why you think that your destination brand should not be incorporated into the unified umbrella brand of Croatia.

13. Rank the importance of individual elements of tourism supply that you think are affecting the competitiveness of your destination *(1-12, 1- most important and 12 - least important)*

- Cultural beauties _____
- Natural beauties _____

- Picturesqueness_____
- Variety of entertainment opportunities_____
- Quality of accommodation_____
- Quality of gastronomic offer_____
- Wealth of sport activities_____
- Value for money_____
- Personal safety_____
- Hospitality of local residents_____
- Accessibility of destination_____
- Shopping opportunities_____

Appendix B: Ranking the elements of destination supply by importance and derivation of DiPs index by destination

Istria County/Poreč

N	Elements of tourism destination supply	TOMAS Summer Survey 2010 Tourists		Primary survey	Rank diff.	Weighted rank diff.
		Mean	Rank	DMO Rank		
160	Cultural heritage	4.87	4	8	-4	-19.5
	Natural beauties	4.80	10	7	3	14.4
	Picturesqueness	4.83	6	10	-4	-19.3
	Variety of entertainment opportunities	4.81	9	9	0	0.0
	Quality of accommodation	4.74	11	2	9	42.6
	Quality of gastronomic offer	4.92	1	3	-2	-9.8
	Wealth of sports activities	4.88	2	4	-2	-9.8
	Value for money	4.88	3	5	-2	-9.8
	Personal safety	4.65	12	6	6	27.9
	Hospitality of local residents	4.85	5	11	-6	-29.1
	Accessibility of destination	4.82	7	1	6	28.9
	Shopping opportunities	4.81	8	12	-4	-19.3
DiPs index for Poreč						-2.7

Istria County/Pula

N	Elements of tourism destination supply	TOMAS Summer Survey 2010 Tourists		Primary survey	Rank diff.	Weighted rank diff.
		Mean	Rank	DMO Rank		
179	Cultural heritage	4.34	12	1	11	47.8
	Natural beauties	4.75	1	2	-1	-4.7
	Picturesqueness	4.47	10	3	7	31.3
	Variety of entertainment opportunities	4.63	5	5	0	0.0
	Quality of accommodation	4.64	4	4	0	0.0
	Quality of gastronomic offer	4.68	3	6	-3	-14.0
	Wealth of sports activities	4.50	9	11	-2	-9.0
	Value for money	4.52	7	7	0	0.0
	Personal safety	4.62	6	8	-2	-9.2
	Hospitality of local residents	4.69	2	9	-7	-32.8
	Accessibility of destination	4.35	11	10	1	4.3
	Shopping opportunities	4.51	8	12	-4	-18.0
DiPs index for Pula						-4.5

Istria County/Rovinj

N	Elements of tourism destination supply	TOMAS Summer Survey 2010 Tourists		Primary survey DMO Rank	Rank diff.	Weighted rank diff.
		Mean	Rank			
246	Cultural heritage	4.25	11	2	9	38.2
	Natural beauties	4.56	1	3	-2	-9.1
	Picturesqueness	4.39	9	1	8	35.1
	Variety of entertainment opportunities	4.45	6	10	-4	-17.8
	Quality of accommodation	4.51	3	4	-1	-4.5
	Quality of gastronomic offer	4.50	4	8	-4	-18.0
	Wealth of sports activities	4.44	7	7	0	0.0
	Value for money	4.49	5	11	-6	-26.9
	Personal safety	4.44	8	9	-1	-4.4
	Hospitality of local residents	4.52	2	6	-4	-18.1
	Accessibility of destination	4.24	12	5	7	29.7
	Shopping opportunities	4.38	10	12	-2	-8.8
DiPs index for Rovinj						-4.5

Istria County/Umag

N	Elements of tourism destination supply	TOMAS Summer Survey 2010 Tourists		Primary survey DMO Rank	Rank diff.	Weighted rank diff.
		Mean	Rank			
101	Cultural heritage	4.97	10	9	1	5.0
	Natural beauties	5.26	3.5	6	-2.5	-13.2
	Picturesqueness	5.04	7	12	-5	-25.2
	Variety of entertainment opportunities	4.99	9	4	5	25.0
	Quality of accommodation	5.26	3.5	2	1.5	7.9
	Quality of gastronomic offer	5.27	2	3	-1	-5.3
	Wealth of sports activities	4.70	11	1	10	47.0
	Value for money	5.31	1	11	-10	-53.1
	Personal safety	5.16	6	8	-2	-10.3
	Hospitality of local residents	5.24	5	7	-2	-10.5
	Accessibility of destination	5.01	8	5	3	15.0
	Shopping opportunities	4.69	12	10	2	9.4
DiPs index for Umag						-8.3

Istria County/Vrsar

N	Elements of tourism destination supply	TOMAS Summer Survey 2010 Tourists		Primary survey DMO Rank	Rank diff.	Weighted rank diff.
		Mean	Rank			
29	Cultural heritage	5.14	3	8	-5	-25.7
	Natural beauties	4.90	8.5	1	7.5	36.7
	Picturesqueness	4.93	7	2	5	24.7
	Variety of entertainment opportunities	4.90	8.5	9	-0.5	-2.4
	Quality of accommodation	5.00	6	3	3	15.0
	Quality of gastronomic offer	5.17	2	4	-2	-10.3
	Wealth of sports activities	5.03	5	5	0	0.0
	Value for money	5.45	1	11	-10	-54.5
	Personal safety	4.69	12	10	2	9.4
	Hospitality of local residents	5.07	4	6	-2	-10.1
	Accessibility of destination	4.72	11	7	4	18.9
	Shopping opportunities	4.86	10	12	-2	-9.7
DiPs index for Vrsar						-8.2

Primorje-Gorski Kotar County/Krk

N	Elements of tourism destination supply	TOMAS Summer Survey 2010 Tourists		Primary survey DMO Rank	Rank diff.	Weighted rank diff.
		Mean	Rank			
90	Cultural heritage	3.57	11	3	8	28.5
	Natural beauties	4.48	6	1	5	22.4
	Picturesqueness	2.94	12	2	10	29.4
	Variety of entertainment opportunities	4.62	4	12	-8	-37.0
	Quality of accommodation	4.42	7	7	0	0.0
	Quality of gastronomic offer	4.10	8	8	0	0.0
	Wealth of sports activities	4.56	5	9	-4	-18.2
	Value for money	5.04	2	10	-8	-40.4
	Personal safety	5.49	1	5	-4	-22.0
	Hospitality of local residents	4.96	3	6	-3	-14.9
	Accessibility of destination	3.64	9	4	5	18.2
	Shopping opportunities	3.59	10	11	-1	-3.6
DiPs index for Krk						-37.4

Primorje-Gorski Kotar County/Malinska

N	Elements of tourism destination supply	TOMAS Summer Survey 2010 Tourists		Primary survey DMO Rank	Rank diff.	Weighted rank diff.
		Mean	Rank			
21	Cultural heritage	3.95	9.5	10	-0.5	-2.0
	Natural beauties	4.71	6	4	2	9.4
	Picturesqueness	2.95	12	11	1	3.0
	Variety of entertainment opportunities	5.00	4	9	-5	-25.0
	Quality of accommodation	4.57	7	3	4	18.3
	Quality of gastronomic offer	4.24	8	5	3	12.7
	Wealth of sports activities	4.90	5	8	-3	-14.7
	Value for money	5.05	3	6	-3	-15.1
	Personal safety	5.76	1	7	-6	-34.6
	Hospitality of local residents	5.29	2	1	1	5.3
	Accessibility of destination	3.33	11	2	9	30.0
	Shopping opportunities	3.95	9.5	12	-2.5	-9.9
DiPs index for Malinska						-22.6

Primorje-Gorski Kotar County/Novi Vinodolski

N	Elements of tourism destination supply	TOMAS Summer Survey 2010 Tourists		Primary survey DMO Rank	Rank diff.	Weighted rank diff.
		Mean	Rank			
48	Cultural heritage	4.00	11	1	10	40.0
	Natural beauties	5.27	1	2	-1	-5.3
	Picturesqueness	4.10	10	11	-1	-4.1
	Variety of entertainment opportunities	4.48	7	10	-3	-13.4
	Quality of accommodation	4.96	2	7	-5	-24.8
	Quality of gastronomic offer	4.85	5	9	-4	-19.4
	Wealth of sports activities	4.46	8	4	4	17.8
	Value for money	4.44	9	8	1	4.4
	Personal safety	4.96	3	5	-2	-9.9
	Hospitality of local residents	4.94	4	6	-2	-9.9
	Accessibility of destination	4.58	6	3	3	13.7
	Shopping opportunities	3.73	12	12	0	0.0
DiPs index for Novi Vinodolski						-10.8

Primorje-Gorski Kotar County/Njivice

N	Elements of tourism destination supply	TOMAS Summer Survey 2010 Tourists		Primary survey DMO Rank	Rank diff.	Weighted rank diff.
		Mean	Rank			
41	Cultural heritage	3.29	10	11	-1	-3.3
	Natural beauties	4.32	6.5	10	-3.5	-15.1
	Picturesqueness	2.71	12	5	7	19.0
	Variety of entertainment opportunities	4.54	5	8	-3	-13.6
	Quality of accommodation	4.32	6.5	9	-2.5	-10.8
	Quality of gastronomic offer	3.95	8	7	1	4.0
	Wealth of sports activities	4.65	4	4	0	0.0
	Value for money	4.98	2	6	-4	-19.9
	Personal safety	5.49	1	2	-1	-5.5
	Hospitality of local residents	4.80	3	3	0	0.0
	Accessibility of destination	3.20	11	1	10	32.0
	Shopping opportunities	3.46	9	12	-3	-10.4
DiPs index for Njivice						-23.7

Primorje-Gorski Kotar County/Opatija

N	Elements of tourism destination supply	TOMAS Summer Survey 2010 Tourists		Primary survey DMO Rank	Rank diff.	Weighted rank diff.
		Mean	Rank			
83	Cultural heritage	3.83	10	2	8	30.7
	Natural beauties	5.27	1	1	0	0.0
	Picturesqueness	3.77	11	5	6	22.6
	Variety of entertainment opportunities	4.11	7	8	-1	-4.1
	Quality of accommodation	4.10	8	3	5	20.5
	Quality of gastronomic offer	4.39	4	7	-3	-13.2
	Wealth of sports activities	4.22	5	9	-4	-16.9
	Value for money	3.84	9	11	-2	-7.7
	Personal safety	4.69	2	4	-2	-9.4
	Hospitality of local residents	4.47	3	10	-7	-31.3
	Accessibility of destination	4.15	6	6	0	0.0
	Shopping opportunities	2.92	12	12	0	0.0
DiPs index for Opatija						-8.7

Primorje-Gorski Kotar County/Punat

N	Elements of tourism destination supply	TOMAS Summer Survey 2010 Tourists		Primary survey DMO Rank	Rank diff.	Weighted rank diff.
		Mean	Rank			
42	Cultural heritage	3.21	10.5	11	-0.5	-1.6
	Natural beauties	4.26	7	12	-5	-21.3
	Picturesqueness	2.64	12	2	10	26.4
	Variety of entertainment opportunities	4.55	5	3	2	9.1
	Quality of accommodation	4.43	6	9	-3	-13.3
	Quality of gastronomic offer	3.95	8	8	0	0.0
	Wealth of sports activities	4.57	4	7	-3	-13.7
	Value for money	5.00	2	10	-8	-40.0
	Personal safety	5.48	1	5	-4	-21.9
	Hospitality of local residents	4.86	3	4	-1	-4.9
	Accessibility of destination	3.21	10.5	6	4.5	14.5
	Shopping opportunities	3.57	9	1	8	28.6
DiPs index for Punat						-38.1

Primorje-Gorski Kotar County/Rab

N	Elements of tourism destination supply	TOMAS Summer Survey 2010 Tourists		Primary survey DMO Rank	Rank diff.	Weighted rank diff.
		Mean	Rank			
54	Cultural heritage	4.11	9	7	2	8.2
	Natural beauties	5.09	2.5	1	1.5	7.6
	Picturesqueness	3.85	10	5	5	19.3
	Variety of entertainment opportunities	4.20	8	9	-1	-4.2
	Quality of accommodation	5.09	2.5	8	-5.5	-28.0
	Quality of gastronomic offer	4.85	6	4	2	9.7
	Wealth of sports activities	3.78	11	10	1	3.8
	Value for money	5.04	4	11	-7	-35.3
	Personal safety	5.17	1	6	-5	-25.8
	Hospitality of local residents	4.59	7	3	4	18.4
	Accessibility of destination	4.87	5	2	3	14.6
	Shopping opportunities	3.41	12	12	0	0.0
DiPs index for Rab						-11.7

Lika-Senj County/Karlobag

N	Elements of tourism destination supply	TOMAS Summer Survey 2010 Tourists		Primary survey DMO Rank	Rank diff.	Weighted rank diff.
		Mean	Rank			
12	Cultural heritage	1.42	11.5	2	9.5	13.5
	Natural beauties	3.08	3	1	2	6.2
	Picturesqueness	1.42	11.5	8	3.5	5.0
	Variety of entertainment opportunities	1.58	9.5	9	0.5	0.8
	Quality of accommodation	2.67	5	4	1	2.7
	Quality of gastronomic offer	1.75	7	5	2	3.5
	Wealth of sports activities	1.58	9.5	6	3.5	5.5
	Value for money	3.67	1.5	7	-5.5	-20.2
	Personal safety	2.75	4	10	-6	-16.5
	Hospitality of local residents	1.92	6	3	3	5.8
	Accessibility of destination	3.67	1.5	11	-9.5	-34.8
	Shopping opportunities	1.67	8	12	-4	-6.7
DiPs index for Karlobag						-35.3

Lika-Senj County/Novalja

N	Elements of tourism destination supply	TOMAS Summer Survey 2010 Tourists		Primary survey DMO Rank	Rank diff.	Weighted rank diff.
		Mean	Rank			
195	Cultural heritage	3.48	10	10	0	0.0
	Natural beauties	4.25	1	1	0	0.0
	Picturesqueness	3.37	12	12	0	0.0
	Variety of entertainment opportunities	3.85	6	2	4	15.4
	Quality of accommodation	4.13	2	9	-7	-28.9
	Quality of gastronomic offer	3.96	5	4	1	4.0
	Wealth of sports activities	3.80	7	8	-1	-3.8
	Value for money	3.76	9	6	3	11.3
	Personal safety	4.05	4	3	1	4.1
	Hospitality of local residents	4.09	3	7	-4	-16.3
	Accessibility of destination	3.80	8	5	3	11.4
	Shopping opportunities	3.45	11	11	0	0.0
DiPs index for Novalja						-2.9

Lika-Senj County/Senj

N	Elements of tourism destination supply	TOMAS Summer Survey 2010 Tourists		Primary survey DMO Rank	Rank diff.	Weighted rank diff.
		Mean	Rank			
25	Cultural heritage	2.64	11	1	10	26.4
	Natural beauties	5.32	1	2	-1	-5.3
	Picturesqueness	2.84	9	11	-2	-5.7
	Variety of entertainment opportunities	2.72	10	10	0	0.0
	Quality of accommodation	4.24	3	9	-6	-25.4
	Quality of gastronomic offer	3.40	6	7	-1	-3.4
	Wealth of sports activities	2.52	12	8	4	10.1
	Value for money	4.16	4	6	-2	-8.3
	Personal safety	5.20	2	5	-3	-15.6
	Hospitality of local residents	4.00	5	4	1	4.0
	Accessibility of destination	3.24	7	3	4	13.0
	Shopping opportunities	2.96	8	12	-4	-11.8
DiPs index for Senj						-22.2

Zadar County/Mandre

N	Elements of tourism destination supply	TOMAS Summer Survey 2010 Tourists		Primary survey DMO Rank	Rank diff.	Weighted rank diff.
		Mean	Rank			
13	Cultural heritage	2.77	11.5	6	5.5	15.2
	Natural beauties	3.15	4.5	2	2.5	7.9
	Picturesqueness	2.92	8	7	1	2.9
	Variety of entertainment opportunities	3.00	7	8	-1	-3.0
	Quality of accommodation	3.46	1	9	-8	-27.7
	Quality of gastronomic offer	3.23	3	1	2	6.5
	Wealth of sports activities	2.85	9.5	3	6.5	18.5
	Value for money	2.77	11.5	10	1.5	4.2
	Personal safety	3.15	4.5	5	-0.5	-1.6
	Hospitality of local residents	3.38	2	4	-2	-6.8
	Accessibility of destination	2.85	9.5	12	-2.5	-7.1
	Shopping opportunities	3.08	6	11	-5	-15.4
DiPs index for Mandre						-6.4

Zadar County/Nin

N	Elements of tourism destination supply	TOMAS Summer Survey 2010 Tourists		Primary survey DMO Rank	Rank diff.	Weighted rank diff.
		Mean	Rank			
6	Cultural heritage	4.00	3	2	1	4.0
	Natural beauties	3.67	10	1	9	33.0
	Picturesqueness	3.83	6	5	1	3.8
	Variety of entertainment opportunities	3.83	6	9	-3	-11.5
	Quality of accommodation	4.00	3	8	-5	-20.0
	Quality of gastronomic offer	4.00	3	7	-4	-16.0
	Wealth of sports activities	3.67	10	10	0	0.0
	Value for money	4.17	1	6	-5	-20.8
	Personal safety	3.50	12	3	9	31.5
	Hospitality of local residents	3.83	6	4	2	7.7
	Accessibility of destination	3.80	8	11	-3	-11.4
	Shopping opportunities	3.67	10	12	-2	-7.3
DiPs index for Nin						-7.1

Zadar County/Pag

N	Elements of tourism destination supply	TOMAS Summer Survey 2010 Tourists		Primary survey DMO Rank	Rank diff.	Weighted rank diff.
		Mean	Rank			
35	Cultural heritage	3.06	11	1	10	30.6
	Natural beauties	4.03	2	2	0	0.0
	Picturesqueness	2.88	12	3	9	25.9
	Variety of entertainment opportunities	3.33	7	11	-4	-13.3
	Quality of accommodation	3.94	3	5	-2	-7.9
	Quality of gastronomic offer	3.91	4.5	4	0.5	2.0
	Wealth of sports activities	3.32	8	10	-2	-6.6
	Value for money	4.29	1	6	-5	-21.5
	Personal safety	3.21	10	7	3	9.6
	Hospitality of local residents	3.91	4.5	8	-3.5	-13.7
	Accessibility of destination	3.79	6	12	-6	-22.8
	Shopping opportunities	3.21	9	9	0	0.0
DiPs index for Pag						-17.7

Zadar County/Privlaka

N	Elements of tourism destination supply	TOMAS Summer Survey 2010 Tourists		Primary survey DMO Rank	Rank diff.	Weighted rank diff.	
		Mean	Rank				
14	Cultural heritage	3.07	12	6	6	18.4	
	Natural beauties	4.69	1	4	-3	-14.1	
	Picturesqueness	3.36	9.5	12	-2.5	-8.4	
	Variety of entertainment opportunities	3.64	7	3	4	14.6	
	Quality of accommodation	4.43	3	1	2	8.9	
	Quality of gastronomic offer	4.54	2	2	0	0.0	
	Wealth of sports activities	3.58	8	8	0	0.0	
	Value for money	4.14	5.5	5	0.5	2.1	
	Personal safety	4.14	5.5	10	-4.5	-18.6	
	Hospitality of local residents	4.21	4	7	-3	-12.6	
	Accessibility of destination	3.36	9.5	11	-1.5	-5.0	
	Shopping opportunities	3.29	11	9	2	6.6	
	DiPs index for Privlaka						-8.3

Zadar County/Vir

N	Elements of tourism destination supply	TOMAS Summer Survey 2010 Tourists		Primary survey DMO Rank	Rank diff.	Weighted rank diff.
		Mean	Rank			
21	Cultural heritage	3.25	8	9	-1	-3.3
	Natural beauties	3.38	2	3	-1	-3.4
	Picturesqueness	2.90	11.5	10	1.5	4.4
	Variety of entertainment opportunities	3.33	4	4	0	0.0
	Quality of accommodation	3.33	4	2	2	6.7
	Quality of gastronomic offer	3.33	4	8	-4	-13.3
	Wealth of sports activities	2.90	11.5	5	6.5	18.9
	Value for money	3.62	1	6	-5	-18.1
	Personal safety	3.29	6.5	1	5.5	18.1
	Hospitality of local residents	3.29	6.5	7	-0.5	-1.6
	Accessibility of destination	3.24	9	11	-2	-6.5
	Shopping opportunities	2.95	10	12	-2	-5.9
	DiPs index for Vir					

Zadar County/Zadar

N	Elements of tourism destination supply	TOMAS Summer Survey 2010 Tourists		Primary survey DMO Rank	Rank diff.	Weighted rank diff.
		Mean	Rank			
69	Cultural heritage	2.96	11	1	10	29.6
	Natural beauties	4.48	1	2	-1	-4.5
	Picturesqueness	2.94	12	6	6	17.7
	Variety of entertainment opportunities	3.48	6	7	-1	-3.5
	Quality of accommodation	4.17	2	4	-2	-8.3
	Quality of gastronomic offer	4.14	3	5	-2	-8.3
	Wealth of sports activities	3.18	9	12	-3	-9.5
	Value for money	3.25	8	11	-3	-9.7
	Personal safety	3.64	5	9	-4	-14.6
	Hospitality of local residents	4.09	4	10	-6	-24.5
	Accessibility of destination	3.42	7	3	4	13.7
	Shopping opportunities	3.13	10	8	2	6.3
DiPs index for Zadar						-15.8

Šibenik-Knin County/Pirovac

N	Elements of tourism destination supply	TOMAS Summer Survey 2010 Tourists		Primary survey DMO Rank	Rank diff.	Weighted rank diff.
		Mean	Rank			
15	Cultural heritage	3.36	9	5	4	13.4
	Natural beauties	4.27	3.5	6	-2.5	-10.7
	Picturesqueness	2.80	10	11	-1	-2.8
	Variety of entertainment opportunities	3.87	7	8	-1	-3.9
	Quality of accommodation	3.93	6	3	3	11.8
	Quality of gastronomic offer	3.60	8	4	4	14.4
	Wealth of sports activities	2.73	11	7	4	10.9
	Value for money	4.27	3.5	10	-6.5	-27.7
	Personal safety	4.67	1	2	-1	-4.7
	Hospitality of local residents	4.07	5	9	-4	-16.3
	Accessibility of destination	4.53	2	1	1	4.5
	Shopping opportunities	2.60	12	12	0	0.0
DiPs index for Pirovac						-10.9

Šibenik-Knin County/Primošten

N	Elements of tourism destination supply	TOMAS Summer Survey 2010 Tourists		Primary survey DMO Rank	Rank diff.	Weighted rank diff.
		Mean	Rank			
91	Cultural heritage	3.71	8	10	-2	-7.4
	Natural beauties	5.04	1	12	-11	-55.5
	Picturesqueness	3.53	9	5	4	14.1
	Variety of entertainment opportunities	3.36	10	7	3	10.1
	Quality of accommodation	4.22	3	9	-6	-25.3
	Quality of gastronomic offer	3.99	5	6	-1	-4.0
	Wealth of sports activities	3.24	11	3	8	25.9
	Value for money	3.73	7	2	5	18.7
	Personal safety	4.43	2	1	1	4.4
	Hospitality of local residents	4.11	4	11	-7	-28.8
	Accessibility of destination	3.75	6	4	2	7.5
	Shopping opportunities	2.68	12	8	4	10.7
	DiPs index for Primošten					

Šibenik-Knin County/Rogoznica

N	Elements of tourism destination supply	TOMAS Summer Survey 2010 Tourists		Primary survey DMO Rank	Rank diff.	Weighted rank diff.
		Mean	Rank			
32	Cultural heritage	3.41	8	7	1	3.4
	Natural beauties	4.00	3	1	2	8.0
	Picturesqueness	2.78	11	11	0	0.0
	Variety of entertainment opportunities	3.53	7	8	-1	-3.5
	Quality of accommodation	3.69	5	5	0	0.0
	Quality of gastronomic offer	3.66	6	4	2	7.3
	Wealth of sports activities	2.88	10	6	4	11.5
	Value for money	4.53	2	10	-8	-36.3
	Personal safety	4.69	1	3	-2	-9.4
	Hospitality of local residents	3.84	4	2	2	7.7
	Accessibility of destination	3.22	9	9	0	0.0
	Shopping opportunities	2.56	12	12	0	0.0
	DiPs index for Rogoznica					

Šibenik-Knin County/Šibenik

N	Elements of tourism destination supply	TOMAS Summer Survey 2010 Tourists		Primary survey DMO Rank	Rank diff.	Weighted rank diff.
		Mean	Rank			
104	Cultural heritage	3.64	9	12	-3	-10.9
	Natural beauties	4.58	1	11	-10	-45.8
	Picturesqueness	3.28	11	1	10	32.8
	Variety of entertainment opportunities	3.66	8	2	6	22.0
	Quality of accommodation	4.22	3	6	-3	-12.7
	Quality of gastronomic offer	4.05	4	5	-1	-4.0
	Wealth of sports activities	3.37	10	7	3	10.1
	Value for money	3.88	6	4	2	7.8
	Personal safety	4.34	2	9	-7	-30.4
	Hospitality of local residents	3.89	5	10	-5	-19.5
	Accessibility of destination	3.87	7	8	-1	-3.9
	Shopping opportunities	2.78	12	3	9	25.0
DiPs index Šibenik						-29.4

Šibenik-Knin County/Vodice

N	Elements of tourism destination supply	TOMAS Summer Survey 2010 Tourists		Primary survey DMO Rank	Rank diff.	Weighted rank diff.
		Mean	Rank			
108	Cultural heritage	3.97	9	2	7	27.8
	Natural beauties	4.63	1	1	0	0.0
	Picturesqueness	3.52	11	11	0	0.0
	Variety of entertainment opportunities	4.18	7	3	4	16.7
	Quality of accommodation	4.54	2	5	-3	-13.6
	Quality of gastronomic offer	4.41	4.5	8	-3.5	-15.4
	Wealth of sports activities	3.81	10	4	6	22.9
	Value for money	4.47	3	9	-6	-26.8
	Personal safety	4.31	6	7	-1	-4.3
	Hospitality of local residents	4.41	4.5	6	-1.5	-6.6
	Accessibility of destination	4.13	8	10	-2	-8.3
	Shopping opportunities	3.44	12	12	0	0.0
DiPs index for Vodice						-7.7

Split-Dalmatia County/Baška Voda

N	Elements of tourism destination supply	TOMAS Summer Survey 2010 Tourists		Primary survey DMO Rank	Rank diff.	Weighted rank diff.
		Mean	Rank			
79	Cultural heritage	3.90	8	9	-1	-3.9
	Natural beauties	4.71	1	1	0	0.0
	Picturesqueness	3.70	10	6	4	14.8
	Variety of entertainment opportunities	3.68	11	10	1	3.7
	Quality of accommodation	3.92	7	5	2	7.8
	Quality of gastronomic offer	3.95	4	7	-3	-11.8
	Wealth of sports activities	3.73	9	11	-2	-7.5
	Value for money	3.94	5	8	-3	-11.8
	Personal safety	4.28	2	3	-1	-4.3
	Hospitality of local residents	4.10	3	2	1	4.1
	Accessibility of destination	3.92	6	4	2	7.8
	Shopping opportunities	3.49	12	12	0	0.0
DiPs index for Baška Voda						-1.0

Split-Dalmatia County/Brela

N	Elements of tourism destination supply	TOMAS Summer Survey 2010 Tourists		Primary survey DMO Rank	Rank diff.	Weighted rank diff.
		Mean	Rank			
57	Cultural heritage	3.64	11	5	6	21.8
	Natural beauties	4.47	1	1	0	0.0
	Picturesqueness	3.73	8	9	-1	-3.7
	Variety of entertainment opportunities	3.70	9	10	-1	-3.7
	Quality of accommodation	4.07	3	2	1	4.1
	Quality of gastronomic offer	3.95	6	6	0	0.0
	Wealth of sports activities	3.68	10	3	7	25.7
	Value for money	3.86	7	11	-4	-15.4
	Personal safety	4.02	4	4	0	0.0
	Hospitality of local residents	4.23	2	7	-5	-21.2
	Accessibility of destination	3.98	5	8	-3	-11.9
	Shopping opportunities	3.39	12	12	0	0.0
DiPs index for Brela						-4.3

Split-Dalmatia County/Makarska

N	Elements of tourism destination supply	TOMAS Summer Survey 2010 Tourists		Primary survey DMO Rank	Rank diff.	Weighted rank diff.
		Mean	Rank			
87	Cultural heritage	3.77	8	7	1	3.8
	Natural beauties	4.60	1	2	-1	-4.6
	Picturesqueness	3.80	7	8	-1	-3.8
	Variety of entertainment opportunities	3.61	12	9	3	10.8
	Quality of accommodation	4.11	2	4	-2	-8.2
	Quality of gastronomic offer	4.07	4.5	5	-0.5	-2.0
	Wealth of sports activities	3.62	11	10	1	3.6
	Value for money	3.67	10	6	4	14.7
	Personal safety	4.07	4.5	1	3.5	14.3
	Hospitality of local residents	4.10	3	3	0	0.0
	Accessibility of destination	3.90	6	12	-6	-23.4
	Shopping opportunities	3.70	9	11	-2	-7.4
DiPs index for Makarska						-2.3

Split-Dalmatia County/Omiš

N	Elements of tourism destination supply	TOMAS Summer Survey 2010 Tourists		Primary survey DMO Rank	Rank diff.	Weighted rank diff.
		Mean	Rank			
42	Cultural heritage	3.73	7	8	-1	-3.7
	Natural beauties	4.56	1	1	0	0.0
	Picturesqueness	3.61	8	12	-4	-14.4
	Variety of entertainment opportunities	3.41	11.5	11	0.5	1.7
	Quality of accommodation	3.95	2	9	-7	-27.7
	Quality of gastronomic offer	3.75	6	4	2	7.5
	Wealth of sports activities	3.59	9	2	7	25.1
	Value for money	3.90	3	3	0	0.0
	Personal safety	3.85	5	5	0	0.0
	Hospitality of local residents	3.88	4	6	-2	-7.8
	Accessibility of destination	3.55	10	7	3	10.7
	Shopping opportunities	3.41	11.5	10	1.5	5.1
DiPs index for Omiš						-3.5

Split-Dalmatia County/Podgora

N	Elements of tourism destination supply	TOMAS Summer Survey 2010 Tourists		Primary survey DMO Rank	Rank diff.	Weighted rank diff.
		Mean	Rank			
44	Cultural heritage	4.12	7	9	-2	-8.2
	Natural beauties	4.91	1	1	0	0.0
	Picturesqueness	3.80	10	8	2	7.6
	Variety of entertainment opportunities	3.79	11	7	4	15.2
	Quality of accommodation	4.55	3	2	1	4.5
	Quality of gastronomic offer	4.44	4	3	1	4.4
	Wealth of sports activities	3.84	9	10	-1	-3.8
	Value for money	3.93	8	6	2	7.9
	Personal safety	4.56	2	5	-3	-13.7
	Hospitality of local residents	4.43	5	4	1	4.4
	Accessibility of destination	4.30	6	11	-5	-21.5
	Shopping opportunities	3.77	12	12	0	0.0
DiPs index for Podgora						-3.2

Split-Dalmatia County/Supetar

N	Elements of tourism destination supply	TOMAS Summer Survey 2010 Tourists		Primary survey DMO Rank	Rank diff.	Weighted rank diff.
		Mean	Rank			
36	Cultural heritage	4.67	11	8	3	14.0
	Natural beauties	5.39	1	7	-6	-32.3
	Picturesqueness	4.75	9	9	0	0.0
	Variety of entertainment opportunities	4.92	7	11	-4	-19.7
	Quality of accommodation	5.08	6	1	5	25.4
	Quality of gastronomic offer	5.11	5	10	-5	-25.6
	Wealth of sports activities	5.14	4	6	-2	-10.3
	Value for money	5.22	2	3	-1	-5.2
	Personal safety	5.19	3	2	1	5.2
	Hospitality of local residents	4.83	8	4	4	19.3
	Accessibility of destination	4.69	10	5	5	23.5
	Shopping opportunities	4.56	12	12	0	0.0
DiPs index for Supetar						-5.6

Split-Dalmatia County/Trogir

N	Elements of tourism destination supply	TOMAS Summer Survey 2010 Tourists		Primary survey DMO Rank	Rank diff.	Weighted rank diff.
		Mean	Rank			
27	Cultural heritage	4.40	6	12	-6	-26.4
	Natural beauties	4.81	1	9	-8	-38.5
	Picturesqueness	4.19	10	11	-1	-4.2
	Variety of entertainment opportunities	4.15	11	2	9	37.3
	Quality of accommodation	4.26	7.5	6	1.5	6.4
	Quality of gastronomic offer	4.22	9	5	4	16.9
	Wealth of sports activities	4.08	12	4	8	32.6
	Value for money	4.63	2	3	-1	-4.6
	Personal safety	4.52	3	8	-5	-22.6
	Hospitality of local residents	4.48	4	7	-3	-13.4
	Accessibility of destination	4.44	5	10	-5	-22.2
	Shopping opportunities	4.26	7.5	1	6.5	27.7
DiPs index for Trogir						-11.1

Split-Dalmatia County/Živogošće

N	Elements of tourism destination supply	TOMAS Summer Survey 2010 Tourists		Primary survey DMO Rank	Rank diff.	Weighted rank diff.
		Mean	Rank			
54	Cultural heritage	4.83	11	9	2	9.7
	Natural beauties	5.70	1	1	0	0.0
	Picturesqueness	4.26	12	7	5	21.3
	Variety of entertainment opportunities	5.32	7	11	-4	-21.3
	Quality of accommodation	5.57	4	2	2	11.1
	Quality of gastronomic offer	5.60	2	10	-8	-44.8
	Wealth of sports activities	5.21	9	8	1	5.2
	Value for money	5.50	6	3	3	16.5
	Personal safety	5.54	5	4	1	5.5
	Hospitality of local residents	5.59	3	6	-3	-16.8
	Accessibility of destination	4.92	10	5	5	24.6
	Shopping opportunities	5.28	8	12	-4	-21.1
DiPs index for Živogošće						-10.0

Dubrovnik-Neretva County/Dubrovnik

N	Elements of tourism destination supply	TOMAS Summer Survey 2010 Tourists		Primary survey DMO Rank	Rank diff.	Weighted rank diff.
		Mean	Rank			
411	Cultural heritage	4.73	4	1	3	14.2
	Natural beauties	4.97	1	2	-1	-5.0
	Picturesqueness	4.23	8	5	3	12.7
	Variety of entertainment opportunities	4.20	9	10	-1	-4.2
	Quality of accommodation	4.80	2	3	-1	-4.8
	Quality of gastronomic offer	4.76	3	8	-5	-23.8
	Wealth of sports activities	3.87	11	11	0	0.0
	Value for money	4.54	6	7	-1	-4.5
	Personal safety	4.55	5	4	1	4.6
	Hospitality of local residents	4.36	7	6	1	4.4
	Accessibility of destination	3.97	10	9	1	4.0
Shopping opportunities	3.77	12	12	0	0.0	
DiPs index for Dubrovnik						-2.6

Dubrovnik-Neretva County/Korčula

N	Elements of tourism destination supply	TOMAS Summer Survey 2010 Tourists		Primary survey DMO Rank	Rank diff.	Weighted rank diff.
		Mean	Rank			
101	Cultural heritage	4.33	6	2	4	17.3
	Natural beauties	5.58	1	1	0	0.0
	Picturesqueness	3.45	11	3	8	27.6
	Variety of entertainment opportunities	3.80	9	10	-1	-3.8
	Quality of accommodation	4.73	4	4	0	0.0
	Quality of gastronomic offer	4.81	3	5	-2	-9.6
	Wealth of sports activities	3.77	10	9	1	3.8
	Value for money	5.16	2	8	-6	-31.0
	Personal safety	4.19	8	7	1	4.2
	Hospitality of local residents	4.58	5	6	-1	-4.6
	Accessibility of destination	4.28	7	11	-4	-17.1
	Shopping opportunities	3.29	12	12	0	0.0
DiPs index for Korčula						-13.2

Dubrovnik-Neretva County/Orebić

N	Elements of tourism destination supply	TOMAS Summer Survey 2010 Tourists		Primary survey DMO Rank	Rank diff.	Weighted rank diff.
		Mean	Rank			
140	Cultural heritage	4.77	10	4	6	28.6
	Natural beauties	5.93	1	1	0	0.0
	Picturesqueness	4.09	12	3	9	36.9
	Variety of entertainment opportunities	5.10	9	10	-1	-5.1
	Quality of accommodation	5.75	3	6	-3	-17.2
	Quality of gastronomic offer	5.69	4	9	-5	-28.5
	Wealth of sports activities	5.30	8	2	6	31.8
	Value for money	5.80	2	5	-3	-17.4
	Personal safety	5.68	5	7	-2	-11.4
	Hospitality of local residents	5.67	6	8	-2	-11.3
	Accessibility of destination	4.33	11	12	-1	-4.3
	Shopping opportunities	5.31	7	11	-4	-21.2
DiPs index for Orebić						-19.2

Dubrovnik-Neretva County/Ston

N	Elements of tourism destination supply	TOMAS Summer Survey 2010 Tourists		Primary survey DMO Rank	Rank diff.	Weighted rank diff.
		Mean	Rank			
20	Cultural heritage	4.65	9	1	8	37.2
	Natural beauties	5.70	1	9	-8	-45.6
	Picturesqueness	4.30	12	5	7	30.1
	Variety of entertainment opportunities	4.70	8	6	2	9.4
	Quality of accommodation	5.15	2.5	7	-4.5	-23.2
	Quality of gastronomic offer	4.90	6.5	2	4.5	22.1
	Wealth of sports activities	4.90	6.5	12	-5.5	-27.0
	Value for money	5.15	2.5	4	-1.5	-7.7
	Personal safety	5.10	4	10	-6	-30.6
	Hospitality of local residents	5.05	5	3	2	10.1
	Accessibility of destination	4.40	11	8	3	13.2
	Shopping opportunities	4.55	10	11	-1	-4.6
DiPs index for Ston						-16.6

Dubrovnik-Neretva County/Mlini

N	Elements of tourism destination supply	TOMAS Summer Survey 2010 Tourists		Primary survey DMO Rank	Rank diff.	Weighted rank diff.
		Mean	Rank			
45	Cultural heritage	5.04	9.5	4	5.5	27.7
	Natural beauties	5.22	3	2	1	5.2
	Picturesqueness	4.80	11	1	10	48.0
	Variety of entertainment opportunities	5.07	8	9	-1	-5.1
	Quality of accommodation	5.18	5	8	-3	-15.5
	Quality of gastronomic offer	5.16	6.5	7	-0.5	-2.6
	Wealth of sports activities	5.04	9.5	11	-1.5	-7.6
	Value for money	5.22	3	12	-9	-47.0
	Personal safety	5.38	1	3	-2	-10.8
	Hospitality of local residents	5.16	6.5	6	0.5	2.6
	Accessibility of destination	4.78	12	5	7	33.4
	Shopping opportunities	5.22	3	10	-7	-36.6
DiPs index for Mlini						-8.1

Appendix C: Summary in Slovenian language/Daljši Povzetek disertacije v slovenskem jeziku

Predstavitev

Potovanja in turizem sodi med najhitreje rastoče industrije na svetu, ki bistveno prispevajo k zaposlovanju, in povečevanju bruto domačega proizvoda (BDP), zlasti manjših in manj razvitih držav, kot je Hrvaška. Po razpoložljivih podatkih Svetovnega potovalnega in turističnega sveta (WTTC, 2013), je bilo celotnega prispevka s področja potovanj in turizma v svetovnem BDP 6.630,4 milijarde USD v letu 2012 (9,3% vseh objav). Ta delež se bo po napovedih povečal za 4,4% letno v naslednjih desetih letih. Poleg tega so v letu 2012 potovanja in turizem, neposredno in posredno (vključno z delovnimi mesti, ki jih podpirajo v povezanih panogah), ustvarile približno 261.400.000 delovnih mest. To predstavlja 8,7% vseh delovnih mest, ki naj bi bila ustvarjena do leta 2023 (WTTC, 2013). V letu 2012 je turizem ustvaril približno 1.243 milijard USD dobičkov (ali 3,4 milijona USD na dan), kar predstavlja 5,4% celotnega izvoza v letu 2012 (WTTC, 2013). Po podatkih WTTC (2013), se pričakuje da bodo potovanja in turizem povečala prihodke iz uvoza za 4,2% letno do leta 2023. Poudariti je treba tudi, da so glede na podatke WTTC, potovanja in naložbe povezane s turizmom znašale 764.700.000.000 USD v letu 2012 (4,7% celotnih investicij), ki se bodo predvidoma povečale za 5,3% na leto v naslednjih desetih letih (do leta 2023).

Turizem je za hrvaško gospodarstvo izjemnega pomena. Po podatkih hrvaškega urada za statistiko (DZS, 2014), je Hrvaška je zabeležila 12,4 milijona prihodov turistov in 64.800.000 turističnih nočitev v letu 2013. Pri tem so mednarodni turistični prihodki dosegli 7,2 milijarde EUR v letu 2013 (HNB, 2014). Neposredni prispevek turizma na hrvaški BDP je ocenjen približno 8,3% (Gatti, 2013), medtem ko je njegov neposredni in posredni prispevek okoli 14,7% (Šutalo, Ivandić in Marušić, 2011). Poleg tega je turizem dejavnost ki ima močan in pozitiven vpliv na celotno zaposlenost, saj turizem ustvari okoli 7% vseh zaposlitev v Hrvaški. Po indeksu TICI hrvaški turizem zaseda 35. mesto med 140 analiziranimi državami v letu 2013 kar predstavlja relativno visok nivo konkurenčnosti (WEF, 2013).

Glede na velik gospodarski prispevek turizma za gospodarstvo, ni presenetljivo da turistični trg postaja vse bolj zasičen in zelo konkurenčno okolje za posamezne turistične destinacije. Da bi ohranile konkurenčnost ter dolgoročni tržni položaj na globalnem turističnem trgu so destinacije pod izjemnim pritiskom pomlajevanja. Povedano drugače, destinacija mora biti privlačna, inovativna, drugačna in izvirna. Konkurenčnost destinacij in njeni glavni dejavniki so tako v središču raziskovanja na področju turizma in potovanja. Raziskovalci v turizmu nenehno razvijajo in izboljšujejo modele konkurenčnosti destinacije, z širjenjem obsega raziskav in znanstvene literature. Eden od glavnih ciljev te disertacije tako raziskati relativno nedavni

koncept destinacijskega trženja blagovne znamke in njen vpliv na turistično konkurenčnost destinacij. Temeljno teoretično izhodišče disertacije je, da je destinacijsko znamčenje eden izmed ključnih dejavnikov za doseganje konkurenčnosti destinacije. Vendar ta izhodišča še vedno niso splošno sprejeta v turistični literaturi, ki izhajaja iz dejstva, da destinacijsko znamčenje še vedno ni sestavni del najbolj splošno sprejetih modelov konkurenčnosti destinacij (Dwyer in Kim, 2003; Gooroochurn in Sugiyarto, 2005; Heath, 2003; Ritchie in Crouch, 2003). Raziskava v tej disertaciji je namenjena analizi in raziskovanju tega pomembnega vprašanja povezanega s trženjem hrvaških obmorskih destinacij. Hrvaška, kot državana zelo konkurenčnem sredozemskem turističnem trgu, mora izboljšati celo vrsto dejavnikov, ki vplivajo na njeno konkurenčnost. To vključuje opredelitev vloge destinacijskih blagovnih znamk v procesu doseganja ciljne konkurenčnosti in posledično razvoj blagovne znamke, ki bi jasno sporočile glavne konkurenčne prednosti Hrvaške na globalnem turističnem trgu.

Utemeljitev za raziskave

Globalno turistično tržišče postaja vse bolj konkurenčno okolje za turistične destinacije in destinacije so pod izjemnim pritiskom da bi postale edinstvene, prepoznavne in ostale konkurenčne (Krešić in Prebežac, 2011). Zato ne preseneča da se povečuje interes in zanimanje za konkurenčnost v turizmu, tako na ravni destinacijekot tudi na ravni hotelske industrije. Ritchie in Crouch (2003, str. 1) kot najbolj uveljavljena raziskovalca konkurenčnosti destinacije na svetu navajata, da je destinacijska konkurenčnost „izraz širšega pojava nove gospodarske konkurenčnosti in tudi širši fenomen človeške konkurenčnosti v družbenih, tehnoloških, kulturnih in političnih sferah“. Poleg tega, Dwyer in Kim (2003) poudarjajo, da je cilj konkurenčnosti vezan na uspešnost cilja, ki mora biti bolj uspešen kot njihovi konkurenti v vidikov popolne turistične izkušnje. Da bi destinacije bile konkurenčne na globalnem turističnem trgu, morajo biti inovativne, razlikovalne in nenehno iskati nove vire konkurenčnih prednosti.

Med pomembne vire konkurenčne prednosti destinacij spadajo njegova tržna edinstvenost in prepoznavnost, ki jo je mogoče doseči s procesom blagovnega znamčenja destinacij. Vendar, čeprav so različni dejavniki in atributi konkurenčnosti destinacije in destinacijskega trženja blagovne znamke dobro raziskani in natančno dokumentirani v, pa celovit in splošno sprejet teoretični okvir ki povezuje pojme destinacijske blagovne znamke in konkurenčnosti destinacije še vedno ni bil določen. Zato je mogoče ugotoviti potrebo po znanju in razumevanju vloge znamčenja destinacij v procesu doseganja turistične konkurenčnosti destinacij, kar predstavlja pomembno raziskovalno vrzel, ki se je delno obravnavala v tisti disertaciji. Da bi pojasnili kompleksni odnos med ciljnim trženjem blagovne znamke in konkurenčnosti destinacije, so bile kot študije primera uporabljene izbrane Hrvaške obmorske turistične destinacije.

Raziskovalni problem

Na podlagi predhodnje navedenih izhodišč, je glavni cilj tega dela raziskati ali je destinacijsko znamčenje dejavnik, ki vpliva na ciljno konkurenčnost in raziskati vlogo destinacije blagovne znamke v procesu doseganja konkurenčnosti turistične destinacije, kot relativno novega koncepta v teoriji in praksi turizma.

V zadnjih tridesetih letih je znamčenje postalo zelo pomemben trženjski pristop, ki zahteva sodelovanje široke palete deležnikov, da bi dosegli uspešen izid (Green, 2005). Na drugi strani pa je izbira blagovne znamke še vedno relativno nov raziskovalni prostor, ki je podrobneje opisano v podpoglavju 2.2 disertacije. Čeprav je pomen destinacijskega znamčenja pomemben dejavnik v literaturi, je večina raziskav osredotoča samo na destinacijske slike in identitete (Ahmed, 1991; Baloglu, 1997; Baloglu in Mangaloglu, 2001, Beerli in Martin, 2004; Dimanche in Moody, 1998 ; Elliot, Papadopoulos in Kim, 2011; Govers, Go in Kumar, 2007; Konečnik in Go, 2008; Perdue, 2000; Prebensen, 2007; Stock, 2009; Uysal, Chen in Williams, 2000), ki je pravzaprav produkt destinacijskega znamčenja. Morgan, Pritchard in Pride (2004) so poudarili, da je blagovna znamka postala eden od ključnih dejavnikov uspeha destinacij, skupaj s proizvodi in ceno. Kotler, Bowen in Makens (2006a) prav tako trdijo da so izdelki in blagovne znamke izjemno pomembne za uspeh destinacij, saj jih je mogoče uporabiti kot orodje za komunikacijo edinstvene identitete. Zenker in Braun (2010) gledajo na znamko destinacij kot na „kolaž“ združenj v mislih potrošnika, ki temelji na vizualno, verbalno in vedenjskega izražanja mestu. Pregled literature je pokazal nekatere druge perspektive v znamčenju destinacij, kot je uporabniško-temelječa vrednost (Boo, Busser in Baloglu, 2009; Konečnik in Gartner, 2007), in zvestobo znamke (Oppermann 2000), oba pomembna za merjenje znamke destinacij.

Po Anholt (2008), blagovna znamka države in destinacije ne bi smeli oblikovati kot v primeru izdelkov, zaradi njihove kompleksnosti. Vendar, je proces znamčenja destinacij zelo podoben procesu znamčenja izdelkov, vendar je znamčenje destinacij bolj zapleten proces zaradi različnih deležnikov, ki sodelujejo v procesu. Proces destinacijskega znamčenja zagotovo omogoča boljše delovanje destinacije, enako kot močna blagovna znamka, vodi omogoča konkurenčne prednosti (Lee in Back, 2010). Vendar pa razmerje med konkurenčnostjo destinacij in njihove blagovne znamke še vedno ni jasno in je samo delno omenjeno v dveh najbolj znanih modelih destinacijske konkurenčnosti – splošen model konkurenčnosti destinacije, ki ga so predlagali Ritchie in Crouch (2003) in celoviti model destinacijske konkurenčnosti, ki so ga predlagali Dwyer in Kim (2003). V modelu Ritchie and Crouch, je pozicioniranje / znamčenje del destinacijske politike, načrtovanja in razvojne dimenzije, medtem ko sta Dwyer in Kim destinacijski položaj in jasnost destinacijske slike priznala kot

spremenljivke ki vplivajo na destinacijsko konkurenčnost, vendar izrecno ne opredelita destinacijskega znamčenja.

Pike (2009) je prepoznal tri glavne potencialne raziskovalne vrzeli v področju blagovne znamke:

1. Razvoj identitete destinacijske blagovne znamke,
2. Pozicioniranje destinacijske blagovne znamke, in
3. Merjenje in sledenje kapitala destinacijske blagovne znamke.

Nekatera vprašanja ki jih potrebno raziskati, so povezana z boljšim razumevanjem odločanja o znamčenju destinacij, poenotenja krovnih strategij blagovne znamke, ustrezno pozicioniranje blagovne znamke, vloge upravljanja odnosov s strankami (CRM) za destinacijsko lojalnost, sloganov blagovne znamke in učinkovitosti logotipov, in merjenje uspešnosti blagovne znamke destinacij. Zenker in Martin (2011) poudarjata, da je glede na prakso destinacijskega trženja področje destinacijskega znamčenja še vedno omejeno glede možnih pristopov merjenja uspešnosti destinacije. Avtorja navajata, da se merjenje uspešnosti destinacij pogosto ne izvaja redno. Tržniki običajno omejijo svoje podatke na ključne kazalnike (kot je prenočitev turistov ali medijski povzetki) zaradi visokih stroškov povezanih z bolj celovitimi metodami. Vprašanja učinkovitosti in uspešnosti trženja destinacije ter njihov vpliv na konkurenčnost destinacij tako ostajajo neodgovorjena.

Destinacijsko znamčenje kot dejavnik konkurenčnosti destinacij v literaturi ni empirično dokazano, zato lahko destinacijsko znamčenje in učinkovitost opredelimo kot glavna vrzeli v pregledu raziskovalne literature. Destinacijsko znamčenje zahteva podrobnejšo obravnavo, medtem ko je potrebno modele destinacijske konkurenčnosti razširiti ter vključiti blagovno znamko kot dejavnik konkurenčnosti turistične destinacije.

Raziskovalni cilj in vprašanja

Glede na že omenjeno je jasno, da na je znamčenje destinacije pomemben dejavnik konkurenčnosti destinacij, vendar pa je še vedno omejeno razumevanje kako blagovna znamka destinacije vpliva na splošno raven konkurenčnosti destinacije. Zaradi tega glavna raziskovalna vprašanja izhajajo iz predhodnje opisane raziskovalne vrzeli v zvezi z odnosom med pojmom destinacijske znamke in konkurenčnosti. Cilj te disertacije je podati odgovore na naslednja raziskovalna vprašanja:

RQ1: Kaj so dejavniki in modeli konkurenčnosti destinacij?

RQ1A: To raziskovalno vprašanje bomo odgovorili v obliki pregleda literature.

RQ2: Kako lahko izmerimo destinacijsko konkurenčnost?

RQ2A: To raziskovalno vprašanje bomo odgovorili v obliki pregleda literature.

RQ3: Kaj je destinacijsko znamčenje?

RQ3A: To raziskovalno vprašanje bomo odgovorili v obliki pregleda literature.

RQ4: So turistične destinacije, ki izvajajo destinacijsko znamčenje bolj konkurenčne od tistih ki ga ne izvajajo?

RQ4A: Odgovor na to raziskovalno vprašanje se bo temeljil na rezultatih predhodne raziskave.

Odgovori na predhodno oblikovana raziskovalna vprašanja morajo zagotoviti uporabno informacijsko podlago za oceno procesa znamčenja kot dejavnika konkurenčnosti turističnih destinacij. To bi lahko prispevalo k napredku obstoječega znanja, ter na drugi strani pomagalo povečanju konkurenčnosti turističnih destinacij.

Raziskovalne hipoteze

Glede na predhodno omenjen raziskovalni cilj in raziskovalna vprašanja, so glavne hipoteze prikazane v vzorcu, ki je predstavljena na naslednji sliki. Predpostavka hipoteze je, da so turisti v destinacijah ki izvajajo proces destinacijskega znamčenja bolj zadovoljni, kar posledično vpliva na konkurenčnost destinacije. Destinacijska konkurenčnost, kot možen rezultat v procesu destinacijskega znamčenja, se meri z razliko v prioriteti (indeks DiPs) med relativno pomembnostjo določenih elementov turistične ponudbe pri turistih in DMO-ji. Tiste prioritete odražajo relativno pomembnost različnih atributov destinacijske ponudbe za privlačnost destinacij, kot je navedejo posebej turisti in posebej DMO-ji. Nižje vrednosti indeksa izkazujejo višjo stopnjo konkurenčnosti destinacij, zato se zadovoljstvo turistov uporabljeno kot merilo konkurenčnosti, kot sta predlagala Crouch in Ritchie (2004) in Israeli et al. (2006).

Model Hipotez



Vir: Avtor raziskave.

Glede na prej omenjeno so tri glavne hipoteze:

H1: Proces destinacijskega znamčenja je pozitivno povezan z zadovoljstvom turistov.

H2: Zadovoljstvo turistov je pozitivno povezana z destinacija konkurenčnost.

H3: Proces destinacijskega znamčenja je pozitivno povezan z destinacija konkurenčnost.

Raziskovalna metodologija

Uporabljene sta bile dve osnovni raziskovalni metodi – pregledna raziskava in preiskovalna raziskava.

„Pregledna“ raziskava je vključevala pregled trenutne literature v področju ciljne konkurenčnosti in destinacijskega znamčenja, kot tudi sekundarno analizo podatkov. Analizirani so bili različni znanstveni in strokovni članki, ki pokrivajo različne vidike konkurenčnosti destinacije in blagovno znamko destinacije. Revije ki so se najpogosteje uporabljale kot vir za izdelavo pregleda literature:

- Acta Turistica,
- Annals of Tourism Research,
- Current Issues in Tourism,
- International Journal of Contemporary Hospitality Management,
- Journal of Brand Management,
- Journal of Hospitality and Tourism Management,
- Journal of Hospitality and Tourism Technology,
- Journal of Travel Research,
- Journal of Vacation Marketing,
- Place Branding and Public Diplomacy,
- Tourism Economics
- Tourism Management,
- Tourism Review, and
- Tourism - An International Interdisciplinary Journal.

Poleg omenjenih znanstvenih revij, so bili uporabljeni tudi različne knjig in učbeniki, ki pokrivajo teme povezane s destinacijskim upravljanjem v turizmu, destinacijskim trženjem ter trženjem destinacijske blagovne znamke, za oblikovanje:

- Raziskovalnih ciljev in raziskovalnih vprašanj,
- Raziskovalnih hipotez,
- Raziskovalnih metodologij in
- Metodame interpretacij in podajanja raziskovalnih rezultatov.

Sekundarna analiza podatkov vključuje podatke zbrane v TOMAS, poletni anketi o stališčih in izdatkih turistov v hrvaških obmorskih destinacij (Institut za turizam, Zagreb, 2010). Raziskava je bila izvedena na vzorcu od 4.973 anketirancev vprašanih v 85 obmorskih destinacij na Hrvaškem, na vrhuncu turistične sezone, od sredine Junija do konca Septembra leta 2010. Ta disertacija je izkoristila del teh podatkov. Zlasti so bili uporabljeni podatki o turističnem zadovoljstvu z različnimi elementi turistične ponudbe destinacij in podatki o pomenu (vplivu) posameznih elementov turistične ponudbe na izbor destinacij. Zadovoljstvo turistov je merjeno na petstopenjski Likertovi lestvici (1 = zelo slabo in 5 = odlično), medtem ko je bil pomen izbora destinacij izmerjen na šeststopenjski Likertovi lestvici (1 = popolnoma nepomembno in 6 = zelo pomembno).

Podatki zbrani s pomočjo primarne kot sekundarne raziskave so bili uporabljeni za oceno znamčenja kot dejavnika konkurenčnosti destinacij. Predhodna raziskava se je osredotočila na zbiranje podatkov iz DMO-jev turističnih destinacij, ki so bile vključene v raziskavo TOMAS Summer Survey 2010. Orodje primarnega zbiranja podatkov je bil spletni vprašalnik v hrvaškem jeziku (glej angleški prevod v Dodatku 1), distribuiran s pomočjo raziskovalnega orodja QuestionPro. Raziskava je bila izvedena v obdobju od Februarja do Marca 2013. Od skupno 85 turističnih destinacij, navedenih v tabeli 3, jih je 39 odgovorila na vprašalnik, z stopnjo odzivnosti 46%. Glede na ugotovitve Shih in Fan (2007) o okvirnih odzivnostih spletnih anket, je mogoče sklepati da je stopnja odziva 46% nad povprečno stopnja odziva.

Glavni cilj zbiranja primarnih podatkov je bil pridobiti boljši vpogled v proces razvoja destinacijskega znamčenja, s poudarkom na opredelitvi potencialnih ciljnih skupin, konkurenčnost in SWOT analiza, opredelitev vizije in vzpostavitev blagovne znamke destinacij, ter integracijo in komunikacijo. Podatki so zbrani kot dihonomne spremenljivke (Da / Ne) ali merjeni na petstopenjski Likertovi lestvici (1 = popolnoma se ne strinjam in 5 = popolnoma se strinjam). Zadnje vprašanje je vključilo oceno relativnega pomena 12 različnih elementov ponudbe destinacij za konkurenčnost destinacije (ovrednoteno tudi od turisti v TOMAS Summer Survey 2010), ki so ocenjene v razponu od najpomembnejše do najmanj pomembne.

Glavne ugotovitve raziskave

Glavni cilj raziskave je bilo raziskati, ali destinacijsko znamčenje kot relativno nov koncept v teoriji in praksi turizma, vpliva na konkurenčnosti destinacij. Ta smer razmišljanja temelji na predpostavki, da je eden od pomembnih virov konkurenčne prednosti destinacij njena tržna edinstvenost in prepoznavnost, ki jo je mogoče doseči s procesom znamčenja destinacij.

Čeprav so bili različni dejavniki in atributi konkurenčnosti destinacije in znamčenja destinacije natančno raziskani in dokumentirani v celotni turistični literaturi, celovit in splošno sprejet

teoretski okvir ki bi povezal pojme blagovne znamke destinacij in konkurenčnosti destinacij, klub temu še vedno ni bil razvit. Kot je ugotovljeno v pregledu literature, je pomanjkanje znanja in razumevanja o vlogi ki jo ima blagovna znamka destinacijske v procesu doseganja konkurenčnost destinacije. To predstavlja pomembno raziskovalno vrzel, ki je bila predmet raziskovanja v disertaciji. Da smo pridobili dodaten upgled v razumevanje kompleksnega odnosa med trženjem blagovne znamke destinacije in konkurenčnostjo destinacije, smo uporabili izbrane Hrvaške obmorske turistične destinacije kot študijo primera.

Čeprav odnos med konkurenčnostjo destinacij in destinacijskim znamčenjem ni jasno opisan, je vseeno delno omenjen v dveh najbolj znanih modelih destinacijske konkurenčnosti – splošni model konkurenčnosti destinacije, ki so ga predlagali Ritchie in Crouch (2003) in v celovitem modelu destinacijske konkurenčnosti ki so ga predlagali Dwyer in Kim (2003). V Ritchie in Crouch modelu je pozicioniranje / znamčenje del destinacijske politike, načrtovanja in razvojne komponente, medtem ko Dwyer in Kim navajata razpoznavnost, pozicioniranje in podobo destinacije kot dejavnike ki vplivajo na konkurenčnost destinacije, vendar ne navajata znamčenja destinacij neposredno.

Trije od štirih prvotno oblikovanih raziskovalnih vprašanj so bili analizirani na podlagi podatkov zbranih s pomočjo pregleda literature. Ta vprašanja so: (i) „Kaj so dejavniki in modeli konkurenčnosti destinacij?“, (ii) „Kako lahko izmerimo destinacijsko konkurenčnost?“ In (iii) „Kaj je destinacijsko znamčenje?“. Odgovor na četrto raziskovalno vprašanje je pridobljeno s statistično analizo podatkov, zbranih s pomočjo predhodne raziskave. To vprašanje je: „ So turistične destinacije, ki izvajajo destinacijskoznamčenje bolj konkurenčne od tistih ki ga ne izvajajo?“. V raziskavi je sodelovalo skupno 39 destinacij ali 46% vseh destinacij ki jim je bil poslan vprašalnik. Rezultati raziskav so pokazali, da imata dve tretjini (67%) anketiranih destinacij nekakšen strateški dokument načrtovanja, medtem ko je bila strategija znamčenja zastopana v vseh destinacijah, ki so imeli oblikovan strateški dokument.

Da bi preverili hipotezo H1: Proces destinacijskega znamčenja je pozitivno povezan z zadovoljstvom turistov, smo uporabili 12 pomožnih hipotez (H1A-H1I). Metoda glavnih komponent (PCA) je bila uporabljena na skupini ciljnih kazalnikov procesa znamčenja, da bi obravnavali njihovo temeljno strukturo v manjšem številu dejavnikov. Analiza IPA, vključno s hi-kvadrat testom, in GEE model so bili uporabljeni, da bi ocenili učinke procesa znamčenja na zadovoljstvo turistov. Analiza učinkov procesa znamčenja na zadovoljstvo turistov, ki je merjena z oceno razmerja treh dejavnikov procesa znamčenja na 12 elementih ponudbe destinacije (12 pomožnih hipotez), kaže da je turistično zadovoljstvo s ponudbo destinacij višje v destinacij z boljšim izvajanjem elementov procesa znamčenja, kar potrjuje hipotezo H1.

Da bi preverili hipotezo H2: Zadovoljstvo turistov je pozitivno povezano z destinacija konkurenčnost, smo uporabili 12 pomožnih hipotez (H2a-H2I). Turistično zadovoljstvo je bilo

ocenjeno z uporabo IPA analize, oziroma zadovoljstvo turista z določenimi atributi destinacij je bila v primerjani z njihovimi pričakovanji (pomembnosti tega atributa). Na drugi strani pa je bila izračunana razlika v prioriteti (DiPs Indeks) med DMO-jev in turisti, ki ga je mogoče razlagati kot sposobnost turistične destinacije za prepoznavanje in zadovoljevanje potreb in želja svojih obiskovalcev. Vrednost indeksa bližje 0 izkazuje večjo sposobnost destinacij pri prepoznavanju in zadovoljenju potreb svojih obiskovalcev, saj je zaradi tega destinacija uspešnejša oziroma bolj konkurenčna. Na temelju rezultatov IPA analize s hi-kvadrat testom in Gee modela je bilo ugotovljeno, da je turistično zadovoljstvo s ponudbo destinacij višja v destinacijah z manjšimi vrednostmi DiPs indeksa. Z drugimi besedami, destinacije z višjo stopnjo zadovoljstva turistov bodo uspešnejše in zato bolj konkurenčne, kar potrjuje hipotezo H2.

Končno, da bi preučili hipotezo H3: Proces destinacijskega znamčenja je pozitivno povezan z destinacija konkurenčnost, je bilo uporabljeno sedem pomožnih hipotez (H3a-H3G). Testirani so bili učinki kazalnikov procesa znamčenja na uspešnost DMO. Vsi analizirani kazalniki procesa znamčenja (poleg SWOT in analize konkurenčnosti) so izkazali pozitiven odnos z uspešnosti DMO-jev. Da bi se konsolidirala aktivnost destinacijskega znamčenja v enoten agregiran kazalnik, je bil osnovan nov kazalnik procesa znamčenja (BiPs indeks). BiPs indeks uteženopovprečje vseh dejavnikov vključenih v proces znamčenja destinacije. Uteži so bile določene na podlagi relativnega pomena teh dejavnikov na ciljno konkurenčnost, merjena kot DIPS indeks. Koeficient korelacije med vrednostmi DiPs indeksa in mejnih prehodov indeksov, merjeno s Spearmanovim korelacijskim koeficientom je bila značilna ($p = 0,011$) in pozitivna ($r = 0,403$). Zato je mogoče sklepati, da bo imela destinacija z boljšim znamčenjem boljše zmogljivost in bila bolj konkurenčna, kar potrjuje hipotezo H3.

Znanstven prispevek in prispevek k vodenju

Glede na rezultate raziskave, je bilo ugotovljeno da znamčenje destinacij pomembno vpliva na stopnjo konkurenčnosti destinacij. Zato upoštevamo da je pomemben napredek pri razvoju teorije področju destinacijske blagovne znamke in konkurenčnosti razširitev obstoječih modelov konkurenčnosti destinacije z procesom znamčenja destinacij. Ob upoštevanju večanja števila turističnih destinacij s podobnimi vir ponudbe, promocijskimi cilji, terenakeimi tržne segmente, postane jasno, da bo jasna opredelitev glavnih blagovne znamke destinacije postala nujno potrebna za ohranjanje konkurenčnosti v prihodnosti. Obiskovalci se pogosto sprašujejo, zakaj bi izbrali en cilj namesto drugega, če vsi imajo podoben turistični produkt kot tudi druge elemente trženjskega spleta (cena, kraj in promocija). Zato je znamka turistične destinacije element ki naj bi ustvaril čustveno vez med destinacijo in potencialnim obiskovalcem in prebudil „občutek destinacije“, ki vodi k končni izbiri te določene destinacije.

Da bi dosegli visoko stopnjo splošne konkurenčnosti destinacije z izvajanjem strategije blagovne znamke, je potrebno da se vključi vse faze znamčenja destinacije. Velik pomen v destinacijskega znamčenja za skupno raven konkurenčnosti destinacije, pomeni da je potrebno postopek destinacijskega znamčenja vključiti v obstoječe modele konkurenčnosti destinacij, predvsem v celostni model konkurenčnosti destinacij (Dwyer in Kim, 2003) in konceptualni model destinacijske konkurenčnosti (Ritchie in Crouch, 2003), dva široko sprejeta in najpogosteje citirana modela konkurenčnosti turističnih destinacij. Ta element je pomemben z vidika znanstvenega prispevka disertacije, saj je eno glavnih ciljev raziskave zagotoviti empirične dokaze za integracijo procesa blagovne znamke, z dvema prej omenjenima modeloma konkurenčnosti destinacij. Ta teoretični napredek lahko predstavlja pomemben korak v razvoju bolj celovitega, naprednega in učinkovitega modela konkurenčnosti destinacij.

Pričakovan prispevek disertacije na področju upravljanja izhaja iz dejstva, da bi morali biti rezultati raziskav uporabni za strokovnjake za destinacijski management pri oblikovanju dolgoročnih strateških odločitev povezanih z razvojem turistične destinacije. Za upravljanje destinacij, izboljšani model konkurenčnosti destinacije omogoča osredotočenost na tiste elemente procesa znamčenja destinacija, ki bodo omogočili da konkurenčnost na trgu. Poleg tega je instrument razvit za raziskavo lahkakoristno vodstveno orodje za katero koli destinacijo pri preverjanje, ali so bili vsi elementi pri destinacijskem znamčenju pravilno opredeljeni, obravnavani in izvajani.

Metodološke omejitve in priporočila za nadaljnje raziskave

Preiskovalna raziskava na področju destinacijske znamke, ima metodološke omejitve, ki jih je treba obravnavati. Prvič, ni mogoče šteti podatke z vzorca popolnoma ažurno (nazadnje TOMAS Summer Survey na Hrvaškem izvedena v letu 2010) in zato se lahko uporabljajo samo kot aproksimacija za raziskave v realnem času. Glede na destvo da je anketa TOMAS precej zapletena raziskava, ki zahteva obsežne finančne, časovne in človeške vire, omejitev ni mogla biti ustrezno obravnavana v okviru te disertacije. Drugič, čeprav je vzorec anketiranih DMOjev precej velik (39 od 85), se narava vzorca lahko šteje kot neprimerna za posplošitev rezultatov preko okvirov vzorca, še posebej, na turističnih destinacij izven obmorske regije Hrvaške. Končno, tretja omejitev te raziskave je v svoji osredotočenosti na študijo primera single-country, za katero se zdi, da je skupna omejitev za večino doktorskih disertacij na tem področju raziskav, predvsem zaradi prej omenjenih omejenih virov. Kljub dejstvu, da je bila raziskava izvedena le za Hrvaško, je potrebno opozoriti, da Hrvaška: (i) ima več kot stoletje in pol dolgo tradicijo na področju razvoja turizma; (ii) je dobro razvit in organiziran sistem DMOs; (iii) ima razvito zanesljivo in mednarodno primerljive statistične podatke s področja turizma; in (iv) po UNWTO, sodeluje s pomembnimi deleži 1% v globalnem in 2% v Evropskem številu vseh prihodov turistov, ki vse kažejo na primernost izbrane države za študijo primera. Čeprav

imajo podatki uporabljeni v tej raziskavi nekatere omejitve, se lahko štejejo za zanesljive in primerne za teoretični razvoj pri merjenju konkurenčnosti turistične destinacije in preizkušanje domnev za oblikovanje končnih skleov.

Empirična raziskava na področju povezovanja konceptov znamčenja destinacij s konkurenčnostjo turističnih destinacij, ki je bila osrednja tema v tej disertaciji, je pokazala večdimenzionalno strukturo matrike konkurenčnosti turistične destinacije. Po drugi strani, je znamčenje turistične destinacije splošno priznано in sprejeto kot eden od ključnih vidikov vodenja turistične konkurenčnosti destinacije na trgu. Zaradi tega ni presenetljivo, da so konkurenčnost turistične destinacije in znamčenje destinacije vedno bolj pomembna raziskovalna področja znanstvenikov in strokovnjakov, ki si prizadevajo da bi našli najbolj učinkovit model načrtovanja in upravljanja turistične destinacije. Zato obstajajo priporočila za nadaljnje raziskave na tem področju. Da bi izboljšali zunanjo veljavnost rezultata, bi bilo potrebno preveriti rezultate, ocene in sklepe iz te raziskave na večjih in bolj raznolikih vzorcih, ki bi moral vključevati tudi druge regije in države. Na podlagi empiričnih rezultatov v tej disertaciji, ki potrjuje pozitiven odnos med znamčenjem destinacije in konkurenčnostjo destinacije, lahko prihodnje raziskave raziščejo preostale ključne elemente in vidike, ki bodo okrepile položaj pojma destinacijsko znamčenje v literaturi znanja o modeliranju konkurenčnosti turističnih destinacij.