
CASE REPORT

Comparative Analysis of Tourist Brand of Montenegro and Croatia – Perspectives of the Impact on the Economy of the State

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ABSTRACT

The importance of tourism for the economy of a country, from the beginning of the 21st century, is significantly increased in relation to its traditional role as one of the segments of the economy. The speed through which tourism in the world, and therefore in the region, develops and the amount of revenues generated through it makes it the generator of the economic development of a large number of countries. Examples of Montenegro and Croatia, as two comparable systems for the way tourism was experienced and developed in the period of the former Yugoslavia, ie the time when the foundations of the tourism economy of the then republics, and today's sovereign states, as well as strategic approach and target markets, were set up is a comparison of the tourist brands of both countries, with the possibility of precisely determining the revenues realized by the two countries through the tourism sector and their two tourist brands as research purposes. The aim of the research is to determine the differences and similarity of tourist brands of Montenegro and Croatia, through analysis of several indicators, starting from those related to tourism and travel revenues and their impact on GDP, to the effects of the economies of these countries from capital investment and employment. Finally, the main result of the analysis is the confirmation that there is a significant impact of the country's tourist brand on the level of revenue generated by the economies of the analyzed countries. The research has also shown the necessity of further development of the tourist brand Montenegro in the direction of Croatia. Which means an active approach to solving infrastructure problems, greater application of marketing management, synchronization of campaigns with the strategies of developing the national brand of the state and building hotel capacities that meet the standards of the most developed tourism economies in Europe.

Key words: *marketing in tourism, national brand, country tourist brand, gross domestic product*

JEL Classification: M31, A10

INTRODUCTION

Montenegro has opted for tourism as one of the three strategic directions for the development of the economy. However, the legacies of the former social and economic order are still present in this country, which is significantly contributed to by the transition period and the environment in which it was located. The nineties of the last century was characterized by the collapse of one and the transition in another way to the development of the economy and tourism as its significant segment. Only in the period after the re-establishment of autonomy, Montenegro is moving towards direction of noticable investment in tourism and the re-establishment of fallen tourism economy. Croatia has moved to this process significantly earlier,, hence its tourist brand is better

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positioned, and therefore the benefit to the economy is much more larger.¹ From the above mentioned, we can see the need for analysis of tourist brands of Montenegro and Croatia, two neighboring countries with high tourist potential. The study compares tourism promotion campaigns conducted by these two countries. It analyzes the destination markets of both countries and changes in tourism revenues accomplished by these countries in the years that were taken as comparable. The economy of each country that has tourist potential has the possibility of faster development and increase in revenues, which will provide long term economic stability. The tourism economy and the following activities will have a significant share in GDP if, as a support, they have favorable natural, cultural and historical heritage. Through increased interest of investors, it will also enable bigger investments in tourism infrastructure, in the first place in hotel facilities, road infrastructure and air transport. Over the last fifteen years, some countries in the region have given long-term lease of some of their largest airports. The Croatia has done this by giving its largest airport in Zagreb and Montenegro is also preparing to do the same. Some of the countries of the Western Balkans, like Montenegro, have entrusted the construction of highways to foreign companies with great international experience. With the condition that at least 30% of the companies engaged in the construction of the highway are from Montenegro. In Croatia, as well as in Montenegro, the Government entrusted the construction of the largest tourist complexes to international investors. In Montenegro, the amount of these investments exceeds one billion euros. All this significantly increases the value of the country's tourist brand. Montenegro can use the experience of Croatia to reduce possible wanderings in the selection of strategies and policies for the development, or strengthening of its tourist brand.

METHODOLOGY OF RESEARCH

In order to determine the position of tourist brands of Montenegro and Croatia, financial and economic benefits of tourism achieved by their respective economies, the parallel comparison had to be done by all relevant and available indicators. Therefore, the research method based on data from secondary sources was used, with the emphasis on the strategies for development of tourism in Montenegro and Croatia, the documents of ministries responsible for the tourism of the two countries, national tourist organizations, specialized journals and publications, press, internet and professional literature. Important sources of information for the research were the institutions responsible for official statistics in Montenegro, Croatia and the European Union.

ANALYSIS OF TOURIST BRANDS OF MONTENEGRO AND CROATIA

Key elements of Strategies for development of tourism of Montenegro and Croatia

At this moment when the global trend of building strong tourist brands is noticeable in the countries that have tourist or complementary potentials, there are challenges of developing their own models of tourist brands in the countries of Western Balkan that would be competitive in the target markets. Countries of this part of Europe are particularly aimed at developing, or exploiting an existing, competitive advantage and assuming the role of a primary tourist destination in relation to other regional actors. The building of tourist brands should include building the image of the country and destinations, positioning at desired markets and target markets, respectively. The image of the country or national image should unite all the usable potentials that the country possesses and build a positive picture in the consumer's mind, since this can attract more interest not only to tourists but also to investors. According to that, it is crucial that the offer that certain country creates to tourists should be based on: credible arguments, promises that can be fulfilled and objective presentation of the country. On the other hand, the common mistake that the

¹ Internet:<http://iztzg.hr/UserFiles/PDF/Izvjestaj-10-Strategija-razvoja-turizma-RH.pdf>, (accessed:21.05/18)

country and its institutions can make is to develop its tourism brand by hiding or denying negative aspects, which are inevitable and present in most countries. The negative image should be changed by changing the behavior of one's own administrative and business system and creating an offer that is based on superior performance that we own or develop. It is wrong approach to try with media campaigns to change the image of the country on long - terms, and gain the effect and sympathy of other nations and consumer segments. Tourism Development Strategy of Montenegro and Croatia are the key documents issued by the governments of both countries. They have through strategic and operational goals routed directions of tourism development and targeted emitting markets.² It is noticeable that although, both strategies have been developed for the period until 2020, Croatia has significantly processed more thoroughly and more analitically some of the key segments of the strategy. Table1. presents these elements of the strategy and their comparison have been done by parallel view.

Table 1. Key terms of Strategies for tourism development of Montenegro and Croatia

Criteria	Montenegro	Croatia
Slogan and promotion title	„Montenegro Wild beauty” Crna Gora, divlja ljepota)	“Croatia, Full of Life” (Hrvatska, puna života)
Logo of tourist brand	 <p>Source: https://www.montenegro.travel</p>	 <p>Source:https://htz.hr</p>
Period related to strategies	Strategy for tourism development in Montenegro for period until 2020.	Strategy for tourism development of Republic of Croatia for period until 2020.
Strategic goals	Applying the principle and goals of sustainable development, Montenegro will create strong position of global high quality tourist destination; for citizens of Montenegro tourism will provide enough working positions and growth of standard of living and the country will generate revenues at stable and confident manner.	The main goal of the development of Croatian tourism for the period until 2020. is an increase in its attractiveness and competitiveness, which will result in enetering into the leading 20 tourist destinations in the world according to the criterion of competitiveness.
Operational goals	<ul style="list-style-type: none"> • Creating the necessary tourist and supporting infrastructure into direction of achieving strategic goal • Montenegro forms a particular unique sale offer 	<ul style="list-style-type: none"> • Marketing - Marketing activities trace the transformation of Croatia into a destination that offers more than a family vacation, more than summer and more than the sun and the sea. • Development of tourism offer - Apart

² The result of author's research with the use of Strategy for tourism development in Montenegro until 2020 and Strategy for tourism development of Republic Croatia until 2020. <http://www.go.me/files/1228912294.pdf>, and <https://mint.go.hr/strategija-razvoja-turizma-11411/11411> (accessed:21.05/18)

	<ul style="list-style-type: none"> • Montenegro is known and accepted as "all-year" tourist destination • The institutional and legal framework corresponds to the requirement of a successful and sustainable development of tourism • The local population is significantly involved in the tourism industry ("internal marketing") 	<p>from the development of important products for Croatian tourism, the development of a tourist offer implies completion of the privatization process, activation of tourist interesting, unused state property and improvement of accommodation and other tourist offer.</p> <ul style="list-style-type: none"> • Investments - Due to numerous limitations and barriers, the level of investment activity in Croatian tourism in the past period was not satisfactory. • Human resources development - Suitability of human resources quality, or possession of modern knowledge and practical skills, is a basic element of delivering quality tourism services and promoting the competitiveness of Croatian tourism. • Process management - Effective implementation of the conclusions of the Tourism Development Strategy of the Republic of Croatia until 2020 assumes organizational adaptation at the level of the Ministry of Tourism, functioning of the system of tourist communities, as well as the ongoing interdepartmental cooperation of the Ministry related to tourism activity.
Target emitting markets until 2020.	<ul style="list-style-type: none"> • West European and North European markets, Russia and more of Eastern European countries (EU members). These markets are a priority. • Markets of neighboring countries of Serbia, Bosnia and Herzegovina, Albania, and the local market. Tourists from both the largest emitting regions do not differ very much in terms of what they want to experience on vacation, as far as financial opportunities are concerned. 	<ul style="list-style-type: none"> • Leading (Germany, Austria, Slovenia) • Prompt to (Czech, Poland, Slovakia) • Challenging (Russia, Netherlands, France) • Neighboring (Hungary, Bosnia and Herzegovina, Serbia) • Remote (USA, Canada, Australia)

Source: The result of author's research with use of Strategy for tourism development in Montenegro for the period until 2020. and Strategy for tourism development of Republic of Croatia for period until 2020.

The logo of the tourist brand of Montenegro is in application significantly longer than the logo of Croatia.³ Although both designs have suffered public criticism, they are still in use, although it is noticeable that the logo of Montenegro tourism has needed a long time ago to be refreshed or approached to create a new logo.

³ <https://croatia.hr/Documents/3583/Izbor-Vizualnog-identiteta-brenda-Hrvatska-za-HTZ-HRV-.pdf> i <https://www.montenegro.travel/en/> [pristupljeno: 03.06/18]

Comparison of economic indicators of Montenegro and Croatia

With upcoming analysis of the economic indicators, the mutual relations of the economies of Montenegro and Croatia will be compared and changes in their value incurred during period covered by research will be presented.

Total accommodation capacities (hotels, tourist resorts, campsites, hostels, etc.) in Montenegro in 2016 are contained in 348 facilities that have a total number of 166.842 beds. The total number of tourist facilities, as well as the total number of beds in Montenegro in relation to 2010, did not change significantly. In 2010, Montenegro had in total 308 facilities that had 166.288 beds. In 2016, Croatia had 4.567 accommodation facilities (hotels, tourist resorts, campsites, hostels, etc.) with a total of 1.33.751 beds. Compared to 2016, Croatia had 909.951 beds in 2010, which were deployed in 2.117 facilities.⁴

The number of international tourists in 2016 in Montenegro were 1.662.000. The number of arrivals in Montenegro increased from 136.000 in 2002 to 1.66 million in 2016, which means that the number of arrivals is growing at an average annual rate of 23,96%. The total number of tourists who visited Montenegro in 2017 increased to around 2.00.000. In the same period, Croatia had 13.809.000 international tourists. Their number increased from 4.18 million in 1997 to 13.8 million in 2016 and grew at an average annual rate of 7.11%. In 2017, the total number of tourists who stayed in Croatia was additionally increased to 17.430.580 tourists.⁵

Expenditures for tourism as a share in total imports in 2016 in Montenegro amounted to 3.3%. These costs have significantly changed over the past few years, so in the period from 2007 they increased from 1.8% in 2016 to 3.3%. Expenditures for tourism as a share in total imports in the same year for Croatia amounted to 4%.

This category of costs in Croatia has oscillated over the past few years with a tendency of a slight increase in the period from 2005 (3.8%) to 4% in 2016.⁶

Table 2 presents revenues from tourism in the period 2007-2016 for Montenegro and Croatia

Year	Montenegro		Croatia	
	Value in millions of dollars	Change%	Value in millions of dollars	Change%
2016	978,000,000	3.27%	9,820,000,000	8.89%
2015	947,000,000	-1.25%	9,018,000,000	-10.53%
2014	959,000,000	3.23%	10,079,000,000	3,75%
2013	929,000,000	8.02%	9,715,000,000	9.01%
2012	860,000,000	-7.13%	8,912,000,000	-7.15%
2011	926,000,000	21.05%	9,598,000,000	15.65%
2010	765,000,000	-3.41%	8,299,000,000	-10.76%
2009	792,000,000	-7.80%	9,300,000,000	-19.93%
2008	859,000,000	30.15%	11,615,000,000	20.78%
2007	660,000,000		9,617,000,000	15.92%

Montenegrin tourism revenues in 2016 amounted to 978 million dollars. It is noticeable that the revenues from tourism in Montenegro, in addition to the fluctuations present in the last few

⁴ Internet: <https://tradingeconomics.com/indicators>, [pristupljeno: 11.05/18]

⁵ The author's research based on data from Eurostat, Knoema.com, Montstat i Central Bureau of Statistics of Croatia

⁶ The author's research based on data from Eurostat, Knoema.com, Montstat i Central Bureau of Statistics of Croatia

years, increased in the period from 2007 to 2016. Tourist revenues in 2016 amounted to 9.820 million dollars for Croatia.⁷

Revenues from tourism of Montenegro as a share in total exports in 2016 amounted to 55%. Croatian revenues on the same basis in 2016 were 38.8%.⁸ Table 3 presents a comparative overview of the share of tourism in total exports of Montenegro and Croatia in the period 2011-2016

Table 3. Revenues from tourism as a share in total exports of Montenegro and Croatia

Year	Montenegro		Croatia	
	Value in %	Change %	Value in %	Change in %
2016	55.0	-0.84%	38.8	5.00%
2015	55.5	6.53%	37.0	-2.61%
2014	52.1	3.28%	38.0	-2.81%
2013	50.4	-0.26%	39.1	2.55%
2012	50.5	5.07%	38.1	0.67%
2011	48.1	-5.83%	37.8	1.89%
2010	51.1	-7.34%	37.1	-12.95%
2009	55.1	16.56%	42.7	0.96%
2008	47.3	13.37%	42.3	3.38%

Source: The author's estimation based on the data of Eurostat, Knoema.com, Montstat and the Central Bureau of Statistics of Croatia

Expenditures for tourist travel abroad to citizens of Montenegro in 2016 amounted to 91 million dollars. Montenegro's travel expenses have significantly changed over the past few years, but have generally increased in the period from 2007 to 2016.

The Croats spent 954 millions of dollars on travel expenses abroad in 2016. These costs have fluctuated considerably over the past few years, however, they have mostly increased in the period from 2002 to 2016.⁹

The direct contribution of travel and tourism to Montenegro's GDP amounted to 1.1 billions of dollars in 2017. The contribution of travel and tourism to Montenegro's GDP has changed over the last ten years with an alternate increase and a decrease in the share of total GDP. Croatian GDP in 2013 amounted to 13.7 billions of dollars from travel and tourism. In Croatia, the share of travel and tourism revenues in GDP oscillated in a comparable period.¹⁰ In Table 4. presents revenue generated from travel and tourism in Montenegro and Croatia in the period 2007 - 2017.

⁷ Ibid

⁸ The author's research based on the data of Eurostat, Knoema.com, Montstat and the Central Bureau of Statistics of Croatia

⁹ The author's research based on the data of Eurostat, Knoema.com, Montstat and the Central Bureau of Statistics of Croatia

¹⁰ Ibid

Table 4. Contribution of travel and tourism to GDP in Montenegro and Croatia

Year	Montenegro		Croatia	
	\$	Change in %	\$	Change %
2017	1.1	8.55%	13.7	11.21%
2016	1.0	8.25%	12.4	7.05%
2015	0.9	2.08%	11.5	-11.81%
2014	0.9	2.70%	13.1	2.14%
2013	0.9	15.92%	12.8	9.36%
2012	0.8	-2.45%	11.7	-13.30%
2011	0.8	5.81%	13.5	11.19%
2010	0.8	-2.37%	12.2	-13.82%
2009	0.8	-45.62%	14.1	-19.79%
2008	1.4	53.18%	17.6	20.20%
2007	0.9	69.19%	14.6	16.78%

Source: The author's estimation based on the data of Eurostat, Knoema.com, Montstat and the Central Bureau of Statistics of Croatia

In the period from 2006 to 2017, the direct contribution of revenues generated from travel and tourism in Montenegro and Croatia generally had a growth trend.¹¹ Data for both countries are presented in Table 5.

Table 5. Direct contribution to the growth rate of GDP from travel and tourism in Montenegro and Croatia

Year	Montenegro	Croatia
	Change in %	Change in %
2017	6.21	8.14
2016	0.67	6.09
2015	10.96	5.69
2014	0.48	3.79
2013	7.05	6.81
2012	5.05	-5.85
2011	7.31	8.36
2010	0.13	-9.63
2009	-33.81	-15.40
2008	13.91	6.61
2007	40.12	4.71
2006	58.96	3.82

Source: The author's estimation based on the data of Eurostat, Knoema.com, Montstat and the Central Bureau of Statistics of Croatia

Contribution of travel and tourism to GDP (% of GDP) for Montenegro in 2017 was 23.7%. The impact of this segment of the economy has not changed significantly since 2006. In the same period, the contribution of travel and tourism to GDP (% of GDP) for Croatia was 25%. The contribution of travel and tourism to GDP (% of GDP) in Croatia also increased in the period from 1998 to 2017.¹² The following table (Table 6) presents the percentage participation of travel and tourism in the GDP of Montenegro and Croatia.

¹¹ The author's research based on the data of Eurostat, Knoema.com, Montstat and the Central Bureau of Statistics of Croatia

¹² The author's research based on the data of Eurostat, Knoema.com, Montstat and the Central Bureau of Statistics of Croatia

Table 6. Contribution of travel and tourism GDP to participation in GDP in Montenegro and Croatia

Year	Montenegro		Croatia	
	Value of percentage participation	Change in%	Value of percentage participation	Change in%
2017	23.7	4,69%	25.0	3,84%
2016	22.6	2.44%	24.1	3.04%
2015	22.1	9.25%	23.4	2.86%
2014	20.2	-0.23%	22.7	2.98%
2013	20.3	6.14%	22.1	6.46%
2012	19.1	8.31%	20.7	-4.45%
2011	17.6	-3.50%	21.7	6,69%
2010	18.3	-1.90%	20.3	-9.83%
2009	18.6	-40.56%	22.5	-9.83%
2008	31.3	24.02%	25.0	2.57%
2007	25.3	25.12%	24.4	-1.91%
2006	20.2		24.9	

Source: The author's estimation based on the data of Eurostat, Knoema.com, Montstat and the Central Bureau of Statistics of Croatia

In 2017, the direct contribution of travel and tourism to employment in Montenegro amounted to 14.4 thousand persons. In Croatia, this industry branch has created jobs for 138.000 people.¹³ Table 7 presents a comparative overview of the number of employees engaged in tourism and travel business in Montenegro and Croatia.

Table 7. The direct contribution of travel and tourism to employment in Montenegro and Croatia

Year	Montenegro		Croatia	
	Number of employees in tourism	Change in%	Number of employees in tourism	Change in%
2017	14.4	0.72%	138.0	2.88%
2016	14.3	-1.70%	134.2	0.92%
2015	14.5	-4.33%	132.9	3.56%
2014	15.2	1.07%	128.4	1.02%
2013	15.0	18.09%	127.1	4.60%
2012	12.7	0,35%	121.5	-6.74%
2011	12.7	12.90%	130.3	7.02%
2010	11.2	-18,42%	121.7	-14.49%
2009	13.8	-23.03%	142.3	-11.36%
2008	17.9	12.13%	160.6	7.04%
2007	16.0	31.87%	150.0	2.15%
2006	12.1		146.9	

Source: The author's estimation based on the data of Eurostat, Knoema.com, Montstat and the Central Bureau of Statistics of Croatia

¹³ The author's research based on the data of Eurostat, Knoema.com, Montstat and the Central Bureau of Statistics of Croatia

Capital investments in Montenegro were at the level of 0.4 billion euros in 2017, which is higher by 18.71% compared to 0.3 billions of euros invested in the previous year. In 2017, they reached 7.9 billions of euros in Croatia, which is 3.89% more than in 2016.¹⁴ Changes in capital investments for Montenegro and Croatia in the period 2006 - 2017 are presented in Table 8.

Table 8. Capital investments in Montenegro and Croatia in the period 2006 - 2017

Year	Montenegro		Croatia	
	Capital investments in billions of euros	Change in%*	Capital investments in billions of euros	Change in%
2017	0.4	18.71%	7.9	3.86%
2016	0.3	29.81%	7.6	6.55%
2015	0.2	21.49%	7.1	9.27%
2014	0.2	8.17%	6.5	-2.46%
2013	0.2	17.09%	6.7	0.73%
2012	0.2	4.21%	6.7	-4.49%
2011	0.1	-23.20%	7.0	-3.28%
2010	0.2	3.93%	7.2	-16.32%
2009	0.2	-47.35%	8.6	-27.00%
2008	0.4	94.56%	11.8	-4.09%
2007	0.2	26.34%	12.3	-2.69%
2006	0.1		12.6	

Source: The author's estimation based on the data of Eurostat, Knoema.com, Montstat and the Central Bureau of Statistics of Croatia

The share of capital investments in export of Montenegro in 2017 was 35.1%. This indicator also significantly fluctuated in the period from 2009 - 2017. Croatian capital investments as a share in exports amounted to 10.9%. The share of capital investments in Croatia (%) in exports in the period 2009 - 2017 ranged from 10 to 12 percent.¹⁵ The next table (Table 8) brings comparative data on the share of capital investments in exports of the economies of Montenegro and Croatia

Table 8. The share of capital investments in exports of Montenegro and Croatia

Year	Montenegro		Croatia	
	Share of capital investments in exports (%)	Change%*	Share of capital investments in exports (%)	Change in%
2017	35.1	3,22%	10.9	-0.26%
2016	34.0	4,26%	11.0	1.81%
2015	32.6	8.43%	10.8	5.00%
2014	30.1	11.62%	10.2	-0.23%
2013	26.9	8.50%	10.3	0.04%
2012	24.8	5,64%	10.3	-0.62%
2011	23.5	-18.46%	10.3	-0.02%

¹⁴ The author's research based on the data of Eurostat, Knoema.com, Montstat and the Central Bureau of Statistics of Croatia

¹⁵ The author's research based on the data of Eurostat, Knoema.com, Montstat and the Central Bureau of Statistics of Croatia

2010	28.8	25.81%	10.3	0.02%
2009	22.9	-21.74%	10.3	-14.50%
2008	29.3	41.35%	12.1	-15.22%
2007	20.7	-29.26%	14.3	-11.84%
2006	29.3		16.2	

Source: The author's estimation based on the data of Eurostat, Knoema.com, Montstat and the Central Bureau of Statistics of Croatia

In the period from 2006 to 2017, Montenegro's GDP continued to increase, so in 2006 it amounted to 35% of the European Union's GDP (28 countries) and in 2017 it increased to 46% of European Union's GDP. In the comparative period, Croatia had present GDP fluctuations in relation to the EU, and in 2006 it amounted to 58% of European Union's GDP, to be at the level of 61% in 2017.¹⁶ Table 9 presents the GDP of Montenegro and Croatia in the period 2006 - 2017.

Table 9. Montenegro's and Croatia's GDP (percentages) relative to GDP of EU Member States (28 countries)

Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Country	%	%	%	%	%	%	%	%	%	%	%	%
European	100	100	100	100	100	100	100	100	100	100	100	100
Croatia	58	61	63	62	59	60	60	60	59	59	60	61
Montenegro	35	39	41	40	41	42	39	41	41	42	45	46

Source: Result of the author's research using the data of the Eurostat website

The last indicator that was analyzed was the purchasing power parity of Montenegro and Croatia in relation to the European Union and it is presented in Table 10.

Table 10. Purchasing power parity - price level indices and real costs for aggregates

Year	2005	2006	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Country	%	%	%	%	%	%	%	%	%	%	%	%
European	100	100	100	100	100	100	100	100	100	100	100	100
Croatia	65.1	64.6	67.8	68.8	69.5	66.9	64.5	64.2	63.0	61.7	63.7	64.2
Montenegro	41.8	40.8	46.1	48.9	48.4	48.2	48.9	49.6	49.1	47.8	49.0	49.9

Source: Result of the author's research using the data of the Eurostat website

Analysis of tourist brands of Montenegro and Croatia according to Bloom Consulting

Bloom Consulting has developed one of the most reliable methods for measuring tourist brands in the countries. Therefore, it follows from the view that the economic impact of the tourism sector in the country is a crucial variable in determining its place on the list of tourist brands.¹⁷ The brand of the country's tourism industry can not be strong if the country does not generate profit from tourism and travel. At Bloom Consulting, they are of the opinion that when choosing a destination, tourists will prefer to travel to the country with a stronger attraction and greater attractiveness

¹⁶ The author's research based on the data of Eurostat, Knoema.com, Montstat and the Central Bureau of Statistics of Croatia

¹⁷Internet:https://www.bloomconsulting.com/en/pdf/rankings/Bloom_Consulting_Country_Brand_Ranking_Tourism.pdf, pg. 6 [accessed: 07.06/18]

of the tourist destination.¹⁸ Bloom Consulting's methodology consists of four variables that together provide a methodology for ranking the country's tourist brand. The first variable consists of revenues from tourism and growth of tourism revenues. Therefore, the average annual tourist revenues of international tourists visiting a country for a period of five years is taken. This eliminates possible deviations that may arise from economic or political instability. The second variable measures the attractiveness of the country's brand through market research using software that measures the total amount of search when choosing a destination for a trip. The more searches are related to tourism and the tourist offer of a country, it is the tourist brand of that country more stronger. The third variable of Bloom Consulting's ranking of the country evaluates the accuracy of the strategic positioning of national tourism organizations (NTOs), hence consistency in the application of the strategic documents of all 193 countries included in the ranking. The fourth variable analyzes the visibility and position of the National Tourism Organization through the search of the official NTO website. Therefore, data are collected on the number of unique visits and the average total time spent per visitor on a web site.

The algorithm further analyzes social media and evaluates the presence of Facebook, Twitter and Instagram.¹⁹ According to Bloom Consulting, Montenegro is ranked on 35th place in Europe in 2017/18, which is 2 places better position in in the previous research for 2016/17. In this survey, Montenegro is ranked on 99th place in the world, when it comes to the tourist brand of the country. In the comparative period of 2017/18 in Europe, according to strength of its tourist brand, Croatia is ranked on 13th place and this place is for one position weaker in relation to the previous measurement. However, Croatia's position on the global list of tourist brands is significantly better than Montenegro, which is ranked on 27th place.²⁰ Table 11 presents the tourist brands of Montenegro and Croatia at the level of Europe in the period 2013-2018.

Table 11. Position of the tourist brand of Montenegro and Croatia at the level of Europe

Name of the country	Rank 2013/14	Rank 2014/15	Rank 2016/17	Rank 2017/18
Montenegro	33	37	37	35
Croatia	11	12	12	13

Source: Result of the author's research using the data of Bloom Consulting's Country Brand Ranking - Tourism Edition

Analysis of the World Economic Forum for 2017

Index of tourism competitiveness 2017

World Economic Forum continuously evaluates the competitiveness of tourism of all world economies. In its report for 2017, Montenegro is ranked on 72th place and Croatia on 32th place, according to the index of tourist competitiveness.²¹ Table 12 presents the detailed relation between the two countries in the period 2015 - 2017.

¹⁸ Ibid

¹⁹ Ibid

²⁰ Ibid. pg. 9

²¹ Internet: <https://www.weforum.org/reports/the-travel-tourism-competitiveness-report-2017>, pg. 9 - 11 [accessed: 07.06/18]

Table 12. Index of tourist competitiveness of Montenegro and Croatia

Name of the country	Rank 2017	Rating	Change since 2015.
Montenegro	72	3.68	-5
Croatia	32	4.42	1

Source: Result of author research using data from *The Travel & Tourism Competitiveness Report 2015 - 2017*

CONCLUSION

An analysis of some of the key indicators of the economy of Montenegro and Croatia has led to the findings confirming the views expressed in the work and the conclusion that the economies of both countries are directly related to the strength of their tourist brands and that it is necessary to permanently work on innovations in the sphere of marketing in order to make these markets more interesting to international and domestic tourists. It is evident that both countries are recognized as the dominant summer destinations and that tourists visit them mostly during this season. Although tourism development strategies in Montenegro and Croatia have strongly anticipated the activities in order to develop the perceptions of both countries as the destination of the sun and the sea, in the reality of the economy, most of the revenues generates precisely from this offer. On the other hand, Montenegro by improving its infrastructure by introducing more favorable conditions for investment, introduces international hotel chains, increases tourism revenues as well as the number of tourists, and encourages local businessmen to become more actively involved in this branch of economy through the construction of a four and five star hotel. Croatia is committed to the new concept of marketing activities that provide certain results, while Montenegro still does not have visible activities, although the increase in the number of tourists in the past year is a good signal to continuously improve the performance of the tourism industry. If we compare the degree of application of marketing management in the tourism of these two countries, we will note that Montenegrin tourist managers are using less of marketing management in their activities. Croatian managers pay more attention to the practical application of marketing in their work, which is evident in the campaigns of tourist organizations and hotels. The recommendation for Montenegro would be to actively start campaigning for the branding of the Montenegrin tourist destination in order to coordinate these activities with state institutions that are working on the construction and promotion of the national brand of Montenegro. The development of the tourist brand, as one of the elements of the national brand of the state, should be harmonized with the strategies for the development of the national brand of Montenegro, and in particular should be dedicated to modern forms of campaigns in the promotion of tourism. In the end, we can conclude that the hypothesis of the work paper is confirmed, and that the tourist brand of the state is directly related to the level of revenues that the country's economy generates. Tourist brands of Montenegro and Croatia with smaller oscillations, increased tourist revenues and therefore strengthened their position among the tourist brands of other countries. All tested indicators give us the right to conclude that without a strong tourist brand, as part of the national brand, there will be no slightly increase in revenues and benefits for both economies. Creating the preconditions for strengthening the tourist brand, the economy of the state also strengthens, and the indirect benefit, through greater engagement and employment have all branches of the economy. Therefore, connecting tourism with other complementary and related business activities (agriculture, gastronomy, etc.) is a necessary step in strengthening the tourism brand and the brand of countries.

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<i>Article history:</i>	Received: October 18, 2018
	Accepted: December 3, 2018