Analysis of the Perception of the Republic of Croatia as a Brand: Recommendations for Developing a Nation Branding Strategy

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ABSTRACT

The aim of the paper was to investigate the national identity and image of the Republic of Croatia to identify opportunities and give recommendations for creating a branding strategy for Croatia. A comparative analysis of the perception of Croatia as a brand is presented based on a survey conducted on a sample of 100 respondents from Croatia and 100 foreign respondents from 30 countries. As expected, Croatian respondents have more strongly expressed positive attitudes, although foreign respondents also showed certain positive associations about Croatia. The respondents perceive Croatia as a pleasant and safe place with a specific way of life, which is a good starting point for branding Croatia. Comparison with brands of high-end and premium products shows the potential for further development of Croatia as a brand. The paper contains some suggestions for branding Croatia, as well as limitations and recommendations for future research.

Key words: brand strategy, country brand, nation brand dimensions, nation branding, the Republic of Croatia

1. INTRODUCTION

Branding of countries became an unavoidable tool for strengthening national competitiveness whereby countries use the key determinants of their national identity to create a desirable image in public. Apart from being highly important for the tourism of a single country, the image of a country has an important role in boosting the domestic economy, attracting foreign investments, and improving its population's quality of life . All the aforementioned benefits point to a necessity of designing and applying a well-conceptualized nation brand strategy.

The purpose of the paper was to examine the perception of Croatia as a nation brand as a starting point of the branding process. Research questions were as follows:

RQ1: What does the national identity of the Republic of Croatia consist of?

RQ2: What is the perception of Croatia as a brand among domestic population?

RQ3: How do foreign respondents perceive Croatia as a brand?

Quantitative research was conducted on a sample of 100 Croatian residents and 100 foreign citizens. The questionnaires were distributed online. The research was focused on the comparison and gap analysis in the perception of domestic and foreign samples.

The introduction is followed by the second chapter with a short theoretical overview of the brand and branding with an emphasis on nation branding, i.e. country branding, a presentation of the SWOT analysis for the Republic of Croatia, and the results of previous research on the Croatian national identity. The third chapter contains the description of methodology and research results, as well as the discussion, limitations and suggestions for future research. The fourth chapter is the conclusion in which the main findings based on the conducted research are summarized and recommendations for Croatia's nation branding strategy were formulated.

2. THEORETICAL BACKGROUND

Branding a nation is a far more complex process than branding a product, service, or a business. In branding of destinations, such as cities, regions or countries, there is a wide range of brand touchpoints, and many stakeholders are involved (Dinnie, 2016).

2.1. Concept of brand, brand image and brand management

Before dealing with the concept of a nation as a brand, it is necessary to start with defining the term "brand". According to the American Marketing Association[1] (AMA), "a 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". Namely, Doyle (1992, as cited in Dinnie, 2016) further defines a successful brand as a brand which identifies any product having a sustainable differential advantage. Furthermore, Wijaya (2013) claims that a brand should leave a mark on consumers' minds and hearts in a way of creating a specific meaning and feeling. Hence, a brand evokes certain emotions in consumers (Kotler et al., 2014). According to Lynch and de Chernatony (2004), a brand represents a mixture of functional and emotional values that promise a unique experience between a buyer and a seller. More precisely, a brand is an idea that consumers believe to actualize by using a product and, consequently, to create an appropriate image by the means of events and experiences (Pavlek, 2016).

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1   American Marketing Association (2023). Branding. https://www.ama.org/topics/branding/ (30.11.2023).

Gill and Dawra (2010) emphasize that the components of a brand's identity, such as a brand name, design, logo and other brand identifiers, serve the purpose of transmitting an intangible characteristic to consumers. AMA[2] also gives a definition of "brand image" as the way people perceive a brand in their minds, and what they believe about a brand in the sense of their thoughts, feelings and expectations.

The practice of "branding" was identified as a process that businesses perform to distinguish their products from those of the competitors (Jobber and Fahy, 2003; Dinnie, 2016). A branding process should consider two perspectives, whether it is regarded as an input (a marketers' perspective), or as an output if speaking of a consumer's perspective (de Chernatony and McDonald, 2003). From consumers' perspective, a brand provides the assessment of product quality, which is directly related to the customers' opinion about the brand (Huang and Chen, 2021). However, Holt (2004) emphasizes interaction between a brand and its environment in the context of creating "cultural branding" which might also apply to nations.

2.2. Nation branding or country branding

"Nation branding" is a term belonging directly to the field of marketing and branding, but it has also been researched from other aspects, such as cultural sociology, media studies, and political geography (Dinnie, 2016). The terms nation and country are often used interchangeably (Hakala et al., 2013). Although some authors (Fan, 2006; Olins, 2002) point to a slight difference between nation branding and country branding. A nation refers to a "large body of people united by common descent, history, culture, or language inhabiting a particular country or territory"[3] whereas a country is described as a "nation with its own government, occupying a particular territory"[4].

As Van den Akker (2011) highlights, there are different approaches to nation branding. For some authors (e.g. Fan, 2006; Jaffe & Nebenzahl, 2006; Dinnie, 2008), nation branding is focused on creating images that people generate of a country, and on influencing those images so that nation branding is aligned with the innovative strategy of a country. Some authors (Anholt, 2007; Lee, 2009) strongly support that nation branding is an integrated process of innovating a nation and affecting nation perceptions (Van den Akker, 2011).

Nation branding as a concept and practice of highlighting the country's most important performance indicators has become important area for the state's conduct in the last 30 years (Hochel, 2024). In the time of globalization and digitalization, it is even more complex and challenging to differentiate and distinguish from competitors. Namely, brands and branding are key to achieving competitive advantage in global markets (Özsomer et al., 2024). Conscious branding is crucial to compete effectively on the global stage (Kotler and Gertner, 2002). As for an unbranded country, it is difficult to attract economic and political attention. Hence, image and reputation are becoming essential parts of a state's strategy (van Ham, 2001). Dinnie (2016) emphasizes that a powerful, positive nation brand contributes to competitive advantage in a globalized economy, which is in line with Porter (1998) who claims that national differences are the core of competitive success.

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2   American Marketing Association (2023). Brand image. https://marketing-dictionary.org/b/brand-image/ (30.11.2023).

3   Oxford Languages (n.a.). Nation. https://www.google.com/search?q=nation+definition&oq=nation&gs_lcrp=EgZjaHJvbWUq-CAgAEEUYOBg7MggIABBFGDgYOzIOCAEQRRg5GEMYgAQYigUyBggCEEUYQDIMCAMQIxgnGIAEGIoFMgwIBBAA-GEMYgAQYigUyDAgFEAAYQxiABBiKBTIHCAYQABiABDINCAcQLhjHARjRAxiABNIBCTYzNzFqMG0xNagCALACAA&sourceid=chrome&ie=UTF-8 (30.5.2023).

4   Oxford Languages (n.a.). Country. https://www.google.com/search?q=nation+definition&oq=nation&gs_lcrp=EgZjaHJvbWUq-CAgAEEUYOBg7MggIABBFGDgYOzIOCAEQRRg5GEMYgAQYigUyBggCEEUYQDIMCAMQIxgnGIAEGIoFMgwIBBAA-GEMYgAQYigUyDAgFEAAYQxiABBiKBTIHCAYQABiABDINCAcQLhjHARjRAxiABNIBCTYzNzFqMG0xNagCALACAA&sourceid=chrome&ie=UTF-8 (30.5.2023).

The process of branding starts with an analysis of the current situation to find a gap between actual identity and image. As Hospers (2004, as cited in Cotirlea, 2015) claims, branding encompasses treating the gap between identity and image and making decisions about a brand in the sense of desired reputation. According to Graby (1993, as cited in Jenes, 2010), identity prism of a country consists of different dimensions and elements, such as demography and geography (physical dimension), culture and history (cultural elements), then name, flag and celebrities as personal elements, as well as relational dimension including international organizations and governments. A nation's identity is rooted in the culture of a country, but it is not a fixed concept as people perceive it in various ways in different contexts and times (Skinner & Kubacki, 2007; Balakrishnan, 2009). Therefore, the identity of a country can be changed, but it is a slow process. Namely, building a brand is a long-term process and it is not realistic to expect a short-term result (Aaker and Joachimsthaler, 2000). Therefore, a long-term strategic approach is needed to build the nation brand (Dinnie, 2016) and to position it in a desired way in the minds of consumers (Temporal, 2002; Kotler and Keller, 2011; Dinnie, 2016). Zhou (2024) explains that national branding is an active process aimed at enhancing the reputation of a country, while national image is something that exists in the perception of the audience.

As regards a branding strategy, Anholt (2007) suggests that nation branding should focus on six different segments, namely tourism, exports, policy, investment, culture, and people. How countries can build their strategies around these factors and make themselves attractive has become an issue of increasing interest to countries in recent years (Dineri et al., 2024). Mohib and Carroll (2024) emphasize that nation branding plays a critical role in attracting foreign businesses and, by extension, sustaining countries' economic development and global competitiveness. Moreover, nation branding could create significant benefits for the economy and society (Masouras et al., 2023). Countries today invest in nation branding to effectively position their country in the world as a possible investment and tourism destination (Naidoo, 2023).

Some authors argue whether a nation brand should cover all segments or should be created for all those different segments separately (Caldwell & Freire, 2004; Dinnie, 2008; Fan, 2006; Hankinson, 2004; Jaffe & Nebenzahl, 2006; Quelch & Jocz, 2005; Skinner, 2005). Hence, there are authors who strongly support the importance of creating an integrated nation branding strategy, known as umbrella nation branding (Therkelsen & Halkier, 2004; Lee, 2009; Anholt 2007; Van den Akker, 2011). According to Therkelsen & Halkier (2004), umbrella nation brands and consistent messages provide better results of branding than complex and confusing messages.

As Skoko (2021) emphasized modern countries are increasingly turning to the use of the so-called "soft power", i.e. the power of attraction and influence without the use of force (Nye, 1990 as cited in Skoko, 2021). This art of "attracting and seducing" on the global stage has been taking on increasingly creative ways, with governments investing significant resources in public diplomacy, nation branding, international public relations and international marketing. According to Skoko (2021, as cited in Malus, 2022), every day, countries send various messages, knowingly or not, through their political moves, products, culture, tourist destinations, sports, lifestyle, gastronomy, symbols, influencing their image in the public.[5]

At The Place Brand Observer (TPBO)[6] the focus is on "how countries balance economic competitiveness, soft power, and reputation while contributing to global well-being and sustainability" with a lot of different Indexes and ranking reports available.

5   Malus, S. (28.1.2022). Skoko: In the context of branding, Croatia should do what the Nordic countries do. Tportal.hr. https://www.tportal.hr/biznis/clanak/skoko-hrvatska-bi-u-kontekstu-brendiranja-trebala-raditi-ono-sto-rade-nordijske-drzave-20220128 (7.10.2024).

6   The Place Brand Observer (2024). Country Brand Rankings and Indices. https://placebrandobserver.com/place-brand-rankings-indices/ (9.10.2024).

Anholt Ipsos Nation Brands Index (NBI)[7] measures the image of 60 nations every year since 2008. The strength and attractiveness of each country's "brand image" is based on the research of the global perception of six dimensions of national identity (Nation Brand Hexagon), but Croatia is not included in this research.

Brand Finance (2024) "publishes the Nation Brands report on the top 100 most valuable country brands and the Global Soft Power Index – studies on perceptions of national brands, evaluating countries based on their influence and reputation on the global stage."[8] According to Nation Brand Ranking[9] for 2024 Croatia is ranked in 73rd place out of 193 countries. Global Soft Power Index for 2024[10] ranked Croatia overall in 47th place (with familiarity 58th, reputation 38th and influence 53rd place) out of 193 member states of the United Nations.

In the context of branding, Skoko (2021) suggests that Croatia should follow the example of the Scandinavian countries in the way of using soft power. Namely, the consistent implementation of the nation branding strategy through credible, interesting and innovative communication based on relevant stories and content results in global recognition and influence.

2.3. SWOT analysis of the Republic of Croatia

Kotler and Gertner (2002) suggest that one of the first steps in forming a brand strategy is preparing a SWOT analysis. In the SWOT analysis[11] of the Republic of Croatia opinions from 46 distinguish authors (academic community members, consultants, analytics, entrepreneurs, specialized journalists and the representatives of business associations, unions, and political parties) were collected in 2021 (Table 1).

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7 Ipsos (2023). The Anholt-Ipsos Nation Brands Indeks. https://www.ipsos.com/sites/default/files/ct/news/documents/202310/NBI_2023_Press_Release_Supplemental_Deck_WEB.pdf (8.10.2024).
8 The Place Brand Observer (2024). Brand Finance. https://placebrandobserver.com/brand-finance/(10.10.2024).
9 Brand Finance (2024). Nation Brand 193 Ranking 2024. https://brandirectory.com/rankings/nation-brands/ (10.10.2024).
10 Brand Finance (2024). Global Soft Power Index 2024. https://brandirectory.com/softpower/nation?country=118 (10.10.2024).
11 Litvan, G. (2021). Croatian SWOT Final evaluation: The strength is in the position, the weakness is the state administration, the EU is a key opportunity, and demography is the biggest threat. Lidermedia.hr. https://lider.media/poslovna-scena/hrvatska/hrvatski-swot-zavrsna-ocjena-snaga-je-u-polozaju-slabost-je-drzavna-uprava-eu-je-kljucna-prilika-a-demografija-najveca-prijetnja-134800

Table 1. SWOT analysis of the Republic of Croatia

STRENGHTS	WEAKNESSES
• Geographical (and geopolitical) location • Human resources • EU (with its funds and introduced euro) • Resources • Infrastructure, primarily road infrastructure • High-tech firms and IT firms with a promising start-up scene • Stable financial sector • Safety • Improvisation and adjustment	• Public administration and justice • Demography with emigration • Educational system • Corruption • Legislation, regulation, and legal uncertainty • Lack of implementation of reforms and unwillingness to change • Too strong influence of state politics on business • Human resources • Tourism • Taxes • Lack of vision and strategy
OPORTUNITES	THREATS
• EU • Tourism • High tech firms with promising start-up scene • Industry and merchandize export • Geographical and geopolitical location • Entering global value chains • Educational system • Ecological agriculture • Privatization • Green and circular economy • Digitalization • Human resources • Renewable energy sources • Research and development (R&D)	• Demography with emigration • Lagging behind the region and European Union • Political instability • Human resources • COVID-19 with consequences and similar global shocks • Lack of implementation of reforms • EU, misappropriation of funds • Tourism • Corruption • Intensifying divisions in society • State administration, administration of justice • Climate changes

Source: Litvan, G. (2021). Croatian SWOT Final evaluation: The strength is in the position, the weakness is the state administration, the EU is a key opportunity, and demography is the biggest threat. Lidermedia.hr. https://lider.media/poslovna-scena/hrvatska/hrvatski-swot-zavrsna-ocjena-snaga-je-u-polozaju-slabost-je-drzavna-uprava-eu-je-kljucna-prilika-a-demografija-najveca-prijetnja-134800

As presented in Table 1, Croatia's greatest strength is geographical and geopolitical location, whereas the public administration and justice are the greatest weaknesses. Tourism is also mentioned as a weakness because of the dependency of the whole economy on it. According to the authors' opinion, tourism should also be recognized as a strength since it is the key sector of the Croatian economy. In addition, Croatian state administration is detected as the main weakness. The main opportunity is EU membership, while the negative demographic trend has been considered as the biggest threat.

More about SWOT analysis of the Republic of Croatia from the aspect of tourism offer can be found in the Strategy for Sustainable Development of Tourism until 2030[12] (where SWOT analysis was based

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12   Hrvatski sabor (16.12.2022). Strategija razvoja održivog turizma do 2030. godine. Narodne novine 2/2023. https://narodne-novine.nn.hr/clanci/sluzbeni/full/2023_01_2_18.html (7.10.2024).

on the input from various stakeholder groups). "The key feature of Croatia as a tourist destination is its authenticity, which is reflected by hospitable, open and cordial people, the diversity of its regions and its rich natural and cultural heritage."[13]

2.4. Previous research about Croatian national identity

Skoko (2005) emphasizes the following key elements of the Croatian national identity: historic and cultural heritage, the quality of human potential, natural beauty, way of life, great men, community values, Croatian cuisine, and specific industrial products. The author referred to the research from 2003 with 406 participants from 20 Croatian counties. Respondents were asked to identify entities that could best represent Croatia in the world. One third of the respondents stated tourism and 14% claimed it would be the Adriatic Sea. Skoko and Gluvačević (2016) also support the major response in favor of tourism claiming that Croatian potential of tourism and related fields are above the average.

In the research of Seljan et al. (2021) conducted on the sample of 330 Croatian students with the aim to determine elements of brand identity that respondents mostly associate with Croatia seven elements were offered: buildings, food, fashion, logo and symbol, natural landscape, emblems and flag, and famous people. According to respondents' opinion, elements that represented Croatia the most are: natural landscape, food, and buildings. In contrast, factors that contribute to brand identity the least are the emblem/flag, logo/symbol and fashion.

3. EMPIRICAL RESEARCH

3.1. Methodology

This research aimed to analyze and compare perception of Croatia as a brand among Croatian and foreign respondents. Quantitative survey[14] was carried out in March 2021 using two questionnaires created on the Google forms platform (the first in the Croatian language, and the second in English for foreign respondents). Links to the questionnaires were distributed through the authors personal networks and through groups on social networks with an interest in public relations and marketing with a request to further share the link, which created a "snowball effect", with the aim of collecting 100 responses from Croatian and 100 foreign respondents.

Questionnaires were formulated partially based on the work of Anholt (2007) and Skoko (2005). The first group of questions in both questionnaires refers to demographic characteristics such as gender, age, level of education (and country of origin for foreign respondents and whether they visited Croatia). In the second group of questions, Croatian respondents were asked to rate Croatia as a place to live, and foreign respondents were asked to rate their knowledge of Croatia on a Likert scale (1 to 7) along with a question about Croatia's geopolitical affiliation. A Likert scale (from 1 to 7) is used to capture fine nuances (even though used in the social sciences, it is not as common as a 5-point scale). The third group of questions refers to the respondents' perception of the most recognizable features of Croatia, the perception of the six dimensions of national identity according to Anholt's model (with a 5-point Likert scale), key words that would describe Croatia and the comparison of Croatia with a certain level of product brand.

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13   Hrvatski sabor (16.12.2022). Strategija razvoja održivog turizma do 2030. godine. Narodne novine 2/2023. https://narodne-novine.nn.hr/clanci/sluzbeni/full/2023_01_2_18.html (7.10.2024).

14   The research was partially conducted for the purpose of the co-author's final thesis paper (M.M.).

3.2. Research results

Table 2 shows the basic demographic characteristics of both samples: respondents from Croatia (domestic sample) and from abroad (foreign sample). Samples are similar in gender representation and age of respondents. In both samples 83% of respondents were young people (up to 35 years of age). Out of 100 foreign respondents, 51% have never visited Croatia, while 49% of them have visited Croatia.

Table 2. Demographic characteristics of the respondents

|	Domestic sample (N = 100)	Foreign Sample (N = 100)
Gender		
Male	35	40
Female	65	59
Do not declare	0	1
Age		
Less than 18	10	16
18 to 25	57	37
26 to 35	16	30
36 to 50	6	15
51 to 55	11	0
Older than 55	0	2
Education level (accomplished)		
Primary	5	11
High school	44	21
Higher education	45	47
Master or Doctoral degree	6	21
Foreign respondents from 30 countries (No. - foreign respondents)	Canada (27), the Netherlands (12), Germany (7), England (5), Portugal (4), Italy (3), Poland (3), the Czech R. (3), Spain (3), Russia (3), Hungary (3), USA (3), Australia (2), Austria (2), Slovakia (2), Greece (2), Vietnam (2), Philippines (2), Serbia (1), Romania (1), Bulgaria (1), Aruba (1), Cuba (1), Colombia (1), Argentina (1), France (1), Nigeria (1), France (1), Ukraine (1), Turkey (1).	
Foreign respondents who have visited Croatia	51%	
Foreign respondents who have never visited Croatia	49%	

Source: Authors research

Domestic respondents were asked to evaluate Croatia as a place to live on a seven-point scale, where 1 represents "Terrible place to live" and 7 "Great place to live" (Graph 1).

Graph 1. Domestic respondents - Croatia as a place to live
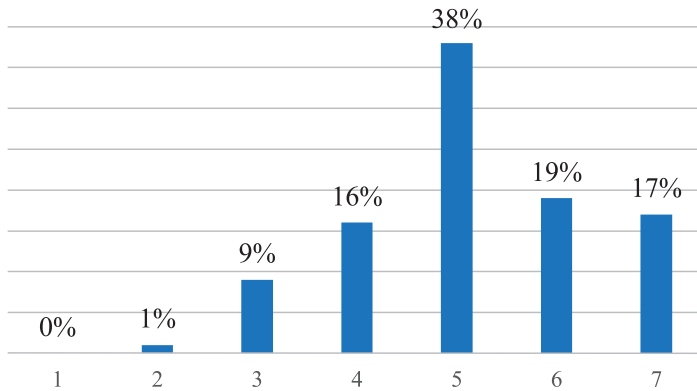
Source: Authors research

Considering the public narrative about the state of the country, an average grade of 5.16 can be considered as a positive result. Only 10% of respondents are not satisfied with the life in Croatia (grades 1, 2, 3), compared with 74% of respondents who consider Croatia as a good place for living (grades 5, 6, 7). The fact that almost three quarters of respondents consider Croatia as a pretty good place to live is important for the branding process, because the success of such a process largely depends on the internal climate in the country and the acceptance of such initiatives by the total population.

Foreign respondents were asked to grade their knowledge about Croatia on the scale from 1 to 7 (Graph 2).

Graph 2. Foreign respondents – personal knowledge about Croatia
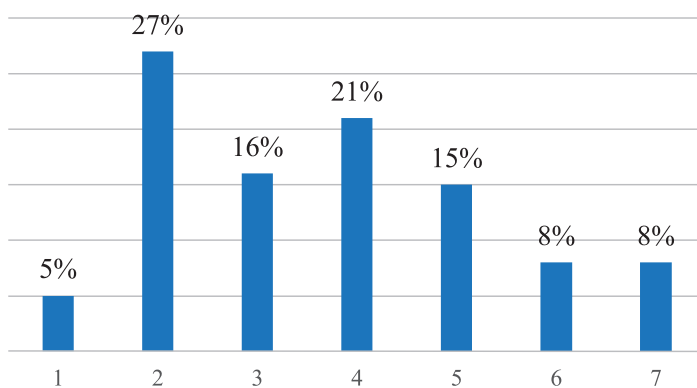
Source: Authors research

An average grade of foreign respondents' knowledge about Croatia according to their own judgment is 3.7.

Respondents from both samples were asked how they perceive geopolitical affiliation of Croatia; a) as a Mediterranean/Central European country and a member of the European Union or b) as a member of the former Yugoslavia, a Balkan country and part of Eastern Europe (Graph 3).

Graph 3. Perception of the respondents about geopolitical affiliation of Croatia

Geopolitical affiliation
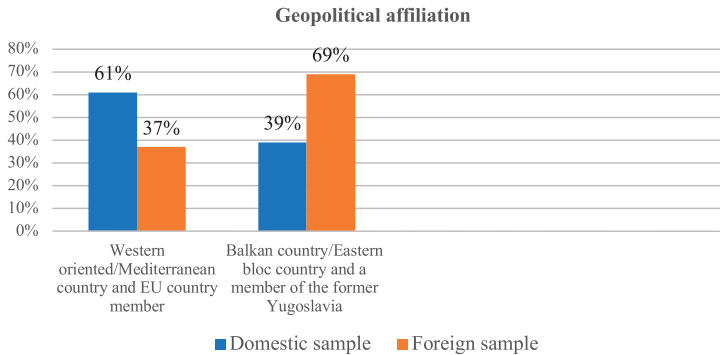
Source: Authors research

From Graph 3 it is evident that the perception between domestic and foreign respondents is quite different; 61% of domestic respondents perceive Croatia as a western-oriented, Mediterranean/Central European country and an EU country member, while 69% of foreign respondents perceive Croatia as a Balkan country/Eastern block and a part of former Yugoslavia.

The next questions were aimed to investigate the perception of the respondents about most recognizable features of Croatia (Graph 4).

Graph 4. The most recognizable features of Croatia

What is Croatia most recognizable for?
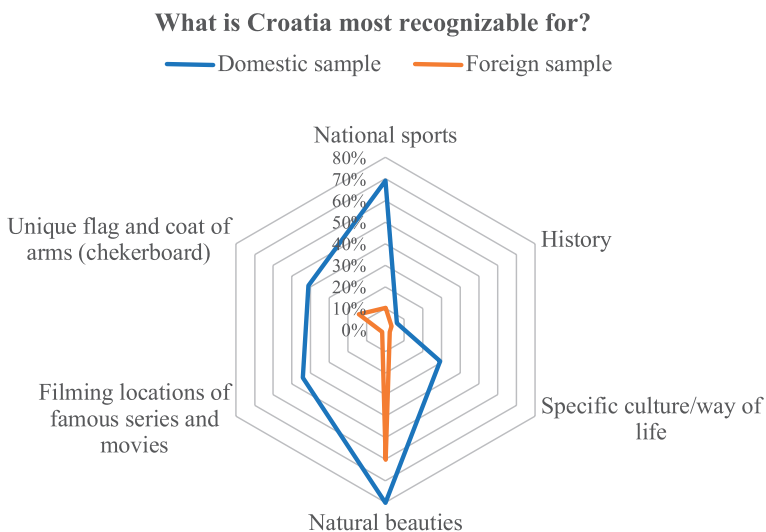
Source: Authors research

Domestic respondents were asked what makes Croatia most recognizable in the eyes of foreigners, and foreign respondents were asked what they consider most recognizable about Croatia (questions with the possibility of multiple answers). In answering they could choose from the following categories: a) sports, b) history, c) specific culture/way of life, d) natural beauty, e) filming locations of famous series and movies, and f) a flag and coat of arms (red and white checkerboard pattern).

From Graph 4 there is a visible gap between the opinion of domestic and foreign respondents. Domestic respondents give higher evaluation for all above-mentioned characteristics. Respondents from both samples agree that natural beauty is the most recognizable characteristic (80% domestic respondents and 60% foreign) and history is the least recognizable characteristic (6% domestic and 3% foreign). In general, the most recognizable characteristics of Croatia are (ranked according to collected answers):

a) Domestic respondents: 1. Natural beauty, 2. National sport, 3. Filming location, 4. Unique flag, 5. Specific culture and way of life, 6. History.

b) Foreign respondents: 1. Natural beauty, 2. Unique flag, 3. National sport.

In the following questions respondents were asked to rate the dimensions of national image according to the importance for strengthening Croatia's image in the world. The importance of each dimension was graded on the Likert scale (1 – 5 grades), (Table 3). National image determinants were described and presented according to the Anholt hexagon model (Graph 5).

Table 3. Importance of six dimensions of national image for strengthening Croatian nation brand

		1	2	3	4	5	AVERAGE (RANK)
TOURISM	Domestic	3	1	26	20	50	**4.13 (1.)**
	Foreign	4	5	15	36	40	**4.03 (1.)**
CROATIAN BRANDS	Domestic	4	9	37	30	20	3.53 (4.)
	Foreign	15	23	28	26	8	2.92 (5.)
POLITICS	Domestic	14	18	28	27	13	3.07 (6.)
	Foreign	23	15	20	30	12	2.93 (4.)
FOREIGN INVESTMENTS	Domestic	6	17	38	16	23	3.33 (5.)
	Foreign	16	17	36	25	6	2.88 (6.)
CULTURE	Domestic	1	8	33	30	28	**3.76 (2.)**
	Foreign	3	7	25	43	19	**3.90 (2.)**
PEOPLE	Domestic	5	14	28	23	30	**3.59 (3.)**
	Foreign	7	12	20	36	20	**3.43 (3.)**

Source: Authors research

Opinions of domestic and foreign respondents are somewhat similar; domestic respondents' grade range is from the highest 4.13 (tourism) to the lowest 3.07 (politics) and in case of foreign respondents' grade range is from the highest 4.03 (tourism) to the lowest 2.88 (foreign investments). According to mutual grading three most important dimensions for strengthening Croatian image in the world are 1. tourism, 2. culture and 3. people. In Graph 5 evaluation of national image determinants according to both respondents group were presented through the hexagon model.
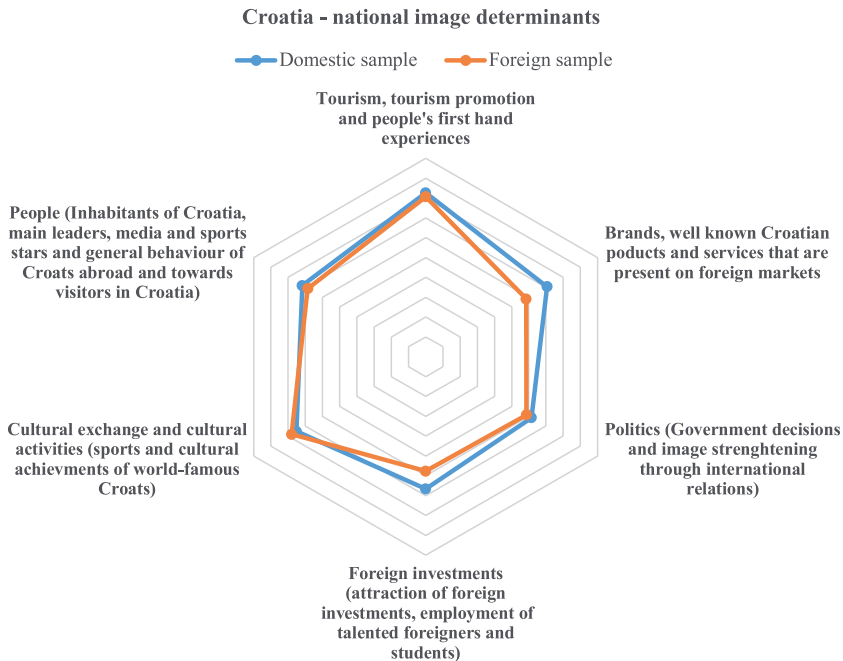
Graph 5. Hexagon model – evaluation of national image determinants

Source: Authors research

Respondents were also asked to describe Croatia using maximum three words for which results are shown in Table 4 (open-ended question).

Table 4. Croatia described in three words

DOMESTIC RESPONDENTS - TOP FIVE DESCRIPTIONS (No. of responses)	FOREIGN RESPONDENTS - TOP FIVE DESCRIPTIONS (No. of responses)
1. Beautiful (47)	1. Beautiful (31)
2. Safe (39)	2. Sea / Beach (21)
3. Hospitable / Pleasant (29)	3. Nature (15)
4. Unique (14)	4. Hospitable (12)
5. Clean (9)	5. Sunny (10)

Source: Authors research

Both respondent groups described Croatia with similar key words such as beautiful, safe, hospitable/ pleasant (domestic) or as beautiful, sea/beach, nature and hospitable (foreign respondents).

In the last question domestic respondents were asked to estimate the potential of Croatia to become equivalent of certain brand level (close question). Foreign respondents were asked to compare Croatia with some well-known brands (open question). The results are shown in Table 5.

Table 5. Comparison of Croatian nation brand with product brand levels

DOMESTIC RESPONDENTS (closed question)	FOREIGN RESPONDENTS (opened question)
Potential of Croatia as a brand to become:	Croatia compared with a well-known brand:
a) High-end (62%)	a) High-end or luxurious: (19%)
b) Premium (25%)	- fashion: Tommy Hilfiger, Gucci, Versace (7%)
c) Mid-range (12%)	- cars: Rimac, Audi, Volvo (6%)
d) Low budget (1%)	- tech-brand: Apple, Sony (2%)
	- sea & sailing (2%)
	- rare and luxurious (2%)
	b) Mid-range: (18%)
	- sport: Nike, Puma, Adidas (6%)
	- food: Pepsi, Magnum, Kraš (8%)
	- cars: Ford, Peugeot, Citroen (4%)

Source: Authors research

Respondents in both samples have the opportunity to express their opinion about what kind of brand Croatia remind them of. For majority of domestic respondents Croatia has a potential to become a high-end or premium brand (87%). At the same time, foreign respondents compare current Croatia with some well-known brands, and only 19% of foreign respondents compared Croatia with a high-end or luxurious brand. The above confirms the existing gap between domestic and foreign perception of Croatia nation brand, but also opens the opportunity that with the right brand strategy and consistent implementation with the involvement of the domestic public, Croatia could become desirable and admirable nation brand.

3.3. Discussion, limitations and suggestions for future research

Discussion

In general, respondents have a positive attitude toward Croatia. Domestic respondents on average grade Croatia with 5.16 as a good place to live (on scale from 1 to 7). It is interesting that the majority of domestic respondents (61%) perceive Croatia as a western-oriented, Mediterranean and EU country, while the majority of foreign respondents (69%) perceive Croatia as a Balkan country, Eastern block and a part of former Yugoslavia.

RQ1: What does the national identity of the Republic of Croatia consist of?

As the most recognizable characteristics of Croatia's identity both groups emphasized the importance of natural beauty, national sport, and the flag, while domestic respondents added a filming location and a specific culture and a way of life. Both groups remark history as the least recognized feature of Croatian identity.

RQ2: What is the perception of Croatia as a brand among domestic population?

Both respondent groups described Croatia with similar key words such as beautiful, safe, hospitable, and pleasant (domestic respondents), or as beautiful, sea/nature and hospitable (foreign respondents). The above-mentioned results indicate that the image of Croatia is favorable and does not differ negatively from its identity. Furthermore, domestic respondents emphasized that the country is a pleasant and safe place, which combined with the specific culture and a way of life could be a great potential for Croatia nation brand storytelling, and a solid pillar in the future nation brand strategy.

RQ3: How do foreign respondents perceive Croatia as a brand?

As the most important dimensions for building stronger image of Croatia, both respondent groups selected tourism, culture, and people. For the majority of domestic respondents Croatia has a potential to achieve a level of a high-end or premium brand (87%), while at the same time 19% of foreign respondents already compare Croatia with a high-end or luxurious brand, and 18% with a mid-range brand.

From the findings of the research, some ideas for positioning in the future strategy of the national brand could arise. For instance, Croatia could be presented as a "great place to live, love and work in the heart of Europe". Croatia should be presented to the world as a safe and beautiful destination, with preserved picturesque nature with varied landscape from mountains to the Adriatic Sea, and with a pleasant and relaxed way of life and friendly people. In the interest of the development of Croatian society and economy, targeted communication could be developed to attract young talented and educated people, with the main message that Croatia is a place with great quality of life in the heart of Europe.

Limitations

The main limitation of the research is the type of samples used, namely convenient samples were used, not representative ones, therefore the presented results should be considered preliminary. In both sample groups there were no major differences concerning gender, age or education level structure, but the samples were not representative according to size and structure, since in both groups the younger population prevailed (83% up to 35 years). The foreign sample includes respondents from 30 countries, which is favorable but not sufficient to represent the structure of the country or worldwide population. Furthermore, in the foreign sample half of the respondents (49%) visited Croatia, while the rest did not have prior personal experience of visiting the country.

Suggestions for future research

The suggestion for future research is to conduct a similar study on a regular basis but with the use of representative samples for domestic and foreign populations. Furthermore, it would be advisable to do a comparative study on the foreign population between the group of those who have visited the country and those who have not.

4. CONCLUSION

Creating a recognizable and reputable brand, that is branding, requires a long-term strategic approach. A brand is more than just a combination of some elements, symbols, signs, names, or designs. All these elements are "vehicles" for conveying a carefully chosen message to a selected audience. Brand represents a mixture of functional and emotional values that promise a unique experience to their clients. A brand has its essence which is made of values, vision, and a purpose from which brand identity is built. On the other hand, a brand image represents the audience's perception of it in their heads. In the process of branding there is a constant need to monitor the gap between the desirable picture of a brand (brand identity) and a real picture (brand image). Brand is a key element of sustainable competitive advantage in any business. In modern society, branding is applied in almost every sphere of human activity, from products, services and organizations to people, cities, regions, and countries.

The concept of image and identity can be applied to a country or a nation. In this case, an image represents public opinion about someone or something, while an identity represents what someone or something really is and how they identify themselves. When branding a country or nation, a good starting point is to understand the gap between image and identity. Then a consistent strategic approach should be developed to create a coherent image and to make sure that this is communicated in a consistent matter. In other words, it is important to create an integrated nation branding strategy (umbrella nation branding). Umbrella nation brands and uniformed messages provide better results on target audiences than complex and conflicting messages. Under an umbrella nation brand unified nation image could be achieved, which results in a consistent image in the international arena. The biggest challenge in nation branding is how to develop a single image that can be communicated to different countries with diverse audiences and is also valid for the different industries of the country.

In a globalized economy powerful and positive nation brand contributes to a competitive advantage of the nation. Nation branding can create competitive advantage by promoting the nation's values in different areas, from tourism, export, policies, inward investments, and culture to attracting talents. Therefore, the image and reputation of a country are becoming an essential part of the development strategy of a country.

Croatian national identity is presented through national symbols such as the flag and coat of arms, territory, national beauty, language, history and cultural heritage, religion, and people, i.e. inhabitants of a country.

The goal of the paper was to answer research questions about the elements of national identity and a perception of Croatia as a brand among domestic population and foreign respondents. In the paper, research results are presented and discussed, and some suggestions were made for the Republic of Croatia branding strategy. Limitations and suggestions for further research are stated.

Finally, the most important question is whether a country will manage its own brand or leave it to others to "brand" it instead. In other words, the question is not whether a country needs a brand strategy, but what it will be like and how well it will be implemented. When decision makers decide to apply nation brand strategy, it could without any doubt enhance the national competitiveness, improve the economy and business climate, attract foreign investment, and inspire not only foreigners to visit, study, work and settle in Croatia, but also Croats from abroad to come back to their home country.

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Analiza percepcije Republike Hrvatske kao brenda – neke preporuke za izradu nacionalne strategije brendiranja

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SAŽETAK

Cilj rada bio je istražiti nacionalni identitet i imidž Republike Hrvatske kako bi se identificirale mogućnosti i dale preporuke za izradu strategije brendiranja Hrvatske. Prikazana je usporedna analiza percepcije Hrvatske kao brenda na temelju provedenog istraživanja na uzorku od 100 ispitanika iz Hrvatske i 100 stranih ispitanika iz 30 zemalja. Kao što je i očekivano, hrvatski ispitanici imaju jače izražene pozitivne stavove, iako su i strani ispitanici pokazali određene pozitivne predodžbe o Hrvatskoj. Ispitanici Hrvatsku doživljavaju kao ugodno i sigurno mjesto sa specifičnim načinom života što je dobra polazna točka za brendiranje Hrvatske. Usporedba s markama *high-end* i *premium* proizvoda pokazuje potencijal za daljnji razvoj Hrvatske kao brenda. U radu su navedeni neki prijedlozi za brendiranje Hrvatske, kao i ograničenja i preporuke za buduća istraživanja.

Ključne riječi: strategija brenda, zemlja kao brend, dimenzije brenda nacije, brendiranje nacije, Republika Hrvatska