



USAID
FROM THE AMERICAN PEOPLE

BIH TOURISM BRANDING & MARKETING STRATEGY

PART I: BRANDING

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CONTENTS

1.	INTRODUCTION	1
1.1	Purpose and Context	1
1.2	What is a Brand, and Why is it Important?	1
2.	PERCEPTIONS OF BOSNIA & HERZEGOVINA	3
2.1	BiH Residents' Perceptions	3
2.2	International Perceptions	3
3.	THE BOSNIA & HERZEGOVINA BRAND	5
3.1	BiH's Key Assets	5
3.2	What Makes BiH's Nature, Culture and Heritage Distinctive?	5
	3.2.1 <i>Unspoilt Nature</i>	5
	3.2.2 <i>Cultural Heritage</i>	6
	3.2.3 <i>Hospitable People</i>	6
3.3	Building the BiH Brand: The Brand Triangle	7
4.	APPLYING THE BRAND	9
4.1	Brand Essence	9
	4.1.1 <i>Marketing Communications</i>	9
	4.1.2 <i>Living The Brand</i>	9
4.2	Logo	10
4.3	Brand Guidelines	10
5.	COMPETITOR ANALYSIS.....	11
6.	MEASUREMENT	14
7.	NEXT STEPS	14

Figures

<i>Figure 1:</i>	Rational & Emotional Benefits	7
<i>Figure 2:</i>	Personality, Positioning Statement, and Brand Essence	8
<i>Figure 3:</i>	Nature vs. Adventure	12
<i>Figure 3:</i>	Hospitality vs. Cultural Diversity	13

1. INTRODUCTION

1.1 Purpose and Context

Purpose

The primary focus of this branding strategy is on **tourism**. Nevertheless, there is a strong recognition that the core brand values that have been identified for the BiH tourism sector can transcend other sectors too (particularly wood and water).

What is required to develop this into a fully fledged country (as opposed to merely tourism-related) branding strategy that will underpin BiH's overall international economic competitiveness, is to engage stakeholders in other key sectors. This has not been possible to any meaningful extent during this exercise. However, as the following analysis illustrates, this tourism branding strategy presents a firm foundation on which to build a robust country brand for BiH

Context

This Branding Strategy sits within the context of the Strategic Marketing Framework for BiH, prepared for USAID CCA.

Branding is one weapon in the marketing arsenal. It should not be viewed or implemented in isolation from the Marketing Strategy.

1.2 What is a Brand, and Why is it Important?

The Role of a National Brand

A national brand reflects the **enduring essence of a country** and thereby underpins its long-term competitiveness.

The principle behind a country branding strategy is that, as long as rational business motivators are in place (e.g. *inward investment*: labour skills, productivity, communications, access to markets, infrastructure; *exports*: products that work, are desirable and well-designed; *tourism*: beautiful scenery, things to do, quality accommodation, good service standards), the **image** of a country plays a critical role in attracting people to come and live, work and even invest there, as well as to study and visit. When all rational preconditions for doing business are in place, the image of the country as an attractive destination can influence peoples' perceptions of the country to a disproportionately positive extent. This spills over into attitudes towards the country's export products, people and business environment.

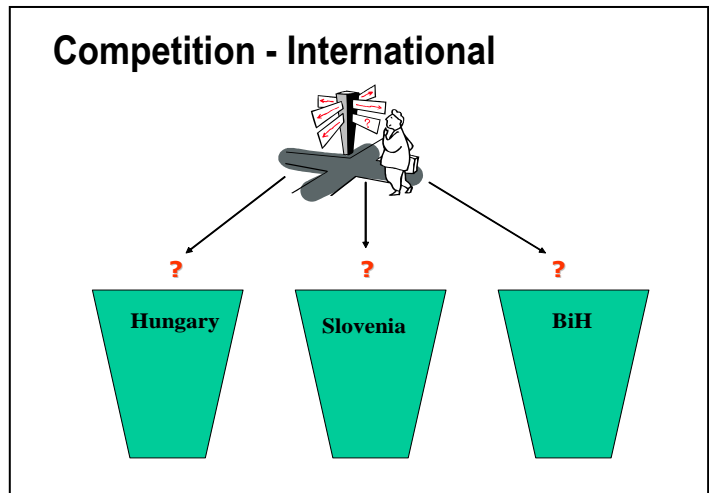
Significantly, many peoples' first impressions of a country are often created by its image as a tourism destination. This is particularly so in the case of lesser-known countries. This image, which is expressed as the brand essence or personality of the place, needs to be understood and consistently applied by all who promote or talk about the country externally, in order to reinforce positive associations with the country.

Visitors and business people also need to experience the promise of the brand at all key "**customer touchpoints**" where they interact with inhabitants of the country. It is important that their experience of the country – from immigration to departure, whether on holiday or on business – is a good one, in which the core brand values of the country are consistently reinforced.

The world is becoming an increasingly competitive marketplace. With the collapse of communism, lower airfares, investment in new destinations, and increasingly affluent and well-travelled tourists, there has been a rapid growth in new destinations worldwide. Travel is no longer restricted to near neighbours; and more countries than ever before want a slice of the action.

So every country has to find a way to stand out in this highly competitive marketplace. This means identifying what the country's core, enduring strengths are in relation to its key competitors and promoting them consistently to potential visitors – establishing a brand identity that will underpin all marketing activities and help form a clear perception of the country amongst potential visitors.

Too many countries promote themselves as commodity destinations (e.g. European beach destinations), which prevents them from establishing a clear brand identity and all too often leads to destructive price competition. This jeopardises their ability to control the type of tourism they attract because they have no inherent perceived brand value. They become seen as “tourism receptacles” that are little more than commodity destinations, because they have failed to communicate their “sense of place”, which makes them different from their competitors. **A strong country brand helps customers decide where to go.**



What are the Benefits of a Brand?

- Personality
 - Distinctive
 - Memorable
- ↓
- Distinguished from competitors
 - Build loyalty
 - Premium price

In essence a brand is no more than a personality for a destination, which distinguishes it from other places and helps it become memorable for its core personality traits – its inherent and distinctive “sense of place”. And, importantly, its personality is enduring, not something that can be invented and reinvented by destination-makers at will with each year’s marketing campaign.

So, development of the tourism brand is critical to a country’s future. This involves identifying the country’s **core strengths** and establishing its **personality traits (or values)**. These must then be communicated clearly and consistently by all who promote BiH in their marketing communications. The more

these personality traits/values are expressed in marketing activities by each sector, the more impact the country will have on the international stage.

All BiH stakeholders should seek to understand how they can apply these values to generate synergy for the country. And, although they have been developed primarily from a tourism perspective, every effort must be made to reflect these brand values throughout all business sectors, wherever applicable. For instance, if one of BiH’s core personality traits/values is its *unspoilt nature*, this should help attract tourists as well as enhance the image of Bosnian timber. It might also help sell Bosnian water internationally. **Identifying core personality traits/values that can transcend different economic sectors, and can be applied in each sector’s marketing activities, is key.**

What is a Destination Brand?

- “A destination brand is the mix of the *core characteristics* of the place that makes it distinctive and memorable
- It is the *enduring essence* of the place that makes it different from all other places (and competitors)
- Importantly, the brand exists in the *eyes of the beholder*. It has to be credible and real; it cannot be manufactured

2. PERCEPTIONS OF BOSNIA & HERZEGOVINA

2.1 BiH Residents' Perceptions

Methodology

Meetings were held with a wide range of public and private stakeholders throughout BiH, in both the Federation of BiH and Republica Srpska, as well as at state and district level, to elicit people's views on BiH's strengths and weaknesses, primarily as a tourism destination. There was a remarkable uniformity of views across both sectors and throughout the country.

BiH Perceptions

Although concern was expressed by BiH residents about BiH's image as a **country emerging from conflict**, this is actually probably much less of an issue with regard to developing tourism than people fear. The reason for this is that the international news agenda moves very rapidly and, when a country no longer features in regular news reports, it tends to disappear below peoples' radar, unless there are other reasons for its presence. And those for whom the BiH tourism product is attractive are likely to be more resilient and more open to new messages about the country.

BiH stakeholders viewed the country's greatest assets as its **unspoilt nature**, opportunity for **outdoor activities**, rich **cultural heritage** and **friendly people**. While these are similar to the claims of many European countries, this branding strategy identifies how they might be applied in a way that will differentiate BiH from its competitors.

2.2 International Perceptions

Methodology

Although resources did not permit primary research to be undertaken amongst consumers, the following information sources were applied as a proxy for establishing visitor perceptions of BiH:

- Views of **inbound tour operators in BiH** as to what their customers liked
- Combined knowledge of **other stakeholders in BiH** (incl. entity-level tourism associations, Tourism Association in BiH, RS Tourism Organisation, USAID tourism team, FIPA, Ministry of Foreign Affairs, RS Ministry of Trade & Tourism, BiH Ministry of Environment & Tourism, Faculty of Economy, University of Sarajevo, Brcko District et al.)
- A telephone survey of **tour operators in UK, Holland, Belgium, Germany, Austria, Switzerland, Italy, Spain, France, Sweden, Croatia, Slovenia, Czech Republic, Hungary, Bulgaria, Poland, USA, Canada & Japan**
- An in-depth discussion with 2 **UK tour operators** who had already sent clients to BiH, or were planning to include BiH in their 2008 programme.

International Perceptions

BiH clearly suffers more from **lack of international awareness** as a potential visitor destination, than from any negative image associated with the recent years of conflict. This is, ironically, a relatively good position from which to start developing tourism: a starting point of ignorance is preferable to a negative image.

More significantly, the greatest threat to BiH's tourism development is **sheer ignorance** of what it has to offer. Those who would be attracted by BiH's tourism offer (i.e. nature, activities,

culture, city breaks) are unlikely to be deterred by its past history of conflict, primarily because it is a distant memory to them and there is no immediate perceived security threat to visitors. Much more important is how the BiH tourism offer stacks up against its competitors in terms of interest, product quality and service standards.

The main conflict-related threat that will have to be addressed when visitors do begin to arrive is the extent of **mined areas**. This will need to be treated with absolute candour and clear assurance given about the areas that are safe to walk in, particularly by BiH tourism operators, so that there is no ambiguity about safety.

The **UK tour operator view** was that BiH's appeal was restricted to culture and history (focused on Sarajevo and Mostar) and outdoor activities, particularly hiking. BiH was considered to offer a richer and more diverse cultural and historical product than the other Balkan countries, which made it attractive.

Main products sold in the UK were Balkan tours and Sarajevo city breaks with an extension to Mostar. However British Airways' planned reduction of flights from April 2008 will stall sales of Sarajevo city breaks (3 nts), which had been growing.

Sales of BiH programmes had been growing from the UK, with one operator reporting a 300% increase in 2007, albeit from a small base

3. THE BOSNIA & HERZEGOVINA BRAND

3.1 BiH's Key Assets

BiH, in common with most countries, has many assets that would appeal to visitors, particularly as they travel around and explore the country. But which are the strongest that will enable BiH to stand out from its competitors in the international marketplace? What is BiH's "tourism personality" that distinguishes the country as somewhere different, and worth visiting?

BiH's ability to compete effectively as a tourism destination lies in the answers to these questions.

BiH's key assets have been identified above as:

- **Unspoilt nature**
- **Hospitable people**
- **Rich cultural heritage**

But most destinations in Europe offer a mix of nature, culture and friendly people. So how is BiH different? How can BiH differentiate itself using these relatively ubiquitous assets?

The answer lies in identifying the *uniquely Bosnian* elements of these assets and then using them as the foundation for the branding strategy; in featuring them consistently and appropriately to target audiences in the marketing of BiH; and in seeking to reinforce and elaborate upon them in marketing collateral (e.g. website, brochures, PR, DVD etc.). The cumulative impact will, ideally, be a gradual growth in awareness of BiH's tourism offer and a growing understanding of how BiH is different from its natural, cultural, hospitable competitors.

3.2 What Makes BiH's Nature, Culture and Heritage Distinctive?

Uniquely Bosnian elements of BiH's nature, culture and people can be characterised as follows:

3.2.1 Unspoilt Nature

BiH has vast swathes of **scenically beautiful countryside** that is relatively sparsely populated, which is quite pristine and relatively unspoilt with few large industrial towns. This is not in itself unique but, access to space and tranquillity within a scenically beautiful and "environmentally clean" setting, particularly when combined with traditional culture, is becoming increasingly rare in Europe. It is also increasingly sought after as busy executives seek to escape the frenetic pace of their daily metropolitan lives in Europe's main tourism-producing markets.

Wildlife and local flora are an important component of the natural experience. BiH can deliver opportunities to see birds, particularly during the winter migration. But the opportunity to see larger mammals, such as wolves, is limited and much less than Slovenia or Romania for bears (although their numbers may grow back in time as the years pass since the end of conflict). The richness of BiH's flora is "comparable only to that found in tropical and sub-tropical regions"¹, lying at the intersection of two large floral regions – the Euro-Siberian and Mediterranean.

Locally produced **food and drink** can also enhance the natural aspect of the BiH brand, particularly bottled water, which is a direct production from nature. This is something that is again becoming increasingly rare elsewhere in Europe: unpolluted rivers from which walkers can drink, which provide the source of commercially bottled water. Conversely, BiH's natural

¹ Bradt Guide to BiH

environment can contribute to a positive image, and therefore hopefully ultimately sales, of BiH bottled water. Beer from local water and unique locally brewed liquor can also enhance this natural image, and in turn gain from it.

The opportunity to participate in **adventure activities** (e.g. hiking, river rafting, kayaking), as well as more **extreme sports** (e.g. canyoning, speed diving, caving) in unspoilt countryside will also reinforce perceptions of BiH as natural destination. International events, such as the 2009 World Rafting Championships are important endorsements that will help strengthen this image. BiH should aim to attract more of the many peripatetic international sporting events that take place every year, in order to reinforce this **natural, active, outdoor image**, which relies on a majestic unspoilt natural environment (e.g. mountain biking, orienteering championships etc.).

3.2.2 Cultural Heritage

BiH's rich history is evident today in a vibrant patchwork of different ethnic groups, religions, architecture and remains. There is, particularly in Sarajevo (whose derivation from "caravan resting place" underlines the message), a genuine "east-meets-west" feeling. Often this is a cliché, but Sarajevo's history and contemporary atmosphere reflects this more than almost anywhere outside Jerusalem and Istanbul. Medieval mountain villages (albeit with satellite TV and internet access), religious pilgrimage sites of all faiths (Medjugore, Blagaj, Stolac), Illyrian settlements, Roman ruins, medieval stecci, 20th century history, and much more offer a complex and rich heritage for the interested visitor.

All countries have a rich history, but what makes BiH stand out from others in the region is its **extraordinary diversity** and "**east-meets-west**" flavour that is still palpable today.

3.2.3 Hospitable People

Again, people in most countries that seek to attract tourists are friendly; otherwise they wouldn't be successful as tourist destinations. But what makes BiH stand out, and merits featuring hospitality as a core element of the brand, is the **deep-rooted tradition of hospitality throughout the country**, as evidenced by the tradition of hospitality in mountain villages, the "fildzan" coffee and conversation culture, and the "extra coffee cup" regularly set for unexpected guests.

There is clearly a risk in featuring this strongly because, with the pace of globalisation, this tradition may well diminish. As people are increasingly faced with the pressures of modern life, it is conceivable that the manifestation of this tradition will become less evident and might eventually disappear altogether, particularly in the cities. Hopefully this will not happen and hospitality will remain a defining personality trait of the people of BiH. However, cultural traits tend to underpin behaviour in societies long after specific traditions have dwindled. It therefore seems valid to identify hospitality as a core element of the BiH brand that will, hopefully, endure.

3.3 Building the BiH Brand: The Brand Triangle

A country brand is built up applying the following principles:

- **Rational benefits:** The principal motivators for people choosing to visit a country
- **Emotional benefits:** How the country makes visitors feel about it
- **Personality:** Core characteristics that describe the country
- **Positioning statement:** A succinct explanation of the country's personality and how it appeals to visitors, with an emphasis on what makes it distinctive and different from others. (This would usually be used, for instance, to brief an advertising agency and test any creative proposals for marketing campaigns, to ensure that the country's core appeals and distinctiveness were appropriately represented)
- **Brand essence/values:** A distillation of the country's distinctive personality that provide a sense of competitive differentiation.

Figure 1: Rational & Emotional Benefits

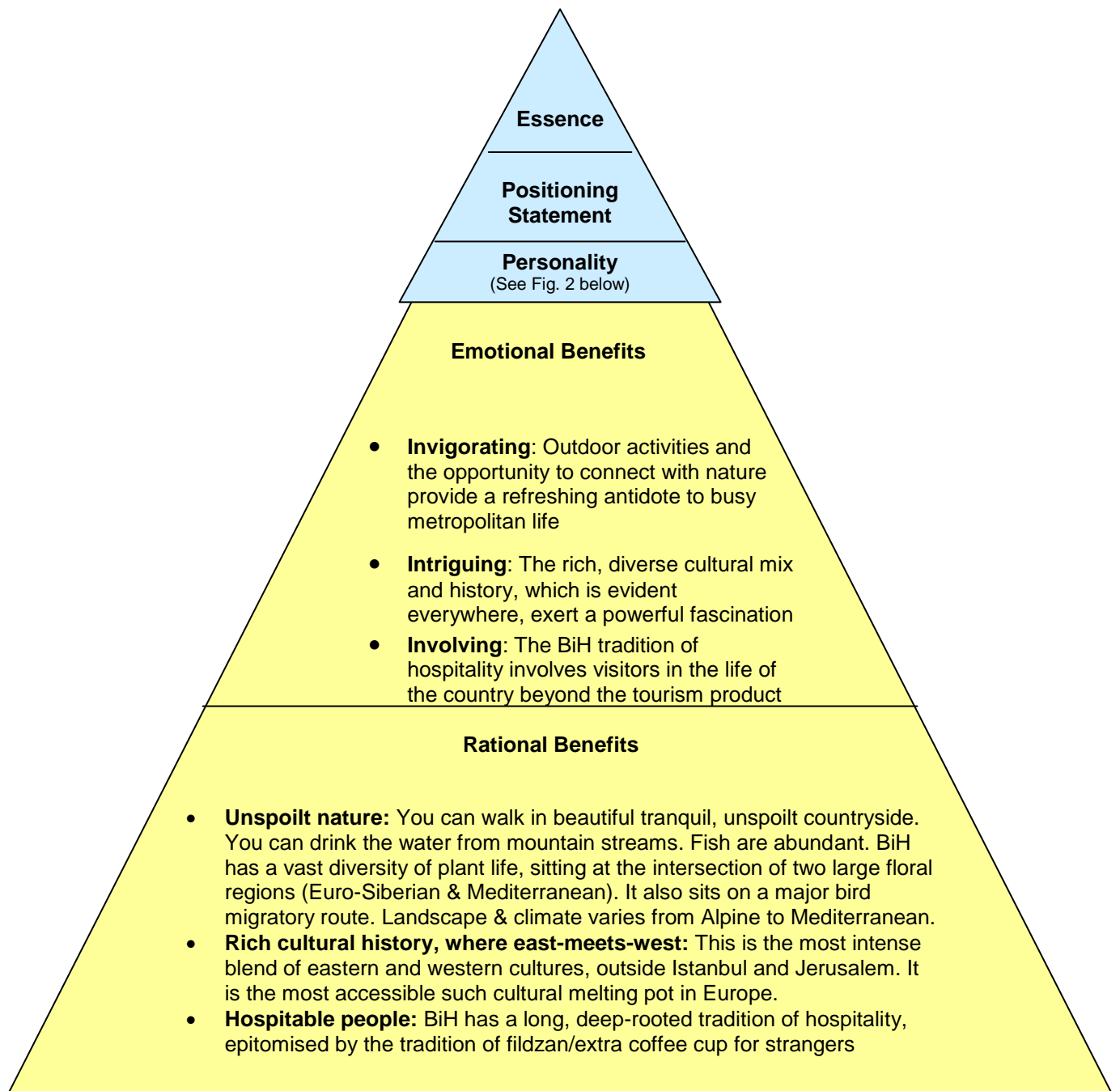
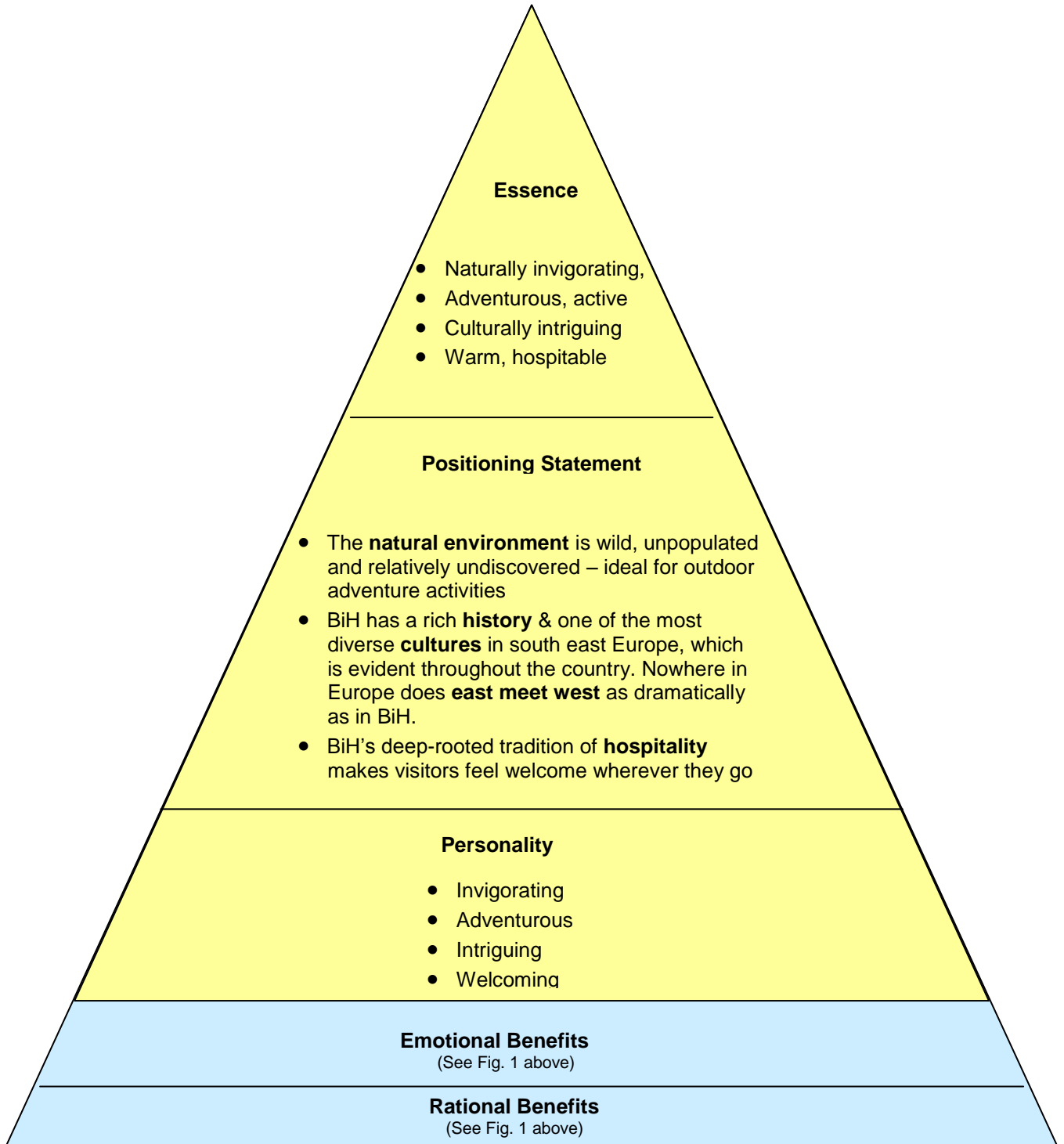


Figure 2: Personality, Positioning Statement, and Brand Essence



Following these principles, the brand triangles illustrates how the elements of the BiH brand are built up – from the rational benefits to the essence that defines the brand's personality. The more the brand values (expressed in the "Brand Essence" in the triangle) shine through each

organisation's marketing communications – whether an individual adventure company, each entity's tourism association, the state website, a water company, timber association, BiH embassies in foreign countries or visitors' experience in BiH – the more impact they will have in raising awareness of BiH. And the more they are communicated internationally, the greater the chance will be of creating a consistently positive long-term image for BiH.

4. APPLYING THE BRAND

4.1 Brand Essence

4.1.1 Marketing Communications

The brand **essence, or values**, identified in the brand triangle above are the most important elements of the brand.

These values underpin the brand and should guide all who promote the BiH brand. They should guide the way in which stakeholders describe the country. They should be applied consistently by everyone, so that they help build a coherent image of BiH externally. The more they are reinforced, the more chance BiH has of moving from an unknown destination to a country that is perceived to have a distinctive character.

Expressing these brand values doesn't mean always mechanistically articulating them precisely as they are described here. Rather their essence should "ooze" from all marketing communications about BiH.

For instance, they should always be reflected in the **tone** that stakeholders use and the **visual images** they select for their marketing communications.

These values can be "**dialled up or down**", according to their relevance for each market segment in each business sector. For instance, "natural" might be more important for the water and timber industries, as well as hikers, whereas the values of "hospitality" and "culture" will be more important for visitors interested in history; and the tradition of "hospitality", which underpins trust, might also apply in promoting BiH as a place in which to conduct business. Flexibility in applying these brand values is important, as long as they cumulatively reinforce BiH's core brand personality.

4.1.2 Living The Brand

Importantly, the destination's brand values should also be reflected in all "**customer touchpoints**" ("moments of truth") throughout the country in the treatment that visitors experience - from arrival to departure. Visitors should experience BiH's brand values throughout their visit, through their exposure to a clean natural environment, easy access to the country's culture and history and a hospitable welcome.

It is important to remember that, in today's world of increasingly open communication, destinations cannot hide behind marketing campaigns. If the marketing promise is not delivered during their trip, visitors will tell not just their friends, but other potential visitors they don't even know through social networking sites on the internet. It is now more important than ever for destinations to ensure that the experience on the ground lives up to the marketing promise.

4.2 Logo

The value of a logo lies in its consistent use over time as a mark of recognition. It helps if it is simple, clean, clear and attractive. It can never be a substitute for applying the brand values. But it can reinforce them through constant usage and, consequently, recognition. The current BiH logo meets these criteria and reflects BiH's brand values in its colours and design, in spite of being designed before the branding strategy was developed.

All BiH stakeholders in both the tourism and non-tourism sectors should be encouraged to use this logo. Technical guidelines for its usage should be included in the brand guidelines toolkit.

4.3 Brand Guidelines

In order to help stakeholders understand how to apply these brand values in their own marketing communications, it would be useful to produce a set of **brand guidelines**. These should be in the form of an accessible toolkit.

This would encourage stakeholders to take up the brand values, thereby contributing to the development of BiH's international recognition.

Ideally these should be communicated to stakeholders through branding workshops.

The Brand Guidelines Toolkit should be produced as a booklet and distributed to stakeholders. It should also be included on the main website (e.g. corporate, rather than consumer/visitor, section).

5. COMPETITOR ANALYSIS

BiH's Competitive Position

In order to define BiH's distinctiveness as a tourism destination, and thereby establish its competitive position, a competitor analysis was undertaken with stakeholders at workshops in Sarajevo and Banja Luka. BiH's main competitors were identified in relation to each of BiH's core destination appeals. Specifically this involved assessing how BiH compared to other countries in terms of the following core destination appeals:

- Unspoilt nature
- Outdoor activities, adventure
- Friendly, hospitable people
- Rich culture and history

The robustness of these appeals as key competitive differentiators for BiH was also tested.

These were looked at in a two-dimensional time frame:

- How BiH and its competitors deliver these benefits today
- The potential for BiH to develop in these areas over the next 5 years

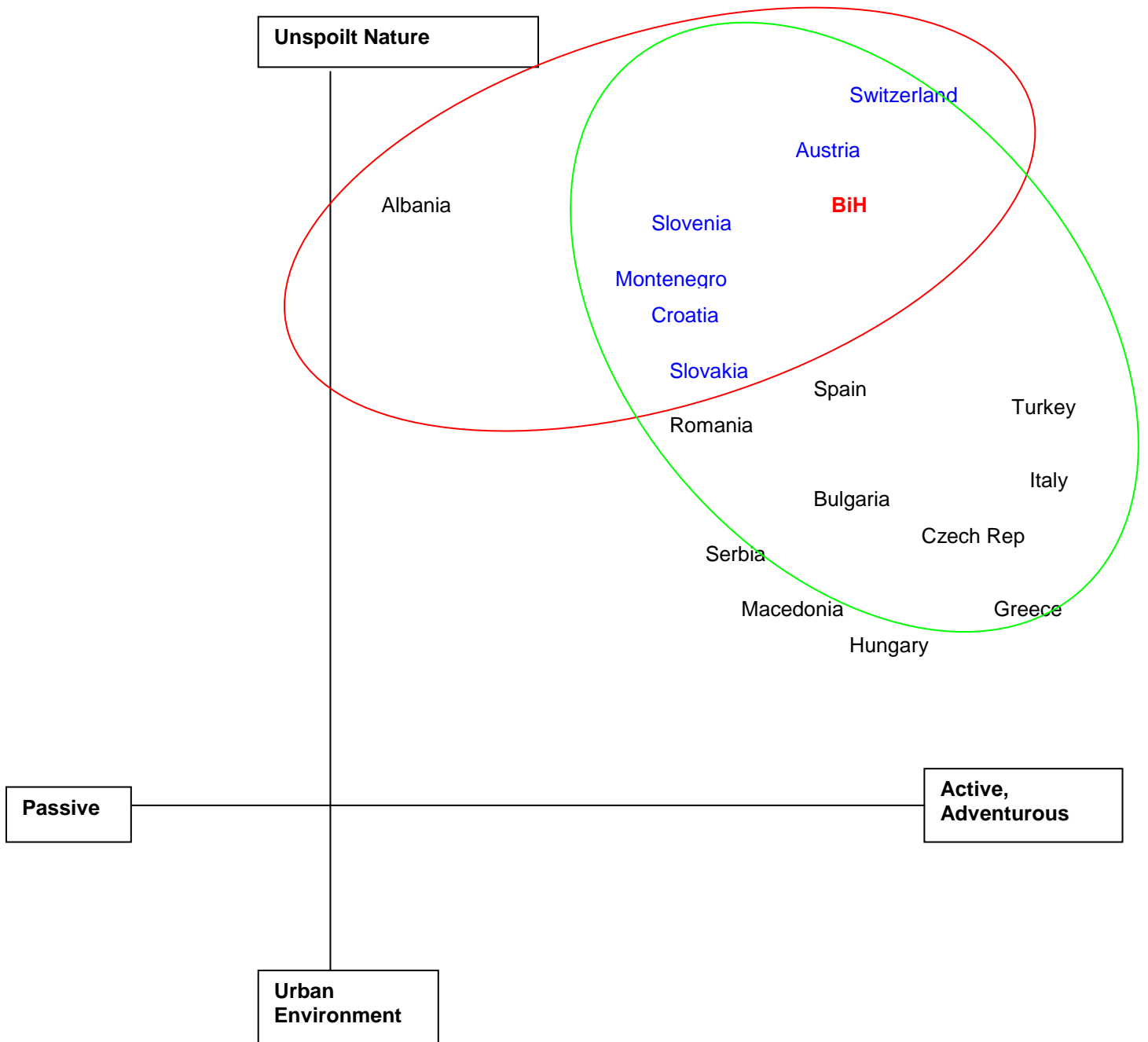
Although it was not possible to interview visitors directly, the combination of these stakeholder workshops (including BiH tourism operators, tourism associations, government officials, academics and other stakeholders), results of the international tour operators' telephone survey, plus the consultant's knowledge of global travel trends and demand for international destinations, provided a valuable proxy that enabled an informed analysis of BiH's competitive position.


The following figures illustrate BiH's competitive position. They also indicate the direction from which future competition may emerge, as other countries, which might not yet be considered competitors, develop economically and begin investing in tourism development (e.g. Albania).

These competitor analyses will help guide the direction in which BiH must aim in order to overtake, or remain ahead of, its nearest competitors on each axis.

N.B. The diagrams below are intended to provide only an indicative illustration of BiH's competitive position on each axis relative to other destinations. They do not reflect precise measurement of each country's position. The countries within the middle section of the two overlapping circles in each diagram (in blue font) represent BiH's nearest competitors as tourism destinations

Figure 3: **Nature vs. Adventure**

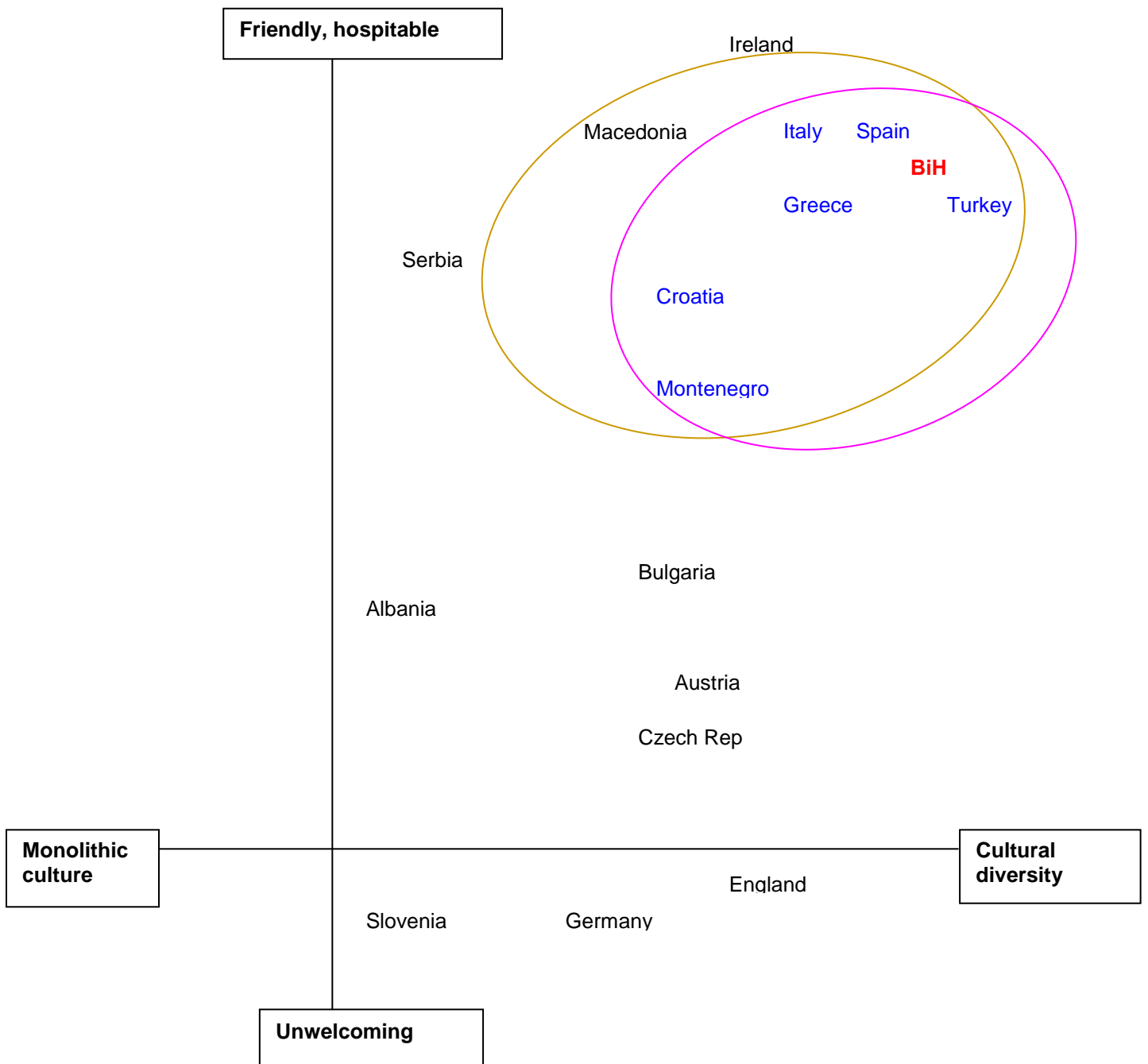



 = BiH's core competitive set for **unspoilt nature**


 = BiH's core competitive set for **activities/adventure**

Blue font within overlapping circles = BiH's core competitors for **nature + activities**

Figure 4: Hospitality vs. Cultural Diversity



 = BiH's core competitive set for **traditional hospitality**

 = BiH's core competitive set for **cultural diversity**

Blue font within overlapping circles = BiH's core competitors for **hospitality + cultural diversity**

6. MEASUREMENT

Monitoring & Measurement

Once a budget has been allocated and a marketing action plan drawn up, it will be important to build in methods of monitoring market behaviour and measuring progress. Potential measurement techniques have been identified in the Strategic Marketing Framework.

However, measuring brand impact specifically might include:

- **Brand awareness**

This can be expensive, but some measurement of the effectiveness of the BiH brand and changes in external perceptions about BiH as a place to visit would be valuable. Ideally this should be monitored over time at, say, 3-5 year intervals through techniques such as;

- Questions in foreign **Omnibus-style** surveys to measure awareness of, and attitudes towards, BiH in order to measure changing perceptions. This would need to be undertaken regularly over a period of years to measure impact.
- **Visitor surveys** of holidaymakers in BiH.

In the meantime a proxy, such as surveys of **foreign tour operators' perceptions**, and the way in which they change, could be applied

7. NEXT STEPS

Key steps in taking these branding recommendations forward are:

- **Brand Toolkit:** Brand guidelines need to be developed, distributed and communicated to key stakeholders in BiH and overseas. This should explain clearly how stakeholders in all business sectors (e.g. tourism, timber, water, inward investment, exports, diplomacy etc.) can apply BiH brand values in their own marketing communications.
- **Stakeholder Engagement Strategy:** Whoever is responsible for taking the development of BiH tourism forward should develop a strategy for engaging with key tourism stakeholders in BiH on a regular basis. The purpose of this is to ensure they understand the market potential, are kept up to date on the latest trends in key international markets, and have a means of participating in the development of BiH tourism (e.g. from international trade fairs and a national website to strategic product development).
- Ideally this Stakeholder Engagement strategy should include other key **non-tourism sectors and organisations** throughout BiH who have an interest in leveraging the benefits that flow from a national brand image, such as water and wood, state and entity-level ministries from Foreign Affairs to Trade, Environment and Culture, as well as the Foreign Investment Promotion Agency.
- **Brand Workshops:** once a Brand Guidelines Toolkit has been developed and a Stakeholder Engagement Strategy developed, it would be useful to run branding workshops to explain to stakeholders how to apply the BiH brand values in their own marketing communications (See also Chapter 4. *Applying the Brand* above).
- This Branding Strategy should be implemented within the context of the **Strategic Marketing Framework**, which identifies the range of activities to be undertaken to market BiH as a tourism destination. The branding strategy sits within this Framework. It should not be pursued in isolation from other marketing activities.