



UDK 629.126:338.48

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NATIONAL TOURIST BRAND: PRIORITIES AND FORMATION RESOURCES

Abstract. *Introduction.* In a market situation, the role and importance of reputational factors of economic growth is greatly enhanced. Especially with regard to service industries, where local brands territories, reputation of companies is a primary factor in deciding where to travel and tour operating. **Purpose** is scientific substantiation of the importance of creating a national brand of tourism. Bringing the position that the communicative function of the brand triggers a chain reaction to stimulate and increase the sales of tourism products, strengthening the competitive position of the enterprise and improve the competitiveness of tourist destinations. **Methods.** The authors demonstrated that the globalization of the tourist market determines not only the only mega environment of industrial, economic, financial and administrative operations, but also the high level of competition to attract tourists. It was determined that a new quality of tourism activities can bring to the formation of the national tourist brand, which is built on the symbolization of customer value of tourism resources and territory has a characteristic, respectively, on which the socio-economic and cultural influence of the tourist destination and its attractiveness to potential tourists and export development oriented model of tourism. **Results.** The study proved that the solution of scientific problems of formation of tourist attractiveness of Ukraine precedes the perception of academic positions: first, the essence of the national tourism brand is regarded as basic element for design, positioning, promotion and perception of national tourism products and the mechanism of growth of tourism in the region. Objective and subjective factors of tourism brand, as well as indicators that contribute to the socio-economic value were identified. Basic principles of the national tourist brand were proposed.

Keywords: tourism; national tourist brand; image; goodwill; tourism potential.

JEL Classification: D69, F15, H73, L14, R11

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НАЦІОНАЛЬНИЙ ТУРИСТИЧНИЙ БРЕНД: ПРІОРИТЕТИ ТА РЕСУРСИ ФОРМУВАННЯ

Анотація. У статті науково обґрунтовано й доведено гіпотезу, що комунікативна функція бренду стимулює продажі туристичних продуктів, зміцнює конкурентні позиції підприємств і туристських дестинацій. Ідентифіковано об'єктивні та суб'єктивні фактори формування туристичного бренду. Визначено показники, які обумовлюють його соціально-економічну цінність, що виражається символічним капіталом мультикорисності туристичних ресурсів. Запропоновано базові принципи, за якими має формуватися національний туристичний бренд.

Ключові слова: туризм, національний туристичний бренд, імідж, гудвл, туристичний потенціал.

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Аннотация. В статье научно обоснована гипотеза, что коммуникативная функция бренда стимулирует продажи туристических продуктов, усиливает конкурентные позиции предприятий и туристских дестинаций. Идентифицированы объективные и субъективные факторы формирования туристического бренда. Определены показатели, обуславливающие его социально-экономическую ценность, которая выражается символическим капиталом мультиполезности туристических ресурсов. Предложены базовые принципы, на основе которых должен формироваться национальный туристический бренд.

Ключевые слова: туризм, национальный туристический бренд, имидж, гудвилл, туристический потенциал.

Introduction. Tourism is undergoing a considerable extent of research in recent times due to its high relative influence on the economy of nations. The area is subject to multiple studies done by scholars.

The territory of Ukraine while having significant tourist potential (unique geographic and geostrategic locations, natural resources, and ecological systems) is not completely used for economic development of tourism. The fundamental basis for activation of tourist flow growth is the tourism appeal of the country that represents the status of normative legal environment of tourism development in conjunction with world-class tourist infrastructure, professional skills of personnel, and careful attitude towards natural resources.

The tourist appeal is stipulated by set of appealing touring resources and is the basis of territorial multiuse for various participants of tourism market. However, favorable geographic location, appealing touring resources, available notable monuments, developed tourist infrastructure, and qualified human resources do not provide guaranty for successful tourism development.

The tourist appeal of the country in the presence of informational globalization, strong competition, and fluctuations of the market condition depends on levers of geographic differentiation and territory positioning. These both factors represent distinctive peculiarities for offer of the national tourist product based on signification system of travel companies and destinations in the global tourism market.

National tourist brand is a factor in the revival of tourism demand since positive perception offers travel products.

Brief Literature Review. In informative, high level of competition and fluctuations in the tourist market appeal of the country depends on the levers of differentiation and positioning areas that reflect distinctive features of national tourism product.

Many researchers support the position – brand image considers brand associations, namely, that destination brand knowledge is the core of the brand equity perceived by tourists (Kotler, 1991, 2002, 2008; Olins, 2002; Keller, 2003; Baudrillard, 2006; Kalinkina, 2006; Rozhkov & Kismerezhkin, 2006; Risitano, 2009). Geographic locations, like products and people, can also be branded. In this case, the power of branding is in making people aware of the location and then linking desirable associations. Increasing mobility of both people and business and growth in the tourism industry has contributed to the rise of place marketing. It is in the context of tourism that a geographic location is (or includes) a destination brand.

Famous researcher substantiates the position of S. Anholt (2009) that brand refers to the collection of perceptions of a person about a product (or destination) based on the observable product (or destination) characteristics which differentiate it from all other products (or destinations), and thereby endowing it with a competitive advantage over other similar products (or destinations).

Brand is defined as «a name, term, sign, symbol, or design or combination of them intended to identify the goods and services of one seller or a seller group and to differentiate them from those of competitors» (Kotler, 1991, 2008). According to the position of the researcher, it is a distinct brand of consumer needs. It can be concluded that a strong brand increases the competitiveness of destinations (Aaker, 1997). A brand plays an important role in the tourism industry since it enhances customer's trust in potential intangible purchase and is considered as one of the most critical issues (Berry, 2000).

Generalizing the above reasons we can state that tourist brand is the key success factor and competitive advantage in the globalized world, where different micro-, meso-, and macro level processes are intersected. These processes stipulate social economic and cultural impact, investment appeal, and development of export-oriented tourism model.

Formation of the national tourist brand within the global market should be determined from the point of defining strategic priorities for development of national tourism. It is worth mentioning that tourist brand, according to definition suggested by World Tourism Organization, is a set of emotional and rational ideas which are result of comparison of country character-

istics, own experience, and information that impacts creation of certain image (Tepluhin, 2010).

Purpose. Scientific substantiation of the importance of creating a national brand of tourism. Since the national territory brand is marked with geographic borders, its mission should represent global geopolitical (within a country) or national geographic territory mission (within regions).

Therefore, the national tourist brand has integrative and dynamic nature and represents not only symbolic value of regional tourism opportunities but is also focused on execution of the below basic functions: consumer, emotional and symbolic. This stipulates understanding of tourist brand as the tool to obtain benefits and develop long-term relations with significant target audiences based on their emotional favor and loyalty. Study relevance of the tourist brand as sound reason of formation of country tourist appeal is stipulated by the following:

Firstly, by aggravation of competition in the tourism market accompanied by switching from the price war to rivalry based on non-price competition principles (a travel company with competitive brand(s) has stronger positions than a company with strong trend development or market opportunities).

Secondly, tourist product propositions require permanent modification (differentiation).

Thirdly, by strengthening significance of tourist networks that are essentially interested in sales of tourist products being among known and popular consumer brands.

Results. Factors of tourism brand formation. Exploring the essence of the national tourist brand is incomplete without identification and arrangement of the factors that contribute to its formation, and the given color features have double determination: objective and subjective. Factors of tourist brand formation have been generalized as *objective general factors*: geographic location, social economic, natural and climatic, cultural, historical, demographic, political, ecologic; scientific and technical; special factors: status and outlooks for tourism development, recreational opportunities, transport availability, development level of tourist infrastructure, seasonal fluctuation of tourist activity, state and regional regulation of tourism development; *subjective general factors*: tourist spirits, system of needs of interests and tastes, world view, life experience; *special factors*: informational and visual tourist perception of tourist territory resources, perception of: hospitality of population, attributive signs, comfort of the territory in the place of stay; other factors.

Since brand territory is limited by geographic location, its mission is to reflect the global geopolitical mission areas (for large sites and cities) or national geographic mission territory (for medium and small cities and areas). Therefore, you must note the following specific factors affecting the formation of the brand territory: geographical location and global geopolitical role of the territory, natural-resource potential of the territory, national and cultural features of the country that are the territorial units of this location.

Accepting the general system mode of the national tourist brand formation, it is worth mentioning that this process should be regulated by governmental bodies and social organizations with imposed duty to develop a country tourism policy and elaborate its implementation mechanisms. This position is due to that tourist brand impacts certain target audiences as include: forms positive expectations from future stay, demonstrates originality, individuality, and exclusiveness of the tourist destination to be visited; serves as evidence of territory investment potential; forms national pride, patriotism, motivates formation of social civic position.

It can be accordingly noted that the tourist brand is formed during a certain period and is quintessence of travel policy. Its formation basis are principles that stipulate a substantive idea and serve as theoretic foundation to determine methods ensuring efficiency of practical use methods (Figure 1).

On this basis, it is necessary to form the promotion system of the national tourist brand (Figure 2).

Brand as a basis for the formation of tourist appeal. Tourist appeal is a significant component of tourism development and depends on the tourist potential areas of consumer preferences, tourist competencies, travel companies, tourist

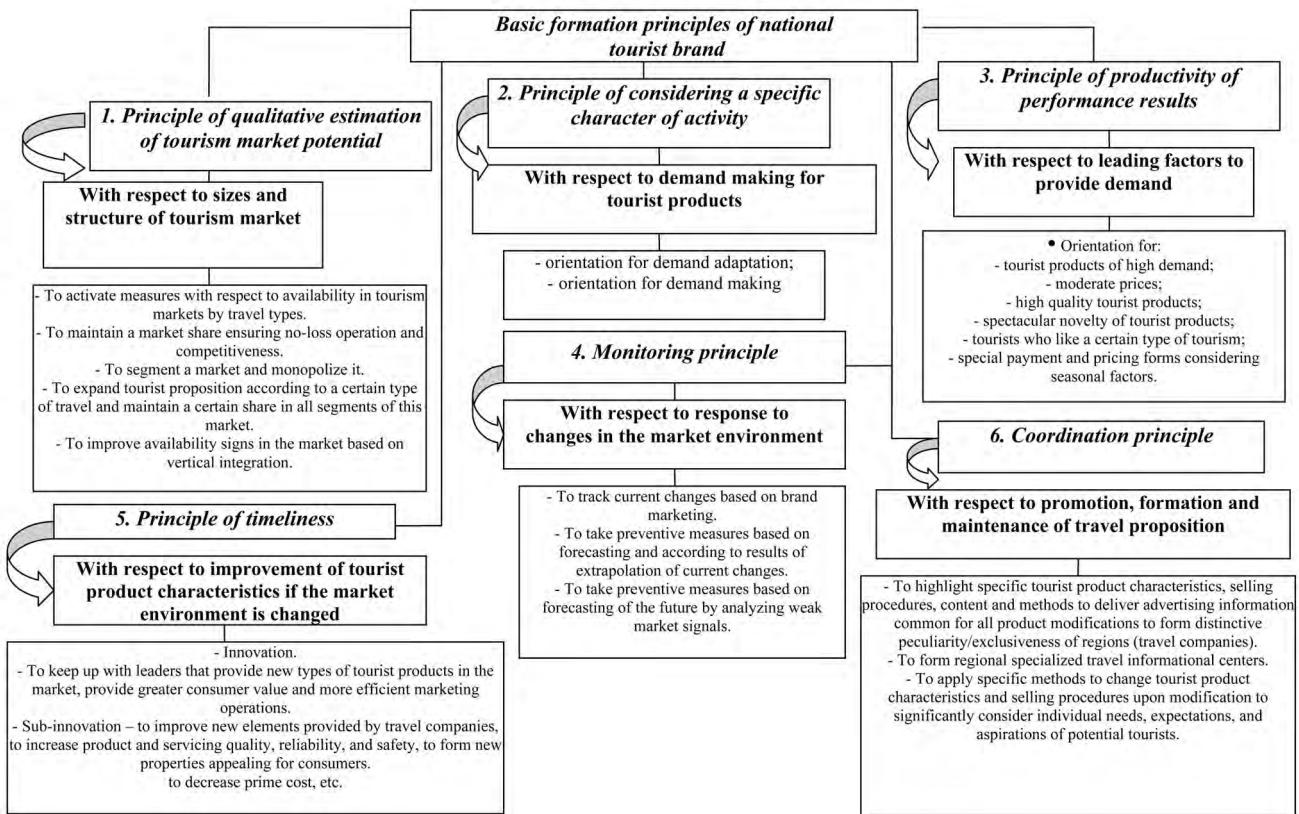


Fig. 1: Basic formation principles of the national tourist brand

Source: Developed by the Authors

service providers, and other economic relations between the participants in the tourist market.

Tourist appeal of countries as destinations can: 1) reveal the functional role of tourism in the national economy; 2) affect the development of export-oriented model of tourism.

Serve as the basis for strengthening the competitive position of travel companies and tourist service providers in various segments of the tourism market.

• This may correlate their operation with opportunities of competitive advantages to achieve scalable and focused leadership through differentiation of the tourist offer.

• Provide a link between demand and supply area (as goods) to balance the needs of consumers (demand) with the possibilities of the territory (offer).

Considering importance of formation of travel appeal of Ukraine, the measures directed to resolve the specified task should be implemented in the concept of the national tourist brand as multilevel context of associative connections with national travel opportunities. Information within the frameworks of the national travel opportunities should be interpreted in set and desired directions as illustrated in Figure 3.

Implementation of the national tourist brand concept as megaproject is oriented towards a certain result that has significant and long-term impact on tourist regions development and travel appeal of Ukraine formation due to creation of communicative space to establish export oriented tourism model. Since the national territory brand is marked with geographic borders, its mission should represent global geopolitical (within a country) or national geographic territory mission (within regions).

In its turn, this will require to consider the whole complex of indicators that stipulate social economic value of

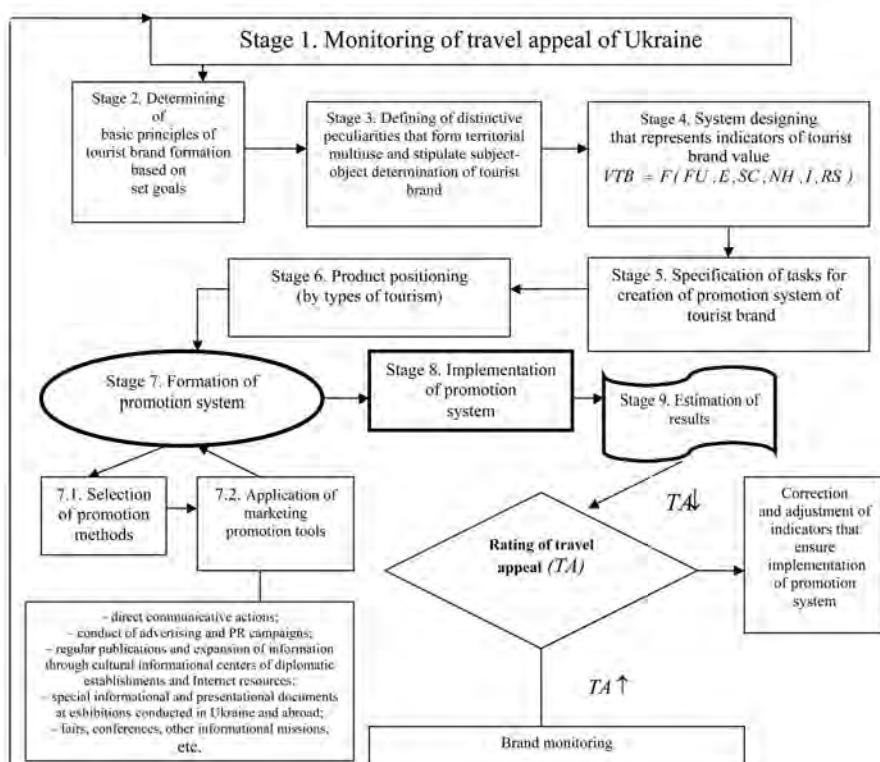


Fig. 2: Structural-logic diagram of the national tourist brand's promotion system formation

Source: Developed by the Authors

the national brand to the fullest extent as generalized in (1) and formalized as the function:

$$VTB = F(FU, E, SC, NH, I, RS), \quad (1)$$

where: VTB – Social and economic value of the national brand; Functionality (FU) is set of conditions providing quality and value of life; Emotionality (E) is set of emotions produced by the territory brand (unique natural climatic and geographic conditions, events and measures – festival, holidays, exhibitions, conferences, sporting events, etc.); Social and cultural perception (SC) – is territorial subculture, scholarship, and tolerance of population; Spiritual and historic perception (NH) – is perception of historical cultural and religious legacy of the territory; Innovation (I) – is set of characteristics determining development of a new segment in tourism market; new/improved tourist product; improved business process; Responsibility of governmental authorities (RS) – is attitude towards ecologic safety, provision of safe stay.

The national tourist brand should be estimated according to methods that enable to determine its rating within the format of the global tourism market. Experts annually estimate more than 190 country brands using the Nation Brand Index (NBI) rating estimation method developed according to S. Anholt's methodology (Ritzer, 2004; Anholt, 2005, 2010). In particular, Ukraine takes medium positions in NBI rating among the countries that have growing potential according to estimation of tourist, trade, and innovative appeal (see Table).

Tabl.: Rating of the national brand of Ukraine as a tourist macro destination

Rating Indicators	2011	2012
Bloom Consulting Country Branding Ranking Trade	28	40 estimation: satisfactory (CCC)
Bloom Consulting Country Branding Ranking Tourism	Not ranked	50 estimation: quite good (B)
Future Brand Country (Brand Index)	105	-

Source: Bloom Consulting Country Branding Ranking (<http://countrybrandingwiki.org/index.php>); Rankings-Country by Country (<http://www.bloom-consulting.com/en/fdi-ranking>); The World Bank (<http://www.worldbank.org>); The World Tourism Organization (<http://www2.unwto.org/en>); The United Nations (<http://www.un.org/en>)

Analyzing the reasons of worsening of the national brand rating of Ukraine as tourist macro destination, it was found that geopolitical factors are negative factors. At the same time, the expert note that estimation of the tourist brand in position «B», despite of the negative tourist balance and import oriented demand, is the basis to activate tourism development. In particular, the analysts forecast growth of tourist demand until 2022, specifically, foreign tourists by 69%; external tourists by 57%; expenses of tourists by 41 and 32%, respectively¹.

Conclusions. Summarizing the study results of the national brand as the factor to increase rating of country's travel appeal, it is worth mentioning that organization economic formation mechanism should represent the following:

Firstly, the integration characteristics of the national brand should: represent a set of ideas about country economy in different subjects (both inside and outside the business system) that approve a decision on economic cooperation with this economic system; form under the influence of objective factors determined by peculiarities of country functioning and subjective ideas stipulated by objective and subjective reasons;

Secondly, the resulting characteristics of the national brand that creates conditions to obtain or skip additional benefits appearing from approval of economic decisions on cooperation with a certain system by different business groups.

¹ Forecast on the basis of available data: from an expert's report of European Union «Support by State Agency of Ukraine for Tourism and Resorts» (Kyiv International Forum, November 30, 2012).

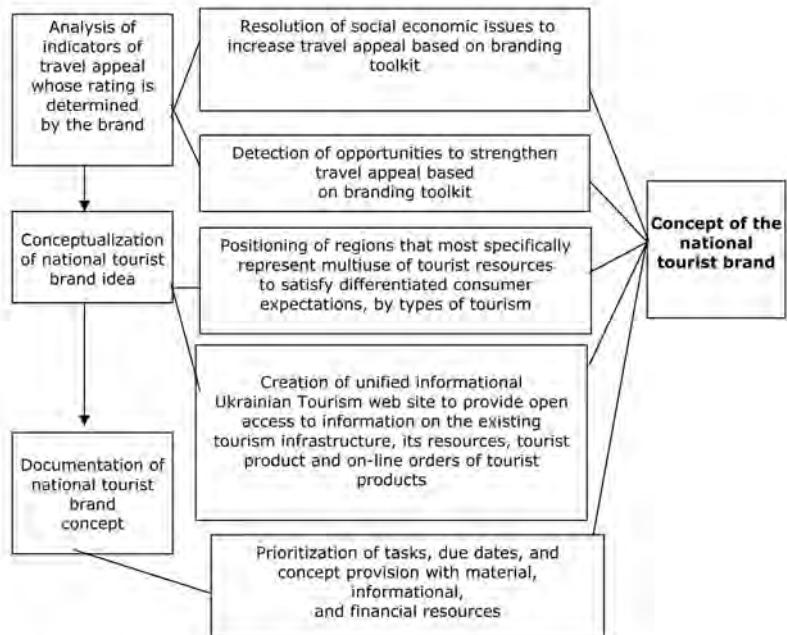


Fig. 3: Format of the national tourist brand conception development

Source: Developed by the Authors

Thirdly, the national brand dynamics should be provided by creating objective conditions impacting change of subjective ideas.

One of the main conclusions of the brand study results consists in efficient national tourist brand, the one which is the basis for successful development of national tourism within the globalized mega economic system. Strong tourist brand within structural component creates steady consumer associations on high consumer value of the tourist resources based on the territorial identity that will impact strengthening of tourist appeal.

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Received 29.08.2013

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Received 29.08.2013

УДК 330.3:621.8.03



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ОСОБЛИВОСТІ ЕКОНОМІЧНОЇ ЕНЕРГІЇ КРАЇНИ

Анотація. У статті виявлено закономірності енергії та ентропії економічної системи. Виділено атрибути економічної енергії. Досліджено особливості економічної енергії країни. На основі фізичної концепції еквівалентності маси й енергії розглянуто окремий випадок енергетичної рівноваги економічної системи. Доведено, що енергетичний баланс відкритої економічної системи свідчить про наявність потенційної енергії та обумовлює стагнацію системи. Виокремлено носіїв економічної енергії, управління якими дозволить забезпечити якісну трансформацію системи і підтримати її в динамічній рівновазі.

Ключові слова: розвиток, економічна енергія, ентропія, рівновага, система, управління.

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ОСОБЕННОСТИ ЭКОНОМИЧЕСКОЙ ЭНЕРГИИ СТРАНЫ

Аннотация. В статье определены закономерности энергии и энтропии экономической системы. Выделены атрибуты экономической энергии. Изучены особенности экономической энергии страны, в процессе чего на основе физической концепции эквивалентности массы и энергии рассмотрен частный случай энергетического равновесия экономической системы. Доказано, что энергетический баланс открытой экономической системы свидетельствует о наличии потенциальной энергии и обуславливает стагнацию системы. Определены носители экономической энергии, управление которыми позволит обеспечить качественную трансформацию системы и поддержать ее в динамическом равновесии.

Ключевые слова: развитие, экономическая энергия, энтропия, равновесие, система, управление.

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FEATURES OF THE ECONOMIC ENERGY OF THE COUNTRY

Abstract. In the scientific literature the interest in the analysis of economic processes and concepts based on the energy approach is periodically increasing, but still the energy approach remains largely unexplored. Particularly relevant in the context of this issue is the problem of economic development, more and more often described with energy structures.

The purpose of the article is to investigate the features of the economic energy of the country and determine the quality of the influence of energy balance on its economic development.

The nature of the present socio-economic system is due to the laws of energy and entropy. Economic energy as an array of energies that determine the qualitative and quantitative status of the economic system and causing the transformation of its structure by changing the spatial and temporal arrangement of the system's elements has the following attributes: the lack of a specific material form; poly-structuring and multi-factoriality; mediation of action and movement in space (with the help of appropriate objects); the need of availability and expenditure to achieve the desired result; a final global significance of resource.

Mass of the economic system can be represented by a set of masses of the elements that form the economic system. Economic energy is a kind of matrix of «subenergies». Each «subenergy» will depend on the fluctuation of its string, which at a certain point in time has power, or is characterized by dissipativity. In the case of the economic balance of energy and entropy in the open economic system, there is a «linear» development, which is a paradox. This indicates a potential energy of the system and stagnation. Economic development of the country is observed only in condition of the potential economic energy conversion into kinetic one, i.e. the country with an open economy needs a dynamic energy balance for the economic development. Economic energy generating depends on economic life, beginning from the population.

Economic energy management through its carriers would provide qualitative transformation of the system and maintain the system in a dynamic equilibrium. Among carriers of economic energy we distinguish technological point, experience, intellectual capital, goodwill, money supply, and resource capital, spiritual and cultural component, political stability.

Keywords: development; economic energy; entropy; balance; system; management.

JEL Classification: O11, E60, H10, P40