

Saimaa University of Applied Sciences  
Faculty of Business Administration Lappeenranta  
Degree Programme in International Business

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**Implementing modern destination branding strategies: Rebranding Hungary by approaching independent travellers.**

Thesis 2018

## **Abstract**

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The main objectives of the study were to research the benefits of nation branding and find out whether the implementation of such strategies would be applicable in regards to the paper's case country, Hungary.

Theoretical part explains the phenomenon of nation branding, investigates the current situation of Hungary regarding the matter and reviews common strategic branding methods.

The data were collected mainly from secondary literature sources as well as the author's personal experience in the country. Empirical data were collected using qualitative method in the form of unstructured interviews.

The results of the study show that there is potential in the sector of tourism and made it possible to carry out definite outcomes in regards to the establishment and development of a national brand. Regarding the volume of the topic of nation branding, further investigation is needed with a focus on international relations and politics.

Keywords: marketing, destination branding, competitive identity, Hungary, marketing communications

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# **1 Introduction**

The thesis topic that is to be proposed is in regards of the phenomenon of “nation branding” as a topic that is becoming more and more apparent in the economic development of emerging markets. The topic has been chosen because of the tight connection and large interest of the researcher. Ideally, the thesis topic is formed in order to give the researcher a deeper insight to international matters in the selected case country which would be extremely helpful for the author’s future work. Apart from the personal attitude towards the topic, it is important to mention that the issue that is to be introduced in the thesis is quite up to date and covers a wide range of knowledge that has been acquired during the studies of Saimaa UAS. The topic includes elements of international economics, entrepreneurship, international marketing and international relations.

## **1.1 Phenomenon**

“Nation Branding” has been gaining quite some attention during recent years and is considered to be an effective tool in the overall development of governments. The main concept of the term considers applying common corporate branding strategies to countries which increases the popularity and boosts the overall image of the country. (Papp-Váry, n.d.) Creating a national brand benefits governments in numerous ways such as, opens a wider scale of opportunities of the tourism industry, creates an image of a pleasant place for foreign investments and businesses, contributes to public diplomacy, improves the industry of export and last but not least, has a great impact on the nations culture, as it boosts the citizen’s identity. (Rainisto & Moilanen 2009.)

As an emerging market, Hungary has the potential to show development in the country’s economy to which creating a national brand identity could contribute greatly. Even though the government has already invested in the country’s attractiveness in several sectors it is believed that the country has mostly approached the matter from a political side and neglected some considerable opportunities.

This research will study modern strategies for creating a national brand that could improve the development of the tourism industry in the country which will certainly have a positive impact on Hungary’s economic development. In addition, the

analysis of the country's existing actions will allow further research on the methods of destination branding that have not been used and study whether they are applicable in the case country.

## **1.2 Objectives**

The aim of the research is to find out how can the country's touristic sector be enhanced by using up-to-date tools and techniques which would have a positive impact on the case country's overall image. Therefore, the research questions of the thesis are the following.

The main question that the paper is aimed at is *"Could Hungary's image as a touristic destination be improved by establishing a national brand image?"*, where the goal is to find out whether implementing a destination branding strategy would lift the country's popularity in the public eye. As the number of the possible outcomes is quite vast, it is important to set sub-questions, which could narrow down the volume of the research and allow the researcher to proceed the study in a systematic way and to be able to present practical and clear outcomes.

The first sub-question of the research: *"What actions have already been made by the government in order to promote the country's image?"*, is crucial for the study because the analysis of actions that have already been taken could answer a quite large part of the preliminary research question. The outcomes of this part of the study would make the paper more structured and limit the results of the second sub-question which is as follows: *"What tools and techniques of destination branding would be reasonable to apply in Hungary?"*. The aim of this question would be to give more practical rather than theoretical results for the overall research.

## **1.3 Limitations and Delimitations**

The topic is quite broad, and there is a number of issues that could be researched and discussed so it is essential to set some limitations and delimitations for the study.

First of all, even though the paper will include an overview of the concept "nation branding" as a marketing strategy in the empirical part of the research, it is

important to clarify that the findings, conclusions and the hypothesis will be discussed solely in regards to one country which is in this case Hungary.

Another significant limitation of the research is that the paper will be focused on studying the possible effects of applying specific destination marketing methods, meaning that the emphasis will be on issues considering the sector of tourism. This limitation is vital for the thesis, seeing that the concept of nation branding is rather extensive and includes a number of governmental matters which do not enjoy priority concerning our case country.

The research will include elements that are discussing the concept of nation branding as a whole. However, the aim and the main content of the paper will consider destination branding. This means that concepts concerning governmental issues will be mentioned without conducting and in-depth research or explanation of them.

As the topic's primary objective is to find out how to increase the country's popularity in the public eye, it is vital to select a target group the study will be aimed at. In this case, the most convenient target audience to approach would be independent travellers, since there is already a customer base and the goal of the paper would be the improvement of the current situation. For this reason, focusing on a new dimension of customers would be most beneficial.

Lastly, branding techniques in the paper will be examined in terms of destination branding; that is why it is vital to mention that the paper may or may not study strategic branding at its full extent and will only discuss strategies applicable to destinations.

#### **1.4 Theoretical research and literature review**

In order to answer the main research questions of the thesis, it is vital to state fundamental theoretical aspects on the matter. That is why the paper will discuss the overall concept of nation branding that has been defined earlier in the topic analysis. The theoretical part of the study will include a broad explanation of this phenomenon revealing the advantages and disadvantages of the method. As mentioned among the limitations of the study, a vast part of the paper will discuss

the concept of destination branding, which is a term targeted towards tourism. These core ideas will be researched and explained based on handbooks focused on the thesis' topic.

Regarding the fact that the main issue that is discussed in the paper is destination branding, the theoretical research of the paper will include concepts such as brand identity and the fundamentals of strategic branding. Notably, the concept of digital marketing channels will also be included in the theoretical background of the research, considering that the topic is quite up-to-date. Thus, it is vital for the research to include the theoretical framework of basic marketing and branding tools, methodologies and strategies that are implemented in such cases. The comprehension of these concepts is quite needed concerning the possible outcomes and conclusions of the paper which should be rational.

### **1.5 Research method**

The research will be conducted with an inductive approach using qualitative methods. The empirical part of the research will be based on previous papers on the topic, such as theses, research articles, handbooks and projects applied in different countries. Considering that the topic is quite relevant, the authors own analysis and comprehension of recent events that have occurred in the case country regarding the matter.

A vast part of the empirical research was made by interviewing local businesses in the industry who are directly related to the matter. The interview questions will be aimed to the exact research question of the paper in order to be able to carry out definite conclusions.

## **2 Theoretical research**

### **2.1 Nation Branding**

The diversity among countries in terms of culture, nation, economy or political structure is immense, however, in many cases there is a gap between reality and the way the country is perceived in the public eye. As the issue became recog-

nized, various theories and strategies have been implemented for the optimization of the situation which led to the emergence of the phenomenon of nation branding. (Dinnie 2008.) Even though it is hard to discuss a nation or a country as product, if we consider the world as a big market where each country is an independent business selling various products, we can see that it is quite appropriate to implement a set of strategies in order to develop each country individually. As, there are many other “businesses” in the world each country should be differentiated in a way, so each one will be profitable on its own and have a positive impact on the “market” itself. That is why Simon Anholt suggests that instead of using the confusing term of nation branding, the matter is rather about finding and developing the competitive identity of each nation, similarly to businesses when it comes to building up a brand. (Papp-Váry n.d.)

However, as destinations or nations are not a tangible product that could be sold, it has come down to the fact that they have one distinct competitive advantage which is their image. In the era of globalization every government is competing against each other in various sectors, such as tourism, investment or politics which makes it extremely difficult to compete regarding the diversity of the market and that led to the fact that reality is only of secondary importance and the most influential factor of competitive advantage is reputation. (Papp-Váry n.d.) The reason for that is that the above-mentioned potential customers, have little to no knowledge about different nations and what they are to offer and the only thing that can influence their decision is the perception of a certain country. This proves that branding nations or, as Anholt refers to it, managing a country’s competitive identity is, in fact, appropriate and has very much in common with managing business’ marketing. (Anholt 2007.)

Even though there are similarities between the concept of traditional branding and place branding the crucial differences have to be pointed out. First of all, when companies implement branding as a strategy, its primary aim is to generate profit and growth. In terms of nation branding the aim is generally the same, however, the development and growth is strived for the purpose of the welfare of citizens instead of actual material profit (Kleppe & Mossberg 2002). Furthermore, what comes to everyone’s mind is the question of the ownership of the brand. In



corporate context the it is clear that the ownership is property related, but in case of a country brand, the beneficiary is the government itself, therefore, the ownership is held by everyone who lives in the country (Papp-Váry n.d.). In addition to management related matters, it is clear that an organization's operations are led by the top management, in destination brands, on the other hand, management is controlled by shared values of the community (Kleppe & Mossberg 2002). The concepts also differ in terms of marketing and strategic actions. For example, in corporate marketing, there are only a few established channels for marketing communication. Regarding the fact, that a country is a more complex system, there are much more channels through which a brand communicates its image including the society or government apart from traditional marketing channels. This leads to another dissimilarity which is the communicated image. In corporate context, the company can select a few elements on their image that are to be promoted, but in case of place branding, there is a variety of elements that have to be synchronized in order to communicate one clear image. (Papp-Váry n.d.) Lastly, when it comes to a commercial brand, trends tend to change, and brands can lose their relevance, thus making them temporary. In case of a country brand, the aim is to create a constant image that will contribute to the development of the economy forever (Kleppe & Mossberg 2002).

### **2.1.1 Defining Branding**

Branding is a relatively new and complex branch of marketing, which is usually misunderstood or biased to some extent. When it comes to the word *brand* itself, it is supposed to cover a certain service, product or business that has its own identity, name or position. People buy branded goods because of various reasons, such as, for example, quality, reputation or values shared by the company, however, there is much more to the topic than a final branded product. There is a slight difference between an available *brand* and *branding* as a separate field in business. The latter covers the procedure of creating and managing business strategies in order to build up and communicate an identity. (Rainisto & Moilanen 2009.)

Before diving into the process of branding, the fundamental elements of a brand that are relevant in our case need to be clarified, which are the following: brand

image, brand identity, brand equity. The first thing that comes to one's mind when encountering the topic is brand image, which is the way the company or its product is perceived. In simpler words, it can be described as the reputation of the brand, which includes certain expectations that are associated with the company. The reason why brand image should be a separate element of the whole picture is the fact that it can differ from the brand's identity, meaning that the message that the brand communicates can be received in a different manner. Even though there are more substantial aspects, such as brand identity, image is a crucial component as it is, basically, the outcome of the processes that are aimed at the creation a brand. (Anholt 2010.)

As mentioned above, *brand identity* is the root of the mechanism and the pure concept that all processes are directed at. Identity is what is intended to be communicated, unlike *image* which is more of an extent of perception. (Anholt 2010.)

The last aspect of a successful brand is its *equity*, which is the value of the reputation, customer base and intangible assets the brand has gathered. This equity is the key tool that gives the company the ability to develop its image and identity into greater scales. (Anholt 2010.)

## **2.2 Advantages of a national brand and the theory of Competitive Identity**

While it has been discussed what is being realized during the process of branding, the reasons why such an implementation is relevant need to be argued. As there is still an immense difference between nation and "simple" branding it is convenient to discuss the topic from both perspectives.

In terms of marketing, a brand can increase the value of products and services and offers a vast amount of beneficial features. Some of the core advantages are the following: separation from competing products, generating an emotional attachment of the customer, as well as ensuring both long-term strategic benefits and the efficiency of future marketing related operations, and most importantly adds to the growth of overall turnover. These are general factors that surface when touching the subject of branding and describe the topic in a nutshell, however, it is enough for our case to see that they contribute greatly to overall

rapid development. With countries, the scale is a bit broader that is why an in-depth review of competitive identity is crucial prior to the discussion its advantages. (Rainisto & Moilanen 2009.)

### 2.2.1 Competitive Identity

Considering governments as businesses and trying to figure out what the main channels are through which a reputation can be communicated, it has come down to six separate means of operation, which are demonstrated in Figure 1. The Hexagon of Competitive Identity was created by the author of the theory Simon Anholt.



Figure 1. Adaptation of the Hexagon of Competitive Identity (2017)

The figure demonstrates that a competitive country image is the coherence of several internal and external elements which are the six universal channels a country can operate through. In an ideal situation, all these elements would be managed cohesively, as the Ministry of Foreign Affairs would make policy related decisions, cultural institutions would create awareness in other countries and make new relations, the board of tourism would attract travellers, the investment agency would lure foreign investors and exporters would endorse their products. Every element has its own function and contributes to a uniform image the following way. From the perspective of overall governmental development, managing policies affects the country's international relations if decisions are made in regards to international policies, in addition to internal changes that can influence the country's image in foreign media or its citizens' perception of their own nation. Simultaneously, the management of cultural awareness or activities

connected to culture can boost a nation's image. (Rainisto & Moilanen 2009.) Meaning that celebrating a form of art or sport can contribute to a nation's external recognition and increase exports, which leads to the next attribute. Export brands, which have a significant role in a country's reputation in many cases have an extremely strong voice when it comes to positioning a nation. World brands such as German Mercedes, Swedish IKEA or Swiss Swatch are the proof for the fact that export goods contributed to the huge attention these destinations receive in today's international environment (Anholt 2007). Apart from successful domestic businesses, an aspect of significant importance is how the government deals with investments made into the country itself, which include extending a foreign business or investing into the youth in that particular country. In other words, how the government recognizes and manages foreign direct investment. Before mentioning the aspect that has the most relevance to this research, it is crucial to notice the people of the nation as a highly influential factor of a country image. (Papp-Váry 2017.) Of course, there are certain "promoters" of a nation who are internationally recognized, such as representatives of pop culture, businessmen, scientists or sportsmen who position the nation in a way, however, the behaviour of citizens, in general, has a great impact on the country's reputation whether they are abroad or are in contact with people who visit the country. It indicates that boosting the national pride of the population does influence on the message people communicate to the environment. (Anholt 2007.)

It is safe to say that people judge by what they see, which means that the aim would be to attract visitors and leave them with a pleasant impression of the country. High reputation or positive image spreads like wildfire through first-hand experience, and that is why tourism promotion often has the biggest impact of a country's competitive identity. (Anholt 2007.)

Even though the main focus of the research is tourism, it is vital to understand that the idea of competitive identity is the accumulation of the above-mentioned six channels. If each stakeholder of the country developed its business separately by managing their own interests and communicating their own vision the message that the country communicates can turn out contradictory and will not create development aimed to one direction, which will not lead to growth and

expansion. The concept of nation branding is consistent management of all six factors which leads to a uniform positive image. (Anholt 2007.)

### **2.2.2 Advantages of Nation Branding**

The general benefits of the phenomenon and branding itself have already been mentioned, however, the theory of competitive identity brings up several more concrete advantages of the whole process. (Papp-Váry, n.d..) With a successful, well-managed national brand countries can internally agree on a national identity, recognize common goals and are able to increase (Rainisto & Moilanen 2009):

- productivity of the relationships with other governments regarding cultural aspects
- the scale of its profile in the international media
- the effectiveness of investment promotion
- the reputation of goods and services offered by its exporters
- their chances when applying to international projects
- the competence of tourism promotion
- the outlooks for innovation
- opportunities considering cooperation with international associations or institutions.

### **2.3 Destination Branding**

The focus of the research is the development of countries as touristic destinations by implementing common branding techniques, so the following passage will explain and study the fundamentals of place branding.

The reason why tourism is the main focus of the research because, according to Rainisto and Moilanen, destination branding is a very effecting tool when starting a systematic marketing strategy for a place, meaning when a certain image of a destination has been established it is easier to create substantial development in the nation's overall marketing. The adoption of branding strategies in the industry of tourism is used for differentiating a place from competing destinations and emphasizing its exclusiveness. (Rainisto & Moilanen 2009.)

The goal of place branding is essentially to build a connection between a perceived image or identity of a destination and reality by creating positive impression and showing a projected image (Govers & Go 2009).

In case it seems like simple marketing where the solution is a well put-together promotional campaign, the case should be examined from a different perspective. If the destination is regarded as the product tourists purchase when traveling, it means that in order to attract them, the destination should somehow influence their decision making process (Anholt 2007). By creating a positive image or a highly reputed brand, the destination would already have an advance concerning the favourable or the "right" decision of the customer. Notably, the existence of a brand would be much more effective in terms of cost and effort than promoting the destination from scratch. (Anholt 2005.)

Though, communicating a certain image or successfully promoting a destination does not define place branding as a whole. See, if the aim was to actually sell a certain amount of units, which in our case is the number of visitors during a period of time a simple promotion campaign, as creating a name, a logo or an image was enough. However, building up a substantial background for the image that is being successfully promoted is what is sought as the result of place branding. Meaning, that visible actions and policies are crucial in order to create loyalty, which is the key to a successful brand. Even though actions speak louder than words, the emphasis should be on brand image, as it is driving factor of the success of the actual transactions between the customers and the brand. (Anholt 2007.)

Relying on the above said, actions and policies are vital to be established in order to justify a brand image. However, simple actions are not sufficient enough to convince visitors. They have to meet three attributes in order to make an impact on the brand. A combination of substance, strategy and series of symbolic actions is what will result growth in reputation. The presence of strategy is crucial in actions carried out because it is important to understand the reality of what is really going on, where the nation stands and where it is heading. That is why setting a common strategic goal that is achievable is crucial. Also, these strategically

planned actions should be substantial when carried out, because without substance the desired progress will not be met. Lastly, in order to make the efforts noticed, the presence of symbolic actions is vital. These could be described as substantial actions that have high communicative power, or more particularly, they are the face of the strategy. (Anholt 2010.)

### **2.3.1 Implementing Nation Branding in Tourism**

Before implementing branding strategies to destinations it is important to clarify that tourism is not considered on its own as a product or service, but rather a cohesive entity of independent actors and companies in the field which cooperatively form a tourism destination as a product. (Rainisto & Moilanen 2009.)

First of all, the base of branding destinations is finding its competitive identity or, in other words, brand image which consists of four core aspects: the destination's self-image, the image that is perceived by foreigners, the actions that have been realized in a country, and the things that are made there. While these factors are crucial to build a national brand image, with destinations and cities its simpler, because they do not necessarily have a strong political impact and strong governmental influence, and can be considered an image between reality and people's perception. Thus, that is why city or destination branding should be the first step of building up a national brand. (Anholt 2007.)

In order to see where the city's brand is standing one has to understand the main components of a city brand. For this reason, Anholt established a measurement called City Brand Index (later CBI) that consists of six key dimensions, which form the City Brand Hexagon illustrated in Figure 2. (Anholt 2006.)

## City Brand Hexagon

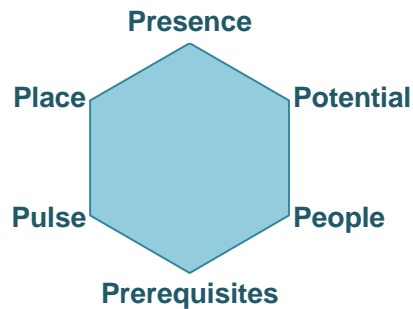


Figure 2. Adaptation of the City Brand Hexagon (2017)

The *presence* factor describes how the city is identified in the public eye. The results of the dimension are based on a survey which focuses on questions whether tourists are familiar with the place, have been to that place and asks them if they could name anything that particular city is significant for and whether it has contributed somehow to science or culture worldwide. (Anholt 2006.)

The *place* attribute is based on the opinion people have on its geographic or physical features, such as the weather, architecture and how would they describe being outdoors in the city. (Anholt 2006.)

*Potential* measures the city in concern of its capability in regards if education, employment or general economic opportunities. It measures whether people would be eager to start a career or study there or, in other words, invest somehow to the city. (Anholt 2006.)

*Pulse* is the aspect that assesses that additional spark that the city's urban environment has. It explores the extent to which people consider everyday life in the city exciting and whether they believe that there is a diversity of things to do. (Anholt 2006.)

*People* of the destinations are also assessed in order to create a substantial CBI. In this case, it is examined what visitors believe citizens are like, whether they give a pleasant impression or come across negatively towards foreigners. The question of the language barrier is also noted in this case along with the extent to which visitors feel safe among the inhabitants of the city. (Anholt 2006.)



*The prerequisites* in this context indicates what people believe about the city's general living conditions such as public transport, health care, schools or accommodation. (Anholt 2007.)

Before implementing any branding strategies to a city, an assessment of where the destination currently stands is necessary, because in every case a different approach is applicable. In theory, there are three possible starting states of a destination in the beginning of the branding process; where the place needs to be introduced to a target market because it is simply unknown, where the place is not targeted well, therefore, it is channelled to the wrong audiences and lastly, when the destination has a negative image, and its brand image needs to be corrected. (Anholt 2007.)

Accordingly, branding strategies in this research will be discussed after an analysis of the case country of the thesis in order to research literature which is targeted to the main topic of the paper.

## **2.4 The Hungarian Progress**

Tourism plays a vital role in Hungarian economy as, according to the Hungarian Tourism Agency, it is the most dynamically growing industry in the country. Tourism takes up more than ten per cent of Hungary's GDP and constitutes 12% of its employment. During the period of 2010-2017, the number of guest nights rose more than fifty per cent. (HTA 2017.)

In recent years, the government has addressed the matter and began the development of the industry, by raising awareness of the importance of tourism to the government. The Hungarian Tourism Agency has already published a long-term strategic plan, that includes certain nation branding elements, which is to be discussed in this chapter.

## 2.4.1 Destination Hungary

As outlined in the introduction of Hungary above, the destination seems to have great opportunities towards competing on the worldwide market of tourism. However, it is a presumption made at first sight; that is why a deeper insight to what actually makes a potential touristic destination is needed. According to World Tourism Organization (UNWTO), there are several elements of a tourist destination which are illustrated in Figure 3.



Figure 3. Destination Experiences (UNWTO 2007)

*Attractions* are usually the main focus of the visitors and can be the primary trigger of why tourists decide to visit the destination. The attractions can vary regarding their nature. An attraction can be classified as (UNWTO 2007):

- Natural; iconic weather, landscapes, beaches, parks etc.
- Built; landmarks, emblematic buildings, monuments, religious buildings, arenas etc.
- Cultural; galleries, theaters, museums, community attractions, heritage, lifestyle.

*Amenities* are the basic selection of services offered to tourists which contribute to their stay such as accommodation, recreation facilities, catering, visitors info and guides, and also includes infrastructure such as public transport and different utilities. (UNWTO 2007.)

*Accessibility* describes the extent to which tourists can actually arrive to the destination. This includes roads, air passenger services, cruises and railways. When assessing a destination's accessibility, ports of entry and visa requirements should also be considered. (UNWTO 2007.)

An extremely important factor of a visitor's decision of whether to visit the destination or not is *pricing*. Currency rates, the price of accommodation food

services, attraction and tour fees and costs of transport also influence the volume of tourists. (UNWTO 2007.)

A well-equipped tourism destination should be able to provide workforce who are educated and trained on tourism. That is why *human resources* is an essential element of a destination experience. (UNWTO 2007.)

Lastly, *image* is a vital factor when it comes to destination experience. The presence of well-functioning marketing, branding and media are key in order to have a blooming tourist destination. (UNWTO 2007.) According to Budapest's position in the global research conducted by Saffron Consultants on the Anholt City Brand Index, it is clear that the country's image does need improvement. Based on the research the destination had relatively positive results in terms of the strength of its assets, however, the city received a significantly lower rank in the factor *Presence*. This means that even though the destination is considered a great tourist destination it is less known to the public. (Papp-Váry & Rekettye 2011.)

Regarding the fact that Hungary possesses most of the above-mentioned attributes and lacks a strong image, indicates that the implementation of place branding techniques is appropriate and advocates the extreme relevance of the topic of this theses.

#### **2.4.2 Hungary's Branding**

Hungary's tourism agency has recently discovered the opportunities offered by nation branding and has released a national tourism development strategy campaign at the end of 2017. The project presents the country's short and long-term visions for overall development of the sector of tourism and the Hungary's overall economy by the year 2030. Upon reading the paper, it is appropriate to say that the strategy is based on the above researched phenomenon of nation branding. (HTA 2017.)

The National Tourism Development Strategy 2030, emphasizes the importance of new approaches in destination management and states that the key of the

growth of Hungary's potential on the international market is the destinations themselves. Meaning, that the country already possesses the assets for a successful tourist destination, however, their positioning and the image lacks improvement. The document summarizes the core strategies that are to be implemented in order to improve the country's economic situation and highlights the major challenges that are to be faced. According to the document, throughout the development process, the country will meet challenges that are highly relevant to the topic of this thesis, which justifies the main matter of the research. The government has noticed the need for implementing nation branding techniques and does highlight the importance of tourism. Therefore, the strategic plan includes the following challenges:

- The need for added value to the destination with increased authenticity integrated into traveling, regarding the fact that tourists nowadays seek for an experience instead of a set of products and services offered by the destination.
- Diversity within target markets; the strategy takes into account social trends along with demographic variety and aims to approach aging travelers, families as well as millennial generations with different lifestyles.
- Development in terms of technology, in regards to the rapid digitalization of the world. New technologies considering, robotics, artificial intelligence, information management and development in transport are a huge obstacle to be faced, nevertheless, they also provide opportunities in the development of tourism (HTA 2017).

The key challenges examined in this passage substantiate that an establishment of a national brand would improve Hungary's image as a tourist destination and that the correct approach would include targeting independent travellers and integrating branding into the marketing process of the destination, which answers some of the key objectives of the paper.

The government also announced an official national logo competition as the first steps towards establishing a national brand. The results have not been published yet. The applications can be reviewed and voted on the website of the Hungarian Tourism Agency. Some examples are presented in Appendix 2 and will also be

discussed in this chapter from the point of view of marketing and design. (MTU 2018.)

Hungary also takes part in international conventions, as the yearly World Tourism Day organized by UNWTO will be held in Budapest in 2018, which contributes to the overall boost of people's awareness of the country and to its international relations. (UNWTO 2018.)

The government recently engaged with sport event tourism as in 2017 the country made a huge investment in form of Duna Arena where last year's FINA Championship was held. (Novak 2017) According to the government the establishment was built in means of investing into sports and tourism as many upcoming swimming competitions will be realized in Budapest. (Anon. 2017.)

## **2.5 Branding Tools and Strategies**

The aim of the research is to find out how marketing, more specifically, branding can be applied when promoting destinations. As the essence of a national brand has been discussed in the previous chapters, an in-depth theoretical framework is not necessary on this stage. In addition, branding elements that are to be studied are strictly aimed at the case country of the paper, due to the fact that the scope of applicable strategies has been narrowed down after a thorough review of the case country's progress in the development of its tourism.

### **2.5.1 Branding Process**

Before establishing a brand and developing its key elements, the fundamentals of brand building process need to be clarified. The process includes five core phases that are: an analysis and investigation of the brand image, the development of brand identity, establishing aesthetic attributes of the image by determining the brand design, the actual launch of the brand that entails brand communication, and the management and continuous audit of the brand. The fundamental aspects of the framework of brand strategy are demonstrated in Figure 4.



Figure 4. Branding Process (UNWTO 2007)

The initial stage of branding would be to *brand identity development*, where the essence of the brand is worked out. On this stage, the task is to set down what the brand represents, what exactly the brand can offer and how the brand wants

to be perceived. The key aspects that should be carried out are the values of the brand, its value proposition, personality and general characteristics.

## 2.5.2 Brand Identity Development

Perhaps, the initial stage is the most complex milestone to overcome. Destination branding does require considerable marketing, however, the promotion often relies on design and creativity, and lacks brand strategy. In order to be able to distinct a clear picture of a brand's identity, the brand pyramid (Figure 5) comes very handy.



Figure 5. Brand Pyramid (UNWTO 2007)

The brand has certain physical or intangible *attributes* that describes the measurable features of the destination. Subsequently, the *rational benefits* can be established, which means that the tangible benefits that tourists receive from the destination's attributes can be identified. A fundamental part of marketing is its psychological approach, that is why on top of rational benefits it is crucial to reflect on the *emotional benefits* of the brand, which considers how the visitors feel after visiting a destination, more specifically, what psychological rewards tourists obtain after the visit. After the identification of both, emotional and functional sides of the destination, the *brand's personality* becomes outlined. The development of the brand's personality implies the establishment of the features and characteristics that are to be communicated to the target audience which leads to the determination of the *brand values*, the intangible traits that a brand possesses that creates a connection with the customers. All the above discussed stages result

in the establishment of *brand essence* that describes the destination's overall character and nature. (UNWTO 2007.)

### **2.5.3 Brand Design and Communication**

As soon as the core concept of the brand is understood and the essence of the brand is clear, the brand's proposition and communication to customers becomes much more effective, as the content of marketing stays focused.

Considering *what* is being communicated, certain creative elements play a leading role. An extremely important and one of the most influential factors of effective marketing is design, which includes several components such as a brand name, logo, color scheme, slogan, shapes, fonts and so on. (UNWTO 2007.)

Logos should not be considered only as a design element of the brand, but rather than a strategic tool for branding. The purpose of logos is initially identification. The existence of a design element raises brand awareness and visualizes the brand image at once. Apart from differentiation, logos, taglines and colors also influence the decision making of the consumers regarding the fact that they create a first impression of a brand. It is important to note that logo designs do not necessarily need hidden meanings as their main function is to deliver an easily recognizable image and an instant glance at the brand's values. These characteristics emphasize that the design's key advantage is simplicity and adaptability so that the design can be modified in shape, colour scheme or direction and still have the ability of being recognized in any context. (Paget 2017.)

As for country brands, the visual aim is to create a connection with both potential visitors and the country's residents themselves. As mentioned earlier, the aim of country branding is to create a unique proposition and a competitive identity, and in this case, the presence of a well-designed image and powerful slogan is of great importance. (Papp-Váry 2009.)

As reviewed earlier, Hungary did take initial to create a new visual as a first step towards a national brand, however, the results have not been announced yet. Analyzing the applications, it can be determined that the ideas are quite diverse. Some works do stand out with their strategic design and meet all requirements of



an effective logo, while others attract attention with their idea of a country image. This proves that the country does not yet have a clear strategic direction towards how its marketing should be conducted and confirms the need for a clear competitive identity which is the main objective of the paper.

The primary factor to be considered when marketing a place is that it certainly differs from marketing actual products and that is why a different approach to communication is needed. According to Kavaratzis, the framework of marketing communication applicable to places is based on three separate stages demonstrated in Figure 6. (Kavaratzis 2004.)

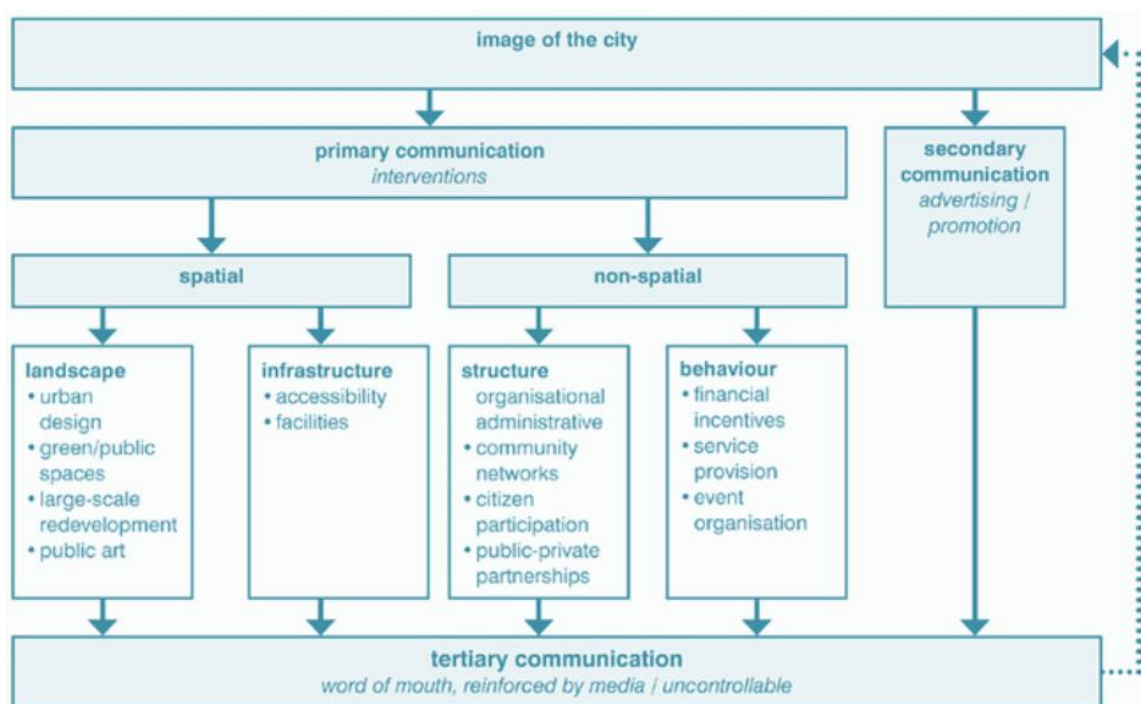


Figure 6. City Image Communication (Prilenska 2012)

The aim of the framework is to describe that the overall image communicated in place branding consists of every element of the destination including tangible as well as intangible characteristics of the place. That is why when channelling the image of the place the primary communication should be the message that the image is trying to send, meaning that it consists of making travellers aware of the landscape, infrastructure and culture of the destination. Subsequently, the secondary stage of communication should be the commonly interpreted way of marketing communication which includes a well-established marketing mix, pub-

lic relations and promotional techniques. The combination of both stages of marketing communication allows to proceed to the tertiary dimension of marketing communication which is channelling the overall city image through the created image itself. To be more clear, after the establishment of both primary and secondary stage the place will be marketed through the word of mouth and by the destination itself. (Kavaratzis 2004.)

When the image communicated is established it is vital to take into consideration the means of communication. A well-balanced marketing mix and a targeted approach is needed to promote the destination and attract potential visitors. As the latest trend in place marketing and the initial goal of the research is the focus on independent travellers, the applicable marketing tools are going to be discussed on this market segment (ETC 2006). As the purpose of the paper is to discuss applicable marketing strategies, Promotional techniques of the marketing-mix will be discussed in this paper more profoundly.

#### **2.5.3.1 Means of Communication**

In the era of communication technology, consumers tend to rely on advice based on other travellers' experiences learnt from the internet. Thus social networking and digital marketing became extremely relevant and are key to effective communication in place branding. (ETC 2006.)

In case of place marketing, the internet has the most significant impact to its communication process. More specifically, websites can contribute greatly to raising attention to potential visitors. The main function and the benefits of an official website would be communicating the core image of the destination by providing general information, a detailed description and pleasant visuals of the place. A distinctive advantage of an official website of the page is the fact that the content and the image is controlled by the "advertiser", thus making it possible to influence the message that is being communicated. Moreover, through establishing a certain brand design, meaning a logo, a slogan or a colour scheme, the possibility of increasing brand awareness is much higher. (Florek, et al. 2006.)

As mentioned before, the evolution of technology and the increased use of the internet has made it possible for customers to share their own experiences which

has become the primary influence in travellers' decision making. This leads to the fact that placing favourable content on city council websites is simply not enough progressive marketing communication. The emergence of social media platforms, blogs, possibilities for feedback offer an advanced two-way communication of brand image. The implementation of the phenomenon would highly increase customer engagement, regarding the fact that if before customers stayed as passive consumers of the brand's marketing, after operating with two-way communication strategies they could become active producers of the content. (Ketter & Avraham 2012.)

The rapid development of technology also allows us to receive information on people's preferences and interests through their web-browsing habits. Therefore, digital marketing and the use of search engines are crucial channels of communication. The most popular search engines work by offering results to users and leading them to a website that matches their searches the more suitably. (Linh 2012) The engines usually display two types of results which are the most relevant and paid options. Paid options appear at the very beginning of the list, thus allowing paying companies to attract more visitors (Charlesworth 2009).

Even though online channels are extremely effective, there are some other, more non-traditional ways of communication when it comes to place branding. As mentioned with the major differences between corporate and destination marketing channels, the possibilities in terms of destination branding are not that restricted. A very effective means of communicating the brand image is viral advertising. It is proven that the speed of information distribution in case of viral media is extremely rapid and does not require much investment, as it is spread by word of mouth (Papp-Váry 2017).

An emerging platform for image communication in destination branding is sports. When a destination decides to deliver its core brand message through sports, there are a few options through which communication can be executed. The first most common ways of using sports as a platform are to provide a destination for a sporting event. It is arguable whether it is worth investing, regarding the fact that hosting such a voluminous event it is quite possible that the destination will receive backlash and the event will destroy, rather than build up a country image.

However, in a successful scenario, the amount of attention and free advertisement offered by the media and word of mouth can give an extreme boost to a destination image and offers a great platform to promote the brand. (Rein & Shields 2007.)

### **2.5.3.2 Customer Segmentation**

A vital factor of a successful brand is the identification of the target audience which is done by segmentation. During this process, the key customer base is analyzed with a thorough overview of their wants, needs and characteristics. This allows the customers to be divided into groups in order to be able to execute targeted promotion. (UNWTO 2007.)

The ability to segment certain customer groups will also contribute to the effectiveness of the above-described brand communication and can outline the features of the design elements that will be the differentiating image of the brand. This means that all marketing related operations will also be more cost-effective as the design and delivery of the promotion will be customized in accordance with the identified target group (Cleverdon 2006). Applying customer segmentation into the brand building strategy is crucial as before deciding whether to visit, travellers tend to rely on their previous experience or their perception of the country. Regarding the fact that their behaviour or attitude often affects perception it is important to position the image in favour of certain mindsets (Leisen 2001).

Some of the common segments according to the Handbook on Tourism Market Segmentation are (Anon. 2007):

- demographics
- geo-demographics
- buying behaviour
- needs and activities
- values, attitudes.

These segments do not differ much from common corporate marketing techniques, however, it is essential to explain some of the concepts in a more in-depth manner from the perspective of tourist destination marketing.

Furthermore, in order to select which customer segment is the most relevant in case of place branding, it is important to identify where the country or city stands as a tourist destination. As it is possible to gain knowledge on the basic outline of travellers' attitudes, values and beliefs, the information gained can refine customers' psychographic profiles by following Stanley Plog's model of tourist behaviour. The model suggests that there are two extents of tourist mindsets according to which people's travelling habits are shaped, which are allocentric and psychocentric. (Plog 2001) The first refers to travellers who are open-minded, prefer different touristic areas, have a high activity level and prefer unusual destinations. The latter refers to travellers who depend on common tourist destinations, focus on relaxing, enjoy visiting developed tourist areas, restaurants and hotels. (Cleverdon 2006) By positioning destinations somewhere along this axis, it is easier to reach travellers who are eager to visit and contributes to segmentation.

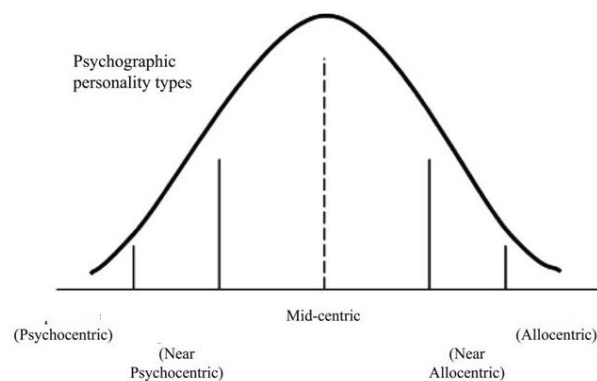


Figure 7. Adaptation of Plog's Personality Model (Parsons 2011)

#### 2.5.4 Strategic Management

The key to a strong brand lies in the ability of continuous control and development in order to assure consistent successful delivery of the brand image. Apart from careful management of the existing outcomes, it is vital to engage in strategic planning and determine a strategic direction. This is realized by creating a vision, setting short- as well as long-term goals and positioning the brand on the market of the competitors. Subsequently, a clear direction of where the brand stands or will stand in the future enables the possibility of image assessment, which is vital for monitoring the results of the branding process. Image assessment reflects the

main strengths of the brand and measures the overall brand awareness on the market, which contributes to future development and improvement of the brand. (UNWTO 2007)

### **3 Empirical data collection**

An empirical part for the research is crucial in order to justify the theoretical outcomes of the paper and to be able to carry out definite findings. The empirical research will be conducted by unstructured interviews which will assist the author in receiving a broad overview of the overall situation of the case country's tourism including its advantages, disadvantages and points of improvement. The most convenient sources of getting substantial information are professionals of the field of hospitality, regarding the fact that these individuals have a stronger insight to how the tourism industry actually works in Hungary and can judge the effectiveness of the proposed strategies appropriately.

#### **3.1 Interview Overview**

Branding or marketing do have objective strategic elements, however, a vast part of the field is based on personal perception and psychologic behaviour and requires a subjective approach. That is why the questions of the interviews will be customized to the interviewee, regardless of the fact that the questions will be aimed towards one direction and will focus on the interviewee's personal opinion. This means that there will be certain concrete questions, however, additional questions will vary according to the course of the interview.

##### **3.1.1 The interviewees**

The selection of the interviewees was intended to have diversity within the field in order to receive a broad insight to the matter. The respondents of the research are two hosts on a digital platform offering hospitality services, a vocational worker of thermal baths operating in Budapest, a restaurant owner, a restaurant co-owner/chef/entrepreneur, an administrator of a modern fast food catering unit and a representative of the Hungarian government. The interviewees remained anonymous in the research in consideration to the security of their privacy.

### **3.1.2 Interview answers overview**

In this passage, the main contents of the interviews will be presented. In order to give a more consistent overview of the interviews, the answers have been separated into topic groups, thus allowing the author to deliver concrete outcomes that are relevant for the thesis. The highlights of the conversations will be discussed in a more analytical manner in the *Discussion* chapter. The list of questions will be presented in Appendix 2.

#### **3.1.2.1 Current Customers**

Throughout the interviews, it was possible to outline a general profile of the travellers who visit the destination considering that the respondents operate in diverse contexts. Even though a vast part of tourists are Hungarians, it has been clarified that the research is aimed at foreign travellers and all findings will be in regards to them. It turns out that the majority of travellers can be grouped in three main groups. First of all, it has been justified that the destination is extremely popular with Russian travellers as almost all interviewees mentioned that they are one of the largest segments of their customer base. Namely, both restaurant owners and the worker of the thermal baths confirmed that the business adapted to visitors from Russia and provide information and workforce with a confident command of Russian language. The representative of the Hungarian government also highlighted the bloom of Hungarian tourism in Russia and added that the opening of a new route between Budapest and St.Petersburg by a popular low-cost airline has been operating outstandingly since the summer of last year. It has also been mentioned that the demographics of the majority travellers lack younger travellers and the main reasons of their visit is the thermal waters, sightseeing and hiking. Another group that can be outlined from inbound tourists are German visitors. In this case, the visitors can be separated too young generations or millennials who arrive in seek for adventure, fun and favour attending music festivals and bars, whereas the other part enjoys the countryside, nature and are eager to travel to Lake Balaton area from Budapest. Both apartment owners and the baths worker confirmed the city's popularity among young generations and highlighted that there are many travellers from Western-Europe and especially the UK who favour the nightlife combined with the adventurous city

and the relatively cheap prices. However, regardless of these two strong target markets, there is a small growing segment of independent travellers as mentioned by the two hosts. Apparently, there are many visitors from overseas who have extremely diverse reasons for their travel and have different interests in what they want to do or see in the city. The number of travellers from the US, Australia or the African continent has risen greatly, and their main points of interest are Hungarian culture and European architecture along with nightlife and nature. Budapest's growing popularity among independent travellers has also been confirmed by one of the interviewees who operates a modern street food-themed catering unit. Regarding the fact that the business is targeted and positioned to please more adventurous and down-to-earth customers, the success of the business justifies that there are many open windows towards the improvement of Hungarian tourism.

### **3.1.2.2 Positioning**

Upon asking what exactly these hospitality services offer and how they position the destination in order to make business the answers again had a similar pattern to the overview of the customers. The key elements that are communicated are Hungarian culture that includes the popular cuisine, the outstanding natural environment, the exciting urban lifestyle and lively nightlife. While some businesses tend to differentiate themselves with an easy-going attitude and more available prices, the other side puts the emphasis on quality and is focused on customers from the upper-middle class.

### **3.1.2.3 Barriers**

After the discussion of the role of independent travellers in Hungarian tourism, all interviewees agreed that the segment does have a significant impact in the sector. Even though, some respondents stated that the way they do not target independent travellers and the size of the segment does not really affect their business they did add that they believe that the destination should be attractive for everyone and it is a shame that the word has not spread yet.

When asked about the barriers between the destination and independent travellers, the answers were diverse yet extremely helpful. One of the main issues that



was highlighted is that it is believed that the country has a bad image considering certain political issues and they also believe that foreign people have a less positive impression towards the eastern side of Europe and might think that the country is less developed than western governments. All in all, the key is they believe that the nations reputation and overall image needs polishing.

Another problem that has surfaced is the lack of workforce in the tourism and hospitality sector. It has been mentioned that nowadays Hungarian youth prefers working abroad when it comes to occupations in the field of catering and hospitality. Especially, this summer there was an immense shortage on employees in the tourism industry which disturbed local businesses.

However, when asked about the means of communication with potential customers it turned out that almost none of the respondents were using modern ways of marketing communication and level of digitalization in the field was close to zero. Even though, all of the interviewed professionals do have at least one social media or digital platform they do not exploit the possibilities that the web offers. This was also confirmed by one of the hosts who stated that the only reason why she decided to use the online application that offers hospitality services because she knew that this would be the only opportunity for her to approach a wide range of consumers. It was also added that before using the platform, she did not have any success in attracting guests as she did not know where she could advertise her real estate.

#### **3.1.2.4 Branding Approach**

Upon discussing the concept of nation and destination branding every respondent reacted positively to the concept. All of them agreed that the establishment of a national brand would be extremely influential to the field. However, they expressed their doubts on the matter. From the interviewee who has a bigger professional insight to governmental issues stated that the initial concept the theory and this research paper is prosperous, however, the case is more complex and stated that in order to establish a successful national brand overall co-operation is needed from all sectors of the government. He was also familiar with MTU's strategic launch and expressed that the strategy is a considerable step in the

beginning of the branding process. From his point of view, the government mostly focuses on economic impacts of tourism and lacks a business-like strategic approach. He stated that there is a need for considering marketing and branding as a strategic tool towards development. When discussing the phenomenon, most interviewees had doubts considering the government's ability to work in balance, and all agreed on the significance and need for an enhanced marketing strategy.

As for the country's attempts to launch a national brand, the interviewees were asked to review the brand idea, logos and official website of the tourism agency from the point of view of effective marketing. The feedback on the web page was quite negative, regarding the fact that most of the respondents didn't even know about the existence of it and expressed their impressions towards the lack of information and the quality of the content. As for the design elements, it was difficult to discuss the aspects of logos considering the effectiveness of their design in context of marketing as they lacked knowledge on the topic. However, aspects considering the image and value they communicate received substantial feedback. There were several aspects of the nation that the respondents thought should be included, however, they couldn't recognize one clear brand identity.

#### **3.1.2.5 Competitive Advantage**

Perhaps the most crucial task of the interviews was to be able to identify a competitive advantage that Hungary as the destination have. The interviewees named similar things that are unique features of the destination, however, they could not differentiate the destination. The key elements of Hungary's competitive advantage according to professionals of the field are the outstanding cuisine, rich and diverse culture, alluring architecture of Budapest, distinguished natural resources and modern urban life. Even though, these results cannot be considered as a competitive advantage an interviewee added, that the advantage of the destination is in its diversity and the fact that all the above-mentioned attractions and experiences are combined in one destination in the heart of Europe.

### **3.2 Discussion**

Several results can be outlined upon conducting the interviews. First of all, it is clear that the number of independent travellers is not quite significant and the

destination rather has its few target audiences. However, as confirmed by the interviews, the segment of independent travellers has started to grow which means that there would be a base and sense of further marketing actions that include the establishment of a national brand. Secondly, there are many tangible and intangible characteristics of the destination that could be a base for the content of the brand itself, however, they are not structured in any way, and there is no particular message that could be communicated. Subsequently, there is no particular communication channel established between independent travellers and the destination itself, the destination lacks a strong marketing strategy and does not exploit all opportunities.

Another important result of the interviews that the country does not yet have a consistent image. It is true that the destination is popular with tourists, however, there is no coordinated image or direction that would be necessary in order to build up a strong national brand. Considering current branding approaches established by the government, it is clear that the country needs a serious digital upgrade which will contribute to the destinations' promotion. As for the approach of a national identity design, it is clear that many applications are simply not the most suitable for a brand logo in terms of their design and content.

Most importantly, it is clear that the matter that the issue of nation branding can only be addressed by the government's coordinated strategy, however, the paper is focused on marketing practices that could contribute to the establishment of a national brand, which is a matter of a less political approach and can easily be realized.

The interviews also helped the author to form a personal idea of a national competitive identity, which will hopefully be reviewed and considered to be implemented in the strategy of the country's re-branding process. Based on others' perception of the destination from both personal experience and the conducted interviews, the competitive identity of the destination would be the variety of experiences offered in one destination, which implies that tourists do not necessarily have to travel through Europe to receive all pleasures of a vacation. This could be an initial idea of the destinations competitive identity which would be the base

of the set of strategies that are appropriate to implement in the development process of a national brand and can be considered as a positive factual result of the research.

## 4 Findings and Conclusion

Combining both theoretical and empirical findings, it is possible to carry out factual conclusions and present strategic practices to be implemented in this case. First of all, after the interviews, the author was able to identify a competitive advantage which could be used as a competitive identity for the country.

### 4.1 Hungary's Competitive Identity

The author suggests that instead of differentiating one aspect of the destination and making it the centre of promotion, the diversity could be used as one competitive advantage. The competitive identity of the destination is concentration of endless possibilities in the centre of Europe. The author's concept is that the country possesses a variety of attractions and amenities, and is easily accessible. The "product" that the brand offers a general visual of Europe in one destination at a relatively low cost. Regarding the fact that Budapest is outstanding in art, architecture, cuisine, nature, urban life, culture and history visitors can enjoy a European experience without having to visit multiple countries.

In the case of destination and country branding, the name of the brand is given, there are certain design elements such as a slogan, or a logo should be carried



Figure 8. Budapest Logo

out in order to affect the destinations positioning. Based on the aspects of strong visuals that have been studied in the paper the author suggests the following visual presented in Figure 8.

The presented logo is only a mere sketch of the idea, however, with professional graphic tools, it will be possible to execute the central concept of the brand. The design incorporates cultural aspects such as embroidery and national colours, which connects residents to the brand image. The overall water theme of the design resembles the natural resources of the country and also hints to county's wineries. Evidently, the font and overall look of the brand would be refined, and the visual is presented only to give an example of an adaptable eye-catching logo. As described, the logo does have a creative approach, however, is simple thus allows various printing options. The presence of the word *drop* in the slogan can be interpreted as a small concentrated amount of an entity or might as well promote the wines and waters of Hungary. All these elements would promote the destination's competitive advantage, which is an "all-inclusive" European destination within one place which is easily accessed at a relatively low price. The destination offers cultural, natural, urban, gastronomic as well as architectural attractions within one location. In the author's opinion, a simple approach as the presented logo and slogan resembles an excellent example of a simple, working and attractive brand identity.

The target market of the brand would be independent travelers as the research is aimed at it and the market is both extremely relevant and can continuously growing. The approach of brand positioning would be executed by segmenting the large market into clusters using common segmentation theories and Plog's tourist mindset theory.

The most crucial part of marketing communication is the establishment of online platforms with massive traffic that the current brand lacks. The following platforms are to be installed:

- web page with detailed content of the brand
- active social media platforms
- working digital marketing strategy including search engines.

Apart from online platforms, the brand should be communicated during various events in which the government participates. There are also many international events that are hosted in Hungary, such as music festivals and sports events,

that is why the active communication of the brand during these events is crucial. In addition, some of the events are promoted poorly that is why the communication of the destination's existing assets is of extreme importance. The above-mentioned means of communication are only the platforms through which the brand is promoted. That is why the need for organized and clear content is necessary in order to have an actual message to be delivered.

In order to give a more vivid demonstration of the hypothetical brand a basic analysis of the brand's strengths, weaknesses, threats and opportunities is to be overviewed.

#### Strengths:

- Accessible location in terms of location and visa requirements
- Variety of attractions
- Strong culture
- Pleasant weather conditions
- Decent conditions in regards to amenities
- Improved infrastructure in regards to tourists
- Affordable options of services

#### Weaknesses:

- Current country image
- Political inconveniences
- Non-Euro zone

#### Opportunities:

- Prosperous market, ability for segmentation
- Variety of communication channels
- Adaptable brand positioning due to the diversity of the "product"
- Sports facilities for hosting future events

#### Threats:

- Decreased workforce in the industry of hospitality

- Lack of adoption of technology (credit card payments, online information etc.)
- Limited options for development due to governmental matters

## **4.2 Conclusion**

In this paper the fundamentals of the current phenomenon Nation Branding were researched. The aim of the paper was to clarify the core idea and advantages of the concept and find out whether the theory is applicable to the paper's case country, Hungary. In order to present a substantial research an overview of the destination's environment was needed along with a brief review of applicable marketing practices. As the above-mentioned attributes of the paper have been studied a comprehensive and practical set of findings and outcomes can be carried out.

First of all, the study is able to provide a detailed answer to the initial research question of whether the implementation of a nation branding strategy would improve the country's image as a touristic destination. The research has determined that the practice of applying corporate branding techniques has proven to contribute to a government's overall economic development in terms of FDI, total GDP, diplomacy, exports, social and cultural matters and most importantly to the development of tourism. Not only it can be determined that the phenomenon can have a positive impact on tourism, but the development of this sector has the most impact on the long-term success of a national brand. This finding is crucial for the research as the paper's narrow focus on tourism has been justified. However, it is important to note that the concept of nation branding is extremely complex, as the driving factor of the theory is a government's ability to create a cohesive branding strategy which is strived by all institutions operating in the government, namely the Ministry of Foreign Affairs, National Tourism Agency, Investment Promotion Agency and so on. Regardless of the complexity of the matter, the key outcome of the research that a competitive advantage of the national brand needs to be established and communicated by using certain marketing related strategies in order to ensure long-term effectiveness. As the most "marketable" industry is tourism, strategies should initially be focused on destination marketing.

In order to be able to review a relevant strategy, the progress and the environment of the destination had to be reviewed which was the second objective of the paper. Throughout the research, from both personal interviews and secondary data, it became clear that the country, as a destination does have potential for further development as it has been measured by destination management tools such as the Anholt City Brand Index and the destination meets several attributes of UNWTO destination management framework. In addition, initial steps towards strategic destination improvement have been made by the government with the launch of the long-term operational plan The National Tourism Development Strategy 2030.

The study's final objective could be met by researching the above-mentioned matters and several exact strategic elements could be carried out that are applicable in this case. As the results of the interviews and theoretical research showed that the country lacks the key element of destination branding which in competitive identity. In regards to the issue, further marketing techniques lost their effectiveness or remained still and could not develop. Another key issue that has surfaced and affects destination marketing is the lack of use of technology in current promotional actions which, again, does not contribute to the marketing process. After a thorough research of successful visual, it has turned out that the government's recent attempts of creating a brand design are may not be quite effective as they lack the ability to connect and deliver the main factors of a country image and are not very useful in day-to-day marketing communications as they to lag in terms of technical execution. Meaning, that the logos that are prosperous in terms of concept are not effective in terms of printing and are not adaptable in various scenarios, such as decreasing the size, mirroring or black and white versions, on the other hand, well-designed visuals lack creativity, concept or concrete brand image. The research justifies that there are certain practices that could be implemented in this case. First and foremost, based on the empirical and theoretical research the author is able to suggest a sketch of a brand profile that can be used for the development of the current situation. It can be stated that, as measures towards a country or destination brand have already been made, the initial task would be a different approach of positioning and some changes in the core brand identity.



Apart from the suggested identity, it is clear that the above-researched communication methods have to be implemented with the use of various platforms. The vast majority of the platforms should be online including a working, well-designed website with relevant content. The content has to be focused on positioning and describing the variety of possibilities and the ease of their approach in order to suit the brands initial idea.

All the above-mentioned findings also refer to the primary outcome of the research that is the fact that the initial practice that should be taken into consideration is establishing a clear competitive identity prior to strategic actions such as positioning and marketing communication.

All in all, the research established that by improving the case country's image in the public eye would not only open prosperous opportunities in the industry of tourism, but can contribute to Hungary's economy and boost it as an emerging market. The study also reviewed that there have already been measures addressed to the improvement of the market. The research also provided the study of operational drawbacks and was able to carry out practical and concrete techniques that could be applicable to the destination and would improve its operations towards development.

## **5 Suggestions for Further Research**

The research studied only the surface of nation branding and from only one perspective which is marketing. By this reason, the author believes that there is a need for research that touches the matter from the side of politics, public diplomacy and economics. Regarding the fact that politics in the country are quite eventful and controversial the author believes that a study on the matter would make great impact in governance. In addition, regarding the fact that Hungary is an emerging market a paper that studies the impact of a national brand on the country's economy would carry out extremely interesting results. Lastly, a more voluminous study on the coherence of all sectors of the government in strive for a well-directed national brand would make a huge contribution to the informations available on the phenomenon.



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## Appendix 1

### Logo Ideas

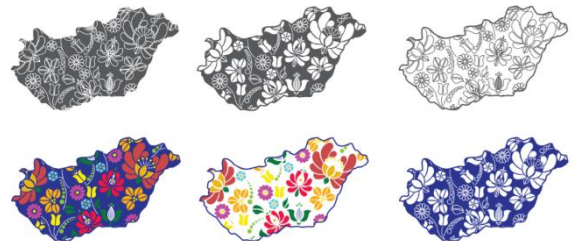


Figure 9. Logo designs (MTU 2018)

## Appendix 2

### Interview questions

1. Can you tell me more about your business/the field you work at?
  - a. What is your concept of attracting customers?
2. Can you tell me about your consumers?
  - a. Where are they from?
  - b. What do they want to do in Hungary?
  - c. What do they think about the country?
3. How do you segment your customers?
4. Do you believe attracting more independent travellers would influence your business/workplace?
5. What are the barriers between independent travellers and the current environment of your field?
6. What do you think about the concept of place branding?
  - a. Do you believe that the establishment of a national brand boost the destination's popularity?
7. How would you position Hungary? What would you want to communicate about the destination? How do you reach your customers?
8. Do you think that the country, as a destination, has a competitive advantage?
9. What do you think about the logos presented on MTU's website?
  - a. Do you think these logos are carrying the right message about the destination? What do you think the logos should embrace?