

## Branding Podgorica-Montenegro

Kristina Dabović<sup>1+</sup>,

<sup>1</sup> University of Donja Gorica, Montenegro

**Abstract.** *The paper aims to present the possibility to develop a city brand for Podgorica, the capital of Montenegro. The preliminary research was developed around three main areas relevant to improving the identity and image of the capital city and the state as a whole. The analysis started with a SWOT analysis of the advantages, disadvantages, opportunities and threats of the branding process of the Capital City. The main objectives of the research are directly related to the models of economic growth and this is very important for the tourism of Montenegro. The paper presents the main attractions, as well as products that Montenegro has at its disposal, as well as the impressions of tourists and their demands for improving the tourism of Montenegro. The research covers the following topics: Tourist branding of the Capital City; Branding of National Parks in the service of improving the brand of the capital city and the state as a whole, with special emphasis on NP Skadar Lake; Wine branding, as the most valuable agricultural brand of the capital city and the state. The topicality of the chosen theme as well as the motivation for the choice of the same topic is the capacities and natural beauties that Montenegro has and its possibilities for further advancement in these areas. Certainly, one of the most important things for the progress of Montenegro are a fundamental knowledge of each individual that allows us gaining new knowledge in the field of science, on the other hand. We have applied research that is focused on innovation, meeting the specific needs and developmental studies have focused on the use of knowledge in the creation of machines, processes, production systems and the like, which can have a significant impact on the further development of Montenegro.*

**Keywords:** brand, city brand, economic, products, growth.

**JEL Codes:** C83, L83, M39,

### 1. Introduction

The current research relates to the branding of the Capital city of Podgorica, in whose identity all elements (natural, cultural, economic, technological, urbanistic, etc.) are included, which influence the general perception of the capital, as a complex structure of social life in one space, and ultimately affect the branding of Montenegro as a tourist destination. By researching, I have identified the current associations and perceptions that the members of certain target categories (inhabitants, entrepreneurs, tourists, etc.) have on the Capital city, in order to analyse the image of the Capital city in this way. In Table 1 is presented the SWOT analysis which illustrates the strengths, weaknesses, opportunities and threats of the Capital as a touristic product.

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<sup>+</sup> Corresponding author, e-mail address: [Kristina.Dabovic@udg.edu.me](mailto:Kristina.Dabovic@udg.edu.me).

Table 1. SWOT analysis – Pogdorica- as a touristic product  
 Source: Author’s view

BENEFITS	WEAKNESSES
Variety of supply in a small space Climate and geographical position Natural values Cultural and historical heritage Hospitality of the local population Food and drink A large number of small and medium-sized enterprises A pleasant ambience for investors Developed Information and Communication Infrastructure (ITC) Political stability Good relations with neighbouring countries A new destination Close to the most important European cities	Unsatisfactory structure of hotel capacities Lack of awareness of the importance of tourism among the increasing number of population Unintegrated offer Insufficient use of IT Unrecognizability of the region Lack of staff in point of quality and qualification Low level of service quality Expressed seasonality A considerable share of grey market Lack of information and research Unplanned construction Inadequate supporting infrastructure The noise Insufficient accessibility through air traffic Insufficient areas with the status of a protected area in the coastal area Insufficient in-coming visits
OPPORTUNITIES	THREATS
The growing international demand for tourism-oriented nature The growing international demand for new and unused tourist and convention destinations The growing international demand for high quality tourism offer The growing importance and acceptability of sustainable tourism development The ongoing integration into the European Union The development of regional tourism associations Private-public partnership	The increase in transportation costs (oil price) The increase in food prices The effects of climate change It seems to be a kind of unbalanced SWOT analysis

The SWOT analysis which illustrates the strengths, weaknesses, opportunities and threats of the Capital as a touristic product, and according to SWOT analysis brand, for Montenegro is very important for all main objectives of the research who are directly related to the models of economic growth and this is very important for the tourism of Montenegro.

The survey included 60 respondents and was conducted in the area with the highest concentration of tourists, namely in the area of the central part of the city and major metropolitan areas.

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## 2. Methodology

### 2.1. Research design

**Research Plan:** In the project related to the branding of Podgorica, and at the same time Montenegro, I included research in some categories relevant to improving the identity and image of the capital city and the state as a whole. In the introductory part, the SWOT analysis is presented of the advantages, disadvantages, chances and threats to the brand of the Capital City, in order to focus on three brands of entities that could enhance its image.

The research covers the following topics:

1. **Tourist branding of the Capital City;**
2. **Branding of National Parks in the service of improving the brand of the capital city and the state as a whole, with special emphasis on NP Skadar Lake;**
3. **Wine branding, as the most valuable agricultural brand of the capital city and the state.**

The hypothesis is:

"The advantages and disadvantages of Montenegro as touristic destination can be used as main starting point to build the country brand as well as capital brand (Podgorica-capital of Montenegro)". The hypothesis was explored using data collected with a survey-based questionnaire.

Also, in different theoretical studies and models of economic growth, it was noticed that the development of an economy, which is partly based on the development of tourism, shows a significantly more efficient and economically more promising future for the economic development of a country or community.

The hypothesis will be considered through historical, but also current economic events, and in this way confirm or deny the basic goal of the research.

### 2.2. Methods

The research methods used in the design of the research are:

#### 1. Empirical research methods:

- Collecting primary data: questionnaire form;
- Data analysis and statistical processing;
- Analysis of secondary data;
- Observation methods;
- Comparative methods;

#### 2. Logical explanation methods:

- Methods of analysis and synthesis;

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- Methods of abstraction and concretization;
  - Generalization and specialization methods;
  - Inductive and deductive conclusions;
3. Verification methods:
- Comparative analysis.

The study is using the inductive method from the particular to the general. Based on the study of individual examples in the context of the present and the historical overview, the hypothesis testing and its scientific foundation will be carried out. In this paper, too, there will be several methods that will serve to theoretically and empirically examine the hypothesis that is set in the paper. The theoretical part will be accompanied by quantitative analyses that will be presented in this paper in order to examine the hypothesis. The paper will be used and a tabular graphical representations.

### **3. Results and discussions**

#### **3.1. Branding the capital city –Podgorica, as touristic destination**

The research refers to the valorisation of the overall brand of the Capital in the opinion of tourists who visited Podgorica from early September to mid October 2017. As the most appropriate way of thinking sublimation tourists in relation to the new needs of the selected survey. In order to achieve greater representativeness of data, the survey is conducted on a sample of 60 respondents. The survey's questionnaire includes 12 questions. Also, given the composition of the sample, question formulation, method of survey and autonomy when replying, the emphasis during the comments of the survey results will be placed on the quality of answers, and not on their quantity or amount percentage. For this reason, this comment will be limited to certain questions or answers, which should represent a contribution to this research, because they reveal problems, illogical, misapprehensions and discussions related to the tourism product and the brand capital. The survey included 60 respondents and the survey was conducted in the area where the highest concentration of tourists, namely in the area of the central part of the city and major metropolitan areas.

The first question was: "*Which country do you come from?*". The results in percentages are presented in Fig. 1.

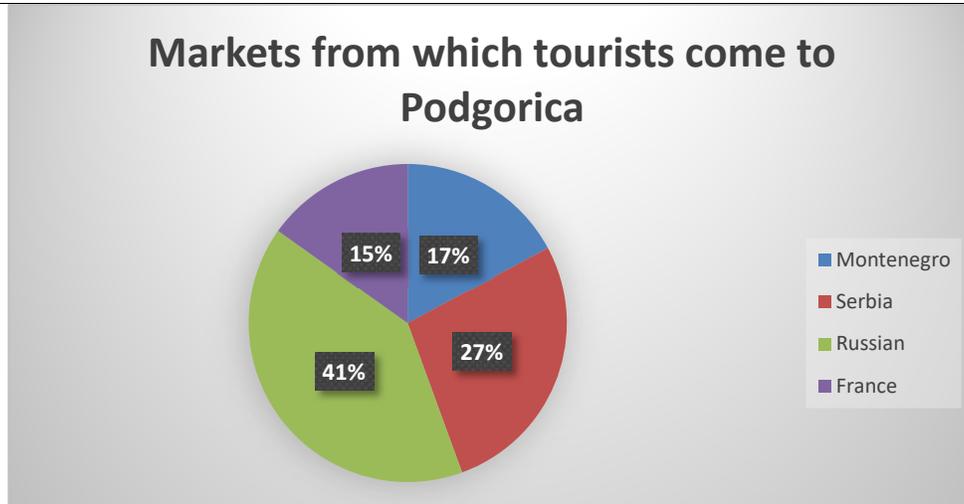


Fig 1: Tourist inbound flow, by country of residence (Montenegro, Podgorica)

The study showed that the largest number of respondents from Russia's emission market. Visits by Russian tourists has continued the growth trend, which means that the offer must be oriented more precisely towards this segment demand. The second place is, not less important, the market of Serbia, which is most oriented towards our destination. Interestingly, the Black Mountains and this year the most visited by tourists from Serbia and Russia, which coincides with the results of my research. In the last few years, tourists from very influential emitting markets, such as: France, the Netherlands, Germany, Great Britain and others, are returning to the Montenegrin coast. The data relating to the number of domestic tourists is very important from the aspect of domestic consumption that is retained in the country, i.e. there is no outflow of money.

Regarding the second issue, *the age of tourists*, the highest number of respondents was between 20 and 30 years old with a share of 50% and 15% respectively. 33% of the respondents were aged between 30 and 45, 17% and 8 respondents under the age of 20, as presented in Fig 2.

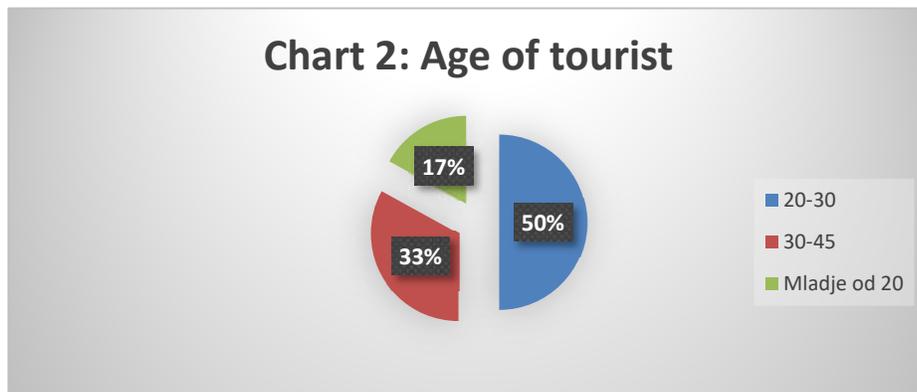
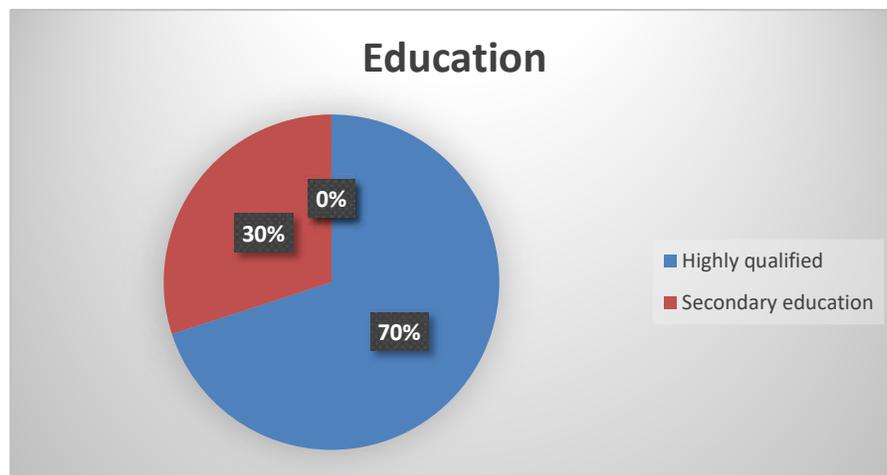


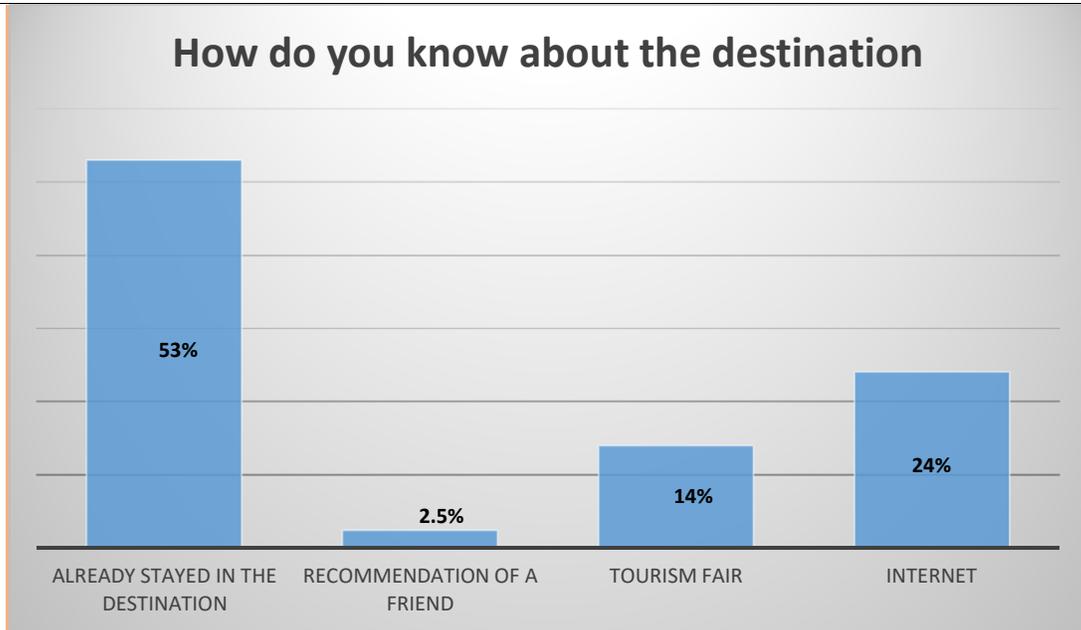
Fig 2: Age of tourists

The chart below shows that most of the participants were young and middle-aged. However, the participation of tourists of different ages depends largely on the place and time of the survey. During the summer months, it is natural that more tourists are younger, and great attention must be paid to this target group in the future. On the third issue regarding *education*, the highest number of respondents with a university degree was 70%, while the remaining 30% were with secondary education. Based on these data, it can be concluded that these tourists are highly educated who come from business or tourism, or their higher education allows such a standard of living that they can afford to travel.



*Fig.3: Education*

The fourth question that is very important to check the effect of the promotional activities of the destination is regarding the way of *knowing about the destination*, 53% of respondents in Podgorica occurred thanks to the Internet, 24% decided to come to Podgorica due to visit the fairs that are offered in Montenegro, such as the Tourism Fair, 14% came on the recommendation of friends or relatives who have already stayed in Montenegro Podgorica. 9% of respondents already stayed in the destination.



*Fig.4 : How do you know about the destination?*

The Internet has prevailed for a short time in the world and of course placed, it still does, a big mark on global tourism and tourism economy in general. Starting from the way of reserving services, whether hotel or transport, to advertising and promoting destinations. The survey, as can be concluded on the basis of the previous question, consists of highly educated tourists and tourists of a younger age to whom the use of the Internet is very important in contrast to the other group of tourists. For this very reason, the Internet takes the first place when it comes to how to find out about the destination. We conclude that the Internet advertising is of great importance for raising awareness of the brand of the capital city, and it is recommended to invest in Internet marketing.

The fifth question relates to *the reasons for coming to Montenegro and Podgorica* and it is a very important issue, because on the basis of the answer it can be concluded what influences the choice of Podgorica as a place for rest and travel. On the basis of these data, it is possible to define the type of tourism that needs to be further developed in the future. For example, most respondents gave the answer that the motives of arrival associated with the natural beauty, entertainment and nightlife, which means that efforts should be made that this segment constantly improve so as not to lose quality.

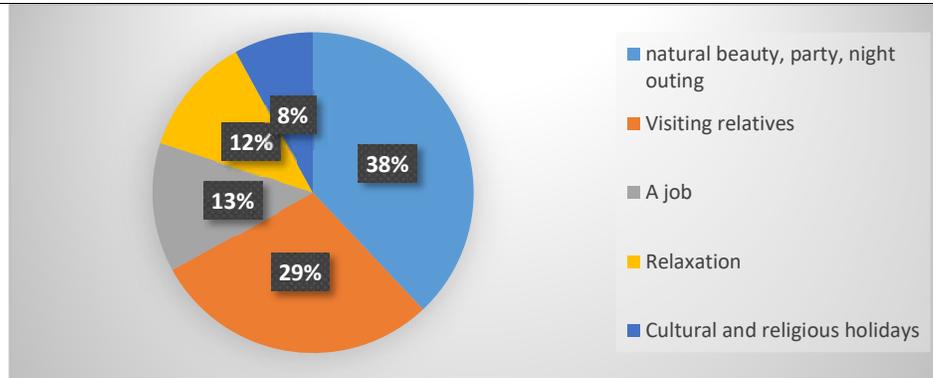


Fig 5: Motives of arriving in Podgorica

12% of the respondents answered that their main reason is rest and relaxation, 29% of the respondents pointed out the main reason was a friend's recommendation or visit to relatives and friends. 13% occurred in a destination for business purposes and 8% of them visited Podgorica for cultural and religious reasons. In the last few years, tourists who have come to Podgorica, especially those of us with a significant source markets (Russia and Serbia), turn to religious and cultural tourism, which means that it is necessary to develop this type of tourism when there are already adequate conditions for the same.

To the sixth question, "Did you meet their expectations in Podgorica?", 64% of respondents said they were completely satisfied, 17% reported a positive response, 13% are partially satisfied and 6% of them are not satisfied with their stay in Podgorica and they expected more. As a reason for their dissatisfaction, they often highlighted enormously high prices that are not in line with the quality of services provided. These prices are mainly related to: transport companies (Taxi Company), the prices of airline tickets, the prices of parking services, consumer goods and the like.

The incompatibility of service providers also had a negative impact on tourists who stayed in Podgorica. In addition to the above reasons, another one has significantly contributed to dissatisfaction, i.e. the degree of purity since it is an ecological country, where from the very beginning it is expected more when the impurities are in question. The following graph shows how many are actually satisfying the expectations of tourists on the Montenegrin coast.

The seventh question relates to *the level of tourist satisfaction with the tourist offer of the capital*, so the results of the interviewed respondents are as follows: 62% of the respondents are very satisfied with the tourist offer of the destination, 16% are satisfied with the offer, 14% are partially satisfied and the remaining 8% are not satisfied with the existing tourist offers.

The biggest disadvantages of the offer are: dysfunctions of information technology, inadequate information provided to tourists, specific types of tourism and limited supply when adventure sports are concerned. As a significant deficiency states a small selection of adventure parks and attractions.

*What is missing in Podgorica compared to other major cities when the tourist offer is the eighth question of the survey?* To this question, 18% of the respondents answered that they lack the accommodation capacities

of the high category which is somewhat the "problem" of the suppliers. Greater participation in accommodation of high category is necessary, 27% responded that they noticed the lack of sports activities, which are based on the classic sports offer, 54% of respondents answered that in comparison with other destinations, most of them lacked built tourist attractions, such as amusement parks, various buildings, and the like. A small number of respondents, in particular 1%, believe that the destination is not well connected. The last reason is certainly a major drawback when it comes to the development of tourism in our country. Inadequate traffic connections is one of the most important reasons why tourism of competitive countries is much more successful in relation to the tourism of our country.

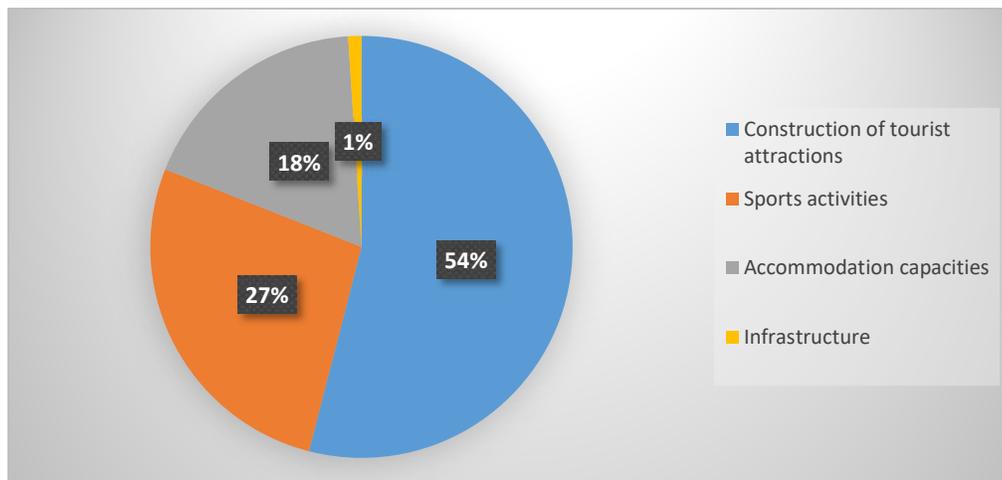


Fig.6: What is missing in Podgorica as the capital city?

When asked *Which forms of tourism should be developed in the future?*, 48% of respondents answered that it was adventurous tourism. This type of tourism and everything related to it is more and more emphasized when it comes to tourists and their facilities. For that reason, special attention should be given to this type of vision and to complement the lack of it. 34% selected cultural and manifestation tourism, which, in the opinion of the author, is justified because it should take into account the additional content that the destination offers to be competitive. Special attention and emphasis should be placed on events that take place during the summer season, but do not neglect before and after the season when it comes to the same.

The New Year's Eve and the celebration of similar holidays should attract as many tourists as possible. In addition to the usual visits, it is necessary to organize and do pilgrimage in order to provide as much diversified offer as this type of tourism is in question. The remaining 3% of respondents emphasize mountain and eco-tourism as the future of the destination. The graph shows percentages of the participation of certain types of tourism for which the surveyed tourists consider it necessary to develop.

When it comes to assessing the content on a scale of 1-5, the respondents answered: When food and drink were high, 85% of the respondents rated national *food and drinks* with a score of 5, 10% with grade 4, while 5 % gave a high evaluation. *The accommodation* was rated as follows: 41% gave a grade of 5, 9% grade 4, 38% rated the accommodation with an average grade of 3, a score of 2 was given by 7% of the respondents and the remaining 5% was not at all satisfied with the accommodation. *The kindness* of the staff was not evaluated in the expected way. 29% gave a rating of 5, 26% grade 4, and as many as 41% gave a high evaluation. The remaining 4% were very poorly appreciated by the kindness of the staff employed in tourism. The Cleanliness was rated 37% with a high score, 17% with a score of 4, 28% with a score of 3, and the remaining 18% with low grades. *Night life* is very good and none of this percentage of 71% is very satisfied night life, 14% awarded the grade 4, 11% grade 3, and the remaining 4% of very low ratings. Of all the listed facilities, the quality of service in accordance with the price has been rated the worst so that a very large number of respondents, 81% gave very poor marks e.g. 1 and 2, while only 11% gave high marks (4 and 5).

Table no.1: Assessment of individual segments of the tourist offer of the capital city

Rating	1	2	3	4	5
<i>Accommodation</i>	5%	7%	38%	9%	41%
<i>Food and drinks</i>	/	/	5%	10%	85%
<i>Kindness of staff</i>	4%	/	41%	26%	29%
<i>Cleanliness</i>	11%	7%	28%	17%	37%
<i>Night life</i>	3%	1%	11%	14%	71%
<i>Price vs. quality of service</i>	51%	30%	8%	8%	3%

Source: Own production of the author.

To the question whether it will again visit Podgorica, 58% said they would, perhaps 34%, while the remaining 8% gave a negative answer. The reason for re-visiting the allegations only natural beauty and clean air. When it comes to negative answers, the reasons are unkindness, high prices and inaccessibility. Based on the research, it is concluded that there is a lot of dissatisfaction when it comes to employees in tourism, which has a negative impact on the image of the capital city. With regard to this problem, it is necessary to take appropriate measures to avoid any major consequences. High prices are also a segment that has a negative effect on demand because it is elastic in relation to the price level, especially when the position of world economy is at an uneven level. The chart below displays in percentage the responses of the surveyed tourists.

The last question relates to the suggestion of turquoise content that should be included in the tourist offer of Montenegro, all respondents answered differently and the responses are mostly related to some entertaining type attractions, e.g. zoo, adventure park, hotels automated, low-cost airlines, amusement parks like Disneyland, more info checkpoints and similar proposals.

The branding of the tourist product of the capital should be improved through: improvement of municipal infrastructure, improvement of accessibility, development of new accommodation capacities of high

category, increase of the standard of existing accommodation capacities, improvement of the quality of services in the tourism sector, development of the ambience, the formation of a "clean" image of the tourist offer of the capital city.

### **3.2. Branding of national parks of Montenegro using analytical sample - NP SKADAR LAKE**

*National parks* are the unique natural matters, which is characterized by a variety of ecosystems, morphologically and hydrographic phenomena, rare plant and animal species, and so on. Preserved and protected nature is gaining in importance due to the increasing pollution of the area, representing thereby a great tourist potential. About 7% of Montenegro's territory is under the protection of national parks: Durmitor, Biogradska Gora, Lovćen, Skadar Lake and recently proclaimed National Park Prokletije. Data on National Parks are shown in Table 3.

Table 2: Information on National Parks of Montenegro

Nationals parks	Headquarters (municipality)	Area in hectares	Altitude in meters	Year of establishment
Durmitor	Žabljak	32,100	540-2,522	1952
Biogradska gora	Kolašin	5,400	832-2,116	1952
Lake Skadar	Podgorica	40,000	6-150	1983
Lovćen	Cetinje	6,400	1,200-1,749	1952
Prokletije	Plav	16,630	1,300-2,694	2009

*Source:* Own creation of the author.

In addition to the National Parks, according to the Law on Protection of the Environment and Cultural Heritage, there are: regional parks - Rumija, Orjen, Maglić with Bioča and Volujka, Ljubišnja, Sinjajevina with Šaranci, Komovi, Turjak with Hajle; special natural areas - The catchment area is Morača, Visitor with Želetin, Bukovo forest on Obzovica. It should be emphasized that apart from the National Parks in the long-term protection plans (Spatial Plan of Montenegro), the designation of nature parks is also envisaged, which includes mountainous natural entities: Rumija, Komovi, Sinjajevina, Ljubišnja, Hajla, and mountain parts of Maglić, Volujak and Biocha.

Under international protection, i.e. on the UNESCO register, until now are the following parts of the territory of Montenegro: the canyon of the Tara River, the National Park Durmitor, the Kotor and the Risan Bay, the city of Kotor, the Skadar Lake. The National Park Durmitor, Kotor and Risan Bay are on the list of World Natural and Cultural Heritage, the Tara River Basin enters a network of biosphere facilities, according to a special program of UNESCO - Man and Biosphere (MAB), on the list of swamps of world importance - waterfowl habitats, in accordance with the provisions of the Ramsar Commission, the aquatorium of the National Park Skadar Lake was registered. In territorial units with international status, the situation is the same as with National Parks, as they point to a great cultural and natural heritage in a small area of Montenegro, as a tourist destination.

A special attraction of the parks are the glacial lakes located in the valleys and coves of the mountains. All the beauty and richness of the lake can be felt and experienced only when in boats sail with its clean and clear green water. There are wooden boats - chunks available. A special attraction for tourists is to experience the park in this way. There are 33 glacier lakes in Montenegro. The most famous are: Black Lake of Durmitor, Plavsko under Visitor Mountain and Biogradsko on Bjelasica.

The most attractive tourist brand of national parks is certainly rafting, the most beautiful river, the longest (93km) and deepest (1,300 m) canyon in Europe - the Tara. For people who seek adventure, for those experienced and for beginners, wooden rafts and rubber boats are available. In the organization of national parks and other tourist organizations, led by the safe hand of rafters - rafters are overcome by beech and turbidity. Lakes and rapids of Tara in the national parks provide excellent conditions for kayaking, which is a real challenge for people looking for adventure, not only for local kayakers, but also for foreign ones. In summer, these athletes and recreational people organize competitive, sporting and entertaining events with the presentation of skills in fast waters, fish specialties and a good drop of wine. Cycling is swimming, one of the most active muscles in the world. Mountain biking is a sport where bicycles are driven through the so-called "Offroad" roads, such as forests, hills, mountains, paved roads, parks, fields.

National parks have ideal conditions for those who spend their holidays recreationally. There are excellent biking trails that lead by forest roads, macadam, along the lake ... In bikes-tours, every tourist can feel all the enthusiasm of this sport through sightseeing of many natural sights, in addition to significant cultural facilities. The offer is organized and rent a bicycle is available. Traditionally, every year, through the area of the National Park Lovćen, a cycling race "The Roads of the King Nikola" occurs.

Various festivals and events are an integral part of the life of the inhabitants. (Days of mountain flowers, Days of ecology, tourism, culture, Festival of wines and bumps, etc.) The rich natural areas of national parks are also reflected in the cuisine and specialties of taverns, restaurants and other catering facilities, which provide additional atmosphere for the visitors.

The abandoning of the brand in the offer of our national parks is contributed by:

- Visitor centers,
- Excursion tourism, cruise ships and windsurfing - windsurfing,
- Bird watching and glacier lakes,
- Hiking, hiking and climbing,
- Rafting, kayaking and mountain biking,
- Extreme sports and sport fishing,
- Rural tourism, speleology and photo safari,
- Manifestations and Wine Trails,
- Catering facilities and national cuisine.

The main objectives of the Center for visitors are raising awareness and educating visitors about protected areas in Montenegro, the presentation of natural and cultural heritage in the protected area is quite

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impressive, the traditional way of life in local communities, and promoting the concept of sustainable development, organizing schools in nature and themed activities.

Skadar Lake in the vicinity of Podgorica is a paradise for birds with about 280 species of birds, which represents about 50% of the total number of species in Europe. The causes of so many species, many of which are endangered and rarely endangered, are biogeographical and ecological specificities, as well as the relative preservation of the ecosystem. In the total fauna of the birds of Jezera, 73 species are nesting nests, 18 species are regular passers-by in autumn and spring, 45 species are regular winter guests, 12 species stay in the summer, not nesting, 90 species occasionally come to Skadar Lake.

The great wealth of the Skadar Lake by birds and built towers and platforms at the sites of Manastirska tapija, Grmožur, Omerova gorica, Crni žar and Pančevo eye allow for birdwatching. Watching birds on Lake Skadar provides ideal conditions for all lovers of ornithofauna. The habitat of a colony of pelicans, cormorants, herons, terns and other species of birds attracts bird-watchers.

Observation is organized from a boat-Čunovo or towers and platforms. In the National Park Skadar Lake in Vranjina there is a Visitor Center for all national parks. It is decorated with a collection of natural science exhibits animals, ethno-room, the first room so done in this area, photos of endemic plants, the landscape of the national parks, halls for screenings, etc. Other centers contain settings that characterize the given area.

During 2007 in Skadar Lake National Park opened two new thematic center for visitors and to:

- in Murići dedicated to olive growing, the cottage industry and economy with Krajina,
- in Rijeka Crnojevića, dedicated to fishing and sailing on the lake. Parks are used to maintain classes in nature from biology, history, geography, and other subjects. By developing educational programs, Centers become places of gathering of all those who advocate for the promotion and valorisation of the values of parks. Visitor centers have other contents, which are constantly supplemented both in terms of themes and thematic units. Centers have their souvenir shops, which are equipped with a variety of advertising material (brochures, monographs, picture postcards, folders), as well as objects that are hand-made, the original and constitute a part of a unique manner ethnic heritage.

Excursion tourism is the most widespread form of tourism in the National Park Skadar Lake, because the best way to get to know the landscape, natural treasures, historical, spiritual and civilizational achievements of the Montenegrin people. Cruises are organized daily by local entrepreneurs in Virpazar, Vranjina and Plavnica. The routes include tours of the monasteries, churches, old fishing and village cores. The Skadar Lake is ideal for windsurfers and sailing. The winds blowing here throughout the year provide especially favourable conditions for dealing with this sport, both for beginners and for those who are more experienced. Extreme conditions for sailing on the lake are rare but are extremely favourable for recreational and tourist purposes. The very warm lake water is suitable for sailing and enjoying the natural beauties of the lake.

Watching birds or birdwatching is a very popular hobby, outdoor activity, and a competition category that involves recognizing birds based on their appearance or their characteristic singing. Western Europe and

America are mostly the "birds" foothold, but there are more and more people in the territory of Montenegro who decide to deal with this very interesting hobby.

With regard to every form of tourism characterized by different periods of the year, all forms have their season, and the periods in which the most prominent tourist traffic. The goal of marketing activities is the relativization of the season, by designing a tourist product, which will result in as long a season as possible. For this reason, the tourism product of Montenegro should contain those forms, which will, with their quality and attractiveness, enable the duration of the season for as many months of the year as possible.

The branding strategy, which needs to improve the existing structure and contents in NP Skadar Lake, would relate to the following activities:

- Creation of improved tourist and accompanying infrastructure;
- Creating an environment for long-term sustainable tourism;
- Improving the accessibility of the NP approach;
- Improvement of municipal infrastructure;
- Development of new high quality accommodation capacities;
- Increasing the standard of existing accommodation capacities;
- Improving the quality of services in the catering sector;
- Improving the harmony of architecture and the surrounding natural and cultural environment; ("Development of ambience") and
- Establishing a "clean image" of the park.

### **3.3. Wine in branding PODGORICA**

After a year that was characterized by high growth of GDP, the highest qualifying tourism and construction sector, in the period from 2001-2010. In the year when world wine production shows the surplus of the budget surplus, the dynamic development of the economic and financial situation, Montenegro is falling into a period of crisis and recession during 2009. According to Monstat, Montenegro experienced a milder economic recovery in 2010, the year in order to achieve real GDP growth in 2011-the year by 2.5%, while in 2012-that declined by 2.5%. According to preliminary data from Monstat, real GDP growth in 2013 was 3.3%.

Wine production in the world is very slow to develop despite the fact that some countries have favourable conditions for the development of viticulture and winemaking, do not have sufficient production. Wine is one of the economic branches, which has great potential in Montenegro for future development. In addition to the Mediterranean climate, Montenegro has a great potential in expanding the vineyard areas. Given that has been used around 4,000 hectares land, according to estimates of the total potential is about 7,500-8,000ha.

Montenegro has been a member of the International Wine Organization since 2007. 2013, the year the National Association of Winegrowers and Winemakers of Montenegro admitted to membership of the

European Association of Independent Winegrowers (PIPE), which in April 2015, they officially granted charters to the Ministry of Agriculture and Rural Development and the National Association of Montenegrin growers, regarding the membership of Montenegro in that international organization. The National Association of growers protect their interests.

Based on the Strategy of development of the wine sector in Montenegro for the period 2009 to 2014, the year projected increase vineyards in the period up to 2014 to 1000 ha, as well as the replacement of 500 ha of vineyards, with high-quality varieties and modern way of education, which required investments in the amount of € 37.5 million for the period from 2009 to 2014, or € 7.5 million per year. Plans for the next 4 years relating to maximize the surface area under vines before the accession of Montenegro to the EU common market. The areas under vineyards have increased significantly in the period from 2002 to 2012, and especially in recent years.

According to the Strategy for the Development of Agriculture and Rural Areas, the data show that the total area under vineyards in 2012 was 4,512 ha, which makes up 0.9% of the total agricultural area or 2.4% of the total cultivated area. One of the most successful companies in Montenegro, AD "13.jul Plantations" is in possession of about half the vineyards (2,310 ha). Financial institutions are also investing heavily, with favourable loans to support small and medium-sized businesses, in order to stimulate the development of viticulture, planting new vineyards and improving the structure of planted vines. Between 2007 – 2012, the vineyards area increased yearly by 287 ha or 6.8%.<sup>1</sup>

Regarding the structure of agricultural production, Montenegro can still be characterized as a wine-growing country, although the grapes are produced on about 4,500 hectares, which is only 8% of the total agricultural area. Half of that land is owned by "Plantaže", while the average size of the vineyard is owned by the households of 0.25-0.4 hectares. The number of small holdings in small farms ranges from a few hundreds to two thousand. In the last few years, smaller producers have planted 150-200 thousand new chocolates, thus envisaging increasing production on their side in the future. In addition to wine, brandy is usually produced, whose price on the market is higher, from EUR10.00 to EUR15.00. Medium-sized wine producers have vineyards of 0.5-5 ha. They have more modern technology, better production equipment and capacities. Prices of wine are moving differently in the market of EUR5.00-6.00 to premium wines, which cost up to EUR20.00, or special vintages that cost about EUR45.00. (e.g. Kutijevka "Graševina").

The larger and smaller wineries produce 17 million litres of wine annually, of which five and a half million are exported. Montenegro can be recognized in the world for the production of wine, especially its quality, where the Montenegrin brand "Plantaže" is certainly the leader. However, we do not have a large amount to boast as Western European countries. In the cluster are the dominant varieties of red wine. The most common native variety is "Vranac", which is grown with a mixture of varieties Kratosije, as well as Cabernet Sauvignon and Merlot, and for the quality white wines produced in smaller quantities, the main varieties are: Krstač, Zizak, Moscatel and Chardonnay.

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<sup>1</sup> "Development Strategy for Agriculture and Rural Areas 2015-2020", Ministry of Agriculture and Rural Affairs of Montenegro.

Table 4: Vineyards and grape production

YEAR	Vineyards - total			
	number of vine		yield	
	total	gender	total ton	kg per vine
2003	16,213,258	15,306,090	35,131	2.3
2004	16,110,948	15,329,260	42,886	2.8
2005	16,599,366	15,427,030	36,960	2.4
2006	17,985,906	15,631,123	41,726	2.7
2007	18,168,670	16,959,900	35,402	2.1
2008	18,166,311	16,880,347	43,989	2.6
2009	18,464,357	17,020,057	38,635	2.3
2010	18,432,779	17,007,427	40,804	2.4
2011	18,441,357	17,014,027	32,815	1.9
2012	17,559,891	16,570,705	38,861	2.4

(Source: Monstat, Department of Agricultural Statistics, available at:  
<http://www.monstat.org/cg/page.php?id=59&pageid=59>)

Observing the production of wine in Montenegro and analysing the number of chocolates, according to Table 1, we can conclude that their number has grown from year to year. At the end of 2010, there were 18,432,779 chocolates, out of which 17,007,427 or 92.3% of the chocolate for the production of wine.

Compared to 2003, the number of chocolates increased by 13.7%, when it was planted 16,213,258 chocolates, of which 94.4% were productive<sup>2</sup>.

In comparison with 2005, the number of chocolates is by 11.04% higher. The total yield in 2012 was 38,861 tons or 2.40 kg per capita. Of the total number of chocolates, the ownership of legal entities (enterprises) is 49.4%, while the other 50.6% are owned by households. In comparison with 1999, the yield increased by 35.5%, while in comparison with 2005 it was already 10.4%.

Regarding exports, looking at data from 2014 we may conclude that the total value of exported wine is EUR13,752,000, while the largest export was achieved in 2011, at EUR18,410,000<sup>3</sup>.

From the company "13.Jul Plantaže" from the company AD, they point out that in the following years the emphasis is placed on: *providing a better starting position in the common market, as well as meeting the future demand both in quantity and quality; restructuring the wine production sector to high quality, as a*

<sup>2</sup> Source: Monstat Montenegro, Monstat, Department of Agriculture Statistics, available at: <http://www.monstat.org/cg/page.php?id=249&pageid=249>, date of access: December 5, 2016)

<sup>3</sup> Source: Monstat Montenegro, Monstat, Publications foreign policy (access date: December 3, 2016)

*basis for the production of quality and high quality wines, by correcting the unfavourable structure of varieties and planting material; the creation of a sector of small and medium-sized producers of grapes, especially the small and medium-sized winery, as a basis for increasing the quality wine offer, as well as an incentive to increase competitiveness throughout the sector; designed and reinforced state measures for the support of grape and wine producers, both through direct interventions and directing aid and grants for production, as well as direct assistance for the promotion of Montenegrin wines on domestic, and especially in export markets, in the region and beyond.*

Montenegro has enough land resources to achieve competitive agricultural production. According to Monstat data, 73% of family farms have land area less than 2 ha, while only 0.9% of family farms have land areas larger than 100 ha; however, they account for 38% of the total utilized agricultural land. In the coastal region, the structure (size of farms) is the most unfavourable, while the northern region has the largest percentage of farms using larger areas of agricultural land. Distribution of agricultural land, cumulative frequency per farm and farm size are shown in Fig 7 and Fig 8.

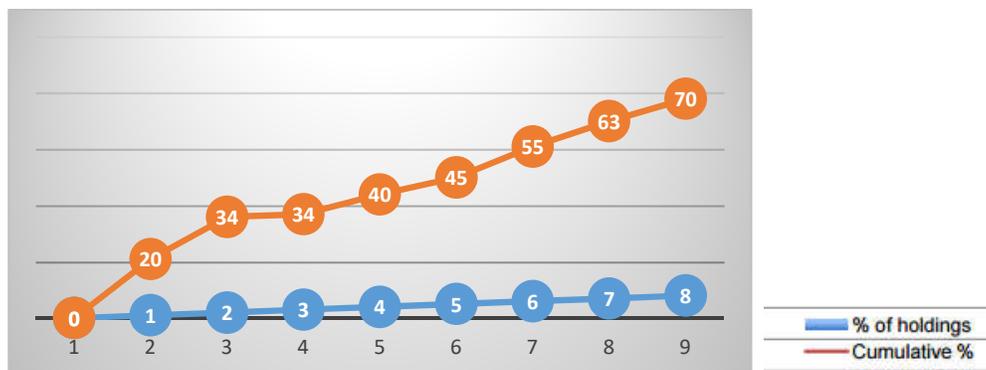


Fig 7: Distribution of agricultural land, cumulative frequency per farm  
 (source: Monstat Montenegro)

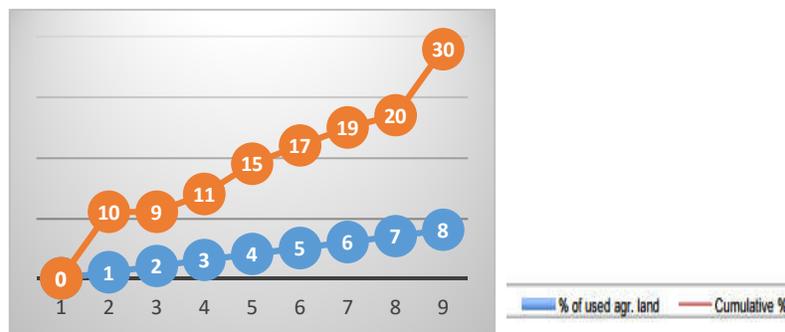


Fig 8: Distribution of agricultural land, cumulative frequency by size of the holding  
 (source: Monstat Montenegro)

In the period 2007-2012, the vineyards area increased by 287 ha or 6.8%, as shown in Fig 9.

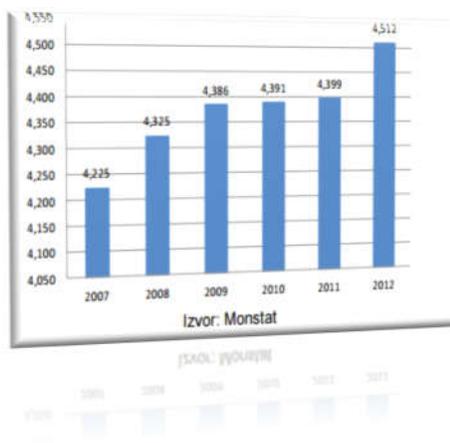


Fig.9: The evolution of the vineyards area.  
 (source: Monstat)

Organic grape production in Montenegro is not developed, although there is a possibility for its development in certain isolated sites. According to Monteorganica, only one producer of organic grapes with 5 hectares of vineyard is currently registered. Interest in dealing with this type of agriculture is not so pronounced, primarily due to climatic conditions that require the use of chemicals several times during the year, depending on the location of the vineyard. In the last six years (2007-2012), the average wine production amounted to almost 107,000 hl, while the total production of wine from domestic grapes in the period 2006-2011 amounted to 155,500 hl. Currently, there are 44 registered wine producers with a marketing authorization. The total quantity of wine placed on the market in 2013 was 142,559 hl; of which 94.5% was produced by the company "13 Jul - Plantaže", while the production of small winery was 7.872 hl or 5.5%.<sup>4</sup>

In total production, the red wine is the most commonly used 71.5%, followed by white 25.2%, while rose wines make up 3.3%. From the aspect of quality category, the highest quality wines are 54.4%, quality wines make up 40.4%, while wine tables represent only 5.1%. Figure 10 shows the total wine production in the period 2007-2012.

<sup>4</sup> "Development Strategy for Agriculture and Rural Areas 2015-2020" - draft, Ministry of Agriculture and Rural Affairs of Montenegro

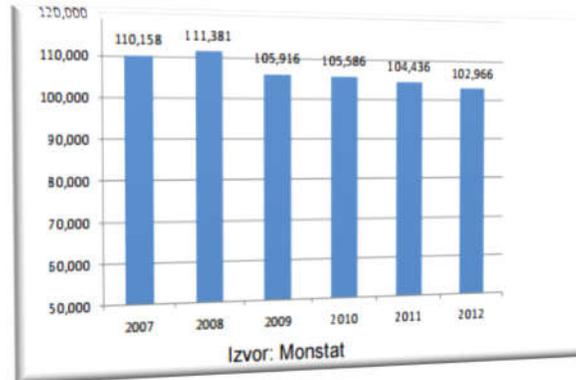


Fig.10: Production of wine in Montenegro  
(source: Monstat)

The upgrading of this sector will require, in the future, higher investments in primary production, more modern post-harvest practice, better distribution, promotion, adoption of standards and greater specialization. As part of the Governmental Act "Agriculture and Rural Development Strategy", which was designed to adequately define the process of future reforms in this sector, answers to numerous questions related to the impact of internal and external environmental factors and setting a framework for meeting the forthcoming challenges on the road to Montenegro's accession to the EU.

The analysis of the current situation in wine growing in Montenegro follows, where (horizontal) internal strengths and weaknesses of this sector are related to external opportunities and threats. Measures of the viticulture development policy are based on the identified internal strengths and weaknesses, as well as the factors that come from outside, and represent a chance or danger for the further development of Montenegrin viticulture.

Benefits in wine production are reflected in:

- High quality, preservation and fertility of the land,
- Low level of pollution and favourable climate for wine production,
- Representation of indigenous species and varieties of wine,
- Good conditions for organic wine production,
- Increased demand for wine in Montenegro,
- The potential for wine sales through rural and wine tourism,
- Liberalization of trade (CEFTA Agreement),

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- Manufacturers have access to the advisory services of the Biotechnical Faculty and local self-governments,
  - Experience and tradition in the production of grapes and wines,
  - Financial support of the state,
  - Potential for increasing the area under vineyards,
  - Tourist assessment of the exceptional quality of our wines,
  - Increased domestic demand for healthy food and home-grown products.

Weaknesses would be reflected in the following:

- Weak offer of favourable loans in the financial market for micro-producers,
- Poor equipment, low level of technology and specialization of production,
- Small and fragmented farms,
- Wines are not competitive on the foreign market,
- Patchy land that limits the intensity of production,
- Poor marketing performance,
- Large investments in planting and planting of cellars,
- Low level of market sales,
- Insufficient connection with the tourism sector,
- Low level of application of good vineyard practice,
- Poor statistics on plots, producers and wineries, yields, stocks of wine and the production itself
- Poor connectivity with the tourism sector,
- Poor integration of manufacturers and poor integration of the value chain,
- Loan conditions are unfavourable, and investments in viticulture require investment in the long run,
- Poor consumer information about medium and small wineries,
- Poor offer of wine tourism by domestic tourist agencies,
- Poor Wine Offer of Small Producers in HORECA System,
- Insufficient producer awareness of the importance of association.

The chances would be reflected in the following:

- The availability of state and EU funds,
- The Free Trade Zone gives an opportunity for increased exports,
- Export to high quality wine markets can be increased,
- The labour force in rural areas must be accessible,
- Modernization of technology and storage in small and medium wineries,
- EU support for better connectivity and organization of producers,
- Better physical infrastructure,
- Climate, richness of biodiversity and nature as excellent preconditions for the development of organic wine production,
- Better connectivity of associated manufacturers with catering facilities.

"Plantaže" are implemented by the specific activities with regard to purchase of grape growers and activities related to the distribution of grape seedlings, thus contributing to the expansion of the wine-growing area.

The threats would be reflected in the following:

- Depopulation present in rural areas,
- Grey economy in wine production,
- Import of cheap wines from Macedonia and Serbia,
- Liberalization of trade can affect increased imports and lower competitiveness,
- Limitation of the development and expansion of vineyards by the entry of Montenegro into the EU,
- Poor credit understanding of banks for this type of activity.

In the end, no less important, analysing the brand's brand of Plantation products to conclude that the company has a brand-approved (endorsed) brand architecture, in which the product name is used together with a corporate name and where there is a strong link within brand architecture. Namely, the company "Plantaže" uses the brand house strategy, as can be seen from the production of red wine lines, white wines, sparkling wines and brandy bottles, which reduces the risk of failure in individual markets. On the other hand, the brand "Vranac" is synonymous with one product group. The wine "Vranac" is produced in wine cellars of Serbia, Kosovo and Macedonia, which makes the company use the corporate name "Plantaže", to distinguish it from others who use the same name. The Montenegrin attribute gives power to this brand. Finally, to conclude that the company "Plantaže" precisely set the branding strategy, and that the brand architecture in the line of red wine production is well-designed, as shown by the results on the market itself. Using these and alternative strategies for branding their products on a successful level as it is so far, the company directly influences the recognition of the capital city and the state of Montenegro as the wine brand of destination.

#### **4. Conclusions**

The research is based on coverage Tourist branding of the Capital City, Branding of National Parks in the service of improving the brand of the capital city and the state as a whole, with special emphasis on NP Skadar Lake, Wine branding as the most valuable agricultural brand of the capital city and the state and we conclude that Montenegro must additionally work on the bid strategy in:

- Raising the level of product capacity (requisite specialization and monitoring of innovations both at international and global level);
- Standardization (a more successful offer is based on the advantages in the following areas: efficiency, cost-effectiveness, comparability, predictability and control, perceived from the point of view of tourists);
- Specialization (different specialization strategies are visible in the hotel sector (hotels that provide services at a higher level to satisfy tourists). An increasing number of specialized hotels could soon marginalize classic hotels);
- Instead of the classic tourist attractions (transportation, accommodation and food), look for the innovations that besides basic standards also offer unusual experiences, surprises and stimulate specific emotions (ambience, experience, pleasure, fun, adventure, uniqueness, etc.).

Montenegro is already known as a beautiful and exciting tourist destination. But the potential has not been fully exploited and the desired international image has not yet been sufficiently achieved. Montenegro should be among the global top tourist destinations. To give the landscape and natural values, the existing cultural and historical heritage, as well as the hospitality of people, are the exceptional advantages of Montenegro.

Tourism is the main pillar of the economic base of the country. Only successful tourism development can provide employment and income for significant parts of the population.

Montenegro should be known as a tourist destination because it is "Montenegro". So far, Montenegro has been known as a part of the Adriatic coast, which is famous for bathing tourism and sailing.

Montenegro is also increasingly becoming known as a destination with beautiful national parks, as well as providing products (in this study a wine product from Plantaže is presented). Due to the phenomenon that a large volume of offers can be found in the country with 13,500 km<sup>2</sup>, it is necessary to combine all the various offers into one integrated and point out that only in Montenegro one can experience all kinds of tourism in the immediate vicinity. This is what distinguishes Montenegro from other destinations where tourists have to decide before organizing a holiday or have to spend more time moving from one specific tourist area to another.

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