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ECONVIEWS

Review of contemporary business, entrepreneurship and economic issues

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INTRODUCTION TO THE SPECIAL ISSUE

This very first special issue of Ekonomski vjesnik/Econviews is devoted to the theme of public, social and nonprofit marketing as factors of value creation and quality of life improvement. This was the working title of the 13th Congress of the International Association on Public and Nonprofit Marketing (IAPNM) that was hosted by the Faculty of Economics in Osijek, Croatia, June 12–14, 2014.

Such an event is a unique opportunity for the exchange of thoughts and ideas and the promotion of knowledge on nonprofit marketing among scholars through the dissemination of new research findings and by opening discussions and raising interest for new research topics. Altogether 50 papers were presented at the Congress, making a high quality contribution to the area of public, social and nonprofit marketing.

Papers presented at the 13th IAPNM Congress are focused on a few major areas:

1. Social responsibility and performance of companies, institutions and individuals
2. Consumer behavior with respect to cause-related marketing and from a social marketing perspective
3. Marketing perspectives on social issues (health, education, culture, etc.)
4. Social entrepreneurship
5. Internal marketing and market orientation in the nonprofit sector
6. Destination and territorial marketing from a sustainability perspective
7. Marketing in public services
8. Civic engagement and voluntarism in quality of life improvement.

The two facts that create the specific features of nonprofit organizations: the value they produce lies in the achievement of social purposes, and their revenues that come from sources other than customer purchases have motivated the topic for the 14th IAPNM Congress.

The questions that arise from these two features are likely to motivate research in terms of the definition of public or social value and how to create it, the identification of sources of legitimacy and the support for the nonprofit organization and sector as a whole, and creation of operational capacity to deliver the value. By definition, social value is created when resources, inputs, processes or policies are combined to generate improvements in the lives of individuals and the society as a whole. It is about inclusion and access, respect, openness of institutions as well as about history, knowledge and cultural identity.

On the other hand, quality of life is increasingly taken as a valid but complex construct that defines development. The challenge for the nonprofit and public sector is to identify those values that efficiently contribute to the quality of life improvement on the local, regional and international level. The specific marketing issue here is to find ways in which society or its particular stakeholders might be mobilized to contribute to defined social purposes. The complexity of stakeholders that contribute to quality of life improvement can be well illustrated with Etzkowitzs' Triple Helix model: companies with their corporate social responsibility and performance, the government with its provision of a legal and political framework and public utilities performance and the nonprofit sector with its provision of services that the market or government fails to provide, representation of underrepresented population and societal needs, facilitating social capital and democratic processes in the society.

As is the usual practice for the institution's home journals to follow the high quality conferences, it was decided that Ekonomski vjesnik/Econviews will follow the 13th IAPNM Congress with this Special Issue. The aim is to, on the one hand, make the presented papers more visible in the scientific community, and on the other, to increase the journal's quality as well as interest in the journal.

Altogether, for this Special Issue 10 papers were selected that, according to editors, best contribute to the different aspects of the major theme. All of the papers went through the usual review process for the journal (double-blind international review).

The papers in this special issue present a wealth of both empirical evidence and theoretical investigations, highlighting the most important aspects of the area of public, social and non-profit marketing in different economic and social environments. More on the papers themselves can be found in the 13th Congress Review.

Original scientific articles
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UNIVERSITY AND PLACE BRANDING: THE CASE OF UNIVERSITIES LOCATED IN ECC (EUROPEAN CAPITAL OF CULTURE) CITIES

Abstract

In the globalising landscape of higher education more and more universities are going international. These universities are facing growing competition, especially in enrolling international students. International competition forces them to use marketing and especially branding activity. University branding requires that the higher education institutions clearly define their differentiating features. One of the most important differentiating features is the place where the institution is located. University and place branding should work together to help the potential students in their decisions to choose the place of their study. The ECC (European Capital of Culture) program which started in 1985 has helped many cities to identify their values and to develop their place branding activities. The study examines how the European Capital of Culture designation of the city helped the marketing activities of the universities located in these cities. The study attempts to explore to what extent universities located in ECCs used this special feature of their cities in their international marketing communication. The paper also attempts to analyse the effects the European Capital of Culture title could have on the international student enrolment activity of the concerned universities.

Keywords: University branding, place branding, European Capital of Culture, cross marketing, student enrolment

1. Introduction

Higher education has gone through significant changes during the past decades. With the coming of globalisation, all aspects of social and economic life have been affected. Growing competition and globalisation has forced universities in almost all countries to go international and offer their services not only to the local market but also to recruit potential students from abroad. One of the most characteristic changes witnessed in the higher education market in the past decades is the rapidly growing number of international students. While in 2001 there were only one million international students studying worldwide, their number has grown to 3.7 million by 2009. According to the estimation of UNESCO, by 2025 there will be 8 million international students studying abroad (Gomez-Ortueta, Dutschke, 2012).

Since English has become the lingua franca in almost all fields of science and professions, universities of English speaking countries, especially those of the US and the UK, have a leading advantage. Other universities, e.g. the European universities that are trying to keep pace, have built up their English teaching units and are 'trying harder' by using the marketing methods taken over from business. The key anchors of all marketing activity are the brands (Kotler, Keller, 2012). Branding of universities compared to branding of products and services is a rather different and unique activity. This paper tries to explore the branding activity of universities in general and especially of those European universities which are located in cities holding the title of European Capital of Culture.

2. University marketing and branding

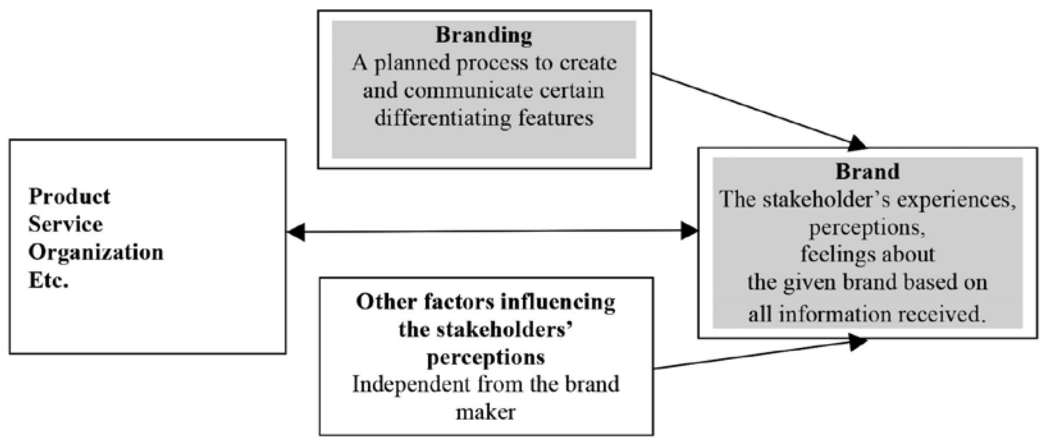
The growing competition – as mentioned before – has forced universities to use marketing methods taken from business in accessing their potential students and even more in the process of international recruiting. As a consequence, university marketing has also become the subject of scientific research. There are a great number of publications dealing with marketing in higher education (Hemsley-Brown, Oplatka, 2006; Maringe, Gibbs, 2009). Some of them relate to a particular field of marketing such as marketing planning (Maringe, Foskett, 2002), marketing models (Mazzarol, 1998), positioning and corporate identity (Melewar, Akel, 2005), international students' motivations, decision making processes (Mazzarol, Soutar, 2002; Maringe, Carter, 2007; Bohmann, 2010; Wilkins, Huisman, 2011), and even pricing, e.g. with the problem how to set the tuition fees in higher education (Rekettye, Rappai, 2012).

As mentioned earlier, real marketing, whether in the business or non-business field, requires a solid anchor to which all the marketing and communication activities can be linked and which serves as a factor of identity that defines the different activities of a given organization and distinguishes it from others. This anchor is the brand. Brands have been originally used for products and business organizations: as the dictionary of AMA (American Marketing Association) states, "A brand is a name, term, design, symbol, or any other feature that identifies one seller's good or service as distinct from those of other sellers." The process of broadening the concept of marketing was recognizable also in the field of brands. Nowadays, brands are used to identify and differentiate not only products and services but profit and non-profit organizations, even persons, spaces, cities, and destinations.

Branding is a conscious, planned set of activities from the part of the organization to create and communicate the differentiating features of the product or organisation. If these activities are efficient, the target audient's (customers' and other stakeholders') experiences and perceptions towards the brand will reflect the purpose of the brand creating organization. It is worthwhile to mention that there are lots of other factors independent from the organization which may influence and alter these perceptions (Figure 1).

If growing competition and diminishing government funding in higher education has forced universities to apply marketing methods, then university branding should also be an obligatory part of their marketing activity. However, the literature concerning branding in higher education seems to be limited (Hemsley-Brown, Oplatka, 2006; Waeraas, Solbakk, 2008) although certain aspects of higher education branding have been explored, as for example, the emergence of brand identities (Lowrie, 2007), the image and reputation of old universities in the UK (Ivy, 2001), the image of the UK universities as perceived by the international students (Binsardi, Ekwulugo, 2003) or the role of websites in university branding (Chapleo - Durán, Díaz, 2011).

Figure 1 Branding is the process, the brand is the outcome



Source: Based on Árpád Papp-Váry (2013: 26)

There is, nonetheless, a growing concern about the problems of applying branding in HEIs (Higher Education Institutions), such as the contradictory needs of domestic and international students, their different perceptions during pre-enrolment versus during their studies (Parson, 2006), the relationship between successful branding and engagement (Blanton, 2007) or even how branding can be achieved globally (Cambridge, 2002). A university may be too complex to be identified by one brand or one identity definition, and it can also be questioned if general academic values have a place in branding processes (Waeraas, Solbakk, 2008). It seems appropriate to make further investigations whether higher education institutions have successfully developed brands and what common properties successful institutions share (Chapleo, 2005).

3. Universities and their locations

As all other institutions, every higher education institution has a name. This name contains the word 'university', 'college' or a synonym and one or more words to make the university identifiable. The other word or words refer in most cases to the *location* of the institution. (Sometimes the name contains also the main profile of the institution like Massachusetts Institute of Technology or Nanyang Technological University; in other cases the universities use the names of their founders or some other famous persons to differentiate them from others, such as Harvard University or Josip Juraj Strossmayer University of Osijek or Humbold University of Berlin.) Eight of the best ten universities in 2013 contain in their names also the name of the place (the city or the broader location) where they are located (Table 1).

Table 1 The best ten universities in 2013 (the name of the location is underlined)

Massachusetts Institute of Technology (MIT)
University of Cambridge
Harvard University
University College London
University of Oxford
Imperial College London
Yale University
University of Chicago
Princeton University
California Institute of Technology

Source: U.S. News & World Report, World's Best Universities Top 400 (http://www.usnews.com/education/worlds-best-universities-rankings/top-400-universities-in-the-world)

If the location is so often part of the name it may be hypothesized that the image of the place and the image of the university have a smaller or greater im-

pact on each other. It is very similar to the notion of co-branding or cross-marketing used in the world of business. In business life, co-brands refer to the usage of two or more brands on one certain product and cross marketing refers to an agreement for mutual promotion between two companies (Ferrell and Hartline, 2005).
This paper intends to investigate how this co-operation between the two entities works in the case of universities located in ECC cities.

4. The Cultural Capital of Europe programme

According to the official website of the ECC programme, the European Capitals of Culture initiative was set up to reach the following goals:

- highlight the richness and diversity of European cultures,
- celebrate the cultural ties that link Europeans together,
- bring people from different European countries into contact with each other's culture and promote mutual understanding,
- foster the feeling of European citizenship.

In addition, studies have shown that the initiative is a valuable opportunity to:

- regenerate cities,
- give new vitality to their cultural life,
- raise their international profile, boost tourism and enhance their image in the eyes of their own inhabitants. (http://ec.europa.eu/culture/our-programmes-and-actions/capitals/european-capitals-of-culture_en.htm)

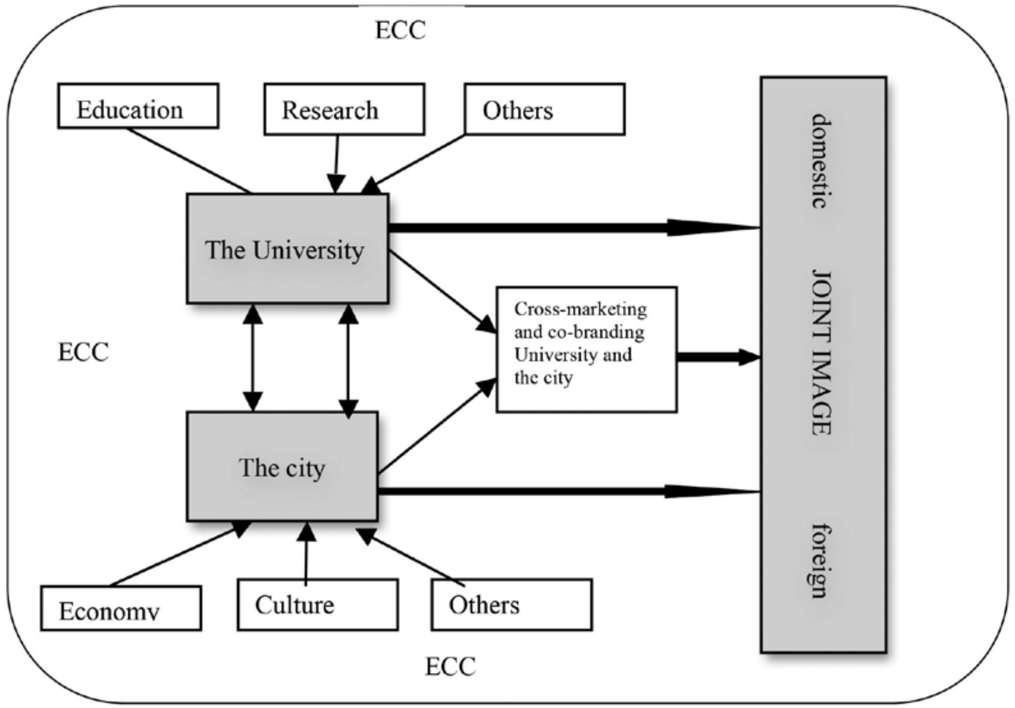
A broad literature can be found about the different impacts of the European Capital of Culture programme. Lots of research has been carried out on its economic impact (Herrero et al., 2006; Phythian, Sapsford, 2009), and how it stimulates the development of cultural economy (Palmer, 2004; Mittag, Oerters, 2009), of creative industry (Campbell, 2011) and also its effect on the image of the city (Richards & Wilson, 2004). Extensive research was conducted on its role as a catalyst for place branding (Valentina, 2005; Maheshwari et al., 2009) and how the ECC programme has resulted in urban regeneration (Garcia, 2004; O'Callaghan & Linehan, 2007; Gunay, 2010). Urban regeneration was even investigated from the scope of what role the arts programme of the ECC project plays in the urban regeneration process (Garcia, 2004). It has also been explored how the European identity is represented in the ECC programme (Aiello, Thurlow, 2006). In addition, researchers have identified the influence of the ECC programme on tourism (Hughes et al., 2003).
However, no extensive research has been made about the impact of the European Capital of Culture programme on the universities, or on the effects ECC plays in attracting international students to the university. A successful European Capital of Culture programme of a city can result in a successful place branding that can highly support the realization of the marketing objectives of a university located in that city. Close correlation can also be explored between the impact of a more and more internationalized university and the European Capital of Culture programme on the local economy. As seen among the aims of the European Capital of Culture programme, ECC should vitalize local economy – as does an international university through the spending of its local and foreign students.
The important role universities can play in the European Capital of Culture programme was highlighted by the foundation of the University Network of the European Capitals of Culture (www.uneecc.org). The assumption of the study is that the co-marketing should be executed according to the following model (Figure 2).

5. Researches

The rationale of this study is based on the partial results of two researches made on this subject:

- The first was made among the foreign students of Pécs University with the aim to find out what role the city Pécs and its CCE title played in their decision to select Pécs as the place of their education. In this research the degree seeking students and the Erasmus students were surveyed separately because of the assumption that they had a rather different set of motivations.
- The second research was carried out among the member universities of the University Network of the European Capitals of Culture with the objective to explore how these universities used the ECC title in their marketing activity with special emphasis on the recruitment of foreign students.

Figure 2 The marketing co-operation of the university and the city in the CCE surrounding

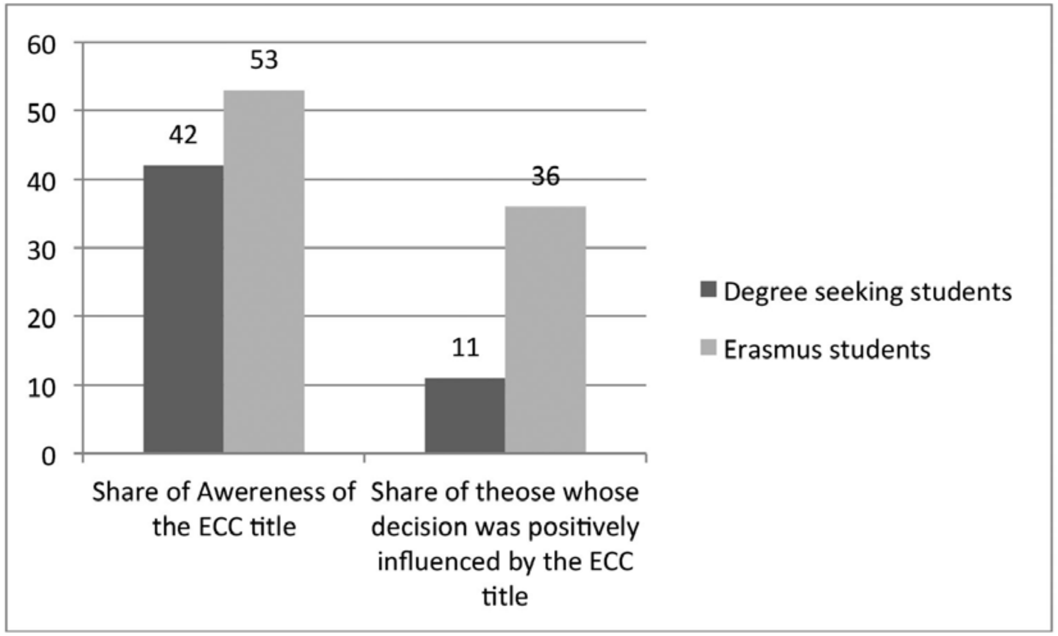


Source: Author

5.1 Research among the foreign students of the University of Pécs

In spring 2012 a survey was made among the degree-seeking international students of the University of Pécs. The survey used an online questionnaire which was completed by 213 foreign students. The aim of the survey was to discover their information channels and their motivations when choosing the University of Pécs for their studies. Two questions referred to the Pécs 2010 European Capital of Culture title. The results showed that 42 per cent of the degree-seeking international students had learnt about the Pécs European Capital of Culture title before they applied to the university. Only 28 per cent of these students have stated however that the Pécs European Capital of Culture designation positively affected their decision when choosing the University of Pécs for their studies.
In September 2012, a survey was carried out among the incoming Erasmus students of the University of Pécs. The methodology applied here was an online questionnaire. The research was carried out to explore the motivations of the incoming Erasmus students when choosing the University of Pécs for their studies. Among the many questions asked about their source of information and decision-making process there were some items in the survey with the aim to explore their knowledge about and attitude towards the ECC title of Pécs. 200 completed questionnaires served as the basis for the analysis. Incoming Erasmus students were asked whether they had any information about the University of Pécs being located in a city that bore the European Capital of Culture title. 47 per cent of the respondents learnt about the city's European Capital of Culture title before their applications while 53 per cent of the incoming Erasmus students had not heard about it. Afterwards, those students who gave the answer 'yes' were asked whether their knowledge about the Pécs 2010 ECC title had a positive effect on their university choice. 68 per cent of those respondents who had heard about the Pécs ECC title confirmed that their knowledge about the title had stimulated their choosing the University of Pécs for their Erasmus studies. The result for the two groups of students is illustrated in Figure 3.

Figure 3 Awareness and influence of the ECC title of Pécs in the two groups of foreign students at the University of Pécs (in %)



Source: Author

These results give a good basis to make the following assumptions:

- In the case of Pécs, the marketing of the ECC event by the city and the university as well as their cross-marketing proved to be rather weak, since it could reach only part one of their most important target market. This statement sounds even truer if one takes into consideration the fact that in these years more than 70% of the foreign students of the university came from Europe.
- Other parts of the research also prove two things: (1) location ranked only third among the motivating factors in selecting the place of education, especially in case of degree seeking students. The most important factor was the *selected field of study*; the second was the reputation and the *value of the degree* which was followed by the *attractiveness of the city* where the university was located. (2) The Erasmus students however placed greater attention on the location; they seemed to regard studying abroad as an excursion and a possibility to learn about foreign countries and cultures.

5.2. Research among the member universities of the University Network of the ECC

In 2012, a research was carried out among the member universities of the University Network of the European Capitals of Culture. It was based on an online questionnaire which was completed by thirteen universities from different European countries. The respondent universities were located in the following cities: Sibiu, Maribor, Pécs, Liverpool, Avignon, Luxemburg, Antwerp, Brugge, Graz, Vilnius, Essen, Krakow and Stavanger. The questionnaire was filled out by the following university representatives: pro-vice-chancellor (1), vice-rector for international relations (3), director of communications (2), head of PR department (1), head of international relations office (4), international relations officer (1) and co-ordinator for cultural activities (1).

The aim of the survey was to explore whether the universities used the cities' ECC title in their marketing communication; if yes, in which marketing communication tools the ECC title was referred to. Another objective was to explore the opinion of the responding universities about the importance of the ECC title for the decision of their Erasmus students and the degree seeking students to choose their university. It was also interesting to find out whether these universities had ever investigated the role of the ECC title during the university selection process of the international students. When speaking about the ECC designation of a city it is crucial to define for how long a university should refer to it in its communication campaign.

Analysing the cities where the responding universities were located an interesting classification could be explored (Figure 4):

a. Well known places with active cultural life (famous for its cultural life)

Among the European Capitals of Culture there is a group of cities which are famous places with very active cultural lives and are visited by many tourists on a constant basis. The ECC designation did not help to increase the fame of the place (it was very well known already), nor did it increase the number of cultural activities taking place since there were always many different cultural events going on throughout the year. The ECC title seemed to be a reward for the ongoing cultural boost of these cities (and most probably for the best application of the certain year). The following cities can be placed into this category: Luxemburg, Avignon, Antwerp etc.

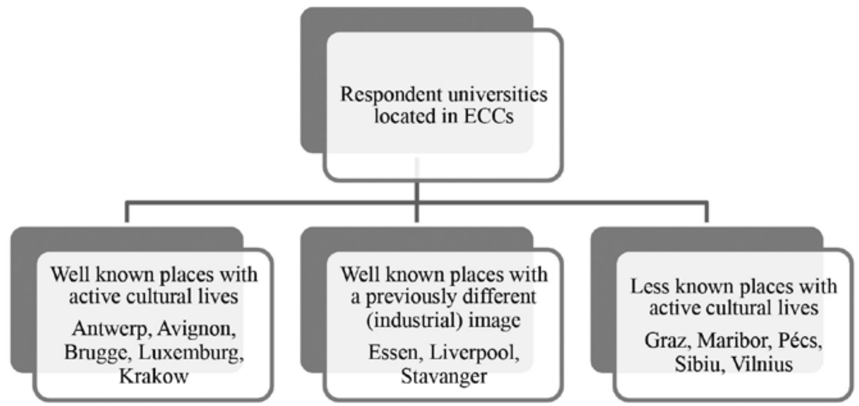
b. Well known places with a previously different (industrial) image

In the second category there are cities which used to have the image of an industrial city. These cities are also famous places in Europe – or worldwide, too. For some reason (mostly for economic reasons) these cities however would have liked to change this image and it was their main motivation when applying for the ECC title. The ECC designation could help these places to change the industrial image of the city to a culturally vibrant place image and to create a cultural industry there. From the list of the ECC cities, Liverpool, Essen and Marseilles etc. fall into this category.

c. Less known places with an active cultural life

Within the list of the ECC cities there are places that had a very small reputation before they were designated with the ECC title. The European Capital of Culture title was a huge asset for them to increase the awareness of the city. The ECC title could put the city on the map of Europe and help increase its EU-wide recognition. By raising their international profile the European Capital of Culture program boosted tourism and also helped to create a new cultural industry. In most cases it was based on building many new cultural facilities, too, of which these cities were short. The following cities can be placed into this category: Sibiu, Pécs, Maribor, Kosice, etc. Through the ECC programme these cities were given a huge opportunity for promoting their existence.

Figure 4 The classification of cities of the respondent universities



Source: Author

The research results clearly demonstrated that the majority of the respondent universities (11) used the ECC title in their marketing communication. The two universities which did not use the ECC designation were located in well know places famous for their cultural lives. It proved that the ECC title of the city was more important for promoting the universities located in less known places.

The received data made apparent that once the universities recognized the importance of promoting their cities' ECC title, the majority of them used it in both their international and domestic marketing communication. It can be stated that when a university realised the importance of the promotional value of the ECC title of its city, it used it in all student recruitment activity. They considered it as an added value of the university about which both the domestic and international students could talk.

Most of the respondent universities mentioned the ECC title in their leaflets (10 universities), 7 universities referred to it on their websites, 4 in social media appearances, 3 talked about it in their university films and one university mentioned it during every university presentation. What could clearly be seen from the research results is that universities from less known cities used all marketing communication tools to promote that the university was located in an ECC.

The received data proved that 67 per cent of the respondent universities thought that the Erasmus students found it crucial that the university is among the ECC while only 54 per cent of the universities were of the opinion that the degree-seeking international students found it important. It could be stated that the experience of the universities was that the European Capital of Culture title was more important for the decision-making process of the Erasmus students than for the degree-seeking students. Although the attractiveness of the city is also crucial for the degree-seeking students (as seen in the University of Pécs survey), their main motivation concerns were the field of studies and the value of the degree. The Erasmus students who stayed for a semester or a year seemed to prefer to enjoy the cultural attractiveness and cultural events of the cities more than the degree-seeking students.

The data clearly showed that although the universities had a definite opinion about the effect of the ECC title on the decision making process of the international students, the majority of the universities had never conducted a survey on this topic. It can be concluded however that universities from less known cities had surveyed their international students proving that those institutions which were located in less know places were much more eager to analyse the effect of the ECC title than those universities which were located in well-known cities. The majority of the respondent universities shared the opinion that it was worth promoting that the university was located in a European Capital of Culture one or two years before the ECC program year. The results of the survey clearly indicated that most universities believed that the ECC title of their cities should have been used in their marketing communication more than two years after the ECC programme year. One university was of the opinion that it should be communicated endlessly.

6. Conclusions

Based on the findings stated above, it seems fair to conclude that the competitiveness of a university is largely influenced by the competitiveness and attractions of the city where the university is located. Therefore, it is apparent that place branding is of high importance in the marketing activities of the university. Nevertheless, the marketing activity of the university should be in harmony with the marketing activities of its city. University cities should harmonize their tourism destination management activities with the aims of their universities – university cities should serve the needs of the potential foreign students of their universities.

In marketing activities the universities and their cities should work together more actively and more efficiently, as their common interest in co-branding requires it. An effective ECC can result in a more effective collaboration of the city and its university which can have a positive effect also on the international student recruitment. An attractive city can be a strong pull factor during the decision making process of the international students.

Upon the research results it can also be concluded that a European Capital of Culture title of a city is a unique distinguishing feature to speak about. Universities are working these days in a growing competition for both the domestic and international students. One of the main objectives of university branding is to communicate the cities' competitive advantages. Therefore in a growing competition it is a must:

- to distinguish the university from its competitors
- to use the ECC title consequently in all our marketing communication activities and tools, and
- to help students in making their choices.

The research has made apparent however, that international students looking for study abroad destinations for short term studies find the city's European Capital of Culture title more important than the degree-seeking students. Since the above mentioned research focused on exploring the international students' approach to the ECC title of the city during the decision making process and application period it would also be crucial to investigate what effect the city's ECC projects and achievements have on the international students during their studies.

Degree-seeking international students most likely come across the ECC investments and results of the city during their long stay there. Since one of the main and most effective marketing tools of a university in international student enrolment is the word of mouth it would be desirable to explore whether the ECC results have a positive impact on the students during their studies. Such a study may broaden the understanding of students' needs and satisfaction as well, as the base of a positive spread of word of mouth.

In addition, further research could be made on the role an internationalized university can play in the city's place branding development since it has been clearly proved that the marketing activities of the city and its universities should be harmonized in order to reach the maximum accomplishment of the desired marketing goals.

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Brendiranje sveučilišta i grada: Slučajevi sveučilišta koja se nalaze u europskim prijestolnicama kulture

Sažetak

U globalizirajućem okruženju višeg obrazovanja, sve više sveučilišta postaje međunarodno. Ova se sveučilišta suočavaju sa sve većom konkurencijom, osobito kod upisa međunarodnih studenata. Međunarodna konkurencija ih tjera da koriste marketing, a osobito aktivnost brendiranja. Brendiranje sveučilišta zahtijeva da ustanove višeg obrazovanja jasno definiraju značajke koje ih čine različitima. Jedna od najvažnijih takvih značajki je grad u kojem se ustanova nalazi. Sveučilište i brendiranje grada trebali bi zajedno djelovati kako bi pomogli potencijalnim studentima pri odabiru mjesta studiranja. Program Europska prijestolnica kulture koji je pokrenut 1985. godine mnogim je gradovima pomogao da definiraju svoje vrijednosti i razviju aktivnosti brendiranja svoga grada. Ova studija proučava način na koji je imenovanje nekog grada Europskom prijestolnicom kulture pomoglo marketinškim aktivnostima sveučilišta koja se nalaze u tim gradovima. Studija pokušava istražiti u kojoj su mjeri sveučilišta koja se nalaze u gradovima koji su bili Europska prijestolnica kulture iskoristila ovu posebnu značajku svoga grada u svojoj međunarodnoj marketinškoj komunikaciji. U radu se također analiziraju učinci koje bi titula Europske prijestolnice kulture mogla imati na aktivnosti upisa međunarodnih studenata na tim sveučilištima.

Ključne riječi: brendiranje sveučilišta, brendiranje grada, Europska prijestolnica kulture, *cross* marketing, upis studenata

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STUDENTS' EXPERIENCES OF UNIVERSITY SOCIAL RESPONSIBILITY AND PERCEPTIONS OF SATISFACTION AND QUALITY OF SERVICE

Abstract

The principal aim of this paper is to identify the factors that define students' perceptions of university social responsibility (USR) in a Spanish university, and analyse the impact of that view on their perceptions of satisfaction and quality of service. Particularly, it is hypothesized that the overall perception of university social responsibility has a positive effect on students' experiences of satisfaction, partially mediated by the assessment regarding the quality of university services. In doing that, a self-report study was conducted with a total sample of 400 undergraduate students of the University of León, in Spain. Structural equation modeling with PLS was used to test the students' overall perception of USR in order to achieve higher standards of quality of service and satisfaction. Results supported a structure of six factors explaining students' views regarding university social responsibility, of which only internal management affects the overall perception. Likewise, quality of service and satisfaction are strongly correlated among them. Implications of these findings for marketing in university settings are discussed.

Keywords: University social responsibility, public marketing, higher education, satisfaction, quality of service, Spain

1. Introduction

European universities are experiencing a process of world change which materializes into a new way of looking at the approach and purpose of education (Nuñez, Alonso, 2009). For this purpose, universities play a significant role in the next generations' ability to succeed and deal with globalization and economic growth, as well as to build a sustainable future for people all over the world (Setó-Pamiés et al., 2011).Consequently, education is seen as a key to improving quality of life, not just of individuals but also collectively for humankind (Galang, 2010).

That is the reason why universities should approach and understand the consequences of the social changes that are shaping a new model of society. Particularly, universities need an interdisciplinary, open-minded approach able to cope with current needs and not locked up in traditional academic purposes (in both education and research) intended to meet a specific agenda (Gaete, 2012).

Since higher education has become a highly competitive market and both a "mature and diversified sector", universities have to reshape themselves in order to face new challenges and opportunities (Burcea, Marinescu, 2011) to improve the quality of service and student satisfaction. Higher education, therefore, can change the world by training and expanding a student's mind, researching answers to challenges, showing its own understanding and commitment through responsible campus management (Tilbury, 2011) and always taking into account that educators ought to help their students to understand the powerful effects that business decisions and actions can have on society and the potential collateral damage (Setó-Pamiés et al., 2011). In addition, a university that promotes USR can be seen as an organization of quality and this increases students' satisfaction.

The current purpose of universities is to provide students with a suitable academic background and to transmit wisdom and knowledge, bearing in mind their stakeholders' expectations and requirements.

In addition, this identification is the first step in the process of implementing the concept of university social responsibility in organizational management (Moneva, 2007) because the socially responsible behavior of an organization shall be managed in accordance with the interests and needs of each of the stakeholders affected, or interested in the activities of the institution (Gaete, 2009).

The implementation of measures for university social responsibility (USR) depicts an improvement in the management of the institutions themselves (Casani, Pérez, 2009), thus serving as a springboard for future professionals belonging to several sectors and areas of society, such as companies, governments or public administrations and organizations (Martí et al., 2008) that will lead to future changes worldwide. Literature suggests that business school emphasis on CSR can indeed make a difference in student attitudes. Therefore, universities are not only educational services providers, but also shapers of identity with major responsibilities to the nation and to the wider world (Sullivan, 2003). For this purpose, universities have a crucial role to play by incorporating social responsibility in the design of their curricula and researches, as well as into their mission, vision and corporate strategy (Muijen, 2004).

The application of social responsibility in the field of higher education implies, among other issues, the identification of the university stakeholders and their perceptions of satisfaction and quality of service, the knowledge of their expectations and the establishment of means of dialogue with these groups. In this context, universities have to face this new mission, vision, and consequently design new institutional strategies of social responsibility, which include social responsibility in all academic areas as a way of obtaining a competitive advantage in this current context. Nevertheless, and in spite of the important social function of universities, there are still very few studies that include university stakeholders as the subject of research (Larrán et al., 2012).

In this context, the principal aim of this paper is to identify the factors that define the perceptions of students with regard to USR and analyse the impact of that view on their perceptions of satisfaction and quality of service. In this respect, this paper is organized as follows. First, the concept of USR and theoretical four impact model is presented. Secondly, the concept of satisfaction and quality of service and its relationship with USR is discussed. Then, a self-report study carried out with a sample of Spanish university undergraduates is presented with the aim of identifying the extent of students' perception of USR and its implications for satisfaction and quality of service. Finally, there is an analysis of whether the students' global perception of USR affects the satisfaction and quality of service.

2. Literature Review

2.1 University social responsibility and the impact-based model

Universities cannot stay out of line with current thinking on social responsibility and sustainable development, because it falls to universities to promote corporate social responsibility, scientific social responsibility and citizens' social responsibility in order to keep in mind the impact of higher education on knowledge, values and behaviour (Gasca, Olvera, 2011). First, the growing concern of nowadays universities to satisfy the needs of different stakeholders and to deal with a profound ecological and social commitment has imposed greater social responsibility on them (Kunstler, 2006). Second, universities have a crucial role to play in optimizing the way society is managed and attaining the objective of ensuring major improvements in people's lives. Third, universities are not only educational services providers (Sullivan, 2003) but also produce good citizens who are trained for both competency and character (Ehrlich, 2000; Wilhite, Silver, 2005). These are the reasons why more and more institutions of higher education are trying to foster and implement USR strategies in all university areas.

According to the European Commission's view (2011), every organization has an impact on society. Therefore, universities have to take responsibility for the effects and consequences caused by their strategies, structures, policies and performances, just like any other organization (Argandoña, 2012). In the specific situation of Spain in the context of university polices, the 2015 University Strategy, states that universities should not only teach and research, but should also be socially responsible institutions that can help students find jobs, encourage ethical values, contribute to economic and social development, etc. (Larrán et al., 2012a).

From this point of view, it is therefore sensible to define the concept of USR as *a concept whereby a university integrates all of its functions and activities with the society needs through active engagement with its communities in an ethical and transparent manner which is aimed to meet all stakeholders' expectations* (Esfijani et al., 2013:278). In other words, USR means to offer educational services with an ethical approach, to spread knowledge in a responsible way with good management and to respect and develop a sense of responsible citizenship by encouraging the students and the academic staff to promote sustainable development in their community as well as to try to adapt the higher education institutions' purposes, views and values.

As with the corporate social responsibility, the USR concept has vague and imprecise definitions, because the areas of interest or attention are different depending on the institution which is seeking objectives. Furthermore, there are different names for the concept, which are presented as separate although they should really be under the USR umbrella concept, such as sustainable development, development cooperation (Ministry of Education, 2011), ethics (Dellasportas, 2006; Lutar, Karri, 2005) or third mission (Casani, Pérez, 2009). Most of the alternative concepts are focused on environmental and social areas (Ministry of Education 2011) and hinder the understanding of the term.

To date, most previous research on USR has been developed in Latin American universities. The most developed model is impact-based, that is, from a business perspective, bonding social responsibility to the way organizations manage their impact on people, society, economy and nature around them (Vallaeys et al., 2009). Particularly, it is understood that universities cause four different types of impacts around them: educational, cognitive, organizational and social. Within this view, it is acknowledged that both educational and cognitive impacts are caused by universities themselves as organizations, whereas social and organizational impacts can be caused by both universities and private companies.

Based on the impact-based model (Vallaeys. 2008; Vallaeys et al., 2009), in this paper we propose that the four educational, cognitive, organizational and social impacts predict the students' overall view of USR. That is:

Hypothesis 1. Perceived educational, cognitive, organizational and social impacts directly influence the overall perception of USR.

It is necessary for universities to develop new methods and frameworks which will help students understand the concepts of social responsibility and sustainability within the business world although little research on USR has been done so far, except for some empiric articles. However, lots of data on ethical education (Dellasportas, 2006; Lutar, Karri, 2005; McDonald, 2004), CSR education (Matten, Moon 2004; Muijen, 2004; Setó-Pamiés et al., 2011) and universities and business schools' sustainability (Ceulemans, De Prins, 2011; Galang, 2010; Tilbury, 2011) can be found in many reference books.

Table 1 Impact-based model of USR

	Definition	Results
Educational	Refer to responsible processes of teaching, learning and values education	Responsible Civic and Professional Education
Cognitive	Refer to ethical guidelines, theoretical approaches, lines of research and production and divulgation of knowledge	Social Management of Knowledge
Organizational	Relative to members of the academic institution through the organizational design of the university, its plans and strategies	Responsible Campus
Social	Links between the university and external stakeholders and their participation in the political, social, economic and cultural development of society	Social Collaboration

Source: Adapted from Gaete (2012); Vallaeys et al., (2009)

Table 1 shows positive results of the impact-based model: professionals and citizens educated by universities, knowledge transmitted, social relevance, relationship between students and staff, environmental awareness and the universities' role in social development by means of collaboration in problem-solving activities, such as creating social capital or facilitating general access to knowledge. Impacts' definitions are also shown.

2.2. Quality of Service and Satisfaction in the University

Quality assurance is one of the core elements of the Bologna process, so the quality of service concept is particularly important in higher education institutions (Correia, Miranda, 2012). University education in general and the quality of it in particular, are linked in order to respond to education's demands of quality and social responsibility that the current situation demands.

The university, as has been seen, should promote citizen responsibility and commitment in the society, and become an organization based on the quality of service in higher education directly related to the ability to contribute to the development of individuals and societies (López et al., 2013). Quality in higher education is a complex and multifaceted concept (Harvey, Green, 1993). As a consequence, there is no consensus about the definition and measurement of service quality. But according to O'Neill and Palmer (2004), service quality in higher education can be defined as the difference between what a student expects to receive and their perceptions of what they really receive.

Several studies of service quality in higher education have been very popular in recent literature from different parts of the world (Angell et al., 2008; Barnes, 2007; Oliveira, Marques, 2007; Pareda et al., 2007; Qureshi et al., 2010; Srikanthan, Dalrymple, 2007; Voss et al., 2007). These investigations explore aspects relating to teaching and learning factors, as well as the environmental importance and their influence in higher education.

Likewise, a review of the specialized literature reveals the absence of a consensus on the definition of satisfaction as a concept but numerous attempts have been made to define it (Giese, Cote, 2000). Student satisfaction can be understood as a short-term attitude resulting from the evaluation of the student educational experience. The approach followed is to view the student as a consumer or client. The measurement of students' satisfaction in higher education follows the same methodology used in general customer satisfaction measuring (Elliot, Healy, 2001).Therefore, student satisfaction is defined as the discrepancy between prior expectation and the performance perceived after passing through the educational cycle (Munteanu et al., 2010), that is, the extent to which a students' perceived educational experience meets or exceeds their expectations (Jullierat, 1995).

In this paper we propose that students' overall perception of USR has an influence on their experiences of the quality of service and satisfaction. Thus, two new hypotheses are proposed:

Hypothesis 2. Overall perception of USR directly influences quality of service.

Hypothesis 3: Overall perception of USR directly influences satisfaction.

Additionally, we consider the previous debate within the literature on the relationship between service quality and satisfaction (Bitner, 1990; Bolton, Drew, 1991). In this vein, it has been argued that customer satisfaction is an antecedent of service quality, while other authors believe that it is service quality that leads to customer satisfaction and behavioral intentions (Carrillat et al., 2009; Chia et al., 2008; Molinari et al., 2008). Nowadays, many higher education institutions perform some evaluation of the quality of education provided to students, as well as an assessment of student satisfaction. Attitudes towards the quality of higher education are believed to influence individual satisfaction (Munteanu et al., 2010). According to previous literature (Carrillat et al., 2009; Chia et al., 2008; Molinari et al., 2008), quality of service predicts student satisfaction. Hence, we propose the following hypothesis:

Hypothesis 4. Quality of service directly influences satisfaction.

In this context of previous literature, this paper intends to integrate the four types of impact defined in previous academic works in order to identify different aspects of students' perceptions of USR. Particularly, we seek to identify the dimensions that define students' perceptions of USR and analyze its impact on quality of service and student satisfaction in order to establish if the perception of USR affects the quality of service and student satisfaction.

3. Method

3.1 Participants

Self-reported data was collected by means of a structured questionnaire from a total sample of 400 students at the University of León, ensuring a size for a representative 95% (e=+-55; p=q=0.50). Students were selected from their last courses and among real distributions by departments and faculties.

Based on these criteria, the total sample comprised 159 males (39.8%) and 241 females (60.3%) aged 19 to 32 years old (M=22.63 and SD=2.01). On the other hand, the usual distinction on studies' orientations comes to the following: 44% of respondents indicated a main academic background in Social and Legal disciplines, 6.5% in Arts and Humanities, 25% in Technical and Engineering, 15.8% in Health, and 8.8% in Experimental Sciences.

3.2 Measures

Perceived USR impacts were measured with 46 items defining specific practices based on previous literature (Ceulemans, De Prins, 2011; Christensen et al., 2007; McDonald, 2004; Moon, Orlitzky, 2011; Setó-Pamiés et al., 2011; Vallaeys. 2008; Vallaeys et al., 2009) and review of other similar instruments. Every participant was asked to use a five-point Likert type scale to grade the importance given to each activity from 1 (*not important at all*) to 5 (*very important*). Items were related to the four impacts defining URS as explained in previous sections:

- *Educational impact.* 12 items were used to grade the importance given by students to USR performances in education. Some examples are "teaching environment-friendly habits" or "adding professional ethics and moral contents".
- *Cognitive impact.* 10 items were used to grade the importance given by students to USR performances in research. Some examples are "implementing research project on sustainability" or "scientific research on social problems and knowledge generation for social development".
- *Organizational impact.* 12 items were used to grade the importance given by students to USR performances in research, for instance "work-life balance" or "efficient and reasonable resource distribution".
- *Social impact.* 12 items were used to grade the importance given by students to USR performances in social outreach, for instance, "sensitizing, educational campaigns on environmental protection in areas of influence which are close to the university" or "organizing volunteering programs for students, professors, staff and clerks".

Students' overall perception of USR was measured with 3 items: "my university has a high potential to contribute to environmental respect", "my university has a high potential to contribute to economic development" and "my university has a high potential to contribute to the resolution of social problems". Respondents had to grade their level of agreement with each sentence on a 5-point Likert-type scale from 1 (*strongly disagree*) to 5 (*strongly agree*). Quality of service was assessed with 5 items using a five five-point scale from 1 (*strongly disagree*) to 5 (*strongly agree*). For example, "my university has both high quality resources and infrastructure". Satisfaction was measured with 6 items on university performance in several areas. For example, "I am satisfied with the education offered by the university". Again, they had to use a scale from 1 (*strongly disagree*) to 5 (*strongly agree*).

3.3 Data analysis

Before testing the hypotheses of the model, we carried out an exploratory factor analysis with the 46 items used to measure student's perceptions of USR according to the four impact model. Principal components analysis revealed a better solution of six factors explaining 50.32% of the total variance. These factors were: external projection (six items), research (five items), education in environmental values (five items), internal management (four items), university-firm relationships (four items), and education in social values (three items). The remaining 16 items did not load enough or loaded in several factors and were removed for the analysis. A more detailed review of these results can be consulted in Vázquez et al., (2014).

Then, the partial least squared (PLS) technique was used to test the effect of the six factors identified on the students' overall perception of USR and to determine if the overall perception of USR produces an improvement in the quality of service and student satisfaction. In addition, the PLS technique was used to test the effect of quality of service on satisfaction. The relationships between the constructs were examined through the statistical program SmartPLS 2.0 (Ringle et al., 2005). The PLS procedure allows the estimation of the research model in two stages (Hulland, 1999). The first of these implies evaluating the strength of the measurement model (also known as the outer model) by looking at item reliabilities, internal consistency, and construct validity. The second stage focuses on the estimation of the fit parameters for the structural model (inner model), reporting on the implementation of the research hypothesis through standardized path coefficients and R^2 values.

4. Results

4.1 Reliability and validity of measures

Table 2 shows the items included in the measurement model and their psychometric properties. Item reliabilities were evaluated by examining the significance of the standardized loadings (λ), or simple correlations of indicators with their respective latent variables. All loadings were above the threshold of .50 (Barclay et al., 1995; Chin 1998, 1998a), according to a significance level of $p < .05$ calculated on the basis of 500 bootstrapping runs.

For the measurement of the internal consistency of scales, the program SmartPLS produces two indicators: Cronbach's alpha (α) and composite reliability (ρc), the latter considered by some authors as superior to the first measure due to its independence from the number of attributes associated to each construct (Fornell, Larcker, 1981). The interpretation of both indices is quite similar and values above .70 are considered reasonable (Barclay et al., 1995; Hair et al., 1998; Nunnally, 1978; Nunnally, Bernstein, 1994). The obtained results showed compliance with such requirement, ensuring the minimization of the measurement error regarding the indicators that were used.

Convergent validity was examined using the average variance extracted (AVE) index, which determines the amount of variance that a construct gets from its indicators in relation to the amount of variance due to the measurement error. For all latent variables, AVE values were above the minimum benchmark of .50 (Fornell, Larcker, 1981). Likewise, to test discriminant validity, we verified that each construct shared a larger variance with its indicators than with other constructs of the model (Barclay et al., 1995).

On the other hand, Table 3 shows the items included in the measurement model and their psychometric properties about overall perception of USR, quality of service and student satisfaction. As shown in the results in Table 2, all items of Table 3 loadings were above the minimum level 0.5 for acceptability (Chin, 1998, 1998a; Barclay et al., 1995).

Table 2 Psychometric properties of the students' perception of USR

Constructs and items	λ	α	ρc	AVE
External projection		.80	.86	.50
Collaboration with companies, public services or NGOs in social projects to help the disadvantaged	.73*			
Sensitizing, educational campaigns on social responsibility in areas of influence which are close to the university	.75*			
Collaboration with public services and NGOs in sustainable initiatives.	.73*			
Sensitizing educational campaigns on environmental protection in areas of influence which are close to the university	.73*			
Organization and sponsoring of performances committed to both local and regional socioeconomic development	.68*			
Organization of volunteering programs for students, professors and staff	.62*			
Research		.75	.84	.51
Incorporation of sustainable values to scientific research	.78*			
Scientific research on social problems and the knowledge generation	.66*			
Implementing research on environmental sustainability	.72*			
Application of scientific knowledge to the development of new environment-friendly products, technologies and processes	.75*			
Integrating values such as respecting individual and social rights when carrying out scientific research	.64*			
Education in environmental values		.76	.84	.52
Teaching environment-friendly habits and sustainable values	.84*			
University awareness of environmental problems	.69*			
Vocational training to solve environmental problems	.78*			
Adding professional ethics and moral contents to the syllabus	.64*			
Preserving university eco-areas	.63*			
Internal Management		.70	.81	.52
Fostering respect for diversity and equal opportunities for workers	.76*			
Electing authorities and management bodies by means of a transparent, democratic process	.72*			
Work-life balance for professors and staff	.73*			
Efficient and reasonable resource distribution	.69*			
University-firm relationships		.71	.81	.53
Adapting the syllabus to the needs and demands of all economic sectors	.63*			
Fostering entrepreneurship among students	.74*			
Transferring knowledge to companies	.72*			
Collaborating with employers to improve vocational training and hiring (internships)	.81*			
Education in social values		.65	.80	.58
Fostering respect for diversity and equal opportunities among students	.80*			
Recognition of students' opinions and participation	.71*			
Education in human and social values and fostering civic solidarity	.76*			

*λ (loading); α (Cronbach's alpha); ρc (composite reliability); AVE (average variance extracted) *p < .001 (based on two-tailed t-test with 499 df).*
Source: Author's calculations

Table 3 Psychometric properties of the overall perception of USR quality of service and satisfaction scales

Constructs and items	λ	α	ρc	AVE
Overall perception of USR		.78	.87	.69
My university has a high potential to contribute to environmental respect	.80*			
My university has a high potential to contribute to economic development	.85*			
My university has a high potential to contribute to the resolution of social problems	.84*			
Quality of service		.78	.85	.53
My university has both high quality resources and infrastructure	.68*			
My university degree programs have a high quality	.79*			
My university's professors carry out quality tasks	.74*			
Management staff and services at my university carry out quality tasks	.65*			
My university offers quality services in comparison to others	.78*			
Satisfaction		.90	0.92	.66
I am satisfied with the education offered by the university	.81*			
My decision to choose this university was correct	.84*			
I am satisfied with my overall university experience	.77*			
I will recommend this university to others	.87*			
I am proud to belong to this university	.83*			
My university experience meets my expectations	.76*			

λ (loading); α (Cronbach's alpha); ρc (composite reliability); AVE (average variance extracted)
**p < .001 (based on two-tailed t-test with 499 df).*
Source: Author's calculations

4.2 Model testing

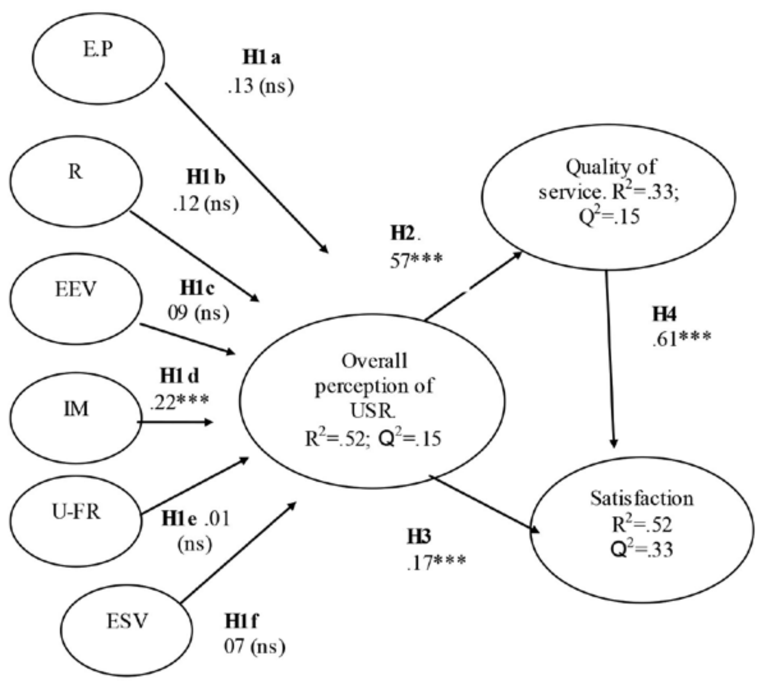
Once the reliability and validity of the measurement model were proved, we analyzed the hypothesized relationships among endogenous variables. A bootstrapping procedure with 500 resamples was applied in order to determine the statistical significance of each estimated path in the model. According to that, Table 4 displays the direct effects obtained for the overall sample, just as their significance level.
Hypothesis 1 was partially supported, since only internal management had a positive effect on the overall index of perceived USR ($\beta = .22$, $p < .001$).

Table 4 Direct effects and group comparison

Path coefficients	Direct effects β
External projection → Overall perception of USR	.13
Research → Overall perception of USR	.12
Education in environmental values → Overall perception of USR	.09
Internal Management → Overall perception of USR	.22***
University-firm relationships → Overall perception of USR	.01
Education in social values → Overall perception of USR	.07
Overall perception of USR → Quality of service	.57***
Overall perception of USR → Satisfaction	.17***
Quality of service → Satisfaction	.61***

****p < .001 (based on two-tailed t-test with 499 df).*
Source: Author's calculations

Figure 1 Empirical model



****p < .001; ns: non-significant (based on two-tailed t-test with 499 df).*
Note: EP: external projection; R: research; EEV: education environmental values; IM: internal management; U-FR: university-firm relationship and ESV: education social values
Source: Author

Nevertheless, the rest of the factors were not significantly related to students' overall perceptions of university contribution to social, environmental and economic goals. Regarding the role of the overall index of the perceived USR in the model, results confirmed a direct effect on quality of service ($\beta = .57$, $p < .001$) and satisfaction ($\beta = .17$, $p < .001$), thus supporting hypothesis 2 and 3. Likewise, quality of service influenced satisfaction directly ($\beta = .61$, $p < .001$) thus supporting hypothesis 4.
In the context of such results, Figure 1 also shows the path coefficients, their significance level and the R^2 indices of global adjustment of the model. In sum, those relationships appearing as significant explained 22% of variance in the overall USR index, 33% of variance in the Quality of service and 52% in the Satisfaction. Moreover, the Q^2 values associated with the Stone-Geisser criterion (Geisser, 1974; Stone, 1974) were consistently higher than zero, indicating that prerequisites of predictive relevance for the model are fulfilled (Chin, 1998).

5. Conclusions

This paper has presented some results in order to build a model of University Social Responsibility and to test if this model affects the quality of service and student satisfaction. From this general framework, a study was carried out to analyze students' perceptions of USR at the University of León (Spain) and, by this means, generate basic information useful for universities in the design and implementation of their marketing strategies according to responsibility criteria and in this way, achieve an improved quality of service and more satisfied students.
Starting from previous academic work on USR (Burcea, Marinescu, 2011; Matten, Moon, 2004; Moon, Orlitzky, 2011), a new model of the educative communities' perception of USR was proposed, based on the four impacts attributed to the university – education, research, internal management

and external projection – (Vallaeys, 2008; Vallaeys et al., 2009). However, the statistical analysis performed on the data allowed the identification of six factors that define students' views of USR.

According to these results, on one hand, it is concluded that the impact-based model (Vallaeys, 2008; Vallaeys et al., 2009) is unable to properly identify students' vision of USR. Particularly constructs related to external projection, research and education are not dependent on USR in the eyes of students. Factor analysis showed six dimensions of USR as perceived by participants, namely: external projection, internal management, research, education in environmental values, education in social values and university-firm relationships, but only one affects the overall perception of USR, internal management. The students of the university seem to have a deep knowledge of the internal management because, for several years, universities have realized the importance of staff's working conditions and given their social character, are promoting the work-life balance, respect for diversity and equal opportunities, efficient and reasonable resource distribution or democratic and transparent process of authority election, which have no influence on students but seem to be well-known by stakeholders. Thus, respondents were more satisfied with university performances related to internal USR, maybe because the other aspects of USR (research, education in environmental values, university-firm relationships, education in social values and external projection) are outside the students' daily life and not perceived by them as facets that affect their overall perception of USR.

In an attempt to overcome the limitations identified in previous literature, our study has proposed an explanatory model of USR, trying to prove its generalization to higher education and its influence in quality of service and student satisfaction. From this approach, this research demonstrates that a positive overall perception of USR generates a greater quality of service and student satisfaction. This evidence suggests the desirability of paying greater attention to the USR education in environmental and social values, research, internal management and external projection in a university, thus allowing the possibility of an increase in both student quality and satisfaction. In this respect, we can conclude that the early attraction of students to USR plays a significant role leading to their professional and related initiatives.

From universities marketing perspectives, the results suggest the necessity of working towards the spread of said actions, as well as an improvement in responsible and sustainable education of students - consistent with previous results - (Christensen et al., 2007; Moon, Orlitzky, 2011; Setó-Pamiés et al., 2011) to achieve higher standards of quality, satisfaction and generally speaking a better experience at university. Therefore, education, research, internal and external management of USR contents in the university can be seen as a marketing strategy aimed at better satisfaction of the employment needs of students and a better university reputation. In this context, the principal aim of this study was to justify a call for attention to USR as marketing strategy of university academic curricula, through the analysis of the current opinion of students about overall perception of USR. Additionally, in accordance with previous studies (Carrillat et al., 2009; Chia et al., 2008; Molinari et al., 2008; Munteanu et al., 2010), the findings indicate that quality of service predicts university student satisfaction. This situation leads to improvement of the university's standing and notoriety, reduces the dropping out of students and attracts new students. Thus, the USR model, which is developed as a cross subject in all fields, is believed to be a competitive advantage against other universities.

While this paper proposes an exploratory analysis of students' perceptions of USR, further research needs to be carried out on this topic. First, we must take note of the novelty of the theoretical framework used in the application of the USR model, with a particular focus on the study of USR student perception and the insufficient theoretical development. Thus, we should require new studies to replicate the obtained results or propose a different USR measurement of construct. Secondly, data was collected at one single Spanish university. Therefore, in order to achieve more general results, the analysis should be extended to include other national and foreign institutions. Besides, it would be convenient to complement this model with other variables of university experience, such as loyalty, trust or credibility. Additionally, new studies are required to consider other endogenous factors in order to increase the predictive validity of the first stage of this model, that is, regarding the low level of support that was obtained in the prediction of the perception of the USR index.

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Doživljaj društvene odgovornosti sveučilišta i percepcije zadovoljstva i kvalitete usluge kod studenata

Sažetak

Glavni je cilj ovog rada odrediti čimbenike koji definiraju percepciju društvene odgovornosti sveučilišta kod studenata na španjolskom sveučilištu te analiziranje utjecaja toga pogleda na njihove percepcije o zadovoljstvu i kvaliteti usluge. Postavljena je hipoteza da ukupna percepcija društvene odgovornosti sveučilišta ima pozitivno djelovanje na doživljaj zadovoljstva kod studenata, djelomice posredstvom procjene vezane uz kvalitetu sveučilišnih usluga. U tom je procesu provedena studija na temelju samoiskaza na ukupnom uzorku od 400 dodiplomskih studenata Sveučilišta u Leónu, Španjolska. Za provjeru ukupne percepcije društvene odgovornosti sveučilišta kod studenata radi postizanja viših standarda kvalitete usluge i zadovoljstva upotrijebljeno je strukturalno modeliranje (SEM-PLS). Rezultati podržavaju strukturu šest čimbenika objašnjavajući poglede studenata vezane uz društvenu odgovornost sveučilišta, među kojima samo unutarnje upravljanje utječe na ukupnu percepciju. Također, među njima su kvaliteta usluge i zadovoljstvo čvrsto povezani. Utjecaji ovih rezultata na marketing u sveučilišnom okruženju predmet su rasprava.

Ključne riječi: društvena odgovornost sveučilišta, javni marketing, visoko obrazovanje, zadovoljstvo, kvaliteta usluge, Španjolska

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INTEGRATION OF CROATIAN FARMERS IN THE EU INFORMATION SOCIETY – ISSUES AND IMPLICATIONS

Abstract

Further development of family farms in Croatia largely depends on their adaptation to the contemporary demands of the open market, in particular by keeping up with new technologies and acquiring new knowledge. Through such adaptation, farmers would gain better access to information and new markets and a better position in negotiations. Overall, they would become better managers of their businesses. The Internet, coupled with other information and communication technologies (ICT), represents a tool for linking up different interest groups within the vertical agricultural chain. The role and significance of ICT and information literacy within agricultural activities is presented through a review of European development initiatives and theoretical insights regarding this topic. To reveal obstacles (objective and subjective), the current level of skills and the readiness to adopt new knowledge and technologies, a survey was conducted on a representative sample of inhabitants from rural areas, i.e. farmers, since they are a determining factor of such changes. The present paper is part of the research exploring a wider context of ICT implementation aimed at enhancing farmers' competencies, and consequently, enhancing overall agricultural performance. The analysis seeks to confirm the basic hypothesis that there are objective and subjective obstacles, but also the interest and willingness to increase the level of knowledge in the observed social unit.

Keywords: Information society, ICT, Croatian farmers, social marketing

1. Introduction

Initiatives of the European Union are necessary to offer its members and candidate countries certain guidelines and action plans aimed at increasing the digital and information literacy, primarily in underprivileged social groups. The ultimate goal is to remove barriers such as age, isolation of people living in remote or marginal areas of the EU, or in poorer regions, etc. Regardless of the reasons, the intention is to facilitate the empowerment of all individuals and to reduce the digital gap, thus enabling equal-footing participation and contribution within digital economy and the information society.

Already, the majority of all economic sectors are involved in data exploitation, which provides them with the competitiveness required for participation in the modern market system. Such exploitation implies understanding the technology, i.e. being familiar with new tools and skills that could have a strong impact on everyday business operations even in traditional sectors like farming. For example, the data collected during different stages of production, such as soil composition, sensor readings by agricultural machinery, weather forecasts and crop features can be combined with data on food markets, agricultural raw materials buying off, or forthcoming possibilities for capital investments, all with the aim of making complex decisions (European Commission, 2013). The main goal of this paper was to determine how ready farmers are for the challenges arising from Croatia's full accession to the EU, so the following hypothesis was tested: although there are objective and subjective obstacles to raising the level of knowledge among farmers in Croatia through optimized use of information and communication technologies, there is an interest, as well as a desire to enhance knowledge. To determine those challenges, the primary research analysis was divided into three sections. The **first** deals with obstacles to the adoption of new knowledge and technologies; the **second** with interest, and the **third** with desire, as the final phase before taking concrete actions.

2. Terminology issues within the literacy system

The notion of literacy is difficult to define, mostly due to national and socio-cultural implications within which it is contemplated, as concluded at the UNESCO Expert Meeting held in 2003 in Paris. In today's environment of information overflow, the traditional conception of literacy as a capacity to read, write and understand numbers needs to be revised and expanded. This is why the contemporary notion of literacy is rather stretchy and susceptible to change, but still serving both society and the individual (UNESCO, 2005). For the purposes of this paper, we will mention a set of literacies, which are a prerequisite for equitable and competitive participation in today's European agricultural system, consisting of: basic literacy acquired through elementary education, agricultural literacy as a body of specific knowledge, digital literacy and information literacy. This, of course, does not exclude the existence of other kinds of literacy; it only emphasizes their modality depending on the case in question. To gain a better understanding of the significance and impact of the above mentioned set of literacies, in the following text there follows a brief explanation of concepts, together with a review of some major authors who have studied these issues.

2.1. Agricultural literacy

In view of the circumstances in which agricultural activity in Croatia is taking place, agricultural literacy can be described as a set of skills acquired through farming work and knowledge passed on mostly orally, and accordingly lacks any kind of formal mode of learning. This observation is confirmed by Croatian legislation (Act on Agriculture, 2009), which classifies a farmer as a physical person on a farm, working in agriculture, who has knowledge and skills related to agriculture. First attempts at defining agricultural literacy were roughly in this scope; however, it soon became obvious that the range of knowledge required to be a farmer today is much wider.

Meischen and Trexler propose a comprehensive definition of agricultural literacy, stating that it is "knowledge and understanding of agriculturally related scientific and technologically based concepts and processes required for personal decision making, participation in civic and cultural affairs, and economic productivity" (Meischen, Trexler, 2003).

The authors add that agricultural literacy exceeds the mere acquaintance with concepts and processes in agriculture, as well as the generalization of issues connected to its realization. They emphasize the crucial capability of making prudent decisions and implementing them in private and public activities, since to be an active participant in agriculture requires the individual to understand economic, environmental, social and business circumstances, and how they affect all the stakeholders (Powell et al., 2008).

2.2. Digital literacy

Digital literacy is viewed today as a dominant competency and the basis for acquiring and upgrading other forms of literacy. This is why digital literacy encompasses, or is even identified with, the notions such as Internet literacy, computer literacy, and information and communication literacy (Osterman, 2013). The combination of skills necessary to become digitally literate is well presented in the three-part definition by the University Library at the University of Illinois at Urbana-Champaign, which states that it is "the ability to use digital technology, communication tools or networks to locate, evaluate, use and create information; the ability to understand and use information in multiple formats from a wide range of sources when it is presented via computers; and a person's ability to perform tasks effectively in a digital environment. Literacy includes the ability to read and interpret media, to reproduce data and images through digital manipulation, and to evaluate and apply new knowledge gained from digital environments" (University of Illinois, 2011). In contrast to basic literacy, young generations of today do not gain those digital competencies so much through formal education, but more through constant exposure to the technologies, the usage of which shapes their way of thinking, as well as the rationale of seeking, moulding and consuming information.

2.3. Information literacy

Numerous authors are studying information literacy as a prerequisite for non-discriminatory participation in modern society, which is marked by technology-aided human interaction. As this notion is broader than the notion of the computer, i.e. digital literacy, knowing about technology is not enough for a person to be designated as information literate (Horton, 2007). Some important skills are the ability to find, browse and use information, as well as the ability to manage it, thus directly influencing the decision making process (Mitchell, 2009). Paul Zurkowski is a major author, and the person credited with coining the term or the concept of information literacy. He has emphasized the need for people to be information literate so that they can be equal participants in the information society. According to Zurkowski, "people trained in the application of information resources to their work can be called information literates. They have learned techniques and skills for utilizing a wide range of information tools as well as primary sources in moulding information solutions to their problems" (Zurkowski, 1974).

Information literacy is the foundation for life-long learning and a competence applicable across all disciplines and throughout the education system. Given the complex environment that we live in, and constant exposure to information, which is accessible not only on demand, but also forced upon us, the need has arisen to check its validity, reliability and authenticity. Furthermore, information available in the digital age can appear in a range of formats, thus requiring from users the capacity to interpret different types of media. In conclusion, the abundance of information in itself does not make any society or community more informed; it requires us to master certain skills that will help us to use information more effectively (ACRL, 2000).

3. Information society and legal framework

The information society is part of the *acquis* of the European Union, now used by the Republic of Croatia as well. As pointed out on the EnterEurope website (http://www.entereurope.hr/), the concept of information society designates the response of the European Union to the revolution in society spurred by the rapid development of communication technologies, based on "information" as an expression of human knowledge (Gulija, 2010).

Initiatives of the European Union are necessary to offer its members and candidate countries certain guidelines and action plans aimed at increasing the digital and information literacy, primarily in underprivileged social groups. The ultimate goal is to remove barriers such as age, isolation of people living in remote or marginal areas of the EU, or in poorer regions, etc. Regardless of the reasons, the intention is to facilitate the empowerment of all individuals and to reduce the digital gap, thus enabling equal-footing participation and contribution within digital economy and the information society. The latest issue of the Common Agricultural Policy (CAP) was redesigned in late 2013 to include more efficient measures for sustainable agriculture and vibrant rural areas. Some of the guiding principles for the reform are geared towards overcoming economic, environmental and territorial challenges. The answer to economic and environmental challenges comes in the form of sustainable food production and management of natural resources, whereas territorial challenges such as revitalizing rural areas will be solved by reallocation of funds for priority areas.

Table 1 Chronology of the European Commission initiatives towards information society

Milestones	Period	Major goals and guidelines
eEurope	2000 – 2005	• Information society for all (socially inclusive) • Access to cheaper and faster Internet • Online public services • Promotion of e-markets
i2010	2005 – 2010	• Creating a single information space • Strengthening innovation and investment in ICT
Digital agenda for Europe (DEA)	2010 – 2020	• One of the key initiatives of the Europe 2020 strategy • Improving interoperability of information and communication products and services • Promoting trust and security on the Internet • Enhancing digital literacy, knowledge and e-inclusion

Source: authors, According to: http://epp.eurostat.ec.europa.eu/portal/page/portal/employment_social_policy_equality/information_society

One of the key issues the reform is confronted with is rural development. The member states are required to devise a plan covering at least four out of six possible priorities, including: a) supporting the transfer of knowledge and innovation in agriculture, forest management and rural areas, and b) improving the viability of farms and competitiveness of all types of agriculture, as well as supporting the use of innovative technologies on farms (CAP, 2013).
All the above poses new challenges for farmers and some might not be ready to tackle them. The changes are now in full swing thanks to the European Commission initiatives, which member states have to act upon by developing their operational strategies and providing legal frameworks within their system. **Table 1** gives an overview of the initiatives by the European Commission since the year 2000.
Taking into account all the above, the intention was to determine how ready farmers are for the challenges arising from Croatia's full accession to the EU. The current situation and the readiness of farmers to tackle the challenges are presented below in the analysis of primary research.

4. Methodology of primary research

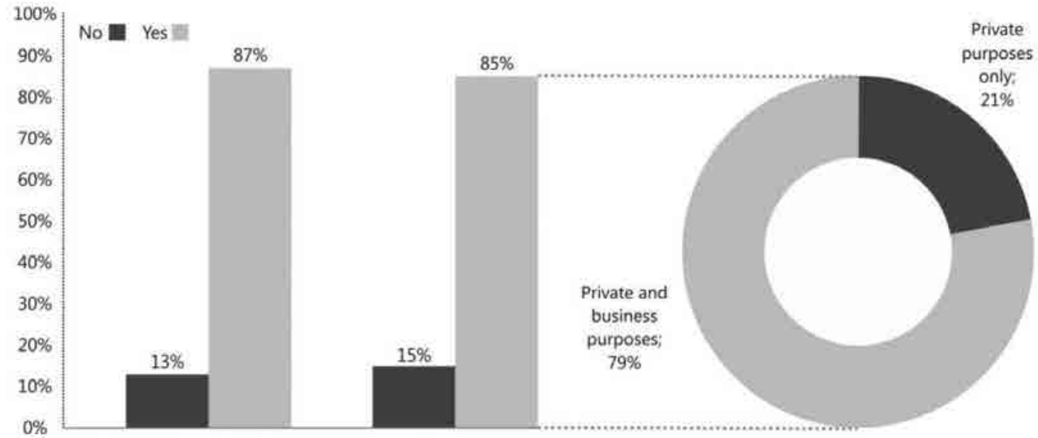
The primary research is a part of more extensive research into the broader context of the implementation of information and communication technologies with the aim of enhancing farmers' knowledge and consequently overall agricultural sector performance. This section of the research aims at testing the main hypothesis that although there are objective and subjective obstacles to raising the level of knowledge among farmers in Croatia through optimized use of information and communication technologies, there is an interest, as well as a desire to enhance knowledge. Therefore, it is necessary to analyse the current level of knowledge and readiness to adopt new knowledge and technologies, in order to discover areas of interest. A well-managed interest may lead to higher information literacy, which is one of the prerequisites for the successful integration of Croatian farmers into the modern agricultural market system. The analysis of obstacles will help develop a strategy for overcoming these obstacles, bearing in mind that the focus on interest and desire is central to the AIDA (acronym for "attention, interest, desire, action") concept, which, according to Derrick White, in his book "Close More Sales" is probably "...the oldest acronym in marketing. It

is the best and will never change" (Moore, 2005). In order to confirm the above mentioned, in this paper we present a part of the primary research carried out using the CATI method and a closed questionnaire consisting of 18 questions, most of which were multiple-choice. Nominal and ordinal scales were used. The ordinal scale selected was a Likert scale. The sample consisted of randomly selected family farms and it was stratified in two stages (by county and size of settlement), using the list of family farms that received state aid in agriculture. The survey was conducted with a sample of 572 farmers. The majority of respondents came from Zagreb County (12.4%), followed by Osijek - Baranja County (8.7%), Koprivnica - Križevci County (7.2%), Bjelovar - Bilogora County (7.0%) and Split - Dalmatia County (7.0%). The smallest number of respondents came from Primorje - Gorski Kotar County (1.6%). More than half of the farms were established in the period between 2000 and 2005 (57.0%). One third of the farms were established after 2006 (32.0%) and only a small portion (6.8%) before 2000. 76.6% of the farms are situated in predominantly rural areas, and a smaller number in suburban (20.5%) and urban (2.8%) areas. In terms of production, 52.8% of the farms were primarily engaged in livestock breeding, 44.4% in crop production, and a small part were engaged in the processing, transport and trade of agricultural products (2.6%). Furthermore, 21.7% of respondents owned 5-10 hectares of land, 20.6% of farmers had 10-25 hectares, 18.5% had 1-5 hectares, and 15.0% had between 25 and 50 hectares. Sociodemographic characteristics of the respondents indicate that the male to female ratio was 60:40 with men accounting for 59.1% and women for 40.9% of the sample. The majority of respondents were above 40 years of age (60.1%); a slightly smaller percentage (39.2%) were 21-40 years old; and only 0.7% of respondents were under 21 years of age. According to the level of education, 58.7% of respondents reported completing secondary education; 24.3% primary education (primary school); 10.8% reported to have a two-year post-secondary or university degree; and 1% had completed a master's degree. Furthermore, 26.2% of respondents earned about HRK 5,000 per month; 21.2% earned less than HRK 5,000, and 19.2% more than HRK 5,000. 33.4% of respondents refused to answer that particular question. In terms of their status on the farm, 93.9% of respondents were the owners or co-owners of the farm, and the remaining small percentage (6.1%) were employees or associates.

5. Results and discussion

As the Internet, along with other information and communication technologies, is a tool for bridging the gap between various experts, people from rural areas and farmers through interaction and dialogue, it can help with establishing collaboration with new partners and facilitate cross-sectoral networking between government institutions, various support agencies and farmers. Also, as mentioned earlier, without the Internet one can hardly achieve an adequate level of information literacy, which is a prerequisite for the successful integration of Croatian farmers in the modern agricultural market system. Primary research analysis was divided into three sections. The first deals with obstacles to the adoption of new knowledge and technologies; the second deals with interest, and the third with desire, as the final phase before taking concrete actions.
The first part of the analysis deals with obstacles to the adoption of new knowledge and technologies (a prerequisite for developing information literacy skills) by classifying them into two groups: objective and subjective obstacles. Access to a computer and access to the Internet (Graph 1) are observed as potential objective obstacles to the adoption of new knowledge and technologies. The study has shown that objective obstacles were minimal as the vast majority of farmers in the survey had access to a computer (87%) and to the Internet (85%), which, in the majority of cases, was high speed Internet (75%). Furthermore, most of those who had access to a computer and the Internet used these also for business purposes (79%). It is necessary to improve the situation for 15% of farmers who do not have access to a computer and the Internet, and thus face an objective obstacle to integration using IT tools as a means of achieving information literacy.
However, in the majority of cases, the fact that there were no objective obstacles did not result in concrete actions that would enable farmers to integrate better into the existing agricultural market: the vast majority of respondents do not have their own website (84%) or do not use social networks to communicate and exchange information (72%). A smaller percentage of respondents (28%), who are present in social networks, mostly have only a Facebook profile (like the majority of the social network users in Croatia), while other social networks (including business networks such as LinkedIn) are not used.

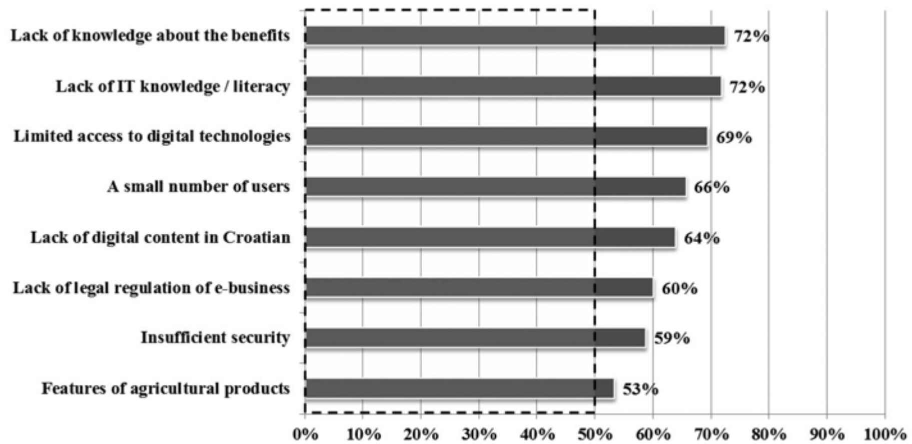
Graph 1 Access to computer and access to the Internet



Source: authors

Given that the majority of farmers have no objective obstacles and acknowledge that business purposes are an important part of using computers and the Internet, but nevertheless lack the basic communication tools, suggests the presence of subjective obstacles (caused by their opinions, attitudes, lack of awareness...). Subjective obstacles were tested using a set of statements (respondents were asked to rate statements on a scale of 1 to 5) where farmers independently rated the main obstacles to the application of information and communication technologies by family farms in Croatia. By responding on behalf of family farms in general, farmers tend to express more easily their perception about obstacles that they personally find difficult to overcome (**Graph 2**). Considering the percentage of

Graph 2 Ranking of perceptions about obstacles

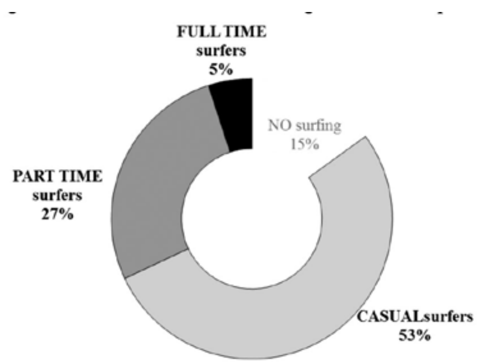


Source: authors

respondents whose ratings were mostly 4 and 5, it is clear that the majority of farmers chose all the stated reasons (all the statements exceed 50%), but most of them are not certain about the benefits they would have from information and communication technologies (72%) and think that they lack adequate competencies (72%). In addition, even though the vast majority of farmers have a high speed network connection, most of them feel that they have limited access to digital technologies and that there is a small number of Internet users that might be of interest to them.

After establishing that obstacles were largely subjective and related to the lack of awareness about the possibilities of information and communication technologies, the fact that farmers themselves were aware of the problem is encouraging. In order to identify farmers' training needs in terms of developing and exploiting the potential of all dimensions of information literacy, it was necessary to determine whether there was interest among farmers in adopting new knowledge and technologies. Therefore, the second part of the analysis focused on understanding **interest**. Time spent actively on the Internet, as a quantitative variable, was selected to measure interest (Graph 3). Farmers were classified into four groups: those who are not on the Internet (NO surfing); those who actively spend less than an hour a day online (CASUAL surfers); those who actively spend up to three hours a day online (PART TIME surfers), and those who actively spend a minimum of three hours or more a day online (FULL TIME surfers).

Graph 3 Segmentation of farmers according to the time spent actively online



Source: authors

As can be seen from Graph 3, the majority of farmers are online up to an hour a day. Whether that is enough, not enough or too much, depends on how they use that time. It should be noted that the surveyed farms usually have no person in charge of office work only. It is, therefore, very important to determine the optimal time needed to maximize the opportunities of the digital age, without compromising the core activity. This is why the level of interest in specific topics in the total sample of farmers was measured (Table 2).

Table 2 Interest in particular information

Items	n	% Total sample	% Online sample	Average grade (scale 1-5)
1. Incentives and development programs	467	81.64%	92.84%	**4.5**
2. Weather Forecast / prognostic maps	456	79.70%	90.70%	**4.5**
3. Diseases and pests warning systems	451	78.80%	89.70%	**4.4**
4. Market information	447	78.10%	88.90%	**4.3**
5. Prices and availability of products	443	77.40%	88.10%	**4.3**
6. General news about agriculture	443	77.40%	88.10%	**4.3**
7. Cadastral information	429	75.00%	85.30%	**4.3**
8. Latest practices	426	74.50%	84.70%	**4.2**
9. Management and operation	403	70.50%	80.10%	**4.1**
10. Services (forums, etc.)	397	69.40%	78.90%	**4.1**
11. Technology solutions after harvest	376	65.70%	74.80%	**4.0**

Source: authors

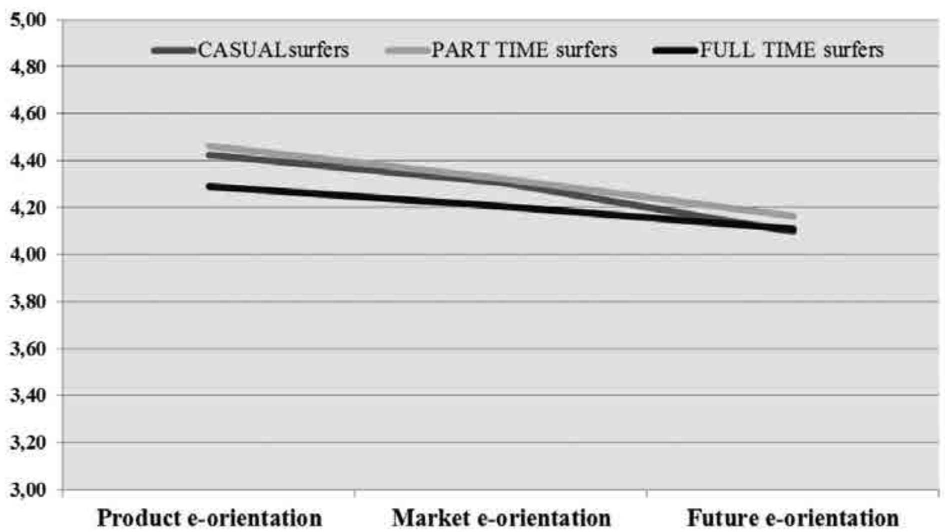
Table 2 shows the percentage of respondents who rated individual statements with 4 or 5 and the average scores for individual statements. All the observed statements received very high ratings, which means that farmers are open to acquiring new knowledge and that subjective obstacles were far from causing indifference. However, in relative terms, it is possible to identify statements in which farmers showed the greatest interest. In order to better observe the 11 statements, they were grouped into three dimensions: **product orientation, market orientation** and **future orientation (Graph 4)**. A question arises whether there is a difference in the ratings of interests among different groups of farmers and whether the interests of those who spend more time online are of different orientation. The average scores for each dimension show that those farmers who spend more time online gave slightly lower ratings to all interests, which means that during the three hours spent on the Internet they largely manage to satisfy their interests related to all three dimensions under consideration here.

To understand interests, as the most important factor in creating desire, and finally driving farmers to action, all dimensions were analysed in detail by segments of farmers (Table 3). In order to put these high scores into context, the affinity index was calculated. It compares the interest of all in relation to the score 4.0, as a solid, but not extreme (the highest possible) score. This supports two conclusions: 1. CASUAL and PART TIME surfers rate interests higher than FULL TIME surfers; 2. regardless of the segment, interest ranking is the same: the priority is to get answers focused on the present (product orientation followed by market orientation), whereas the lowest interest is shown in development, which focuses on the future (future orientation). This shows that even full time surfers do not use the time spent on the Internet efficiently and effectively.

The last set of questions refers to the **desire** of farmers for targeted use of new technology to improve business performance in specific areas. As expected, farmers were motivated for all available segments, which is consistent with the declared interest (**Graph 5**).

Farmers have indicated a desire to use new technologies in order to enhance their competencies and ability to better respond to market demands, a desire for a lower information price, lower transactions price, increased competitiveness, expanding to new markets, but also a desire for information related to marketing research and production differentiation. This confirms they are open to new knowledge.

Graph 4 Segmentation of farmers according to their e-orientation



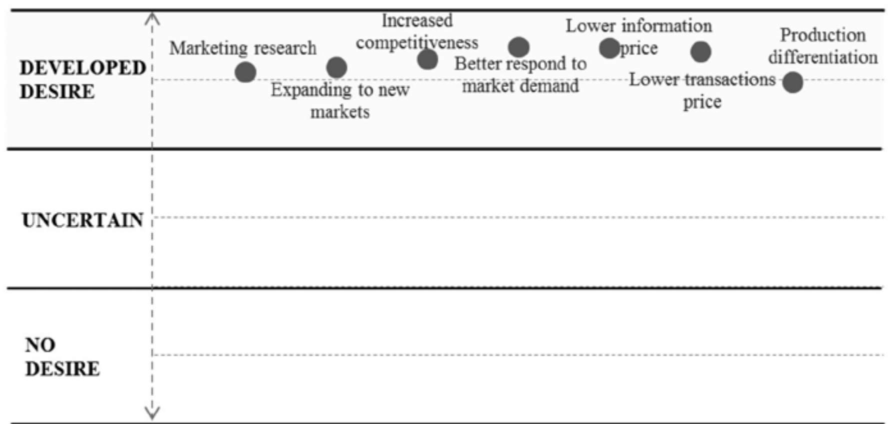
Source: authors

Table 3 Affinity indexes per segments

SEGMENTS	CASUAL surfers	PART TIME surfers	FULL TIME surfers	TOTAL	TOTAL DIMESI-ON INTEREST RANG
DIMENSIONS	AFFINITY INDEX				
Product orientation	**110.6**	**111.5**	**107.3**	**110.7**	**1**
Incentives and development programs	111.5	112.3	107.3	111.5	
Weather Forecast / prognostic maps	111.3	112.5	109.8	111.5	
Diseases and pests warning systems	109.0	109.8	104.8	109.0	
Average: Market orientation	**107.7**	**108.1**	**105.2**	**107.7**	**2**
Market information	108.0	107.5	113.0	108.3	
Prices and availability of products	108.0	106.5	101.5	107.0	
General news about agriculture	106.8	109.5	108.0	107.8	
Cadastral information	108.3	108.8	103.3	108.3	
Average: Future orientation	**102.4**	**104.1**	**102.8**	**102.9**	**3**
Latest practices	105.0	105.3	108.0	105.3	
Management and operation	102.8	104.0	104.0	103.3	
Services (forums, etc.)	102.0	104.3	100.8	102.5	
Technology solutions after harvest	99.8	102.8	98.3	100.8	

Source: authors

Graph 5 Areas for which farmers have developed a desire for better use of new technologies



Source: authors

6. Conclusion and recommendations

The literature review and the EU development initiatives emphasize the importance of investment in individuals as the main bearers in economic activities. Farmers are no exception in these processes. On the contrary, their segment is facing new circumstances, forcing them to adapt rather quickly in order to be competitive. New challenges demand versatile farmers who will be enterprising, well informed and driven. By continuous investment in new knowledge, by supporting the interest and creating possibilities for improvement they will attain the ultimate goal of establishing healthy and sustainable development of agriculture and related activities. Proficiency in basic computer skills and information literacy will contribute to empowerment and emancipation of farmers who can become active participants in further agriculture development stages within the chain of decision-making. As an important social group, farmers should be empowered through training programmes within the education system and through other initiatives aimed at upgrading the existing body of knowledge. Such empowerment will create permanent social value that can bring benefits for the whole community, such as preservation of the rural environment, keeping young people in rural areas, self-employment, and strengthening agriculture as a strategic industry. The primary research has confirmed the basic hypothesis that although there are subjective (not so many objective) obstacles to raising the level of knowledge among farmers in Croatia, a high level of interest and desire make an excellent foundation for the use of information and communication technologies in the agricultural sector. A precondition for capitalizing on the interest and desire shown is to provide training for farmers who are not sure about the concrete benefits or how to obtain them. In addition, they realize that they lack the skills in using new technologies (although available), but they are ready and willing to work on their own development, given that this will enable them to become part of the modern agricultural market system.

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Integracija hrvatskih poljoprivrednika u informacijsko društvo Europske unije – problemi i implikacije

Sažetak

Razvoj obiteljskih poljoprivrednih gospodarstava u Hrvatskoj uvelike ovisi o njihovoj prilagodbi suvremenim zahtjevima otvorenog tržišnog sustava i to praćenjem novih tehnologija i usvajanjem novih znanja. Takva bi prilagodba poljoprivrednicima osigurala bolji pristup informacijama i novim tržištima, bolji položaj u pregovaranjima te poboljšani menadžment. Internet s ostalim informacijsko-komunikacijskim tehnologijama predstavlja alat za povezivanje raznih interesnih skupina unutar vertikalnoga poljoprivrednog lanca. Uloga i značaj informacijske pismenosti, u području djelovanja nositelja poljoprivredne proizvodnje, prikazana je kroz pregled europskih razvojnih inicijativa i teorijskih saznanja koja se bave važnošću ove tematike. Kako bi se uspostavile prepreke (objektivne i subjektivne), trenutna razina vještina i spremnosti na usvajanje novih znanja i tehnologija, provedeno je istraživanje na reprezentativnom uzorku ljudi iz ruralnih područja – poljoprivrednih proizvođača, budući da su oni odlučujući čimbenik spomenutih promjena. Rad predstavlja dio istraživanja koje se bavi širim kontekstom uvođenja informacijsko-komunikacijskih tehnologija s ciljem unaprjeđenja znanja poljoprivrednika, ali i rezultata poslovanja u poljoprivrednom sektoru općenito. Analizom se nastoji potvrditi temeljna hipoteza da postoje objektivne i subjektivne prepreke, ali i interesi, kao i želja da se razina znanja poveća u promatranoj socijalnoj jedinici.

Ključne riječi: informacijska pismenost, ICT, hrvatski poljoprivrednici, društveni marketing

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MEASURING THE INTERNAL-MARKET ORIENTATION IN THE PUBLIC SECTOR

Abstract

The application of internal marketing in organizations has been researched by scholars for nearly three decades, but literature has little empirical research in the public sector. There is a latent debate on the relevance of internal marketing in the public sector, given the need to provide a more effective service to the citizens. Given the possibility that the internal-market orientation is an antecedent of job satisfaction, the objective of this research was to measure the level of internal market orientation in the public sector, and the Military Fire Department of the State of Espírito Santo (MFDESS) was surveyed using quantitative research. The instrument for data collection was a structured questionnaire, which follows the model used by Gounaris (2006) in research with employees of a hotel chain in Greece. 522 firefighters were surveyed. The choice of this organization was due to the importance of the service performed and the society visibility, given the direct relationship with life and assets of the taxpayers. Therefore, the level of job satisfaction of firefighters is relevant for the achievement of excellence in their missions. The results showed that firefighters have the perception that there is little internal-market orientation in the Military Fire Department and the level of job satisfaction is low. The research result converged with the literature on the direct relationship of the internal-market orientation with job satisfaction. Furthermore, the research concluded that job satisfaction is influenced by the identification of the exchange of value, segment internal market, job description, management concern and training.

Keywords: internal marketing, public sector, internal-market orientation, job satisfaction.

1. Introduction

In recent years, researchers worldwide have been concerned about public sector performance (Brewer, Hupe, 2007), and encouraged the adoption of management practices from the private sector in the public sector for improvement (Osborne, Gaebler, 1992; Robertson, Seneviratne, 1995). This government modernization and its agencies are supported by the understanding that the public sector should provide a more efficient and effective service to the citizens (Caemmerer, Wilson, 2011). Moreover, the public sector organizations have been under pressure from different stakeholder groups as well as an increase of the public demand (Mawby, Worthington, 2002). In this sense, there is an ongoing debate about the relevance and role of marketing in the public sector services (Butler, Collins, 1995). Andrews and Boyne's (2010) research on the improvement of public services highlighted discoveries that related organizational performance with the influences of the organization's internal characteristics.

Therefore, there is an evident link between the enhancement of human capital and the understanding of it as internal customers. Thus, the spread of a favourable organizational environment and employee satisfaction have become competitive advantages and, because there is a direct relationship between the commitment of internal customers and the performance of organizations, the need of the internal market orientation is emphasized (Gounaris, 2006). Farias (2010) highlighted that service provider organizations require excellence in services as a goal, and that this is related to the performance of employees.

Nearly three decades ago, internal marketing was introduced with the intent of solving the problem of consistently delivering high quality services (Farias, 2010). Papasolomou (2006) emphasized that the purpose of internal marketing is to motivate and educate the employee, through the use of techniques, approaches and concepts of marketing aiming at the success of the organization in the external market. Hogg and Carter (2000) classified internal marketing as a part of market orientation, Piercy and Morgan (1990) related it to the marketing mix and Deng and Darg (1994) and Kohli, Jaworski and Kumar (1993) tried to adapt means to measure the internal market orientation.

In this sense, Lings and Greenley (2005) stated that internal marketing is an approach that results in increased levels of employee's satisfaction.

Therefore, the culture of the service was gradually strengthened and highlighted the role of the employee in the organization's performance (Anokise, Ahmed, 2009). According to this view, the focus is on valuing employees, through the internal market orientation. Gounaris (2008) indicated that there is a direct relationship between internal customer satisfaction and external customer satisfaction, and there is evidence that the internal market orientation can be an antecedent of job satisfaction. Still, there are practical cases that demonstrate the positive effects of internal marketing on employee satisfaction, such as the Gounaris' (2006) research in hotels in Greece, where there was a direct relationship between the internal market orientation and participation in decisions, empowerment and employee satisfaction, and Mawby and Worthington's (2002) research on the England police service, which addresses the need for a serious direction in the use of internal marketing to transform the police force into a police service.

This study addresses the internal market orientation in public sector services. The organization chosen was the Fire Brigade of Espírito Santo (Military Fire Department of the State of Espírito Santo or MFDESS), which is a state public organization, belonging to the public security sector that has as constitutional mission to provide security services to prevent and act in cases of fire and panic, firefighting, search and rescue, civil defence and fire expertise. MFDESS' work is a type of service that is directly related to the lives and assets of the taxpayers, who are considered here as the consumers of the firefighters' services. Employee satisfaction is relevant for the successful performance of the tasks listed above. Therefore, the problem of this research is to determine the level of Internal Market Orientation in the Fire Brigade of Espírito Santo.

Thus, the aim of this study was to measure the level of internal market orientation in MFDESS through quantitative research on the military firefighter personnel of the State of Espírito Santo.

The application of internal marketing in organizations has little empirical research in the public sector (Boyne, 2004). Evidence on the impact of management and organizational features are limited (Boyne, 2004), mainly because most studies are conducted in public organizations in the United States and Western Europe, and little is known

about public organizations in developing countries (Mawby, Worthington, 2002). The same authors, in a study on the English police, stated that many principles and techniques must emerge from marketing services, one of which is internal marketing. Gounaris (2006) argues that the internal market orientation is an important component for the development of internal marketing and suggests as future research applying the model in different types of organizations.

Therefore, it is expected that this study will bring contributions to the literature regarding the internal marketing orientation in the public sector. Nevertheless, the study can bring practical contributions to other public sector organizations, through the knowledge of the measurement of internal market orientation in a public organization and understanding of its relationship with job satisfaction. This is also relevant for companies that have similarities with the researched organization, such as rosters, emergency work, operational training and strict hierarchy.

In the article, firstly, a literature review was made focusing on the elements of internal marketing and the internal market orientation, and its relationship with employee satisfaction. Then, the methodology was explained and the results were presented. The article ends with a discussion of the results and conclusions, in which the study's limitations were discussed as well as the contributions and suggestions for future researchers and practitioners.

2. Literature Review

2.1 Elements of Internal Marketing in Service

Three decades ago, internal marketing (IM) was introduced as a tool that could consistently raise the quality of services provided. Although not a new concept, the concept and scope of IM is not yet fully understood (Farias, 2010).

Although there is a diverse range of grouped elements under IM's aegis and a variety of concepts, it is agreed that the client is within the organization. Thus, Berry (1981) points out that one can visualize the internal marketing as follows: employees are the internal customers and the activities of these employees are the inner products. Therefore, the emphasis should be on providing internal products that satisfy the needs and desires of these internal customers, given the organization's goals. Bansal et al. (2001) stated that the current economy, increasingly service-oriented, demands that companies attract and retain these internal customers to ensure a sustainable competitive advantage.

Accordingly, in the service organizations, the quality of service is directly related to the quality of human resources. Farias (2010) indicates that most of the early work on IM focused on motivation and employee satisfaction and Berry et al. (1976) stated that the way found to achieve employee satisfaction was to treat them as customers. According to Rafiq and Ahmed (2003), as well as external customers, internal customers wish to have their needs met, as this will increase their satisfaction and thus increase the possibility of generating external satisfaction and loyalty. Therefore, although the IM refers to all functions of the organization, the focus is on human resource management (Collins and Payne, 1991).

It is noteworthy that one of the elements of IM presented by Bansal et al. (2001) is regarding job security. It consists of offering employees reasonable assurance that they will not be fired, regardless of economic cycles. This guarantee is inherent to the members of the organization researched in this study, as the firefighters qualify by passing a public exam to enter in the Military Fire Brigade; they automatically receive this guarantee of stability. The same author adds that another element is extensive training, since the front-line staff must have the necessary knowledge and expertise to ensure the quality and effectiveness of services provided. In the case of the Military Fire Brigade, training is of paramount importance, since the corporation deals daily with the lives and assets of people. Therefore, the organizational efforts to retain the best employees, including benefits and promotions received according to their performance, are positively related to job satisfaction and loyalty to the organization.

Furthermore, it is important for organizations to act transparently as this is an important ally in the quest for the employees´ trust and therefore a key element for IM. It is necessary to openly share relevant information about the organization, for example, strategic planning and financial performance. Nevertheless, in line with the training and transparency, Bansal et al. (2001) indicate that organizations with emphasis on internal customers, should engage in the reduction of status distinctions, as this can create a sense of inferiority in some members and therefore a reduction in motivation. This concern is not a routine part of internal market orientation practiced by the corporation in focus, since the patents and graduations are acquired gradually by time of service and professional qualification, however, it can be an important aspect to be considered in the perspective of the military firefighters' satisfaction.

2.2 Application of Internal Marketing and Job Satisfaction

Facing the proposition that the application of IM can be an antecedent of organizational commitment, Abzari et al. (2011) clarify that employees are the main organizational actors and internal marketing is a tool that proposes actions to educate, inform, reward and manage human resources and thereby increase the level of the service delivery. In short, in realizing this concern of the company, employees tend to commit to organizational success and show the feelings of satisfaction and motivation at work.

Under this view, Lings (2000) concludes that the success factor of internal marketing is associated with the reach of employee satisfaction. Furthermore, Abzari et al. (2011) reported that among the benefits derived from the IM practice, it is important to highlight the improvement in service quality and reducing the rate of staff turnover.

It is noteworthy that it was verified that internal marketing activities stimulate central behaviours related to core activity, as well as encourage the improvement and practice of additional behaviours as, for example, the exercise of citizenship, as seen in the study of Abzari and Ghujali (2011) with employees of Bank Melli in Iran. This is related to the image that the organization transmits to the market, and in this light, the organization studied in this research is relevant, since it works directly with the life and assets of individuals. Therefore, it is noticed that the level of internal market orientation can provide benefits beyond increased quality of services obtained through reaching the motivation of its employees.

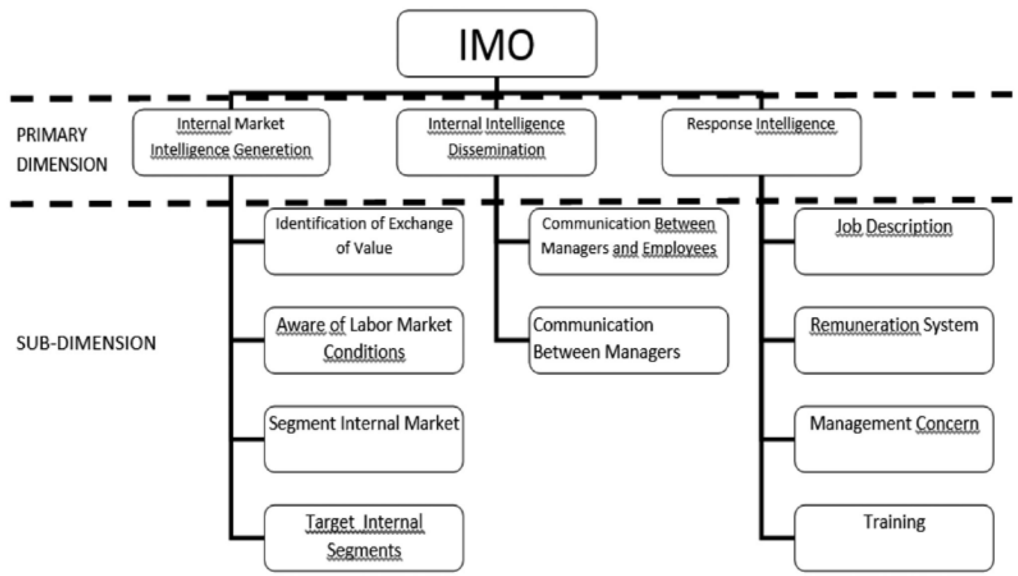
Abzari et al. (2011) also conducted a study on the effects of internal marketing on organizational commitment in the hotel industry in Iran and found that these effects occur directly or indirectly through the internal market orientation. In this research, the evidence that internal marketing is positively related to organizational commitment was proven, once the relationship between the variables was significant. It is worth adding that the study by Shekary et al. (2012) analysing the application of IM in the banking industry through a structural equation model between two variables, obtained similar results regarding the positive and significant effect on employee commitment.

2.3 Internal Market Orientation (IMO)

According to Rafiq and Ahmed (2000), there are many studies on IM, but it is verified that few organizations apply IM. The concept of what IM is and what it can do for the organization can be a reason for limiting its use due to confusion that many companies have about the concept of IM (Gounaris et al., 2004). Day (1988) states that it derives from the organizational culture and during the 90s a stream of researchers allowed the understanding of the paradigm of marketing orientation (Kohli, Jaworski, 1990; Dalgic, 1998; Gray et al, 1998.; Day, 1999), whose results show that without a market-oriented organizational culture, marketing programs alone are not sufficient to produce satisfactory results oriented to marketing (Gounaris, 2006) and also that the applications of external marketing have a part in the implementation of internal marketing (Berry, 1987). Making an analogy, it may be possible that internal marketing is not widely adopted due to lack of cultural value in organizations regarding IMO, similarly to what happens regarding intra-organizational cultural resistance in the orientation of marketing in general. Gounaris (2006) reported in the survey of its theoretical research that only in 2004 was the first study on internal market orientation by Lings produced. However, the study was theoretical. Later, Lings and Greenley (2005), through empirical examination, focused on the IM effort of organizations and Gounairs (2006) presented a theoretical model in his empirical research on the internal market orientation in a hotel chain in Greece. Internal market orientation has as predecessor the external market orientation (Pierce, 1995; Conduit, Mavondo, 2001). The basis of organization commitment required to produce value for its internal market by understanding their needs, should be replicated in the commitment level of the organization with its customers (Slater, Narver, 1999). This allows a symmetric orientation and ensures a balance of internal and external orientation at the organization level (Pitt and Foreman, 1999). Through the internal market orientation, IM becomes more effective and this strengthens the competitive positioning in external markets (Gronroos, 1983; Ahmed et al, 2003).

Lings (2004) described three pillars of IMO and its components. Gounaris (2006) suggested an alternative model for adoption of IMO, based on the Lings' (2004) model, which has taken into account a hierarchical approach between the three pillars and their components (Figure 1). The same author related the sub dimensions of the model according to important IM aspects in organizations: participation in decision making (Gronroos, 1983), empowerment (Rafiq and Ahmed, 2000) and job satisfaction (Scheineider et al, 2003). The result of the empirical study by Gounaris (2006) demonstrated a positive correlation with the IMO aspects described above.

Figure 1 Model of conceptualizing IMO Gounaris (2006) - hierarchical approach



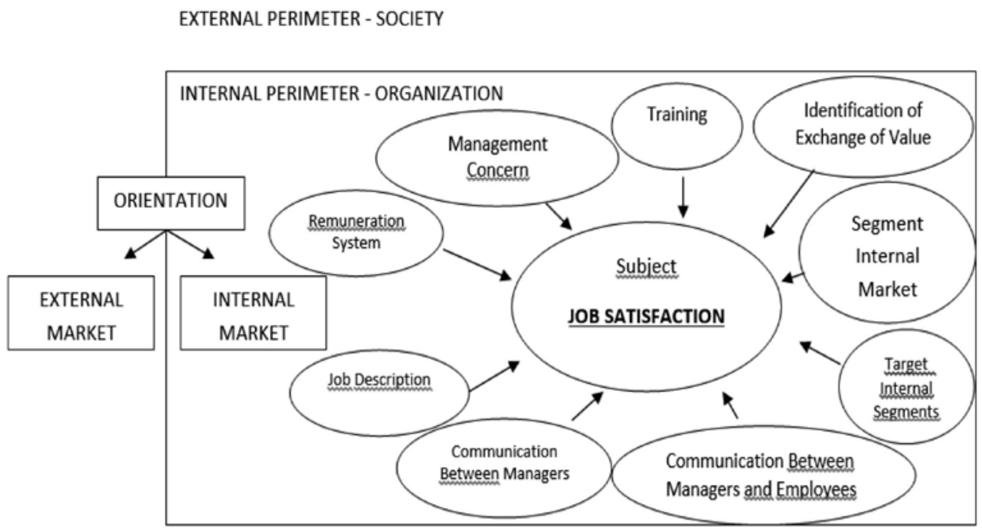
Source: Adapted from Gounaris (2006)

2.4 Proposed Theoretical Model of IMO for the Public Sector

Researches in the public sector are being motivated by the understanding that there are differences between the preferences of employees in the public and private sector (Perry and Porter, 1982; Snyder, Osland, 1996). The traditional view in relation to public sector employees is that there is a great inflexibility and resistance to change internal bureaucratic procedures and reveals that these employees tend to keep the internal systems and processes (Claver et al., 1999; Parker, Bradley, 2000). Many public services have their ways of management based on market orientation (Walker et al., 2011). This movement towards market orientation has been going on for more than 30 years, in order to offer reforms in the bureaucratic structure to improve productivity and performance of the public sector (Hood, 1991; Lane, 2000; Pollitt, Bouckaert, 2011). Given this context, the implementation of the IMO as support for IM and market orientation is necessary. Mawby and Worthington (2002) in a survey conducted by British police suggested that convincing internal stakeholders of the need for internal marketing is a necessary predecessor.

In this context, although the model by Gounaris (2006) demonstrated the totality of the aspects approach of IMO, he was directed at the private sector and does not provide the specifics of the public sector, therefore in the proposed model in this study (Figure 2) the sub dimension related to the conditions of the labor market was withdrawn. Moreover, the sub dimensions in this research were only related to the aspect of job satisfaction. Gounaris (2006) wrote that job satisfaction is an important goal of IM programs and a key indicator of performance considering the performance of the organization in relation to the IMO.

Figure 2 Structure of Internal Market Orientation and job satisfaction



Source: Authors

3. Research methodology

Given the purpose of the study, the research method used was the descriptive quantitative with the transversal cut to measure the level of IMO for the public sector.
The research population consisted of public sector employees, because the existing literature offers little empirical research in the public sector (Boyne, 2004). The choice of MFDESS as a field of study is due to its relevance to society. The random sample was represented by the Military Firefighters Brigade of the State of Espírito Santo in Brazil, with a total of 1,300 firefighters, chosen due to the importance of the type of service performed, and their visibility in society. The MFDESS is a public state organization belonging to the public security sector whose mission is saving lives and reducing property damage. The work of MFDESS is a type of service that is directly related to the lives and assets of the taxpayers, who are considered here as customers of firefighter services, and employee satisfaction is relevant for the successful performance of the tasks listed above.

Table 1 Sociodemographic questions of sample characteristics

1 AGE (AGE)	up to 25 years	26 to 35 years	36 to 45 years	over 46 years
2 GENDER (GEN)	**Male**	**Female**		
3 HIERARCHICAL LEVEL (HL)	Corporal/Soldier	Sublieutenant / Sergeant	Captain / Lieutenant	Colonel / Lieutenant Colonel / Major
4 SERVICE TIME (ST)	**Up to 10 years**	**11 to 20 years**	**over 21 years**	
5 TRAINING (TRAI)	2 degree	3 degree	lato senso	stricto senso
6 SCHEME OF SERVICE (SER)	Office	Scale		
7 TYPE OF SERVICE (TYP)	Operational	Non-operational		
8 LOCATION (LOC)	Vitória region	North	South	

Source: Authors

Table 2 Subdimensions and issues

Subdimensions	Issues
Identification of Exchange of Value	MFDESS emphasizes the understanding of my needs.
	My boss/commander (cmt) and I meet regularly and therefore I have the chance to say what I expect from MFDESS.
	During the year, we fill in questionnaires about our needs and desires regarding MFDESS.
	Our management seeks to find out what the fire departments and other public agencies and private companies do to keep their employees happy.
	Our boss considers the assessment of our job satisfaction to be an important task / cmt.
Segment internal market	In MFDESS, firefighters are identified in groups based on individual characteristics and needs.
	Before the introduction of any change our individual needs are taken into consideration.
	Employees are not treated in exactly the same way. Individual needs are not ignored.
	Our individual needs are systematically assessed in MFDESS.
Target Internal Segment	All important decisions relating to human resources policies are always tailored according to our individual needs.
	Specific human resource policies are always considered for specific groups of firefighters with common needs.
	No action is taken, unless there is the necessity to assess the impact on specific groups of firefighters with common needs.
	Policies related to human resources are not uniformly applied to all. Individual needs are considered.
Communication Between Managers and Employees	Before changing any policy, my boss / cmt tells me step by step all I need to know.
	My boss / cmt sincerely listens to the problems I have during the course of my work.
	My boss / cmt is sincerely concerned about my personal issues that may affect my productivity.
	My boss / cmt is never too busy to talk to me when I need it.
	My boss / cmt spends time informing me about my tasks and my goals.
Communication Between Managers	The heads / cmts of MFDESS meet regularly to discuss issues of subordinates and listen to what other cmts have to say.
	If a MFDESS' firefighter has a serious problem, the heads of other departments can be approached about the problem at any time.
	MFDESS encourages the heads / cmts to meet up and discuss among them questions about their subordinates.
	In many cases, the solution of the problem is given by the head / cmt from another department and not by my boss / direct cmt.
Job Description	My job description enables meeting my needs and goals through my work.
	Nothing is assigned to me, unless my boss / cmt and I have agreed that I can actually do it.
	The tasks I am assigned help me progress in my career in this organization.
	My boss / cmt has to explain my work and tasks I am assigned to the higher levels of government.

Remuneration System	When I do something extraordinary I know that I will receive some financial reward or bonus.
	My payment and annual increases are independent of the state acting as the employer.
	My payment and annual increases are related to my qualifications and productivity.
	All receive an annual bonus according to their productivity.
	My payment and annual increases are closely related to other individuals with similar qualifications working in MFDESS or other organization.
Management Concern	The top management of MFDESS really cares about our problems.
	Nothing is too expensive for our top management if it is to meet specific needs of specific groups of firefighters.
	The top management really considers our individual needs and executes policies that reflect that.
	The top management is focused to solve our problems and gives us the necessary support for our work.
Training	In this organization, training is directly related to the individual needs of each employee. Mass trainings are avoided when possible.
	A new firefighter will get support in learning the job requirements.
	Before the implementation of the majority of changes in the rules of the service, we always get significant training regarding its impacts on our daily activities and job description.
	If the firefighter is moved from one department to another, he will have training on the new job for a pre-specified period of time.
Job Satisfaction	I feel satisfied to work in MFDESS

Source: Adapted from Gounaris (2006).

In the survey 522 firefighters of all ranks participated, who are working under the operating range or expedient in the entire state of Espirito Santo.
The data collection instrument was a structured questionnaire, which follows the model used by Gounaris (2006) with 10 sub-dimensions (Figure 1) and 43 questions. For the present study, given that the population refers to the internal market of the public sector, the sub dimension related to the situation of the labor market and 4 questions of this sub dimension were omitted. Therefore, the survey questionnaire consisted of 39 questions (independent variables) involving nine sub dimensions (independent variables) of the Gounaris (2006) model. Thus, the questionnaire was constructed in two parts: (1) questions of characterization of the socio demographic profile of the sample and (2) questions that encompass the constructs (independent variables) and job satisfaction (dependent variable). The first part (table 1) included questions (control variables) regarding age (AGE), gender (GEN), hierarchical level (HL), service time (ST), training (TRAI), scheme of service (SER), service type (TYP) and location (LOC).
The second part of the questionnaire (table 2) refers to the constructs (questions) of the theoretical model of Gounaris (2006). 39 questions address 9 sub dimensions. For the measurement of the responses the five-point Likert scale was used (1967): (1) strongly disagree, (2) partially disagree, (3) indifferent, (4) partially agree and (5) strongly agree.
The method used to collect survey data was the distribution of the questionnaires to the email address of the MFDESS servers. Preliminarily, the search was authorized by the General Commander of the Military Fire Brigade, which was followed by an institutional request to firefighters to reply to the questionnaire. The pre-test questionnaire was submitted to 10 firefighters to check their understanding of the questionnaire, which presented no problems. After the pre-test, the questionnaire was applied using the tool form "GoogleDocs" and was forward electronically to commanders and heads of the military fire departments (MFD) that include the operational units, directorates, centers and administrative sessions so that their members may forward the questionnaire to their subordinates. Data collection was conducted in September 2013.
To analyze the data, proportions of socio demographic categories were used for the sample characterization. Moreover, to achieve the research objectives, the descriptive statistics (mean and standard deviation) and multiple linear regression was verified.

4. Data Analysis

4.1 Sample Characterization

Table 3 refers to the sample characterization data, obtained through the questions of socio-demographic profile.
Regarding gender, the results are classified according to the type of public organization. The MFDESS is a military organization which, because of cultural issues and physical limitations for the acceptance in the public exams, comprises more males.

Table 3 Sample Characterization

CATEGORIES	DIVISIONS	AMOUNT	PERCENTAGE
1 AGE (AGE)	up to 25 years 26 to 35 years 36 to 45 years over 46 years	118 228 121 55	22.6% 43.7% 23.2% 10.5%
2 GENDER (GEN)	Male Female	467 55	89.5% 10.5%
3 HIERARCHICAL LEVEL (HL)	Corporal/Soldier Sublieutenant / Sergeant Captain /Lieutenant Colonel / Lieutenant Colonel / Major	358 110 38 16	68.6% 21.1% 7.2% 3.1%
4 SERVICE TIME (ST)	Up to 10 years 11 to 20 years over 21 years	318 116 88	60.1% 22% 16.8%
5 TRAINING (TRAI)	2 degree level 3 degree level latu senso stricto senso	226 216 70 10	43.2% 41.3% 13.4% 1.9%
6 SCHEME OF SERVICE (SER)	Office Scale	178 344	34.1% 65.9%
7 TYPE OF SERVICE (TYP)	Operational Non-operational	369 153	70.7% 29.3%
8 LOCATION (LOC)	Vitória region North South	241 187 94	46.1% 35.9% 18%

Source: Survey data

The obtained ratios in the hierarchical level are explained by the pyramidal model of organizations, where the base is larger and the top is smaller. Regarding education, there are few firefighters with an educational specialization, especially at the master's degree level.
It is noticeable that most of the respondents are aged between 26 and 35 (43.7%), in addition, 68.6% of the sample are corporals or soldiers of the corporation, who began serving at the corporation a relatively short time ago. As regards the time and the characterization of service, 60.1% of respondents have been working in MFDESS for 0 to 10 years, 65.9% under the work scale, 70.7% in operational and 46.1% work in the Grande Vitória region. It is noted, however, that the basis of the hierarchy of this corporation is formed by corporals or soldiers, relatively young, with 2nd and 3rd degree completed, working operationally under the work scales in Grande Vitória.

In summary, it can be concluded that the sample represents, in general, the typical MFDESS official, showing no trends or majorities that could skew the results, thus validating the obtained sample.

4.2 Descriptive Statistics

Table 4 refers to the descriptive statistics of the sample, since it presents the means and standard deviations of the independent variables and the dependent variable. Regarding the satisfaction dependent variable, its average tended to neutrality (3.17) and the extent of dispersion of the values was greater than one standard deviation, indicating that the responses to the questionnaire were not consensual. Looking at the database, it can be seen that approximately 42% of respondents expressed satisfaction at work, 27% are indifferent and 31% are dissatisfied. Namely, there is an important set of MFDESS employees who are dissatisfied with the organization, something that requires in-depth studies. Indifference also needs to be better understood and a qualitative research can clarify the reasons of this contingent of dissatisfied and indifferent respondents.
Table 4 also presents the means and standard deviations of the independent variables of the sub-dimensions. As for the average, a variation of 1.6 to 2.7 is verified and is generally concentrated at levels 1 and 2 of the Likert scale (strongly disagree and partially disagree) that represent low levels of IMO. The sub dimensions remuneration system and the management concern with employees exhibited the lowest average and below 2 (1.63 and 1.98). The first case can be explained by the fact of compensation following the model of public administration, where there is no criteria of productivity and efficiency. Regarding the management concern for employees, the relations between hierarchical levels are poor and subordinates may feel that the management does not care about them, or it could also be related to the military system which is part of the sample, where the subordinate has a preparation that may not value this kind of behavior. The sub dimension job description presented the best average, possibly because the activities are defined in operational procedures, where the firefighter knows his role within work teams.
The independent variables identification of exchange of value, segment of internal market, target internal segment, communication between managers, the remuneration system, the management concern and training had the lowest standard deviations with index smaller than 1, which suggests that there is some consensus in these sub dimensions. On the other hand, the independent variables communication between managers and employees, and job description had the highest standard deviation with index greater than 1, suggesting that there was no consensus on these sub dimensions.

Table 4 Descriptive Statistics

	Description	Mean	Std. Deviation
SD1	Identification of Exchange of Value	2,49	,96
SD2	Segment Internal Market	2,10	,88
SD3	Target Internal Segment	2,13	,87
SD4	Communication Between Managers and Employees	2,64	1,13
SD5	Communication Between Managers	2,29	,93
SD6	Job Description	2,73	1,03
SD7	Remuneration System	1,63	,72
SD8	Management Concern	1,98	,90
SD9	Training	2,40	,98
Y	Job Satisfaction	3,17	1,35
Valid N (listwise)			

Source: Survey data.

4.3 Linear Regression

Table 5 shows the linear regression model. The adjusted R2 indicates that satisfaction is the dependent variable explained by the covariates in 42.8% shown in Table 6. The model has significant F ratio of .030, with p <0.05 being significant at 95%.
Moreover, the validity test of ANOVA was significant, the randomness test supports the hypothesis for randomness, the Kolmogorov-Smirnov test for adherence, in turn, supports the hypothesis of normal distribution and, finally, the homoscedasticity test supports the hypothesis of homoscedasticity.

Table 5 Summary of the model

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2 Change	Sig. F	
1	,662a	,438	,428	1,02142	,438	44,267	9	512	,000	1,967

Source: Survey data

Table 6 presents the independent variables (subdimensions) that influence the dependent variable (satisfaction).
Given the sub dimensions (independent variables) of the Gounaris (2006) model, it is worth mentioning that the model presented in Table 6 showed that the following sub dimensions influence job satisfaction, according to the significance of the independent variables: identification of exchange of value (SD1), segment internal market (SD2), job description (SD6), the management concern (SD8) and training (SD9).

Table 6 Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95,0% Confidence Interval for B		Correlations			Collinearity Statistics	
	B	Std. Error	Beta			Lower Bound	Upper Bound	Zero-order	Partial	Part	Tolerance	VIF
Constant	,552	,151		3,668	,000	,257	,848					
SD1	,381	,081	,261	4,730	,000	,223	,539	,582	,205	,157	,361	2,772
SD2	,205	,081	,133	2,529	,012	,046	,365	,496	,111	,084	,396	2,526
SD3	-,133	,083	-,085	-1,590	,113	-,296	,031	,438	-,070	-,053	,384	2,608
SD4	,025	,060	,021	,422	,674	-,093	,144	,482	,019	,014	,428	2,339
SD5	-,117	,073	-,081	-1,597	,111	-,260	,027	,436	-,070	-,053	,432	2,314
SD6	,304	,068	,233	4,448	,000	,170	,439	,565	,193	,147	,402	2,490
SD7	-,021	,077	-,011	-,280	,780	-,172	,129	,331	-,012	-,009	,651	1,536
SD8	,236	,078	,158	3,041	,002	,084	,389	,519	,133	,101	,406	2,463
SD9	,190	,067	,138	2,846	,005	,059	,321	,522	,125	,094	,468	2,138

Source: Survey data

5. Discussion of Results

The research with this sample of public sector converges with the literature on the relationship between satisfaction with the IMO, as it was found that the average sub-dimensions (independent variables) showed similarity with the average job satisfaction (dependent variable). According to Ahmed and Rafiq (2003), Gounaris (2006), Farias (2010) and Abzari et al. (2011), just like external customers, internal customers also wish to have their needs met, as this will increase their satisfaction.
Although all media from the sub dimensions are below 3, it can be seen in Table 4 that the average job satisfaction is above 3 (3.17), verifying a small positive elasticity of job satisfaction in relation to IMO that can possibly be attributed to the fact that the activity of the firefighter is linked to vocational issues and a sense of pride in being part of an organization that works to save lives.

Another important approach that should be done is that the model of Gounaris (2006) was tested with employees of a hotel chain, setting a sample of the marketing segment of the service private sector. This research was conducted in the public sector, which has specific characteristics of public administration, such as contract through public exams, job stability, absence of financial rewards, absence of mechanisms for verification of performance and excessive bureaucracy (Perry, Porter, 1982; Snyder, Osland, 1996; Mawby, Worthington 2002; Walker et al., 2011). Perhaps for this reason, it can be explained why only 6 sub-dimensions are significant in the tested model.

Still, it was observed that job satisfaction of the researched sample has 42% responses for totally agree and partially agree (4 and 5), 27% indifferent (3) and 31% for strongly disagree and disagree partially (1 and 2), confirming the above. The number of responses for totally agree and partially agree may be associated with feelings of altruism and social recognition, where the profession of the firefighter is in first place in the opinion of the society and also the vocational issues of the employee when the individual reveals a professional ideal associated with the job. On the other hand, the average obtained may be associated with little knowledge generation among employees, poor dissemination of knowledge about the employees and inefficient response to the expectations of employees.

As for linear regression, it was found that the independent variables identification of exchange of value (SD1), segment internal market (SD2), job description (SD6), the management concern (SD8) and training (SD9) positively influence the dependent variable job satisfaction, as shown in Figure 3. In addition, the firefighters realize that MFDESS does not have IMO, and, to have IMO, it must focus on these sub-dimensions. Thus, the results of this empirical study reinforces the relationship of the orientation of the internal market of the 5 sub-dimensions mentioned above to the satisfaction of internal customers, disregarding the other sub dimensions proposed by Gounaris (2006).

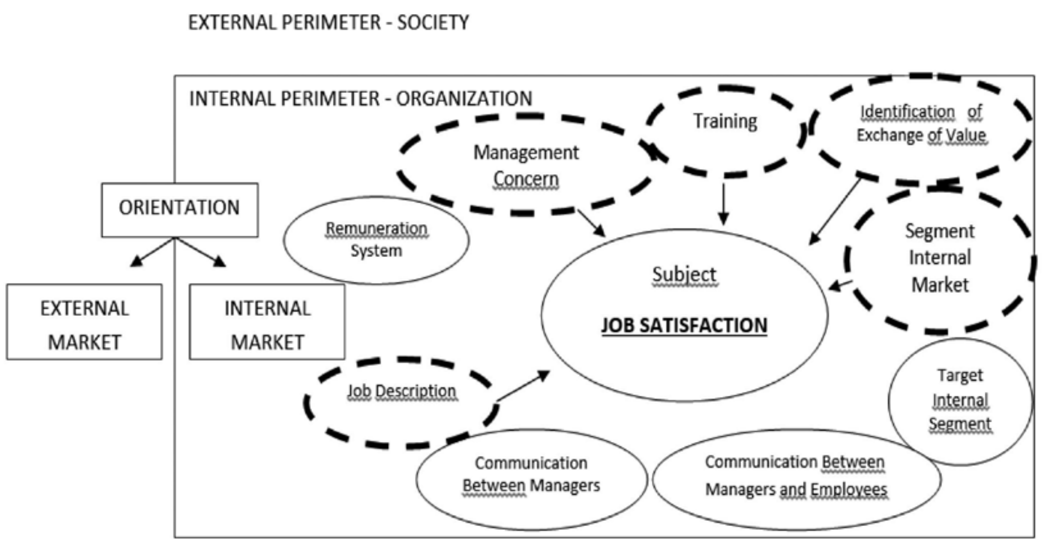
Specifically, each of the major sub-dimensions is discussed in the literature. According to Lings (2004), Gounaris (2008), Abzari et al. (2011) and Abzari and Ghujali (2011), the identification of exchange of value is an important antecedent of job satisfaction and this also proved relevant in the public sector, as it is observed in the results. Another significant sub dimension, segment internal market, was approached by Hogg and Carter (2000), Gounaris (2008) and Farias (2010) as an antecedent of job satisfaction. This is to acknowledge that not all employees have the same expectations and that a focus on the specific needs of different groups in the organization can expand the overall satisfaction of employees. In the case of the public sector, as identified herein, acting on the differences seemed to be relevant to the satisfaction of the public servant.

Another antecedent to highlight is the management concern of its employees. In this study, such a sub dimension showed up as an influence of the job satisfaction of the public servant. This sub dimension was previously reported by Piercy (1995), Hogg and Carter (2000) and Gounaris (2008) as relevant to increase worker satisfaction, being here identified for the public sector employees, who feel that their manager cares about him, makes him more satisfied.

Finally, we should mention the sub dimensions job description and training. As noted in the presented study, if the public servant is well instructed as to his duties, there is the tendency to become more satisfied with his work, and so this is an antecedent to employee satisfaction, something also identified by Butler and Collins (1995), Hogg and Carter (2000), Bansal et al (2001), Collins and Payne (2001), Conduit and Mavondo (2001), Gounaris (2008) and Shekary et al. (2012). Regarding the sub dimension training, according to Kostera, Gripb and Didier (2011), the training opportunity influences job satisfaction. Shields and Ward (2001) suggest that job dissatisfaction is a predictor of turnover and the promotion and training opportunities have a great effect on job satisfaction , something also identified here and which corroborates with the studies by Ahmed et al. (2003), Lings (2004), Gounaris (2008) and Shekary et al. (2012) .

In short, it was realized that the findings corroborate in part with the literature by providing evidence that the behavior of public servants differs from the private sector workers, especially since the original model of Gounaris (2006) explains as less than half the satisfaction of the public service worker. Considering this, there are other sub dimensions to be found that are influencing the satisfaction of the public server, which can lead to improved performance of public organizations (Mawby, Worthington, 2002).

Figure 3 Structure Internal Market Orientation in public sector and job satisfaction



Source: Authors

6. Conclusions

The survey aimed to measure the level of the internal market orientation in the public sector and indicated that the perception of public servants regarding the Internal Market orientation is concentrated at levels 1 and 2 of the Likert scale (strongly disagree and disagree partially), representing low levels of IMO in the public sector. It was also found that the Gounaris (2006) model has limitations for application in the public sector because it was found that only 5 sub dimensions were significant in the regression: the variables identification of exchange of value, segment internal market, job description, the management concern and training.

It is important to highlight that the study was conducted with a public sector sample of only one public organization. Although the representation of the organization sample has been significant, public agencies have specific characteristics of the public sector area to which they belong, which indicates the possibility of internal differentiated behaviors of public organizations in relation to the IMO.

Given the context, the main finding of the research refers to the perception that public servants understand that the public sector has little concern with its Internal Market. In this context, Mawby and Worthington (2002) discuss the importance of a serious direction in the implementation of marketing to transform the police force into a police service, and highlight the internal marketing as a predecessor of the success of external marketing. Farias (2010) pointed out that service excellence is related to the performance of employees and internal marketing aims at motivating these employees, since satisfaction in the context of internal customers can interfere with success in the context of external customer satisfaction. Gounaris (2006) highlights the need for the internal market orientation, because there is a direct relationship between the commitment of internal customers and the performance of organizations. Therefore, there is evidence that the performance of the public sector, as the studied sample, may be compromised due to poor internal market orientation.

One limitation is that while the public sector is related to the provision of services, the public administration presents different configurations of the private sector (Perry, Porter, 1982; Snyder, Osland, 1996), and the model that provided the groundwork for this study is from the private sector (Gounaris, 2006) and only 42.8 % of the surveyed worker satisfaction was explained by 5 of the 9 dimensions tested. This leaves room for future researches, to identify other sub dimensions that are not presented in the original model and that were not tested in this research.

Another limitation is the lack of sample heterogeneity in the public sector, because only one public organization was researched and presents itself as an organization that has different internal rules within the public sector because it is military.

The research presents theoretical and practical contributions. The research has theoretical contributions to the literature regarding the internal market orientation in the public sector. Furthermore, the research brought practical contributions to other organizations of public administration, through the knowledge of the level of the internal market orientation of the Military Fire Brigade of the State of Espírito Santo and the understanding of the dimensions that form the job satisfaction of public servants. Also, it is for businesses that have employees with similarities related to the researched organization, as rosters, emergency work, operational training or rigid hierarchy, e.g., industrial professional firefighters, civilian firefighters, volunteer firefighters, doctors, nurses, employees of platforms and flight attendants.

For future researches, first, it is suggested to address specific indicators for the public sector that meet the particular characteristics of this research field and investigate a different sample of the public sector or a sample with several organizations in this sector. Also, suggested is the investigation of the relationship of the internal market orientation and the performance of public sector organizations, with the job satisfaction intermediate variable.

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Mjerenje orijentiranja na unutarnje tržište u javnom sektoru

Sažetak

Znanstvenici istražuju primjenu unutarnjega marketinga u organizacijama gotovo tri desetljeća, ali u literaturi se ne može pronaći puno empiričkih istraživanja u javnom sektoru. Prisutna je latentna rasprava o relevantnosti unutarnjeg marketinga u javnom sektoru, s obzirom na potrebu pružanja učinkovitije usluge građanima. S obzirom na mogućnost da orijentiranju na unutarnje tržište prethodi zadovoljstvu poslom, cilj je ovoga istraživanja izmjeriti razinu orijentacije na unutarnje tržište u javnom sektoru, a istraživanje provedeno na Vojnoj vatrogasnoj postrojbi države Espírito Santo provedeno je uz pomoć kvantitativnoga istraživanja. Kao instrument za prikupljanje podataka korišten je strukturirani upitnik koji prati model kojeg je Gounaris (2006.) koristio u istraživanju sa zaposlenicima hotelskog lanca u Grčkoj. U anketi su sudjelovala 522 vatrogasca. Ova je organizacija odabrana zbog važnosti usluge koju pruža te vidljivosti u društvu, s obzirom na neposredan odnos sa životom i imovinom poreznih obveznika. Stoga je razina zadovoljstva poslom kod vatrogasaca važna za postizanje izvrsnosti u njihovim misijama. Rezultati su pokazali da vatrogasci imaju percepciju da je orijentiranje na unutarnje tržište u Vojnoj vatrogasnoj službi slabo te da je razina zadovoljstva poslom niska. Rezultati istraživanja poklapaju se s literaturom o neposrednom odnosu između orijentiranja na unutarnje tržište i zadovoljstva poslom. Nadalje, zaključak istraživanja je da je zadovoljstvo poslom pod utjecajem prepoznavanja razmjene vrijednosti, segmenta unutarnjega tržišta, opisa radnoga mjesta, interesa uprave i obuke.

Ključne riječi: unutarnji marketing, javni sektor, orijentacija unutarnjeg marketinga, zadovoljstvo poslom

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MUSIC, EMOTIONS AND FIRST IMPRESSION PERCEPTIONS OF A HEALTHCARE INSTITUTIONS' QUALITY: AN EXPERIMENTAL INVESTIGATION

Abstract

One of the direct ways of influencing emotions and service quality perceptions is by music stimulation. The purpose of this research is to examine the impact of music of different musical elements (i.e. sad vs. happy music) on respondents' emotions and their first impression perceptions of a healthcare institution's quality. The research was designed as an experimental simulation, i.e. data were collected in an online survey from respondents randomly assigned to evaluate a presentation consisting of multiple images of a healthcare institution in one of three experimental conditions (absence of, happy, and sad music stimulation). The results, in alliance with previous research, demonstrate a relationship between emotions and first impression quality perceptions and between music and emotions, but no relationship between music and first impression quality perception. The obtained significant results yet again emphasize the importance of inducing positive customer emotions as they lead to positive first impression service quality evaluations that subsequently provide appreciated returns. They also stress the importance of carefully choosing music when inducing emotions as music with different musical elements results in different emotional states. One of the limitations of this research is the non-real life situation experimental setting, which is to be overcome in future research.

Keywords: Music, healthcare institutions, servqual, first impression, pleasure, arousal

1. Introduction

The healthcare institutions' market witnesses many changes. The number of private clinics rises, the amount of public finance decreases, and the need for healthcare treatments of the ageing population increases. All of these changes push public healthcare institutions towards adopting a market orientation, just like their private counterparts. One of the main goals of the market orientation adoption is to increase the perceived quality of clients. According to Ozretić Došen and Bilić (2009), traditionally, healthcare institutions were focused on the volume of their business as well as their service and reputation, but nowadays they have to understand their purpose, environment, customer and competitors. This paper's goal it to investigate whether music related changes in the physical environment of a healthcare institution lead to changes in its first impression quality perceptions.
Previous research which investigated perception of healthcare service quality, mainly focused on the difference in the perception of service quality in private and public institutions (Camilleri, O'Callaghan, 1998; Tolga, Jiju, 2006; Angelopoulou et al., 1998); or generally on the influence of the physical environment on perceived quality of healthcare institutions (Duggirala et al., 2006; Carman, 2000; Gotlieb 2000). Lately, music has been studied in the context of the healthcare institutions as well, but mainly as a therapeutic aid (Garza-Villarreal et al., 2014; Short et al., 2013, Sacks, 2012), a stimulus to improve emotions (Gotell et al., 2009; Mogosa et al., 2013) and a stimulus to improve perception of provided care (Mogosa et al., 2013).
The presented scarce research on how music influences emotions and the perceived quality of healthcare institutions mainly focused on the positive effects of music, but left unexplored whether sad as opposed to happy music influences emotions and how those evoked emotions (either sad or happy) further affect the quality perceptions of a healthcare institution. Therefore, the contribution of the present research is in exploring whether certain types of music (with its particular musical elements i.e. mode, tempo, pitch, rhythm, harmony, volume) can result in positive or negative emotions and consequently increase, but also decrease perceptions of a healthcare institution's quality. Furthermore, unlike previous research, this research approaches perception of the healthcare institution's quality from the first impression perspective. In other words, it does not investigate the influence of music on the quality evaluation upon a medical treatment completion, when evaluation is mainly based on the received treatment, but rather before a medical treatment, when the evaluation is based on available proxy cues (like the physical environment). Understanding the relationships among music, emotions and quality perceptions within the first impression context is important for public healthcare institutions in general, but especially related to the diagnostics services they offer. Since the market for these services is becoming increasingly competitive and for these types of services patients easily switch among service providers, first impression quality perceptions play an important role in keeping current and attracting new patients.
To reach the goal of this research, an experimental simulation will be conducted in which respondents will evaluate multiple images of a public healthcare institution in an online survey in one of the three experimental conditions (absence of, positive and negative music stimulus). The remainder of the paper presents the literature review, hypothetical model, research methods, results, discussion and conclusions.

2. Literature review

Previous research which investigated the perception of healthcare service quality, mainly focused on the difference in the perception of service quality in private and public institutions. So, for example, Tolga and Jiju (2006) got results showing that users of private healthcare institutions express higher satisfaction with service quality than users of public ones. However, Camilleri and O'Callaghan (1998) showed that private hospitals are associated with higher expectations of the service quality than public ones, but an evaluation of provided service quality in public hospitals exceeded patients' expectations by a wider margin than in private ones. Although, one may argue that low expectations (at public hospitals) are naturally easy to surpass, it is not the absolute evaluation that matters the most in building a relationship with customers. The relative evaluation expressed as the difference between expectations and evaluations (i.e. satisfaction) is what service providers strive for and therefore the results of Camilleri and O'Callaghan (1998) show that public healthcare institutions in a certain way still possess an advantage in the healthcare market.

There is also a line of research that investigates an influence of the physical environment on the perceived quality of healthcare institutions. Duggirala et al. (2006) identify infrastructure, i.e. the physical environment as an important dimension of patient-perceived total service quality in the healthcare sector. Similarly, Carman (2000) asserts that although users evaluate the technical dimensions of healthcare such as physician care, nursing care and medical outcome as more important than the affective dimensions such as accommodation, food and discharge procedure, all affective dimensions, and especially accommodation, have a rather important contribution to overall evaluation of the service quality across contexts. Furthermore, Gotlieb (2000) studied the influence of the physical environment, people and service processes on the evaluation of a healthcare service. The results suggest that the physical environment and people affect the perceived healthcare institution quality directly, while service processes only indirectly through people. Although slightly different, still related research is that by Ramkumar et al. (2011) who investigated the influence of the physical environment of healthcare institutions on healthcare institution perception among nurses and found that the physical environment has a positive effect on their perception of healthcare quality. Since nurses convey their attitudes and perceptions to patients in direct contact with them, this finding is important for shedding light on the patient's perceptions of quality as well.
One of the elements of the physical environment is music (Mohan et al., 2013; Reimer and Kuehn, 2005; Harris, Ezeh, 2008; Daunt, Harris, 2012). Music is used in marketing to prolong customer stay within the premises and improve their opinions of stores and products (Gavin, 2012). If a premise in which customer contact occurs does not play music or plays randomly a selected radio station, it probably loses customers and sales (Dooley, 2012, 45).
Music has been studied in the context of healthcare institutions as well, but mainly as a therapeutic aid. For example, Garza-Villarreal et al. (2014) discovered that patients with muscle pain (fibromyalgia) who listen to a relaxing, pleasant, self-chosen music experienced a reduction in pain. Similarly, Short et al. (2013) showed that music therapy can be used to access and understand the internal recovery processes among patients in cardiovascular post-surgery rehabilitation. Furthermore, Sacks (2012) advocates the use of music for therapeutic purposes in diseases such as schizophrenia, Alzheimer's and Parkinson's. Music also becomes a necessary part of the creative environment within healthcare institutions for mentally disabled patients of different age groups (David, 1994). All the positive effects of music in healthcare institutions have resulted in many charity programs such as Music in Hospitals organized to promote the importance of using music for improving quality of life for adults and children with all types of diseases and disabilities (Music in Hospitals, 2014).
Finally, previous research also examined the influence of music on emotions in healthcare institutions. Gotell et al. (2009), for example, proved that the presence of background music and a caretaker's singing improve the mutual communication between a patient and the caretaker, foster positive emotions and a sense of vitality, and reduce aggression in patients with severe dementia. Mogosa et al. (2013) proved in an experiment that 63% of the changes in emotional states were caused by music. They further indicate that music affected the perception of the provided care in a healthcare institution and that 10% of the variance in care perception is caused by music.

3. Hypothetical model

When studying the relationship between music and first impression quality perceptions as the most relevant and intriguing relationship in this research, emotions need to be introduced into the equation as they play a crucial mediating role and help explain their relationship between the two utmost concepts of the model. As a mental and physiological state, emotions are associated with a wide range of feelings, thoughts and patterns of behaviour (Li, Lu, 2009) that assist decision-making and danger avoidance. The importance of emotions in marketing was already emphasized in the 80's by Light (American Marketing Association, 1980), who believed that marketing researchers must begin counting feelings, and not customers. Emotions are important in marketing because they impact judgments and decisions (Williams, 2014; Han et al., 2014), evaluations, (Williams, 2014), and brand attachments (Dunn and Hoegg, 2014). Moreover, emotions play an important role in advertising because an emotional advertising appeal leads to a higher purchase intention in an experienced service condition (Zhang et. al., 2014). Accordingly, emotions help differentiate services better than their functional characteristics (Barren, Sanchez, 2009; Pavlek, 2008: 199). Both functional and emotional values arise as the result of simultaneous work of all the senses in charge of environmental stimuli intake during the service providing experience and together contribute to customer perception of the service quality. Sensing and perceiving are complex and intertwined processes that take place in a continuum process of consumer behaviour. Perceptions of the same stimuli vary among individuals (Kotler, Keller, 2007: 187) however marketers try to model perceptions to achieve the desired ones. Previous research of the relationships among musical stimulation, emotions and first impression quality perceptions will be further elaborated in the sections below.

3.1 Influence of music on emotions

Music occupies an important and central place in every culture. To a large extent unconscious, structured understanding of music is accompanied with often, immediate, intense and profound emotional responses to music (Sacks, 2012), which create a mood that can equally cause joy and sorrow. Music also has an important role in creating an atmosphere which again influences emotions (Lindstrom, 2009). In essence, music is emotional and intellectual (Sacks, 2012: 269), as well as powerful to the extent that even low-budget movies, when enriched with music, influence emotions (Damasio, 2005). It is thus often perceived as a language of emotions (Altenmülleru et al., 2002).

However, Peretz (2001) emphasizes that there is not just one unique emotional system that is responsible for all emotional reactions to music. To understand the influence of music on emotions, it is necessary to understand the physiological changes music induces during listening. In an interesting research conducted by Roy et al. (2009) the influence of pleasant and unpleasant music on the eye blink reflex was observed and linked to physical responses. Unpleasant music generated enhanced eyebrow muscle activity, decreased skin conductivity and reflex eye blinking of greater amplitude and shorter latency in comparison to pleasant music, showing reactive activation of the defensive emotion system. Likewise, the influence of music on physiological changes was also investigated by Koelsch (2005). The research was undertaken using functional brain imaging and lesion study and suggested music generated neural activation in almost all limbic and paralimbic brain structures. Finally, Nauert (2010) found that pianists arouse emotions in musically experienced respondents which is reflected in activation of the emotion and reward centres of the brain.

A whole range of studies further investigated a difference between music stimulated activation of the left and the right brain hemispheres. Flores-Gutiérrez et al. (2007) approached the research investigating the influence of music (pleasant and unpleasant) on emotions using fMRI and EEG. Both methods of visualizing brain activity identified the left cognitive areas as the ones mainly related to pleasant (positive) emotions, while the right cognitive areas related to unpleasant (negative) emotions. Along these lines, Altenmüller et al. (2002) found that within each musical genre, when listening to "positive" music, respondents showed increased activity in the left temporal lobe; while when listening to "negative" music of the same genre, respondents showed increased activity in the right temporal lobe. Gagnon and Peretz (2000) discovered that a non-affective task (evaluating correctness of tonal vs. atonal music) elicit essentially no difference in brain response by respondents listening to either type of music, while an affective task (evaluating the pleasantness of tonal vs. atonal music) induced different brain reactions depending on whether pleasant or non-pleasant music was played. The pleasant responses were mainly captured as the left brain hemisphere reaction, while the unpleasant as the right hemisphere reaction, giving yet another proof that the left hemisphere is biased toward positive emotions and the right towards negative ones.

Although research indicates that music evokes emotion, it also stresses the importance of choosing the right music for the right audience. Research conducted by Sweeney and Wyber (2002) indicates that liking of a music has a major effect on consumers' evaluations of pleasure and arousal, while music characteristics (specifically slow pop or fast classical) have an additional effect on pleasure. Similarly, Gowensmith and Bloom (1997) have researched the influence of heavy metal music on the emotional state of aggression. Their results show that heavy metal music did not arouse anger emotions among the respondents who usually listen to heavy metal music, but did so among other respondents. Furthermore, Vieillard and Bigand (2014) showed that older adults have weaker emotional activation to threatening music (they are more willing or capable to ignore it) and a higher level of liking of happy music (they are more ready to indulge in it) than younger adults.

In the context of healthcare institutions, the influence of music on emotions was researched only by Mogosa et al. (2013), who found that 63% of the change in emotions among patients was caused by music.

Evaluation of music in terms of whether it induces positive or negative emotions can be assessed by considering the elements of music that are objective and measurable parts of musical expression. According to Čuić Tanković and Alerić (2011), the following elements can be distinguished:

1) Mode - linking a series of notes or chords around a central tonality;
2) Tempo - the speed of performing a musical piece;
3) Pitch - the frequency of vibration of a particular source of a sound;
4) Rhythm - a relation between tones with regard to the length and the variety of accent;
5) Harmony - linking disparate elements into a concordant whole;
6) Volume - depends on the amplitude of oscillation, pitch and timbre.

Table 1 Musical elements combined with different emotional states

MUSICAL ELEMENT	**EMOTIONAL EXPRESSION**								
	Serious	Sad	Sentimental	Serene	Humorous	Happy	Exciting	Majestic	Frightening
Mode	Minor	**Minor**	Major	**Major**	**Major**	**Major**	**Major**	Major	Minor
Tempo	**Slow**	**Slow**	**Slow**	**Slow**	**Fast**	**Fast**	Fast	Medium	Slow/ **Fast**
Pitch	**Low**	Low	**Medium**	Medium	High	**High**	Medium/ **High**	Medium	Low
Rhythm	**Firm**	**Firm**	Flowing	Flowing	Flowing / **Firm**	Flowing	**Uneven**	**Firm**	**Uneven**
Harmony	**Consonant**	Dissonant	**Consonant**	**Consonant**	Consonant	**Consonant**	Dissonant	Dissonant/ **Consonant**	**Dissonant**
Volume	Medium	Soft	Soft	**Soft**	**Medium**	Medium	**Loud**	**Loud**	**Varied**

Source: Table composed by the authors based on Bruner, (1990) and Čuić Tanković and Alerić (2011)

Several studies researched the key music elements in arousing certain emotional states among respondents (Webster, Weir, 2005; Williamson, 2013; Nauert, 2010; Bruner, 1990; Čuić Tanković, Alerić, 2011). During the research of emotional reaction and musical elements, Webster and Weir (2005) have found that respondents associated major mode, non-harmonized melodies and fast tempo with happier music, while minor mode, harmonized melodies and slow tempo with sadder music. Williamson's (2013) results in accordance, also revealed that the major key evokes the emotion of happiness most of the time (when the other musical elements are kept constant), while the minor key evokes the emotion of sadness (although sometimes it can evoke emotion of happiness, even when one person does not understand the lyrics of songs because of the many musical elements that impact whether the music will be "happy" or "sad", e.g. different tempo, rhythm, timbres, etc.). Along these lines, although Kawakami et al. (2013) found that sad music usually and mainly evokes sad emotions, the felt emotion during listening to sad music is often ambivalent and results in less tragic experienced feeling and more romantic experienced feelings than initially expected.

The most comprehensive overview of the different musical elements that stimulate a certain emotional state was given by Bruner (1990) as shown in Table 1. Taking as a starting point the analysis by Bruner (1990), Čuić Tanković and Alerić (2011) conducted a research and defined tempo, rhythm and harmony as musical elements with generally the highest impact on emotional states. In Table 1 elements that according to them have the most pronounced influence are underlined and bolded; those with mediocre influence are only bolded; while those with a small influence remained unmarked. The fields with two characteristics are those on which the two studies have not come to an agreement (the first characteristic is that by Bruner (1990), and the second by Čuić Tanković and Alerić (2011)).

Considering the above mentioned, the first hypothesis of this paper is:

H_1: Music of different musical elements in the context of a healthcare institution evaluation evokes different emotions.

3.2. Influence of emotions on first impression quality perceptions

Perceptions are often more important than reality because they express attitudes and opinions of customers and have a stronger impact on their behaviour (Ozretić Došen, 2002: 65). Customers frequently reach conclusions based on the first impression within 90 seconds (Singh, 2006) and only few stimuli (Foxall et al., 2007: 53). This is because they are less rational in decision making than traditional economics assumes (Ariely, 2009: 190). According to Grbac and Lončarić (2010, 102-104), perception consists of three phases: sensing (through sight, hearing, smell, taste and touch), perceptual organization (of stimuli into a meaningful whole) and perceptual interpretation (of the meaningful whole based on previous knowledge, memories, expectations, attitudes, motives, emotions, personalities and other experiences).
The influence of emotions on the evaluation of a healthcare institution's quality was previously investigated by Zifko-Baliga and Krampf (1997). They concluded that during a healthcare institution's quality assessment, customers use emotions as a criterion for evaluating the technical quality of the service. Since negative emotional evaluations can jeopardize even the best healthcare institutions' quality, they conclude that emotions cannot be ignored during communication between customers and healthcare institutions. Similarly, Essen and Wikström (2008) discovered that customers in retirement housing care in a Swedish rural community, during an evaluation of the overall service quality, concentrated exclusively on the dimensions of the service that aroused emotional responses, while dimensions of the service which did not arouse any emotional reaction, did not influence the perception of the overall quality of the provided service. Dubé and Menon (1998) got results which indicate that it is important to reduce negative emotions in providing hospital services (e.g. hostility, frustration, depression, excitation, nervousness), while positive emotions should not be especially emphasized as they have only a weak correlation with consumer satisfaction. Edvardsson (2005), similarly, asserts that negative emotions have a stronger effect on perception of service quality than positive ones.
A related stream of research investigates the importance of emotions in creating positive service perception among employees (Slåtten, 2009) who directly influence perceptions of customers (Gotlieb, 2000; Pugh, 2001). Slåtten (2009) and Slåtten (2010) confirmed the assumptions that managerial awards and supports are directly connected with positive (happiness) and negative (frustration) emotions and that employees' feelings of joy and frustration explain more of the variance in employee-perceived service quality than managerial practices like reward and empowerment.
As already stated, previous research did not attempt to investigate how positive emotions change the first impression quality perceptions of healthcare institutions. However since emotions influence quality perceptions in general (Zifko-Baliga, Krampf, 1997; Essen, Wikström, 2008), and since consumers make conclusions regarding many aspects of a service including perceived quality based on the first impressions (Bergeron et al., 2008), we draw an analogy and deduct the second hypothesis:

H2: More positive emotions result in more positive first impression quality perceptions of healthcare institutions.

3.3 Influence of music on first impression quality perceptions

While the previous sections described the relationship between music and emotions, and emotions and quality perceptions, this one presents how music directly influences quality perceptions. There are several reasons why such a direct relationship may exist. According to Ozretić Došen (2002: 118) customers perceive organizations that play music during service delivery as taking more care of them,

while according to Namkung and Jang (2008) music during service delivery makes customers feel comfortable and thus easier to satisfy.
As formerly mentioned, Mogosa et al. (2013) conducted an experiment to test whether music can cause a change in the perception of the provided care in a healthcare institution. They proved that 10% of the change is indeed caused by music. Other research studied the influence of music on the perceived quality, but in contexts other than healthcare. For example, Sweeney and Wyber (2002), in their research found that liking a musical piece itself as well as its characteristics has a major effect on consumers' evaluations of service quality. However, they also stress that music must be adapted to the area in which a specific service is performed and that the same music in different settings can have a completely different effect on consumer perceptions. Along these lines, Magninia and Thelena (2008) have not found a significant impact of classical music on the perception of restaurant service quality.
At this point it must again be stressed that the first impression quality perceptions have previously not been researched in this context. However, taking into account the confirmed relationship between music and the quality perceptions of healthcare institutions in general (Mogosa et al., 2013), the fact that people make up their minds within 90 seconds of their initial interactions with services (Singh, 2006), which is also more than enough time for people to emotionally respond to music stimuli (Mitterschiffthaler et al., 2007; Sacks, 2012), an analogy similar to the one presented before the previous hypothesis, leads to deduction of the final hypothesis:

H_3: Music of different musical elements evokes different first impression quality perceptions of healthcare institutions.

4. Research methods

4.1. Research procedure and stimuli

Research design chosen for this study was experimental simulation, i.e. research data were collected in an online survey using a convenience snowball sample including respondents who were arbitrarily assigned to evaluate a presentation containing multiple images of a public healthcare institution in one of the three experimental conditions (absence of, positive and negative music background). The presentation was composed in windows media player and lasted 70 seconds. After having watched the presentation respondents were instructed to fill in a questionnaire on *Surveymonkey* online research platform. The respondents were older than 25 as this age group represents a major portion of the target audience of the public healthcare institutions.
Prior to conducting the main research, a pilot study followed with certain respondents' feedback interviews and a series of expert consultations. The questionnaire used in the pilot study was much simpler and shorter than the one presented in the main research. This is because the aim of the pilot research was mainly to understand how respondents deal with and perceive the presentation and not to test the well-established but lengthy measurement scales. Several issues were discovered. Firstly, the images presented were "too nice" and were associated by the respondents with a private healthcare institution; therefore, they were replaced with those of a typical public healthcare institution. Secondly, despite clear instructions, some respondents did not turn on the sound while answering the online questionnaire, or were in noisy surroundings, which potentially diminished the influence of the chosen music, while on the other hand, some of those who were instructed to answer the questionnaire with no music stimulation, were exposed to loud sounds sometimes even including the background music of their choice. This challenge was resolved by instructing the respondents not only to turn on the sound on their computers, but also to turn off all other sounds surrounding them as well as by introducing control questions to the questionnaire of whether music could be heard and whether it was a dominant sound. As will be reported in the results of the main study, even with such clear instructions, a noticeable portion of the respondents was not exposed to the intended audio stimulation.
Thirdly, respondents in the pilot phase claimed that they could not estimate certain points of service quality as they were only shown a few images. For that reason, instruction was slightly changed stressing that they are required to give estimates based on their first impression, and the middle point of the scale was relabelled from the usually used format of "neither… nor…" to a label "cannot estimate" giving it a slightly different meaning for respondents but remaining the same from the point of view of the analysis. Fourthly, and finally, two different musical compositions than those used in the main study were used in the pilot study. Musical compositions

used in the pilot study were Strauss's *Blue Danube* and Barber's *Adagio for strings*, both previously used in a similar research by Jeong et al. (2011). However, two issues were noticed to pose problems for respondents: the chosen sequences did not represent harmonious units (with their harmonious beginnings and ends) and *Blue Danube* had a strong association to Christmas and the New Year and was therefore deemed unsuitable for a healthcare institution presentation. For these reasons two new compositions based on the research by Mitterschiffthaler et al. (2007) were chosen. The musical composition identified as "happy" in the literature is Mozart's *Little night music* which is composed in major, contains rather frequent and high pitches, and fast tempo. The musical composition identified as "sad" is Albinoni's *Adagio in sol minor* with a slow tempo and extremely slow, mournful style. To define the exact sequences which represent harmonic units of the chosen compositions, musical experts were consulted. Apart from the music experts, 4 more marketing academics were consulted in order to discuss the overall study design as well as the questionnaire.

4.2 Variable definition

The three main variables of the research are: music, emotions and first impression quality perceptions. Moreover, there were three control variables: clarity of exposure, general evaluation of the previous visits to healthcare institutions, and general level of stress related to visiting healthcare institutions.
Music is a categorical variable with three values; (i) absence of, (ii) happy and (iii) sad music. To analyse emotions, the Mehrabian Rusell model of three emotional states (pleasure, arousal, dominance) was used. Items for these constructs are based on Donovan and Rossiter (1982 citing Mehrabian and Russell, 1974). These three constructs are measured on a 7 point semantic differential, using 6 items each. First impression quality perception was measured by a SERVQUAL originally proposed by Parasuraman et al. (1988), but adopted to healthcare services by Babakus and Mangold (1992). The latter kept all 5 originally defined service quality constructs (tangibles, reliability, responsiveness, assurance and empathy), but reduced the number of items in each, so that altogether 15 items were used to measure service quality. Babakus and Mangold (1992) also turned this scale into a five-point scale because they discovered in their pre-study interviews that it reduces the frustration level of the responding patients which in return increases the response rate and the quality of the responses. Such an approach was accepted in the present research as well. Finally, although SERVQUAL usually measures the difference between expectations and experienced perceptions, the nature of this research required measurement of only the perceived quality upon the first impression experience. A similar approach was used by Dlačić et al. (2013).
Clarity of the exposure is a categorical variable which measures whether the desired sound was heard and whether it was dominant. General evaluation of the previous visits to healthcare institutions and general level of stress related to visiting healthcare institutions were both measured with a single item five point scale.

5. Results
5.1. Case validity analysis

Altogether 143 respondents commenced filling in the questionnaire, but 128 responses were considered valid.

Table 2 Case validity analysis

Clarity of exposure	No music	Happy music	Sad music	Total
1-Desired conditions	29	38	28	95
2-Music could not be heard (but should have been)	-	0	2	2
3-Music could be heard but it was not dominating	-	13	12	25
4-Voices could be heard in the no music stimulus	4	-	-	4
5-Voices including music could be heard in the no music stimulus	2	-	-	2
Total	35	51	42	128

Source: Authors

Other responses were excluded from further analysis because they were incomplete (12) or answers were very incoherent in giving reason to doubt that the questions were read at all (3). Among the 128 cases that were taken for the analysis, there were quite a few not exposed to the desired conditions, that is, the sounds that respondents were primed with were not as they were supposed to be. As Table 2 shows, in a no music stimulus, there were voices present (neither too quiet nor too loud) that in 2 cases even included music; while in the happy and sad stimuli, music could either not be heard or it was not a dominant sound. All of these cases will have to be handled specifically (excluded or controlled for) during the hypotheses testing.

5.2 Constructs validity and reliability

In order to test whether examined emotional states load to three predisposed constructs all items were put into exploratory factor analysis. Principal axis factoring using Oblimin rotation with Kaiser Normalisation yielded three rather clear factors, but with minor cross-loading and communalities of three Arousal items below .4 suggesting their removal (Hair et al., 2006). Cronbach's alpha tests of construct reliability for Arousal also suggested removal of the *jittery...dull* item which demonstrated lowest communality in the factor analysis (.141) and for which corrected item-total correlation was .287 (which is below required minimum of .3). After removal of this item, the factor analysis solution cleared up and Cronbach's alpha for Arousal although significant in the first place (.746), slightly increased to .762 (cf. Hair et al., 2006 for critical levels of reported tests). The other two items with communalities below required minimum (*excited... calm* = .247 and *stimulated...relaxed* = .303) were kept in the analysis because they loaded clearly and their corrected item-total correlations were above the critical level of .3. The final factor analysis solution and Cronbach's alphas are presented in Table 3. These results indicate convergent and divergent validity of the three emotional states constructs.

Table 3 Principal Axis Factoring and Cronbach's alphas for emotional states

Items	Factors		
	Pleasure	Dominance	Arousal
satisfied... unsatisfied	.859		
happy...unhappy	.629	.329	
pleased...annoyed	.903		
contented... melancholic	.724		
hopeful... despairing	.671		
relaxed...bored	.517		
excited...calm			.471
frenzied...sluggish			.600
wide awake... sleepy	.393		.659
aroused... unaroused	.310		.771
stimulated... relaxed			.543
dominant... submissive		.588	
controlling... controlled		.813	
influential... influenced		.717	
in control... cared for		.694	
important...awed		.722	
autonomous... guided		.869	
Cronbach's alpha	.901	.891	.762

Extraction Method: Principal Axis Factoring; Rotation Method: Oblimin with Kaiser Normalization. Items excluded: jittery...dull, (belonging to arousal)
Source: Authors

The perceived quality was also measured with a multi-item scale (SERVQUAL). The same procedure was repeated as with emotional states. In this case, both Eigen values higher than one and scree plot inception point criteria (Cattell, 1966) suggest only two factors although SERVQUAL normally displays five factors. The initial two factor solution,

Table 4 Principal Axis Factoring and Cronbach's alphas for perceived quality

Items	Factors	
	Intangibles	Tangibles
Healthcare institution has up-to-date equipment.		.706
Healthcare institution's physical facilities are visually appealing.		.792
Healthcare institution's employees appear neat.		.616
When patients have problems, healthcare institution's employees are sympathetic and reassuring.	.794	
Healthcare institution's employees tell patients exactly when services will be performed.	.641	
Healthcare institution's employees are always willing to help patients.	.839	
Patients feel safe in their interactions with healthcare institution's employees.	.678	
Healthcare institution's employees are knowledgeable.	.815	
Healthcare institution's employees are polite.	.773	
Healthcare institution's employees give patients personal attention.	.890	
Healthcare institution's employees have their patients' best interests at heart.	.905	
Cronbach's alpha	.940	.755

Extraction Method: Principal Axis Factoring; Rotation Method: Oblimin with Kaiser Normalization. Items excluded: Healthcare institution provides its services at the time it promises to do so; Healthcare institution is accurate and tidy with its documentation; It is realistic for patients to expect prompt service from the healthcare institution's employees; Healthcare institution's employees should get adequate support from their employers to do their jobs well.
Source: Authors

however, had three items fully cross-loaded and communality of one lower than .4. According to Costello and Osborne (2005), several factor analyses were conducted (with various number of factors and/or excluding weak items) and one offering the cleanest factors (items loadings above .3; few items cross-loading, no factors with fewer than three items) was retained. The final factor analysis which still obtained only two factors is presented in Table 4 together with Cronbach's alphas that are adequately high. The two new factors are named Tangibles (which includes the three items originally placed in this construct) and Intangibles (which includes all the other items usually distributed among the other four SERVQUAL factors).

It is assumed that the four factors merged into one because they all represent service quality elements that, unlike the Tangible aspects, share for this research a very important common trait of being difficult to evaluate on the first impression basis.

5.3 Hypotheses testing

Firstly, for further analysis, 8 cases were excluded (respondents that could not hear music in a music present stimuli and those who were not supposed to hear music but were exposed to sounds with or without music - in Table 2 those cases are classified as conditions 2, 4 and 5). Further 25 cases in which the desired stimuli were present but not dominant (classified as condition 3 in Table 2), were taken for further analysis, but to be studied cautiously.
To test the first and the third hypotheses, i.e. influence of music on emotions and first impression quality perceptions, five ANOVAs/ANCOVAs were tested with music acting as predictor in both, while emotional states (Pleasure, Arousal or Dominance) or first impression quality perceptions (Tangibles or Intangibles) acting as dependent variable in each. To decide whether to apply ANOVA or ANCOVA, first we had to test whether the scaled control variables (evaluation of the previous visits to healthcare institutions, and general level of stress related to visiting healthcare institutions) should be included in each of the analysis and the first condition is too check

Table 5 Spearman Correlation Matrix

	Tangibles	Intangibles	Arousal	Pleasure	Dominance	Past experience	Stress
Tangibles	1.000						
Intangibles	.455**	1.000					
Arousal	-.177	-.272**	1.000				
Pleasure	-.463**	-.356**	.342**	1.000			
Dominance	-.080	-.093	.237**	.459**	1.000		
Past experience	.099	.163	-.104	-.058	-.128	1.000	
Stress	-.095	-.023	-.011	.251**	.182*	-.282**	1.000

**p<.05; **p<.01*
Source: Authors

whether they correlate to each of the five dependent variables. Since, all control and most dependent variables are not normally distributed according to the Shapiro-Wilk's test, Spearman correlation was used. As Table 5 shows, general level of stress related to healthcare institutions visits is correlated to Pleasure and Dominance. Therefore, ANCOVA will be used for those variables and ANOVA for all others. All the assumptions for ANCOVA (Lund Research, 2013) are met except approximate normality of distribution for Intangibles, Tangibles and Dominance (Shapiro-Wilk's tests report p=.000 for all three variables) at all levels of independent variable. For those variables the between-subject effects had to be tested with a non-parametric alternative to a one-way ANOVA (Corain and Salmaso, 2007), i.e. Kruskal-Wallis test with Mann-Whitney alternative to a post-hoc test and manually performed Bonferroni correction (cf. Homack, 2001).
To proceed with tests for the first and the third hypotheses, 25 cases in which music was present but a non-dominating sound, were first treated as two new stimulus groups, so that there were five groups to be studied each exposed to a different sound stimulus (no music, dominating happy music, dominating sad music, non-dominating happy music and non-dominating sad music). Since the non-dominating groups have less than 20 observations each, the marginal results have to be interpreted with caution. The results of ANCOVA and ANOVA tests are shown in Table 6.
As Table 6 shows, the only significant effect of music on emotions and first impression perceived quality was observed in the Pleasure emotional state in a way that a group which was exposed to dominating sad music felt statistically significantly lower pleasure than the group exposed to non-dominating happy music with a medium effect size (partial $\eta2$=.09). Interestingly, the group exposed to dominating happy music did not demonstrate a significant difference from the group exposed to sad music (dominating or not).
Furthermore, not only no difference was found between means of music dominating vs. music non-dominating groups for sad or for happy music across five analyses, but those paired groups (music dominating and music non-dominating) demonstrate high similarity of their means across analyses. This finding indicates that cases exposed to equal music (dominant or not), might be studied together and in that way possibly increase the strength of the results. Before proceeding with that type of analysis, a two-way ANOVA had to be conducted to discover whether clarity of exposure (2) and music stimuli (3) display an interaction effect. Two-way ANOVA discovered no significant interaction effect across five dependent variables, thus the 25 cases exposed to non-dominant stimuli were reallocated to their respective dominant groups so that in the repeated ANOVA/ANCOVA analyses three groups are compared (no music, happy music and sad music).
The results presented in Table 7 are somewhat different than those in Table 6. Most of the effects still remained insignificant. However, although Pleasure remained significant (at p<.1), it disclosed a slightly diminished effect (partial $\eta2$=.05), which made it not strong enough to capture significant post-hoc tests between groups applying the Bonferroni correction (a pretty common, although rather conservative approach to post-hoc testing). Opposite to the results shown in Table 6, Arousal now became significant, with a small effect size of partial $\eta2$=.05.

Table 6 ANCOVA and ANOVA analyses for five groups

Dependent[1]	Estimated Marginal Means (s.d.)[2,3]					Music stimulus (indep.)			Stress (covar.)	
	1= no music (N=29)	2= dominating happy music (N=38)	3= dominating sad music (N=28)	4= non-dominating happy music (N=13)	5= non-dominating sad music (N=12)	F (1, 120)	Partial η2	Kruskal-Wallis sig.	F (1, 120)	Partial η2
Pleasure	3.90 (.22)	3.53 (.19)	4.13 (.22)$_4$	2.95 (.33)$_3$	3.50 (.34)	2.75 **	0.088		9.40**	0.076
Arousal	4.28 (.18)	3.79 (.15)	3.98 (.18)	3.59 (.26)	4.18 (.27)	1.78				
Dominance	4.89 (.20)	4.48 (.17)	4.91 (.20)	4.43 (.29)	4.58 (.30)	1.15		0.234	3.38*	0.029
Tangibles	3.87 (.16)	4.09 (.14)	3.85 (.16)	4.05 (.23)	3.97 (.24)	0.23		0.814		
Intangibles	3.76 (.15)	4.04 (.13)	3.96 (.15)	4.33 (.23)	4.13 (.24)	1.250		0.333		

*p<.1; **p<.05;*

[1]For Pleasure, Arousal and Dominance lower means represent more positive emotions; For Tangibles and Intangibles higher means represent higher perceived quality.

[2] Estimated Marginal Means represent means when covariate (if present) is kept constant.

[3] The indices behind the brackets indicate which groups are statistically significantly different (Bonferroni post-hoc test).

Source: Authors

Table 7 ANCOVA and ANOVA analyses for three groups

Dependent[1]	Estimated Marginal Means (s.d.)[2,3]			Music stimulus (independent)			Stress (covariate)	
	1= no music (N=29)	2= happy music (N=51)	3= sad music (N=40)	F (1, 120)	Partial η2	Kruskal-Wallis sig.	F (1,120)	Partial η2
Pleasure	3.89 (.22)	3.38 (.17)	3.93 (.19)	3.04*	.050		8.79**	0.070
Arousal	4.28 (.18)2	3.74 (.13)1	4.04 (.15)	3.28**	.053			
Dominance	4.86 (.20)	4.48 (.15)	4.82 (.17)	1.89		.142	3.64*	0.030
Tangibles	3.87 (.17)	4.02 (.13)	3.88 (.14)	.361		.552		
Intangibles	3.76 (.15)	4.11 (.11)	4.01 (.13)	1.700		.161		

**p<.1; **p<.05;*

[1]For Pleasure, Arousal and Dominance lower means represent more positive emotions; For Tangibles and Intangibles higher means represent higher perceived quality.

[2] Estimated Marginal Means represent means when covariate (if present) is kept constant.

[3] The indices behind the brackets indicate which groups are statistically significantly different (Bonferroni post-hoc test).

Source: Authors

In a way that group exposed to happy music shows statistically higher arousal than the group exposed to no music. Sad music did not have an effect. The fact that an insignificant result turned into a significant one, further indicates that whether music is dominant or not, it does not play a difference for consumers as long as they hear it. This result is further important since in a real life situation it will not be possible to produce conditions in which the music will dominate (it will only be background music).
To test the second hypothesis, the Spearman Correlation Matrix in Table 5 is observed. It shows that more positive emotions lead to more positive first impression quality perceptions. From the three

emotional states tested, Pleasure has the strongest correlation to perceived quality. Negative correlation coefficients between emotional states and perceived quality elements should be interpreted as positive correlations since lower levels of Pleasure, Arousal and Dominance indicate more positive emotions, whereas lower levels of Tangibles and Intangibles indicate lower perceived quality. Pleasure is significantly moderately correlated with Tangibles (r=-.463) and Intangibles (r=-.356), Arousal is weakly correlated to Intangibles only (r=-.272), while Dominance has no significant correlation with either Tangibles or Intangibles.

6. Discussion and conclusion

The importance of the physical environment in achieving service differentiation and quality perception is well known in service marketing (Rajh and Ozretić Došen, 2009; Kotler et al., 2006, 637). The element of the physical environment in the focus of this research is music. Although previous research explored the influence of music on customer perceptions in general as well as within a healthcare institution, it did not explore how music influences the first impression quality perceptions of a healthcare institution and neither did it carefully study the difference between happy and sad music on the perceived quality. Therefore, this research set itself the task to explore the identified gaps, i.e. to examine the direct impact of different music stimuli (sad vs. happy) on the respondents' first impression quality perceptions of a healthcare institution as well as the indirect impact mediated by emotions (pleasure, arousal and dominance).
The dominance dimension of emotion is the least significant variable in the model. That is, it is neither influenced by music, nor does it further influence the first impression quality perceptions. According to Fitzgerald Bone and Scholder Ellen (1999), when mood or emotional states are tested, very often they are tested for only Pleasure and Arousal. In this research Dominance was also taken into consideration particularly as it was expected that it might influence the quality perceptions and not necessarily that it would be influenced by the specifically chosen music compositions. The other two elements of emotion (Pleasure and Arousal) were as expected more related to both music and perceived quality, with Pleasure having a stronger influence on the perceived quality whereas Arousal being more influenced by music (in particular happy music), while displaying only a weak correlation to each other.
The results confirmed H2, that is, more positive emotions result in more positive first impression quality perceptions of a healthcare institution. However, it has to be stressed that not only the direction of emotion (positive vs. negative), but also the type of emotion (pleasure, arousal, dominance) is important because not all types of emotions equally influence quality perceptions. A positive relationship between emotions and quality perceptions is in accordance with previous research (Zifko-Baliga and Krampf, 1997; Ladhari and Rigaux-Bricmont, 2013), although the research did not test the first impression context. Such results suggest that managers of healthcare institutions should do their best to stimulate positive feelings of pleasure and arousal among their patients immediately upon their arrival on the premises as patients in positive emotional states develop more positive attitudes towards the healthcare institution. Positive attitudes are important for patients, because they reduce stress normally associated with healthcare institutions, and for healthcare institutions because they promise calmer patients and thus easier contact procedures. Furthermore, the role of positive emotions in achieving better first impression quality perceptions of healthcare institutions is also important from the public finance point of view. That is, enormous public finance is given to public healthcare institutions that are often equipped with superior technology and more competent professionals, and nevertheless perceived as having an inferior quality in comparison to private ones. If arousing positive emotions of patients can help in improving overall quality perceptions of an otherwise unchanged healthcare institution, then making a small extra effort to arouse positive emotions can be a highly effective and efficient investment, especially since governments actively try to define what components of a public service program are most valuable to invest in, so as to increase the service quality and customer satisfaction (Gutiérrez Rodríguez et al., 2009).
Although substantial previous research established a connection between music and emotions (Altenmüller et al., 2002; Čuić Tanković, Alerić, 2011; Bruner, 1990) and some even between music and quality perceptions (Mogosa et al., 2013; Sweeney, Wyber, 2002), the results of this research confirmed the first hypothesis that music of different musical elements in the context of a healthcare institution evaluation evokes different emotions, while they

did not confirm the third hypothesis that music of different musical elements evokes different first impression quality perceptions of healthcare institutions'. The rejection of the third hypothesis leads to the conclusion that the influence of music on quality perceptions is neither simple nor straightforward. The influence of music however is not to be neglected. Music influences certain emotions and through emotions the perceived quality. Managers of healthcare institutions are thus advised to take into account music not only as a therapeutic aid, but also as an aid to increasing positive feelings and positive quality perceptions. However, choosing the right music stimuli is very important since wrongly chosen music will not lead to the desired changes in the mood as the results showed.

There were several limitations related to research design. First of all, research was conducted online and although the primary motive for that was to provide a comfortable responding environment to ensure quality results, it was impossible to control all the experimental conditions. While answering the online questionnaire respondents were probably in different situations (e.g. at work or at home) causing differences in the initial levels of stress. Secondly, a healthcare institution was presented by a set of images rather than in real life. This option was chosen because stimulating negative emotions in a real life healthcare context was considered inappropriate, and also because in a real life situation it would be more difficult to control other environmental conditions like crowding, time of the day and similar. For the later reasons, Broekemier et al. (2008) also avoided using a real life experience and used video in their research. Nevertheless, a simulation of the environment, rather than real life experience might have not been convincing enough for the respondents and might have skewed the results.

For the above explained reasons, future research should be directed towards conducting real-life research at least with positive music and its absence. Finally, manipulating other easily modified elements of the physical environment such as decor or odour to see whether they are more important than music and whether they interact with music is also an interesting further research option.

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Glazba, emocije i percepcije o kvaliteti zdravstvenih institucija temeljene na prvom dojmu: eksperimentalno istraživanje

Sažetak

Jedan od neposrednih načina utjecaja na emocije i percepciju kvalitete usluga je glazbena simulacija. Svrha ovoga istraživanja je istražiti utjecaj glazbe različitih glazbenih elemenata (npr. tužna u odnosu na sretnu glazbu) na emocije ispitanika te njihovu percepciju kvalitete ustanove za zdravstvenu skrb stvorenu na temelju prvoga dojma. Istraživanje je osmišljeno kao eksperimentalna simulacija. Podatci su prikupljeni temeljem online upitnika. Ispitanici su nasumično odabrani kako bi procijenili prezentaciju koja se sastoji od višestrukih slika institucije za zdravstvenu skrb u jednom od tri eksperimentalna uvjeta (izostanak, prisutnost sretne i prisutnost tužne glazbene stimulacije). U skladu s prethodnim istraživanjima, rezultati pokazuju odnos između emocija i na prvom dojmu stvorene percepcije kvalitete te između glazbe i emocija, ali nema odnosa između glazbe i na prvom dojmu stvorene percepcije kvalitete. Dobiveni rezultati naglašavaju važnost poticanja pozitivnih emocija klijenata budući da oni vode pozitivnim, na prvom dojmu stvorenih procjena kvalitete usluge, a koji kasnije pružaju poželjne rezultate. Oni također naglašavaju važnost pažljivog odabira glazbe pri poticanju emocija, jer glazba s različitim glazbenim elementima kao razultat ima različita emocionalna stanja. Jedno od ograničenja ovoga istraživanja je eksperimentalno okruženje koje ne predstavlja situaciju iz stvarnoga života što će biti prevladano u budućemo istraživanju.

Ključne riječi: glazba, ustanove za zdravstvenu skrb, SERVQUAL, prvi dojam, zadovoljstvo, poticanje

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INTERNAL STAKEHOLDERS PERSPECTIVES IN A CULTURAL EVENT: THE CASE OF NOC NOC, GUIMARÃES - PORTUGAL

Abstract

Given the significant impact that cultural events may have in local communities and their inherent organization complexity, it is important to understand their specificities. Most of the times cultural events disregard marketing and often marketing is distant from art. Thus an analysis of an internal marketing perspective might bring significant returns to the organization of such an event.
This paper considers the three editions (2011, 2012 and 2013) of a cultural event – Noc Noc – organized by a local association in the city of Guimarães, Portugal. Its format is based in analogous events, as Noc Noc intends to convert everyday spaces (homes, commercial outlets and a number of other buildings) into cultural spaces, organized and transformed by artists, hosts and audiences. By interviewing a sample of people (20) who have hosted this cultural event, sometimes doubling as artists, and by experiencing the three editions of the event, this paper analyses how the internal stakeholders understand this particular cultural event, analyzing specifically their motivations, ways of acting and participating, as well as their relationship with the public, with the organization of the event and with art in general. Results support that the motivations of artists and hosts must be identified in a timely and appropriate moment, as well as their views of this particular cultural event, in order to keep them participating, since low budget cultural events such as this one may have a key role in small cities.

Keywords: Internal stakeholders, cultural events, art, creativity, Noc Noc

1. Introduction

The argument of this paper is that marketing strategies are essential to cultural events. Given the growing influence that a cultural event may have in local communities and its intrinsic organization complexity, it is important to understand and recognize its specificities. To demonstrate this, we apply concepts and methods of analysis used in internal marketing to specific problems of cultural events. By doing this, we demonstrate how internal stakeholders understand a particular cultural event. To determine the importance of using marketing concepts and analysis, we present research results from a Portuguese low budget cultural event case study, which specifically analyzes internal stakeholders' (artists and hosts) motivations, ways of acting and participating, as well as their relationship with the public, with the organization of the event and with art in general. Results support that the motivations of artists and hosts must be identified in a timely and appropriate moment, as well as their views of this particular cultural event, in order to keep them participating, since low budget cultural events such as this one, may have a key role in small cities.
First, we will present a general overview of internal marketing, its importance and specificities, which is intended to shed some light on the way internal stakeholders can influence a cultural event. Next, we discuss research results of a case study - Noc Noc, a cultural event in Guimarães – Portugal. Finally, we argue that the use of internal marketing strategies in cultural events is important to nurture cultural, social and economic dimensions. Low budget cultural events, such as Noc Noc, may have a key impact in small cities. Our purpose throughout the paper is to analyse the importance of marketing in a specific cultural event.

2. Background

Internal marketing has been described as selling the firm to its employees (Grönroos, 1981) and building customer orientation amid them. It can be conceptualized as a management philosophy that emphasizes the development of effective internal relationships between individuals at all levels of an organization (Huang, Chen, 2013). Internal marketing depends on a diversity of individual actions throughout the organization and it endeavors to inform and train staff concerning the organization's mission, the benefits of the product or service, and the expectations of the organization's customers (Grönroos, 2011). The concept of internal marketing might be considered ambiguous (Tsai, Wu, 2011) since its use is very wide and its core elements comprise the following: to align the employees' vision, to create effective internal communication, to provide employee training and development, stimulate teamwork, to develop a well-defined organizational structure, and to offer employee recognition and empowerment (Huang, Chen, 2013). Internal marketing may be concerned with improving employee practices and routines through internal motivation and may be concerned with guaranteeing the whole organization understands each department's function (Helman, Payne, 1992). The definitions presented in the literature highlight the capacity possessed by internal marketing to expand service quality, to improve the overall business process through an organizational effort (Joseph, 1996).
Unlike physical products, services implicate real-time interactions with customers and curiously there are not many studies about nonprofit organizations (Tsai, Wu, 2011). Opinions diverge over the use of marketing inside the cultural sector (Boorsma and Chiaravalloti, 2010) and this is a fervently contested question in the existing economic and policy atmosphere (Gainer, Padanyi, 2002). There are two important perspectives that prevail: the old, which has essentially been anti- marketing, and the new, which supports marketing within the cultural sector (Unwin et al., 2007). These authors mention that the old perspective considers that cultural organizations should focus on innovation, creativity and dissemination of new art forms rather than targeting customer needs. While the new perspective supports the use of marketing, the degree of support differs within the literature. This means that we have two sides, one claiming that the cultural sector has to answer to the market in order to compete with an ever-expanding selection of entertainment sets and to deal with decreasing revenues; and the other arguing that the cultural sector, within the nonprofit sector, should not react to market forces, and should maintain artistic goals — beauty, originality, technical excellence — as the main focus, even when these objectives are incompatible with market demand (Gainer, Padanyi, 2002). It is true that artistic production attracts a certain public and not the other way round, therefore this fact allows for the emergence of a dichotomy between marketing and the cultural approaches (Courvoisier, Courvoisier, 2007).
Due to the environment in which the cultural sector nowadays operates, confident attitudes towards marketing are beginning to triumph (Boorsma, Chiaravalloti, 2010). There are also some optimistic views regarding the positive impacts that marketing can have in the cultural sector, such as the adaptation of cultural events to the specificities of the sector (Unwin et al., 2007), the increase in customer satisfaction (since a more market-oriented culture is likely to demonstrate an increase in customer satisfaction levels), and, resulting from this, a growth in the resources that can be attracted (Gainer, Padanyi, 2002); in increasing public awareness, improving image and identity, and supporting the continuation of projects through guaranteeing different types of funding and sponsors (Boorsma, Chiaravalloti, 2010); additionally, higher levels of artistic reputation, applied also with marketing techniques, can have a direct effect on revenues (Gainer, Padanyi, 2002).

Cultural events usually focus on artistic and community elements expressed through its content. They contain a number of activities, have a limited duration, occur regularly, normally are celebrations, occur in specific places and at certain times, have a significant public and mobilize an important number of stakeholders (Rodrigues, 2012). Cultural events appear to be abundant in modern societies, filling the social calendar and the cultural agenda with a huge selection of events, happenings and spectacles (Crespi-Vallbona, Richards, 2007; Quinn, 2005). While they may help to differentiate physical environments, they may also promote serial and mechanical reproductions (Richards, Wilson, 2006). They may take on an eclectic variety of roles, be more flexible than many physical structures, foster a feeling of place belonging or attachment, be low-cost events which allow for efficient results in a short time (Crespi-Vallbona, Richards, 2007). Nevertheless, it is necessary to have excellent management practices throughout the process with reference to the type of event that is scheduled (Rodrigues, 2012). At the same time, cultural events might also function as a complement to cultural facilities, bringing flexibility to the physical structures, providing an increase in the intrinsic value of equipment, monuments or landscapes (Marques, 2011). Competition forces cultural events to be increasingly distinct, improving creativity and innovation (Rodrigues, 2012). At the same time we can enumerate several benefits that cultural events can nurture, particularly related to urban impact. Cultural events can improve the quality of life in a city, provide more creative activities, increase the number of visitors, create new partnerships, educational opportunities, lead to economic and social benefits, improve the image of the city as a tourist destination and help to achieve civic objectives (GrahamDevlinAssociates, 2001; Marques, 2011) Thus, existing resources have to be promoted combining different forms of tourist attractions, since cultural experience is a holistic process (Russo, van der Borg, 2002).
It is important to note that cultural consumption has experienced a growth for some years now (Passebois, Aurier, 2004; Quinn, 2005). To account for this customer enthusiasm, cultural offer has grown expressively, and traditional art institutions/organizations like museums, theatres, symphony orchestras, among others, have now the singular challenge to compete with cultural industries (including theme parks, the film industry, etc.) to attract the spare time of consumers (Passebois, Aurier, 2004). While it is in this scenario that cultural events gain their own space, it should be noted that the cultural offer is ephemeral by nature, because of its uncertain character and the unique nature of the work itself (Courvoisier and Courvoisier, 2007).
One way of understanding cultural events internal stakeholders and their behaviors is not by considering the predilections and evaluations indicated by the public post-visit, but by focusing on the cumulative experience of artists and hosts of a cultural event and the overall appreciation they get regarding the event as a complete process. So, our research is about cultural events internal stakeholders for three main reasons: a) in the internal marketing field, cultural events are significantly under-represented (Passebois, Aurier, 2004); b) cultural events seem to be abundant in modern societies (Crespi-Vallbona, Richards, 2007); and c) the logic of internal marketing is suitable to this issue. To demonstrate the importance of using marketing concepts for cultural events internal stakeholders (artists and hosts), we will particularly investigate their motivations, ways of acting and participating, as well as their relationship with the public, with the organization of the event and with art in general.

2.1 Motivations

Motivation is a psychological process result of an interaction between individuals and their environment (Latham, Pinder, 2005). Motivation for work is a set of forces that makes an individual start a work-related behavior and determine its form, direction, intensity and duration (Latham, Pinder, 2005). The descriptions of motivation lead organizations to consider that their employees will complete their specified tasks better than the norm and will genuinely wish to do so (Lagace et al., 1993). There are several factors that can influence motivations (Pittman, Heller, 1987), which may be considered as key determinant to job performance, since poorly motivated employees can be costly in terms of excessive staff turnover, expenses and increased use of management's time (Kaplan, Norton, 1992). Consequently, management needs to know exactly what motivates their staff, so resources are not misapplied (Sachau, 2007; Warner et al., 2011).
Identifying internal stakeholders key motives to participate in a cultural event is fundamental (Rodrigues, 2012). According to Borges (2012) artists participate in a cultural event because they consider it a good experience and a good alternative to the traditional forms of presenting artistic work, promoting different types of visibility for their projects. Some researchers contend that stakeholders (artists and hosts) have more than one reason for participating in a cultural event. In addition to project visibility and recognition, they have an opportunity to circulate their CVs, make contacts, and to be a part of an art circuit (Motta, 2005). We can also mention some personal reasons like improving self-esteem, promoting artistic dynamics and being challenged (Motta, 2005; Rodrigues, 2012).
Considering internal marketing, the knowledge of motivation can be looked at as a perquisite for success (Joseph, 1996). Internal marketing is seen as an ongoing process, with motivation, time and financial restrictions defining its future (Helman, Payne, 1992). At the same time, the influence of internal marketing on customer orientation in employees suggests that it can be a catalyst for motivating employees to improve their customer orientation (Huang, Chen, 2013). Considering a cultural event context, artists and hosts can be seen as targets of internal marketing, since they are the core element of the system thanks to their knowledge of the specific artistic and cultural topics undertaken by the event (Paiola, 2008).
The experience of participating in a cultural event is a personal experience that incorporates their perception and so it is important to consider their motivations (McIntosh, Zahra, 2007). In terms of analysis we will determine the motivations of interviewees (artists, hosts and hosts & artists) (Borges, 2012; Motta, 2005)como a antropologia. Tem como objeto de estudo o projeto ?A festa acabou? (2006?2009 and try to understand the degree to which their motives predict key outcomes (Warner et al., 2011). So, our main objective is to **identify and understand internal stakeholders' motivations.**

2.2 Internal stakeholders' perspectives on repeated participation and venue characteristics

Marketing in the cultural sector has developed throughout the past decades from a functional tool to a business philosophy. At the same time, an interactive view of art as experience has emerged, emphasizing the role of cultural players (Boorsma, Chiaravalloti, 2010). Alongside, in a competitive, or even saturated, context of cultural and leisure activities, a growing number of private and public institutions are trying to create a niche in this market (Courvoisier, Courvoisier, 2007). Nevertheless, it is important to note that cultural events have gained a central position within the artistic mission of arts organizations. They pose new challenges to the cultural events internal marketing (Boorsma, Chiaravalloti, 2010), not forgetting that cultural events and activities are ephemeral by nature (Courvoisier and Courvoisier, 2007) and economic data and audience numbers are insufficient indicators of the contribution that cultural events may have (Boorsma, Chiaravalloti, 2010). So, apart from investments, our research will try to analyze other aspects regarding interviewees' (artists, hosts and hosts & artists) mode of action and participation and that will help us understand the contours of this event, including questions related to repeated participation and venue characteristics. Bearing in mind that cultural events are occasional, we use an internal marketing perspective to focus on stakeholders' retention, i.e., to identify if they are repeating their experience as artists or hosts, to understand the reasons behind this decision and the existence of possible problems, which can be determinant for the event organizers (Karl et al., 2008). Considering that long-term commitment (with future editions) of stakeholders has a positive impact in the event, since they already know the event, the organization, the community and the main objectives, their experience may bring important (positive) outcomes (Watson, Abzug, 2005). In terms of physical space, participation of local private hosts (Paiola, 2008), such as private houses or commercial shops, is fundamental. Without them this type of events would not be the same. Considering the nature and the specificity of this cultural event, organizers must find the necessary buildings and venues and have the strategic task of involving a series of local actors, so it is important to build a strong relation with local partners / stakeholders (Paiola, 2008). On the other hand, we have the artists who are the core element of the event. Artists have their own works and need some physical space to exhibit them, so the link between art work and space is absolutely nuclear. The intensity and importance of these relations can however depend on some features of subjects, such as space dimension, extension, localization, nature and independence of the subjects, among others (Paiola, 2008). So, our main objective is to **understand the internal stakeholders' perspectives related to repeated participation and to the venues' characteristics.**

2.3 Relationships

Previous research on events has generally taken a single stakeholder angle, focusing almost exclusively on the visitor dimension (Buch et al., 2011). At the same time, in terms of the evaluation impact of cultural events, the leading focus has been on measuring the economic impacts, with limited empirical research on the difficult to measure, yet very important, socio-cultural impacts (Pasanen et al., 2009). According to the same authors it is indispensable to assume a holistic approach in order to understand the real influence of an event, having in mind that this approach might be influenced by economic, social, cultural or environmental factors (Ritchie, Inkari, 2006).
So, it is necessary to consider the different relationships that different players establish with an event and attempt to understand how a unique experience may develop into a cumulative one (Pasanen et al., 2009; Passebois, Aurier, 2004). Assuming an internal marketing perspective and considering artists and hosts as internal stakeholders, the relational exchanges between these players with the organizers, with the public and art in general are fundamental. Normally, organizers perceive events as contributing to community cohesiveness as opposed to being major contributors to the local economy (Buch et al., 2011), so understanding their perspective is critical. Considering that the general public /visitors are heterogeneous, and that attendance at cultural events is determined by a motivation to experience a cultural event and group socialization (Shani et al., 2009), to understand the way artists and hosts view their behavior is very important. Finally, it is also important to consider the relationship with art in general. Cultural events can provide an opportunity to develop creative potential, generate a stronger demand for culture, enhancing venue infrastructures, encouraging local creativity and stimulating local involvement (Liu, 2014). So, in order to better understand stakeholders' relationships our main objective is to **understand internal stakeholders' perspectives related to the organizers, the public and art in general.**

3. The research

3.1 Sample

Since our research satisfies Yin's (2003) three conditions for a case study design: (i) the nature of the research question deals with the what, how and why of a phenomenon; (ii) the research requires no control over behavioral events; and (iii) it focuses on contemporary events (Yin, 2003), we have decided to study a particular cultural event – Noc Noc. We also argue that it is important to study it in its real-life context, using data from various informants and sources. Table 1 presents some general information about interviewees (artists, hosts and hosts & artists).

3.2 Measures and procedures

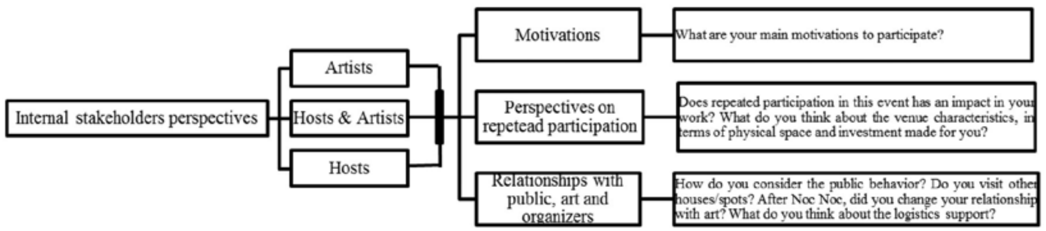
Twenty in-depth semi-structured interviews with 10 artists, 3 hosts and 7 hosts & artists (cited here using code names), were conducted between September and October 2013. Data were submitted to a content analysis and more specifically to a thematic analysis of all (fully transcribed) interviews (Braun, Clarke, 2006).

Table 1 General information – interviewees

Code Name	Gender	Age	Education	Occupation
ARTISTS				
Tod	male	14	student	student
Aida	female	47	university degree	teacher
Gail	male	49	university degree	art merchant
Alba	female	47	university degree	unemployed
Dino	male	39	university degree	computer consultant / musician
Niki	male	32	university degree	bank employee
Sue	female	37	university degree	journalist
Dolly	female	35	master degree	visual arts teacher
Mat	male	64	high school	archive technician
Anusha	female	23	unknown	unknown
HOSTS				
Adam	male	45	master	civil servant
Noel	male	31	university degree	unemployed
Gwen	female	37	master degree	entrepreneur - creative firms
HOSTS & ARTISTS				
Ali	male	55	high school	warehouse responsible
Hazel	female	35	university degree	unemployed
Aldo	male	40	university degree	photographer
Ray	male	30	university degree	painter
Joan	female	50	university degree	visual arts teacher
Robin	male	39	high school	graphic designer
Cyril	male	37	high school	computer technician

Source: Author

Figure 1 Measures of internal stakeholders' perspectives



Source: Author

The sample included a musician, a photographer, a painter, a graphic designer, visual arts teachers, among others and their average age is 38 years old. Twelve of them are male, eight are female and the majority has a university degree. All interviews were made face to face and were video recorded for detailed analysis afterwards. Participants were invited to answer a set of questions related to their perspectives about motivations, repeated participation, venue characteristics and their relationships, as you can see in Figure 1. Authors also participated in the three editions of the event in 2011, 2012 and 2013, although in the first two editions solely as audience members.

4. Results

Ó da Casa (ODC) is a local association that emerged in 2011 linked with the first edition of Noc Noc, and aims at promoting arts, artists and to develop cultural projects. The association is composed by eleven members, mostly young professionals involved in arts. This particular event has a very inclusive character, it is open to anyone who wants to participate, it is free and there is no jury or work professional artists and it is not commercial. Venues are all situated in the city center to allow for proximity and clustering. Noc Noc is organized by ODC and mainly uses and transforms numerous homes, commercial outlets and a number of other buildings into public spaces. Artists can use these spaces as galleries to exhibit their works, so during three days several spaces become art galleries, meaning that private spaces are converted into transient friendly and lively social 'public' environments.

Table 2 Reasons / Motivations to participat

ARTISTS: Reasons / Motivations to participate	
Opportunity	Niki, Gail, Dino, Tod, Alba, Anusha and Dolly
Promote my work and make it more visible	Gail, Tod and Dolly
Democratic, open and inclusive event	Aida, Anusha and Alba
Interest in art and culture	Sue and Mat
Affective relationship with the event	Gail
Experience	Niki
Originality of the event	Aida
HOSTS & ARTISTS: Why you decided to open your house / space	
Opportunity	Robin, Cyril and Joan
Promote my work and make it more visible	Robin, Cyril and Joan
Democratic, open and inclusive event	Hazel, Ali
Public exposure might be advantageous	Aldo
Affective relationship with the event	Hazel
External pressures	Ray
HOSTS: Why you decided to open your house / space	
To help a friend	Adam and Noel
Commercial reasons	Noel and Gwen
The sharing spirit of the event	Noel

Source: Author

Table 3 Repeated participation has impact on the work

ARTISTS: Repeated participation has impact on the work	
Participation has an impact - more people have contact with my work	Dino, Tod and Alba
Participation has an impact - I think more about my work and try to improve it	Tod and Alba
Participation has an impact - sells more and more contacts	Gail
Participation has no impact	Dolly
First time participation	Niki and Anusha
Don´t expect any impact – my work is not for sale	Sue and Mat
HOSTS & ARTISTS: Repeated participation has impact on the work	
No impact at all	Robin
I am not worried about the impact	Hazel and Ali
Positive impacts – more contacts and more visibility	Joan

Source: Author

This is a low budget event, since artists do not pay for the use of the spaces and the general public / audiences can enter all venues without paying. This paper looks at the three editions (2011, 2012 and 2013) of Noc Noc. In 2011 there were 41 venues, 150 projects and 300 artists; in 2012 there were 70 venues, 320 projects and 500 artists participating in Noc Noc; finally, in 2013 there were 66 venues, 242 projects and 400 artists.

We will present the answers given by the three groups of interviewees - artists, hosts and hosts & artists, according to the main objectives of our research, namely motivations, repeated participation, venue characteristics and relationships. Table 2 presents the answers related to the reasons to participate.
Considering the action and participation of our interviewees, we have questions related to repeated participation, to the used space and to investment, as we can see in Tables 3 and 4. Concerning repeated participation, we wanted to know if this repetition brings some advantages (Table 3).

Table 4 Space

ARTISTS: Are you worried about the space?	
The work fits well in any kind of space	Niki, Dino and Sue
I would like to have a more visible space	Tod
Space is fundamental to my work and might shape my work	Alba
Space is not always adequate	Dolly, Anusha and Mat
Space is not important	Aida
HOSTS & ARTISTS: How do you organize your space?	
I don´t do anything	Ali and Robin
I reorganize my space a little bit	Hazel and Joan
I change everything	Cyril
HOSTS: How do you organize your space?	
I don´t do anything	Adam
I reorganize my space a little bit	Noel and Gwen

Source: Author

Table 5 Visit other houses and spaces

ARTISTS: Do you visit other houses and exhibitions?	
Yes, because I ask to other persons to take care of my exhibition	Alba and Gail
Yes, because my space didn´t require my presence all the time	Niki, Aida, Sue and Mat
Yes, but very little because I didn´t have time and I wanted to see the reaction of the public	Tod
Yes, but very little because the quality of the works are very low	Dolly
HOSTS & ARTISTS: Do you visit other houses and exhibitions?	
Cannot visit other spaces since I need to take care of my own space	Aldo, Ray, Hazel and Robin
Visit many spots	Hazel, Ali and Robin
Visit as many spots as I can	Cyril and Joan
Would like to visit much more	Joan, Cyril, Robin and Hazel
HOSTS: Do you visit other houses and exhibitions?	
Would like to visit much more	Gwen
Visit many spots, manly private houses	Noel

Source: Author

In terms of investment most of the interviewees said that they did not spend much. The majority of the artists mentioned that the investment made was very small. Gail referred to some transport costs and Tod said he did not spend any money at all. Hosts & artists also indicated that their investment was small. Hazel said she did not spend any money because each person should be responsible for their own work, and the artists should support their own participation. Ali pointed to the pleasure he gets from this participation, and referred that Noc Noc helps him to develop his creativity and to escape routine, so he feels rewarded just by participating. Finally, hosts mentioned that they spent very little or nothing.
In terms of relationships, we identified the most important players with whom our interviewees had contact with – the general public / audience, art in general and organizers. In terms of public behavior we wanted to know if they consider that the public behaves as if they were in an art gallery or in a private home and if they interact with the host and the artist. Hazel, Robin and Joan said that people have a lot of curiosity about the houses. Normally the public is very gentle and interacts with the hosts and the artists and so they consider that public behavior is not as in an art gallery.

Ali said the space is more intimate, although because there are a lot of people coming and going, the intimacy of the spaces disappears and public behavior is very similar to an art gallery. We were also interested in the role of the event in a possible intensification of the links between the interviewees and art. Nevertheless, most of them said their attitude concerning art did not change, since their relationship with art was already strong and this event had no impact on it. Only Cyril mentioned that he is more curious about local artists. The issue related with visiting other places / houses is a little more debatable since some of the interviewees' mentioned that they would like to visit other places but felt they do not have the opportunity (Table 5).
Finally we asked about the logistic support as we wanted to know if participants considered that the organization provides enough support (Table 6):

Table 6 Logistic support

HOSTS & ARTISTS: Is there a logistic support?	
I would like to have more support	Aldo, Ray and Joan
More volunteers	Joan
More interaction	Ray
Better spot tags	Aldo and Joan
Better maps	Aldo
Organization gives enough support	Hazel, Ali, Robin and Cyril
Organization is very helpful and attentive	Hazel
HOSTS: Is there a logistic support?	
Organization gives enough support	Adam and Noel
I did not need any support from the organization	Gwen

Source: Author

5. Discussion

Our sample of participants is composed of highly educated people, generally not professional artists, who like the arts. They are not industrial or manual workers looking for a requalification and for entering the 'creative industry' cluster. The sample included a photographer, a painter, a graphic designer, and visual arts teachers, among others. Most of them participated because they consider Noc Noc a good opportunity and a worthy moment to promote their work and make it more visible. Another important reason for participants is to exhibit art in a very open and free way. The openness, inclusivity and democratic characteristics of the event are very much appreciated by the stakeholders. Some of these aspects are reflected in literature, since some interviewees mentioned that the larger benefit of participating in a cultural event appears in terms of exposure and publicity; a cultural event may be a temporary marketplace with low entry barriers, which can be a relaxed and easy opportunity (Buch et al., 2011). In line with this argument, and excluding interviewees who are participating for the first time and those who do not expect any impact since they state that their work is not for sale, most of the interviewees consider that participation brings positive impacts. Thus, from a marketing perspective, it is argued that repeated participation will result in better performances, so organizers should be able to attract different players and encourage commitment and retention (Karl et al., 2008). Gail participated in the three editions and argued that participation has an impact; she sells more and has more contacts because of the event. Dino participated only once but mentioned that there are always more people who have contact with the band and therefore will look for more information about his work. Tod mentioned that his work is still the same, but exhibiting made him think about the technique and he tried to improve a bit; he considers that more people have contact with his work and finds it very positive. Alba believes that she began to think more seriously about working in a more regular way.

Concerning the physical space organization, Niki said that poetry can work well anywhere and argued he was very lucky with the space allocated. Dino said that the space was proposed by the organization and his band liked the venue; at the same time, in his opinion, music works well in any space and therefore the space was not a problem. Sue said the space was a friend's house, so she knew it quite well. Aida said that her project needed a shop window. As she could not find a space, the organization allocated one and she considers that they were excellent mediators. Tod mentioned that he would display his work wherever visibility was good. He used his father's house, but he would prefer a more visible place, such as the extension of the museum. Physical space is also important because of the number and size of the art work. Alba developed her works considering a specific space; she needs to know in advance how much space would be allocated to her work. Anusha, Mat and Dolly mentioned that spaces are not always adequate for certain types of works; knowing the spaces help and might influence the work they develop. These three artists were not very happy about the spaces they got. Considering that the link between art work and physical space is absolutely essential, as we mentioned previously, and that some variables like space dimension, extension, localization, nature and independence of the subjects can influence the final result of the event (Paiola, 2008), in an internal marketing perspective we can say that physical space is a sensitive subject, so organizers must enhance the way they are allocating art works to spaces. Some artists are not happy with the way they get their space or with the space itself and if we consider their main reasons to participate in Noc Noc – promote their work and make it visible, get some exposure and publicity – we can say that organizers are not meeting artists expectations and so organizers should give more attention to this issue in order to improve the link between art work and physical space.

In terms of investment most of interviewees mentioned that the investment was very small. The argument of investment and participating in Noc Noc, can be used by organizers in order to attract and retain different players (Ritchie, Inkari, 2006). At the same time, Noc Noc can be classified as a low budget cultural event and these events can have an enormous potential in animating communities, celebrating diversity and improving quality of life and in being so they must be considered in a more holistic way (Quinn, 2005). According to ODC, during 2012, the year Guimarães was the European Capital of Culture, Noc Noc was one of the more profitable events of the year. Regarding commercial activities, shop owners mentioned a revenue increase around 80%, consequence of tourists and visitors. Around 95% of shop owners considered that Noc Noc had positive impacts in the city (GuimaraesNocNoc, 2013).

In terms of public behavior we wanted to evaluate if interviewees consider that the public behaves as if they were in an art gallery or in a private home and if they interact with hosts and artists. Hazel, Robin and Joan said that people have a lot of curiosity about the houses, normally the public is very gentle and interact with the hosts and the artists and so they consider that public behavior is different from an art gallery. In future, artists, hosts and organizers might consider this aspect and attracting and maintaining visitors should be done by considering this informality. Considering this informality and the characteristics and behavior patterns of first-time visitors might help them in the future, allowing the transformation of a first-time visitor into a repeat visitor (Shani et al., 2009). Contrary to this view, Ali claimed that while the venues are more intimate, because there are a lot of people coming and going, this intimacy might disappear and at times the public behavior is very similar to that encountered in an art gallery.

We were also interested to know if the interviewees' relationship with art was intensified with the event, yet most of them said their attitude concerning art did not change since their relationship with art is already intense and this event has no impact on it. Even though the interviewees' relationship with art was not intensified, we can say that in all Noc Noc editions, Guimarães lived a special time around art. The event generated a lot of movement around the city and showed the existence of art and artists even for those who are less interested in art. Thus we believe Noc Noc can contribute to cultural development by building demand for culture, enhancing venue infrastructures, encouraging local creativity and animating local involvement. This relation is in line with literature and we can mention two dimensions of cultural impacts - levels of cultural participation and levels of cultural production (Liu, 2014).

Niki visited other spaces because the space allotted to his work was not always available (open) to the public, so he could use these periods of time to visit other places and have contact with other projects. Yet Aldo, Ray, Hazel and Robin mentioned they could not visit other spaces because they needed to take care of their own space. Cyril, Joan, Hazel and Robin stated that they would have liked to visit many more places than they did (this question is related to the logistic support provided by the organization on which we will focus next). Contrasting with this opinion, Tod mentioned that most of the time he stayed in his space, beside his work, because he likes to witness people's reactions and comments. Compliments may influence his inspiration, and even less positive comments are extremely important for his work and for its progression. In terms of logistic support, Hazel, Ali, Robin and Cyril said the organization was very helpful and attentive; they maintain that the organization is a group of volunteers and as such considers them exemplary, as they are totally available, give sufficient support and work well. Yet, most of the interviewees mentioned that they would like to have more support. Aldo said that the map was poorly done, and the location of his space was not accurate. Ray reported a lack of interaction with the organization, as he would have liked to have a more central venue since his paintings are large and his space does not allow the works to "breathe." Finally, Joan said there is support through volunteers, but still she would have liked to have more support in order not to get so caught up in space; she also would have liked to have the organization visiting her exhibition.

6. Conclusion

The competitive environment is becoming gradually uncertain, active and turbulent (Simeon, Buonincontri, 2011) and events are beginning to be recognized as key tools for local development in small towns as well as in large cities (Paiola, 2008; Quinn, 2005). Festivals and events have become a significant part of the overall tourism product, although they also have important impacts on local communities. This increasing importance is leading to a growing interest in more detailed understandings of cultural events (Passebois and Aurier, 2004).
Our research intends to demonstrate that marketing strategies may have an important role in the organization of cultural events. These events play an important role in cities and communities. Normally they are associated with cultural, artistic and educational motivations and are assumed to be memorable occasions, and being as such is fundamental to comprehend and recognize its particularities. Through internal marketing and stakeholders' concepts, we presented internal stakeholders' perspectives of a particular cultural event – Noc Noc. The research outcomes support that artists' and hosts' motivations must be identified in a timely and appropriate moment, as well as their views of this particular cultural event, in order to keep them participating. We argue that the use of internal marketing strategies in cultural events is important to nurture cultural, social and economic improvement. Noc Noc can be classified as a low budget cultural event, and being so may have a key impact in a small city as Guimarães. At the same time, collaboration between public and private players is crucial for local development. Indeed, the success of cultural events depends of the correct coordination among stakeholders, public and private, and the inhabitants themselves. Cultural events can increase the attractiveness of a city or region and may have positive impacts in the local and national economy. Naturally, in order for this to happen there must be a wide interest for the event, otherwise the event may bring congestion, saturation or the call for new infrastructures. Therefore, it is vital to understand the event, its environment, the impacts in the community as well as its returns (Rodrigues, 2012).
The results of our research are relevant for the understanding of both internal marketing and cultural events. There is a contribution to the theoretical discussion related to the impact of internal marketing of cultural events on multiple dimensions of organizational performance. Our findings may be useful for artists, hosts and/or organizers of cultural events because the information gathered in this research indicates that the adoption of an internal marketing perspective, adapted to cultural events, may be useful for all the players, generating positive effects and organizational effectiveness in the event. Better organization forecast a growth in resources, higher levels of satisfaction in all the players and a growth in reputation among peers (Gainer, Padanyi, 2002).

6.1 Limitations and Further Research

The current research is not without limitations. The first one is that the research was carried out in one city only, which means that it cannot be generalized. In the case of cultural services, visitors may contribute to the success of events, so the second limitation of this research lies in the fact that we did not include the perspective of the visitors, nor of other key players like local businesses or the local municipality. Noc Noc organizers mentioned that they might become more formal as they consider building partnerships and re-organizing the way they act. Therefore, it would be very interesting to follow the evolution of the event and to analyze other players, including a deep analysis about visitors. Finally, it should be stressed that the research relies on the artists and hosts statements about their motivations, way of acting and participating and about their relationships, which were not collected during the days of the event, but before and after, which might not reflect their real action.

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Perspektive unutarnjih dionika u kulturnom događaju: Slučaj Noc Noc, Guimarães – Portugal

Sažetak

S obzirom na značajan utjecaj kojega kulturni događaji mogu imati u lokalnim zajednicama te njima svojstvenu složenost organizacije, važno je razumjeti njihove posebnosti. Kulturni događaji najčešće zanemaruju marketing, a marketing je često udaljen od umjetnosti. Stoga bi analiza perspektive unutarnjega marketinga mogla dovesti do značajnih korisnih spoznaja za organizaciju takvoga događaja.

U ovom se radu razmatraju tri izdanja (2011., 2012. i 2013.) kulturnog događaja – Noc Noc – kojeg je organizirala lokalna udruga u gradu Guimarãesu, Portugal. Njegov se format temelji na analognim događajima, budući da Noc Noc namjerava pretvoriti svakodnevne prostore (domove, komercijalna prodajna mjesta te određeni broj drugih objekata) u kulturne prostore koje umjetnici, domaćini i publika organiziraju i transformiraju. Kroz intervjue s određenim uzorkom ljudi (20) koji su bili domaćini ovoga kulturnog događaja, a ponekad također u isto vrijeme i umjetnici te sudjelovanja u tri izdanja ovog događaja, u ovom se radu analizira način na koji unutarnji dionici shvaćaju ovaj kulturni događaj, posebice analizirajući njihovu motivaciju, način djelovanja i sudjelovanja, kao i njihove odnose s javnošću, s organizacijom događaja te s umjetnošću općenito. Rezultati potvrđuju da je potrebno prepoznati motivacije umjetnika i domaćina pravovremeno i u prikladnom trenutku, zajedno s njihovim pogledima na ovaj kulturni događaj da bi se osiguralo njihovo daljnje sudjelovanje, budući da kulturni događaji s malim budžetom, kao što je ovaj, mogu imati ključnu ulogu u malim gradovima.

Ključne riječi: unutarnji dionici, kulturni događaji, umjetnost, kreativnost, Noc Noc

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BRANDING THE CITY OF ŠIBENIK AS A SUSTAINABLE TOURIST DESTINATION USING SOCIAL NETWORKS

Abstract

Sustainable tourism, as a fast-growing cultural and economic activity, offers great opportunities for steady development of branded regions and cities. Branding is an integral part of marketing, aimed at raising awareness and creating loyalty among customers. Recent trends show the growing impact of social networks in brand creation.
Croatia has one of the shortest tourist seasons in Europe, which affects the sustainability of tourism. Therefore, a pilot study of the Dalmatian town of Šibenik has been made in order to examine whether there is room for development of a sustainable tourism model through strengthening its brand with the help of modern technology, predominantly the social networks.
The rich tourism potential of Šibenik has not been sufficiently exploited for sustainable tourism through a recognizable tourism brand, and the official development strategies neglected to examine the use of social networks in achieving both goals. Therefore, an online survey has been conducted in order to determine whether Šibenik is recognized as a tourist destination through social networks.
The results should help in developing a systematic approach to the branding of Šibenik. It should simultaneously address the issue of its seasonal attractiveness to tourists, thus contributing to the extension of the season and increasing sustainability of tourism activities. In that way, the branding of the city will not turn into a traditional marketing strategy to promote its market, and may contribute to its sustainable development as well as serve as a model to similar cities.

Keywords: Branding of Šibenik, tourist destinations, social networks, sustainable development, social marketing strategy

1. Introduction

In comparison with the other 32 European countries, the tourist season in Croatia is the shortest (Roland Berger Strategy Consultants - RBSC, 2008). It starts in May, ends in September, and is unevenly loaded (with its peak in July and August), which has a negative impact on the sustainability of tourism. Furthermore, the off-season period is insufficiently exploited for development of different types of tourism (for example, there is almost no winter tourism season). In assessing the biggest business problem of Croatian tourism, earlier findings show (RBSC, 2007) that the use of new media has been assessed as the *smallest problem*, and the lack of knowledge of foreign languages as the *biggest*. In addition, RBSC's research confirmed that brands of tourist destination are insufficiently developed. Consequently, several gaps were identified, and thus formed the field for addressing the following research questions, summarized as: *how social media may influence brand development of a tourist destination in support of sustainable tourism*.
In search of a tourist city to be investigated in the pilot study, several criteria were considered, including the existence of (a) obvious tourism potential, (b) tourism development strategy based on the development of a brand, (c) web presence, and (d) recent shift/improvement of some tourism indicators compared to the previous years.
The city of Šibenik was chosen, as a blend of local culture, environment, and experience of spatial and public policies that create a sense of adventure of the visited city. The city has its strategy for the development of tourism. Furthermore, the *Situation Analysis for Strategy Development of the City of Šibenik* (2011) stresses the launching of the project on exploitation of cultural and other resources for the further development of tourism and a city brand. Another argument for focusing research on sustainable tourism and the branding of the city of Šibenik is found among the economic opportunities of the Šibenik-Knin county (2011), where the need for the extension of the tourist season was identified.
According to the Ministry of Tourism (2014), the city of Šibenik recorded a significant increase in both, the number and consumption of tourists in 2013 and 2014, which is attributed to increased investments in the development of the tourist offer (including accommodation, upgrading of the public beach, various tourist attractions, etc.).
While an improved result during peak season happens *"on its own,"* the problem of the short tourist season still remains, as well as the question of how to communicate this new, enhanced offer to tourists, and to extend the season. One of the objectives listed in the document *"Strategic orientation - Development Strategy of the City of Šibenik 2011-2013"* is *"3. Sustainable tourism,"* with an associated priority goal *"8. Further development of the tourist offer with a strong promotion on the world market."* The part of the document with a description of the respective projects that are addressing these priorities, exclusively provides the information on *developing* the offer, without tackling the issue of development or strengthening of the *brand*, or the *use of social networks* to achieve the required global or, at least, European visibility.
Also, the fact that Šibenik was in 2010 the worst ranked city among 33 Croatian cities in the calculation of the Open City Budget Index (OCBI), as a general measure of the budget transparency for each of the 33 cities included in the research, gives room for improvement in the use of social media (Bronić, Ott and Urban, 2012).
Therefore, a pilot study of the Dalmatian town of Šibenik has been made in order to examine whether there is room for development of a sustainable tourism model by strengthening its brand with the help of modern technology, mostly social networks. Since there are a large number of tourist sites, which also continue to struggle with the problems of the short season, a lack of a recognizable brand and inadequate use of social networks for this purpose, there is a possibility for further development of the project addressing these issues on a larger sample.

2. Literature review

In this chapter the following issues will be presented through literature review: (1) sustainable development and tourism, (2) branding of cities and its future and (3) social networks. In addition, an overview of some characteristics of the city of Šibenik will also be presented.

2.1 Sustainable tourism

The United Nations Educational, Scientific and Cultural Organization's (UNESCO) definition of sustainable tourism is *"tourism that respects both local people and the traveler, cultural heritage and the environment. It seeks to provide people with an exciting and educational holiday that is also of benefit to the people of the host country"* (UNESCO, 2004, http://www.unesco.org/education/tlsf/mods/theme_c/mod16.html).
The United Nations World Tourism Organization's (UNWTO) guide describes around 50 major sustainability issues, grouped as socio-cultural, economic, environmental, management and global issues. They cover a wide range of topics from the satisfaction of local communities and tourists, through the management of natural resources (e.g. water, energy, waste), land use, seasonality, employment, health and safety, planning process (Yunis, 2004). While developing a system of indicators for assessing and monitoring the sustainability of tourism in Croatia, Kožić and Mikulić (2011) examined *the United Nations World Tourism Organization's (UNWTO)* basic indicators of the sustainability of tourism. One of the indicators is the *seasonality of tourism*, which is measured by the following parameters: (a) Tourist arrivals by months and quarters; (b) Occupancy rate registered (official) accommodation by month (peak season compared to the off-season period) and percentage of total occupancy in the highest occupied quarter or month; (c) Percentage of companies that operate all year; (d) Total number and percentage of jobs in tourism which are open all year (compared to temporary jobs, open only during the season).
An additional area for research should include the study on *responsible tourism* as tourism *"that creates better places for people to live in, and better places to visit"* (Gonzalo, 2013). Responsible tourism exceeds three pillars of sustainable tourism (economic, social and environmental) by including industry role-players in the tourism sector and their responsibility for achieving sustainable development through tourism. Clearly, the determinants of sustainable and responsible tourism provide enough space for better and effective use of new technologies, social media, mobile devices and the collaborative economy.
Numerous challenges of tourist destinations should be facilitated in order to allow both travelers and locals to have a stronger voice and power, to take initiatives and enable a higher potential for meaningful connections that may lead to better use of resources, and sustainability of the tourist destination.

2.2 Branding of cities

In order to become globally competitive in comparison with other tourist destinations, cities need to become recognizable and thus develop their brands. The most important factor for creation of a brand of a city is visibility. According to the American Marketing Association, brand is defined as *a name, term, design, symbol, or any other feature that contributes to a sale of goods or services different from goods or services of other vendors*. According to Vranešević (2007), a brand is made *from the name and/or brand characteristics, and other elements and activities that producers allocate to any product, service or idea that would thus inform the market about their uniqueness in general and/or in comparison to other competitive products.*
Selection of brand elements depends on six criteria: memorability, meaning, attractiveness/likeability, transferability, flexibility and protectability. The first three are used, according to Vranešević (2007), in *building brand equity and exploitation in other markets in other product categories*. The elements of building a brand should be such that they can be easily noticed and remembered. They should refer to the value of the product and therefore they are more important if the product does not have some extremely easily recognizable distinctive advantages. The last three criteria for choosing brand elements and utilizing their values (transferability, flexibility and protectability) are important for brand management over time and for expansion to different markets and different product categories.
In the globalized world each country, and thus their cities, want to establish themselves and prosper in the global competitive market. Therefore, the creation of brand strategy for the future development of a city should comply with the strategic objectives of the city authorities and the prosperity of the community in the future.

However, the strategies depend on the key specific advantages of cities, and therefore can be based on the following predispositions (Paliaga, 2008): (1) historically dominant and famous cities (Rome, Berlin, London, Paris); (2) capital cities; (3) cities with an important position within their own country as a financial or transportation center (Milan, Shanghai, Sydney); (4) cities which play a significant role in the context of the EU or other transnational associations (Brussels, London, New York); (5) cities - organizers or hosts of special sports or other social events (Athens, Barcelona, Atlanta, London), and (6) highly specialized cities (Singapore, Shanghai, Dubai, etc.).

The ultimate goal of city branding is to make a brand out of the *name* of the city and as a result create favorable conditions for investors, the economy, tourists and the citizens themselves, who must be a part of such a project. Implementation of marketing programs is needed in order to increase the market value and visibility of the city brand. Branding should refer to the creation of the brand of the city as a whole, and not as part of the city or part of the *tourist product*. Both, the brand and the creation of the city brand may be considered only upon implementation of the basic concepts of urban marketing (Clifton and Simmons, 2003).

It is, therefore, necessary to develop urban marketing (Chevrant-Breton, 1997) as the concept of the city that determines the local goals and ways of their implementation within a particular city. It becomes an opportunity and possibility for every city in Croatia to highlight some particular elements of urban places, whether these are socio-cultural, historical, natural, tourism or economic elements. Therefore, it is necessary to advance the urban quality of the basic components that make up the city's positive image and develop its brand. The city should be both, successfully managed and active in organizing various activities, including promotion, lobbying for the city, attracting the capital, and using effective communication channels and tools (including social networks).

Major opportunities, threats, strengths and weaknesses will define the attractiveness and the appeal of a particular city. That analysis can be performed within several categories (Kotler, Heider and Rehn, 1993). An ideal city is the one which, based on the SWOT analysis, indicates the greatest opportunities and least threats in its environment. There are also: (a) speculative cities (cities that indicate a high degree of opportunity, but also just as many threats), (b) mature cities (cities with a low level of opportunity, but also the low level of threats), and (c) problematic cities (cities with low level of opportunity and a very high degree of threats) (Paliaga, 2008).

Finally, the developed city brand will allow the respective city government better planning of budget revenues, better management of real estate, rational environmental management, achievement of better tourist turnover, more successful local economy, which ultimately results in a more stable political management of the local government. It also provides an impression that the development of the city as a successful brand is a result of good governance.

2.3 The future of city brands

The future and completeness of the brand stems not only from an emotional connection with the product; as a "fine-packaged" product it has a function in the lives of consumers. Like all other brands, in order to become *preferred brands* and remain as such in the future, cities must possess the (a) energy, (b) innovation, and (c) be well connected. A good example of the *energy* that doesn't mean only *managers who launch the brand with their ambition and vision*, but the complete effort that *makes desirable the whole product category by encouraging competition in action, innovation and high-quality marketing communications* (Babić, 2013) are Apple and iPhone, which triggered the entire IT and communications industry. Another determinant is *innovation*, which must have a useful purpose. Products that have created an imposed, artificial (non-existent) purpose, will eventually be uncovered by consumers. Useful innovations, as a segment of branding cities, are particularly relevant to the creation of cultural events in the cities. Such events cannot easily be copied by other cities, which make them very specific and rare among them. Therefore, they are of high value.

An example of a good use of useful innovation is the city of Perugia in the Italian province of Umbria, which offers two special events: the World Festival of Jazz (addressing an exquisite audience) and the World Festival of Chocolate (the biggest festival of that kind in the world by the number of visitors). In 2012, the festival was visited by over 1.5 million visitors in ten days (www.eurochocolate.it). During the festival, the whole town lives with one word - chocolate. All shops and restaurants introduced events on the theme of chocolate.

A bad example of attempts to brand cities through events that bear the *sign of innovation* are many old crafts fairs, wanted by almost every place in Croatia. However, this is not about branding the city, but branding the *need of tourist* boards to meet the local inhabitants' wishes to have a memory of old crafts. In doing so, they forget that the city should be developed for tourism, not for the locals. Potential visitors should see a particular kind of destination, and be attracted by the unique and differentiated content and its brand.

The third determinant of the creation of a desirable brand is *good connections*. It's not just about the connections with the target group, but with certain segments or even fragments of consumers within these target groups (Wood, 2000). As an example of such a branded city, the city of Munich should be mentioned, as it established itself through the *Oktoberfest* as the "event that is awaited all year round." In addition to the entertainment that is offered for visitors of all ages, the majority of the attention addresses beer consumers.

2.4 Social networks and tourism

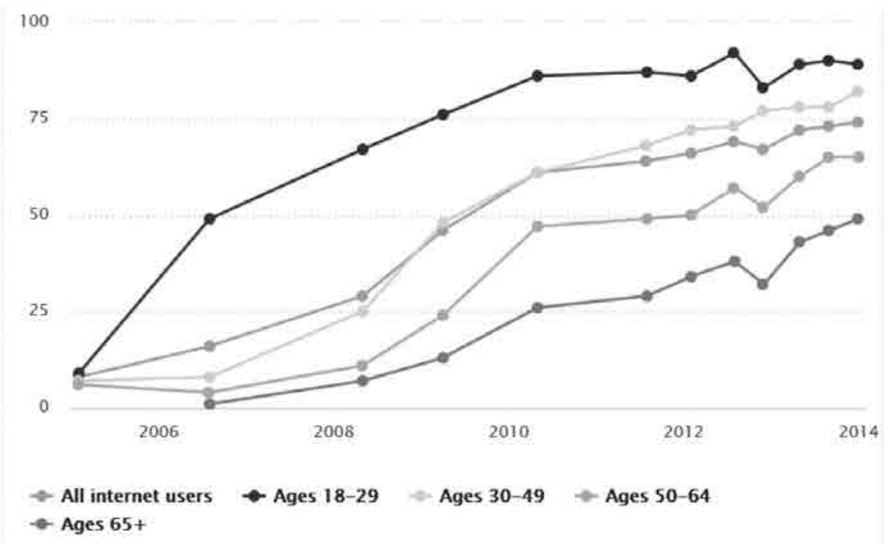
Weis (2010) claims that the Internet has been the incubator for new network technologies, far surpassing the expectations of worldwide network suppliers. He also claims that the two basic reasons for the success of the Internet are: (1) the Internet satisfies the needs of its users and (2) its technologies were developed by solving real problems. The Internet is a large network that almost instantly connects computers and users around the globe. This definition provides the groundwork for describing Social Networks as one of the defining factors of the Internet as both the Internet and Social Networking Sites (SNS) share a similar appearance. Boyd and Ellison (2008) define Social Networking Sites as *web-based services that allow individuals to (a) construct a public or semi-public profile within a bounded system, (b) articulate a list of other users with whom they share a connection, and (c) view and traverse their list of connections and those made by others within the system*. Armstrong and Hagel (1996) claim that *these social networks serve the consumers' needs for communication, information and entertainment*. As a technology which satisfies the needs of the users, SNS have changed the Internet and the world, becoming one of the fastest growing Internet applications in the past two decades, attracting millions of users and existing in numerous forms (such as MySpace, Facebook, Twitter, YouTube, Flickr, LinkedIn etc.).

Using SNS in marketing and tourism is, therefore, a necessity, as users and brands can shape their personal networks and encourage action of others by performing actions on sites such as Facebook, YouTube and Twitter. Trusov, Bucklin and Pauwels (2009) suggest that SNS help produce positive outcomes such as attracting new members to web sites. Effective traditional Word-of-Mouth (WOM) marketing can be linked to SNS as it is a particularly prominent feature on the Internet. Major categories of the WOM marketing activities on the Internet include viral marketing, referral programs and community marketing. The results of the study show that WOM referrals strongly affect new customer acquisitions at the social networking site.

SNS can, therefore, prove to be a very influential communication channel as it effectively utilizes WOM and advanced technology to transmit messages anywhere and anytime. The positive effects of WOM can even be boosted as a single user can instantaneously transmit his message mainly for free to many people, thus influencing them. The same applies if the opinion leaders share negative thoughts about brands, tourist destinations or any other factor. In the end, the understanding of the factors that create effective WOM can be very helpful for marketers (Van Doren, Fechner and Green-Adelsberger, 2010).

The percentage of online adults who are becoming active users of social networking sites is continuously rising. Report on *Social media use by age groups over time*, provided by the PewResearch Center (2014), in the section "Older Adults and Technology Use," in January 2014, indicates that around 74% of all online adults use social networking sites (see Figure 1 indicating that 89% of adults ages 18-29, 82% of adults ages 30-49, 65% of adults ages 50-64, and 49% of adults ages 65+). In addition, 27% of older adults use social networking sites such as Facebook, but these users socialize more frequently with others compared with non-SNS users.

Figure 1 Social networking site use by age group, over time



Source: PewResearch Center, http://www.pewinternet.org/data-trend/social-media/social-media-use-by-age-group/

The number of passengers, whose travelling is guided by information obtained from the Internet, is continuously growing. Relevant tourist institutions in Croatia have recognized the potential of new media and are effectively using it in advertising. In 2013, the Croatian National Tourist Board allocated substantial funds to be invested in online communication, especially Internet advertising (Čolić, 2013).

2.5 The city of Šibenik as a brand

As a fast-growing economic and cultural activity, tourism offers plenty of opportunities for the development of regions and cities. The cultural, historical, and natural potential for tourism in the Dalmatian town of Šibenik is not sufficiently exploited to create a recognizable tourism brand for that city. Branding is a serious process that forces all participants from the bottom to the top of the organization (the city) to work hard from the very beginning of the branding process until its successful completion and creation of a city as brand. Ultimately, the viability of each brand depends on the management of all relationships between the company (the city), and both existing and potential clients (Keller, 2003). Therefore it is necessary to measure (1) brand development, (2) brand refinement and improvement, (3) brand effectiveness and (4) brand protection (UNWTO, 2004).
In the strategic document *Situation Analysis for Strategy Development of the City of Šibenik* (2011) the need to exploit cultural resources for the further development of tourism and branding of the city has been underlined. Since the *Analysis* advocates for the use of traditional tools and resources, and there is a lack of research on the impact and significance of the Internet and social networks in identifying the city's recognition as a tourist destination, an online survey has been conducted in order to determine whether Šibenik is recognized as a tourist destination through social networks.

3. Methodology

In May and June 2013, online research was conducted on a sample of 450 respondents, identified through the channels of the Croatian Ministry of Tourism, authors' networks, and student and entrepreneurship associations. The questionnaire had 55 questions grouped into 4 sections addressing: (1) general questions (including demographic data, travel preferences, social network presence, etc.); (2) the city of Šibenik; (3) Croatian tourist destinations; and (4) linkages between the branding of cities and respective sustainable development.

In the beginning of the questionnaire, the participants were offered the following definitions: *brand* (set of tangible and intangible characteristics of a product or service), *sustainable development* (development that meets the needs of today's generation and without compromising the ability of future generations to meet their needs), *tourist destination* (organized and market recognized spatial units, with tourism product/s as a result of original and derivative travel deals that have actual or potential marketability of the tourist market), and *social networks* (web-based services that allow individuals to (a) build a public or semi-public profile within a bounded system, (b) articulate a list of other users with whom they share a connection, and (c) watch and use their own list of links and lists other connections within the system).

4. Research

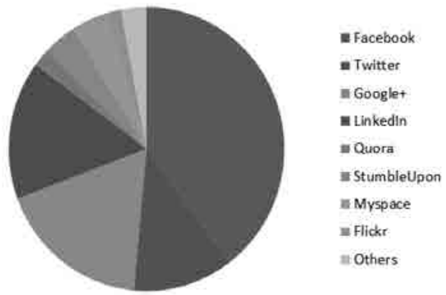
In the following pages, the analysis and the results of the research are presented. They are divided into 4 sections: demographics, the city of Šibenik, comparison with other destinations, and branding of the cities and sustainable development.

4.1 General questions: Demographics and attitudes of respondents towards travel and social networks

In the first part of the research, general questions regarding demographic data and travel preferences are addressed. Most respondents (69%) are aged 18–24. The second largest group (23%) is aged 25–30 with the older age groups accounting for the remaining 8%. As the research was conducted online, it was expected that most respondents are young. The respondents are mainly female (66%), with male respondents accounting to a lesser extent (34%). The majority of respondents are *students* (62%), followed by *employed non-students* (19%), *employed students* (13%), and *unemployed non-students* (5%). In total, a majority of three-fourths (75%) are students, employed or unemployed. The issue of limitations on the ability to travel due to study obligations was not examined, and was not mentioned as a constraint.

The question concerning the income class is important as it often defines the traveling habits of an individual or a group. The majority of respondents (36%) stated that they are in the lowest income class, with less than HRK 1,500 per month, which corresponds to the status of students. The second largest income class (15%) is HRK 1,501–2,500, and the third and fourth have the same number of responses (11%) for amounts of HRK 2,501– 4,000 and HRK 4,001–7,000. The two last categories both have the same number of responses (2%) and are for amounts of HRK 7,001–10,000 and over HRK 10,001. One fourth (24%) decided not to answer the question.
The respondents are mainly from Zagreb (42%) and Šibenik (17%). However, there are respondents from every part of Croatia ranging from Osijek (3%), Bjelovar (2%), Dubrovnik (2%), etc. The geography of the demographic is very diverse, thus giving a different perspective on Šibenik as a tourist destination.
When asked about the frequency of business trips, 68% of respondents stated that they do not travel, one fifth (21%) travels less than ten days per year, few respondents (8%) travel 11 to 60 days per year and the least (3%) travel more than 61 days per year. These answers were to be expected as most of the demographic are younger students that still do not travel for business.
When asked how often they travel for private reasons, the majority (60%) responded that they spend 11 to 60 days per year travelling, contrary to the previous question. The second largest group (28%) travels less than ten days per year. Some (9%) travel more than 61 days per year and the least (4%) do not travel at all. The conclusion from these two questions is that most of the respondents travel at least once a year for several days. The respondents (77%) travel more often inside Croatia, not abroad (23%), which is logical due to the low income power of students in this research.
In the following part of the research, the scope and way that social media is used is considered (Figure 2). The majority (97%) use some channels of social media, with most respondents using Facebook (40%). Others include Google+ (18%), LinkedIn (16%), Twitter (12%), Stumble Upon (4%), MySpace (4%), Quora (2%) and others (3%). It is important to note that the users had the option of selecting multiple social media channels, thus Facebook was selected by 99% of all the users of social media, making it the platform with most users.

Figure 2 Distribution of used social media channels



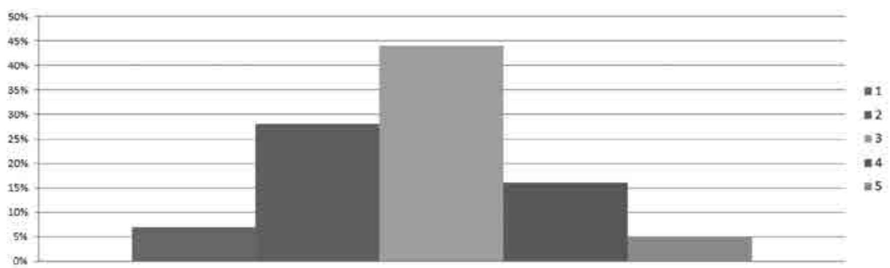
Source: Author

Of all the users of Facebook, the majority (86%) use it very often, whereas a smaller percentage (11%) uses it occasionally. This is expected as it is the network with the most users and activity. Twitter users either have an account, but do not use it (33%) or use it occasionally (28%). Some respondents use it rarely (26%) whereas a smaller percentage use Twitter often (12%). This social network is still not strong on the Croatian market. Google+ is mostly not used (56%). Other respondents use Google+ rarely (27%), occasionally (15%) and a very small percentage uses it actively (less than 1%). This result is expected because most users create a Google+ account since they already have a Google mail account.

Half of the LinkedIn users use the site occasionally (50%). Many use it rarely (29%). It is also used often by some respondents (13%) or not used at all (8%).

This social network is business-oriented and does not require frequent checking as it is mainly used for creating an online CV. The remaining three social media channels, StumbleUpon, MySpace and Flickr, are mostly used rarely or not at all (the user has an account, but does not use it). This is understandable as their popularity on the Croatian market is much lower than that of the previously stated. Respondents were also asked about their perceived perception of the social media channels, more specifically, regarding the amount of content served by the software and the security of the channels, which is mostly related to privacy issues. The users of social media channels have a mixed perception, but generally a good one (Figure 3). Most show a medium level of satisfaction (44%), whereas the second largest number of respondents is more satisfied with the channels (28%). The next ranked group is satisfied with the social media channels less than at the medium level (16%) with only a small amount of respondents who are fully satisfied with the social media channels (7%) and those who show no satisfaction at all (5%).

Figure 3 Overall satisfaction with social media channels



Source: Author

The conclusion regarding social media is that most of our younger demographics (97%) use some form of social media. Almost every response included the use of Facebook, and it also reported on the most intensive use of this social media channel. LinkedIn, the second social network by the frequency of use, is followed by Twitter.

4.2 The city of Šibenik

The section of research regarding the city of Šibenik deals with how respondents perceive Šibenik, based on their previous experiences. Most of the respondents (83%) visited Šibenik at least once in their lifetime, mostly in summer (44%), followed by spring (23%), fall (17%) and winter (16%). This makes it clear that Šibenik is a summer tourist destination, with most of the respondents having some personal connection with the city.

Reasons for visiting Šibenik included tourist visits (46%) and staying with a friend (17%), whereas others answered that they were in Šibenik for educational (10%), business (6%) or other (7%) purposes. Some respondents are from Šibenik (14%). This makes it clear that Šibenik is mostly visited as a summer tourist destination, with no other specific branding.

Most respondents stated that their awareness (knowledge) of Šibenik is based on their personal experience (48%). Some have a deeper insight about Šibenik based on recommendations (16%) and TV reports (16%). Other responses included reviews (9%), promotional materials (6%) or other (5%). This is important input as social media is mostly about sharing good personal experiences.

When asked about familiarity with the promotional materials of the city of Šibenik, most respondents (74%) stated that they did not come across any. It indicates that Šibenik may not be investing enough in promotional materials. Making use of social media to boost the word-of-mouth of personal experience may prove crucial in the future of Šibenik.

Respondents are familiar with the promotional materials that range from social media (25%), online ads (21%), flyers (22%), billboards (20%), advertorials (10%) and others (2%). It was not specified whether the materials were official or unofficial, what the materials were and if they resulted in changing the perception of Šibenik. This question was intended only to test the respondents to see which channel they feel influences them the most. The following question was a matrix of choices in which respondents were asked to discern how important they find various factors that define the tourist attractiveness of Šibenik based on their personal knowledge. The given options were the cultural sites, cultural events, natural sites, beaches and the sea or the islands. As the beaches, the sea, and the islands are actually natural sites, the responses can be seen as a kind of a similar group of answers.

Most respondents find *cultural* and *natural sites* to be very important factors in defining Šibenik as a tourist destination. While *the islands* are also very important, *the beaches* and *the sea* are not important tourist attractions (most probably due to the fact that the city of Šibenik did not have a beach in the city until the summer 2012). Therefore, the respondents do not associate Šibenik with the beaches and the sea as much as they may associate it with other tourist destinations. There are several important *cultural events* in Šibenik, such as festivals for various target groups throughout the summer. Šibenik was even promoted as "the city of festivals" in 2013. The answer that *cultural events* are less attractive than *natural beauties* is a finding that may influence future branding efforts. On average, 10% of the respondents cannot evaluate what is the most important factor of the tourist attractions in Šibenik. The respondents were then asked to give "top of mind" answers on "what they think of when they think about Šibenik as a tourist destination." This was a descriptive question so quantification is impossible and the answers were very diverse. Most included obvious answers such as specific *cultural* or *natural sites* that are offered in the next question. Some answers included *famous athletes*, *musicians* or *certain parts of Šibenik* (bridge, alleyways). It is important to note that a lot of respondents also find the city to be "rude," "boring," "dead" and "not worth visiting" because there are no other "top of mind" associations.

The next question was a sum of the most popular tourist attractions in Šibenik (Figure 4). The users picked the ones they found to be the most popular. The top three results were St. Jacob's Cathedral (22%), the Terraneo festival (19%) and National Park Krka (18%). Following are the Four Fortresses (13%), the International Children's Festival (9%), the 4 Wells Restaurant (5%), Banj (4%) and others. This question indicates that there are three main tourist attractions in Šibenik, while others are less known and may require further promotion.

After this question, the respondents were asked if they find Šibenik internationally recognizable. Most responded that they find Šibenik *less recognizable than many other destinations* (63%). One fifth finds Šibenik *equally recognizable as other cities* (22%) whereas a small number (4%) finds Šibenik *more recognizable*. One ninth (10%) are not sure whether Šibenik is recognizable internationally.

Figure 4 Popular tourist attractions in Šibenik

Source: Author

To further research the use of social media regarding Šibenik, the respondents were asked if the tourist attractions of Šibenik are well represented on the communication channels. The responses are very negative, as most respondents (40%) claim that the *tourist attractions are mostly not well represented*. The next ranked group (24%) answered that *tourist attractions are not at all represented on social media*. There are (5%) more optimistic respondents who stated "mostly yes" as an answer, and a small number (1%) that stated the answer "yes." Also, some respondents (13%) stated that they did not know. This is a clear indicator that the respondents who follow social media (mostly Facebook) are very critical of the way social media channels are used for the promotion of Šibenik. Also, the responses to this question are in a way contrary to the previous question in which 25% of the respondents found that they are familiar with Šibenik using social media as a promotional tool, which may make that question irrelevant.

The last question in the section was a general one to find out what kind of promotional tools respondents find important in today's world; whether they believe the conventional offline methods are still the imperative, or that the shift to digital channels (including social media) is necessary. Most respondents (64%) answered the top three values in favor of the digital channels. Medium values were selected less (35%), and only a small percentage (1%) finds that traditional channels are more effective than the digital in today's world.

In conclusion of this part of the research (the city of Šibenik), we find that most people who visited Šibenik did so in the summer or spring, mostly for tourism. Also, the answers were mostly based on personal experience. The existing natural and cultural sites are most important in defining Šibenik as an attractive tourist destination, with cultural events falling short. Šibenik is perceived as not a very competitive city in international tourism and as a very traditional one, because of its inability to promote itself through social media. Also, it is important to note that many respondents believe that digital channels are necessary in promoting a city.

4.3 Comparison with Croatian and international destinations

In this part of the research, the respondents are asked to evaluate tourist destinations in Croatia. Most respondents (42%) feel that Croatian cities are *very recognizable* to tourists, or more simply put, that they are *distinctive* from one another. Fewer (32%) respondents feel that they are *neither distinctive, nor undistinctive*. Even less (15%) think that the cities are *not at all distinctive* and a small percentage (12%) finds *every city unique*. Since not all cities in Croatia are well branded, this might prove to be a very important finding for the future of branding.

When asked which three cities they find most recognizable to tourists, the answers were somewhat expected. Dubrovnik is by far the first (28%), Zagreb follows (20%) and then Split (19%). The next are Opatija (8%), Zadar (8%) and Rovinj (4%). Šibenik has fewer responses (1%). It is important to note that Vodice, the tourist city near Šibenik, has more votes that Šibenik (3%).

A comparison with international destinations was made in the following questions. Respondents were asked to answer if they feel that the 6 offered destinations from 6 European tourist countries (selected by similarity in size and targeted groups of tourists) are *less*, *equally* or *more* recognized as a tourist destination than Šibenik. The results find that Valencia, Porto and Bordeaux are much more recognized as tourist destinations than Šibenik. The answers regarding Bari and Epidaur point to the fact that Šibenik is equally or more recognized as a tourist destination than these two cities. The answers regarding the tourist destination of Kotor, however, are very diverse and point out that it is less, equally and more recognizable than Šibenik.

4.4 Branding of the cities

In the final stage of the research, the respondents were asked if the branding of the cities can help in sustainable development. As previously stated, *sustainable development* was defined at the beginning of the research and all respondents were familiar with the given definition. Most (91%) feel that branding is the right way, whereas a minority (2%) states that branding cannot help in sustainable development. The rest (7%) does not know what to answer.

If the respondent answered "Yes," he/she was taken to a specific series of questions. If the response was "No," he/she was taken to a different series of questions. The following are the results of both series of questions.

4.4.1 Response "Branding helps in sustainable development"

The respondents, who have stated that "branding does help in sustainable development" (91%), were asked to select one of the four answers defining what is the *sustainable development,* to be sure that they fully understand the term. The majority (59%) responded: it is *growth that keeps pace with the responsibility towards the environment and the society*. The next answer (19%) was *growth that employs more than 80% of the population*. The third answer (12%) was *growth that finds that all inhabitants must equally participate in ecology* and the final (10%) that *it is growth that considers city government as an encouraging factor of green economy*. The correct answer is the one that had the most responses, which is an indicator that majority of respondents understand the term *sustainable development.*

The respondents were then asked if they find that *branding of cities can help in their development.* As it was a descriptive question, the answers were very diverse, with many people finding branding to be an important part of boosting the number of tourists visiting a destination and improving the quality of promotional activities. Many respondents even tried to think about it practically, showing their ideas of using culture or nature as a basis for branding the city. The respondents feel that hype can be created and used for boosting sales, especially for well segmented target groups. That observation is very important as some respondents find that many cities lack a well-developed strategy and/or tourist offer.

Regarding the time frame in which branding can help a city, most (42%) answered that branding helps *within one or two years*. Some feel that this period is longer, ranging *five to ten years* (38%). As answers vary a lot, it is important to note that the size of the investment, creativity and many other factors influence the time frame in which branding proves to be beneficial.

When asked what they feel is the most important factor in recognizing a city, most respondents (29%) find that the *overall feeling* (not specified) is important, followed by the *tourist offer* (27%). It is also important if the *city appears beautiful* (17%) or if it is *advertised* (14%). The *name* (6%) and *logo* (3%) of the city are less important. These findings may also prove important in the practical process of branding.

In the final question, respondents were asked if they find using social networks a necessity in branding cities. Most respondents (85%) do, and a smaller number (15%) does not find social networks to be important.

In this part of the research, we have found that most of the respondents who feel that branding of cities is important, know what the real definition of sustainable development is, that most of them believe branding can be done in one to two or five to ten years and that the overall feeling and the tourist offer are considered the most important factors in recognizing a city as a brand. Also, the information that 85% believe that social networks are a necessity is very important.

4.4.2 Response "Branding does not help in sustainable development"

If the respondents answered that they feel *the branding of cities cannot help in their sustainable development*, they were asked to explain why. The answers were related to the fact that the respondents do not know how that can actually help, therefore proving that they are not fully aware of the possibilities of the branding of cities.

The final question was similar to the last question of the other poll, regarding the opinion on the necessity of using social networks in branding cities. In this case, the majority (67%) chose that they feel that social media are necessary in branding cities. When respondents found that branding helps in sustainable development, this answer was much higher (85%) which is an indicator that respondents have a different perspective on the necessity of social media based on their beliefs regarding branding and sustainable development.

5. Discussion

The research aimed to provide an answer to the following knowledge gap: can (and how) social media influence the development of a tourist destination as a brand, in support of sustainable tourism. This research is made on the example of the city of Šibenik, as an attempt to examine whether there is room for development of a sustainable tourism model through strengthening its brand with the help of modern technology (social networks). An online survey was conducted, and provided research material regarding travel habits, social network presence, tourism potentials of the city of Šibenik, comparison with Croatian and similar international tourist destinations, and feedback on the connection between the branding of cities and their sustainable development.
Most of the respondents were students from all over Croatia, mainly from Zagreb and Šibenik. They spend their holidays on the Adriatic Sea, travelling within Croatia. They are in the lower income class and travel on average 11–60 days per year by own arrangements, mostly in Croatia. Since the majority cannot spend a lot of money on traveling and very carefully chooses the travel destinations, social media is considered as a very important factor.

As most respondents do not travel on business, this study didn't further research the possibilities of business or conference tourism. Therefore, the area for further research should include the potentials of MICE tourism (Meetings, Incentives, Conventions and Exhibitions). In 2013, Croatia was ranked 41st in the world (22nd in Europe) with 69 meetings a year, with the following ranking of cities: Zagreb (world rank 79th, European rank 42nd, 32 meetings), Dubrovnik (world rank 117th, European rank 70th, 20 meetings) and Split (world rank 328th, European Rank 164th, 6 meetings), so it should certainly be examined for development of sustainable tourism and building a city brand (ICCA 2014), with an inclusion of business-to-business (B2B) systems.
The response that almost all respondents (97%) use some channels of social media (Facebook 40%) is highly relevant, as it stated that promotion is mostly done through social media. However, it is not clear if the promotional materials originated from the official social media profiles of the city of Šibenik, or are they simply shared as personal stories and read by friends on social networks. This should be further researched, in order to design smart, overreaching promotional materials.
Due to the fact that around 10% of the respondents could not single out the most important factor for tourist attractions in Šibenik, and almost two thirds of the respondents find that Šibenik is *not internationally recognizable and recognized*, there is obvious room for improvement of the process of building a brand. Furthermore, this process should include the necessity to promote through social media the boosting of the word-of-mouth of personal experience, since digital channels are earmarked as crucial in promoting a city.
According to the comparison with international destinations, Šibenik is not recognized among the listed top destinations, but might have a chance in achieving better regional recognition/visibility, compared with the destinations in Italy, Greece or Montenegro. This finding can be interesting for future branding.
In search of social innovations that will address the issues of sustainability in tourism and the development of *smart cities of the future*, this paper advocates for small steps on the concrete example of the city of Šibenik: to increase its visibility with better use of social media and thus reduce seasonal dependence of incoming tourism.
The issue of social media use is researched on the sample of the young population in order to receive an educated feedback of *actual* users (not of *to-be* users, or *recent* users). The behavior of social media users in tourism has no significant difference with regard to age. (However, there are some gender differences on how men and women use social media differently, but that was not the object of this particular research).
Measuring brand value of cities is still in its beginnings, and it is clear that the intangible value increasingly makes the total value of these cities. Brand carries most of these intangible values. Since brands today require large investments (both financial and market investments), they need to be constantly systematically monitored, evaluated and checked to continue to meet the expectations of all stakeholders. Measuring brand equity provides an answer to the question "*whether our consumers continue to buy our brand.*" Unlike traditional media approaches (Paliaga, 2008) in the construction and promotion of the brand, the advantage of using social networks to build and strengthen the brand of the city is in its simplicity and low maintenance costs, and is far-reaching.
Learning from lessons available through the best practices in city branding, and taking into account gaps identified in branding the city of Šibenik, more efforts should be made in developing innovative and efficient city brand management. As indicated in the Urbact City Logo's "Innovative Place Brand Management" there are several themes in moving forward integrated city brands: management (re-thinking organizational models), building (beyond the market approach), revisiting channels and communication tools (impact of the digital shift), and segmentation strategies (towards visitors, business, talent, locals, etc.). Also, further steps should include in-depth research and mapping of stakeholders in the field of (a) sustainable tourism development, and (b) city branding, with regards to the stakeholders involvement in sectoral city brands (cultural, natural, entertainment, etc.) and integrated ("umbrella") city brand.
The strategy which recognizes social media, and encourages collaboration, knowledge sharing and tapping of field capabilities that can collectively create a competitive advantage (Deiser and Newton, 2013), has a better foundation to achieve all desired objectives.

6. Conclusion

The insufficient exploitation of tourism potential for sustainable tourism development through development of a recognizable tourist brand of the city of Šibenik can be alleviated by the use of adequate tools, including social networks in achieving both goals. Our research has shown the areas for improvement of branding the city of Šibenik and explored the need for use of social networks for building a brand for a tourist destination. It also explores why and how social media may act in support of sustainable tourism (the component of extended season) or precisely, how can the city benefit from the use of various forms of technology and social media in achieving the positive impacts of tourism and extending its quite short tourist season (Aly and Frew, 2014).
The branding of Šibenik must be approached systematically, with the goal to simultaneously try to solve the problem of its periodic (seasonal) attractiveness to tourists, and thus contribute to the extension of the season and, consequently, sustainability of tourism activities. In this way, the branding of the city will not turn into a mere marketing strategy to promote its market (local culture, environment, and experience of spatial and public policies that create a sense of adventure of the visited city), but will also contribute to its sustainable development.
Respondents believe that branding can help a city in becoming sustainable within a time frame of one to ten years, depending on the efforts and resources invested in branding. By comparing the sustainability of tourism activities of Šibenik and well-branded cities, there is a clear need to further elaborate a strategy of promoting and branding Šibenik through social networks. It is a simple, far-reaching activity. Šibenik should increase its presence on the international tourist market through social networks in order to strengthen its image of a tourist destination. Further plans on strengthening the city brand of Šibenik through social networks, and thus going towards desired sustainability, should include measuring brand development, its refinement, improvement, and effectiveness, as well as brand protection.
In conclusion, the results of our study indicate a high probability that the stronger visibility of Šibenik may contribute to extending the season, enhancing the range of reasons for visiting Šibenik, as well as increasing the number of visitors and the length of their stay. This should be further explored in-depth, and on a much broader pool of participants. Furthermore, the contribution of branding to sustainable development of the city should be measured and recorded in the next years, so the experience and results could serve as a model to addressing these issues in similar cities.

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Brendiranje grada Šibenika kao održive turističke destinacije korištenjem društvenih mreža

Sažetak

Kao brzorastuća gospodarska i kulturna aktivnost, turizam nudi velike mogućnosti za razvoj regija i gradova. Bogat kulturni, povijesni i prirodni turistički potencijal Grada Šibenika nažalost nije dovoljno iskorišten za stvaranje prepoznatljivoga turističkog brenda. Gradovi grade svoje brendove na posebnostima lokalne kulture, okoliša te prostornih i javnih politika koje stvaraju osjećaj avanture pri boravku u gradu. Brendiranje je sastavni dio marketinga s ciljem podizanja svijesti o brendu i stvaranja lojalnosti među kupcima.
U *Analizi stanja – Strategiji razvoja Grada Šibenika* (2011) naglašena je potreba pokretanja projekta iskorištavanja kulturnih potencijala za daljnji razvoj turizma i brendiranja grada. Budući da ova Analiza zagovara uporabu tradicionalnih alata i potencijala te da joj nedostaje istraživanje o utjecaju i važnosti interneta i društvenih mreža za utvrđivanje je li grad prepoznat kao turistička destinacija, provedeno je on-line istraživanje na uzorku od 450 ispitanika s ciljem utvrđivanja je li Šibenik prepoznat na društvenim mrežama kao turistička destinacija.
Brendiranju Grada Šibenika treba pristupiti sustavno s ciljem istovremenoga pokušaja rješavanja problema sezonske privlačnosti za turiste te time pridonijeti produljenju sezone i održivosti turizma. Na ovaj način, brendiranje grada neće se pretvoriti u običnu marketinšku ili promotivnu strategiju, već će dugoročno pridonijeti njegovom održivom razvoju.

Ključne riječi: brendiranje grada Šibenika, turističke destinacije, društvene mreže, održivi razvoj, strategija društvenog marketinga

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A MODEL FOR ESTABLISHING AND DEVELOPING RELATIONSHIPS WITH VISITORS OF THE KOPAČKI RIT NATURE PARK BASED ON MOBILE TECHNOLOGIES

Abstract

Kopački rit as a nature park is a great tourist attractor in northeastern Croatia. Its flora and fauna used to attract people for economic reasons, whereas today people mostly visit it for educational and tourism purposes. Visitor loyalty is increasingly important in tourism development today. One-time visitors cannot be the basis of tourist demand. Such guests often visit a particular destination motivated by global political trends, and not by the need to visit the destination itself. For example, the increased number of guests in Croatia in the past few years is a result of political events in Greece and North Africa. Once the political situation in their primary choice is stabilised, such guests will be lost. Therefore, among many guests of Kopački rit one must recognise those, for whom it was their primary destination, and establish a relationship with them. To achieve a targeted tourist offer, the Nature Park must implement relationship marketing by means of Customer Relationship Management (CRM). The aim of this research is to explore and define an optimum model of the CRM system that would offer a long-term solution to the problem of customer relationship development with visitors to Kopački rit. The research will be carried out deductively, and the methods used to realize the research aim are to be systematic analysis, causal reasoning, descriptive modelling, and logical experiment. The result is a framework model of a marketing database and a descriptive conceptual model of the CRM system for Kopački rit, both of which will use the potentials of mobile and information and communication technologies.

Keywords: Kopački rit Nature Park, tourism, marketing, relationship marketing, CRM, mobile phone devices

1. Introduction

The Nature Park Kopački rit is a non-profit organisation whose primary task is managing one of the biggest ornithological reserves in Europe. In addition, it is well known for its flora and fauna diversity, especially the species characteristic for the marshland ecosystem. It is not surprising that Kopački rit used to be exploited in the past like any other piece of land or forest, whereas today it draws visitors from all around the world. As a protected area with unique features, the Nature Park Kopački rit is a significant tourist attractor.

At the current tourism development level in the Nature Park Kopački rit, the majority of visitors are organised groups that come by buses to the Nature Park and take a standard tour through the Park, which generally includes a short presentation of the Nature Park in the admission centre, a boat tour across the largest lake in the Nature Park, a Tikveš Castle tour, as well as a walk along the educational trail in the forest. On the other hand, the Nature Park management understands that, in order to keep the present visitor numbers or even achieve growth, it is necessary to make the effort to increase the number of individual guests and prolong their visits, which presupposes a richer range of content, as well as to provide adequate conditions for work with smaller groups of visitors. Quality enhancement and expanding the scope of contents should result in guest retention and repeat visits to the Park, which should ultimately ensure the economic survival of the Nature Park Kopački rit, especially considering the factors of sustainable development.

To meet the needs of visitors to the Nature Park in the best possible way, and to make a differentiated and dynamic offer, it seems necessary to design a system for recording information on visitors, in the form of a CRM system of the Nature Park Kopački Rit. Such a CRM system should keep the records on visits, but also provide additional information on visitors' behaviour, their needs, preferences, habits, satisfaction, etc. This research will attempt to solve one segment of this issue, namely it will construct a model of relationship establishment/development aimed at visitors of the Nature Park Kopački rit, which will work by means of mobile technologies.

2. Research methodology

Global tendencies in tourism are characterised by travelling individualisation, i.e. travelling in smaller groups, as well as last minute travelling. Furthermore, more and more people expect to have an active vacation and to feel useful during their vacation. These assumptions benefit the development of tourism in protected areas, such as nature parks, since they enable sustainable development, i.e. they represent a decrease in the number of guests, while at the same time increasing the quality of service, which should ensure better financial results. As in many other areas of human activities, the importance of relationship marketing and customer relationship management, a derivative of relationship marketing, is recognised. Namely, it is not possible to develop high-quality tourism without identifying and logging consumers, monitoring their behaviour and establishing relationships with them. Thus, it would be necessary to devise and construct an adequate model for establishing and developing the relationship with visitors to the Nature Park Kopački rit. The use of mobile telephone devices, instead of the usual magnetic stripe cards or chip cards, has been selected to identify them and to monitor their behaviour. Mobile telephone devices can be used not only as a means of identification and monitoring of a single customer. Rather, they represent complex computing machines that can be used in multiple ways to meet consumer needs. Related to this and according to the aforementioned, we postulate the following thesis:

Modern information and communication technology, in particular its mobile aspect, makes it possible to design an applicative model of efficient information gathering on the behaviour of visitors to the Nature park Kopački rit, and to establish and develop relationships with such visitors by using a CRM concept.

This paper will present only a part of the complex research that is being carried out for developing a model of the CRM system in the Nature Park Kopački rit. Since the final solution is complex, the model has been generalised. This paper presents the structure of the CRM system of the Nature Park Kopački rit, as well as the concept of a CRM system database. The aim of the research was to define the data structure in the marketing database based on information needs of the CRM system, and to define the processes in which such data is collected.

The paper is globally deductive, because it starts from the hypothesis that is being proven on a specific descriptive model. In addition to the deduction method, some other scientific methods were used, for example: system analysis, causal reasoning, analogy, and descriptive modelling. The system analysis method was used to determine the needs for information within the concept of customer relationship management, related to the Nature Park Kopački rit; the causal reasoning method was used to establish logical connections between the visitor-related processes taking place in the Nature Park Kopački rit and information that should be included in the marketing database on which the CRM system of the Nature Park Kopački rit is based. The analogy method was used to model the database by establishing the analogy between the real world and the database as its model. The marketing database of the CRM system of the Nature Park Kopački rit itself is a model of the real world segment. However, in addition to this structural model, the paper also presents a descriptive model of the processes related to the management of relationship with visitors to the Nature Park Kopački rit. Accordingly, in terms of methodology, the methods used in this research are the methods for deriving the scientific contribution.

3. Research results

Nature Park Kopački rit is one of the biggest ornithological reserves in Europe, and as such is well known outside Croatia. It is famous for its flora and fauna diversity, especially the species characteristic for the marshland ecosystem. It is no wonder then that the Park draws visitors from all around the world. The tourism offer of Kopački rit is attracts interest beyond local borders and can be viewed as the backbone of tourism in north-eastern Croatia.

3.1. Nature Park as part of the nonprofit sector

According to positive legal provisions of the Republic of Croatia, the Nature Park Kopački rit is defined as a nonprofit organisation owned or founded by the state or units of local self-government, and such organisations are financed with public funds (budget funds), based on special provisions. In addition to the source of financing, what classifies the Nature Park Kopački rit as a nonprofit organisation owned or founded by the state or units of local self-government is that it performs some of the functions of the state or units of local self-government, which are defined by special provisions of the Republic of Croatia. Financing of public institutions similar to the Nature Park Kopački rit is complex, combining the funds from the state budget, funds from local units, funds from income generated from own activities, funds from donations, international and local projects, etc. However, in general, nature parks are organisations that are predominantly funded from the state budget. According to Vašiček, "Examples of the state budget beneficiaries include ministries, government offices, administrations, agencies, directorates, funds, state institutes, universities, polytechnics, faculties and business schools, institutes, national parks and nature parks, the state archive, museums, collections and galleries, rehabilitation centres, sick care homes, social care centres, care and education homes for children and young people, clinical hospitals, prisons and penitentiaries, court bodies, state attorney's offices, various government committees" (Vašiček, 2014).

For both profit and nonprofit organisations, the key goal of the business is to survive. Survival of profit organisations is based on generating profit by satisfying the needs of their consumers. On the other hand, survival of nonprofit organisations is based on satisfying the needs of society, and for this reason the community is willing to provide support for their survival. In both cases the needs of certain consumer groups have to be met, which is at the core of marketing. However, there are differences between marketing of profit-oriented and nonprofit organisations. Meler provides the following definition of the nonprofit, i.e. social marketing: "Social marketing can be most simply defined as the application of marketing in the process of realisation of social goals whose primary basic or derived starting point is not to generate profit, but to satisfy the needs of a general social nature" (Meler, 2003). Accordingly, the survival of the Nature Park Kopački rit as a nonprofit organisation in modern conditions is based on social, i.e. nonprofit marketing.

Through evolution, marketing has reached its sixth development version – relationship marketing. According to Meler and Dukić, "Namely, marketing of relationships and cooperation (relationship marketing) is a new marketing paradigm, through which marketing as a business philosophy returns to its roots, where the focus of attention of economic operators is on the consumer, and where retention, i.e.

keeping the real consumers, is the foundation for the long-term survival and sustainable competitive advantages" (Meler and Dukić, 2007). Dukić has a similar approach and description of the relation between relationship marketing and customer relationship management: "Considering the omnipresent information processes, marketing is becoming a global information phenomenon that induces the processes of creating information superiority through a communicational two-phase process of providing information: receiving information from consumers in presale, sale and post-sale processes, and providing information to consumers in presale, sale and post-sale processes. Considering the sale process mechanisms in a virtual environment, the consumer is personalised, and communication with that consumer is individualised. A partner relationship is developed with consumers, and the marketing supporting this process is called relationship marketing. The concept of taking care of consumers and trying to retain them and transform them into clients is known as Customer Relationship Management" (Dukić, 2012). Today, however, CRM cannot be observed through one dimension only: "The importance of how CRM is defined is not merely semantic. Its definition significantly affects the way an entire organization accepts and practices CRM. From a strategic viewpoint, CRM is not simply an IT solution that is used to acquire and grow a customer base; it involves a profound synthesis of strategic vision; a corporate understanding of the nature of customer value in a multichannel environment; the utilization of the appropriate information management and CRM applications; and high-quality operations, fulfilment, and service" (Payne & Frow, 2005). Although CRM first emerged in the profit sector, it soon became accepted in nonprofit organizations as well: "In the 1990s, vendors realized there was a burgeoning market for CRM systems specifically designed for NPOs. This led to a repurposing of for-profit CRM into that which would be used by nonprofits. Traditional Customer Relationship Management became Constituent Relationship Management as it migrated to the nonprofit sector. Soon there were many nonprofit-tailored systems on the market, giving NPOs of all sizes more sophisticated options for constituent management. Some vendors seeking new markets, such as salesforce, repurposed their more traditionally commercial systems for NPO use" (Grattan, 2012).

As both profit and nonprofit organisations are increasingly focused on relationship-centric organizations, it is no wonder that also in the Nature Park Kopački rit there is a tendency toward building a CRM system that will allow the management of relationships with visitors to the nature park.

3.2. Analysis of the current tourism offer in the Nature Park Kopački rit

The current offer in the Public institution of the Kopački rit Nature Park can be generally divided into the following groups of products and services:

- Offering organised trips for groups and individual guests
- Offering tours around the Nature Park for groups and individual guests without a guide
- Offering accommodation for smaller groups and for individual guests
- Offering souvenirs and handicrafts typical of the area surrounding the park
- Offering printed material (maps of the area) and books
- Offering fishing permits for sale for those parts of the area where recreational fishing is allowed
- Offering to issue concessions for activities that are considered acceptable in the Nature Park
- Offering services for filming and taking photos for commercial purposes
- Providing transport services for research purposes for smaller groups and for individual guests
- Providing services of a professional guide at the request for groups and individual guests

Standard mass tours organised in the Public institution of the Kopački rit Nature Park include:

A trip: Panoramic view of Kopački rit. This trip includes the basic entrance fee for the Nature Park, a boat tour of the Special Zoological Reserve, a Tikveš Castle tour, a visit to the exhibition showing a selection of flora and fauna of Kopački rit at the Bio-ecological station, a presentation of a 10-minute promotional movie about Kopački rit, and a visit to the Chapel of Pope's Blessing. The Nature Park provides a professional guide during the trip. Duration of the programme: 3 hours.

A trip: Put dabrova *(Beavers' Trail).* This trip includes the basic entrance fee for the Nature Park, a tour of the Special Zoological Reserve on a small boat owned by the institution, with the possibility of a tour of the Danube and the waterways in the floodplain, a Tikveš Castle tour, a visit to the exhibition showing a selection of flora and fauna of Kopački rit at the Bio-ecological station, a presentation of a 10-minute promotional movie about Kopački rit, and a visit to the Chapel of the Pope's Blessing. The Nature Park provides a professional guide/boat manager during the trip.

A trip: Canoe adventures through Kopački rit. This trip includes the basic entrance fee for the Nature Park, canoe tours of the Special Zoological Reserve, with the possibility of a tour of the Danube and the waterways in the floodplain. The price includes a lunch packet for each person. The Nature Park provides a professional guide/canoe manager during the trip. The trip is organised for groups from minimum of two to a maximum fourteen people. It can be organised twice a day and it requires a reservation in advance. After finishing this part of the tour, according to their wishes and without additional charge, visitors can take a Tikveš Castle tour, visit the exhibition showing a selection of flora and fauna of Kopački rit at the Bio-ecological station, see a 10-minute promotional movie about Kopački rit, and visit the Chapel of the Pope's Blessing. Duration of the programme: 4 hours.

A bird watching programme: This programme includes a guide who is specially educated to recognise different bird species. Depending on weather conditions and other conditions in the area, the institution provides transport of visitors by off-road vehicles or boats, telescopes and binoculars and identification guides to bird species. A group can have up to four people, and a maximum of two groups a day can be organised. After finishing this part of the tour, according to their wishes and without additional charge, visitors can take a Tikveš Castle tour, visit the exhibition showing a selection of flora and fauna of Kopački rit at the Bio-ecological station, see a 10-minute promotional movie about Kopački rit, and visit the Chapel of the Pope's Blessing.Duration of the programme: 6 hours a day.

The Junior Ranger Programme: This programme includes fieldwork – collecting water samples in the wood area known as Venezia, taking the Stari brijest (*Old Elm*) educational trail, participating in a herbarium workshop, meteorological monitoring workshop, laboratory work, taking a test on the newly acquired knowledge, and obtaining a certificate of programme completion. The programme is organised for groups ranging from 5 to a maximum of 60 people. It is conducted with professional guidance provided by an educator of the Nature Park.

The basic entrance fee for the Nature Park Kopački rit includes entrance to the Nature Park Kopački rit, educational trails of the Nature Park (Small and Large Sakadaš, Stari brijest (*Old Elm*), Vidrin put (*Otter's Trail*), cycling routes and visits to the Tikveš Castle, without a professional guide from the Nature Park.

Additional services and products offered by the Nature Park Kopački rit include:

- Professional guidance – available at request for HRK 150 per hour,
- Cycle renting (including the protective gear) - HRK 10 per hour,
- Fee for filming and taking photographs for commercial purposes – HRK 200 per day,
- Renting a congress hall at the Bio-ecological station – HRK 100 per hour
- Renting boats for transport of film makers and photographs for commercial purposes HRK 100 per hour (the boat is managed by an institution employee).
- Overnight stay (without breakfast) – HRK 160 per person (plus accommodation tax).

The institution also organises periodical special events, such as the Fairy Night in Kopački rit, Rhapsody in June, and European Bat Night.

The prices for these groups are defined either based on group size and specific requests of customers, or the entrance is free of charge.

Although it is obvious that the Nature Park Kopački rit offers a lot of attractions, individualisation and personalisation of guests would require the development of new and the reorganisation of the existing tourist content. However, the current rich offer indicates a great potential for regular revisiting of loyal guests, which justifies the need for a visitor monitoring system, i.e. the CRM system.

The data on visitor numbers to the Nature Park Kopački rit are given in Table 1.

Table 1 does not provide the more recent data for the years 2012 and 2013. Due to the change in management and recording methodology, comparative data for the years 2012 and 2013 are not available. Taking into account the methodology used in Table 1, the number of visitors can be estimated at 27,000 for 2013, whereas in 2012 there were around 30,000

Table 1 Monthly visitor numbers from 2006 to 2011

Month	2006	2007	2008	2009	2010	2011
I	0	0	1 025	0	23	28
II	94	0	2 061	0	12	56
III	380	1 041	588	524	840	880
IV	2 113	4 486	3 786	4 922	4 098	4 241
V	5 606	6 811	9 456	9 466	7 462	6 823
VI	2 862	6 586	6 247	6 199	4 733	6 961
VII	1 447	2 358	1 773	2 276	1 383	2 460
VIII	1 754	2 383	2 611	2 324	2 953	2 749
IX	3 433	3 821	3 611	3 631	3 449	3 894
X	4 283	3 898	4 805	4 857	4 179	3 685
XI	1 027	1 770	776	581	1 019	811
XII	10	53	75	70	44	29
Total	**23 009**	**33 207**	**36 814**	**34 850**	**30 195**	**32 599**

visits. Decreasing numbers are probably caused by global economic trends, in particular the economic crisis in the Republic of Croatia.

Source: Public Institution Nature Park Kopački rit (2012). Report on the yearly execution of the programme for the protection, maintenance, preservation, promotion and use of the Nature Park Kopački rit in 2011 (Class: 001-02-11-01/6; Reg. no.: 2100/24-01/01-11-5).

3.3. Relationship marketing and CRM in the function of enhancing the tourism offer of the Nature Park Kopački rit

Considering the level of market development and economic conditions in the middle of the 20th century, marketing studied the consumer population as a homogenous group, recognising maybe some basic biological differences among consumers, which led to the creation of standards such as standard clothing sizes. At the same time, marketing was also limited in its reach, because as a philosophy it only made sense in developed parts of the world, where demand was exceeding supply due to surplus of goods. Marketing philosophy at that time was not needed in undeveloped and underdeveloped economies, where there was still a great demand for all goods. This period in marketing development is known as mass marketing.

Following further technological evolution, marketing started narrowing down consumer focus groups, replacing the average features of the basic group in the process of exploring consumers' needs (market research) with average features of increasingly smaller population subgroups. Accordingly, in line with the evolution of marketing and narrowed focus, evolutionary cycles include periods of segmented marketing, marketing niches, micro-marketing, and relationship marketing. The latter is only the latest development form of marketing, and it is also an attempt of return to the original marketing principles through establishing, developing and retaining a relationship with consumers to keep them and transform them into clients. One of the definitions of relationship marketing says that "Relationship marketing (RM) marks a significant paradigm shift in marketing, a movement from thinking solely in terms of competition and conflict toward thinking in terms of mutual interdependence and cooperation. It recognizes the importance of various parties - suppliers, employees, distributors, dealers, retailers - cooperating to deliver the best value to the target customers" ("Relationship marketing: Kotler on marketing", n.d.).

Namely, in the 1980s, in the markets of developed countries, producers started to associate and merge through a smaller number of brands, which led to formation of oligopolies. In such conditions marketing managed to obtain a position of a separate department whose key function was to deal with promotional activities, resulting in the situation that even today consumers associate the word "marketing" with promotion or even economic propaganda. In such conditions marketing departments within companies used large funds for the need of the advertising industry, which has become an important economic factor, without a clearly measurable return on investment in advertising. At that time, company managements often identified marketing with insensible and uncontrolled money spending, which resulted in marginalisation of marketing.

The 1990s were the years of marketing rehabilitation. Namely, the development of information and communication technology led to global market transparency, which resulted in improved product quality, but did not decrease product prices. Such conditions did not support winning new markets, so producers focused on retaining their own consumers and better utilisation of these consumers by transforming them into clients. Aspiration to retain consumers encouraged the return to the original principle and care of consumers' needs. Considering the technological level, the tendency is to attempt to communicate with each identified and personalised consumer to repeatedly meet his or her needs. However, considering the number of consumers, their identification and personalisation is impossible without using information and communication technology. Operationalization of relationship marketing with support of information and communication technology, while accepting the management principles, generated a customer relationship management (CRM) system. CRM is usually defined as a strategy that makes it possible to: ("CRM - Customer Relationship Management", n.d.)

- Understand the customer
- Retain customers through better customer experience
- Attract new customer
- Win new clients and contracts
- Increase profitably
- Decrease customer management costs

CRM strategies are used as a base for creating specific computer software applications. These are systems whose primary task is to establish and maintain communication with consumers within pre-sale, sale and post-sale activities to permanently explore the consumers' needs, satisfy these needs through market exchange, and monitor consumer satisfaction as well as provide support to consumers to ensure their satisfaction.

According to its tasks, CRM usually consists of three subsystems: ("CRM Classifications: Operational, Analytical and Collaborative", 2013)

- Operational CRM
- Analytical CRM
- Collaborative CRM

Collaborative CRM interacts with consumers in pre-sale and post-sale activities; operational CRM interacts with consumers in sale activities, whereas analytical CRM collects data from collaborative and operational CRM, and processes the data into management information needed for both further customer relationship management and overall management of the entire business entity. Considering the above, a conclusion can be made that the existence of collaborative and operational CRM without analytical CRM makes no sense and vice versa. However, the value of analytical CRM does not depend only on the quality of collaborative and operational CRM, but also on the available methods of data processing, as data validity is in correlation with data quality on the one hand and data processing methods on the other hand.

3.4. Data structure and the system of developing a relationship with visitors to the Nature Park Kopački rit

Monitoring behaviour of the visitors to the Nature Park Kopački rit by means of collaborative CRM provides database feedback for good business decision making related to interaction of the Nature Park Kopački rit with each individual visitor who should be transformed into a client. To ensure a good database for good decision making in business, the following data groups are collected:

Customer Profiling:	Customer demographics & preferences
	Customer segmentation
	Logging customer Communications
Service:	Logging Service requests
	Tracking your inventory base and serial numbers
	Warranties & Contracts
	Repairs
Sales:	Product database / price

	Lists / configurator
	Logging of sales leads / opportunities
	Sales team workflow and calendaring
	Quotation and Ordering
	Telemarketing
Marketing:	Doing campaigns (SMS, email, letter, phone) with structured follow up
Operations	Timesheet management
	Process workflow

By categorising the above information groups into specific entities and attributes, a very complex conceptual model of a database of the CRM conceptual model in the Nature Park Kopački rit is built. Figure 1 shows a small segment of a possible solution to a relational model of a database. Due to limited space, it is not possible to show the entire data model.

3.5. Mobile phones in the function of the Nature Park Kopački rit loyalty programme

One of the big issues of the modern collaborative CRM system in the real-world environment is the method of consumer identification. Among various plastic cards, each additional card is a nuisance for a consumer and he or she carries it around unwillingly. This is particularly true if the card is related to an economic operator with which the consumer rarely interacts. However, a mobile phone, i.e. phone number associated with that phone by means of a SIM card is something completely different, as people tend to be inseparable from their communication devices, i.e. mobile phones. Therefore mobile phones can be an excellent device for identification of visitors. In addition to identification, mobile technology can also be used to provide additional services.

The following should be made possible from the beginning:

1. Providing information via mobile phone
2. Positioning via mobile telephone device
3. Virtual tours via mobile telephone device
4. Live streaming on user request
5. Purchasing additional services via mobile telephone device
6. Product reservation via mobile telephone device
7. Book of visitor's impressions via mobile telephone device
8. Service and/or product assessment
9. Virtual inbox for suggestions concerning improvements in the Nature Park Kopački rit offer.

Considering the potential offered by mobile phones and by mobile technology itself, four services can be used:

1. SMS
2. Web adjusted for display on a mobile phone,
3. E-mail, and
4. GPS, depending on the system supported by a mobile phone.

To ensure optimum utilisation of the potential offered by mobile phones, adequate free applications in the function of collaborative CRM should be developed. Every user who wishes to use the potential offered by mobile phones to obtain more detailed information about the Nature Park will have to become a member of the free virtual Nature Park Kopački rit Enthusiasts' Club.

When it comes to providing information via mobile telephone devices, it was primarily envisaged as assistance panel boards on educational trails. These panels along educational trails, due to limited space, often contain rather short texts that cover only basic information on single inhabitants or certain habitats in Kopački rit. Therefore, by sending a text message with the panel number, a user can obtain additional items of information or store the existing information on their mobile device. The same effect can be achieved by developing suitable Web applications that allow users to connect to protected Web sites with a one-time password, digitally obtained on request from Kopački rit, either by SMS or e-mail. Except on educational trails, information, i.e. the recognition of certain objects by a corresponding number is obtainable in other parts of Nature Park Kopački rit while on tour. It is important to mention that these, as well as other services are intended for the members of Nature Park Kopački rit Enthusiasts' Club and can therefore be used only by authorised SIM cards of the mobile devices registered by the members of the Enthusiasts' Club. For these reasons, it is important to instruct the members of the Club to notify any phone number change, i.e. new SIM cards, as these services would no longer be available. Furthermore, it is important to mention that info-numbers for sending certain messages and getting certain answers are free for the members of the Club, i.e. they will be reimbursed through memberships and discounted entrance fees. Bonuses for the members of the Nature Park Enthusiasts' Club will be formed according to the number of visits,

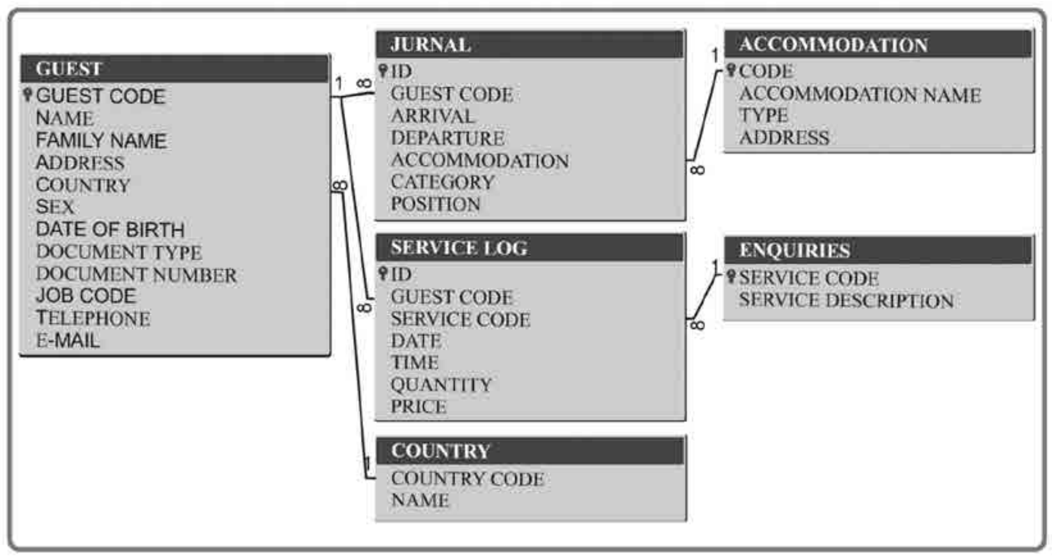
which means that persons who often visit the Nature Park will be given corresponding discounts on products and services of the Nature Park Kopački rit.

The second service relates to positioning via a mobile telephone device and it will partly depend on global positioning systems, such as Latitude. It will enable its users to find out what their current location is and what and who can be found in their vicinity. This feature should encourage networking and socializing between Club members, thus promoting exchange of experiences and return visits to the Nature Park. The members of the Nature Park Kopački rit Enthusiasts' Club will thus become a sort of ambassadors, as well as local guides through the Nature Park for the members with less experience. Therefore, this positioning system will become a useful tool for encouraging their mutual contacts in the field. Moreover, such a system will enable the introduction of new services, i.e. products that will be shown on a map, so that individuals, the members of the Enthusiasts' Club, will be able to find them without the help of professional local tourist guides. With the increase of individual visitors, the need for more professional local tourist guides will also grow in the Nature Park Kopački rit.

Nevertheless, theory shows that there is a threshold in the number of guests, below which it is not profitable to engage a tourist guide. Therefore, a virtual guide is planned to be developed, which would enable a virtual tour for a mobile telephone device by means of an SMS service or Web technology. The development of audio guidance is also under consideration, but at this stage is not included into this project. Similar to the information system, a user would type in a route number, if such a virtual tour is used, and send an empty SMS at each checkpoint, which would be answered with a text with basic information of an object in front of which the user is located. When it comes to Web technology, users would be shown a map which they could use to find an object and receive the corresponding text about the chosen object. Furthermore, an iPhone and iPad application is envisaged, which would use GPS and automatically open certain contents related to the position the user is at. Being the most advanced type of virtual guidance today, it will be further developed, since it is expected that, in the near future, most mobile devices will have the features currently possessed by iPhones and iPads.

When in the field, users often do not have the opportunity to see, at least up close, interesting details of animal and plant species in Kopački rit, nor interesting events in habitats of these species.

Figure 1 Initial relational model of a CRM transaction database



Source: Author

Therefore, users will be able to choose, via Web technology, from a series of short films, those they wish to see and thus make a comparison with the real events in nature. As with the aforementioned services, this one is only intended for the members of the Nature Park Kopački rit Enthusiasts' Club.

The next service relates to a virtual voucher, i.e. the possibility of purchasing via a mobile telephone device. In the pragmatic conditions, visitors-members of the Nature Park Kopački rit Enthusiasts' Club may want to use a certain service that was not paid for in the admission centre. Under realistic conditions, this would mean that they have to go through the Nature Park, come back to the admission centre, wait in line, buy a ticket and try to go back to the desired location. This means a huge waste of time and additional expense for visitors. Therefore, it is to be expected that a visitor would decline a possible additional service. It is thus necessary to provide a purchase system via a voucher, which would allow users to acquire up to five services by using a mobile telephone device. The actual payment will be done on leaving the Nature Park, in the admission centre. The payment can be done by SMS or a Web application. Since user identification will be carried out by means of a mobile phone number, i.e. SIM card and the corresponding PIN issued for purchasing purposes, this service is reserved only for the members of the Nature Park Kopački rit Enthusiasts' Club. The PIN will protect the user from the possible loss of a mobile telephone device or a SIM card, as well as from possible abuse. The electronic voucher will function only during working hours of the Nature Park. Moreover, the purchase will be possible only immediately before using the service and in the area of the Nature Park itself.

Unlike the electronic voucher, the reservation system via mobile technology should provide the possibility of booking a service in advance. Namely, there are certain services that are limited by the number of visitors, duration and the time of their provision. For instance, there is the traditional "European Bat Night" or "The Fairy Night in Kopački rit", boat tours through Kopački rit and bird watching in smaller groups with professional guidance by an ornithologist, etc. Therefore, it is to be expected that visitors, members of the Club, would prefer to book the desired services in advance. The reservation itself will be free of charge; however, there will be a fine for those who book a service and do not show up. The reservation system will use the SMS technology, as well as Web technology. SMS reservation is constructed in a simple manner and means sending an SMS for a specific service and accepting the service by the use of purchasing a PIN. On the other hand, a Web application will allow not only booking and cancelling the reservation, but also users will be able to find out who made the reservation and make a reservation for people who are not members of The Nature Park Kopački rit Enthusiasts' Club. The Web interface is envisaged in such a way as to be available via a classic desktop computer as well.

Kopački rit is extremely proud of its Visitor's Book, for now used by a smaller number of guests. It is our desire to enable all members, after using a service, to write something in the virtual Visitor's Book that would be available to the public over the Internet. It will also be possible to sign the Book via SMS and a corresponding Web interface. To ensure that the Book is not misused, as with purchases and reservations via a mobile telephone device, a PIN and SIM card identification will be used to prove that a certain user has sent a message for the virtual Book of Impressions. In the case of the Web interface via a mobile telephone device, it will be possible to add a photograph along with the text. As in the reservation system, this interface can also be accessed by a classic desktop computer.

The key factor for creating a partnership with the customer is feedback, which allows the product and service providers to gain insight into their consumers' satisfaction level. Contact centres are organised for these purposes. With respect to available funds for this initiative, a development of a virtual contact centre is planned. Each member of the Nature Park Kopački rit Enthusiasts' Club will be asked to fill in a questionnaire and evaluate the quality of service. This questionnaire will be a virtual one, to be found at a certain Web address. The request for filling in the questionnaire will be sent to a user by SMS or E-mail two days after the consumption of the product or service, in order to allow the user to savour the impressions and realistically answer the questions. This Web questionnaire will represent a basis for the improvement of the service, although it is not compulsory. Finally, the members of the club will gain certain points that will have an impact on the price of services.

In addition to the virtual contact centre, the Nature Park Kopački rit plans to introduce a virtual inbox for collecting suggestions about quality improvement and expanding the existing range of products of the Nature Park. The virtual inbox will at first be reserved only for the members of the Nature Park Kopački rit Enthusiasts' Club, however, if there is a positive response, it will become publicly available. The suggestions themselves will be sent by SMS, as well as Web interface for mobile telephones. Since this is primarily one-way communication, those who send an SMS or fill in the Web form will receive a thank-you note for participating in the project for enhancing the tourism offer in the Nature Park Kopački rit.

The use of mobile telephones is planned for all described services, which will serve both to identify users and to enable their collaboration with the CRM system of the Nature Park Kopački rit. The mobility of this collaborative system is a key advantage over classic CRM systems that use desktop computers in the collaborative part and the usual identification cards.

4. Conclusion

Over the past year, the Republic of Croatia has been in deep recession. We have been witnesses to an increasing number of redundancies, growing dependence on imports, and dwindling export potential of the Croatian economy. In view of overall macroeconomic conditions and the history of the past half century, it would be less than realistic to expect that the Republic of Croatia will solve all its problems within a short time and become a globally competitive economy in terms of manufacturing industry. As for those crucial competitiveness factors, most products of the primary and secondary sector in the Republic of Croatia fail on all counts: the globally required quality, adequate pricing or the necessary quantities.

On the other hand, the Republic of Croatia has an excellent geographic position and boasts many attractions. Owing to this, summer tourism has developed in the Republic of Croatia over the past forty years, especially along the coast. The time has come for Croatia to start making better use of the potentials of its inland tourism. The good side to tourism is that it virtually creates an export market on a country's own territory and in this way gives an opportunity to the Croatian economy to market also those products which are not competitive on a global scale. The eastern part of the country should use tourism as a driver of development. In these efforts, the Nature Park Kopački rit, being the natural tourist attractor in this part of Croatia, could play a key role.

Contemporary mobile technology has allowed individuals a higher level of mobility. Nowadays it is not necessary for individuals to seek information. On the contrary, due to technological developments, information comes to them. Technology not only ensures mobility, it enables identification and personalisation of the relationship between product and service provider and consumer, and as such allows the creation of partnerships, which results in consumer retention and sales growth through cross sales and similar activities.

Economic survival in contemporary business conditions – and Nature Park Kopački rit is no exception here – is closely connected to being able to develop relationship marketing, i.e. to create partnerships with one's consumers. Moreover, the obstacles imposed by the concept of sustainable development prevent the infinite growth of visitor numbers. It is of utmost importance to get the maximum from the existing visitors by keeping them longer. For these purposes, it is necessary to develop a suitable CRM system that will enable partnership with consumers and sales growth.

Since technological trends are constantly changing and mobile business has become an unavoidable step in technological development, it is optimal for the Nature Park Kopački rit to use the potentials of this technology to design a collaborative part of a CRM system. As stated above, mobile technology is not used solely for visitor/customer identification; rather, it helps to solve a number of tasks from the domain of collaborative CRM. Given the potentials offered by mobile communication technology, it is a realistic option that this type of interaction with consumers might become a primary means of communication in the Nature Park Kopački rit. The described initial concepts represent the introductory phase in the development of a complex integral CRM system of the Nature Park Kopački rit.

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Model uspostave i razvijanja odnosa s posjetiteljima Parka prirode Kopački rit temeljen na mobilnim tehnologijama

Sažetak

Kopački rit je mjesto koje privlači turiste u sjeveroistočnom dijelu Republike Hrvatske. Bogatstvo njegove flore i faune u prošlosti je privlačio ljude iz gospodarskih razloga dok su u današnje vrijeme ključni motivi dolaska u Kopački rit edukativno-turističke prirode. Za razvoj turizma u današnje vrijeme sve važniju ulogu ima vjernost gosta. Oni gosti koji posjete određenu destinaciju jednom i nikada se više ne vrate u tu destinaciju ne mogu biti nosioci turističke potražnje. Takav se gost često pojavljuje u nekoj destinaciji motiviran globalnim političkim kretanjima, a ne potrebom da posjeti destinaciju. Tako npr. porast broja gostiju u Republici Hrvatskoj u posljednjih nekoliko godina više je posljedica političkih zbivanja u Grčkoj i Sjevernoj Africi, nego stvarne želje i potrebe gostiju da posjete Republiku Hrvatsku. To u naravi znači da će se takvi gosti izgubiti onoga trenutka kada se smiri politička situacija u destinacijama koje su im bile primarni odabir. Zbog toga je, kada je u pitanju Park prirode Kopački rit, potrebno u masi gostiju prepoznati one goste kojima je to bilo primarno odredište i s njima uspostaviti odnos. Za postizanje ciljane turističke ponude, potrebno je u Javnoj ustanovi Park prirode Kopački rit, unijeti marketinške odnose kroz odgovarajući sustav upravljanja odnosa s potrošačima (CRM). Cilj je istraživanja istražiti i definirati optimalan model CRM sustava koji bi dugoročno riješio problem razvijanja odnosa s potrošačima gostima Parka prirode Kopački rit. Istraživanje će biti provedeno deduktivno, a glavne metode istraživanja kojima će se realizirati cilj istraživanja bit će sustavna analiza, metoda kauzalnog zaključivanja, deskriptivnog modeliranja te logički eksperiment. Rezultat istraživanja čini načelni model marketinške baze podataka, kao i deskriptivni konceptualni model CRM sustava Kopačkog rita koji će se koristiti potencijalima mobilnih informacijsko-komunikacijskih tehnologija.

Ključne riječi: Park prirode Kopački rit, turizam, marketing, marketing odnosa, CRM, mobilni telefonski uređaji

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INTERNAL CITY MARKETING: POSITIVE ACTIVATION OF INHABITANTS THROUGH SUPPORTED VOLUNTARISM

Abstract

Urban settlements which were planned and established during the socialist period either in their entirety or partially (in form of fast-growing districts) can be found all over Central and Eastern Europe. In most of them authorities have been fighting numerous economic and social problems, many either caused by, or stemming from, lack of social cohesion. One visible sign of such problems are neglected public spaces, often doomed to be in a poor condition due to lack of co-ordinated action. In this paper we demonstrate the importance of social capital and public administration's courage and creativity when applying the tools of internal city marketing for what we call 'supported voluntarism' aimed at positive transformation of public spaces in a post-socialist residential neighbourhood using the Slovenian post-socialist city of Velenje as a showcase.

Keywords: internal city marketing, supported voluntarism, urban revitalisation

1. Introduction

Almost two thirds of over 300 million people in Central and Eastern Europe (CEE) live in urban settlements which were planned and established during the socialist period either in their entirety or partially (in form of fast-growing districts). Only a small minority managed to survive the transition from planned to market economy without much disturbance and have been prospering to this day. The majority has been fighting numerous economic and social problems; the issue of how to improve quality of life and social cohesion in post-socialist urban settlements being among the more prominent ones.

The profile of the so-called 'post-socialist city' is described by Seiler-Fliege (1999). These are compact cities with relatively homogenous functional areas and with a limited extent of suburbanisation. City centre is of a major functional importance with prevalent tertiary and residential functions, and is easily accessible by means of [public] transportation. Economic activity is focused on large enterprises in over-dimensioned industrial [and service] areas. High priority is given to neighbourhood concepts and extensive green areas. Centrally planned housing construction is based on high-rise housing estates with small standardised flats.

Given that many urban settlements which were planned and established during the socialist period were built from scratch, their only characteristic which does not match the Seiler Fliege profile might be that of decaying old [pre-socialist] housing stock. In the Slovenian post-socialist city of Velenje which is used as a case study in this paper, the few remnants of an aristocratic heritage have been carefully restored and now serve either as representative communal buildings or tourist attractions.

The majority of post-socialist cities across Central and Eastern Europe are facing major identity and community satisfaction problems. These start with their very specific heterogeneous (from the viewpoints of nationality and/or ethnicity, language and religion) population and continue with their modernist (sometimes referred to as 'totalitarian') architecture characteristic for public buildings on one, and highly typical uniform-looking pre-fabricated housing estates with neglected public spaces on the other hand. The public spaces are often doomed to be in a poor condition due to lack of coordinated action.

This lack of coordinated action might be a direct consequence of *individual attitudes of the new owners towards the common property* (including residents' attitudes towards maintenance) as discussed by Cirman et al. (2013). After the downfall of the socialist political system and consequent privatisation, new owners have been accepting responsibilities for their individual units while avoiding them for the common parts, making co-ordinated action difficult as a consequence (**Č**ernič-Mali et al., 2003; Lowe and Tsenkova, 2003; Bouzarovski et al., 2010; Milstead and Miles, 2011).

The effects of individual attitudes towards the common property tend to multiply *at the neighbourhood (or quarter) level*. In this paper we show how to overcome them by applying the tools of internal city marketing for what we call 'supported voluntarism'. Our theoretical framework builds on the importance of social capital as well as public administration's courage and creativity when applying the tools of internal city marketing to support voluntary action. By describing the case of the Slovenian post-socialist city of Velenje, we demonstrate the necessity of the local community's direct involvement in decision-making processes on urban development projects.

Both our field work and an important part of the Velenje pilot action implementation are financially supported by the ReNewTown project which is why we first briefly describe its key features and outcomes. We then continue with a short discussion of the roles social capital and city marketing play in the processes of urban regeneration. Finally, we present the parameters of the supported voluntary action in the field along with evaluation of outcomes, lessons learned, and identification of future research challenges.

2. The ReNewTown project

The project with the title *New Post-Socialist City: Competitive and Attractive* (in short the ReNewTown project: http://www.renewtown.eu) has been funded by the Central Europe Programme co-financed by the European Regional Development Fund. Its primary focus is on reduction of disparities in improved quality of post-socialist urban environment (not only by positive transformation of residential landscapes but also by improved quality and accessibility of public spaces, increased provision of cultural and social events, increased support of entrepreneurial initiatives, etc.). To this end, several model approaches have been identified and four pilot actions implemented in post-socialist cities from four different Central and Eastern European countries (Czech Republic, Poland, Slovakia and Slovenia).

The core six models are those directly related to the ReNewTown project key areas (Ograjenšek, 2013):

- Improved provision of local cultural and social events. Improved public spaces between blocks of flats.
- Provision of support for the development of small business operators in the area of blocks of flats.
- Improved attractiveness of the architecture of the socialist-period building.
- Promotion of the local community involvement in events organized in its quarter.
- New functions for structures from the period of socialism.

Further to these, other models of socialist urban heritage revitalisation we managed to identify in the framework of the ReNewTown project focus on:

- Use of voluntary work to improve post-socialist urban environment.
- Improved awareness of the socialist urban heritage through communication channels. Improved energy efficiency of buildings from the socialist period.
- Direct involvement of the local community in decision-making processes on urban development projects.
- Shared responsibility between owners and users for maintaining building structures (not necessarily built during the socialist period but neglected during this time).
- Improved attractiveness of structures intentionally neglected during the period of socialism (1945-1989/1991).

We also acknowledge the fact that sometimes *demolition of existing structures* needs to pave the way for revitalization efforts. The main issue in such cases is the challenge to assign the proper contents to newly created empty spaces.

Each of these models is presented and described in the core ReNewTown project publication entitled *Post-Socialist City: A Role Model for Urban Revitalisation in the 21st Century*. This *Handbook of Models* contains numerous practical examples of identified models' implementation from the Czech Republic, Germany, Poland, Slovakia and Slovenia along with valuable lessons learned. These were provided by individuals directly involved in models' implementation processes in their communities. They were not only given the opportunity to describe the positive aspects of their achievements, but also to state what they would do differently were they to launch the same project from scratch.

The *Handbook of Models* further builds on three important ReNewTown project pillars which are available online:

- database of pilot actions: http://www.renewtown.eu/pilot-actions.html
- database of good practices: http://www.renewtown.eu/good-practices.html
- database of initiatives: http://www.renewtown.eu/initiatives.html

Finally, the Handbook also contains a showcase of benchmark analysis comparing attitudes of people living in post-socialist cities (Slovenian cities of Velenje and Nova Gorica are used as illustrative examples) with the attitudes of adult population in a selected country (in this case Slovenia) towards urban development (past, present, and future), trends in population and business development, as well as social capital, social responsibility, values, and happiness.

3. The role of social capital in urban regeneration

In the literature social capital has been identified as an important factor affecting housing renovation and renewal (Cirman et al., 2013). The concept of social capital has been increasingly employed to denote the ability of the actors involved to participate, co-operate and mobilise to attain a common goal through co-ordinated action.

Putnam (1993) refers to social capital as the "features of social organization, such as networks, norms and trust, that facilitate coordination and cooperation for mutual benefit" (Putnam 1993:36), and several analyses have highlighted its significance in neighbourhood change and regeneration (Forrest and Kearns, 2001; Purdue, 2001; Bridge, 2006; Kleinhans et al., 2007), as well as urban regeneration (Centro Bull and Jones, 2006), slum clearance

(Taylor, 2000) and management of multi-unit residential buildings (Yau, 2010).
Starting from the context in which civic capacity, i.e. the collective action, is required to replace the state's provision of services, Saegert et al. (2002) identify three components of social capital: participation in resident associations, pro-social norms, and a building's formal organisation. A similar operational definition of social capital and of its components was used by Temkin and Rohe (1998). In their study of fostering community development, social capital is defined as consisting of two main components. The first is the socio-cultural milieu, measuring residents' commitment and attachment to the neighbourhood. The second is the institutional infrastructure, measuring the organisational ability of the neighbourhood to act in its common interest, and to turn commitment into effective collective action. A combination of both components was found to be the key determinant, making neighbourhoods with larger social capital less likely to decline.
The important role the social capital plays for the renovation activities in multi-dwelling buildings was also demonstrated by Cirman et al. (2013). The renovation probability was found to be positively affected by both components of social capital according to the operational definition provided by Temkin and Rohe (1998). The first component, defined and measured as the socio-cultural milieu, encompassing a positive attitude to one's neighbours and an ability to reach an agreement, revealed a positive impact on renovation. The second component – the organisational ability of owners to act collectively – also turned out to be very important.
We believe the existence of these two social capital components at the neighbourhood (or quarter) level to be the necessary prerequisites for implementation of what we call the "supported voluntarism" approach. Our preliminary (descriptive) empirical evidence in support of this belief is summarized in the subsequent Velenje case study.

4. The role of city marketing in urban regeneration

In a global world the struggle for attention, preference, and funding, makes it very important for cities to clearly differentiate themselves and to consistently communicate to the world what makes them different and worthy of a permanent (business or individual) residence on one, and a tourist visit on the other hand.
The task of communication falls to *city marketing*, which Smyth (2005) defines as a promotion of a city (or a district within a city) with the aim of drawing attention to preselected activities which take place there. It is used to alter the external perceptions of a city with different (sometimes not necessarily compatible) goals, such as to motivate business relocation; to attract resident immigration; and to encourage tourism development.
City marketing can take place organically or strategically. *Organic city marketing* is only possible in cities with centuries of history such as Jerusalem, Rome or Berlin. No unified strategy to market such cities has ever been established and can ever be established because of a huge variety of cultural attractions they give home to. It falls to disorganized stakeholders (ranging from representatives of the local population to visitors and conquerors) to glorify their past and make significant contributions to their present and future. In this endeavour they are following their own master plan, which is often not compatible with master plans elaborated and implemented generations before them. This is particularly true for architectural imprints the totalitarian regimes of the 20th century made on the cities from this group: for example Mussolini's in Rome and Trieste, Hitler's in Berlin and Garmisch-Partenkirchen, Ceaușescu's in Bukarest, Soviet in Warsaw, and so on.
On the other hand, *strategic city marketing* is typical for cities built from scratch: young cities which need to differentiate themselves from their counterparts for the eyes of their contemporaries, and thus need their stakeholders to present a unified front. The worldwide best known example of a city from this group is Las Vegas, established at the beginning of the 20th century, and now universally reputed as the Entertainment Capital of the World. When looking for Slovenian examples, the cities of Velenje and Nova Gorica can be presented. Both were planned and built in the 1950s and 1960s, but for entirely different reasons:

- Velenje, which today is one of the most important industrial centres of Slovenia (with a coalmine, an electrical power plant as well as an important European household appliances producer to employ the wives of the coalmine workers), was a designated city of light and gardens for miners who spend half of their day in the darkness of the pit;
- Nova Gorica, which today is one of the most important service centres of Slovenia (with highly developed tourism industry built around numerous casinos) was created to outshine the 'old' Gorica (Gorizia) which became part of Italy after the World War 2.

Both types of city marketing – the organic and the strategic one - pursue the same goal: that of obtaining cultural and economic benefits to guarantee both preservation and further city development. It has to be pointed out that these days generally they both co-exist, as the difficulty to construct the perception of a city solely with strategic efforts is broadly recognised. Consequently, the organically generated word-of-mouth (in this day and age primarily in its electronic form) cannot be denied importance.
In the framework of this paper, internal (citizen-oriented) as opposed to external (visitor-oriented) strategic city marketing is of specific interest. In the subsequent Velenje case study we show how citizen-oriented city marketing can help strengthen the community and facilitate voluntary involvement of citizens into (re)development activities managed by city authorities.

5. Post-socialist city of Velenje: a case study

5.1 History of Velenje

Documents mention the Velenje market square for the first time in 1264, while the earliest reference to the castle rising above it can be found in the historic records of 1270. The market square of Velenje began to mildly prosper at the end of the 19th and in the beginning of the 20th century, when a coalmine was opened in its vicinity.
However, it was only after 1950 that, in response to an increased demand for coal, the need for a modern town became apparent.

Figure 1 The City of Velenje

Source: Municipality of Velenje.

Table 1 Selected Indicators for Slovenia and Velenje

Indicator	Slovenia	Velenje
Population density (pop./km2), 1.7.2010	101	396
Migration (per 1.000 inhabitants), 2010	-0,3	-14,2
Net population increase (per 1 000 inhabitants), 2010	1,6	-11,0
Average age (years), 1.7.2010	41,6	40,5
Students (per 1000 inhabitants), 2010	52	57
Average gross wage index (index, SI=100), 2010	100	93
Average net wage index (index, SI=100), 2010	100	94
Social security beneficiaries (per 1000 inhabitants), 2010	46	90
Registered unemployment rate (%), 2010	10,7	12,4
Activity rate (%), 2010	58,8	57,9
Number of apartments per 1000 inhabitants, 31.12.2010	412	380
Cars per 100 inhabitants, 31.12.2010	52	49

Source: Statistical Office of the Republic of Slovenia, 2013

This new town was supposed to be built in place of the initially proposed cottages for numerous miners from the entire Yugoslavia (having very heterogeneous backgrounds, speaking different languages and practicing different religions).
Under the leadership of the then Director of *Rudnik Velenje*, Nestl Žgank, architects and urban planners of *Slovenija Projekt* from Ljubljana, led by the architect Janez Trenz, started developing plans for a modern city with approximately 30,000 residents.
Žgank's motto that "... the dwelling places of miners, who spend half of the day underground, should be filled with light and sunshine..." resulted in a contemporary, modernistic town with free-standing structures situated in large, green areas. Unfortunately, for a variety of reasons, the town planners later did not continue with the implementation of this concept. Nevertheless, they managed to preserve the late modernistic character of the city centre,

which makes it one of only a few in Europe (see Figure 1).
Unprecedented expansion of the settlement with more than 20 large buildings having been built in only two years astonished the entire country. On 20 September 1959, the day designated as a municipal holiday, Velenje was awarded the city rights. At present it is the fifth largest city in Slovenia. Selected indicators comparing Velenje with Slovenia are included in Table 1.

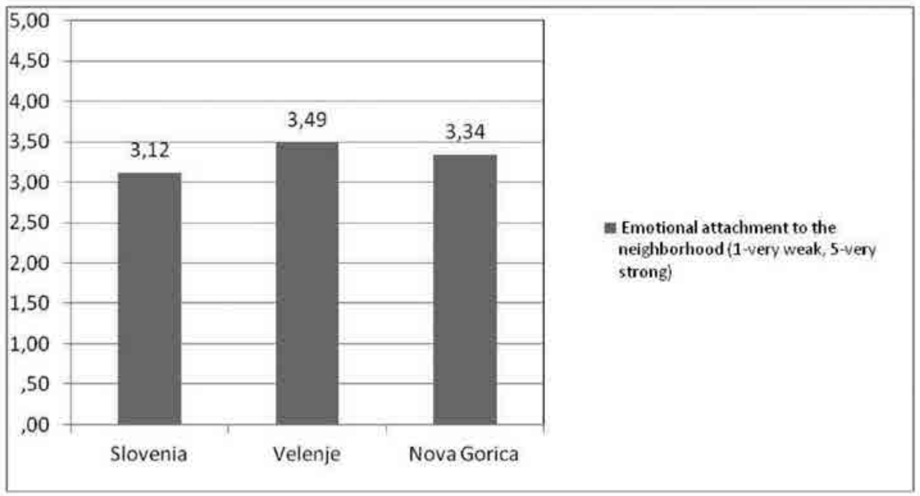
Table 2 Building Typology Structure in the Respondents Neighbourhood in Slovenia and Velenje

What kinds of buildings are prevalent in your neighbourhood? Are they…	Slovenia (n = 328)	Velenje (n = 303)
	In %	
Family houses	31.8	30.1
Low-rise apartment buildings (up to 4 storeys)	34.8	15.3
High-rise apartment buildings (5 storeys or more)	30.1	52.8
Other	3.3	1.5
I do not know, I cannot say	0.0	0.4
Total	100.0	100.0

Source: 2012 ReNewTown Telephone Survey on Quality of Life.

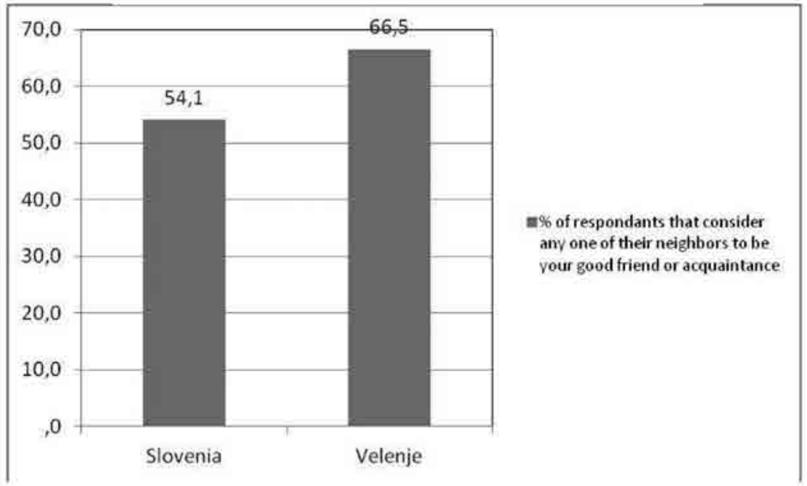
Specific characteristics of past urban development in Velenje are also evident from the current structure of dwellings (see Table 2). Velenje demonstrates a much higher percentage of households living in neighbourhoods with high-rise apartment multi-dwelling buildings than Slovenia as a whole.
In terms of the aspects of social capital, respondents living in Velenje are relatively strongly attached to their neighbourhood, more so than, for example, those of another Slovenian post-socialist city of Nova Gorica and much more than the average attachment to the neighbourhood in Slovenia (see Figure 2). While 16% of respondents in the Slovenian sample feel very weak attachment to the neighbourhood, the respective share of respondents for Velenje (6.1%) is significantly lower. Almost one fifth of respondents in Velenje feel very strong attachment to their neighbourhood.
Strong attachment to the neighbourhood and its residents in Velenje is also evident from the high percentage of respondents claiming that they know most of their neighbours compared to the Slovenian average (see Figure 3). In Velenje two thirds of respondents know most of their neighbours compared to 55% in Slovenia. In addition, two thirds of residents also consider their neighbours as their very good friends or acquaintances.

Figure 2 Emotional Attachment to the Neighbourhood in Slovenia, Velenje and Nova Gorica



Source: 2012 ReNewTown Telephone Survey on Quality of Life.

Figure 3 Social Ties with Neighbours in Slovenia and Velenje

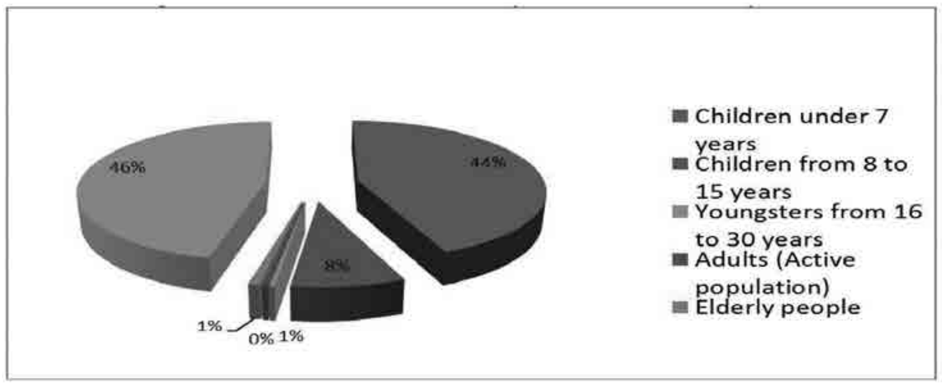


Source: 2012 ReNewTown Telephone Survey on Quality of Life.

5.2 History of the voluntary work in Velenje

Velenje has a long and outstanding tradition of voluntary work. In the 1950s and 1960s both the necessary infrastructure as well as administrative and housing units in the city had been built with the help of volunteers.

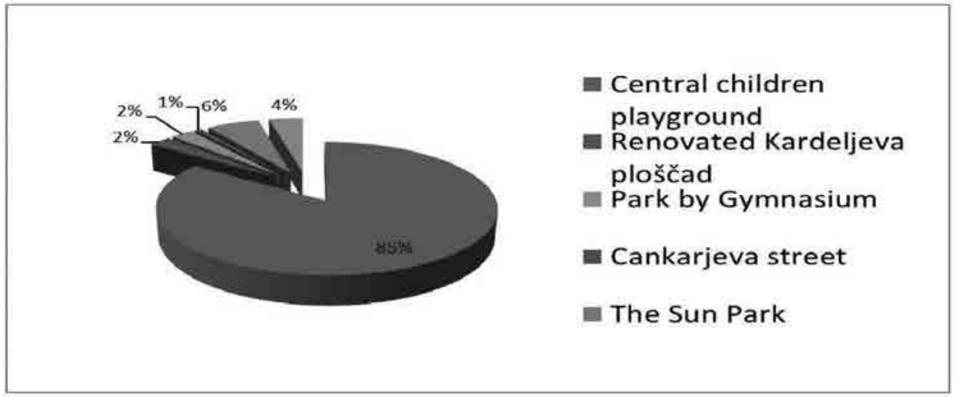
Figure 4 Who Should Be the Main Beneficiary of the Revitalised Public Space?



Source: Velenje Pre-Pilot Implementation Household Survey.

This tradition continues to the present day as demonstrated by the voluntary work of the Velenje coalminers with regard to the maintenance of the recreational centre Golte[1], as well as initiatives implemented by the *Youth Centre Velenje* and *Velenje Brigadiers Society* (e.g. renovation of the open air cinema in Velenje[2].
That is one of the main reasons why, within the ReNewTown project, Velenje was chosen as a showcase for voluntary work: building on direct involvement of the local community in decision-making processes on, and implementation activities in the framework of, urban development projects from the start, thus creating a strong case of internal (citizen-oriented) city marketing aimed at achievement

Figure 5 Which Existing Public Space in Velenje Should Serve as a Role Model for the Pilot Area?



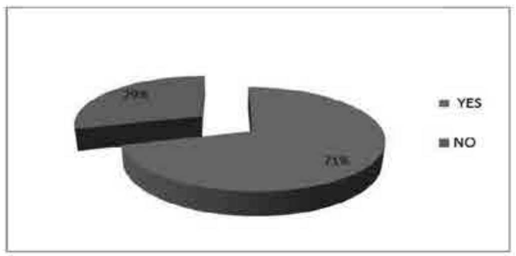
Source: 2012 ReNewTown Telephone Survey on Quality of Life.

of long-term community creation and community satisfaction goals.
Selected results of the Velenje pre-pilot implementation survey of the pilot action area households are summarized in Figures 4-6. These provide answers to the following questions:

- Who should be the main beneficiary of the revitalised public space?
- Which existing public space in Velenje should serve as a role model for the pilot area?
- Would you be willing to participate in the voluntary pilot action implementation project?

The survey was carried out in September 2011 and included 228 out of 581 households in the neighbourhood (39.2%).

Figure 6 Would you be Willing to Participate in the Voluntary Pilot Action Implementation Project?



Source: Velenje Pre-Pilot Implementation Household Survey.

5.3 Background information on the ReNewTown pilot action in Velenje

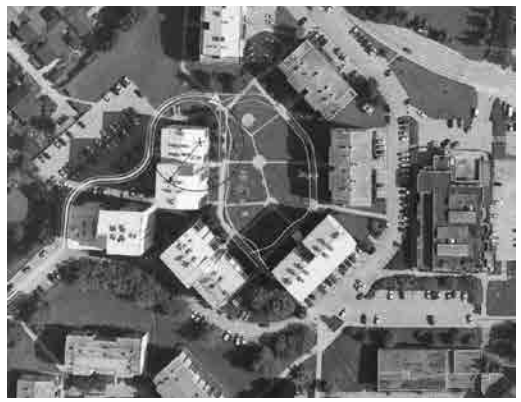
The ReNewTown pilot action in the City Municipality of Velenje was designed to preserve both tangible and intangible heritage of the target area and target period.
The pilot action area is a public space between blocks of apartments in the Local Community of Gorica on the Koželjskega Street – one of the multicultural residential parts of Velenje.
The Local Community of Gorica (*Krajevna skupnost Gorica*) is one of the youngest settlements within the City Municipality of Velenje: it was established on 17 June 1986.
It is mainly a satellite settlement (established in the 1970s), providing housing for workers of *Rudnik Velenje* (Velenje coalmine), *Gorenje Velenje* (home appliances manufacturer), and *Termoelektrarna Šoštanj* (electricity producer). Consequently, it only features service establishments. Apart from the school, the kindergarten and a post office, several retail outlets, food and hospitality establishments, as well as personal services providers can be found in the area, but there are no industrial enterprises (see Figure 7).
With its 4,382 inhabitants (in June 2012) and the surface area of 103.43 ha the Local Community of Gorica is the second largest settlement in the City Municipality of Velenje, featuring 18 blocks of flats (with 1045 apartments) and 378 private houses. The local kindergarten was attended by 159 children and the local primary school by 395 pupils in 2011.

Figure 7 Aerial Photo of the Local Community of Gorica

Source: Municipality of Velenje

The population structure by nationality is very heterogeneous; apart from Slovenians (who represent the majority) it also includes Bosnians, Croats, Serbians, Roma, etc. The target public space is surrounded by 6 apartment blocks (see Figure 8). The size of the area is 3,386 m^2.
Before the pilot action implementation the public space was used as a children playground and a park (see Figure 9).

Figure 8 Aerial Photo of the Pilot Action Target Area



Source: Municipality of Velenje

Figure 9 The Pilot Action Target Area Before Renovation

Source: Municipality of Velenje

The voluntary action of renovation aimed to strengthen the community by facilitating the intergenerational and multicultural dialogue when creating and later on maintaining a multi-functional public space (see Figure 10) catering to the needs of all generations living in its vicinity (please note the children playground after renovation still encompasses an area of 2,076 m^2).
The ReNewTown pilot action in Velenje was financed through the Central Europe Programme co-financed by ERDF with EUR 6,166 for preparation of the relevant project documentation and EUR 43,336 for implementation of relevant construction site activities. In addition, sponsors and donors contributed EUR 28,887.

Figure 10 The Pilot Action Target Area After Renovation

Source: Municipality of Velenje

Volunteers contributed 1,567 hours of work (their hourly fees ranging between EUR 5.00 and 10.00). In all their activities they were heavily supported by the municipality project team. Hence the term "supported voluntarism".

5.4 Lessons learned

The voluntary action of public space renovation in Velenje aimed to strengthen the neighbourhood community by facilitating the intergenerational and multicultural dialogue when creating and later on maintaining a multi-functional public space catering to the needs of all generations living in its vicinity. This generated a positive short-term impact on residents' quality of life and will be continuously monitored for long-term impact.

The pilot action successfully strengthened the membership of the *Velenje Brigadiers Society* as well as the *Youth Centre Velenje*. Heads of several other Local Communities within the City Municipality of Velenje already indicated their interest for organizing similar voluntary actions in their part of the municipality.

Further investments in the pilot area are basically maintenance costs. Municipality is hoping for an arrangement with residents which would reduce vandalism in the area.

The evaluation process carried out with all the stakeholders indicated a high degree of satisfaction with pilot action design and implementation, in particular with internal city marketing activities (e.g. citizen mobilisation).

However, some vital lessons learned in the processes of pilot action implementation and evaluation have to be pointed out:

- The planning process should have taken longer. There was not enough time to think all the project-related issues through. As a consequence, some donors and sponsors were searched for only after it was established at the construction site that their products and/or services were needed.
- The implementation process should have taken longer. Originally it was planned that voluntary work will take two working weeks and be finished by 13 July 2012 (in reality it was completed on 20 July 2012). Some activities simply demanded a longer implementation time (and some sponsors and donors had a much longer than expected reaction time).
- It would have made sense if more ground preparation and construction work had been done using heavy machinery before the kick-off of the voluntary work.
- It would have made sense to elaborate a daily action plan for activities on the construction site: a clear timeline with clear tasks and responsibilities would have been much appreciated and there would have been no need for some groups of volunteers to wait for the other groups to finish with their designated tasks.
- In the future it would make sense to avoid the first 4 weeks of the 12-week summer vacation period when implementing a major voluntary project like that.
- Sometimes a clash of cultures (nostalgic brigadiers vs. capitalist youth) could be observed on the construction site. It would therefore be better to start building a community of volunteers way in advance of the voluntary action implementation.

Finally, volunteers were surprised and hurt by some unexpectedly negative anonymous comments posted on the local discussion forum by a single individual[3]. However, these got drowned in the otherwise overwhelmingly positive local community's virtual and real echo.

6. Challenges for future research

The field practice shows that *at the level of a multi-unit residential building*, there is usually one key person or a small group of key persons who is/are the driving force behind the renovation and revitalisation efforts (Cirman et al., 2013).

The Velenje case indicates that *at the neighbourhood level*, the story is the same: the necessary efforts related to project planning, marketing, implementation, and evaluation demand a small, dedicated, creative and well-organized task group to facilitate local community's direct involvement in decision-making processes on, and hands-on implementation of, urban development projects.

We believe the Velenje model of supported voluntarism to be transferable to any local community which does not lack initiative and support of local decision-makers as it is clear that the Local Community of Gorica would not have been able to implement this project without an outside (municipal) initiative and leadership, as well as relevant internal city marketing activities to strengthen communal identity and community satisfaction.

It further helps to place an initiative like this in the framework of an EU-, state- or region-funded project with a clearly defined budget, targets and deadlines.

While the Velenje pilot action is set to serve as a good practice example both in Slovenia and abroad (within the ReNewTown project, knowledge dissemination took place in the framework of special *Exchange of Experience Seminars* carried out in the period May – September 2013, in the *Handbook of Models*, as well as in the so-called *Transnational Strategy for City Development*), for us the major research challenge lies in empirical verification of (1) the individual happiness – community satisfaction – social capital – voluntarism – positive urban transformation links[4] on one, and (2) internal city marketing – social capital - voluntarism – positive urban transformation links on the other hand. In the process we plan to build both on the ReNewTown databases of pilot actions, good practices, and initiatives, as well as on the benchmark analysis comparing relevant sample scores from two Slovenian post-socialist urban settlements (Velenje and Nova Gorica) with the sample scores for Slovenia as a whole.

Acknowledgements

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(Endnotes)

1 See http://www.golte.si/site.
2 For details see http://www.renewtown.eu/view/items/renovation-of-the-open-air-cinema.html.
3 See http://www.velenje.com/DISKUSIJEsporocila.php?stev=848279.
4 Cirman & Ograjenšek (2014) is an empirical study of community satisfaction's factors and implications in Slovenian post-socialist cities.

Irena Ograjenšek
Andreja Cirman

Unutarnji marketing grada: pozitivna aktivacija stanovnika kroz podržani voluntarizam

Sažetak
Gradovi planirani i izgrađeni tijekom socijalističkoga razdoblja u potpunosti ili djelomice (u obliku brzorastućih stambenih naselja) mogu se pronaći diljem srednje i istočne Europe. U većini takvih gradova, gradske se vlasti suočavaju s brojnim ekonomskim i socijalnim problemima, od kojih su mnogi uzrokovani ili povezani s nedostatkom socijalne kohezije. Jedan od vidljivih znakova tih problema zanemareni su javni prostori, često osuđeni na propadanje zbog nedostatka koordiniranog djelovanja. U ovome radu pokazat ćemo važnost društvenoga kapitala, kao i važnost hrabrosti i kreativnosti javne uprave u primjeni alata unutarnjega marketinga grada putem tzv. „podržanog voluntarizma“ usmjerenog k pozitivnoj transformaciji javnih prostora u post-socijalističkim stambenim naseljima. Kao primjer koristit ćemo slovenski post-socijalistički grad Velenje.

Ključne riječi: unutarnji marketing, podržani voluntarizam, urbana revitalizacija

Review article
Pregledni rad

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Nonprofit brand strength's moderational role

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NONPROFIT BRAND STRENGTH'S MODERATIONAL ROLE

Abstract

The nature and characteristics of the nonprofit brand strength construct are conceptualized. Brand strength is defined as a multidimensional construct, composed by brand familiarity, brand remarkability, and brand attitude. Brand familiarity refers to the level of knowledge the target audience has about the brand object. Brand attitude refers to the degree to which a brand object is perceived favorably by a target group. Brand remarkability refers to the degree to which a brand object is perceived by a target group to be extraordinary. In the brand management nomological net, brand strength acts as a moderator, influencing the strength of the relationship between marketing tactics (antecedents) and marketing outcomes (consequents). Brand strength's inter-dimensional relationships are conceptualized. A brand strength strategy grid is presented, which informs brand management strategy based on a brand's current levels of brand familiarity and brand remarkability.

Keywords: Brand, brand strength, brand image, brand strategy, brand familiarity, brand remarkability

1. Introduction

What does it mean to say that a brand is strong? What is brand strength? How does a manager develop and maintain a strong brand? What are the benefits and outcomes of having a strong brand? There has been substantial prior research on the various parts of the brand nomological network (net). However, the absence of conceptualizing and measuring brand strength remains a substantive gap in the literature. While prior research has discussed strong brands in terms of their likely correlates or outcomes, the field has not conceptualized the nature and characteristics of the brand strength construct.

It appears obvious to marketing professionals that it is desirable to have a strong brand. A strong brand is desirable because of the potential benefits that having a strong brand implies. Because brand strength produces favorable marketing outcomes, it is surprising that the conceptualization and measurement of brand strength has received very little attention in prior marketing research, even in articles in which terms like "brand strength" or "strong brands" are used and the importance of strong brands is mentioned (Henderson et al., 2003; Hoeffler, Keller, 2003; John et al., 2006; Keller, 1993).

Biel (1992) argues that marketing scholars have not articulated the underlying characteristics that make a brand strong. Two decades later, the brand strength construct still has not been adequately conceptualized. MacKenzie (2003) finds that failure to adequately specify the conceptual meaning of a study's focal constructs is a common source of invalid research. One purpose of this paper is to provide a conceptualization of nonprofit brand strength. It seems erroneous to invest in brand management tactics in order to achieve the benefits of a strong brand without first understanding what a strong brand actually is.

Another purpose of this paper is to conceptualize the moderating role of nonprofit brand strength. The motivation for investing in brand management activities is to achieve the benefits that are believed to be a consequence of having a strong brand. It is, therefore, apparent that brand strength plays a role in the relationship between brand management activities and their desired marketing outcomes or consequents. This role will be discussed in an effort to improve our theoretical understanding of brand strength and its relationship within its nomological net.

2. Conceptualizing Brand Strength

A brand represents how the public (or a target group or target audience of interest) perceives or comprehends the organization (Simoes, Dibb, 2001). "A brand is a psychological construct held in the minds of all those aware of the branded product, person, organization, or movement" (Kylander, Stone, 2012: 37). Henceforth, the entity that is branded (product, person, organization, or movement) will be referred to as the branded object.

Nonprofit organizations do not typically brand discrete products or services. Instead their brand is derived by a target audience's perceptions of their organizations (Daw, Cone, 2011). Hence, a brand needs to be construed as a target group's comprehension of the organization (Tapp, 1996). Therefore, we define a brand as target groups' comprehension of the organization based on their experiences with the organization and information they have received about the organization (Brown, 1992; Daw, Cone, 2011).

The brand strength construct has an individual as well as a comparative quality. An organization can be a weak brand if it is relatively unknown or if target audiences perceive it to be mediocre. A brand may also be weak or strong, by a target audience's comparison of the organization with its peers (peer brand set). The strength of a brand is based on the perceptions of a target group or audience of managerial interest. This view is consistent with that of Dacin and Smith (1994), who argue that brand strength should be construed from the perspective of a target audience or group. For a consumer product brand, this might be the target consumer group. For a nonprofit organization, this might be the general population or some population subgroup (Helmig, Thaler, 2010). Based on a review of the branding literature, is it argued that a strong brand, compared to a weak brand, has the following properties:

1. A strong brand is well-known to a target group of interest.
2. A strong brand is favorably perceived by a target group of interest.
3. A strong brand is believed to be exceptional and extraordinary in comparison to peer brands by a target group of interest.

2.1 A Strong Brand is Well-Known

An organization would want its brand to be well-known to target groups of managerial importance. The characteristic of being well-known refers to how familiar a target group is with a branded object. Napoli (2006) argues that the more well-known a charity brand is, the stronger it is.

Prior research in consumer products branding has recognized the importance of brand familiarity and its probable antecedent relationship to purchase intention, repeat purchase, brand recall, and other consequent variables (Aaker, Keller, 1990; Campbell, Keller, 2003; Hoyer, Brown, 1990; Kent, Allen, 1994; Laroche, Zhou, 1996). Hoeffler and Keller (2003) argue that consumer familiarity (based on ownership, prior knowledge, or brand exposure) has served, in prior research, as a proxy for strong brands.

There is some similarity between brand familiarity and brand awareness. Brand awareness, however, is a construct with limited applicability and which is subsumed into brand familiarity. One is either aware of the brand object or not. It is not descriptive to assess the degree to which one is aware of a brand. For example, what does it mean to say one is very aware of the brand object or merely somewhat aware of the brand object? However, brand familiarity incorporates brand awareness and adds a magnitude facet. For example, if one is not aware of the brand then one is also not familiar with the brand. If one is aware of the brand, the degree to which one is familiar with the brand will vary along a familiarity continuum.

Brand familiarity is a necessary but insufficient component of brand strength. While a strong brand may be one with which an important group is familiar, a familiar brand may be unpopular or disliked (and therefore, weak). It is possible for a familiar brand to be perceived as mediocre in comparison to a peer brand, suggesting the mediocre brand is comparatively weak. Hence, in addition to being a familiar brand, the brand must also be perceived favorably by the target group of interest. This leads into the second characteristic of a strong brand.

2.2 A Strong Brand is Favorably Perceived

Being perceived positively relates to the attitude concept. Since attitude has a valence and a magnitude, attitude is well-suited as a means of assessing the degree of favorability with which the organization or other branded object is perceived by a target audience. Prior research in commercial branding has recognized the importance of brand attitude and its probable antecedent relationship to outcome variables indicative of a strong brand, such as brand equity (Faircloth et al., 2001; Kardes, Allen, 1991; Keller, 2001; Lane, Jacobson, 1995; Park, Young, 1986; Simonin, Ruth, 1998). Dacin and Smith (1994) argue that the favorability of consumers' brand predispositions is important in conceptualizing brand strength.

Like familiarity, a favorable attitude is a necessary but insufficient component of a strong brand. For example, most well-known charities are perceived favorably by the public. Many charities do good work and enjoy favorable public attitudes. For a charity to be considered the strongest brand in its class, however, something additional is required. Among charities having similar missions and attracting donations and volunteers from the same population, it is the stand-out, exemplar, and best organization which will attract the most support, thus indicating an additional characteristic is also a component of brand strength.

2.3 A Strong Brand is Exceptional and Extraordinary in Comparison to Peer Brands

This brand strength characteristic pertains to how exceptional a target group perceives a brand in comparison with other brands in its class. Brand strength is an interesting concept in that it has a comparative quality. If a community has three similar nonprofit organizations, the organization with the greatest brand strength would be perceived as exceptional in comparison with the other two organizations. If an organization is viewed as no better than similar organizations, then this perception of being average would imply a brand of average strength. If an organization is perceived as being worse than similar organizations, then one would expect this organization's brand strength to be below average. Prior literature supports the argument that a strong brand needs to be perceived as exceptional and extraordinary (Godin, 2009; Hildreth, 2010; Temple, 2011; Vrontis, 1998). Biel (1992), for example, argues that salience within a product class is a requirement of being a dominant brand. Simoes and Dibb (2001) argue that a dominant brand needs to have some aspect of uniqueness and it needs to be perceived as representing quality. We believe they were referring to the need of a dominant brand (the strongest brand in its class) to be perceived as differentiated and superior in comparison with its peer brands.

Brand remarkability, as a dimension of brand strength, helps to overcome a conceptual error in prior literature that conflated differentiation with superiority. For example, Aaker (1996) argues that differentiation (being different from competing brands) was the essential characteristic of a brand that enabled it to command a price premium. However, simply being different is insufficient to make a brand strong. A brand object can be different, but in a negative manner. A brand object can be different, but in a manner that does not make it the preferred brand among potential supporters. Hence, remarkability is assessed from the perspective of the target audience or group and refers to the extent to which the brand object stands out in an exceptional manner from peer brands.

2.4 Construct Definitions

Based on the preceding discussion and literature review, brand strength is defined as the degree to which a brand is well-known to a target group, is perceived favorably by a target group, and is perceived to be remarkable in comparison to peer brands by a target group. Hence, brand strength is conceived as having three dimensions: brand familiarity, brand attitude, and brand remarkability. Brand familiarity refers to the level of knowledge the target audience has about the brand object. Brand attitude refers to the degree to which a brand object is perceived favorably by a target group. Brand remarkability refers to the degree to which a brand object is perceived by a target group to be extraordinary.

3. Brand Strength as a Moderator

The purpose of marketing is to attract support to the organization. Hence, marketing tactics, if successful, should increase support for the organization. For a business, support might come in the form of increased sales; for a politician, increased votes. For a membership organization, support might be manifested by increased member retention or recruitment. For a charity, support might be manifested by increased donations.

This cause and effect relationship is perhaps too simple because increased levels of marketing activities do not always result in proportional increases of support. Marketing activities have to be appropriately planned and implemented to result in increased support. Therefore, other constructs are present in the marketing activities → marketing outcomes nomological net. In Figure 1, a simple cause and effect (antecedent – consequent) nomological net is presented.

Referring to Figure 1, marketing activities are seen as a bundle of antecedents which have influence on our target audiences, resulting in some level of the outcomes we hope to achieve from our marketing efforts. In Figure 2, we have a more specific example in which our antecedents are represented in a fundraising campaign and our consequents are represented in the donations (individual contributions) we have attracted from the campaign.

Researchers are not only interested in antecedent-consequent relationships, but they are also interested in moderating influences on these relationships. A moderator is a variable that affects the direction or strength of the antecedent's influence on its consequent (Baron & Kenny, 1986). Prior research in the nonprofit marketing area demonstrates an interest in moderating relationships.

Figure 1 Simple nomological net

Source: Author

Figure 2 Simple fundraising nomological net

Source: Author

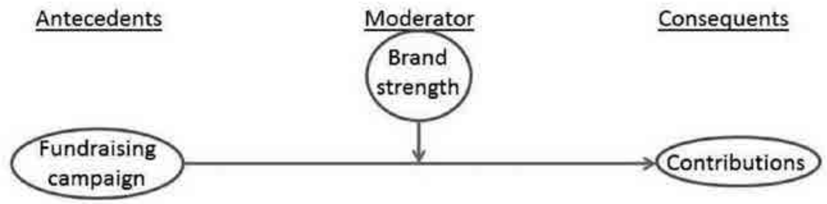
For example, Shoham et al. (2006) reported three different moderators of the market orientation (antecedent) – organization performance (consequent) relationship: location, market orientation operationalization, and the performance measure used. In a prior study on cause-related marketing advertising, Tangari et al. (2010) found that consumers' temporal orientation (present or future) moderated the effect of the temporal framing within the cause-related ad on audience outcomes (purchase intentions and attitude toward the brand). On a study of charitable advertising, White and Peloza (2009) examined the type of appeal embedded in the ad (self-benefit versus other-benefit) on consumers' response to the ad. They found that the ad's influence was moderated by the degree to which the audience's public self-image concerns were activated.

In continuing with the search for important moderators in nonprofit marketing research, I propose that brand strength is an important moderator in various types of nonprofit marketing antecedent-consequent relationships.

For example, it is reasonable to expect that a well-known organization enjoying an excellent reputation (i.e., a strong brand) should receive more donations than an unknown organization or an organization with a poor reputation (i.e., weak brands). Hence, brand strength appears to have a moderating influence on the relationship between the fundraising campaign and the resultant contributions. Brand strength, as a moderator, is depicted in Figure 3.

Referring to Figure 3, the moderator, brand strength, influences the strength of the relationship between the antecedent (exogenous) and consequent (endogenous) constructs. Brand strength is measured as a continuous (interval) variable.

Figure 3 Brand strength as a moderator



Source: Author

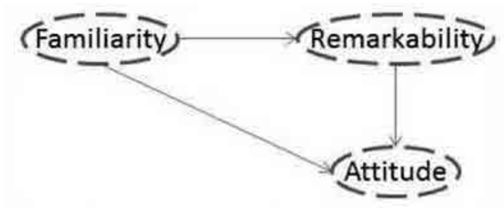
Brand strength influences the strength of the influence of the antecedent on the consequent. As brand strength increases, the fundraising campaign becomes more effective (has greater influence on contributions).

4. Brand Strength's Inter-Dimensional Dynamics

Brand strength is conceptualized as having three dimensions: brand familiarity, brand remarkability, and brand attitude. The three dimensions are distinct, but are obviously inter-related. The conceptual domain of brand strength is depicted in Figure 4 to illustrate the inter-dimensional relationships.

In providing an inter-dimensional theory of brand strength, it must be remembered that brand strength is a psychological construct.

Figure 4 Brand strength's inter-dimensional relationships



Source: Author

Brand strength is derived from the perceptions of individuals from groups of managerial importance. With respect to Figure 4, brand familiarity is presented as the prime mover. If an organization is unknown to a target audience (i.e., familiarity = 0), members of the target audience are unable to form perceptions of brand remarkability and to formulate brand attitudes. Brand familiarity has received considerable attention in prior research (Merabet, Benhabib, 2014). It has long been recognized that a certain level of brand familiarity is antecedent to audience outcomes. Brand familiarity, however, is a necessary but insufficient condition for favorable audience outcomes.

Once a target audience has some level of familiarity with the organization, perceptions of remarkability are formed. Target audiences need some level of familiarity with the brand object in order to form opinions about the brand object's (the organization) relative quality, and how the brand object compares to its peers (its level of comparative superiority). In prior research, audience perceptions of brand quality have been found to be key influencers of target group perceptions of the brand's value (Gammoh et al., 2014).

Brand attitudes are formed last in our temporal sequence. This claim is supported by prior research and by logical deduction. For example, Manthiou, Kang, and Schrier (2014) found that brand awareness influenced brand quality perceptions, which influenced brand image. Attitudes have a valence (polarity) and magnitude (strength). Familiarity is the primary influencer of attitudinal magnitude; remarkability is the primary influencer of attitudinal valence. That is, brand familiarity and perceptions of brand remarkability are antecedent to brand attitudes. Some level of knowledge and awareness of the brand is required to develop a perception of the brand's comparative quality with its peers, and both are required to formulate brand attitudes. The inter-dimensional theory of brand strength has managerial implications, which will be discussed next.

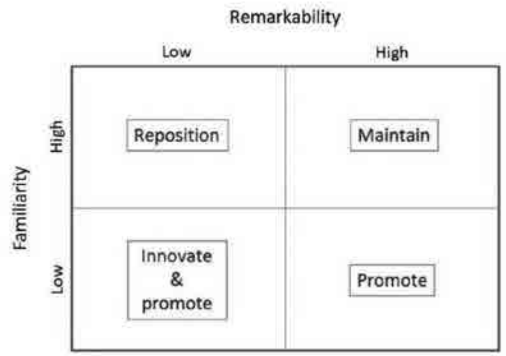
5. Discussion

Understanding the inter-dimensional theory of brand strength informs brand management planning. Managerial emphasis is best placed on increasing familiarity and remarkability. Attitudes are derived from familiarity and remarkability, making the great attention placed on attitudes in prior literature of questionable value.

With the goal of having a strong brand, managerial emphasis should begin with creating an exceptional organization (high remarkability), and then describing this remarkability can be embedded in communications activities that increase audience familiarity with the organization. If managers have not begun with this brand-orientated emphasis, then they can assess their current brand strength status as a diagnostic tool for informing subsequent brand management strategies. This is illustrated in Figure 5.

In Figure 5, a four-cell grid is presented in which remarkability is placed on the horizontal axis, and familiarity is placed on the vertical axis. Each dimension (i.e., remarkability and familiarity) is partitioned into high and low conditions. Hence, an organization, depending on its brand strength dimension scores in comparison with its peers, can be placed into one of the four cells or quadrants.

Figure 5 Strategic implications



Source: Author

The upper right quadrant in which the organization is well-known and remarkable is the most desirable position. This organization is a strong brand. The brand strategy should be to maintain its strong brand position. The organization should practice continuous improvement management, ensuring that stakeholder groups' perceptions are guiding the direction of improvement. The organization should also have a regular program of communication with stakeholder groups and potential supporters.

In the bottom right quadrant, the organization is remarkable (or would be perceived as such if more people were familiar with the organization), but is little known. In this situation, the marketing strategy should place an emphasis on promoting the organization to target audiences so that the level of familiarity with the organization among target audiences increases. Greater familiarity should result in a strong brand (the upper right quadrant), in which case the marketing strategy will shift to a maintenance strategy. The key difference between the maintenance and promotion strategies is that the promotion strategy involves a more intensive communication program.

In the bottom left quadrant, target audiences are unfamiliar with the organization. However, if they were more familiar with organization they would perceive it as relatively unremarkable. The strategy should be to first improve the organization to increase its remarkability (innovation). Once a substantial level of remarkability has been achieved, then an intensive program of communication to target audiences can begin to increase familiarity with the organization (promotion). Obviously the communication messages will describe the organization's remarkability. Once the brand has become strong (moved to the upper right quadrant), a shift to a maintenance strategy is appropriate.

In the upper left quadrant, the organization is well-known (high familiarity), but is regarded to be unremarkable. Although it may appear to be advantageous to have a high level of familiarity, this quadrant is the least desirable with respect to marketing strategies. Because the organization is well-known, target audiences have formed an understanding of the organization that is relatively fixed and enduring. Changing existing audience beliefs from unfavorable to favorable is a challenging task. This marketing strategy is called repositioning. Audiences must be convinced that the organization has undertaken major improvements.

Successful repositioning requires major organizational changes (which may involve operational changes and leadership changes). Once the major improvements have resulted in an organization that will be perceived to be remarkable, an intensive communication program featuring the metamorphosis of the organization can be undertaken. A repositioning strategy is sometimes accompanied by an organizational name change to signal to target audiences that the organization is substantially renovated that it can be considered to be a different organization.

5.1 Future Research

While there has been considerable prior research in the branding area, this body of work has often been inconsistent and fragmented (Wymer, 2013a). Prior research in branding has often exemplified applied research rather than basic research. That is, much of the prior research in branding was contextually designed for a specific industry setting, reducing the validity of the research (Wymer, 2013b). This explains the unsuitability of directly applying brand construct definitions and their scales to other settings, like nonprofit organizations (Liao et al., 2001).

The concepts presented in this paper were developed in such a manner to be applicable across organizational contexts. Future research is needed to test the validity of this theoretical paper's conceptualization of brand strength, its dimensions, its moderating role, and its inter-dimensional relationships. While the parsimonious theory of brand strength

Table 1 Brand Strength Scale

Dimension	Item Statement
Brand Familiarity	I am knowledgeable about Guide Dogs' activities. I am able to describe Guide Dogs to others. I have a good understanding of what Guide Dogs has done in the past.
Brand Remarkability	No organization is better than Guide Dogs at doing what it does. Guide Dogs really stands apart as being exceptional. Guide Dogs stands out in comparison to others.
Brant Attitude	I have positive thoughts when I think of Guide Dogs. I like Guide Dogs. I have a positive impression about Guide Dogs.

Source: Wymer, Scholz, & Helmig (2012)

presented in this paper may serve to enlighten our understanding of many marketing antecedent-consequent relationships, this potentiality will have to be examined in future research. For example, including brand strength as a moderator in advertising research that examines advertising effectiveness on audience outcomes may help to account for varying levels of explained variance across studies.

A six-item Likert scale has been developed for measuring brand strength (Wymer et al., 2012). The scale items are presented in Table 1. The conceptual domain of each dimension is reflected by three statements. Wymer, Scholz, and Helmig (2012) report on the psychometric properties of the brand strength scale. Future research on brand strength is facilitated by the use of this scale. However, it would also be desirable for future research to continue to evaluate and refine the scale, if needed.

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Walter Wymer

Moderirajuća uloga snage neprofitnoga brenda

Sažetak

Izvršena je konceptualizacija prirode i karakteristika konstrukta snage neprofitnoga brenda. Snaga brenda definira se kao multidimenzionalni konstrukt koji se sastoji od poznatosti brenda, izuzetnosti brenda te stava prema brendu. Poznatost brenda odnosi se na razinu znanja koju ciljana publika ima o objektu brenda. Stav prema brendu odnosi se na stupanj u kojem ciljana grupa pozitivno percipira brend. Izuzetnost brenda odnosi se na stupanj u kojem ciljana grupa percipira objekt brenda kao izvanredan. U nomološkoj mreži upravljanja brendom, snaga brenda djeluje kao moderator koji utječe na snagu odnosa između marketinških taktika (koje prethode) i marketinških ishoda (koji slijede). Konceptualizirani su međudimenzionalni odnosi snage brenda. Prezentirana je strateška rešetka snage brenda koja je osnova strategije upravljanja brendom, a temelji se na trenutnoj razini poznatosti brenda i izuzetnosti brenda.

Ključne riječi: brend, snaga brenda, imidž brenda, strategija brenda, poznatost brenda, izuzetnost brenda

Conference review
Prikaz konferencije

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13th International Congress on Public and Nonprofit Marketing

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13TH INTERNATIONAL CONGRESS ON PUBLIC AND NONPROFIT MARKETING

1. Introduction

The International Congress on Public and Nonprofit Marketing is an annual event that gathers academics and practitioners whose area of interest is dealing with responsibility in businesses, administrations and nonprofits. It is specific for this Congress that it is hosted every year in a different city or country.

After last year's Congress on Public, Social and Nonprofit Marketing was held in Las Palmas de Gran Canaria (Spain), the 13th IAPNM Congress was hosted by the Faculty of Economics in Osijek, June 12–14, 2014. This year's theme was *Value creation and quality of life improvement* inspired by the value of social purposes achievements of nonprofit organizations and revenues that come from nonprofit sources.

The Congress was opened with a brief and inspirational speech by the Deputy Major of Osijek Vladimir Ham followed by addresses by enthusiastic and longtime members of IAPNM José Luis Vázquez (President), Mirna Leko Šimić (this year's Chair) and Jasmina Dlačić (CROMAR representative).

The scientific part of the Congress started with presentations from keynote speakers. Gojko Bežovan from the University of Zagreb, Faculty of Law, Croatia presented his paper *The role of civil society in welfare mix development in Croatia* and Rory Ridley-Duff from Sheffield Hallam University, Great Britain presented The FairShares *Model: an ethical approach to social enterprise development.*

2. Conference theme

During two days 48 papers were presented in five parts with two parallel sessions. The authors had 15 minutes to present their papers and after each presentation there was a five-minute discussion about the presented subject and implications for further researches.

Value creation and quality of life improvement as a main theme had nine sub-themes into which the papers were classified.

Marketing and management issues in culture and creative industries was the first sub-theme. In this session six papers were presented concerning creative industries, the film industry, theatre marketing, cultural events, public library management, and the importance of the alphabet in contemporary communication.

Could the environmental gap be related to other human inconsistencies; is the consumer actually willing to pay more for a cause-related marketing (CRM) product and does food branding influence childhood population self concept were some of the issues elaborated in the session **Consumer be-**

haviour related to nonprofit and social issues. Other papers in this session dealt with consumer motivation for charity donations, the role of the retailers in cause-related marketing and the role of subjective norms in forming intention to purchase green food.

An always inspiring theme for academics is **Marketing in education**. The importance of higher and lifelong education was recognized, as well as information literacy and student evaluations of training and lecture courses.

At the same time, other participants were presenting their papers about **Branding and destination marketing.** Most of the papers were based on practical examples such as branding the city of Šibenik, Kopački rit Nature Park, etc.

The largest number of papers dealt with **Social responsibility.** Considering that social responsibility is a broad concept, papers in these two sessions covered areas of social entrepreneurship, social responsibility of large corporations and financial institutions, energy social responsibility, and university social responsibility.

Marketing in the health sector is always an interesting theme for trying to raise the awareness of health problems and improve quality of life. Papers presented in this session dealt with service quality and customer satisfaction in the health care industry, linking communication aspects of care to patient compliance, influence of music on emotions and perceptions of a healthcare institution's quality, the role of social marketing in skin cancer education and prevention, etc.

The issue of **Internal marketing, communication and effectiveness in the public, social and nonprofit sector** was the main focus of four papers concerning aspects of the availability, location, focus, scope and clarity in nonprofit organizations, strategic planning and organizational effectiveness in social service organizations, internal-market orientation in the public sector and the influence of internal marketing on organizational commitment.

Civic engagement and voluntarism as a desirable behavior model becomes more and more present in societies with different level of development. Papers in this area researched questions of motivation for volunteering of individuals and organizations, the influence of commitment in social marketing, civic engagement profiles and youth membership in associations, and presented some of the examples of positive activation of inhabitants through supported voluntarism.

The scientific part of the Congress ended with **Nonprofit marketing in specific settings**. Collaborations between universities and companies, activities of organizations of national minorities, sustainable marketing politics in protected areas, and religious organizations in a virtual environment were presented from a nonprofit marketing point of view.

The Congress had 28 reviewers from 9 different countries from 3 continents. With the help of their work and effort, the accepted papers represent quality and development in public and nonprofit marketing researches.

The social part of the Congress offered the participants the pleasure of attending the gala evening that was held on the boat restaurant Galija, where they could enjoy the gastronomy and the cultural program. The highlight of the evening was the announcement of the best paper of the Congress. That honor went to Jasmina Iličić and Stacey Baxter for the paper *Celanthropy: Investigating consumer perceptions of celebrity social responsibility on nonprofit organization evaluations.*

Since this was the first time that the Congress was held in Croatia, more precisely in Osijek, the organizers wanted the participants to get to know Croatian history and culture by way of an interesting city tour through the best known parts of Osijek. The Congress ended with an all-day excursion in Baranja where everyone enjoyed the natural beauty and gastronomic diversity.

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Opis časopisa

Ekonomski vjesnik / Econviews - Review of Contemporary Business, Entrepreneurship and Economic Issues usmjeren je znanstvenicima i praktičarima. Objavljuje radove koji doprinose teorijskim, metodološkim i empirijskim spoznajama u kompleksnom području ekonomije. Radovi se mogu temeljiti na kvantitativnim i na kvalitativnim analizama, mogu predstavljati sinteze dosadašnjih istraživanja i ukazivati na otvorena pitanja u posebnim područjima društveno-ekonomske prakse. Prihvaćaju se radovi usmjereni na različite razine istraživanja (od pojedinačnih slučajeva do manjih ili velikih uzoraka) i različite kontekstualne okvire (mala, srednja i velika poduzeća, industrijski sektori, lokalna, regionalna i nacionalna gospodarstva, međunarodna ekonomija, gospodarske grane, zdravstvo i obrazovanje, rad i demografija, prirodni potencijali i drugi društveno-ekonomski okviri).

Časopis je usmjeren na znanstvena područja ekonomije, poslovne ekonomije i poduzetništva, a zbog njihove neodvojive povezanosti s drugim disciplinama - informacijskim i tehničkim znanostima, pravom, sociologijom, psihologijom i drugima, objavljuju se i radovi s multidisciplinarnim sadržajima.

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