

# GREEN ECONOMY IN THE WESTERN BALKANS

Towards a Sustainable Future

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# GREEN ECONOMY IN THE WESTERN BALKANS

Towards a Sustainable Future

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## PREFACE

The book, *Green Economy in the Western Balkans: Towards a Sustainable Future*, is dedicated to the South East European region, mostly consisting of ex-Yugoslavian countries which are still facing problems of polarisation, unconnectedness and peripherality, while also striving to achieve and foster economic growth, social well-being and sustainable environments. Although this region has been a popular subject matter for the scientific and literature community, there is a lack of literature on a growing concern of widespread environmental degradation of the eco-system, which has been intensified by the European Commission and which has put sustainable development high on the agenda of all EU members. Accordingly, this book addresses the growing need for more research and expands the current knowledge base about environmental and developmental challenges, as well as the new, efficient and climate-neutral ‘Green Economy’ of this region.

The book consists of twelve chapters covering not only situations in the Western Balkan countries but also in the countries that historically and geo-politically are related to them. It is the work of a team of theorists and practitioners who attempt to have a multidisciplinary approach towards the Western Balkans, addressing topics such as the green image of a country, sustainable waste management practices, sustainable activities at the micro, mezzo and macro levels, the way in which small and medium sized enterprises (SMEs) have adapted their financial and operational planning in order to develop green entrepreneurship, sustainability in the trade sector, potentials for sustainable tourism

development, green consumerism, energy efficiency and conservation projects, sustainable use of water, and the role of agriculture in achieving the sustainable development of a country. Therefore, this book can be considered as a systematic and holistic overview and critical examination of the situation in the region, and it shows drivers and barriers affecting the region in its effort to green its economy.

Readers can find theoretical explanations of specific phenomenon, supported by empirical and practical explanations in the cases of different countries. Thus, we hope that it will serve as a basis for others to extend the research and provide some new insights into this area. This book will be of interest for broad international readership: research scientists, students, practitioners, policy makers, governmental and non-governmental organizations, as well as other stakeholders that wish to be informed about the progress and current trends in sustainability and environmental issues.

We express sincere thanks to all our contributors from different countries for their individual and collaborative work in providing important information and diligently completing this project on time. We are also thankful to the reviewers who carefully and timely reviewed the manuscript.

Sanda Renko  
Almir Pestek  
*Editors*

# THE BASIC POSTULATES OF THE GREEN IMAGE OF A COUNTRY: THE CASE OF CROATIA

Sanda Renko, Kristina Petljak and Ivana Stulec

## ABSTRACT

*A country image is a generic construct created by a wide range of factors as representative products, national characteristics, economic and political backgrounds, history and traditions. In times when environmental protection and performance have become two of the world's most important priorities, such a general view of a particular country should include green dimensions as well. Literature review suggests a lack of literature on the coexistence of country image and green orientation. The goal of the chapter is to bridge the gap in the research literature about the green image of a country and to explore the level of awareness of its existence among tourists. Therefore, after secondary (desk) research, primary (field) research in two stages was conducted. Both qualitative and quantitative techniques were used in both stages. Firstly, group interviews were conducted among tourists in the capital of Croatia. Then, a survey was carried out with 250 tourists*

*who shared their perception of the environmental practices in Croatia. The research results indicate that Croatia has a green image mostly because of its unspoiled nature and natural food assortment. However, the implementation of environmentally responsible activities is lacking, especially those related to waste and energy management, as well as fundamental knowledge and experience of Croatian citizens on how ecological awareness contributes to higher quality of life.*

**Keywords:** Country image; green image; tourists; Croatia

## INTRODUCTION

Just like products, countries are also subject to ‘consumption’ (Ayyildiz, Turna, & Eris, 2013) and competition with products and services. Werron (2012) states that countries are rated and compared according to their economic development, political stability, effectiveness and morality of their national and international policies or the attractiveness of their culture. Such overall impression of a country presents the country’s image and influences consumers’ perception of and attitude towards the country, its people and its marketplace offerings (Lu, Heslop, Thomas, & Kwan, 2016). The power of country image is well known to Kotler and Gertner (2002), Sun (2008) and others because it has manifest effects on the success of a country’s businesses, trade, tourism and diplomatic relations as it affects the behaviour of central stakeholders abroad (Buhmann & Ingenhoff, 2015). The favourable image of a place with which a product is associated gives it a competitive advantage in the world market (Agrawal & Kamakura, 1999). Gilboa (2008, p. 56) stressed its importance and said that a country’s ‘favourable image and reputation around the world [...] have become more important than territory, access, and raw materials’.

Previous research has shown that country image is a broad construct determined by multiple factors (Gertner & Kotler, 2004; Verlegh, 2001), such as representative products, the degree of economic and political maturity, historical events and relationships, culture and traditions, the degree of technological virtuosity and industrialization (Allred, Chakraborty, & Miller, 2008; Bannister & Saunders, 1978). However, in an era of increasing public concern, stricter government regulation and intensifying stakeholder pressures to preserve the environment, there is an evident lack of theoretical and empirical studies that examine the importance of 'green orientation' as the factor which shapes the overall image of a country.

The concept of green has become a familiar key phrase in recent years as more and more companies have targeted environmentally conscious consumers and have begun to respond to stricter environmental regulations (Rudawska, 2008). However, with the growing importance of the environmental component, this concept has significantly expanded over the last decades and nowadays it covers initiatives which range from green purchasing, green management which aims to mitigate the environmental effects of the consumption of goods, energy use, water wastage and the release of pollutants, to integrated green supply chains flowing from supplier to manufacturer to customer, and include reverse logistics (Isaksson, Johansson, & Fischer, 2010). Moreover, green orientation did not cover only the business sector, it has expanded to all spheres of life and society, from the emergence of green consumers (Kirkpatrick, 1990) who are willing to purchase environmentally friendly products (Lee, Hsu, Han, & Kim, 2010), changing the attitude to waste (Polonsky, 2001), implementation of the ISO 14001 certificate, stressing the green component and environmental protection in media and promotion activities, to education and the improvement in knowledge and profession of how ecological awareness contributes to the reduction of pollution, costs, while at the same time increasing competitiveness.

Accordingly, green orientation is the key factor in the country image construct.

This chapter addresses two multidimensional and complex concepts of country image and green orientation synthesizing them into a unique concept of the green image of a country. In particular, the focus of this chapter is on the green image of Croatia, traditionally a tourism oriented country, the level of visibility of its green image among foreign tourists, advantages and limitations, as well as potential to improve it.

Following this introduction, the chapter begins with a theoretical background and the definition of the concept of the green image of a country explained drawing upon a broad literature within the country image. Then some initiatives in selected sectors of the Croatian economy are presented in order to explain green initiatives conducted to contribute to the green image of a country. Due to limited research on country image and green initiatives in Croatia, we draw upon the research methodology and results of a qualitative study among tourists in the capital cities as well as the results of a quantitative tourists' survey. Finally, the chapter discusses the theoretical and managerial implications, with particular attention to existing literature about the image of Croatia, thereby creating a conclusion and directions for future research.

## DEFINING THE CONCEPT OF GREEN IMAGE OF A COUNTRY

### Country Image

Ho (2009) and Ozretić Došen, Škare, and Krupka (2007) point out the multi-dimensionality of the country image construct, but Laroche, Papadopoulos, Heslop, and Mourali (2005) argue that most empirical studies of country image have not considered such multi-dimensionality. Instead, they measure 'country' image

through products rather than country measures (Han, 1989), and some focus on affect-oriented country/people measures rather than cognitive ones (Knight & Calantone, 2000).

Historically, determinants of country image constructs originate from the 1960s and 70s in works of Schooler (1965) and Rierson (1966). Literature review shows a lack of clarity concerning the construct of country image (Brijs, Bloemer, & Kasper, 2011), particularly due to its multidimensionality, complexity and changes over time (Hynes, Caemmerer, Martin, & Masters, 2014). Thus, scholars acknowledge (Lopez Lamelas, 2011) a wide range of factors that can influence country image. One of the earliest, Nagashima (1970), measures the following factors: representative products, national characteristics, economic and political backgrounds, history and tradition (Kan, Cliquet, & Puelles, 2014). Similarly, Roth and Diamantopoulos (2009) consider representative products, the degree of technological virtuosity and industrialization, historical events and relationships, as well as emotions and feelings as the most important factors in creating country image. There are some similarities in works of Heslop, Papadopoulos, Dowdles, Wall, and Compeau (2004), Martin and Eroglu (1993), O'Shaughnessy and O'Shaughnessy (2000), Papadopoulos, Marshall, and Heslop (1988), Papadopoulos and Heslop (1993), Papadopoulos, Heslop, and IKON Research Group (2000) and others concerning the construct of country image. For example, Lee and Ganesh (1999), Martin and Eroglu (1993), Papadopoulos, Heslop, and Berács (1990), Wang and Lamb (1983) measure country image against political, economic, and technological dimensions. Orbaiz and Papadopoulos (2003) developed a measure of overall country image based on five aspects: standard of living, wealth, technology level, education and stability. O'Shaughnessy and O'Shaughnessy (2000) consider personal experience through working or spending holidays in a particular country as a key role in shaping the image

of a country. For Laroche et al. (2005) overall country image comprises three elements: consumers' beliefs about a country's industrial development and technological advancement, consumers' affective response of the country's people and consumers' desired level of interaction with the country. Important factors also include the work-training and competences of the people (Heslop et al., 2004), culture and traditions (Anholt, 2002; Kotler & Gertner, 2002), stereotypes (Gertner & Kotler, 2004; Pharr, 2005), tourism (Dinnie, 2008; Papadopoulos & Heslop, 2002) and sports (Dinnie, 2004; Dowling, 1994).

One stream of research focuses on the role that companies can potentially play as brand ambassadors in influencing their country image (e.g. Cerviño, 2002; Dinnie, 2008; van Ham, 2001), because the image that an individual holds of a corporate brand may improve or even change the image of a specific country (Anholt, 2003). Accordingly, if a country's image consists mainly of cognitive beliefs about its degree of industrial development and technological advancement, then its image will have a greater effect on consumers' beliefs about the products' quality than on their direct evaluation of the products (Laroche et al., 2005). In his work, Olins (1999) draws a conclusion about the mutual influence between corporate brands and countries. Johansson (1989) argues that viewing the country image as a summary construct provides a good explanation for the positive interaction between product familiarity and the use of the country of origin cue in product evaluation.

Gotsi, Lopez, and Andriopolous (2011) and Lopez Lamelas (2011) identified three main approaches in conceptualizing country image depending on their focal image object: (i) the product image approach, that is, works that define country image at the product level (e.g. Nagashima, 1970; Roth & Romeo, 1992, 1997); (ii) the product-country image approach, that is, works that see country image and product image as two independent but related parts (e.g. Knight & Calantone, 2000); and (iii) the overall country image approach, that is, works that present country image

as a broad construct determined by multiple factors (e.g. [Martin & Eroglu, 1993](#); and [Pappu, Quester, & Cooksey, 2007](#)).

Reflecting on such multidimensionality of the construct, it is not surprising that since Nagashima's work, over 30 versions of definitions about country image have been presented in marketing literature ([Roth & Diamantopoulos, 2009](#)). In one of the earliest definitions of country image, [Nagashima \(1970\)](#) described country image as the picture, the reputation, the stereotype that businessmen and consumers attach to products of a specific country (p. 68). However, a different definition was provided by [Roth and Romeo \(1992\)](#) who consider country image as the overall perception consumers form about products from a particular country, based on their prior perceptions of the country's production and marketing strengths and weaknesses.

Some other researchers view country image as consumers' general perceptions about the quality of products made in a particular country ([Han, 1990](#); [Han & Terpstra, 1988](#); [Manrai, Manrai, Lasca, & Ryans, 1997](#); [Parameswaran & Yaprak, 1987](#); [Sun, Paswan, & Tieslau, 2016](#)). [Knight and Calantone \(2000\)](#) view country image not only as a consumer's perceptions about the quality of products made in a particular country but also about the nature of people from that country ([Chattalas, Kramer, & Takada, 2008](#)).

[Verlegh and Steenkamp \(1999\)](#) took a macroscopic view and defined country image as mental representations of a country's people, products, culture and national symbols. On the other hand, there are definitions that consider country image as an independent entity and do not see product image and country image as completely dependent constructs. For example, [Martin and Eroglu \(1993, p. 193\)](#) describe country image as the total of all descriptive, inferential and informational beliefs one has about a particular country. [Gertner and Kotler \(2004\)](#) define it as the sum of beliefs, ideas and impressions that people have of a place, while [Verlegh \(2001, p. 25\)](#) observe country image as a mental

network of affective and cognitive associations connected to the country.

### Construct of Green Image

Despite the acknowledged importance of the country image construct and of the environmental component, surprisingly little research has addressed the concept of the green image of a country (derived from those investigated areas). For example, it is evident in the works of [Chan \(2000\)](#) and [Verlegh \(2001\)](#) where country image included perceptions about the eco-friendliness of a country and dimension: natural landscape – a lot of unspoiled nature, many forests and natural areas. The term ‘green’ is connected with sustainability which is no longer a trend but rather an approach being adopted not only by organizations and products to maintain competitive position but also by countries. Following [Bowe, Lockshin, Lee, and Rungie \(2013\)](#) two prevailing constructs that deal with country as image and the influence this has on consumer behaviour, we argue that the green image of a country should be observed as: *(i)* a tourism destination image, which originates from tourism literature ([Baloglu & McCleary, 1999](#); [Pike, 2002](#)) and deals with consumers’ expectations and evaluation of tour products such as package holidays, guided tours, accommodation and souvenirs; and *(ii)* the country of origin, which represents the bias towards goods and services based on the country they come from ([Han, 1989](#); [Roth & Diamantopoulos, 2009](#)).

### GREEN INITIATIVES IN SELECTED SECTORS OF THE CROATIAN ECONOMY

It is worth emphasizing that the green orientation comprises a whole range of values and stakeholders. Therefore, it could be observed in all spheres of economy, society, culture etc. of one country.

### Consumer-Related Initiatives

Considering consumers point of view, green orientation includes activities such as recycling, purchasing eco-friendly products and using reusable bags. According to the regulations on packaging and wrapping material waste (*official Gazette*, 7/2005; 15/2000), all retailers with stores larger than 200m<sup>2</sup> had to ensure the area for PET bottles return for their customers. Also, they had to introduce new software modules in order to be able to calculate the amount of money to be paid to customers for returned bottles (0.50 HRK per bottle). The mentioned regulations encouraged a lot of consumers to become more ecologically aware and to collect returnable bottles in their everyday lives. The largest domestic retailer (Konzum) in 2007 collected more than 200 million bottles from its customers (*Suvremena.hr*, 2008) and nowadays is broadening waste management policies towards batteries and electronic waste. Due to increasing health concerns, the environment and animal welfare, and to support local farmers, Croatian consumers have changed their food consumption patterns and started to buy organic food. Literature suggests that the majority of Croatian consumers find organic products to be healthier than conventional products (Brčić-Stipčević & Petljak, 2011; Zanolli & Jukic, 2005; Znaor, 1996) and that they show their willingness to pay a higher price for green products. Besides, slight changes towards green consumption patterns and recycling practices, Croatian consumers have become aware of the importance of energy efficiency behaviour. Thus, they invest in energy-efficient light bulbs, reduce car use and switch transportation modes to more environmentally friendly alternatives (like bicycling) or gasoline/diesel alternative fuel vehicles.

### Business-Related Initiatives

Green initiatives in the business sector refer to various sectors of the economy, from warehousing, transport, distribution channels,

tourism etc. For example, a growing interest for organic food has resulted from the motivation of farmers, food companies and distribution channels. In the last few years, there has been substantial growth in the number of Croatian farmers who have decided to turn towards organic food production. From 2010 to 2016, the land area used for organic food production has been increased from 16,000 to 91,000 hectares (Pavlic, 2016).

Croatia has very good geographic and climate conditions for creating a specific environmental identity in the eyes of domestic customers and for developing organic food production. Kalambura, Jovičić, Funda, and Kalambura (2015, p. 83) point out that the main reasons for going green in Croatia are a large number of unemployed, a high share of imported energy, a need for emissions reduction and a minimal share of renewable energy sources in current energy production. The findings of the study about ecological issues among Croatian companies (Paliaga, Franjić, & Flego, 2009) show that two-third of Croatian companies stress their green component and environmental protection in their promotional activities, are ready to install more expensive and more ecologically acceptable components in their products and that they are improving their business processes with the objective of reducing pollution. From the standpoint of production technology, companies strive towards the reduction in the total waste of materials and raw materials in production of the same quantity of products, that is, try to develop and encourage their own internal non-waste technological processes with maximum waste reuse, reuse of useful components in the technological process and similar (Paliaga et al., 2009). For example, the Biovega company is a leader in the Croatian organic products market, a pioneer in the distribution of certified organic products in the region and the leader in the distribution of Croatian organic food products and global certified organic food brands. The company has a partnership connection with small eco-conscious farmers. According to their 3E principles – ethics, ecology and economy, they work on the

implementation of green technologies in the whole organic food supply chain management with the goal of further fostering environmentally friendly production (Biovega.hr, 2016). Another bright example and benchmark of greening is the Podravka company, which is part of the food sector. Podravka, as one of the leading companies in Southeast, Central and Eastern Europe, has focused their business activities on the premises of the sustainable development, which represents a balance of economic priorities, strengthening society and environmental protection. In the entire supply chain, the company puts a special focus on the environment and they are actively engaged in and committed to the preservation, protection and improvement in the quality of the environment for stakeholders in their business activities (Podravka.com, 2016).

There are several activities important for everyday operation in Croatian distribution channels (Renko, Rašić, & Knežević, 2010). Those are the Environment Protection Act (official Gazette 80/13, 78/15), the Air Protection Act (official Gazette 130/11, 47/14) and the Act on Sustainable Waste Management (official Gazette 94/13). Moreover, Croatia proclaimed the Strategy for Sustainable Development (official Gazette, 30/2009) which states that both production and consumption are interrelated and have to be integrated in order to preserve the environment. This strategy includes the primary goal of balanced and stable economic growth with less influence on environment degradation and waste production. In their works, Petljak, Renko, and Rašić (2016), Petljak and Renko (2015) and Renko et al. (2010) confirmed environmental awareness of Croatian distribution companies, but also related it to cost reduction instead of environmental concerns.

The main efforts of Croatian trade companies still consist of the use of or reducing cooling after hours, and trying to use natural lighting wherever possible. However, although they try hard to make stronger relationships with their suppliers and vice versa, findings (Renko et al., 2010) suggest that ecological aspects have

not been included in their negotiation area, particularly in agreements with suppliers to reduce packaging waste. Regarding the greening of transport activities of Croatian companies, their actions are mainly focused on consolidating transport shipments, better transport utilization, optimizing transport routes while a more active approach toward green transport (such as using ICT to improve transport route planning, sharing transport resources with other companies etc.) is still in its infancy. We have to point out the Biofuel Act which sets that Croatia needs to adopt an Energy Action Plan and file it in annual reports on placing biofuels on the market. According to the latest National Biofuel Action Plan, there should be a biofuel market share of 10% in the Croatian transport sector by 2020 (Ivanović, Glavaš, & Gantner, 2016). Croatian transport companies are working according to ISO certificates conditions and their transport vehicles have mostly Euro 5 engines or above which satisfy the highest European ecology standards. For example, Spoljar transport is a leading Croatian company which specializes in vehicle transport, general cargo and storage (Spoljartransport.hr, 2016) and is making efforts in protecting the environment through using environmentally safe and non-toxic washing and degreasing products, properly disposing of motor oil and other waste, consuming water rationally while washing the vehicles etc. The RALU Logistika company implemented the ECO PROFILE module to calculate the efficiency of each route, encourages optimal driving and ultimately this results in fuel savings and decrease in pollution (Ralulogistika, 2017). In such a way, the company's drivers can control their fuel consumption and also enhance traffic safety and minimize vehicle maintenance costs and fleet management costs (on the average, Eco driving reduces fuel consumption by 10–15%).

One more area where green initiatives could be discussed is the Croatian tourism sector. There are lots of hotels in the Croatian tourism market that have accepted this trend and applied some

kind of activity oriented towards the environment (the use of renewable energies, waste management, sustainable purchasing of supplies and the use of locally grown produce etc.) (Bučar & Matas, 2016). Green hotels are environmentally friendly properties whose managers are eager to institute programmes that save water, save energy and reduce solid waste, while saving money and protecting the Earth. There are currently 42 green hotels in Croatia, that is, hotels that have been issued the 'Sustainable Hotel Certificate'. That certificate guarantees that the facility follows global trends in sustainable business, caring for the environment and continually developing awareness of environmental protection, energy efficiency, staff training, energy and water saving, reducing CO<sub>2</sub> emissions and so on. Renko and Bučar (2015) suggest that the majority of these hotels are conducting additional education, such as seminars on environmental issues to their staff. They educate their staff on how energy conservation can reduce environmental impacts and financial cost. Employees are instructed on waste management strategies, recycling, energy consumption etc. However, there is no co-ordination with other hotels in encouraging greening practices for the purpose of improving social and environmental performance across the entire Croatian tourism sector. In general, they undertake greening actions simply because it is the 'right thing to do', and for the purpose of their hotel promotion as they are convinced that tourists are willing to pay a premium price for green services/products. As the tourism industry is a combination of many activities ranging from construction and transport, food selection and supply, to the management of tourism entities, the findings of the study among hotels revealed that co-operation exists to facilitate the adoption of sound environmental practice. For example, there is a growing interest among local traders to get involved in shaping how tourism resources are used, as local businesses are central to the delivery of the tourist experience. On the other hand, the tourism

industry has the possibility of promoting and selling local foodstuff.

### Society-Related Initiatives

Many companies focus on the social impact their business has on society and on communities within which they operate. Such initiatives include training and staff development, health and safety issues for employees, healthy living for customers, humanitarian and charitable initiatives within the community. Renko's work (2016) on the relationship between human resource management and green practices in Croatian grocery retailing shows that companies ensure personal growth and development through training programmes, rewarding and motivation policies, dialogue with employees at all levels, the transfer of knowledge and experience etc. A good relationship with local communities is mostly achieved through sponsorships and humanitarian campaigns. One of the largest and most powerful companies in Croatia, T-Hrvatski Telekom, demonstrates its responsibility towards the development of Croatian society through sponsorship, especially sponsoring activities in the field of culture and sport (T-HT, 2016). RIZ-Transmitters Co., a Croatian exporter, responded to the refugee crisis and helped humanitarian organizations. There are numerous humanitarian activities for hospitals, donations for school playgrounds, libraries, creative activities with children, adolescents and youth with special needs etc. (Poslovní. hr, 2016).

### METHODOLOGY

Different techniques were used in this study: qualitative and quantitative data were integrated in order to reveal tourists' overall impression of Croatia as a country with an environmental orientation. The research was directed at tourists following the

suggestions of Gerdesics, Pancić and Bela (2014) who noticed that Croatia reshaped the country's reputation through tourism and that was the easiest opportunity for country's economic proliferation as well.

### Group Interviews

The qualitative approach of the study included two group interviews with five and seven tourists, respectively, in order to determine their perception and experiences related to environmental practices that they experienced in accommodation, restaurants, bars (or clubs) and retail stores in Croatia. The qualitative interviews were considered suitable for exploring phenomena in-depth. In this case, it was appropriate to discuss negative and positive situations related to environmental practices that created a specific image of the country, as well as suggestions on how to improve eco-friendly practices in the investigated areas.

We made contacts with tourists thanks to the Zagreb Tourist Board, which allowed us to conduct our research in their official Information Centre at the main square of the capital city. Due to a lack of time and crowding, the research instrument consisted of questions related to three main areas (1) the first impression about Croatia as a country, (2) any positive and negative experiences in environmental practices in Croatia and (3) suggestions on what should be improved in the image of Croatia as an environmentally friendly country. There were eight female and four male participants, within the age range of 26–45 years old.

Participants were assured anonymity and confidentiality. The discussions lasted, on the average, about 15 minutes and were transcribed verbatim. The inductive data analysis aimed at framing concepts and detecting patterns that would give further insights into the three main analysed areas. Accordingly, interpretations were organized following the previously identified areas of investigation.

## Survey

Interestingly, in this era of sustainable development, ecologically sustainable business, the literature did not indicate the perception of environmental practices as an underlying dimension of the country image construct. The method used in this phase of the study was a survey questionnaire about *Tourists' Perception of Environmental Practices in Croatia* which was designed based on the literature review as well as the group of tourist interviews. Data collection was organized in a way that the quantitative face-to-face interviews based on the questionnaire as a research instrument were conducted on a sample of 250 tourists who visited the Zagreb Tourist Board in the period of September to November 2016. The face-to-face interviews were conducted by students from the Faculty of Economics & Business, University of Zagreb, who were trained as external research help on the project *Proactivity in Fostering Environmental Sustainability between Trade and Tourism*. The questionnaire consisted of ten questions altogether, which focused on the perception of environmental practices in Croatia, experienced in different business entities, from accommodation, HORECA, as well as the retailing sector. **Table 1** depicts respondents' sociodemographic characteristics (in terms of age, gender) and country of origin, which were later grouped as continents), as well as information about the number of visits in Croatia (only one visit, from 2 to 5 visits, more than 5 visits) and the purpose of this unique visit to Croatia (business, tourism, family visit or study).

Our sample was slightly dominated by females (53.6%), younger respondents (from 19 to 35 years old), who chose 'tourism' as the purpose of visiting Croatia (**Table 1**).

The vast majority of respondents are frequent visitors in Croatia; 38.4% of respondents had visited Croatia 2–5 times already, followed by 32.8% of respondents who had visited Croatia more than 5 times already, while the rest (28.8%) are

**Table 1. Respondents Sociodemographic Characteristics.**

<b>Variable</b>		<b>n</b>	<b>%</b>
Number of Visits in Croatia	Only one visit	72	28.8
	From 2 to 5 visits	96	38.4
	More than 5 visits	82	32.8
Continent	Asia	10	4.0
	Africa	5	2.0
	North America	16	6.4
	South America	5	2.0
	Europe	207	82.8
	Oceania	7	2.8
Purpose of Visit to Croatia	Business	30	12.0
	Tourism	172	68.8
	Family visit	33	13.2
	Study	15	6.0
Age	Less than 18	2	0.8
	From 19 to 25	83	33.2
	From 26 to 35	94	37.6
	From 36 to 45	56	22.4
	From 46 to 55	13	5.2
	56 and more	2	0.8
Gender	Male	116	46.4
	Female	134	53.6
TOTAL		250	100.0

first time visitors. With respect to the country of origin, we see Croatia as an interesting tourist destination for tourists from all over the world (from Europe, to Africa, Asia and the other side of the ocean). Most tourists from the sample came from Europe (82.8%), followed by North America (6.4%), Asia (4.0%), Oceania (2.8%), South America (2.0%) and Africa (2.0%).

## FINDINGS

Using the research methods described the analysis first deals with the qualitative study among two groups of tourists, then with the study of the sample of tourists that visited the capital city. This is followed by a brief discussion of the investigated themes and interpretation.

### The Qualitative Study among the Two Groups of Tourists

In general, respondents expressed their first impression about Croatia as a small country with beautiful natural resources, food and polite people. They pointed out a similarity between Croatian cities and some European cities, for example, Vienna or Ljubljana. However, comparing to them Croatian cities is behind them in taking care of waste. Respondents expressed their surprise how easy Croatian people accepted the systematic destruction of natural and genuine Croatia by modernizing 'Western' forces such as commercialization, industrialization and other forms of 'modern' living. In their discussion, respondents took into consideration their attitude as tourists experienced environmental practices in different business entities, from accommodation, HORECA, as well as the retailing sector. The data analysis results in the three themes are interrelated and closely linked to each other, as previously explained in the methodology section. Moreover, the data analysis suggested to divide the respondents and their answers into two groups according to their age and purpose of visiting Croatia.

The initial themes that emerged from the group discussions included the difference between 'perceived and expected' situations in Croatia. As expected tourists referred to slogans promoted around Croatia in the last few years, such as 'Small country for a great vacation', 'The Mediterranean as it once was' etc. Displayed in magazines and video clips, those slogans projected a romantic

perception and promised an old-style authenticity in today's fast-moving world (Randić, 2006). As Skoko, Miličević, and Krešić (2016) noted, clean industries, the production of healthy food, innovative programmes of rest and leisure, and the strengthening of cultural and health tourism are mostly advocated. The discussions confirmed such a common opinion of Croatia, mostly because of positive first exposure to picturesque islands and coastal cities, complemented by world-class wines and fresh seafood:

*I heard that Croatia is the original and most popular of all the chartered sailing routes in the Mediterranean, but beautiful landscape, artistic Medieval infrastructure, just fascinated me.*

It should be pointed out that there were two groups of respondents in the study: (i) those who visited Croatia to experience something genuine, innovative, to see where the popular HBO series Game of Thrones took place and (ii) those who were looking for a peaceful, relaxed and more hedonic experience in Croatia. Accordingly, their comments slightly differed in some areas of investigation. For example, the first group consisted of younger tourists that chose cheaper accommodation, and thus had a completely different experience in comparison with respondents from the second group, that consisted of elderly, 'financially stable' tourists. In their accommodation, younger tourists did not experience many environmental activities, because they were focused mostly on outdoor activities. On the other hand, respondents from the second group argued about maintenance in restaurants, the lack of energy-saving solutions (like sensors), the level of service etc. They pointed out regulation issues related to the range of high prices, food quality etc. particularly in some Croatian cities:

*Although the food was promoted as fresh and natural, it was overpriced. The restaurant manager explained that*

*it's wild fish, but later we heard that most of the food is imported, and frozen.*

There is a common opinion from both groups that Croatian cities have problems with waste management, because of missing containers and garbage left on the streets. For example, two tourists that came from Split (a coastal Mediterranean city), considered Split beautiful but in some places pretty dirty. This is not in line with the results of Kesić, Piri Rajh, and Kraljević (2003), who found clean environment as the second most important element in creating the basis of future Croatian image.

Additionally, there is a smoking problem in the country, which is part of the culture. Though it is prohibited in many restaurants and hotels, all respondents agreed that due to bad air-conditioning the smoke is quite bad in all restaurants and often times unbearable in bars or clubs. For the purpose of finding respondents' perception about green activities in retailing, respondents were asked for their own point of view. They mentioned a lot of unnecessary packaging, plastic wrapping, the narrowness of eco-food assortments and a lack of recycling.

The last theme in the qualitative study included respondents' own recommendations on how to improve eco-friendly practices in Croatia. Respondents agreed that the first step should be directed towards the Croatian population in order to educate them and to make them aware of the importance of 'thinking and acting green'.

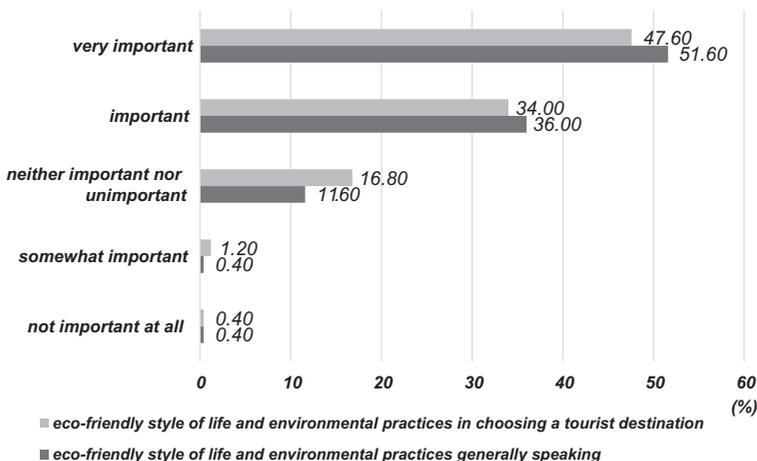
### The Quantitative Study on the Sample of Tourists

As the purpose of our study was to investigate the perception of environmental practices, we asked tourists to generally indicate how important an eco-friendly style of life and environmental practices were to them generally speaking, and how important environmental practices were to them in choosing a tourist

destination (on a scale of 1–5, 1 = not important at all; 5 = very important). The respondents gave a high importance to the eco-friendly style of life and environmental performance in general ( $M_{\text{male}} = 4.44$ ;  $M_{\text{female}} = 4.33$ ), and little bit less importance to it when it comes to the tourist destination evaluation ( $M_{\text{male}} = 4.33$ ;  $M_{\text{female}} = 4.22$ ), as seen in Fig. 1. We did not find statistically significant differences among male and female tourists with respect to observations, nor did we find differences among the younger (up to 35 years of age) and the older (36 years old and above) respondents with respect to the eco-friendly style of life and environmental performance in general ( $M_{\text{younger}} = 4.39$ ;  $M_{\text{older}} = 4.35$ ), and the tourist destination evaluation ( $M_{\text{younger}} = 4.27$ ;  $M_{\text{older}} = 4.27$ ).

In order to find out whether there was a significant relationship between the country of origin (continent) and frequency of visits to Croatia, a chi-square test was conducted. A statistically significant difference was found between respondents' frequency of visits to Croatia and country of origin (continent) was established ( $\chi^2 = 58.307$ ,  $df = 10$ ,  $p = 0.000$ ). The most frequent visitors to

**Fig. 1. Comparison of the Importance of an Eco-Friendly Style of Life and Environmental Practices in General and While Choosing a Tourist Destination.**

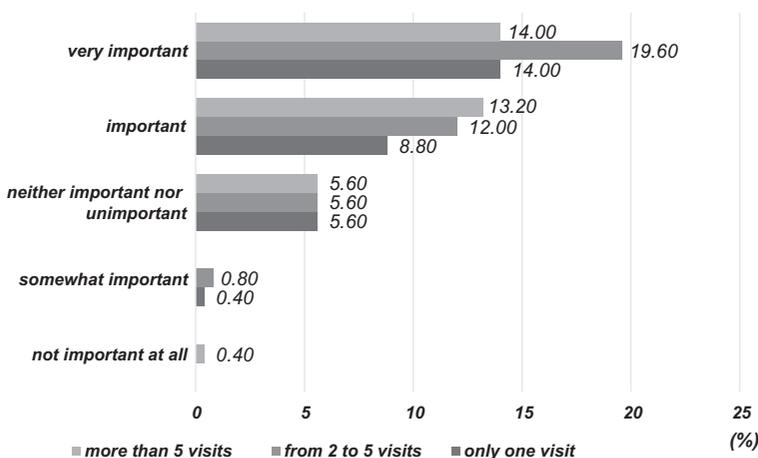


Croatia came from Europe (95.1%), while the least frequent visitors came from Asia (13.9%) and North America (16.7%). Also, we have found a statistically significant difference in participants' purpose of visiting Croatia and continent ( $\chi^2 = 42.221$ ,  $df = 15$ ,  $p = 0.000$ ). Respondents who travel from Asia and Africa visit Croatia predominately for business and tourism purposes, while respondents from North and South America mentioned family visits and study as the main purpose for their visit.

Fig. 2 presents the importance of an eco-friendly style of life and environmental practices while choosing a tourist destination according to the tourists' number of visits to Croatia. In general, we can conclude that tourists who visit Croatia, no matter the frequency, value and give high importance to environmental practices, once again confirming the importance of the green country image.

Afterwards, they were asked to evaluate the environmental practices they have experienced in Croatia, for the following types of business entities: (1) *hotels/hostels/accommodation*, (2) *restaurants*,

**Fig. 2. The Importance of an Eco-Friendly Style of Life and Environmental Practices While Choosing a Tourist Destination According to the Tourists' Number of Visits in Croatia.**

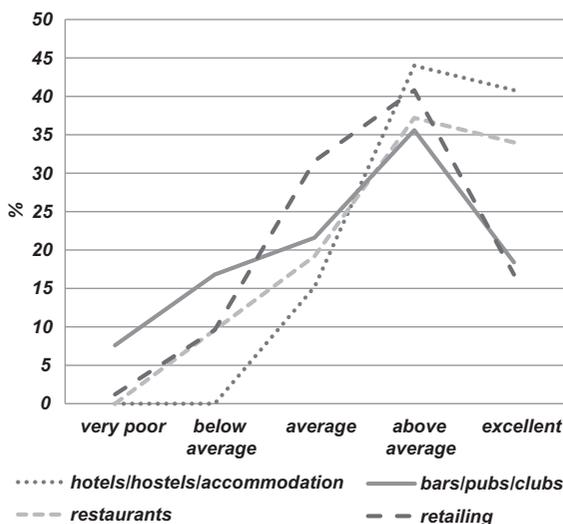


(3) *bars/pubs/clubs* and (4) *retailing*, on a scale from 1 to 5 (1 = very poor; 5 = excellent) (Fig. 3).

Tourists evaluated environmental practices in hotels/hostels and other accommodation places to be above average (84.8%) and way better than in restaurants (71.2%), retailing (57.6%) and bars/pubs/clubs (53.0%). They were asked to indicate good and bad areas of environmental practices they experienced in the categories of (1) *food/drink*, (2) *recycling* and (3) *energy* (Table 2) in different types of business entities in Croatia.

According to the results in Table 2, among the best environmental practice respondents experienced in different types of business entities in Croatia, the food and drink categories were found to be the dominant ones in restaurants and bars/pubs and clubs. This does not come as a surprise, while the natural food and drink offers can nowadays be found not only in restaurants and bars but also in the convenience retailing more and more, where organic food is a growing category (Brčić-Stipčević & Petljak, 2011).

**Fig. 3. Evaluation of Environmental Practices Tourists' Have Experienced in Croatia in Different Business Entities.**



**Table 2. Tourists' Perception of Good and Bad Environmental Practices in Croatia, According to the Business Entity and the Evaluated Category.**

Type of Business Entity	Areas with Good Environmental Practices			Areas with Bad Environmental Practices		
	Food/drink	Recycling	Energy	Food/drink	Energy	Recycling
Retailing	100 (40.0%)	124 (49.6%)	26 (10.4%)	60 (24.0%)	119 (47.6%)	71 (28.4%)
Bars/Pubs/Clubs	118 (47.2%)	114 (45.6%)	18 (7.2%)	35 (14.0%)	130 (52.0%)	85 (34.0%)
Restaurants	157 (62.8%)	78 (31.1%)	15 (6.0%)	73 (29.2%)	145 (58.0%)	32 (12.8%)
Hotels/Hostels/Accommodation	65 (26.0%)	85 (34.0%)	100 (40.0%)	83 (32.3%)	141 (56.4%)	26 (10.4%)

Tourists perceive the recycling category as the one which can be significantly improved in Croatia, especially in retailing shops and restaurants, while the energy category is in third place related to possible environmental improvements.

In order to find out whether there was a significant relationship between the number of tourist visits in Croatia and the perception of the categories which were the best evaluated regarding environmental practices in different business entities in Croatia, a chi-square test was conducted. A statistically significant relationship was found between the frequency of visiting Croatia as a tourist destination and the perception of food in restaurants as the category which was perceived as the most environmentally friendly one ( $\chi^2 = 2.943$ ,  $df=4$ ,  $p=0.020$ ). The chi-square test suggests that tourists who have visited Croatia more frequently (34.4%) indicate food and drink in restaurants as an area which they perceived as the best ones related to environmental practices. This does not come as a surprise, as Croatian tourist and gastronomic offers begin to focus on domestic, local and natural and obviously, tourists perceived high value of the quality of such food.

When it comes to the evaluation of the business entities which tourists perceive as less acceptable ones, we have also conducted a chi-square test. A statistically significant relationship was found between the frequency of visiting Croatia as a tourist destination and the perception of the usage of energy in hotels/hostels and accommodation ( $\chi^2 = 10.436$ ,  $df=4$ ,  $p=0.034$ ). However, it was recognized as the least acceptable environmental practice in Croatia. The chi-square test suggests that tourists who have visited Croatia only once (48.2%), indicated energy as a category whose usage and management should be more environmentally friendly.

Tourists were asked to give concrete areas of destination management environmental improvement and to write down the suggestions on how to improve the eco-friendly practices in Croatia. For every type of entity, they were dissatisfied, they were asked to name areas of possible improvements. Suggestions for the

hotels/hostels and accommodation were focused on the need for more recycling, which interestingly were mentioned as suggestions for restaurants as well, followed by the possibility of using solar lights in restaurants. It seems Croatia is not perceived as green enough. Some suggestions were given in the area of hotel service management improvement. Although service improvement is not the focus of this paper, it is of extreme importance for the management of the destination. Similar suggestions were given for bars/pubs and clubs, and non-smoking areas, and retailing companies, which are in the food business, should focus more on greening their assortment in a way to offer more vegetarian/vegan food and to use less plastic wrapping.

It is evident from the previous research streams that the topic of green country image is an emerging one. To the best of the authors' knowledge, current surveys conducted in Croatia focused on the image of Canada in the Republic of Croatia (Ozretić Došen et al., 2007), brand image of Croatia in perception of Latvians (Brencis, 2011) and the role of tourism in perception of the Croatian country brand in Hungary and Croatia (Gerdesics et al., 2014). However, the research conducted by Kesić et al. (2003) gives interesting insights into country image and product brand image as competitive marketing strategy factors and concludes that Croatia is recognized for the clean environment and natural resources.

## CONCLUSION

Country image is a multidimensional concept; it can be an inside and outside image, or even current and wished image (Gerdesics et al., 2014). It is determined by multiple factors (Gertner & Kotler, 2004), such as representative products, the degree of economic and political maturity, historical events and relationships, culture and traditions etc. However, surprisingly little research has

addressed a proactive 'green' approach in managing country image which is being increasingly implemented around the world (van Ham, 2001) due to the rise of environmentalism. Today, the term 'green' involves more than environmental issues, and it relates to all the aspects of sustainability and corporate social responsibility (Wu, Ai, & Cheng, 2016). This chapter is an attempt to gain in-depth knowledge about the environmental component of country image, that is, the green image of a country with the focus on the green image of Croatia, traditionally a tourism oriented country. The findings from the group interviews suggest that respondents' first impression about Croatia were in accordance with its image promoted in tourists' leaflets, TV campaigns etc. However, their further 'experience' showed problems of maintenance in restaurants, the lack of energy-saving solutions (like sensors), levels of service, waste management etc. The survey results show that in general the respondents experienced good environmental practices in all types of business entities in Croatia. However, further analysis showed that they were not completely satisfied with the usage of energy in hotels/hostels and accommodation, while food and drink in restaurants and bars/pubs and clubs were perceived as organic, natural and fresh, that is, more eco-friendly. Thus, we can conclude that Croatia despite of all its natural resources is still not perceived as a green country, and is lagging behind in terms of recycling activities, and especially focusing on green energy management. As Croatia, among many others, adopted country branding strategies to enable differentiation, to increase tourism (Martinovic, 2002), those findings are important for the organizations driving such country branding efforts (Anholt, 2007), particularly those involved in the creation of the Croatian Tourism Development Strategy. Moreover, this chapter extends the current knowledge on country image by integrating both image constructs and green practices.

## LIMITATIONS AND SUGGESTIONS FOR RESEARCH

There are several limitations which combined with the findings identify directions for further research on green country image. Firstly, this research represents one of the first research studies which aimed to conceptualize the green country image postulates from the tourists' perspective. In this context, measurement indicators provided so far in the literature are limited and research which provides empirical frameworks aiming to capture green country image remains lacking. Consequently, conducted survey research is exploratory in its nature and there is a need to address and measure green country image further on in the near future. More research is needed to explore other constructs connected with green country image, which comes as a second limitation of the study. Despite the limitations, some important patterns are revealed and green country image is expected to become a growing research field.

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