CULTURAL TOURISM GOES VIRTUAL: AUDIENCE DEVELOPMENT IN SOUTHEAST EUROPEAN COUNTRIES

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Cultural Tourism Goes Virtual: Audience Development in Southeast European Countries

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Foreword

Globalization has brought a number of changes in people's everyday lives which also affect people's holiday activities and habits. Ever growing industrialization and, eventually, greater earnings have resulted in more free time, which is often used for travel. When focusing on the characteristics of the new tourist, except her/his higher education and greater earnings, studies[1] show that the post-modern traveller is keen on individual programmes ("do-it-yourself") and Internet bookings. The changes mentioned are also evident in the cultural tourism sector, where three types of virtual activities are offered: pre-holiday, during-holiday and post-holiday virtual activities. Pre-holiday activities are reflected in bookings or pre-holiday on-line sales which are offered through the Internet, but also an initial information search is done through various existing on-line resources. Many new information and communication technology systems have emerged recently to complement or to directly affect tourists' during-holiday activities, while the Internet is also an opportunity to extend the holiday experience even after the holiday itself, marketing the destination by way of post-holiday virtual activities.

Virtual space plays a great role in modern tourist activities and tourists' tendency to use the Internet in the organization of their own individual trips drives us to reflect on traditional as well as contemporary marketing methods. It is thought that a quality website is a must, although practically no research has been done which would confirm its real impact on cultural tourism. How can we measure the influence of a website on the cultural tourism market? Do we know that it directed a certain tourist to a marketed destination? The answer lies in e-business. In line with the new individualized cultural tourist profile, some cultural institutions and organizations have realized the importance of quality Internet presentations of their activities, not only for enhancing the domestic sales of their programmes but also aiming at the foreign tourist market. Thus, they not only worry about the presentation of their institution but also offer various multimedia possibilities, virtual tours and opportunities for on-line booking/sales.

In June 2007, Culturelink/Institute for International Relations were the hosts of the International Symposium on Virtual Culture and Its Impact on Cultural Tourism: Experiences from Southeast Europe, which was held in Zagreb in the Vatroslav Lisinski

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[1] *Tourism Highlights Edition 2003* (2003), World Tourism Organization, p.1.

Concert Hall. Thematically, it focused on how to measure the impact of cultural institutions'/organizations' virtual presence on the development of cultural tourism. The aim was to offer precise data on usage of these websites by tourists, using the on-line technology relating, for example, to the sale of tickets, souvenirs, venue rentals and downloads. Best practice examples from Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Macedonia, Montenegro, Romania, Serbia and Slovenia were presented in order to map the situation in Southeastern Europe (SEE) which would serve as a basis for future comparative research in the countries involved.

After the Symposium, it was agreed with the UNESCO Regional Bureau for Science and Culture in Europe (BRESCE – UNESCO Office in Venice) and the Croatian Ministry of Culture to deepen the subject by conducting a comparative research study in the countries of Southeastern Europe. This book represents a joint effort by researchers from Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Macedonia, Montenegro, Romania, Serbia and Slovenia who worked hard on the reports presenting the current situation in their respective countries, as well as providing possible recommendations for inclusion of virtual culture in cultural and tourism policies.

The introductory part gives information about the goal and objectives of the research, as well as the research methodologies. It explains the exceptions that were made due to the impossibility of applying a totally similar methodology to all the countries involved. It also gives some general data on European Union e-business and explains basic terminology that was used in the research.

The core of the research is presented by country in alphabetical order. The length of the contributions is not always the same, due to the various situations in these countries. However, the structure of the research has been kept as similar as possible. Each contribution ends with recommendations or guidelines for digital cultural policy in the country concerned.

A comparative analysis of the research is presented in the last text in this book. It highlights similarities and differences in virtual culture in the SEE countries and presents general digital cultural policy guidelines as well as recommendations which could be applied to enhance the development of audience and cultural tourism by way of virtual space.

This research is the first of its kind in the field of cultural tourism and it is hoped that it will stimulate cultural/heritage organizations to enhance their business practices. Thus, cultural tourism profits might be increased and it could lead to greater visibility of virtual culture for decision makers. Ultimately, this topic could become a constituent part of cultural/tourism policy documents.

We are aware that there is a great possibility to expand and deepen further research in this field and will be happy if this study serves as a starting point. Therefore, we deeply thank the UNESCO Office in Venice and the Croatian Ministry of Culture for recognizing the value and importance of this subject, both today and in the future, and giving support to our research.

Hoping to meet you all soon in the virtual sphere!

The Editor

VIRTUAL SPACE FOR CULTURAL TOURISTS: SETTING THE STAGE FOR AUDIENCE PARTICIPATION

Virtual Space for Cultural Tourists: Setting the Stage for Audience Participation

Daniela Angelina Jelinčić, Culturelink/Institute for International Relations

About the research study

The goal of the research presented in this book was to research the virtual presence of cultural organizations/heritage sites in order to acquire data that would form the basis for producing digital cultural policy guidelines.

Although in many countries tourism organizations use the Internet quite often as a marketing tool and certainly have some impact on the development of cultural tourism, this research was not focusing on these examples. We wanted to focus on cultural organizations/heritage sites in order to see if they make use of new technologies to enhance their business transactions. Therefore, the objectives of the research were:

- to detect examples of best practice in the field of virtual culture which have an impact on cultural tourism;
- to prove the importance of cultural organizations' Internet presentations for cultural tourism development;
- to stimulate the cultural sector to create dynamic and participative websites;
- to encourage the modernization of cultural organizations' websites in order to increase sales;
- to include the subject of digital culture in local/national cultural/tourism policies.

Already the Symposium[1] has shown that it would not be possible to carry out the research in the related countries using the same methodology since the situation differs from country to country. Some of the countries use on-line technology which can offer precise data on the impact of virtual culture on cultural

[1] Virtual Culture and Its Impact on Cultural Tourism: Experiences from South-East Europe, 14-15 June 2007, Zagreb.

tourism, while the others do not perceive the Internet as a relevant marketing tool. However, the structure of the research was pre-set in order to be able to have country contributions that were as similar as possible in order to be able to compare them.

The first part of the research was the same for all countries involved and it included the following topics divided into sections with the same sub-title:

- **Overview of digitization in the relevant country** (number of Internet users, broadband Internet access, prices of basic (1 Mbps[2]) broadband Internet access, business sector Internet access);
- **Electronic business** (number of business companies which offer on-line sales, share of on-line sales in all retail transactions);
- **Digitization and the cultural sector in the country** (brief overview, including digitization in national cultural policy documents, present condition and tendencies);
- **Situation in the relevant country: the cultural sector and e-business** (reference to the general situation of the cultural sector in the country in relation to Internet business; identifying best practice websites of cultural institutions/organizations and heritage sites regardless of the sector they belong to (public, private, civil) which were studied with regard to their impact on cultural tourism.[3]

Desk research focused on the statistical analysis of existing documentation combining statistical analysis of the data and qualitative interpretation of content analysis.

This part of the research served to introduce the situation in the relevant country. It therefore focused on general data which can offer us a picture of virtual culture and the new technologies serving as a basis for cultural tourism development by way of virtual space. In this way, it gives the number of Internet users in relation to the population of each country showing the Internet access penetration rate. This data is easily comparable and presents the share of the population which uses the Internet.

In order to be able to download more data at high speed, and in this way be presented with a greater possibility of cultural tourism information on the Internet, it is necessary to have a broadband Internet access. Broadband is often called high-speed Internet, because it usually has a higher rate of data transmission typically contrasted with dial-up access over a modem.[4] The penetration rate of this research indicator shows the level of Internet access development in the country and is also easily comparable. Today, it is treated as a key economic indicator according to the Organisation for

[2] 1 Mbps has been taken as a basis but most Internet service providers offer more nowadays. Therefore, the lowest quantity of data which is offered has been taken into account.
[3] The guidelines for the identification of best practice examples were the possible exact and measurable data on the real impact on cultural tourism (realization of sales – tickets, souvenirs, downloads, venue rental and similar).
[4] Broadband Internet access, Wikipedia. Retrieved on 24 November 2008 from: http://en.wikipedia.org/wiki/Broadband_Internet_access.

Economic Co-operation and Development (OECD). Prices of broadband Internet access may indicate the reason why e-business is or is not widely used and are therefore also taken as a research indicator.

Business sector Internet access shows how the business sector, which is usually involved in trade of products and/or services, is positioned on the Internet. If a company has a website, it is equipped with the basic platform for offering on-line sales. This is the domain of electronic business (e-business). This concept may be defined as the utilization of information and communication technologies (ICTs) in support of all the activities of business.[5] It involves all activities undertaken by legal or physical persons with the aim of trade in goods or services, using computers and contemporary communication technologies.[6]

Further on, the number of business companies which offer on-line sales was researched. The share of on-line sales in all retail transactions was supposed to provide us with information on the general use of on-line sales in the country in order to be able to compare it with the on-line sales in the cultural sector.

The section on "Digitization and the cultural sector in the country" offers information on digitization in national cultural policy documents or other policy documents which concern the subjects of digitization and culture. This chapter serves as a platform for the specific research on virtual culture in the cultural sector and introduces the research into best practice examples which are the basis of the second part of the study.

The second part of the research focuses on examples of best practice and the research had to be divided into two different types of methodologies:

- for the countries which practise on-line sales/bookings; and
- for the countries which do not practise on-line sales/bookings.

Best practice examples were chosen by the researchers themselves. The research focused on the websites of cultural/heritage organizations in order to see how they are positioned in the virtual space concerning e-business and its impact on cultural tourism. Therefore, the basic guidelines required a search for those websites of cultural/heritage organizations which practise on-line sales. In some cases, it was possible to detect them. If that was not the case, the researchers chose other cultural/heritage organizations' websites for their research.

Basically, at least three examples were chosen[7] but some country contributions present even more case studies.

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[5] Electronic business, Wikipedia. Retrieved on 25 November 2008 from: http://en.wikipedia.org/wiki/Electronic_business.
[6] Definition used in the document "Strategija razvitka elektroničkog poslovanja u Republici Hrvatskoj za razdoblje 2007-2010."
[7] Except in the case of Albania where two case studies are presented.

Quality Principles for Cultural Websites[8] is a handbook which proposes the following principles for a quality cultural website: transparency; effectiveness; maintenance; accessibility; user-friendliness; responsiveness; multilingualism; interoperability; respect of legal issues; and preservation of content. These principles are also in line with the needs of a cultural tourist as a website user and were used as basic criteria in the search for the websites in countries which do not practise on-line sales. If researchers used their own methodologies, they are explained in country contribution texts.

It has to be mentioned that there is a difference between on-line sales and on-line bookings: on-line sales provide us with exact data on the cultural tourism realized (if a tourist bought a product or a service offered by a cultural organization, we can speak of cultural tourism) while on-line bookings do not. On-line bookings are only provisional and may be realized later on and further research is needed here in order to see if the tourist has really bought the ticket and which modality of purchase he used to buy it. However, on-line bookings may never be realized in the future. Since there are a low number of cultural organizations/heritage sites in Southeast European (SEE) countries which offer any possibility of e-business, we included on-line bookings as a valid indicator of the realization of cultural tourism not researching if the product/service was really purchased. It is an indicator of the use of the Internet not only as a marketing tool but also as a tool for business transactions which shows the awareness and participation of cultural organizations in contemporary technological sales methods. Therefore, both on-line sales and on-line bookings were equally taken into account.

The methodology of the second part of the research for the countries which practise on-line sales/bookings focused on:

- **Internet sales** (number of tickets/items sold annually since the introduction of Internet sales);
- **type of programme sold** (ratings starting from the programme with the highest interest to the lowest interest in order to possibly detect the genre with the highest interest);
- **origin of on-line purchases** (number and percentages relating to the origin of customers);
- **how audiences/buyers found out that Internet purchase was possible** (the way the customers found out about the possibility of Internet purchase – Google, national portals, directly at the cultural institution/organization site and so on);
- **increase or re-direction of sales** (comparison of Internet sales with all other sales methodologies – box-office, subscription, order form invoice, cash on delivery, SMS sales, ticket machines, etc.);
- **activities which are generated by the organization’s website** (such as venue rental, souvenir sales, download sales, etc.).

[8] “Quality Principles for Cultural Websites: a Handbook” (2005) is published within the MINERVA project on digitization in the European cultural sector.

The data on Internet sales was studied in order to detect the reason for the introduction of on-line sales. The hypothesis on the ideal business procedures includes the introduction of e-business with the aim of sales and quality improvement as well as re-direction of sales which encourages savings. Therefore, the research analysed whether the introduction of Internet sales was consciously aimed or introduced for some other reason.

Types of programme sold on-line give us the possibility to see what programmes have the greatest success in sales through the Internet and, eventually, on the basis of these data we can come to conclusions about the age of the customers. It can be an indicator for the cultural organization's programme strategy.

Markets which are involved in on-line purchase are shown by the data on the origin of on-line purchases. Combining these data with the data on interest for specific types of show, cultural organizations can plan their future programme directed towards specific markets.

The way customers found out about Internet purchase was studied in order to see if there are links from tourism websites which are used (to see if there is cooperation between the tourism and culture sectors). It was also studied to see if the access to the website offering on-line sales is promoted towards foreign markets.

The increase and/or the re-direction of sales due to the possibility of on-line purchase had the aim of detecting if Internet sales increase total sales or whether it only serves as another, more practical way of buying tickets.

The study of other activities (such as venue rental, souvenir sales, download sales, etc.) which are offered on the cultural organization's website served to detect additional activities which can stimulate cultural tourism development.

The collection of data was mainly done in cooperation with the cultural organization's webmaster or the person in charge of on-line sales, in cooperation with the bank (credit card sales) and in cooperation with the cultural organization's accountant.

The methodology for the second part of the research for the countries which do not practise on-line sales/bookings focused on:

- **frequency of website users' visits**;
- **origin of the website users**;
- **reasons for not practising on-line sales**.

Specific questions connected to the last methodological question were asked and these were:

- Is there a marketing department within the organization?
- If so, is there an Internet marketing policy?
- What is the marketing partner list within the cultural organization?

The collection of data was mainly done in cooperation with the cultural organization's webmaster. Interviews were also carried out with people in charge within the cultural/heritage organizations.

The Macedonian contribution also used an additional questionnaire for researching the present situation and opinions of the cultural institutions and their impact on cultural tourism in Macedonia while the Albanian contribution used a questionnaire in order to research the conditions for on-line sales provided by the banks.

Although it would be logical to research the cultural tourism situation in general in the inter-related countries, this was not the case with this research, first of all because existing research studies which have already been done in the field of cultural tourism[9] are more generic in character and do not focus on virtual culture. We felt that going deeper into these studies would result in the repeating of already known data which do not have a direct impact on the topic of this research. Secondly, it would result in a huge study which we were not able to conduct due to the limited time and funds. Therefore, if a specific situation occurs in a certain country concerning the general situation of cultural tourism related to virtual culture, it is underlined.

Generally, the situation in cultural tourism in the countries involved in this research is very similar: although in some countries strategic documents[10] or agreements[11] exist which should stimulate the development of this sector, the sector is not systematically approached. Similar problems are found in most of the countries, such as a lack of intersectoral cooperation, a lack of interdisciplinary knowledge, a lack of cultural statistics, a non-recognizable cultural tourism product in the international arena, and a lack of or poorly organized marketing. The last issue can also be connected to virtual culture.

When it comes to on-line sales, there are two possibilities for the cultural/heritage organizations detected in this research: they can sell their products/services on-line directly on their own websites or via some specialized portal. Such portals are usually thematically organized but can involve various sectors besides culture (such as sport for example).[12] Some of these portals are active in various countries. Although their impact on cultural tourism is unquestionable, they were not taken as examples for this research but could fairly be the object of a separate research study. However, the

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[9] Such as *From Tourism and Culture to Cultural Tourism: Croatian Cultural Tourism Development Strategy 2003 (Od turizma i kulture do kulturnog turizma: Strategija razvoja hrvatskog kulturnog turizma)*; *Cultural Tourism: Management and Development Strategies 2005 (Kulturni turizam: menadžment i razvojne strategije)*; *Identification of Cultural Tourism Problems, Perspectives and Bottlenecks – Pilot research in Istria 2002 (Identifikacija problema, perspektiva i uskih grla kulturnog turizma – Pil ot istraživanje u Istri)*.

[10] Such as *From Tourism and Culture to Cultural Tourism: Croatian Cultural Tourism Development Strategy*; *Romanian Strategy for National Cultural Heritage* includes a chapter on Cultural Tourism.

[11] *Collaboration protocol between the Ministry of Culture and Religious Affairs and the Ministry for Small and Medium-Sized Companies with the National Commission of UNESCO and ICOMOS National Commission* with the aim of elaborating a best practice guidebook for sustainable development of tourism to UNESCO natural and cultural heritage sites in Romania.

[12] Such as Eventim (www.eventim.hr), Paganini (www.ulaznice.com.hr), Kulturaplus (www.kulturaplus.com), BG Bileti (www.bgbileti.com), etc.

Slovenian contribution insisted on describing it as a good practice example and it is therefore present in this book. It could serve as a starting point for further research.

Overview of digitization in the EU

In order to be able to see how cultural tourism in Southeast European countries is positioned in virtual space, it is interesting to compare it with EU countries. Therefore, an overview of digitization in the EU countries is offered in the text below and served as a starting point for this research. Conclusions are made in relation to these facts.

ICTs continue to be a major driver of economic and social modernization. Today, businesses in the EU devote 20% of investment to ICTs and the sector accounts for 26% of overall research expenditure. Moreover, 60% of basic public services are now fully available on-line and more than half of EU citizens use the Internet regularly.[13] Regular Internet usage has risen across the whole EU-27, albeit at different rates. In 2007, more than 50% of the population were regular Internet users in 16 countries. Growth was very fast in Ireland (20%), France (18%), in the Czech Republic and Latvia (16%) and in Hungary and Lithuania (15%). Despite progress, some member states still had low percentages of regular Internet users and low growth rates (Bulgaria, Italy, Portugal and Romania). Of the EU population, 40% have never used the Internet. The most disadvantaged groups are those aged 65-74 and economically inactive, and those with low educational achievements.[14]

The *i2010 Annual Information Society Report 2008* of the Commission of the European Communities reports that productivity in the ICT sector is growing faster than in the rest of the economy. The biggest single component of the ICT sector in the EU, representing about 44% of its market value and 2% of GDP, is the telecoms sector. It shows declining revenues in the fixed voice sector but fixed broadband services experienced the highest growth in the sector, with around 14% in 2007. In January 2008, there were an estimated total of 99 million broadband lines in the EU, an increase of 23.8% over the preceding year. This represents an average broadband take-up of 20% of the EU population.

However, market developments differ across the EU member states. Although growth in broadband penetration continued in 2007, large gaps remain between countries. Denmark, Finland, the Netherlands and Sweden top the EU league with penetration rates above 30% (see Chart 1).

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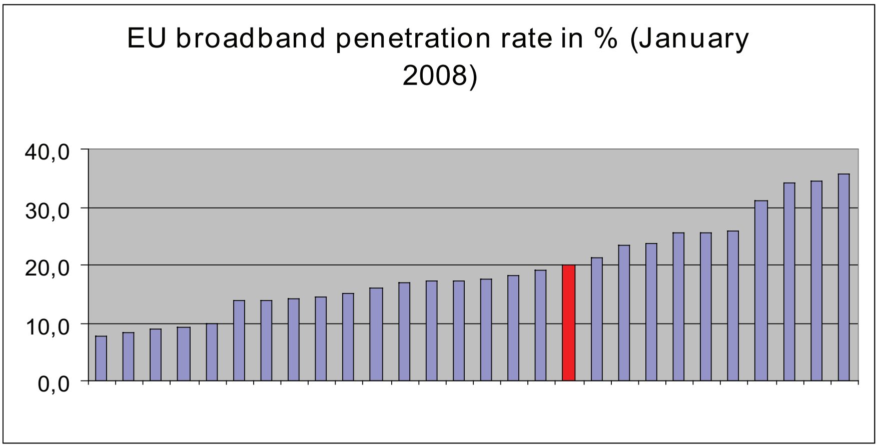
[13] Preparing Europe's digital future: i2010 Mid-Term Review, accessed 25 November 2008 at: http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2008:0199:FIN:EN:DOC.

[14] i2010 Annual Information Society Report 2008, accessed 25 November 2008 at: http://ec.europa.eu/information_society/eeurope/i2010/docs/annual_report/2008/sec_2008_470_Vol_1.pdf/.

Chart 1 – EU broadband penetration rates



Source: i2010 Annual Information Society Report 2008

Gaps in penetration rates and different stages of market development are also reflected in price differences. In more developed broadband markets, pricing policies offer attractive discounts or more services at low or no extra cost. In developing markets, there is no need for innovative offerings. In the countries with lower broadband take-up, the prices for similar products are higher. For instance, the least expensive offer for broadband access for 1Mbps was priced at €49 in Slovakia, while consumers in the Netherlands were charged €14 for a product with similar speeds.[15] On average, broadband access tends to be higher in the new member states than in the EU-15. Gaps are also visible between urban and rural areas.

Electronic business in the EU

The overall use of on-line media by the public is growing fast across the whole of Europe and one of the areas which shows considerable development is on-line advertising. In 2007, significant commercial sales markets could be established only in a small number of countries for some type of content. Due to the fact that the commercial market is still experimental, there are no EU-wide data on this point. Most content traffic still seems to be in advertising-supported markets and making services broadly available and consumer-friendly currently appears to be the most important challenge.

Where it has been measured,[16] on-line advertising has been growing steadily: spending on advertising was expected to pass €11.5 billion in 2007, an increase of 38% since 2006. This growth demonstrates an accelerating shift from traditional to on-

[15] Ibid.

[16] IAB Europe, December 2007: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Italy, Netherlands, Poland, Slovenia, Spain, the UK, Norway and Turkey.

line advertising. It is very important that the cultural tourism sector realizes that postmodern tourists mainly use the Internet as their source of information.

Thus, according to the ATLAS Cultural Tourism Project 2007,[17] a study on cultural tourism, only 17% of tourists travel on all-inclusive packages, most of them making their own arrangements or no arrangements at all. The proportion of Internet bookings has risen from around 15% in 2004 to over 40% in 2007. This shows that Internet booking is becoming more and more popular and that people trust on-line services. Almost 40% of travellers use the Internet as a source of information on the destination of their cultural holiday. Relatively few tourists (around 12%) use the Internet as a source of information when they are on holiday, this being most likely a sign of the low availability of free Internet in hotels or other institutions on the cultural tourism routes.[18] On-line advertising and electronic business could, therefore, play a major role in cultural tourism marketing and development.

The already quoted "i2010 Annual Information Society Report 2008" gives information on ICT uptake by enterprises in 2005-2007: connectivity and basic ICT uptake have visibly progressed since 2005. By 2007, 77% of all businesses had a broadband connection and 77% were using the Internet for dealing with banks. In addition, enterprises started making significant use of e-government services, stimulated by progress in the greater availability and sophistication of on-line public services.[19]

Concerning on-line activities in the business sector, the data show lower rates. In 2007, on-line purchases by enterprises were common to 29% of companies and 28% of company websites offered on-line catalogues and prices. Only 15% of all enterprises were selling on-line and the on-line turnover was around 11%. Interoperability, standards issues and legal concerns are limiting electronic business, especially for small and medium-sized enterprises (SMEs) for whom they are particularly burdensome.

Although these numbers may seem low, they all show an increase when compared to the year 2005 according to all indicators used for the research: on-line purchase, website offering on-line catalogue and prices, selling on-line and on-line turnover.

Digitization and the cultural sector in the EU

The European Commission's Information Society Department focuses on various sectors where ICT may be applicable. One of them is culture and, within this sector, Commission activities focus on cultural industries which are well placed to supply digital content.

The "Inclusion, better public services and quality of life" pillar of the i2010 report

[17] ATLAS Cultural Tourism Survey: Summary Report 2007, accessed 25 November 2007 at: http://www.tram-research.com/atlas/ATLAS%20Cultural%20Tourism%20Survey%202007.PDF.
[18] This paragraph is written by one of the authors in this book, Rarita Szakats-Zbranca.
[19] i2010 Annual Information Society Report 2008, accessed 25 November 2008 at: http://ec.europa.eu/information_society/eeurope/i2010/docs/annual_report/2008/sec_2008_470_Vol_1.pdf.

promotes an inclusive "European Information Society for all citizens". Actions implemented under this i2010 priority aim to ensure that the benefits of the information society can be enjoyed by everyone. Areas of e-inclusion policy, as defined in i2010, are: ageing, e-accessibility, broadband gap (digital divide), inclusive e-government, digital literacy and culture.[20] One of the key proposals of the i2010 report is a series of flagship initiatives illustrating the potential of ICT to improve quality of life. The European Digital Library is one of these flagship initiatives.

In 2006, the Commission of the European Communities issued a "Recommendation on the digitisation and online accessibility of cultural material and digital preservation" saying that "the efforts in this area will contribute to Europe's competitiveness and will support European Union action in the field of culture. The on-line presence of material from different cultures in different languages will make it easier for citizens to appreciate their own cultural heritage as well as the heritage of other European countries. The recommended measures will contribute to presenting Europe's rich and diverse heritage on the Internet and to protecting cultural assets from irretrievable loss. Beyond its fundamental cultural value, cultural material is an important resource for new value added services. The measures recommended will contribute to enhancing growth in related high value added sectors such as tourism, education and media. High-quality digital content is a key driver for large scale industrial activities".[21] Therefore, the first priority of the programme aims at preservation and availability to a larger audience while the second one aims at value added services such as tourism.

Other i2010 policies are aimed at the audiovisual and media sector (to promote online distribution of content), digital rights management and harmonization of copyright.

The European Commission also launched a media literacy initiative in order to formulate a media literacy policy to empower Europe's citizens.

Within the cultural industries sector, starting from March 2005, the European Parliament and the Council of Ministers approved the eContent*plus* Programme, a multiannual Community programme which aims to support the production, use and distribution of European digital content and to promote linguistic and cultural diversity in the global networks. The programme addresses specific market areas where development has been slow: geographic information (as a key constituent of public sector content), educational content and digital libraries (cultural, scientific and scholarly content), in particular the creation of the European digital library (Europeana). It is a four-year programme (2005-2008) and aims to contribute to creating better conditions for accessing, using, reusing and exploiting digital material, based on which

[20] Inclusion, better public services and quality of life, accessed 1 December 2008 from: http://ec.europa.eu/information_society/eeurope/i2010/inclusion/index_en.htm.
[21] Recommendation on the digitisation and online accessibility of cultural material and digital preservation, accessed 1 December 2008 from: http://ec.europa.eu/information_society/newsroom/cf/itemlongdetail.cfm?item_id=2782.

it would be possible to build added-value products and services across Europe. It is supposed to help public and private institutions which create, collect and own digital content to increase the use and re-use of this material, as well as to help content users find and use digital content irrespective of location or language.[22]

One of its main outcomes is Europeana, the European digital library, museum and archive. It is a two-year project that began in July 2007 which aimed to produce a prototype website giving users direct access to some 2 million digital objects, including film material, photos, paintings, sounds, maps, manuscripts, books, newspapers and archival papers. The website should use the digital content already digitized and available in Europe's museums, libraries, archives and audiovisual collections in a multilingual interface. The intention is that by 2010 the Europeana portal will give everybody direct access to well over 6 million digital sounds, pictures, books, archival records and films. The project is formerly known as the European Digital Library Network (EDLnet).[23]

One of the leading initiatives in the digitization of cultural content in single EU countries is the MINERVA project. It is the European Commission initiative which involves each Ministry for Culture with an expert in the field of digitization. The experts coordinate national digitization policies and work together at a European level in a National Representative Group. Their work resulted in the establishment of MINERVA, a network of ministries of EU member states. Their mission is to discuss, correlate and harmonize activities carried out in the digitization of cultural and scientific content for creating an agreed European common platform, recommendations and guidelines about digitization, metadata and long-term accessibility and preservation. So far, 16 national policy profiles are available[24] representing national bodies responsible for digitization of cultural content, digitization policy frameworks and main programmes for digitization, as well as ongoing projects.

There are also other projects focusing on specific cultural sectors, such as the Multilingual Inventory of Cultural Heritage in Europe (MICHAEL),[25] the European Film Gateway (EFG),[26] the Gateway to Archives of Media Art (GAMA),[27] Improving Access to Text (IMPACT)[28] and the European Community Museum for Architecture and

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[22] *e*Content*plus*, accessed 28 November 2008 at: http://ec.europa.eu/information_society/activities/econtentplus/docs/call_2008/7_en_annex1_2008_wp.pdf.

[23] Europeana: Connecting Cultural Heritage, accessed 1 December 2008 at: http://dev.europeana.eu/about.php.

[24] Austria, Belgium, Denmark, Finland, France, Germany, Greece, Hungary, Italy, Ireland, Malta, Netherlands, Portugal, Spain, Sweden, UK.

[25] The project aims to provide simple and quick access to the digital collections of museums, libraries and archives from different European countries.

[26] The aim of the project is to develop an on-line portal providing direct access to about 790.000 digital objects including films, photos, posters, drawings, sound material and text documents.

[27] The aim of the project is to establish a central platform to enable multilingual, facilitated and user-oriented access to a significant number of media art archives and their digitalized contents.

[28] The project aims to significantly improve access to historical text and to take away the barriers that stand in the way of the mass digitization of the European cultural heritage.

Design Exhibitions (ECMADE),[29] as well as many projects which were funded under the 5th and 6th Framework Programmes.

Numerous initiatives have thus been undertaken, underlying their possible added value. However, the situation differs from one country to another in the EU, as well as within Southeastern Europe. SEE country profiles are now presented here and the situation will be compared in the final chapter.

[29] ECMADE is an on-line platform which aims at making accessible information about architecture, design and the city to the general public, educational institutions and professionals.

Albania

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Overview of digitization in Albania

In Albania the Internet is not yet very widespread. The percentage of Albanian users remains the lowest in the region. The cost of a connection network is high, mainly due to the weak infrastructure (Qualliu, 2008).

Two factors are clearly distinguishable in relation to the current situation of the spread and use of Internet in the Republic of Albania:

- the high cost of a connection network, and
- poor infrastructure, which directly influences the cost of the connection network.

The Albanian newspaper *Korrieri* writes that only 15.3% of the population uses the Internet in Albania (Gazeta *Korrieri*, 2008).

However, it is encouraging that since 2007, there has been an approximately seven times increase in Internet users. Internet service provider (ISP) companies are continuously increasing, with competitive offers and various services (Qualliu, 2008) (see Chart 1).

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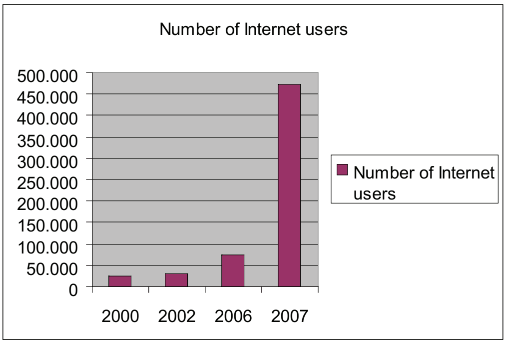
Chart 1 – Number of Internet users



Source: www.internetworldstats.com

According to the poll on Measuring the Standard of Living 2005, around 26% of Albanian families have a fixed telephone line at home. Around 5% of the families own a computer whereas 33.7% of them also have Internet connection at home. These families constitute around 1.5% of all Albanian families. They are concentrated completely in urban areas and 93.3% of them receive Internet service from Albtelekom. In 2005, 4.6% of individuals aged 10 years and older were Internet users. The Internet has a wide use in urban areas. In these areas 9.1% of individuals aged 10 and over were Internet users as compared with only 0.9% in rural areas. Of these individuals 45% had a mailing address on the Internet.

Regarding place of use, around 42% of individuals who use the Internet go to Internet cafes, 21% use Internet at work and 18.6% use it at school. Around 46% of individuals using the Internet do so for information purposes.

The regular Internet user age-group is 16-21 years. This age-group makes up 36% of all individuals who use the Internet.

The most used websites are news sites, whose pages are updated daily, or forums. Other websites tend to be rarely updated and are therefore not visited regularly.

Electronic business in Albania

Different to many other business areas, ISPs in Albania seem to be in real competition with each other. For instance, It-Tel brings the new Internet technology through electric lines into the houses, without adding additional cables, whereas ASC, recently established, is extending its service in all large cities of Albania, aiming to offer integrated services of Internet + Telephone + TV.

The market has operators with distinct clientele profiles. For instance ABCom, the first ISP in Albania, is focused on services for businesses, whereas AlfaCable is oriented towards the family clientele.

Even though there are around 30 companies licensed to provide Internet services, many of them are not consolidated in the market.[1]

If a map was constructed to show Internet use in Albania, Tirana would be presented as a red zone and the other parts of Albania with a paler colour. Tirana is the epicentre of Internet service providers and users. Access to the Internet is possible in every town of Albania, but the weakness of service (high cost for the service provided) discourages the massive spread of its use in the districts. Albtelecom is a dial-up line, which satisfies the minimal needs of using the Internet (use of electronic mail and browsing web pages).

The main factors which influence the wider use of the Internet are:

- a high difference in the ratio between the cost of this service and family income (in Albania, prices still remain high compared to neighbouring countries – see Table 1) (Avdiu, 2008);
- poor infrastructure, which directly influences the cost of the network connection; e-commerce is practically non-existent in Albania, the content of Albanian web pages is very poor and, if the user lacks a knowledge of foreign languages, it is not realistic to expect him/her to have Internet at home (Avdiu, 2008).

Table 1 – Prices of Internet access using largest Albanian ISPs

Package	**Cost**
Family	Starting from €19.95 per month
Business (1PC)	Starting from €50 per month
Dedicated line	Starting from €120 per month

Digitization and the cultural sector in Albania

The Albanian ICT strategy[2] was created from a project co-financed by the Open Society Institute, the UN Department of Economic and Social Affairs, and the United Nations Development Programme (UNDP) Albania. Its aim has been to facilitate efforts by the Government of Albania, in cooperation with other national and international stakeholders, to develop a national ICT strategy that identifies mechanisms and the legal fiscal framework needed to implement e-government, e-education and e-com-

[1] Information obtained from an inside source from the Telecommunication Regulatory Entity.
[2] Information and Communication Technologies Strategy project, co-financed by the Open Society Institute, the UN Department of Economic and Social Affairs, and UNDP Albania, available at: http://www.ictd.org.al.

merce initiatives, as well as the continued development of ICT infrastructure.

The strategy builds on the many individual and sectoral e-initiatives already being implemented by other development organizations, such as the e-governance activities led by the Italian Government, World Bank, European Union, United Kingdom (UK) Department for International Development (DFID) and the United States (USA) Agency for International Development (USAID); e-vocational as well as e-educational and information activities led by the Open Society Institute and GTZ;[3] as well as many other cross-cutting ICT activities supported by these and other donors.

The Government of the Republic of Albania considers the development of the information society and the use and deployment of ICT in the country as one of the highest priorities in achieving higher living standards and economic growth.

This strategy document describes the general goals of the strategy and defines a number of strategic actions that serve to achieve these general goals. For this purpose, the strategy is subdivided into five sections and fourteen individual goals. The sections describe the major strategic areas to be addressed and are directed at different target groups in the country (see Table 2).

Table 2 – Main areas addressed in the Albanian ICT strategy

Area	Goals
I. Government as promoter, legislator and user of ICT	1. Pro-active, well-coordinated national ICT policies
	2. Creation of an ICT-supportive legislative environment
	3. More effective, transparent, responsive government and public services: • sub-goal 3.1: e-government services of government institutions at central level • sub-goal 3.2: e-government services of administrations at regional and local levels
II. Use of ICT for education, research, health and social services	4. Promoting basic computer literacy, ICT education and research in the ITC domain
	5. Creating a staff of advanced ICT specialists – education and research in the ICT domain
	6. ICT in health and social services
	7. Supporting development of locally relevant content and applications
III. Building infrastructure needed for an open information society	8. Creation of a competitive, liberalized telecommunications sector
	9. Development of inexpensive, fast and secure ICT infrastructure throughout Albania
IV. Accelerating economic growth in the private sector	10. Development of the ICT sector as a production sector
	11. Supporting electronic business
V. Ensuring relevance of ICT strategy within a regional and European context	12. Active participation in SEE regional initiatives
	13. Active participation in EU initiatives
	14. Monitoring of Albania ICT developments in regional and European context.

[3] Albanian–German Business Support for Albania; it is an international cooperation enterprise for sustainable development with worldwide operations

It is evident that no section covers the area of culture as an individual sector which needs development using ICT.

During 2006, the Government of Albania, with support from UNDP, undertook the initiative to revise and adapt the ICT strategy. The consultation process that took place during 2006 concluded with a draft document “Draft proposal for the ICT and telecommunications cross-cutting strategy”,which is still a draft and not official for the public (UNDP, 2007).

Despite all these efforts, Albania still lacks a real official ICT structure.

One of the measures taken recently by the Albanian Council of Ministers is the creation of the National Agency of Information Society and Electronic Government (AKSHI), which will prepare a strategic policy and coordinate and supervise the implementation of the programmes and projects related to the information society. Its structure and organs will be approved by the Prime Minister.

The main objectives of the agency are:

- compilation and implementation of the policies, strategies and official law acts for the development of the information society sector;
- coordination of the policies and programmes in the information society field;
- promotion of investment in the field of information society;
- promotion of new technologies;
- education and fostering of ICT use among the public.

Some other duties that will be performed by the agency concern:

- development of an internal ICT net for the public administration including a government net (GovNet); coordination of computerization of different sectors and other important institutions; and creating on-line services;
- support and coordination of the project for the digitization of law acts, archives and libraries;
- providing legal and other support for the development of e-business;
- providing legal and other support for on-line services, Internet and computer usage for citizens;
- collaboration with other national and international institutions, civil society and the private sector in the field of information society (Gazeta *Korrieri*, 2007).

AKSHI has envisaged support for digitization in the field of archives and libraries but the ICT strategy does not perceive it as one of the priorities. Still, it is the only effort in the field of culture and is worth mentioning.

In January 2007, a new initiative "Albania in the Internet Age" emerged. This initiative, supported by the UNDP and many other national and international donors, had the aim to provide broadband Internet and computer laboratories for all high schools in Albania within six months. Within the next two years, the goal was set to do this for every other school in the country (Gazeta *Korrieri*. 2007).

Several days later, during the Leaders' Global Forum, organized by Microsoft, the Albanian Prime Minister signed the agreement for the implementation of the government project, "Albania in the Internet Age" (Gazeta *Shqip*, 2007).

Situation in Albania: the cultural sector and e-business

Taking into account the factors elaborated above, it is obvious that in Albania there is a lack of development of the telecommunications infrastructure and especially of the digitization of culture, tourism and cultural tourism. An interview with the representative of the Telecommunications Regulatory Entity reveals that during 2004-2008 around 15 licensed areas have been approved for Internet service as well as around 14 other regional or local providers. In the sector of culture, there are around 60 registered websites on culture in Albania. It should be said, however, that only a small percentage of them belong to the cultural heritage and there is no website devoted to cultural tourism.

Two typical cases are chosen for this study:

- the Isopolyphony website (http://www.isopolifonia.com), which has values of special importance with regard to the cultural heritage of Albania; and
- the Butrinti case (www.butrint.org), this national archaeological park having special importance in respect of Albanian cultural heritage and also of cultural tourism.

Both websites, in addition to having priceless value regarding national cultural heritage, also belong to the world heritage list recognized by UNESCO.

Isopolyphony is a song without instruments, where the role of the orchestra for the singers *marresin,*[4] *kthyesin*[5] and *hedhesin*[6] is played by the chanting. This is a prominent characteristic of the southern zones of Albania and a pluricentennial tradition of this zone.

The Internet site seeks to convey this heritage through generations and also to present its unique value to other non-Albanian cultures.

[4] A singer in a polyphonic folk group of singers who initiates the singing in folk songs with many voices.
[5] A singer in a polyphonic folk group of singers who sings in the second voice, after the one who initiates the singing in folk songs with many voices.
[6] A singer in a polyphonic folk group of singers who sings in the third voice, after the second voice in folk songs with many voices.

The **City of Butrint** has a historical value of world dimension because it preserves aspects of the Illyrian culture, which was followed by Greek culture and then by Roman culture. Apart from this, Butrint also preserves and conveys medieval aspects, mainly from the Ottoman and Venetian cultures.

Well-preserved until now, the cultural monuments of Butrint have revived the interest not only of Albanians but also of foreigners, to discover the history, from Antiquity through to the late Middle Ages, of one of the well-known cities in the Mediterranean.

Case study 1 – Isopolyphony

Frequency of users' visits and the origin of the users

The frequency of visitors varies and is up to 150 persons per day, 60% of whom are of foreign origin.

Reasons for not practising on-line sales

The website is mainly created in order to raise awareness of the importance of the non-material heritage since state legislation mainly focuses on protecting its material aspects.

Sales are done in a traditional way, through shops or privately: after receiving the request via e-mail, the product is sent by post to the destination. In the case of Isopolyphonia, it is difficult not to speak about the traditional market, although a very good step has been taken towards digitization of the cultural heritage.

No marketing department exists within the organization. As far as on-line sales are concerned no such system is used because of the lack of funds.

Case study 2 – Butrint

The website has been created to promote Butrint, providing information regarding the city and creating a new destination for Albanian tourism. This website not only promotes Albanian culture but also advertises buildings and hotels, as well as typical artisan products.

The Butrint website focuses on the following information and services: presentation of the ancient town; tourist information regarding the town; maps and descriptions of tourist zones; information on the historical development of Butrint; Butrint today (information, maps and photos of the national park of Butrint); and practical information on how to get there.

It is obvious, therefore, that the website is targeted towards tourists. Still, although there is a possibility of selling artisan products as well as hotel accommodation, it is not done. Local products are not included in the on-line sales for two reasons:

- it is thought that tourists prefer not to buy souvenirs unless they are present

in the relevant place;
- there is no interest in selling souvenirs made by local producers; the same situation applies regarding book sales.

There is no interest in creating a marketing department since the organization is rather small.

A policy of on-line sales is being drawn up, something which has not been possible so far because of the difficulties in setting up a team for this job.

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Both websites show a lack of on-line services for visitors. In both cases, it is still impossible to find an option of on-line purchase or booking.

In order to understand why there is a lack of on-line sales, additional information has been sought at the Tirana Bank. They claim that on-line purchase has not been widely used in Albania due to the fact that many foreign websites do not send shipments to Albania and because some websites do not accept payments by credit cards issued in Albania. It is obvious that the information obtained at the Tirana Bank applies only to purchases which concern purchases from Albanians to foreign websites while the possibility of involving Albanian websites in on-line transactions is not even considered.

Conclusions

In spite of all the data presented, there is an obvious improvement of the current situation of digitization of tourism and culture in Albania.

The number of Internet users has been increasing lately for a number of reasons:

- liberalization of the telecommunications market;
- increase of computer sales;
- increase of computer knowledge;
- bigger request for communication;
- increase of financial income (Avdiu, 2007).

With the liberalization of the telecommunications market, a massive increase of subscribers for fixed telephony, an increase in mobile telephony, the actions of the Albanian Government with the support of UNDP and the project "Albania in the Internet Age", use of the Internet has expanded significantly.

Regarding general use, the Albanian newspaper *Korrieri* (13 February 2008) writes that only 15.3% of the population uses the Internet in Albania. With the liberalization of the market, this number, for which we do not have precise figures, should have considerably increased. There has also been an increase in the media, economic businesses, state structures and non-profit organizations.

Three factors have directly influenced this increase:

- Prices offered by Albtelecom for the use of the Internet are lower than those of other providers. In offering this service Albtelecom has excluded the installation charge and the monthly payment for its use. According to the Cullen International report, the cost for 40 hours of Albtelecom service is €19.95, which is lower than the service offered by other operators. Other operators charge from €19.7 to €77.6 per month for 30 hours of Internet use for businesses, whereas for personal use these charges vary from €10.9 to €14.6. The highest tariffs of Albtelecom vary from €0.06 per minute for personal users up to €0.09 for businesses.
- There has been an increase in the market and, therefore, a reduction of prices of computers, which has directly influenced the increase in purchases. Currently, computers have become commonplace in family homes in big cities, in schools at all levels, in villages, state administration offices, associations, businesses and production companies. Computers have appeared and are being used not only by community administrations (local government in rural zones), but also by many rural families.
- There have been increasing opportunities for acquiring computer knowledge everywhere and for everybody. Not only in towns, but also in every community, even in villages, specialized centres have been opened which offer this service. Where there are no special centres, public or non-public schools have offered help.

A rapid and progressive tendency can be predicted in this direction due to the following:

- An agreement was signed between the Ministry of Tourism and the Association of Tourism on the Albanian Tourism and Travel Blog in September 2008, according to which the Albanian Association of Tourism has reached agreement with the ministries (Ministry of Tourism and Ministry of Culture, Youth and Sports). The aim of this is to preserve tourist resources, cultural heritage and employees who work with tourism businesses.[7]
- The second phase of the Geographical Information System (GIS) was presented in September 2008 by the Town Hall of the capital city, according to which Tirana citizens can get to know the situation of the area where they live, find information about their property, see proposals for town planning, zoning according to the regulatory plan in power and future plans. In the second phase the project will be supported by the GTZ. The GIS system will be given three

[7] Shoqata shqiptare e turizmit. 10 shtator 2008, është krijuar para gati 5-muajsh dhe përfshin të gjithë operatorët turistikë, agjensitë, hotelet, restorantet dhe bizneset e tjera të fushës. Deri më tani nuk ka patur një organizim të rregullt të këtyre bizneseve, çka përbënte një problem peer shfaqjen në internet të shqetësimeve të fushës. Available at: http://www.turizmi.com/blog/turizmi-akord-midis-ministrise-dhe-shoqates-se-turizmit.html.

new attributes: taxes, urban planning and public properties. Its realization will increase the quality of information services (Gazeta *Shqip*, 2008).

- The Government of the Republic of Albania considers the development of the information society and the use and deployment of ICT in the country as one of the highest priorities in achieving higher living standards and economic growth.

The ICT sector is still not a developed sector in Albania but its rapid growth promises improvements which technology is also bringing to other sectors. Being a country of an unspoiled nature, Albania has a great potential for tourism development. Using ICT to promote its cultural and tourism resources may bring prosperity to Albania since so far tourists have known little about this country. Initiatives which have been undertaken so far in the ICT sector should stimulate the development of cultural tourism in Albania which is lagging behind in the ICT field. Only when on-line opportunities are offered will Albania be able to attract the attention of the wider tourism market.

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Bosnia and Herzegovina

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Bosnia and Herzegovina is spread over 51,129 square kilometres. According to the 1991 census, the population of Bosnia and Herzegovina numbered 4,377,033. Present estimates say that Bosnia and Herzegovina has a population of approximately 4,590,310.[1]

The Bosnia and Herzegovina war, which lasted from 1992 to 1995, ended in the signing of the General Framework Agreement for Peace in Bosnia and Herzegovina. A completely new situation in all spheres of Bosnia and Herzegovina society was created by the signing of this Agreement in 1995. Bosnia and Herzegovina was composed of two entities, the Federation of Bosnia and Herzegovina and the Republic of Srpska, and also the Brčko District. The Federation of Bosnia and Herzegovina was administratively divided into 10 cantons, and the Republic of Srpska was an area consisting of 61 municipalities. Through the General Framework Agreement for Peace in Bosnia and Herzegovina the entities were delegated a high level of independence in all executive sectors of governmental power.

Overview of digitization in Bosnia and Herzegovina

Ever since the beginning of 2000, Bosnia and Herzegovina has been constantly trying to regulate the field of telecommunications and electronic media. Many decisions have been made concerning the policy of the telecommunications sector, with the main aim being to enable easier access to telephone and Internet services by as large a number of citizens as possible. Some laws were adopted, but many of them are still in their draft version.

In the course of 2004, the Council of Ministers of Bosnia and Herzegovina adopted two documents: the Strategy of Information Society Development in Bosnia and Herzegovina and the Action Plan of Information Society Development in Bosnia and

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[1] Data from 2008, retrieved from http://www.internetworldstats.com/europa2.htm#ba. Estimate used by the Bosnia and Herzegovina Statistics Agency says that in June 2007 the population of Bosnia and Herzegovina was 3,842,942. This data was used by the Communications Regulatory Agency (CRA) in their Annual Poll in order to be able to calculate Internet access penetration rates.

Herzegovina. Both documents are based on five development pillars: e-legislation, e-education, e-governance, e-infrastructure and e-industry. These documents define the laws that must be adopted in order to enable simpler and easier e-business. In that respect, the draft Law on Electronic Business and Electronic Signature was drawn up but has not yet been adopted.

Notwithstanding a legislation vacuum in this segment, information technologies and the use of the Internet in Bosnia and Herzegovina have recorded constant progress and advancement. The Internet has been present in Bosnia and Herzegovina since 1995, the time when the first Internet service providers (ISPs) appeared, but it was only two years ago that the commercial development of the Internet began. The number of Internet users in that period in Bosnia and Herzegovina is unknown.

Table 1 – Internet subscribers by types of access for 2004–2007

Type of internet access		Number of subscribers (total)			
		2004	**2005**	**2006**	**2007**
Dial-up	a) Dial-up b) ISDN	162,300	162,789	197,909	189,059
Broadband	c) Wireless access	1,641	3,046	4,330	16,448
	d) Cable access	2,394	4,751	11,863	29,412
	e) ADSL	1,497	4,845	22,170	37,635
	f) Leased lines	1,101	1,054	1,241	1,140
	g) Other	4	6	147	58
	Broadband total	6,637	13,702	39,751	84,693
Subscribers total		**168,937**	**176,491**	**237,660**	**273,752**

Source: Annual Poll of CRA Licences Users for 2007

By analysing the data presented in Table 1 and with reference to the most commonly used type of Internet access over the years, it is obvious that the largest number of subscribers still use dial-up connection (analogue and ISDN modem). In 2007, there were 189,059 dial-up subscribers, or 69% of the total number of Internet subscribers. However, it is apparent that in comparison with 2006, the number of dial-up subscribers declined by 4.5%. At the same time, in comparison with the same year, the increase in number of users of broadband access in 2007 was over 100%; it reached about 31% of the total number of Internet subscribers. When it comes to broadband connection, access using ADSL technology and cable Internet connection are still the most frequently used. Statistical data show that usage of the so-called broadband services in Bosnia and Herzegovina has been consistently rising over the years. As was the case earlier, the biggest rise in number of users in 2007 was achieved in ADSL connections and cable access to the Internet. In comparison to 2006, the number of users of cable Internet access increased by 59.7% and of ADSL access by 41%. In addition, a significant rise was recorded in numbers of subscribers to wireless access to the Internet (73.7%).

The data presented in Table 1 show that the usage rate of Internet services in Bosnia and Herzegovina is constantly increasing, with a particular focus on usage of broadband services. In 2007, there were in total 60 ISPs operating in Bosnia and Herzegovina. Out of that number, 55 ISPs took part in the questionnaire of the Annual Poll of Communications Regulatory Agency (CRA) Licences Users. The results of the survey show that there were in total 273,752 Internet subscribers in Bosnia and Herzegovina in 2007.

Table 2 shows the number of Internet users in Bosnia and Herzegovina and outlines changes that occurred between 2004 and 2007.

Table 2 – Number of Internet users

Year	2004	2005	Index [%] 2005/ 2004	2006	Index [%] 2006/ 2005	2007	Index [%] 2007/ 2006
Number of Internet users	585,000	805,185	137.64	950,000	117.99	1,055,000	111.05

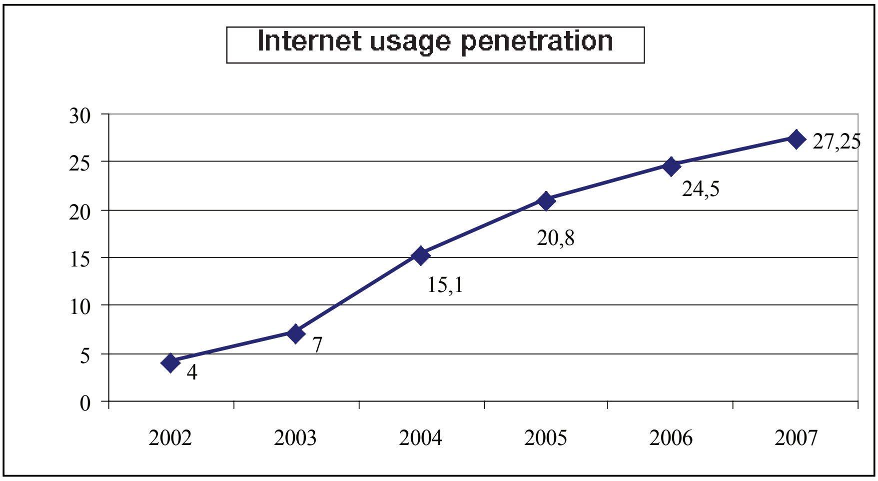
Source: Annual Poll of CRA Licences Users for 2007

Looking at Table 2, it is obvious that the estimated number of Internet users in Bosnia and Herzegovina has shown a constant increase throughout the years, which is also apparent from the index of change in number of Internet users.[2] The increase rates for 2006 and 2007 were less than in previous years.

Therefore, in 2007, according to the CRA data the Internet access penetration rate in Bosnia and Herzegovina was assessed to be 27.25%. A trend in the increase of Internet usage in Bosnia and Herzegovina over several recent years is demonstrated in the following diagram (Diagram 1).

[2] Index of change is a change rate of measured size and is calculated by correlation of number of users in two successive years, multiplied by 100.

Diagram 1 – Internet usage penetration



Source: Annual Poll of CRA Licences Users for 2007

Based on information submitted by 55 ISPs, the total income of the ISP market in Bosnia and Herzegovina has been estimated to be 51,623,213 KM, which is 0.27% of total GDP.[3]

Wireless Internet access in the Bosnia and Herzegovina market is being offered with connection speeds ranging from 64 KB/s to 4,096 KB/s, and in packages both with and without traffic limitations. The lowest price for wireless Internet connection of 256/64 KB/s speed and a limit in data transfer of 1GB is approximately €8.5 (VAT not included in the price).

Asymmetric Digital Subscriber Line or ADSL is offered by three ISPs of dominant telecom operators. Speed of Internet access using ADSL service in Bosnia and Herzegovina ranges from 384 KB/s to 4096 KB/s. Packages have limited data transfer, but packages without such limitations in traffic, so-called "flat rate" packages, are also available. In Bosnia and Herzegovina, an ADSL Internet package with access speed of 384/64 KB/s and 1GB of allowed traffic costs about €10.2.

A trend of increase in number of cable Internet subscribers has continued in 2007. Cable Internet access in Bosnia and Herzegovina is available at a connection speed that ranges from 128 KB/s to 4096 KB/s. Both packages with limited traffic and flat rate models are available. The lowest monthly subscription fee for a cable Internet package of 256/64 KB/s connection speed and 1GB traffic is €8.5.

Internet access could be made available in almost all towns and cities in Bosnia and Herzegovina, regardless of their size. A difference in the number of ISPs is evident,

[3] Data provided by the Bosnia and Herzegovina Statistics Agency for 2006.

as they are mostly located in cities or larger towns, while competition in small towns mainly comes down to two service providers. Not all ISPs offer the same Internet services but a large portion of them offer at least one type of broadband Internet connection in addition to dial-up service. When it comes to broadband service, providers of Internet services operating in smaller towns, for reasons of simpler infrastructure construction, most frequently offer fixed wireless, which also contributed to a significant growth in the number of wireless subscribers in 2007.

Electronic business in Bosnia and Herzegovina

Considering the significance and evident advantages of marketing, it would be quite understandable that the leading Bosnia and Herzegovina companies should recognize the opportunity to present their goods, services and activities in such a global media as the Internet.

Based on this idea, the Faculty of Economy from Sarajevo carried out a survey in 2005. The research was based on a sample of 50 of the largest companies in Bosnia and Herzegovina. The list of selected companies was taken from the magazine *Poslovne Novine* (Business Newspapers), which ranked the companies according to their total revenues in 2004. Out of the total number of companies, 39 of them (78%) had their main HQ in the Federation of Bosnia and Herzegovina and 11 (or 22%) were established in the Republic of Srpska. The greatest number of companies (18) had their HQ in Sarajevo (36%). When it came to the ownership structure, most of the companies were private (27 companies or 54%), 18 companies (36%) were state-owned, and 5 companies (10%) were in joint ownership.

As the subject of the research was the 50 largest companies in Bosnia and Herzegovina, one would expect to find 50 websites. However, only 36 companies (72%), out of the total number of companies that were analysed, had official websites on the Internet (see Table 3). It is interesting that 14 companies (28%), whose revenues in 2004 exceeded €10 million, did not exist on-line at all.

Table 3 – Presence of Bosnia and Herzegovina companies on the Internet

Presence on the Internet	FB&H	RS	Total
Companies present on the Internet	32	4	36
Companies not present on the Internet	7	7	14
Total	39	11	50

Source: Čičić, Brkić, Selimović, 2005: 10

Out of 11 companies in the Republic of Srpska from the 50 biggest companies group, 7 had no web presentations. There were also 7 with no Internet presentation in the Federation of Bosnia and Herzegovina. When considering the type of ownership, among the companies that were not on-line, 57.1% of them were state owned, while the remaining 42.9% of the companies were private.

On the basis of the presented data, it could be concluded that the biggest companies in Bosnia and Herzegovina paid little attention to corporate and marketing on-line communication, especially PR communication, and almost no attention at all to sales improvement. Moreover, their websites were rarely updated while graphic and design solutions of their web presentations were often careless. Furthermore, a large number of leading Bosnia and Herzegovina companies did not use the Internet at all, neither did they use on-line services or technologies, and for them the Internet was no more than the printed media (Čičić, Brkić, Selimović 2005: 10-15).

Digitization and the cultural sector in Bosnia and Herzegovina

At the end of the 1990s all the countries from the region submitted to the Council of Europe a report reviewing the status of culture in their country, except for Bosnia and Herzegovina which, due to the overall situation in the country and the dissolution and divisions in the society, did not submit the report. Consequently, in 2002 Charles Landry drafted a “Report on Cultural Policy in Bosnia and Herzegovina” in cooperation with a team of experts from several European countries.

Following the report prepared by Charles Landry, the drafting of the Strategy of Cultural Policy in Bosnia and Herzegovina was started in 2006. The strategy consisted of two parts: the first, more extensive part included a breakdown of the existing situation of culture in Bosnia and Herzegovina; the second part of the strategy referred to objectives of cultural strategy, its priorities, the Cultural Policy Action Plan and, finally, to the strategy implementation programme (Strategy of Cultural Policy of Bosnia and Herzegovina, 2006: 50). The priorities and the plan of action according to the strategy implied the drafting of an Action Plan; however, neither has this action plan been drafted yet, nor has the text of the strategy been adopted by the representatives of the authority.

When considering the area of digitization of the cultural heritage, one could speak of five primary fields of activities: libraries, archives, museums, institutions for the protection of cultural goods and governmental agencies. Generally speaking, their main task is to collect, process, study, safeguard and protect the properties.

The following table (Table 4) gives a breakdown of institutions that deal with various cultural segments and their websites.

Table 4 – Cultural institutions and their websites

Cultural institution	Federation of B&H	Websites	Republic of Srpska	Websites
Libraries	92[a]	4	49[b]	8
Archives	10	4	5	1
Museums	10	4	6	1
Galleries	5	4	2	1
Institutions for the protection of heritage	4	2	1	0
Theatres	7[c]	3	2[d]	1
Cinemas	32	0	28[e]	0

a) Data obtained from the Statistics Annual Report of the Federation of Bosnia and Herzegovina for 2004.
b) Data obtained from the Statistics Bulletin of RS for 2007.
c) Data obtained from the Statistics Annual Report of the Federation of Bosnia and Herzegovina for 2006.
d) Data obtained from the Statistics Bulletin of RS for 2007.
e) Data obtained from the Statistics Bulletin of RS for 2007.

The report entitled "Evaluation of Cultural Institutions' Websites" was presented at the international conference "European Guidelines for Cooperation between Local Cultural Institutions – Libraries, Archives and Museums", which was held in Sarajevo in September 2007. Its objective was to assess the presence and application of new technologies in cultural institutions and to analyse the current situation and services that cultural institutions offer to their users.

In addition to the assessment of information according to the given criteria (accuracy,[4] authority,[5] objectivity,[6] currency[7] and coverage[8]), the report covered on-line services – that is, it was researched which services were available to users through the websites, whether there was access to the on-line catalogue or other databases, whether there was a list of useful links, whether the information was organized in a logical and orderly manner and, finally, whether any additional information was presented. The results obtained suggested that several institutions have digital collections presented on their websites, that only libraries have on-line catalogues, and, finally, that

[4] Presence of the signature of the author of the website or the person responsible for the site, with the website sponsor.
[5] Main purpose of the domain is to create a virtual identity of the legal person, which is unambiguously related to physical identity and registered activity of the said legal person.
[6] The information presented in the websites may be biased and subjective and, where the institution is sponsored, it is often possible that the sponsor's opinions were conveyed.
[7] Date of creation and date of last update of the site.
[8] Analysis of the subjects covered by the websites and whether access to information is restricted.

a few institutions have web address books on their websites. Most of the websites are in one of the official languages of Bosnia and Herzegovina and the alphabet is used accordingly. The websites of certain institutions were entirely translated into another, foreign language, most often into the English language. Websites are often incomplete and lacking recent information. Not a single institution offers any possibility of buying or booking tickets on their websites, or purchasing of souvenirs.

The analysis of websites of cultural institutions in Bosnia and Herzegovina shows that, in general, the main task of the website is seen to be the presentation of the institution and only rarely is any extra information offered.

Situation in Bosnia and Herzegovina: the cultural sector and e-business

Case study 1 – the Sarajevo Film Festival

In the middle of the 1980s, the Obala Art Centre was founded in Sarajevo. This centre's main activities were visual art, theatre and film (presentation and production). During the 1992-1995 war in Bosnia and Herzegovina, the centre organized many exhibitions and projections in rather improvized working conditions. During the last year of the war (1995) the people who gathered in this centre started the Sarajevo Film Festival. In the first festival year, in the course of its 12 days, 37 films from 15 countries were screened in the premises of the Bosnian Centre of Culture. Around 15,000 visitors came to the festival. The next year, the festival was organized in the open air outside the Obala Art Centre. In the course of the following years, the Sarajevo Film Festival grew and developed into a festival with 180 screenings in front of 100,000 visitors. Many celebrity guests visited Sarajevo: Agnes B., Alfonso Cuaron, Anthony Minghella, Mike Leigh, Bono Vox, Carol Bouquet, Enki Bilal, Gerard Depardieu, Jafari Panahi, John Malkovich, Peter Mullan, Vanessa Redgrave, Willem Dafoe and Kevin Spacey.

The Sarajevo Film Festival offers its audience a great selection of films in competition and non-competition programmes. The festival aims to present important and innovative films of high artistic value made throughout the world. The programme of the festival comprises a Competition Programme (feature, short and documentary films), In Focus, Panorama, New Currents, Tribute to…, Heineken Open Air, Children's Programme, TeenArena, Midnight Meetings and Katrin Cartlidge Fund. Each special programme is the responsibility of a selector who chooses the films.

Ticket sales for film projections at the Sarajevo Film Festival are normally arranged through the box office. Ticket booking is also available via SMS to users of HT Eronet, the main sponsor of the Sarajevo Film Festival. Tickets can be booked by sending an SMS message containing the code of the screening and the number of tickets. One SMS might book no more than two tickets per single screening. The price per SMS is €0.5 (VAT excluded). Once booked, tickets can be collected from the main box office. Ticket prices range from €0.50 to €5.00. Until some years ago the Sarajevo Film Festival offered the possibility of ticket booking through its website (www.sff.ba), but it did not include sale. Ticket sales back then were also arranged through the official box office. Transfer to SMS booking was the result of finding the powerful sponsor – HT Eronet.

Organization of the Sarajevo Film Festival offers many possibilities for campaign or project promotions. There are three possibilities: one can advertise in the official festival publications, there is the option of outdoor advertising or there is the possibility of organizing one's own presentation.

The website of the Sarajevo Film Festival, a well-known festival in the country, region and beyond, gives thorough information to visitors about the festival and directs them through the map of Sarajevo to many other places, such as hotels, motels, restaurants, coffee shops and similar.

The analysis of data related to frequency of subscribers' visits to the website of the festival showed that there were a total of 41,739 visits to the website during August 2008 when the festival was held. More than 60% of visitors found out about the festival website through search engines, some 22% accessed the website directly and some 17% found out about it through other websites (see Diagram 2). The following keywords are usually used for finding the website in search engines: Sarajevo film festival, sff, sff.ba, Sarajevo film festival 2008, www.sff.ba.

Diagram 2 – Traffic source

When it came to analysis of the origin of visitors (see Table 5), it was realized that the majority of visitors were from Bosnia and Herzegovina (25,580), Croatia (2,966), the USA (1,575), Slovenia, Germany, Serbia, the UK, Turkey, Austria and France.

Table 5 – Origin of visitors

Country/Territory	Visits
Bosnia and Herzegovina	25,580
Croatia	2,966
United States	1,575
Slovenia	1,517
Germany	1,304
Serbia	1,057
United Kingdom	871
Turkey	701
Austria	590
France	503

Case study 2 – the Museum of Contemporary Art of the Republic of Srpska

The Museum of Contemporary Art, which is located in Banja Luka, was founded in 1962 as a branch of the Art Gallery of Bosnia and Herzegovina from Sarajevo. After the 1969 earthquake in Banja Luka numerous artists started a campaign, a solidarity drive to donate their pieces of art to the devastated city, actually to the gallery. At the same time, the campaign spread, with the help of the embassies of Yugoslavia, throughout the world and many foreign artists presented their works as a sign of support to help to rebuild what was demolished by the natural disaster. Through this initiative the initial collection was acquired and it formed the basis from which the art gallery developed over time. Today, the gallery collection is divided into three sections: the Bosnia-Herzegovina Artists' Collection, the Yugoslav Artists' Collection and the World Art Collection. A few years ago, the gallery changed its name to the Museum of Contemporary Art of the Republic of Srpska, and that also brought about significant changes in its work, under the current approach of the museum. The focus of present museum activities is the presentation of contemporary fine art and video creations, and also conceptual art.

The first website of the museum (www.msurs.org) was designed some ten years ago and since that time it has changed its appearance several times. What makes today's presentation interesting is a display of exhibitions that have been organized in the Museum of Contemporary Art over the last few years. In addition to photographs from the opening ceremonies and catalogues with related texts, the gallery collection is presented (partially) and also the biographies of the artists whose works of art are kept in the gallery.

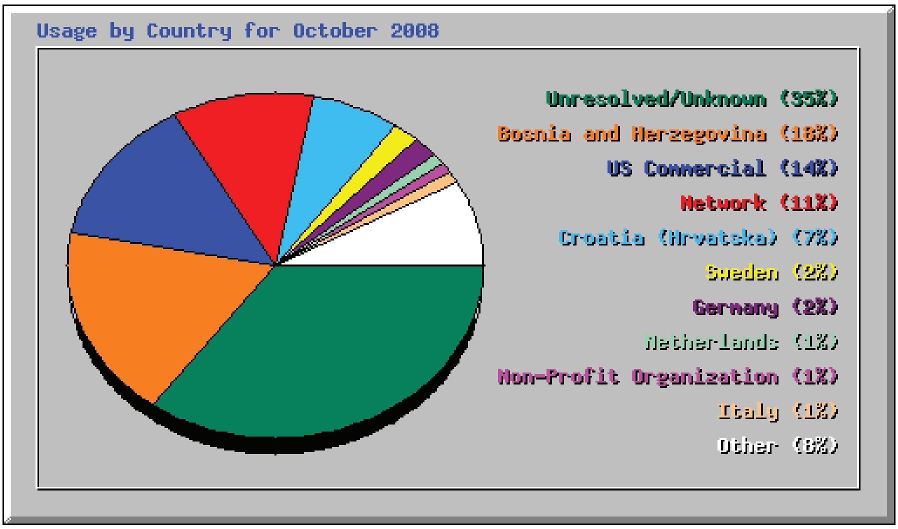
The museum has had a sales gallery for many years now. It is also presented on the website of the museum, but the major deficiency here that may be noticed is that the artworks that are offered for purchase are not displayed – only the address of the gallery is given where a possible buyer may see and buy a certain piece of art.

Analysis of data related to frequency of visits to the website of the Museum of Contemporary Art showed that there were a total of 3,684 visits in October 2008 (see Table 6). Analysis of the origin of visitors showed that the majority of visitors were of unknown origin (35%), 18% were visitors from Bosnia and Herzegovina, followed by visitors from the USA commercial sites, Croatia, Sweden and Germany (see Diagram 3). A great number of visits to the website come from in-house.

Table 6 – Monthly Statistics for October 2008

Monthly statistics for October 2008	
Total hits	**152,677**
Total files	**128,970**
Total pages	**5,895**
Total visits	**3,684**

Diagram 3 – Usage by country for October 2008



When asked why there was no opportunity for Internet sales, the museum simply stated that they were not sure whether possible buyers would be interested. They were also anxious about the possibility of burglary, reluctant to introduce new systems and they had actually never thought of such a possibility. However, they found the proposition interesting and said that they would explore the possibility further. Internet sale of tickets for visits to the museum is unnecessary for access is free to all visitors. The museum has no marketing division.

Case study 3 – the Sarajevo National Theatre

The Sarajevo National Theatre is the oldest professional theatre in Bosnia and Herzegovina. It was established in 1921 and immediately after the second world war its activities expanded to include music departments for opera and ballet.

The latest version of the website (http://nps.ba/) presenting the Sarajevo National Theatre was created during 2007. It is thematically divided into several units: theatre, drama, opera and ballet and contains information about the repertoire, actors, singers, history and actual repertoire. There is a separate menu with information about the repertoire and new programme announcements, presentation of the theatre poster gallery and the seating plan. In addition, there is a special section offering information about sponsors, media sponsors and the friends of the theatre, as well as about the marketing and advertising departments. The website of the Sarajevo National Theatre offers the possibility of the venue being rented for various social occasions as well as cultural and arts programmes. This is why the theatre regularly appears as a venue for the Sarajevo Film Festival (main events are organized in the theatre building) and also as a host for the entire programme of the MESS International Theatre Festival.

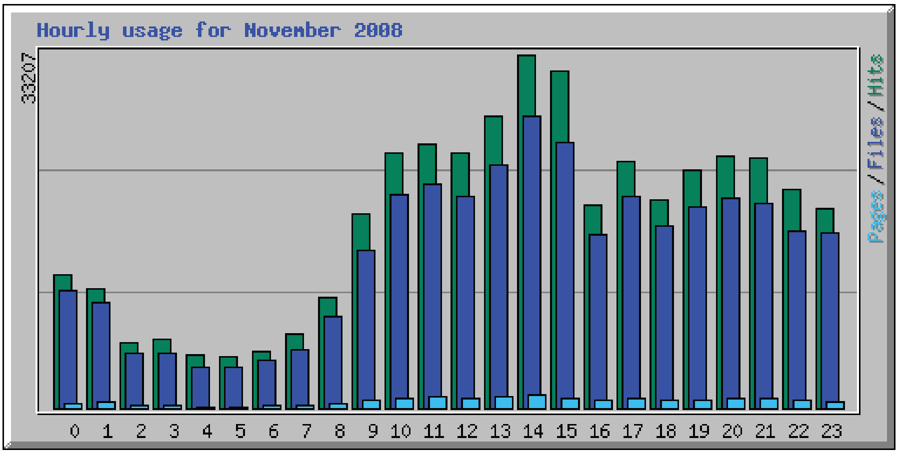
There is still no possibility to book tickets over the Internet, although the theatre management plans to make it possible for visitors in the near future. They say that on-line ticket sales are also not possible and they state the main reasons for this to be a lack of legal foundation, an expensive infrastructure and recent experience with the Internet company that dealt with Internet ticket sales. Apparently the number of tickets sold through this company was very small, in fact negligible, and the costs of launching such a programme by themselves would exceed present costs. Apart from ticket sales and space rental for various events, the theatre does not offer anything else for sale as a rule, for example souvenirs or posters for the plays created by prominent artists.

The analysis of data related to frequency of subscribers' visits to the website of the Sarajevo National Theatre showed that there were a total of 10,222 visits to the website during November 2008 (see Table 7). Daily statistics for the same month result in information that the web pages were most frequently hit at the end of the working week, before the weekend. The information about hourly usage for the same month shows that subscribers most frequently open the website in the period from 12.00 to 15.00 (see Diagram 4). Most of the visitors are of unknown origin, followed by subscribers from Bosnia and Herzegovina, Sweden, Croatia, Germany and Serbia.

Table 7 – Monthly statistics for November 2008 in the Sarajevo National Theatre

Monthly statistics for November 2008	
Total hits	**422,268**
Total files	**352,160**
Total pages	**15,563**
Total visits	**10,222**

Diagram 4 – Hourly usage for November 2008



Case study 4 – kupikartu.ba, the on-line ticket sale portal

In September 2008, a service www.kupikartu.ba started in Sarajevo. The activities of the service are divided into four segments: music, sport, culture and fun. By December 2008, some 200 tickets were sold for 24 events and 250 were booked. The greatest number of the tickets were sold for cultural events (for the Sarajevo National Theatre and the Sarajevo Youth Theatre), followed by tickets for sports events and concerts.

Most of the buyers are from Sarajevo (90%), 7% are from other cities of Bosnia and Herzegovina and the remaining 3% are from countries in the region. According to the management of the site, their aim is to extend the service to include other cities in Bosnia and Herzegovina and also cultural and sports events from other countries in the region.

This service has been active for a very short time and, according to its management, the most common way that users find out about it is through advertising on other, mostly national portals, through PR announcements, presentation on Internet browsers, on TV and radio shows and through the press. The presentation of the service through these media boosted the number of users and ticket sales.

In order to buy a ticket, the buyer must register and pay for it through the 2Checkout system.

The service's plans for the forthcoming two years include expansion of ticket sales to gain 40% of classical, box office sales. In the opinion of the service management, the main reason for poor usage of the system is poor command of new technologies and the small share of people who buy on-line. The aims of the service are to offer entire ticket sale and distribution solutions to event organizers at lower sales and distribution costs, easier and quicker control of visitors' entrance and detailed sales statistics and analysis.

Conclusions

Internet connection could be made available in almost all towns and cities in Bosnia and Herzegovina, regardless of their size. A difference in the number of ISPs is evident, as they are mostly located in cities or larger towns, while competition in small towns mainly comes down to two service providers. Not all ISPs offer the same Internet services but a large portion of them offer at least one type of broadband Internet connection in addition to dial-up service. When it comes to broadband service, providers of Internet services operating in smaller towns, for reasons of simpler infrastructure, most frequently offer fixed wireless connection, which also contributed to significant growth in the number of wireless subscribers.

There are no legal regulations for information technologies. A number of research studies were conducted in this field, the strategy and the action plan were drawn up and some laws that would regulate the field have been in preparation for the last few years, but have not yet been adopted.

The research into the structure of web page presentations of Bosnia and Herzegovina companies on the Internet showed that 72% of companies have their own websites. On the basis of the web page analysis it was concluded that the web pages were rarely updated and often had rather careless design and graphic solutions. Furthermore, a great number of leading Bosnia and Herzegovina companies did not use the Internet at all, nor did they use on-line services or technologies, and for them the Internet was no more than a form of printed media.

Bearing in mind this situation in both the legislature and business, it would be most surprising to see anything outstanding in the cultural sphere. There is no mention of Internet presentations or the establishment of a digital database in the legal regulations at all. One would expect certain regulations within the museums to control and foster the establishment of databases, for the purpose of better and easier search of the material or for its better protection and safe-keeping, but such regulations do not exist. A somewhat better situation was found in libraries, whose websites often offer their users the possibility to search through the catalogues, and on the websites of the archives that often present lists and registers of their collections and funds. There is not a single word about Internet sale of souvenirs, space rental or provision of extra services anywhere. One of the reasons for this situation is the fact that cultural institutions are non-profit organizations. The sale of souvenirs requires the purchase of objects from third persons and organization of sales for which the museums have no capacity or entitlement. One of many absurdities is that the catalogues and publications that are printed and issued for exhibition purposes cannot be treated as objects of sale for they have already been funded by the state, that is, the entity or canton budget, and therefore cannot be sold.

Three different institutions were presented in this paper in detail. Two institutions are state-owned institutions financed from the state budget. The third independent organization is financed from its own resources; it is sponsored or supported through partnerships or various projects. The Internet presentations of these three organizations are rather enviable, containing abundant information and services designed for their users. The fourth case study concerning an on-line ticket sale portal shows that on-line ticket sales are in their early stages.

The following actions need to be taken in order to foster the development of the virtual sector in Bosnia and Herzegovina:

- the drawing up and adoption of a harmonized set of laws that would regulate electronic business in the country;
- the drawing up and adoption of a cultural policy strategy of Bosnia and Herzegovina;
- the drawing up and adoption of a harmonized set of laws that would regulate cultural issues at the level of the state in Bosnia and Herzegovina;
- the amendment of existing legal regulations that control archival, museum and library activities to include responsibility for the establishment of databases, and also nomination of the institution that would be responsible for supervising and controlling data entry;
- a determined effort to link cultural institutions with tourist organizations.

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Bulgaria

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Overview of digitization in Bulgaria

In 2007, the population of Bulgaria was 7,640,238 (NSI, 2007). The indicators for the level of digitization in Bulgaria are extremely dynamic and show a rapid growth during the last year (2007). Surprisingly, the data extracted from the official sources are not compatible and do not entirely match. One of the reasons for this discrepancy could be the methodology used to collect data and statistical indicators. Data provided by the International Telecommunication Union (Internet World Stats, 2008) seem more reliable and are used in this research. There were 4 million Internet users in Bulgaria in 2008, which amounts to a 55.1% penetration rate. Analysis shows that the increased Internet use is a direct reflection of the following factors:

- the improved quality of service: broadband (high speed) Internet access is predominantly used by business consumers – 61% of enterprises (Eurostat, 2007) – and is also penetrating households very fast – 17% are domestic users (Alfa Research, 2007);
- the price of the basic high speed Internet package (6 Mbps) has decreased almost six times during the last year to reach an average monthly price of €10.

The use of the Internet for commercial purposes has been increased, driven by proven overall benefits, the increase of the number of potential customers on-line and the possibility of providing more diversified services on-line.

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Internet access of the business sector is 88.1 % and one third of the businesses using the Internet have their own websites (NSI, 2007).

Electronic business in Bulgaria

The main preconditions for electronic business have been fulfilled since the existing laws permit on-line trade. These are:

- the Law on Electronic Trade;
- the Law on Electronic Document; and
- the Law on Electronic Signature.

The number of companies that offer products and services through the Internet is very low – only 4.7% – and that is why less than 1% of retail sales in the country happens on-line. An important factor relating to a further increase in sales through the Internet is the stage of development of various banking products on-line – on-line purchases, transactions and Internet banking. Only 26% of Bulgarians have debit cards and 6% of them have credit cards. This is partially because of the overall absence of clients' trust in the banking sector, especially related to electronic money and transactions. This is a serious indicator that the on-line banking market in Bulgaria still has a lot of room for development in the future, including through investments in education and information mechanisms among the population concerning the efficiency of on-line banking.

General analysis shows that very few cultural products and services in Bulgaria are offered through the Internet. Electronic business is not a developed sector and, even though it has a specific targeted audience (mainly in Sofia and other big cities), it is still not clear if audiences and consumers have specific needs for such services. If we manage to answer this question positively, on-line sales and on-line booking systems could become a preferred service among other possible choices.

Digitization and the cultural sector in Bulgaria

Two priority areas related to digitization are outlined in Bulgarian cultural policy: museums and libraries.

Bulgarian membership in the European Union (as of January 2007) was a starting point in the long-term strategy to increase digitization of the cultural heritage across the country. There are 142 museums in Bulgaria – 8 national, 18 administrative, 29 regional and 87 municipal. Almost half of them have their own websites. There are 41 galleries in Bulgaria, and only 11 of them have an on-line presentation on their own websites (Ministry of Culture, 2008). A unified software for management of museum objects is in the process of development. This project will fulfil the necessity for electronic descriptions of moveable museum collections. The overall processes of maintaining, movement and display of museum collections will also be supported through digitization. A targeted fund of €450,000 from the state budget is planned for the digitization of museum collections in 2009. The second cultural policy priority for digitization – libraries – is directed towards the need to transform libraries into "contemporary digital centres for reading". €1,500,000 has been allocated in 2008 and 2009 for this purpose.

There is a third sector to be influenced by the increasing digitization of sales in 2008 – the theatre sector. There are 42 state theatres, 11 municipal theatres, 2 university-based theatres and around 100 to 150 private theatre companies in Bulgaria (Source: Directorate for Theatre, Variety and Circus, Ministry of Culture). The majority of private theatres depend on project subsidies and only 15 of them can sustain ongoing activities (10 puppet and 5 drama theatres). The majority of theatres in Bulgaria are present on-line with their own websites and this trend is part of their overall marketing policy, allowing them a better visibility. On-line ticket sales started almost 5 years ago, with increasing trends. There are two ways of selling tickets on-line: through the organization's website (containing separate software for on-line sales), such as the Ivan Vazov National Theatre in Sofia, or through a national Internet portal for on-line ticket sales such as www.bgbileti.com, which provides combined sales for many shows and performances. The second possibility is used by more than 20 theatres, 11 of them located in Sofia. Most of the theatres do not collect user-related information from their own websites. Therefore, there is not much indication as to how on-line sales information is used for strategic marketing decisions or for concrete activities.

The next step in the process of facilitating joint ticket sales would be the establishment of a unified ticketing system for on-line bookings, with a joint ticket cashier as part of an information centre. This project will initially be realized only in Sofia, in partnership between the Ministry of Culture and the Sofia Municipality.

Two other projects, supported by the Ministry of Culture and/or by various municipalities across the country, are worth mentioning: "Livestreaming of theatre performances" and "Europeana": digital paintings, books, films and archives.

The "Livestreaming of theatre performances" (http://www.bgteatri.com) project provides an opportunity for watching performances at Bulgarian theatres live on the Internet. The live streaming is direct and the service is accessible to foreign audiences. The purpose of the website is to offer Bulgarians or foreigners outside the country access to the actual theatre performances and to connect them to cultural life in Bulgaria. Access requires on-line tickets. The performance can be seen in real time or up to 24 hours afterwards.[1]

"Europeana" – the European digital library, museum and archive (http://www.europeana.eu), is an EU initiative within the eContentplus Programme that began in July

[1] The initiative of live streaming of theatre performances on the Internet is supported by the Ministry of Culture, the Union of Bulgarian artists, Artistauthor, the Bulgarian-Czech Cultural Association, the Bulgarian-Norway Association, Art Net, Radio-Bulgaria-Linz and the Bulgarian Online Community Abroad.

2007.[2] Bulgaria is also a part of the project and its national representative is the library of the New Bulgarian University.

Situation in Bulgaria: the cultural sector and e-business

On-line sales and bookings are not widespread among cultural organizations. There is no data on the total number of organizations which practice on-line sales in Bulgaria. Nor are there any mechanisms for collecting and analysing Internet visitors to the organizational websites, and there is no unified way of conducting a comprehensive research. In some cases, there are sporadic enquiries about audience profiles or numbers on-line and this is the reason why data are not comparable.

The current enquiry identified eight websites which, in our opinion, are among the best examples of e-business methods in the cultural sector in Bulgaria. One website is a platform for on-line ticket sales, while others represent various cultural sectors (a cultural centre, three theatres, a museum, a gallery and a film festival).

Case study 1 – the Andrey Nikolov Red House Centre for Culture and Debate

The Andrey Nikolov Red House Centre for Culture and Debate in Sofia is a centre for culture and debate, attracting contemporary audiences to participate in diverse cultural and socio-political programmes, while at the same time introducing the public to the art of two great Bulgarian artists – the architect Ivan Vassiliov and the sculptor Andrey Nikolov.

It offers multifunctional spaces for theatre performances, exhibitions, public debates and film shows, among other things. The centre also hosts a permanent exhibition of Andrey Nikolov's works, a library, an information centre and a café-restaurant. It is a place for artistic experiments in the field of performing and visual arts, film, music, literature and new media. The centre organizes performances of independent groups, exhibitions of contemporary visual artists, lectures and discussions on contemporary art and culture. The Arts and Culture programme of The Red House Centre for Culture and Debate features productions, theatre performances of independent groups, concerts and exhibitions. It also presents Bulgarian and international trends in the development of documentary and experimental art cinema as well as video films of key performances – milestones in the development of the performing arts in the last ten years. The library and the information centre offer books, Bulgarian and foreign periodicals and resource literature, as well as video archives of contemporary art works. It also offers international artistic residencies throughout the year.

On its website (www.redhouse-sofia.org), the centre has used an on-line ticket booking system since its opening. The data presented in Table 1 show on-line bookings for the period 2005-2008 (only until the end of August 2008).

[2] See more about the programme in the introduction.

Table 1 – Total on-line ticket sales/bookings (in numbers)

	2005	2006	2007	2008 [1]
Tickets – total sales	7,082	6,225	6,218	4,005
Tickets – on-line bookings	274	687	673	237
Percentage of on-line ticket bookings in total ticket sales	3.87%	11.04%	10.82%	5.91%
Arts and Culture programme: on-line ticket bookings	215	576	520	150
Percentage of on-line ticket bookings for Arts and Culture programme in the total on-line ticket bookings	78.46%	83.84%	77.26%	63.29%

Source: The Red House Centre for Culture and Debate

[1]Until 31 August 2008 (January-August) – the actual working time is between January and June; the presented data is for the first half of the year 2008.

The data analysis shows an increased number of on-line bookings for almost all years studied. This is mainly due to the traditions of booking, but also to the profile of the audience (mainly young and highly educated people). For the year 2007, on-line bookings were around 11%, with an expectation that they would increase to more than 12% for the year 2008. It is especially interesting that more than 80% of these bookings are for the Red House cultural programmes (performing arts, film screenings, etc.).

Consumers can find out directly from the Red House website about the possibility of booking tickets on-line but there are also references to this option through the major search engines, Bulgarian and foreign, as well as through some specialized national sites.

The website of the Red House provides further possibilities for Internet booking for artistic residencies. More than 905 beds are booked on-line, mainly by foreigners (in most cases artists who have professional relationships with the Red House). The Red House is a good example of a complete cultural product being offered on-line – from the idea, through to debates, performances, café-restaurant and hotel. Often, this kind of symbiosis stimulates consumption. The Red House is an organization which is developing a variety of virtual culture mechanisms, with a strong leaning towards the development of cultural tourism.

According to the internal website statistics, the total number of on-line visitors to the centre in 2007 was 107,447. Direct visits to the website (users coming directly, and not learning about it via other on-line resources) account for 28% of the total visits which shows a high recognition of the Red House. The highest attendance on the website is between 10.00 and 14.00 (Bulgarian time zone).

Case study 2 – the Ivan Vazov National Theatre

The Ivan Vazov National Theatre is a 100-year-old theatre located in the very centre of Sofia. The theatre offers more than 350 performances annually (365 for the season 2007/2008, 394 for the calendar year 2007, including touring in other cities). The current theatre repertoire consists of more than 30 productions. The average number of new productions is between 5 and 10 annually.

The National Theatre has the highest economic indicators of all theatres in Bulgaria. The performances of the theatre in 2007 were attended by more than 98,000 visitors, and the annual ticket sales revenue for the same year was almost €380,000.

The marketing team of the theatre consists of five people responsible for the overall marketing and sales policy, in collaboration with outside marketing agencies, publishing houses and website development companies. Among the theatre's marketing partners are also leading media companies and bookshops. The team keeps in regular contact with journalists from different media (including electronic ones), who help with the regular visibility of theatre events and performances (both off-line and on-line). Since 2004, the National Theatre has had its own website (www.nationaltheatre.bg) in Bulgarian and English.

The frequency of user visits to the website in the last four years (2004-2008) has increased by 50% annually, and for the year 2008 there were almost 81,000 registered visitors to the website. Direct visits are 25% (which is an indicator of the high reputation of the theatre) and 75% are visitors who have been re-directed from other on-line sources. 18% of the visitors come from outside Bulgaria. The core audience of the national theatre are people between 18 and 35 years old – the age of the most common Internet users (between 50% and 70% of Internet users in Bulgaria are in this age range) (Lev, 2008).

The National Theatre started implementing on-line ticket sales only from November 2008.

Case study 3 – the New Drama Theatre Salza I Smiah

The New Drama Theatre Salza I Smiah is the successor of the oldest professional Bulgarian theatrical organization, created in 1892. It is a state theatre and functions as an "open stage-production centre". There is a youth theatrical studio as part of the theatre's activities. This theatre has offered on-line sales only since October 2008.

The creative concept of the new theatre website (www.salzaismiah.com) goes back to 2004, with continuous updates. The website is bilingual (Bulgarian and English) and already has a sufficient number of virtual visitors (more than 10,000 monthly visits or 120,000 visitors annually). One of the reasons for this interest is the forum option, which makes the website interactive and provides a possibility for users to share, comment and provide their opinions and recommendations.

More than half of the visitors to the website come from Bulgaria and the rest are visitors from Russia, Great Britain, Greece, the USA and others. There is no comprehensive market survey on the website usage, but there have been enquiries about the physical theatre audience. The age of the main visitor group is between 25 and 45 and the efforts of the marketing team and its Internet policy are concentrated towards this age group.

Case study 4 – the Aleko Konstantinov Comedy Theatre

The Aleko Konstantinov Comedy Theatre is among the most popular theatres in Sofia. It is a state theatre, established in 1957. Its well-maintained website (www.satirata.bg) operates in Bulgarian and English and offers important and diverse information. It also contains an option for on-line ticket sales through a direct link with Multi Max Trading Ltd. – a company which also manages the Bulgarian virtual desk for on-line tickets (www.bgbileti.com).

The theatre has offered tickets over the Internet for the last three years and shows an increasing tendency towards on-line ticket sales. A growth of 0.5% in on-line ticket sales per performance is registered on an annual basis. Maximum virtual distribution reaches 20 tickets per performance, which represents 4% of all ticket sales. It is not a small percentage, considering that 5% is the maximum of world on-line trade in most sectors.[3]

Case study 5 – the National Museum of History

The National Museum of History in Sofia is one of the largest history museums in the Balkans with 650,000 items and the largest archaeological and historical archive in the region. The museum's collections comprise materials from prehistoric times to the present.

The website of the National Museum of History (www.historymuseum.org) was created in 1999. The website has participated in various competitions and has won two awards from the web festival in Albena, Bulgaria: first prize in the category "Web design" and first prize in the category "Foreign language site".

There are 140,000 annual user visits to the website. The highest percentage of visits is concentrated between 9.00 and 15.00 (Bulgarian time) and the lowest is between 1.00 and 6.00 in the morning. Therefore, it is assumed that the visitors are from the European time zone.

[3] http://www.retailerdaily.com/entry/online-sales-growth-slows-in-08/ and http://www.clickz.com/showPage.html?page=1453831

The website had a positive effect in increasing overall visitors by around 30% and users of various other services of the museum (the conference hall, hall rental – for cocktail parties, meetings, concerts, anniversaries, symposiums, etc.) by around 60%.

For 2007, the number of visitors was 151,955, and the figure for January to September 2008 is 94,720. The museum has its marketing department which works strategically in cooperation with various tourist agencies and hotels.

It is important to highlight that the National Museum of History is part of the project "The virtual museum of the European roots: discovering our cultural heritage online" (http://www.europeanvirtualmuseum.it/default.htm).[4] One of the purposes of the project is to increase the quality of cultural e-services and to set up a test version of a virtual European museum.

The National Museum of History does not practise on-line sales. One of the economic reasons behind this is that museums and galleries function differently, compared with other cultural sectors, such as the performing arts or cinema. They are not limited in their live performance characteristics, the exhibitions have very different production parameters than theatre shows and there is no limitation to audience numbers at the same place and time (like in the theatre or cinema halls).

Case study 6 – the Sariev Gallery

The Sariev Gallery is located in the centre of Plovdiv, a town in the southern part of Bulgaria. It has a 20 square metres of exhibition space and a possibility for outdoor exhibitions. It is a specialized art gallery whose conception is to demonstrate trends and to stimulate the development of contemporary ceramics. It is the only privately-based specialized art space in Bulgaria which presents contemporary ceramics. Various generations of artists (working in the field of design, art-object, installation, etc.) are presented in the gallery.

The gallery organizes independent exhibitions of prominent artists working with ceramic materials. Once a year, there is a presentation of new young artists (the "Background Exhibition"). The themed exhibitions, occupying a significant place in the programme, are dedicated to a certain material, technique, colour or subject which is fashionable in contemporary art development.

The website of the Sariev Gallery (www.sariev-art.com) was created in 2005. The website statistics for the last 12 months (October 2007 – October 2008) show:

- weekly visits, average – 420;
- monthly visits, average – 1,680;
- annual visits, average – 20,000.

The origin of website visitors is as follows:

- 55% from Bulgaria;

[4] The project is co-financed by the Leonardo da Vinci programme of the European Commission.

- 24% from an unknown location;
- 9% from the USA;
- 7% from Europe;
- 5% from other countries.

Although quantitative data is not available, the website's positive effects on gallery sales are measured by indirect and qualitative indicators. The gallery's cultural product is unique and is not typical of the overall art market. The fact that it is offered on-line shows its availability to a larger market. As the gallery is located in the provinces, its website contributes to the effectiveness of its sales in general. The majority of the visitors, as well as some potential partners, get to know the gallery for the first time through its website. There is an option on the website for subscription to the mailing list and to the gallery's regular newsletter. The website is an important marketing tool and is open to the cultural tourism market, since it also offers comprehensive links to other galleries, museums and art spaces in the town of Plovdiv, something which cannot be found on any other website.

One of the reasons that the gallery does not use on-line sales is the fragile nature of art objects, which are difficult for delivery by post. Another reason is the high insurance of art objects when delivering to the customer by post.

Case study 7 – the Sofia International Film Festival

The Sofia International Film Festival (Sofia Film Fest) has a leading position among Bulgarian film festivals. It started in 1997 as a music event. During the first years of trying to find its own identity, Sofia International Film Festival gradually established a reputation as a leading cinema event in Bulgaria, increasing its recognition abroad.

The festival's aim is defined clearly: representation of art and non-commercial films and a wish to fill the gap between the Bulgarian audience's need for information on the situation in world contemporary cinema and the limitations of the repertoire in the national cinema network.

One of the reasons for a significant increase in the reputation of the Sofia Film Fest in recent years is the establishment of the Sofia Meetings programme. This is a professional event, aiming to help the process of promotion of Bulgarian and regional cinema within the European context and supporting the creation of new European co-productions between Bulgaria, countries from the region and the European Union.

The organizational website (http://www.cinema.bg/sff) was created in 2001, in a bilingual mode (Bulgarian and English). It does not practise on-line sales but offers some other web statistics. During the festival (10 days every March), the site records the highest number of visitors (up to 2,000 visitors daily), and during the festival month its highest point is up to 36,000 visitors. In the period February to September 2008, there were 70,000 visits. The most visited sections are the programme of the cinema halls and the awards section. After the festival, visitor frequency usually falls. Then, the most visited section becomes film information, which demonstrates the transformation of the festival from an annual event to an organization.

Around 30% of the visitors enter the website directly, which confirms its high reputation. Around 15% of the visitors get to know about the website from the specialized reference sites in Bulgaria and abroad, which shows international endorsement and the professional level of the festival. The rest of the visits are redirected by diverse search engines. Of the visitors, 89% come from Bulgaria and 73% are from Sofia, followed by visitors from other Bulgarian cities – Plovdiv, Burgas and Varna (cities with simultaneous festival screenings). International visitors come from 85 different countries. Most visitors come from various European countries (Germany, France, the Netherlands and Serbia), followed by the USA and Canada. The predominant number of visitors to the site usually coincides with the presentation of a film from the same country during the festival.

Case study 8 – Multi Max Trading Ltd.

Multi Max Trading Ltd. is a private Bulgarian company whose main purpose is to build up new methods of communication between actors and audiences. Their product is an on-line ticket sales system called ART MultiNet. The company constantly develops and maintains an up-to-date national multilingual cultural and information portal (www.bgbileti.com), which serves as a kind of exchange for events where the audience can book and purchase tickets for over 15,000 cultural events per year in the territory of Bulgaria.

Annually, over 30,000 tickets are sold by 28 cultural institutions (20 theatres, 6 operas, 1 cinema and 1 festival congress centre) in Bulgaria, with a tendency towards a significant increase as a result of the system's innovations geared to more flexible access to the services offered. Thematically they are divided as follows:

- tickets for theatre performances – nearly 60%;
- tickets for opera – nearly 25%;
- tickets for symphonic concerts – nearly 10%;
- tickets for other cultural events – 5%.

According to data from ART MultiNet, a significant growth was registered in online tickets sales:

- for the 2006/07 season – the sales were approximately 10% of the total number of tickets sold; and
- for the 2007/08 season – the sales increased to approximately 30% of the total number of tickets sold.

Conclusions

The process of digitization in the cultural sector in Bulgaria has started to define a new paradigm of consumption. The demand model of cultural services and goods is changing – some of these goods are gaining an additional distributive channel through on-line sales (as shown by the example of on-line sales at the Red House). Together with some common influencing factors, such as household income, ticket price, audience level of education, the reference groups, there are new factors arising: level of Internet access, Internet literacy, national opportunities for Internet banking, and so forth.

The process of digitization in the cultural sector in Bulgaria (e.g. development of websites, on-line booking and sales) is quite slow, but with a quite optimistic tendency in the last two years, due to:

- the overall increase of Internet access in Bulgaria in general;
- the improved quality of business transactions via the Internet;
- the massive increase in the number of debit and credit cards used by individuals and businesses;
- an overall increase in household incomes;
- the development of the market niche for on-line ticket trade;
- the stabilization of the overall cultural sector.

It has to be emphasized that the specific nature of market mechanisms applicable to the arts, cultural heritage and cultural industries requires a profound knowledge of the nature of the artistic/cultural product and services offered, as well as the necessary investments, both in increased Internet access and off-line marketing methods. The research shows that the theatres in Bulgaria are a good example of increased on-line sales. Most of them have already overcome a very difficult transition period and have come to a new stage of increased demand. The trends in increasing on-line ticket sales are continuing and will most probably show high figures in the next few years.

The second sector, where large digitization projects are planned from 2009 onwards, is the museum sector. The policies of modernization of their overall activities include audience participation on-line, digitization of collections, websites containing virtual tours and interactive ways to involve audiences. This trend is closely connected with the future development of cultural tourism in the country.

The current research has singled out several practical and policy recommendations which can improve the use of on-line technology in promoting and selling cultural products and services. This process will certainly be reflected in improved cultural tourism indicators in the country.

- The Ministry of Finance needs to reconsider the regulations concerning on-line tickets, especially those related to electronic tickets (part of the Law of Electronic Document). Also, fiscal policy has to be re-evaluated regarding ticket sales (especially for subsidized cultural organizations) and there is a need for optimization of the legislation related to bank transactions so that they can be carried out directly by institutions without the necessity of intermediary agents or systems, which involves additional expenses.

- The commercial banks need to amend their policies in order to offer better support to state and municipal cultural institutions by offering preferential financial conditions and credit lines (in accordance with the policy of the Ministry of Culture) for buying new hardware and software.
- There is a need for in-depth and ongoing research and mapping of the levels of digitization in all cultural organizations (state, private, non profit). This could be one of the first steps towards including the issue of digitization in a future national cultural strategy.
- It is important that, on the organizational level, marketing departments have a clear policy of audience development and a revenue strategy, both related to using on-line tools in daily activities and at the same time being part of the overall strategic planning process. Cultural organizations are more and more present on-line and therefore the information about on-line visitors should be tracked and analysed so that it can be used in the overall decision-making process. Possible indicators for successful on-line performance could be: statistics on Internet sales, offering "packaged products" as part of tourist services, and the number of cultural attractions offered as an additional service for foreign tourists in Bulgaria (as well for Bulgarians). A path ahead would be a connection between cultural services and congress tourism (this tourist profile has grown by 22% in 2007 alone).
- There is a need for implementation of unified and internationally recognized web statistics to provide comparative analysis of on-line user participation.

Analysing both cultural and tourist markets, we assume that the digitization process is one of the bridges between them. It could also be considered as an environment, providing increased audience and tourist participation in the future.

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Croatia

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Cultural tourism and new technologies are growing sectors in Croatia. They are mentioned in separate strategic documents – "From Tourism and Culture to Cultural Tourism: Cultural Tourism Development Strategy" (Ministry of Tourism, 2003) and "Information and Communication Technology Strategy in Croatia" (Ministry of Science, Education and Sports, 2002) – but have never been researched or taken into account as common topics. How could they work together and make use of one another? An answer to this question will try to be sought in this contribution showing the general situation in the country concerning digitization as well as offering data on the involvement of cultural organizations in cultural tourism by way of virtual space.

Overview of digitization in Croatia

The country area of 56,542 square kilometres has a population of 4,491,543 inhabitants (Internet World Stats, 2008). According to the Internet World Stats, in June 2008 there were 1,995,400 Internet users (see Chart 1) which accounts for a 44.4% penetration rate (see Chart 2). This number shows a significant growth compared to November 2007 when there were 1,576,400 Internet users with a 35.1% penetration rate.

Chart 1 presents the EU top 10 Internet users with Germany as the largest European market with 53 million Internet users. In Croatia, there are fewer than 2 million of them. It is not possible to compare these countries since it depends on the population but it offers us a picture of the density of Internet users within Europe.

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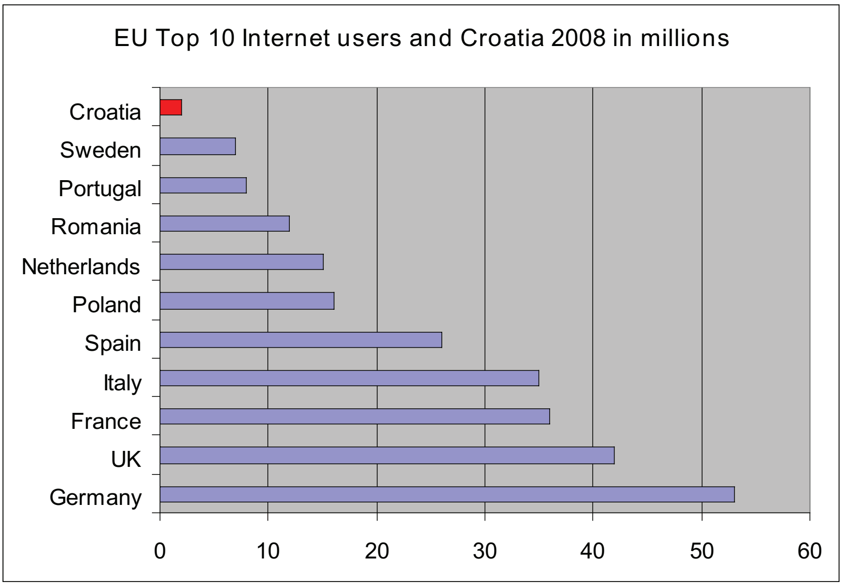
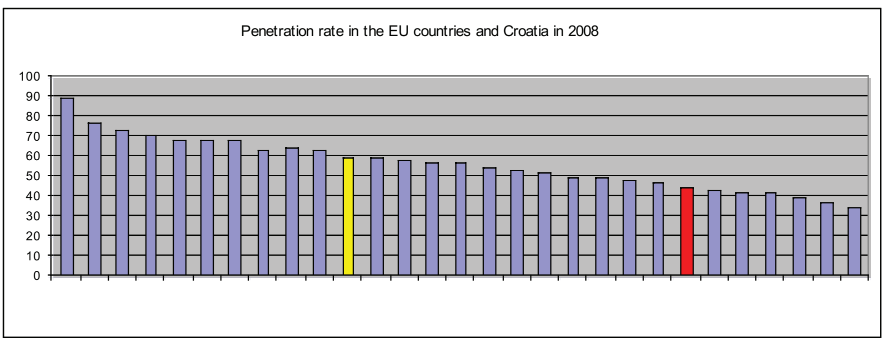
Chart 1 – EU Top 10 Internet users



Source: Internet World Stats, 2008

More comparable data are to be found in the penetration rate in EU countries and Croatia in 2008 (see Chart 2). Croatia is lagging behind the EU average by 15.5%.

Chart 2 – Internet penetration rate in the EU



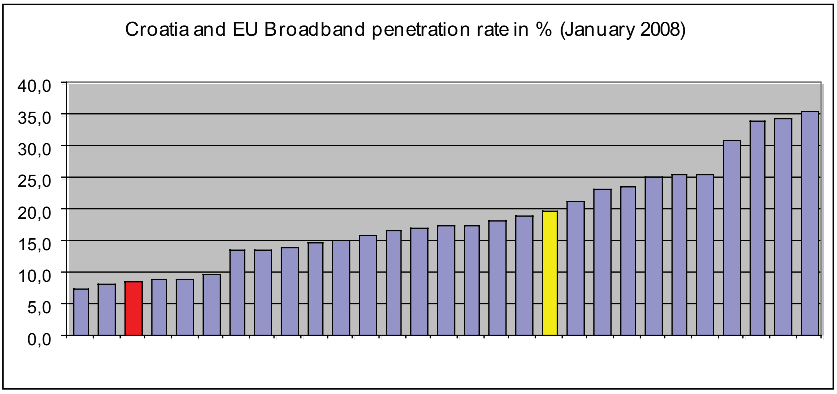
Source: Internet World Stats, 2008

A somewhat better situation is seen in broadband Internet access in Croatia compared to the EU-27 average.

The development of broadband communication enables the creation of new and more demanding applications as well as the improvement of existing ones. It stimulates economic growth through the creation of new services, investment and job opportunities. This development also has an impact on the productivity of many existing processes which brings higher revenues (MMTPR, 2006: 4).

The availability of broadband services facilitates investment, the introduction of distant work, higher quality education and services in general.

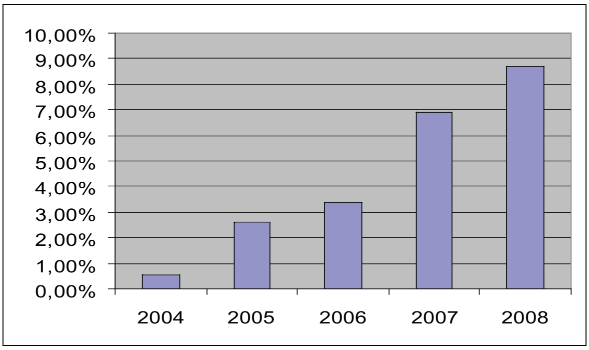
Chart 3 – Broadband connection penetration rate in EU countries and Croatia in 2008[1]



Source: European Commission, 2008

Chart 3 presents the broadband connection penetration rate in Croatia compared to EU countries. It is obvious that the Croatian penetration rate is pretty low on this scale and in 2008 it amounted to around 8.7%. In 2004, it was 0.5% growing each following year (2.6% in 2005, 3.4% in 2006, 6.9% in 2007) to reach 8.7% in 2008 (see Chart 4). Although the trends show growth of this rate, it is still pretty low compared to the EU average.

Chart 4 – Broadband connection penetration rate in Croatia 2004-2008



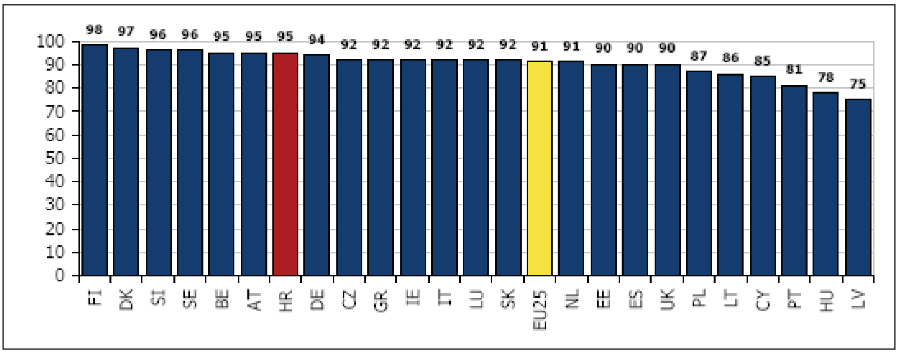
Source: Croatian Post and Electronic Communications Agency (HAKOM)

[1] Data for Estonia, Lithuania, the Netherlands and Austria as of October 2007

Prices of basic broadband flat-rate Internet access in Croatia depend on the Internet service provider (ISP) but are €24 on average.

In order to be able to analyse the information and communication technology (ICT) sector in the cultural sector, we researched the situation in the business sector in general. Internet access in the business sector (Chart 5) presents high percentages: in 2005, 95% of Croatian companies had Internet access which was 4% higher than the European average.

Chart 5 – Business sector Internet access



Source: Eurostat and IDC Adriatics, 2006b

Therefore, most Internet users in the business sector have Internet access. In Croatia, 58% of companies also have their own websites, which is only 3% lower than the European average (Cvjetičanin & Uzelac, 2008: 6).

Electronic business in Croatia

In Croatia, electronic business is regulated by the following laws: the Law on Electronic Signature, the Law on Electronic Trade, the Law on Electronic Document, the Data Secrecy Law, the Information Security Law and the Law on Personal Data Protection.

The application of e-business requires the reorganization and development of business processes which enable the best use of contemporary information and communication technologies. The exchange of goods or services is followed by the exchange of information, especially via electronic transactions of standardized content and meaning. A large share of e-business is made up of electronic trade.

Innovation and the acceleration of business processes have an impact by reducing expenses and increasing efficiency. Electronic business is an infrastructure which enables quality monitoring of products and services, raising the quality and increasing consumers' satisfaction. It increases the networking economy as well as national competition (Ministry of Economy, Labour and Entrepreneurship, 2007: 4).

On-line services, especially on-line sales, are a concrete indicator of successful e-

-business. According to the Croatian National Bank, in the second trimester of 2007, there were 385,000 citizens and 120,000 companies in Croatia that used Internet banking. Transactions via the Internet accounted for 22% of the total value of citizens' transactions and 31.3% of the total value of companies' transactions (ibid: 6).

Compared to the year 2004, the electronic market[2] in Croatia in 2005 had grown to 65.9% in trade transactions via the Internet. Out of the total transactions, 86.9% accounted for trade between companies while 13.1% was generated by consumer demand.

The total value of transactions towards consumers had somewhat faster growth than the rest of the retail trade. Still, this kind of on-line sales accounted for only 0.51% of the value of total retail transactions in the country although it represents an important growth compared to previous years (0.23% in 2003 and 0.37% in 2004). Up to the end of 2005, around 200 companies which regularly practised on-line sales towards consumers were detected (IDC Adriatics, 2006a).

Digitization and the cultural sector in Croatia

The "Cultural Development Strategy in Croatia" (2001) as well as the "Information and Communication Technology Strategy in Croatia" (2002) were the first documents to mention the subject of new technologies and the Internet as well as their application to culture. Despite this, so far Croatia has not developed a national strategy for digital culture development.

The only dedicated document that exists in the field is the "National Programme for Archive, Library and Museum Funds Digitization" (Ministry of Culture, 2006) whose application started in 2007. The document identifies the aims and nature of the digitization of funds in cultural institutions, the pre-conditions for the introduction and application of the programme and also possible activities to be carried out (ibid: 2). Its main objective is to create a standardized and infrastructural framework which will enable and stimulate wide availability, use and exchange of cultural content and facilitate access and presentation of this part of national cultural heritage. It also aims to stimulate the creation of digital content and services based on contemporary information technologies, inter-operability, long-term utilization and sustainability (ibid: 4). The document is focused on the digitization of archives, libraries and museums while other cultural sectors are neglected.

The reasons for the digitization of funds include their protection, the improvement of funds' availability, the completion of funds and the creation of new opportunities. Digitization can offer not only new content but also new services which would not be possible or hardly applicable outside the electronic environment. Some of these services include common information services, distributed search, creation of thematic portals, possibilities for on-line exhibitions, etc. (ibid: 11). All these services

[2] Includes transactions via the Internet, telebanking, mobile phones, fixed line phones, transaction bank machines and POS.

can have a strong impact on the development of cultural tourism.

The "National Programme for Archive, Library and Museum Funds Digitization" envisages that activities will be completed by the end of the year 2009 and is still under way. The digitization of other cultural sectors is not regulated by any document. Therefore, strategies for digitization of other cultural sectors are recommended as well as the introduction of digital culture into national cultural development.

Situation in Croatia: the cultural sector and e-business

There are no data on the total number of cultural/heritage organization websites which practise electronic business. A study called "Connecting Croatia" that was conducted by the Institute for International Relations in the course of 2007 tried to reply to a question as to whether digital culture opens up a new perspective of cultural development and international cultural communication/cooperation. It analysed the state and the development of the public, private and civil sectors of culture in the virtual space. The research sample was non-representative and it included selected websites showing that it would be extremely difficult to obtain data on the total number of cultural/heritage organization websites which practise electronic business. Some of the reasons for this include the impossibility of comprehensive data collection due to the huge number of websites that exist in the Croatian virtual space as well as to the unstable nature of data.[3]

Still, this research detected some best practice examples of e-business in the cultural sector which can be used for a study of its impact on the development of cultural tourism. This research will focus on the following selected best practice examples:

- the Vatroslav Lisinski Concert Hall (www.lisinski.hr),
- the Dubrovnik Summer Festival (www.dubrovnik-festival.hr), and
- the Plitvice Lakes National Park (www.np-plitvicka-jezera.hr).

The Vatroslav Lisinski Concert Hall is a public institution whose owner is the City of Zagreb. It was opened in 1973 and is the most prominent concert hall in Croatia. At the same time, it also operates as a convention centre. Since the moment the concert hall opened its doors to audiences it has become a true temple of music which has hosted appearances by the greatest names in the world of classical music. The most famous chamber and symphony orchestras have demonstrated their musical skills before audiences in the Vatroslav Lisinski Concert Hall, as have the best known soloists and conductors. The concert hall has also organized a number of concerts by top musicians of all genres. It has served as a stage for opera, ballet and theatre performances, as well as being a venue for many international congresses and conventions. Every year, 12 to 13 different thematic music programmes are organized in the Vatroslav Lisinski Concert Hall and this music and convention centre records over 760,000 visitors annually.

The Dubrovnik Summer Festival is the most prominent cultural manifestation in

[3] Subject to constant change and update.

Croatia and was founded in 1950. This international event has been taking place every year since 1950 and has become firmly established, attracting eminent artists from all over the world and an ever-growing number of visitors. The festival promotes both cultural heritage and contemporary art. The multidisciplinary programme is composed of drama, music, dance performances and art exhibitions, book presentations and film projections, among others. It hosts more than 2,000 artists from all over the world every summer. It is jointly owned by the Croatian Ministry of Culture and the City of Dubrovnik (Žuvela Bušnja & Jelinčić 2007: 82).

The Plitvice Lakes National Park is a public institution founded in 1949. It is one of the six Croatian UNESCO World Heritage sites and is the only Croatian natural heritage site already on the World Heritage List in 1979. The national park combines natural and cultural heritage in a harmonious whole and is therefore highly protected according to international conventions. At the same time, it is a well-known tourist destination with 927,661 visitors in 2007. It is mostly a destination for organized groups (e.g. from Japan, USA, Italy, Germany) while the "allotment sales"[4] have the greatest share in total sales for individual guests.

Methodological approach

The use of on-line sales has been taken as a concrete indicator of the impact a certain cultural/heritage institution's website has on cultural tourism. If a tourist bought some of the products or services offered on the cultural/heritage institution's website, we can conclude that the website had an impact on cultural tourism. The number of Croatian cultural/heritage institutions which offer on-line sales is still small but it is hoped that the case studies presented below will stimulate a greater number of Croatian cultural institutions to include e-business as a useful marketing and sales tool.

The data for the Vatroslav Lisinski Concert Hall and Dubrovnik Summer Festival were collected in cooperation with the creators of a business on-line sales programme[5] and focused on the methodological approach described in the introduction of this book (second part of the research for the countries which practise on-line sales/bookings[6]).

The time span of the research covers the period 2004 to 2007[7] – since the introduction of on-line sales up to today.

Study of the Plitvice Lakes National Park website somewhat differs than the other two cases: first of all because it is a different type of organization focusing on the development of tourism as a priority and not on culture, and secondly because it involves other tourist resources such as nature and gastronomy and has its own hotel and ca-

[4] A contract on letting the accommodation/catering premises to a tourist agency for a certain period of time.
[5] DEKOD telekom d.o.o.
[6] Searches related to the possibility of Internet purchase brought data only for Vatroslav Lisinski Concert Hall and the data were not available for Dubrovnik Summer Festival.
[7] 2007 only where available.

tering services. Therefore, substantial differences are seen between this organization and the two previously researched cultural organizations. Listed as a UNESCO World Heritage site, the national park qualifies for this research but from another perspective – the tourist one – and focuses on the following:

1. the number of guests and on-line bookings realized annually since the introduction of on-line sales;
2. the type of accommodation sold;
3. the origin of on-line purchases;
4. the increase or re-direction of sales; and
5. activities generated by the organization's website.

The time span of the research covers only the year 2008, from January through to June.

Case study 1 – the Vatroslav Lisinski Concert Hall

Number of tickets sold annually since the introduction of on-line sales

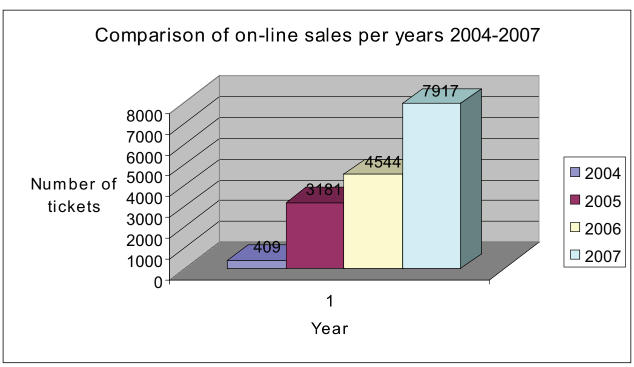
Statistics on Internet sales are regularly monitored in the Vatroslav Lisinski Concert Hall. The following data show on-line sales in 2004, 2005, 2006 and 2007 as well as the annual comparison since the introduction of on-line sales.

In the year 2004, 409 tickets were sold on-line. Internet sales were introduced in this year and on-line sales were offered for a small number of events. This is why this year cannot be properly compared with the following years.

The data on the year 2005 show that 3,181 tickets were sold on-line which can be taken as a reference point and compared with the following years.

Compared to the year 2005, there was a growth of almost 43% in 2006 when 4,544 tickets were sold on-line, and 2007 is the best year with 7,917 tickets sold. Compared to 2006, 2007 shows a growth of 74%, while compared to 2005, the growth is 149%. This is shown in Chart 6.

Chart 6 – Comparison of on-line sales 2004 to 2007



If this trend continues, a huge growth of on-line sales is expected. The real and potential growth are explained by the following factors. Firstly, with the introduction of Internet sales in 2004, only some programmes were offered on the Internet, therefore higher sales could not have been realized. Secondly, the trend of Internet sales and use of new technologies in culture in general is in constant growth, therefore the Internet is offered as a business medium and shows high frequency of use. At the moment, on-line sales for the Vatroslav Lisinski Concert Hall programmes are realized only via Mastercard. It is expected that the introduction of other credit card possibilities will increase on-line sales even more.

Type of programme sold

Analysis of data on on-line sales for the years 2005 and 2006 shows that the greatest number of on-line tickets is sold for popular shows. Tables 1 and 2 present only the data on best on-line selling shows.

Table 1 – Interest for shows by type in 2005[8]

Type of show	Number of tickets sold on-line
World music	970
Pop and rock	283
Croatian and regional pop and rock[1]	641
Children's music	186

Table 2 – Interest for shows by type in 2006

Type of show	Number of tickets sold on-line
World music	1166
Croatian and regional world music	814
Pop and rock	315
Children's music	512

The tables show that the greatest number of on-line tickets is sold for shows attracting younger audiences (pop and rock concerts), popular shows (Croatian and regional pop and rock as well as Croatian and regional world music), shows for children, and world music shows (for the breakdown by artists see appendix). The last category confirms the growing interest of young audiences for world music which has the largest share in concerts of this type.

Origin of on-line purchases

In order to research the impact of the cultural institution on international cultural tourism

8 More detailed information on the best selling shows is presented in the appendix.

development in the virtual space, the origin of on-line ticket purchases has been measured. The following three charts (7-9) show these data for the years 2004 to 2006.

Chart 7 – Origin of on-line purchases 2004

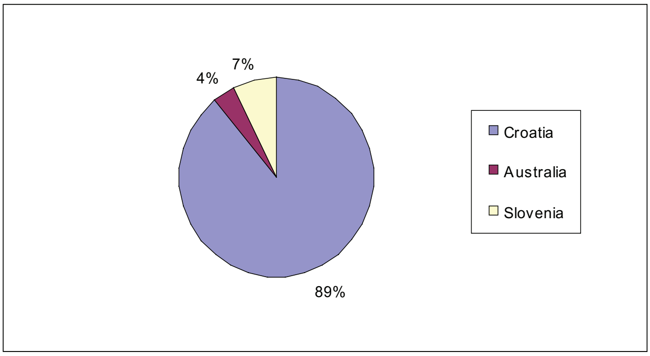


Chart 8 – Origin of on-line purchases 2005

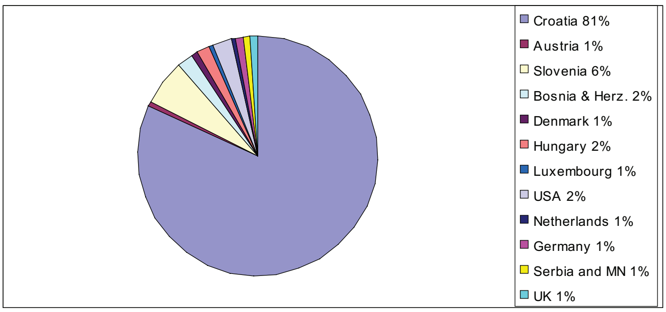
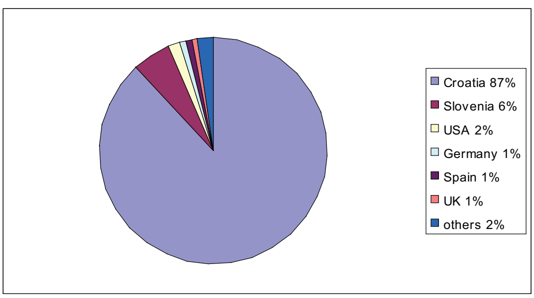


Chart 9 – Origin of on-line purchases 2006



All charts show that each year the greatest percentage of on-line purchases is realized by Croatian customers (2004 – 89%; 2005 – 81%; 2006 – 89%). The next largest on-line market is Slovenia which shows constant on-line purchases in all three years (2004 – 7%; 2005 – 6%; 2006 – 6%). A great diversity of European customers is noticed (Austria, Bosnia and Herzegovina, Denmark, Germany, Hungary, Ireland, Italy, Luxembourg, Montenegro, Serbia, Spain, Switzerland, the Netherlands, UK), but also customers from other countries worldwide (Australia, Burkina Faso, United States of America). The purchase of on-line tickets measured in percentages is practically negligible. It is from one to five tickets per country (apart from Slovenia), but shows a great diversity of origin. This indicates that a relevant number of foreigners visit the Vatroslav Lisinski Concert Hall web pages. It is not expected that the Internet user coming from a distant country would purchase an on-line ticket and actually come to Croatia just because of the show. Rather, these numbers indicate the foreigners' presence in Croatia for some other reason[9] and that they use the possibility of on-line ticket purchase during their stay.

The Slovenian share of on-line ticket purchases is from 6% to 8% and is a relatively constant market geographically not far from Zagreb.

The numbers also show an increase of Internet sales as well as the large number and diversity of countries using on-line services.

Looking at the Croatian market, it is interesting to underline that on-line ticket purchases are popular among customers throughout Croatia. This may indicate that the inhabitants of Zagreb, being close to the concert hall, are still keen to use "traditional" ways of ticket purchase, while Internet services are more used by customers from other Croatian towns to book tickets for the shows that interest them.

How audiences find out about the possibility of Internet purchase

Data on the possibility of ticket purchase through the Internet are not regularly monitored. Still, there is some general data that around 95% of users discover this possibility directly on the concert hall website (www.lisinski.hr), and 5% of them via another website (www.ulaznice.hr).[10] It was possible to find out about how users get to know about the existence of the Vatroslav Lisinski Concert Hall website. We collected these data for two reasons: firstly to see if links from tourist websites are used and, secondly, to see if access to the concert hall website is promoted towards foreign users. Table 3 shows that the greatest number of users already knows about the website and has direct access to it. A fairly large percentage of users (28.7%) use Google, and a small number of them use a link from other cultural portals. The data show the possibility of quite a large number of foreign users but it is not possible to confirm that with exact evidence. It is also evident that links from tourist websites are not widely used.[11]

[9] Business, tourism etc.

[10] Websites for on-line ticket sales.

[11] There is a possibility that links from tourist websites are part of the category "other". Since it does not include large percentages, the data is not significant.

Table 3 –How audiences found out about the www.lisinski.hr website

Path	%
directly www.lisinski.hr	48.2%
www.google.com	28.7%
www.live.com	4.7%
www.dekod.hr	3.1%
www.t-com.hr	2.2%
www.algoritam.hr	0.9%
www.inzg.net	0.6%
www.culturenet.hr	0.5%
other	11.1%

Increase or re-direction of sales

There is no exact data which would confirm the increase in total sales due to the possibility of on-line purchase. It is more likely that the traditional box office sales have been re-directed to the simpler and faster virtual sales.

The following table (Table 4) shows data on all sales methods in the period 2004 to 2006.

Table 4 – Sales methods 2004-2006[12]

Payment method	2004	2005	2006	% (2006/2005)
Cheque	75	9	5	-56
Credit card	7,620	13,841	13,906	0.47
Cash	19,653	31,184	32,836	5.30
Internet	**634**	**3,305**	**4,724**	**42.93**
Cash on delivery	44,756	36,467	43,424	19.08
Order form invoice	3,277	930	2,402	158.28
Subscription	75,182	85,343	86,992	1.93
Total sales	**151,197**	**171,079**	**184,289**	**7.72**
% Internet sales: total sales	**0.42**	**1.93**	**2.56**	

[12] Data presented in this table have been obtained from the Vatroslav Lisinski Concert Hall, while the data on the total on-line sales per year have been obtained by the on-line sales company DEKOD. A small difference in the data is due to cancellation of some on-line tickets which is not seen by the concert hall. The differences are negligible and do not have an impact on the research result.

Table 4 shows that Internet sales in 2006 grew (almost 43%) compared to 2005. Accordingly the ratio of Internet sales to total sales also grew but its share in total sales is still rather small. Some traditional sales methods (subscription, cash on delivery, cash, credit cards) are still widely used but Internet sales are growing slowly and steadily.

Activities generated by the organization's website

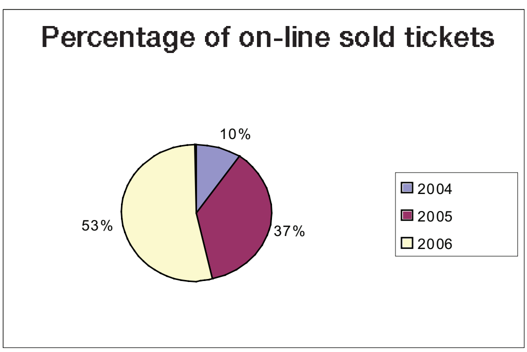
Activities such as venue rental, souvenir sales and download sales are not offered on the Vatroslav Lisinski Concert Hall website. Taking into consideration that it is a music institution, which is also open to venue rentals (convention centre), it could be recommended that the website should offer such possibilities.

Case study 2 – the Dubrovnik Summer Festival

Number of tickets sold annually since the introduction of on-line sales

The Dubrovnik Summer Festival (DSF) regularly monitors its on-line sales since its introduction in 2004. The share of on-line sales per year in total Internet sales is as follows: in 2004 it accounted for 10%; in 2005 a significant growth is noted (37%) as well as in 2006 when it accounted for 53% of the total sales. This shows a growth of 46% compared to the year 2005. Chart 10 presents the percentage of tickets sold on-line per year.

Chart 10 – Comparison of on-line sales 2004 to 2006



Type of programme sold

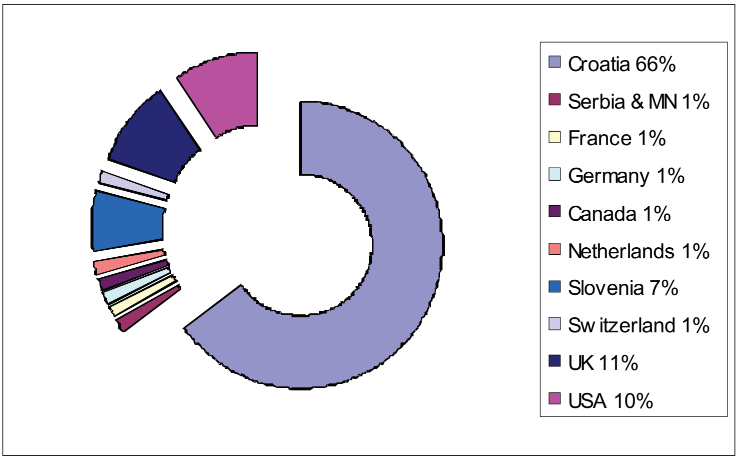
During all the years analysed (2004-2006), more or less equal on-line sales are detected for all programmes. Therefore, offering the programme on the Internet leads to good opportunities for ticket sales. Still, the greatest number of on-line tickets was sold for Linđo.[13] No special rules can be applied for other programmes but interest is seen for practically all of them. For example, a large number of on-line tickets were purchased for the Russian Symphony Orchestra, the Slovenian Philharmonic Orchestra, the Paris Opera Ballet, the "Ekvinocijo" show, the Dubrovnik Symphony Orchestra and I. Repušić, the Pleyel Trio Wien,[14] Lado[15] and the Zagreb Quartet. Both music and theatre shows are sold. In an analysis of music shows, a diversity of programme types is seen, either classical or folk.

Origin of on-line purchases

In 2004, 2006 and 2007 most of the on-line purchases were within Croatia but with great differences in percentages. In 2004, the Croatian share of total on-line ticket purchases was 66%, while in 2006, although Croatia was still the biggest market, the percentage dropped to 24%. In 2005, it was the second largest market after the UK with 24% of tickets purchased on-line. In 2007, 32% of all tickets were purchased on-line. In general, the origin of on-line purchases is very diverse: most of them come from European countries but also from other continents (Australia, Africa, South America, Asia). After Croatia, the biggest markets for on-line ticket purchase are the UK and the USA over all the years analysed. A somewhat bigger and constantly present market is Slovenia but its share has dropped over the years: it started with 7% in 2004 but this dropped to 4% in 2005, 2% in 2006 and, in 2007, their share is practically negligible. Some countries are constantly present (Germany, France, the Netherlands) but their percentage varies from 1% to 3%. In 2008, a great rise of on-line purchases from Spain was evident with 8% of total on-line ticket purchases.

These data are presented in the following charts (11-14) for each year.

Chart 11 – Origin of on-line purchases 2004



[13] Traditional folk songs and dances.
[14] Piano, violin and cello musicians playing 18th and 19th century less known authors.
[15] National folk songs and dance ensemble.

Chart 12 –Origin of on-line purchases 2005[16]

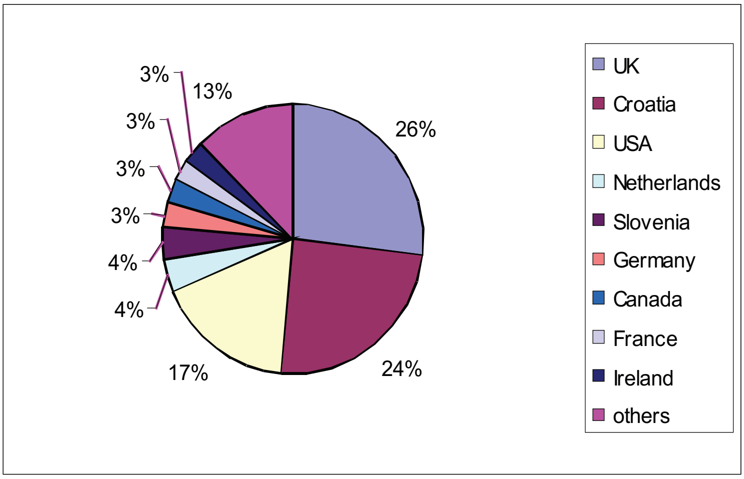
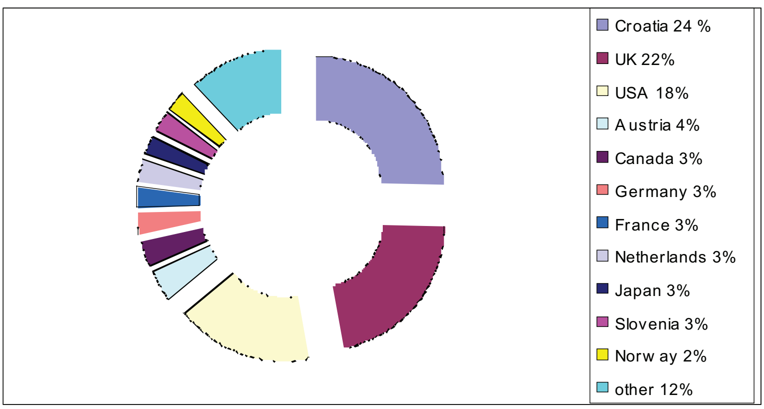


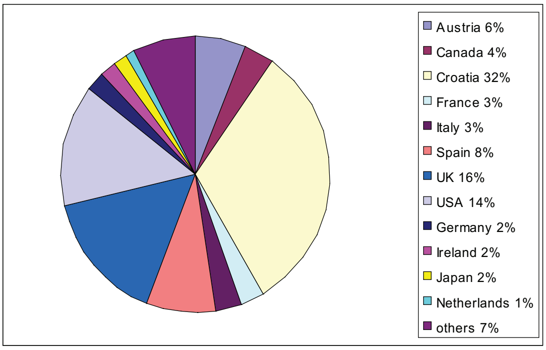
Chart 13 –Origin of on-line purchases 2006[17]



[16] Others: Norway, Belgium, Brazil, Sweden, Spain, Russia, Austria, Hong Kong, Estonia, Israel, Japan, Slovakia, Ukraine.

[17] Others: Spain, Switzerland, Ireland, Italy, Sweden, United Arab Emirates, Hungary, Korea, Australia, Russia, Estonia, South African Republic, Taiwan, Belgium, Bosnia and Herzegovina, Argentina.

Chart 14 – Origin of on-line purchases 2007[18]



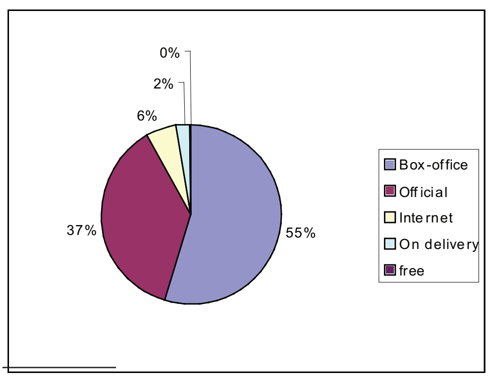
It is interesting to note the growing British and American market alongside Croatian customers. The great diversity of customers is connected with Zagreb as a tourist destination.

Increase or re-direction of sales

In 2006, the biggest share in total ticket sales was in box-office sales and it accounted for 55%. Of the tickets purchased, 37% were the so-called “official” tickets intended for special guests. Only 2% of the tickets were purchased “on delivery”. Internet sales in 2006 accounted for 6% of total ticket sales. It is quite a large percentage[19] and is due to the on-line publication of the whole programme as early as March.

Statistics on on-line ticket sales partly confirm the re-direction of sales in favour of the Internet. Still, since we do not have the data on the previous years (2004 and 2005), it is very difficult to come to conclusions on the basis of one year only. Chart 15 presents purchasing methods in 2006.

Chart 15 – Ticket purchasing methods in 2006



[18] Others: Australia, Belgium, Bosnia and Herzegovina, Brazil, China, Hungary, Montenegro, Norway, Serbia, Slovenia, South Korea, Sweden, Switzerland, Turkey.
[19] Compared with the Vatroslav Lisinski Concert Hall where this percentage is 2.56%.

Activities generated by the organization's website

Dubrovnik Summer Festival's website uses a number of multimedia/podcasting options and promotes its own souvenirs. Some of them (downloads) are free of charge, while souvenirs are only promoted and not charged. It also promotes locations where DSF programmes are held and this could also be with the aim of premises rental. All the mentioned activities, if developed further, could be used in advanced e-promotion and e-business.

Case study 3 – the Plitvice Lakes National Park

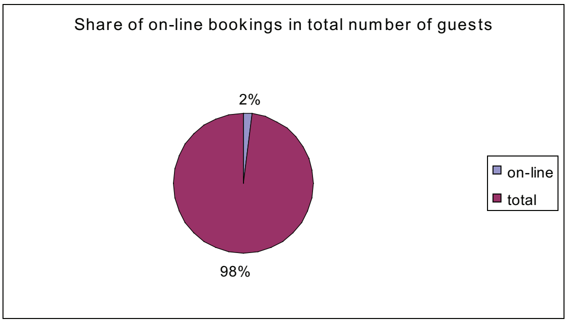
The Plitvice Lakes National Park's website is presented in Croatian and English offering a wide range of subjects, including natural resources, cultural heritage, tourism and gastronomy. Colourful photos add to the website's attraction for users. Measurable data on the impact of virtual culture on tourism development is collectable in the form of on-line hotel bookings/sales which are offered directly on the website. Accommodation facilities are only offered for on-line purchase in four hotels: Hotel Bellevue, Hotel Grabovac, Hotel Jezero and Hotel Plitvice.

Number of guests and on-line bookings realized annually since the introduction of on-line sales

Up to June 2008,[20] the total number of guests in the four hotels who booked their accommodation on-line was 893 (Hotel Bellevue – 175, Hotel Grabovac – 61, Hotel Jezero –322, Hotel Plitvice – 335). The accommodation was booked via 440 reservations in total (Hotel Bellevue – 85, Hotel Grabovac – 30, Hotel Jezero – 161, Hotel Plitvice – 164). Therefore, the number of guests is practically double the number of on-line reservations. The total number of nights booked on-line is 1423 (Hotel Bellevue – 262, Hotel Grabovac – 94, Hotel Jezero – 493, Hotel Plitvice – 574) which is around 1.5 nights per guest in total.

The share of on-line bookings in the total number of guests accounts for 2% (see Chart 16). The seemingly small percentage is expected to grow. In reality it is rather a satisfying number since on-line bookings have only just been introduced.

Chart 16 - Share of on-line bookings in total number of guests



[20] The research includes the period from January to June 2008 only.

It follows that the share of nights booked on-line accounts for 3% of the total number of nights realized in the period 1 January to 30 June 2008.

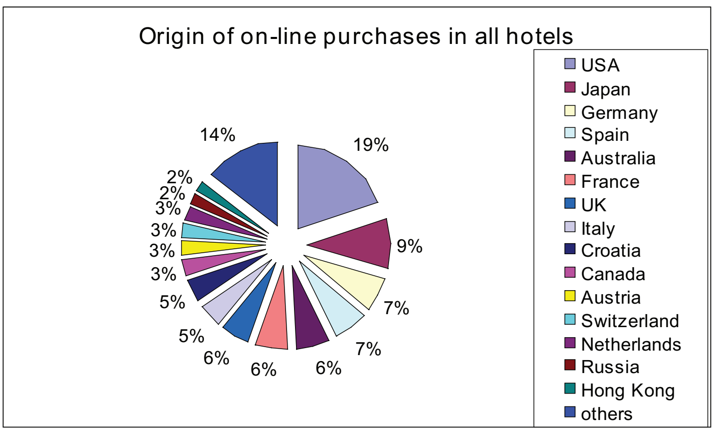
Type of accommodation sold

Only single (SR) and double rooms (DR) are offered for on-line bookings. It is noted that mostly double rooms are booked on-line and single rooms far less often (Hotel Bellevue: DR – 248 nights, SR – 14 nights; Hotel Grabovac: DR – 85 nights, SR – 9 nights; Hotel Jezero: DR – 468 nights, SR – 25 nights; Hotel Plitvice: DR – 559 nights, SR – 15 nights). In total there were 1360 nights in double rooms and 63 nights in single rooms booked on-line in the period January to June 2008. It reveals that most guests who purchase/book on-line like to travel in company.

Origin of on-line purchases

The statistics on the origin of on-line purchases differ from one hotel to another. For example, the greatest on-line market for Hotel Bellevue is Japan (16%), Germany and the USA (13% each); for Hotel Grabovac it is Germany (17%), the UK and the USA (10% each); for Hotel Jezero these are the USA (25%), Australia and Japan (10% each); and for Hotel Plitvice again the USA (20%) and Spain (10%). A great diversity of customers is seen: on-line purchases are carried out mostly from European countries but also from Asia, Australia, North America and South America. The distribution of on-line purchases by origin in all Plitvice Lakes hotels is shown in Chart 17. The greatest market is the USA (19%). The second greatest market is Japan with half of the American percentage (9%). Germany, Spain, Australia, France, the UK, Italy and Croatia follow with percentages from 5% to 7%.

Chart 17 – Origin of on-line purchases 2008[21]



[21] Other countries: Israel, Hungary, Slovakia, Czech Republic, Sweden, Belgium, Brazil, Yugoslavia, Korea, Portugal, Latvia, Denmark, Finland, New Zealand, Slovenia, Luxembourg, Romania, South Africa, Bosnia and Herzegovina, Ireland, China.

Increase or re-direction of sales

On-line sales are a new form of Internet business for the national park and these started in 2008. Therefore, it is not possible to draw conclusions on the increase/decrease of on-line sales compared to previous periods. However, an interview with the person in charge of tourist sales revealed that on-line sales had increased the total sales as well as the occupancy rate of the tourist facilities. They enabled faster booking procedures and research into availability in tourist facilities which had an impact on the increase of reservations made.

Activities generated by the organization's website

The website is rich in multimedia content, offering the user photos, panoramic pictures and video clips available for download. It also offers e-postcards, interactive games (memory and puzzles) and interactive maps which can have an impact on tourist visits. The impact of this content is not measurable but can assist users' decisions.

Conclusions

The greatest number of indicators used for analysis in this research shows that Croatia is lagging behind the average of European Union countries. In the Internet penetration rate Croatia is lagging behind the EU average by 15.5% and in the broadband connection penetration rate it is lagging behind the EU average by 11.3%.

The business sector in Croatia, on the other hand, presents high percentages: the data show 95% Internet access which is even higher than the EU average.

One fifth of citizens and one third of companies use the Internet for banking transactions. The greatest share of the electronic market belongs to Internet trade. Concerning Internet trade with consumers, however, the value of on-line transactions accounts for only 0.51% of the total value of retail transactions in the country, which is a small amount, though in recent years it has shown significant growth.

The use of new technologies in the cultural sector is only mentioned in some documents which highlight their possible use, but there is no national cultural strategy which includes digital culture. The digitization of archives, libraries and museums is regulated by the "National Programme for Archive, Library and Museum Funds Digitization". However, its main objectives are focused on protection of funds rather than on the possibilities which digitization offers for cultural institutions on the cultural tourism market. One of the objectives focuses on the creation of new opportunities with firm roots in the tourism business. The document is far, however, from regulating or recommending on-line sales which could increase the profits of cultural institutions and other cultural sectors are neglected.

High percentages of Internet access in the business sector should be a good basis for on-line sales in the cultural sector. However, cultural organizations are neither perceived, nor do they see themselves, as business companies. This is why so few of them practise on-line sales. As there is no data on the total number of cultural/heritage organizations which practise on-line sales, the research was only able to focus on examples.

As Internet trade towards consumers in the business sector in general is still very low, it is also not likely that it would be high in the cultural sector. Given the relatively high price of basic (1Mbps) broadband flat-rate Internet access, the relatively small amount of Internet access in general and the relatively low broadband connection penetration rate, developed e-business in the cultural sector is not expected.

The three chosen websites analysed in this research show a huge growth in on-line sales (the Vatroslav Lisinski Concert Hall recorded a growth of 149% between 2005 and 2007 and the Dubrovnik Summer Festival recorded 46% growth from 2005 to 2006). Still, the share of on-line sales in total sales is still rather small (2.56% for the Vatroslav Lisinski Concert Hall in 2006; 6% for the Dubrovnik Summer Festival in 2006; 2% for the Plitvice Lakes National Park in 2008). The growth of on-line sales in the cultural sector, as also in the business sector, is promising as the trend is steady.

Concerning the type of cultural programme/accommodation sold, the following characterizes on-line sales in the cultural/heritage sector: practically everything that is offered on-line is also sold on-line. There are few preferences as to the type of cultural programme or the category of hotel. When it comes to cultural programmes, mainly popular shows are sold which attract wider audiences, both in the case of the Vatroslav Lisinski Concert Hall and the Dubrovnik Summer Festival. In the case of the Plitvice Lakes National Park, double rooms are widely preferred over single rooms (95.5% over 4.5%) which can encourage strategic cultural tourism planning to create programmes for couples or families.

All three case studies show a great diversity of origin of on-line purchases and these are worldwide. For the Vatroslav Lisinski Concert Hall and the Dubrovnik Summer Festival the greatest market is still within Croatia. The Slovenian market is important for the Vatroslav Lisinski Concert Hall and it is its second largest market and it is third most important for the Dubrovnik Summer Festival although this has shown a great decrease recently. UK and USA customers are a constant market with relevant percentages for the Dubrovnik Summer Festival every year. The greatest number of Plitvice Lakes customers who purchase/book their accommodation on-line is foreign: the greatest market is the USA (19%) with Japan following with 9%, while Germany, Spain, Australia, France, the UK, Italy and Croatia have a share in total sales of between 5% and 7%. No firm planning strategy can be used in this respect towards a certain market since all cases show a great diversity of customers. This confirms the global reach of the Internet which can be used in random marketing.

Although Internet sales have indisputable advantages (easy and fast access to information, easy and fast access to products and services, purchase from home) and al

though they show slow but constant growth, it still has not become the most popular booking/purchase method. Reasons for this can be sought in the following: the age of cultural/tourism consumers who may still prefer traditional sales methods; greater confidence in person-to-person communication over Internet sales; a low level of consciousness among customers about the advantages of on-line sales; a lack of information about the possibility of on-line purchase; and a lack of knowledge about basic technologies connected to e-purchase.

Other activities resulting from the organization's website, such as venue rental, souvenir sales, download sales, and suchlike were detected in numerous multimedia services in the cases of the Plitvice Lakes and Dubrovnik Summer Festival websites. They all add to the attractiveness and dynamism of the website but, as most of them are free of charge, their concrete impact on the cultural tourism market could not be measured. Their role is strictly promotional. Such activities are welcome and should be used in greater numbers and more frequently in e-promotion and e-business.

The research showed the positive trends of e-business for cultural/heritage organizations. It not only has a potential impact on increasing profits but also influences the website attraction, making it more dynamic and closer to users. On-line sales are especially suitable for domestic cultural tourism customers living away from the direct location of the cultural organization since it gives them the opportunity to purchase tickets in advance. The global reach of the Internet enables cultural/heritage organizations to have access to tourists who would not be reachable through traditional marketing tools. In this respect, the great diversity of customers confirms the feasibility of introducing e-business.

Cultural/heritage organizations should consider introducing e-business to their websites in order to reach the global market, increase their profits and to keep pace with contemporary trends. In the longer term, more customers will use the Internet and cultural/heritage organizations will not have to depend on the traditional market which today has certain fears of doing business/trade over the Internet. The more Internet users there are, the greater is the probability of on-line sales for these organizations. In the long term, it is envisaged that cultural/heritage organizations will have to become accustomed to doing business on-line if they want to keep pace with their competitors.

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Appendix

Interest for shows by type in 2005 – Vatroslav Lisinski Concert Hall

Show	Number of tickets sold on-line
Cesaria Evora[1]	368
Nick Cave[2]	283
Vanna[3]	209
Omara Portuondo[4]	194
Vlatko Stefanovski[5]	188
Zagrebački mališani[6]	186
Za Ondekoza[7]	158
Madredeus[8]	135
Trokut[9]	124
Kemal Monteno[10]	120
Whirling Dervishes[11]	115

Interest for shows by type in 2006 – Vatroslav Lisinski Concert Hall

Show	Number of tickets sold on-line
Za Ondekoza	529
Zagrebački mališani	370
Taraf de Haïdouks[12]	308
Mariza[13]	222
Gypsy Symphony Orchestra	216
Zvonko Bogdan[14]	186
Klapa Cambi[15]	174
Apocalyptica[16]	166
Tommy Emmanuel[17]	149
Božić s klincima[18]	142
Šibenčani Vici[19]	127
Klapa Intrade[20]	111
Desert Blues[21]	107

[1] The queen of *morna* – nostalgic music and singing mostly in Portuguese with African and French dialect.
[2] Australian rock singer.
[3] National pop singer.
[4] Cuban singer, one of the greatest world music stars.
[5] Macedonian rock guitarist.
[6] Children's choir.
[7] Za Ondekoza is the oldest internationally renowned *taiko*-drumming group.
[8] Portuguese musicians combining *fado* with ethnic sounds.
[9] Concert of Italian, Croatian and Slovenian popular musicians.
[10] Bosnian popular singer.
[11] Dancing performance of dervishes from Turkey.
[12] Gypsy musicians.
[13] *Fado* singer.
[14] National singer.
[15] Dalmatian style folk singers.
[16] A group of musicians playing Metallica music with four cellos.
[17] Australian guitar "wizard".
[18] Christmas with kids.
[29] Dalmatian style folk-popular music.
[20] Dalmatian style folk singers.
[1] 20 musicians presenting the different cultures of the Sahara.

Macedonia

Violeta Simjanovska Vuk, PAC Multimedia
Katerina Mojančevska, PAC Multimedia*

The Republic of Macedonia is a landlocked country on the Balkan Peninsula in Southeastern Europe. It is estimated to be inhabited by a population of approximately 2,070,000 according to the last population census in 2002 (State Statistical Office of the Republic of Macedonia, 2002) with 58% of the population living in urban areas.

Today the Republic of Macedonia is considered to be a country where the industrial sector is in an intermediary state of development, with continuing growth of industrial production. While recent efforts by the government have led the country to achieve macroeconomic stability and economic growth, Macedonia still lags behind other Balkan countries in terms of foreign direct investment (FDI) as well as information and communication technology (ICT) readiness. The most important sectors are agriculture and industry. The service sector has also grown in the past few years. Tourism, and particularly cultural tourism, is a sector that is to be developed in the near future and the new government is putting some effort into starting the process of developing this segment. In general, the country's economic policy is to attract foreign investment and to increase employment as well as to develop the service sector, tourism and banking.

Overview of digitization in the Republic of Macedonia

The Republic of Macedonia, as an EU candidate country, committed itself to working towards the EU regulatory standards in the field of electronic communications. As a result, in 2005 a Law on Electronic Communication was enacted (fully adjusted to the EU regulatory package) which also represents a framework for the full liberalization of the electronic communication market. In addition to this law, over 45 by-laws have been enacted.

Under this law, conditions for interconnection and access should be met by applying the principles of transparency and non-discrimination.

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The Ministry of Transport and Communication and the Agency of Electronic Communication – a regulatory body in this field – are the competent institutions for the implementation of the legislation and regulations in the field of electronic communications.

A good regulatory policy is the main precondition for the efficient development of the electronic communication market. It should be consistent, flexible, based on market principles and technological neutrality and should not become a new barrier to free market competitiveness. The Republic of Macedonia has also developed a National Strategy for the Development of Electronic Communication and Information technology (IT).

The practice and implementation of these laws and documents is slow and has met with difficulties and Macedonia does not give the impression of being fast and efficient in the implementation of its IT policy. This is due, primarily, to lack of available resources (technical and human), as well as to a certain lack of knowledge of the new technologies.

With regard to use of the communication technologies, according to the survey by the Metamorphosis Foundation (2004), in Macedonia there is still no satisfactory level of technical (computer) capacity, a basic precondition for an efficient work-flow. There is also, for example, poor usage of the programme packages, a low level of computer literacy and insufficient knowledge of copyrights (Creative Commons), as well as expensive prices for these types of service.

According to the same research, the citizens of the Republic of Macedonia are still mainly using fixed telephony (89.9% of the respondents of this research); 59.3% use mobile telephones, 35% use cable for TV and Internet connection, 13.3% have satellite antenna and only 8.9% use credit cards.

With regard to usage of the Internet and computers in the Republic of Macedonia, in 2007 a detailed survey was conducted by the United States Agency for International Development (USAID) and the Strategic Marketing and Media Research Institute Skopje (SMMRI-Skopje, 2007). According to the findings of this survey, 40% of citizens own a computer at home and 17% have an Internet connection (see Chart 1); 47% are computer users and 32% use the Internet (see Chart 2)

Chart 1 - Computer and the Internet in the household base

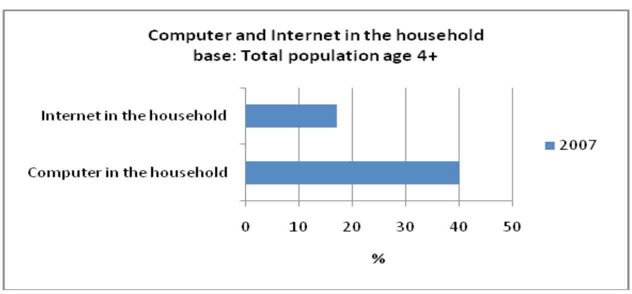
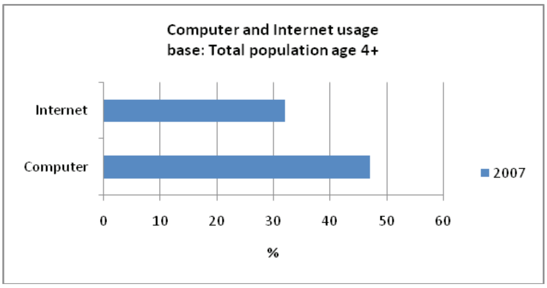
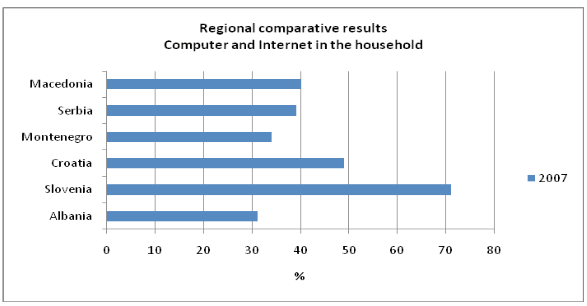


Chart 2 – Computer and Internet usage



In the regional perspective, computer and Internet usage in households in Macedonia is following the pace of development of Slovenia and Croatia; it is close to Serbia and far advanced in comparison to Albania and Montenegro (see Chart 3).

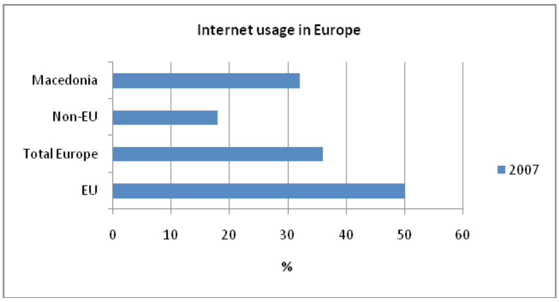
Chart 3 – Regional comparative results



Such percentages of computer and Internet usage are in part the result of implementation of the National Strategy for the Development of the Information Society and in part due to the enormous help of donors, especially USAID (the e-government project (e-Gov) and e-procurements projects), the United Nations Development Programme (UNDP) (supporting local governments) and the European Agency for Reconstruction (mainly supporting the business sector). Anther reason is the political will of the new Macedonian governments to support e-government activities and carry out various projects, as well as contracting with Microsoft for the realization of e-services, e-government, e-parliament and other software packages.

Compared to Internet usage in the European Union in 2007 (estimated to be 50%), only 32% of people use it in Macedonia (see Chart 4). Only a strong and even aggressive approach towards development could enable Macedonia to catch up with the EU rates more quickly, by setting a clear vision and strategy as to how to reach these objectives.

Chart 4 – Internet usage in Europe



In addition to the previous data, of the 32% of Macedonian citizens who do use the Internet, many (44%) use it on a daily basis (see Chart 5), mainly for entertainment, work and education (Chart 6).

Chart 5 – Frequency of Internet usage in the last 3 months

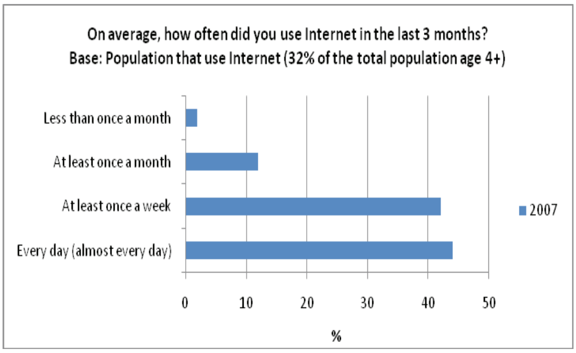
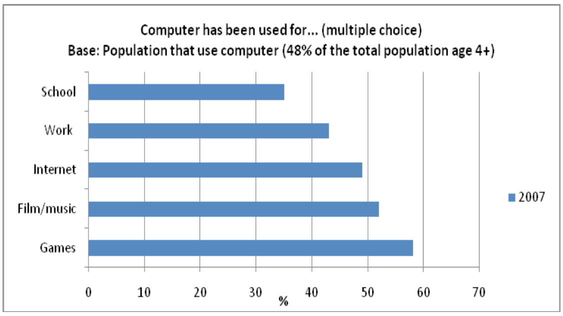
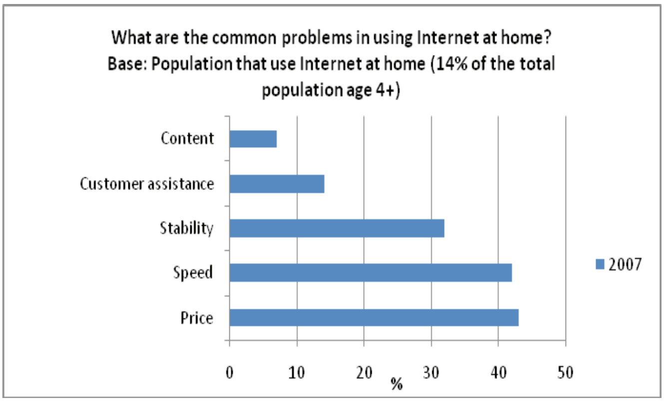


Chart 6 – Computer use (multiple choice)



The main problem which Macedonian citizens recognize in greater usage of the Internet at home is the price of the connection (see Chart 7).

Chart 7 – Common problems in using Internet at home



The prices are still very high: for example the cheapest flat-rate Internet package with Macedonian telecom T-Home (ADSL line with access speed (download/upload) 4096/768 Kbps, including monthly traffic (download/upload) of 10 GB) costs €9.6 per month along with the costs for the start-up equipment which costs approximately €30.

The price at TeleKabel (one of the most used cable operators) costs 500 MKD (€8.5) for 6 GB with an access speed (download/upload) of 4096/512 Kbps, which after 6 GB decreases to an access speed of 256/128 Kbps. Here there is also the cost for cable TV of €12 per month accompanied by the start-up equipment which costs €40.

The positive factor related to the prices is the cost of the computers. The Macedonian government took some steps to reduce taxes relating to IT so taxes for computers are only 5%. Now a basic computer is available at the price of €300.

Anther main reason for not using the Internet is the language issue. The percentage of people who speak English, according to the Metamorphosis Foundation, is low: 23.8% speak English fluently, 26.9% poorly and 38.9% do not speak English at all. Macedonian citizens (68%) believe that if there were programmes and software packages in the Macedonian language, computer and Internet usage would increase.

Piracy is another problem. Only 39% of the population use licensed software, 23% use pirate software and 38% do not know what kind of software they are using. The Ministry of Culture in Macedonia is responsible for solving this problem. In the next four years, the new government and the Ministry of Culture are planning to fight piracy, but no clear plan as to how they will do it has been presented yet.

According to the Survey of ICT usage of households and individuals (State Statistical Office of the Republic of Macedonia, 2007), in the first quarter of 2007 households mostly used a narrowband Internet connection: 45.7% of households with Internet access at home used a modem (dial-up), 16.2% used a mobile phone with a narrowband connection (WAP, GPRS) and 3.2% used ISDN for Internet connection.

Of the households with Internet access at home, 21% had a broadband connection using DSL/ADSL technologies, 20.8% by cable modem, 1.2% by mobile phone (UMTS) and 1.5% by another form of connection, for example optical cable.

While the figures indicate significant Internet penetration growth, the broadband connection penetration rate in Macedonia's households lags behind that of its neighbours in Southeastern Europe.

Electronic business in Macedonia

Banks in the Republic of Macedonia are still at an early preparatory phase of offering e-banking services and enabling electronic payment transactions between the banks and companies, between companies or for individuals abroad or in Macedonia. The number of debit cards issued by the banks is increasing, but a large number of these debit cards cannot be used for Internet payments.

The number of beneficiaries of debit and credit cards, although increasing, is still low on average. According to the Metamorphosis Foundation, 91.1% of the respondents in their survey do not have any debit card and only 8.9% own one. On the question as to whether the respondents would like to make bank transactions over the Internet, 61% responded in the affirmative, 29% in the negative and 10% did not know what that meant. On the question as to whether they would purchase on the Internet, 55% of the respondents said they would purchase, while the others would not, and the main reason for the negative response was the fact that they do not feel safe or they do not know how to do it.

According to the State Statistical Office of the Republic of Macedonia, up until 2005, in total 165,977 legal entities had been registered, of which 40.2% are companies, 39.7% are trading companies, 11.9% are tradesmen and 8.2% others. Out of these figures, only about one third are active companies. Out of these, 98% are small companies and only 2% are large companies.

The Economic Chamber of Macedonia (ECM)[1] has a significant role in information technology concerning the business sector.

Its project "Chamber's Business INTRAnet & Internet" was realized as a unique ECM information system on the World Wide Web, aiming to present the Macedonian economy to the world. The basic aim in building up an integrated, interactive and web-oriented single ECM information system is to create up-to-date services by applying the most contemporary technologies, thus providing support to upgrade the work of the members of the ECM and improving its activities.

[1] See more on http://www.mchamber.org.mk.

Another relevant project related to this particular subject is the “E-Market Centre”. In order to involve small and medium-sized enterprises (SMEs) of the Republic of Macedonia in the new trading procedures through electronic commerce, the E-Market Centre project has created an E-Market Sales Centre, by using Internet technologies to present the SMEs’ products and services along with an opportunity to order and purchase on-line.

The realization of the “E-commerce” project, led by the ECM, aims to encourage large competitive companies to prepare and adhere to e-standards; to prepare and practice e-commerce and the use of digital signatures; and to use open technical solutions for small and large companies and e-commerce promotion.[2]

There is no precise information on the number of business sector representatives that have Internet access and use it.

Bearing in mind that in the Republic of Macedonia a lot of effort is put into the development of IT in the business sector, the number of businesses that use IT is increasing every day. Hopefully, most of the business companies (large and small) will implement software solutions and will digitize their working processes completely.

The Republic of Macedonia is a country with an underdeveloped e-commerce system in all areas of consumption. Although on-line shopping via credit cards became a reality about a year ago, companies are barely using it. The number of companies offering the opportunity for customers to buy on-line is still very small. About 35 companies are selling computer equipment, pharmaceuticals and books on-line (Metamorphosis Foundation, n/d).

Digitization and the cultural sector in Macedonia

The Republic of Macedonia, as a member country of the Council of Europe, has prepared a national cultural policy, which was presented as the four-year National Programme for Culture (Ministry of Culture of the Republic of Macedonia, 2004a). It was finalized only in 2004 and this is the first document of its kind in Macedonia since its independence in 1991.

The Law on Culture (1997, amended in 2004) specifies some cultural objectives as being of national interest[3] but these concern neither cultural tourism nor digitization.

According to the National Programme for Culture 2004-2008, the main cultural policy objectives and priorities are: decentralization; development; protection and (re) creation of cultural heritage; creativity, with special focus on young people; creating favourable conditions for outstanding cultural achievements and cultural manage-

[2] Partners in the project are: the State Statistical Office, the Public Revenue Office, the Ministry of Economy, the Ministry of Finance and Information Technology Commission within the Government, the National Bank of the Republic of Macedonia, the Macedonian Entrepreneurship Agency and banks and IT companies from the Republic of Macedonia.
[3] For example, establishing the general conditions for achieving continuity in culture; creating the conditions for outstanding cultural achievements and their protection; encouraging cultural diversity; protecting and developing the cultural identity of different communities; cultural development, etc.

ment; balanced support for cultural heritage and contemporary culture; cultural management; promotion of the cultural identity of the communities; co-operation with NGOs; and international regional co-operation.

The national programme in relation to cultural tourism and virtual culture offers very little. Cultural tourism is only mentioned as a segment that should be developed in the near future without clear aims or plan of action. Up till now (July 2008) this strategy has not been drawn up. There was an initiative by the Macedonian Ministry of Culture together with the Ministry of Economy (Department for Tourism) to create a pool of experts from both ministries that would work on a strategy for cultural tourism development, but this body is not active and the strategy has still not been developed.

The Ministry of Culture has announced some of the priority objectives for 2007 and 2008 but these do not include investments in new technologies or in cultural tourism.

The explicit strategic objectives of Macedonian cultural policy have not been developed to the degree where one could talk about a systematic cultural policy. It is more a mixture of intuition, an *ad hoc* approach and lack of systematic elaboration, as on other levels of policy. The results of this are still to be described and defined. Generally speaking, the period between 1991 and 2008 can be described as a period without any specific cultural policy, a period with strong centralization and unclear responsibilities, where the emphasis was on obsolete schemes of bureaucratic, institutional financing.

Concerning a presence in the virtual sphere, the civil sector is the only sector which is pursuing the application of new technologies and is largely present in the virtual sphere, whereas this is rarely the case in the public sector.

Macedonia is still not very visible to foreign tourists and is mostly interesting only to its neighbouring countries (Serbia, Bulgaria and Turkey).

Cultural tourism as a term has still not been introduced to Macedonian institutions in order to collect data. As for cultural tourism, regardless of Macedonia's rich cultural heritage and natural beauty, the country is still not considered as an attractive and popular tourist destination for foreigners. In order to develop cultural tourism as a serious segment of Macedonian business and the cultural sector, a serious survey and analysis of the situation is needed. Only afterwards can a strategy for development of this particular sector be created.

The current situation with regard to digitization and information systems in the public services resembles a series of isolated islands without any mutual ground that connects them. Parts of the government institutions do not use a local network, and the ones who do have a special Internet connection. In the cultural sector in Macedonia, including in the Ministry of Culture and other public institutions (at local and national level) there is no computer network that connects these institutions. In addition, most of these institutions inherited incompatible computer systems. The same is true of all of the existing ministries in the government. This situation therefore represents an obstacle to any efficient electronic information exchange among these institutions.

At the local level, only in a few local units (municipalities) is there some sort of physical infrastructure. Generally speaking, information systems at the local level are very minimal. According to the National Strategy for the Development of the Information Society, out of a total of 144 mayors, only 44 use e-mail and only 23 of them have web addresses. Therefore, less then 35.4% have used e-mail and less then 18.6% have promoted themselves on a website.

At the moment, there is no portal for e-government as a unique place for all kinds of communication between citizens or private individuals and the government or government institutions. There are several reasons for this, such as the non-existence of a facility for the safe collection, publishing and distribution of data from the government institutions, the low level of management of information systems within government institutions and also the lack of a sufficient number of qualified personnel in this field.

In addition, a large number of employees in cultural institutions in the Republic of Macedonia show a low level of ICT literacy. One should also take into consideration the fact that existing equipment in these institutions is obsolete and outdated.

So far, there is no data in the Republic of Macedonia on how many cultural institutions/private companies have websites but, following research carried out by PAC Multimedia, the following results can be shown:

- approximately 10% of national cultural institutions have websites;
- approximately 11% of local cultural institutions have websites;
- most independent cultural non-governmental and not-for-profit organizations have websites;
- approximately 50% of private companies in the field of culture have websites.

The efforts made by the new government towards the development of the information society bring a certain optimism. For example, there was a growth of e-government services in the Republic of Macedonia in the period between 2004 and 2008. In comparison to the EU member states and to the new member states, Macedonia also has a growing trend and will reach the objectives set in EU states, but at least five years later. Plenty of activities have been carried out to enable this growth, such as the establishment of a National Strategy for the Development of the Information Society, the realization of a government contract with Microsoft for establishing a basic e-services portal and, finally – the most beneficial – the donor programmes to support Macedonia.

This growing trend shows that now (2008) the Republic of Macedonia is reaching the stage of establishing the infrastructure and furthermore will and is reaching the stage of establishing services. EU states are now (2008) at the stage of increasing usage by establishing more content and interoperable functions. The comparison shows that the stage that Macedonia reached in 2008 is comparable to the stage that most EU countries reached in 2001/2002.

Reference to the general situation in the country in relation to Internet business in the cultural sector

The rationale behind the construction and use of the questionnaire in this particular research was the possibility to closely assess the Internet situation in the Macedonian cultural sector, directly contacting managerial staff and in this way having information that can upgrade the previous conclusions derived from the analysis of the websites of cultural institutions/organizations. In addition, the researchers correctly presumed that attitudes towards the Internet and its use by managerial staff in cultural institutions/organizations can be a driving force in organizational change and can be influential for their developmental strategy. As such, the questionnaire offered valuable information about projects and ideas which are inaccessible when just analysing the websites of cultural institutions and organizations, especially concerning their future plans for e-marketing and the use of electronically advanced tools for commerce. It was also a correctional tool in the assessment of possible incongruence among the answers given.

The research team identified three thematic areas to which the contact persons or directors of the cultural institutions and organizations were asked to give responses, in addition to some basic background information.

The first area focused on personal observations in relation to a respondent's frequency and manner of Internet use, ratings of some issues regarded as problematic concerning the use of the Internet and their knowledge of e-commerce and its use.

The second area was composed of a set of questions concerning the institutions/organizations in which they work or which they manage, their technical equipment, web presence, the use of the Internet by employees and its benefits, as well as questions regarding the website and e-commerce relating to their products.

The third area was composed of questions regarding their marketing strategy and tools of communication with their audience, as well as the integration of e-marketing in the overall marketing strategy.

The questions in each section were formatted as yes/no questions, multiple-choice questions, checklists, rankings, Likert rating scales and open-ended questions.

The first step included the selection of cultural institutions and organizations. The basic criteria were that they are active, have implemented a project in the last 12 months and are currently present on the Internet. The list of cultural institutions and organizations was drawn up from available resources of the Ministry of Culture of the Republic of Macedonia and the address list of civil society organizations put together by the Macedonian Centre for International Cooperation in 2003. The list included 30 cultural institutions and organizations belonging to the public, private and civil society sectors, all operating at local or national level.

The questionnaires were delivered in two ways: some were hand delivered to managers of the cultural institutions and organizations who were later contacted by telephone; others were e-mailed to contact persons who were additionally informed through telephone calls, in such a way maximizing the response rates. Each questionnaire was accompanied by an explanation of the context of the research, the donor, the role of PAC Multimedia and their role in the specific research. The field work was carried out over a period of two weeks in July 2008.

The questionnaire was answered by 22 cultural institutions and organizations indicating a response rate of 73.33%, which is an acceptable rate in order to avoid potential bias so that the findings can be accepted and generalized. The findings are only relevant, however, to those cultural institutions and organizations which have answered the questionnaires.

The analysis of the questionnaires was done using the SPSS Programme (Statistic Package for Social Sciences), Version 13.0, and percentages for every question were calculated. The discussion includes description of the findings and the group involved and the survey results are reported in the form of charts.

Results report

The respondents to the questionnaire report long, daily and extensive use of the Internet, both in the workplace and at home. They use it mainly for educational and professional purposes and in rare cases for electronic banking. They consider the Internet to be of essential importance to their work and private life and an important means of collecting information. However, the high price (approximately €10 for the minimum flat Internet package) of Internet in the country, the stability and the speed of the connection offered are among the greatest obstacles to wide use of the Internet. They are acquainted with the option of e-shopping and e-banking but in most cases in the last 12 months they have not used it. They consider the opportunity to buy and pay through the Internet as a possibility for wider use of the Internet.

The respondents report sufficient technical equipment available in the cultural institution/organization which in most cases is not internally connected. In most cases the institution/organization has had Internet access for more than five years (see Chart 8), uses high-speed Internet but still rates the level of expertise of the employees in Internet and ICT issues as average or inexperienced.

Chart 8 – The length of Internet use within the institution

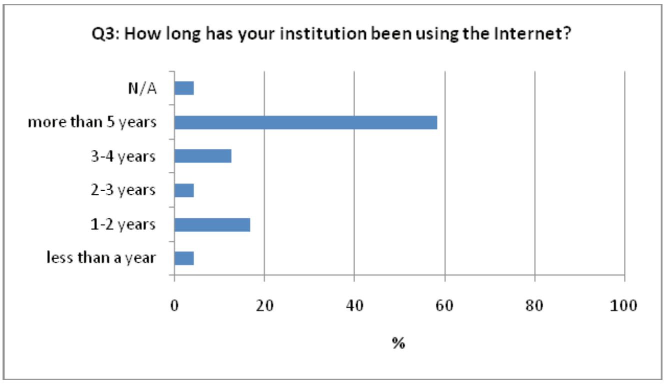
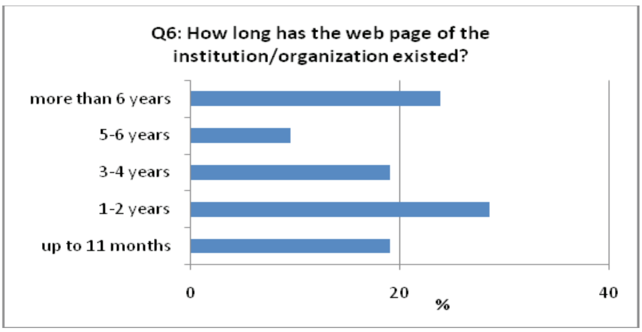


Chart 9 – The existence of the institution/organization website



The web presentation of cultural institutions/organizations is mostly a recent experience, mainly up to a period of 2 years though in a third of the cases it has existed for more than 5 years, bearing in mind that the Internet has been accessible for the past 15 years (see Chart 9). All of them have an organizational e-mail address, checked on a daily basis.

Chart 10 – Existence of a site meter

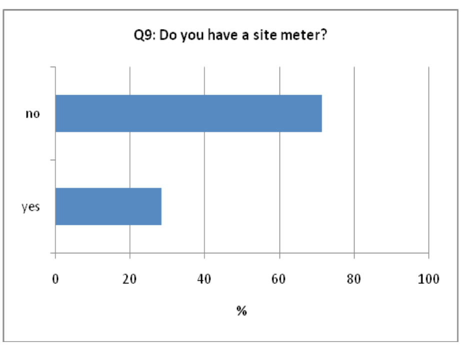
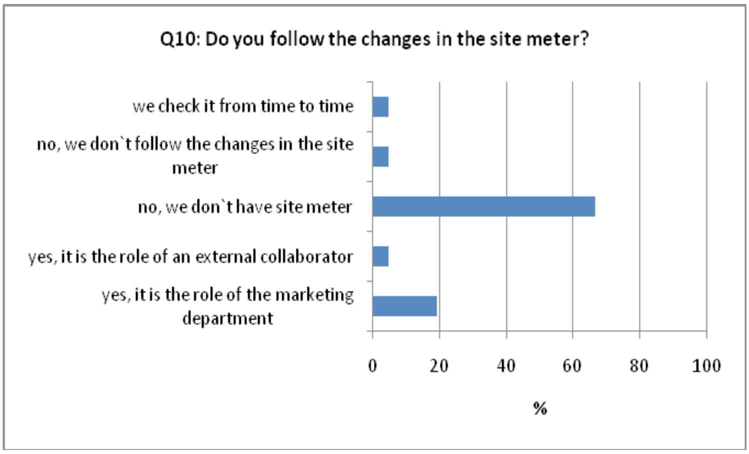
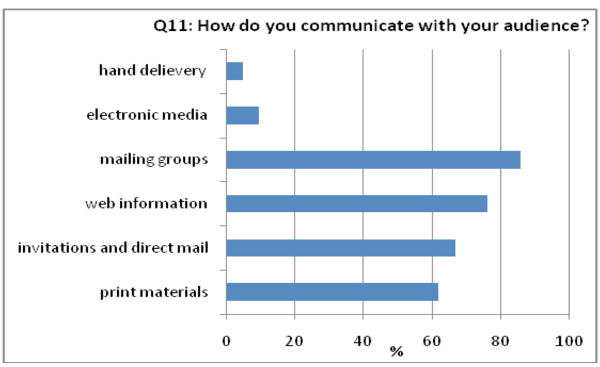


Chart 11 – Regularity of statistics presented by the site meter



They use the Internet as a means of communication with their audience and the web page as a marketing tool, along with the classical promotional tools, such as printed material and direct mail (see Chart 12). They cannot, however, measure the influence of this method since they do not have a site meter[4] (see Chart 10), do not follow the interest in their website and only in rare cases is the number of website visitors a topic for discussion in the marketing department (see Chart 11). In addition, in most cases they do not have options for e-commerce for any product (see Chart 13); they do not see its potential and a comprehensive strategy for e-commerce is rarely acknowledged. In some cases it is in the process of preparation but some cultural institutions/organizations see no value in having this strategy (see Chart 14).

Chart 12 - Means of comunication with audience



[4] A site meter is a service which provides a counter and tracking information for websites.

Chart 13 – Existence of an option for website e-commerce

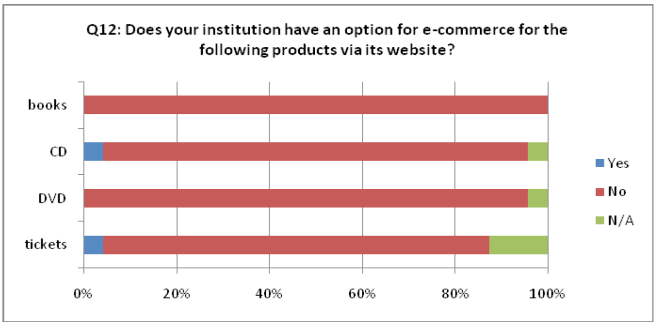


Chart 14 – Existence of a developed strategy for e-commerce

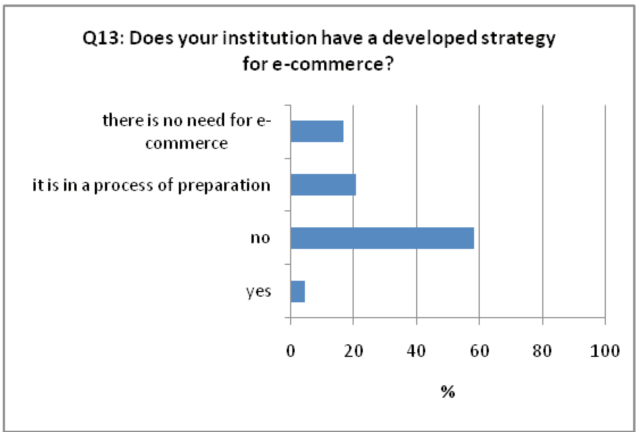
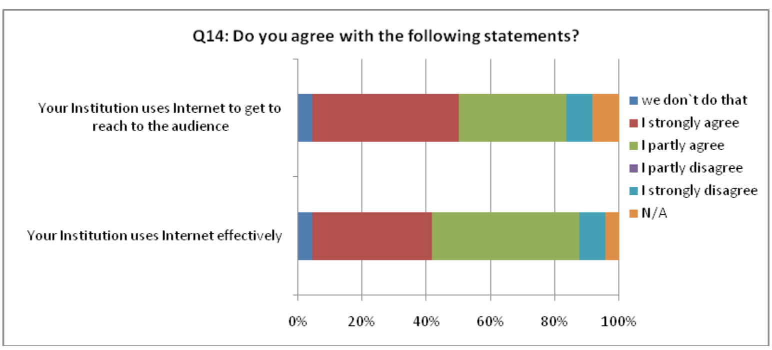


Chart 15 – Do you agree with the following statements?



They think, nevertheless, that the Internet is effective for the cultural institution/organization itself and it is effectively used in reaching their audience (see Chart 15).

The set of questions which focused on the marketing department in the cultural institutions/organizations reveals that in most cases the department consists of up to three people or does not exist at all (see Chart 16). In addition, its budget is mostly up to 5% of the overall budget of the cultural institution/organization, which is very low given that some of the respondents come from national and local cultural institutions. The cultural institutions/organizations mostly use printed material, direct mail and the Internet as promotional tools but e-marketing is still insufficiently developed (see Chart 17).

Chart 16 – The number of employees in the marketing department

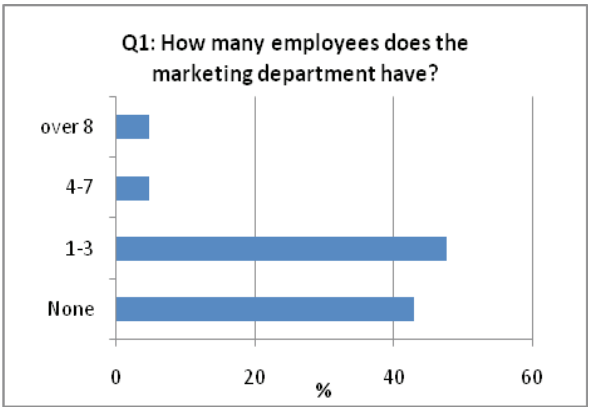


Chart 17 – Types of marketing tools used for promotion

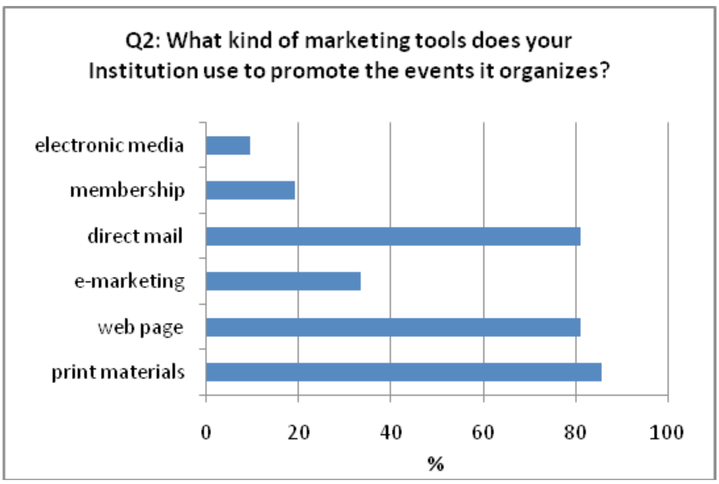
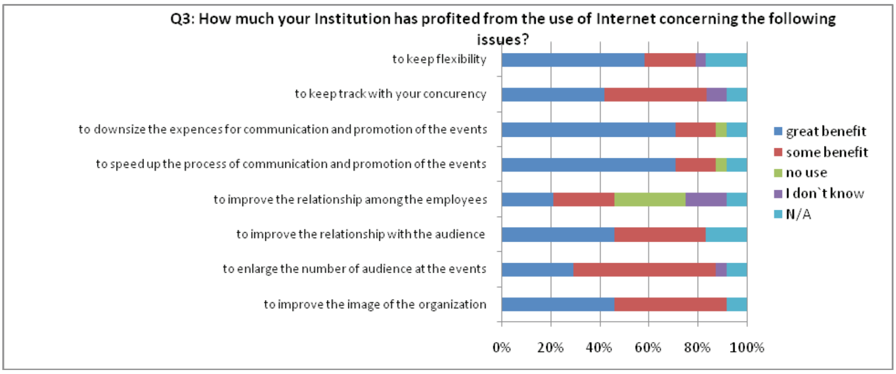


Chart 18 – Institution's profits from the use of the Internet



The respondents find the Internet to be effective in downsizing their promotional and communication costs, to speed up the process of communication and promotion and to improve relationships with their audiences. It is only partly effective in improving the image of the cultural institution/organization, in increasing the number of visitors at the events they organize and in keeping track with competitors. In addition, they find the Internet to be of no use in improving the relationships among employers (see Chart 18).

The marketing goals of the cultural institutions/organizations involved in the research are mainly connected to popularization of their activities, increasing the number of visitors at their events and popularization of their mission. Only one of those who answered the open question to briefly describe the marketing goals over the next three years has clearly included the improvement of their website in content, effectiveness and accessibility as a marketing goal (see Chart 19).

Chart 19 – Website contribution to the fulfilment of the marketing goals

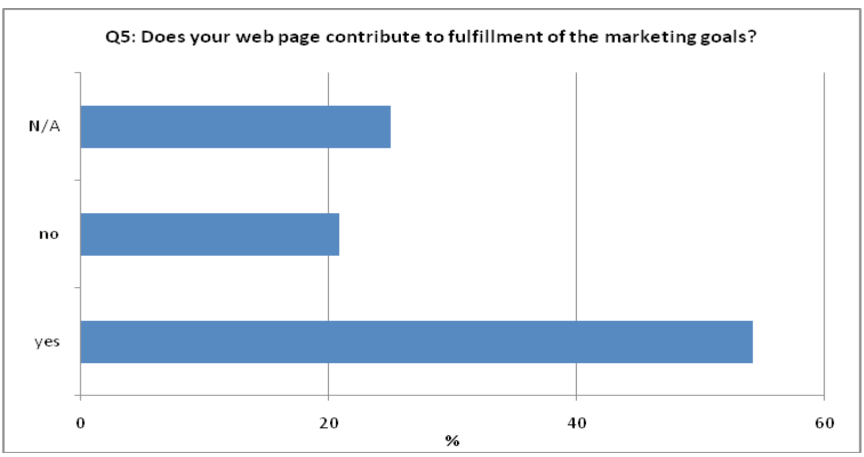
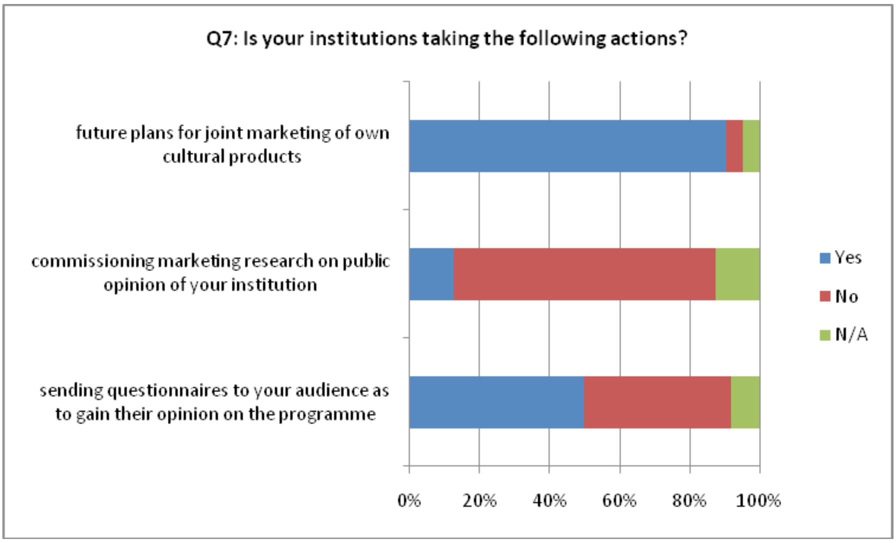


Chart 20 –Marketing activities



Lastly, they find the web page to be useful in the fulfilment of their goals and have future plans on the joint marketing of several products made by the cultural institution/organization, also in the field of web promotion (see Chart 20).

Cultural institutions/organizations in Macedonia clearly recognize the potential of the Internet as a tool for improving communication with their audience and as a tool for promotion of their activities but there is still no systematic approach or clear strategy. Rather it is used as a printed media, for presentation or for e-mail communications. They tend to be aware of the target groups speaking only the Macedonian language and do not see the possibility of e-marketing to access a wider audience than the national one. It is mainly used in downsizing the running costs of the institution/organization and not as a field requiring future financial investment. E-marketing is only undertaken by a small minority of respondents but it is set to expand and there are future plans for the development of e-marketing strategies.

In conclusion, there are some initiatives and positive developments in this area among cultural institutions/organizations in Macedonia at present, but more needs to be done. There is, however, an awareness of the potential of the Internet and web presentation and an awareness of the need for creation of a more comprehensive and systematically guided e-marketing strategy and coverage of cultural institutions/organizations in Macedonia.

Situation in Macedonia: the cultural sector and e-business

In order to detect examples of best practice in the field of virtual culture in the country a content analysis of the cultural organizations' Internet presentation was performed.

The coding system of the analysis was based on the methodology presented in the *Quality Principles for Cultural Websites: a Handbook* (Minerva, 2005), a joint European initiative aimed to improve the quality of on-line cultural content.

The value of this handbook is that availability of high-quality cultural websites can encourage citizens to discover and to explore the unique diversity of one's culture and this can be easily transferred into the Macedonian context. High-quality websites of cultural organizations and institutions from Macedonia can encourage domestic as well as foreign citizens to discover and explore the uniqueness of the Macedonian culture, and the presence of quality on-line can contribute to the development of cultural tourism.

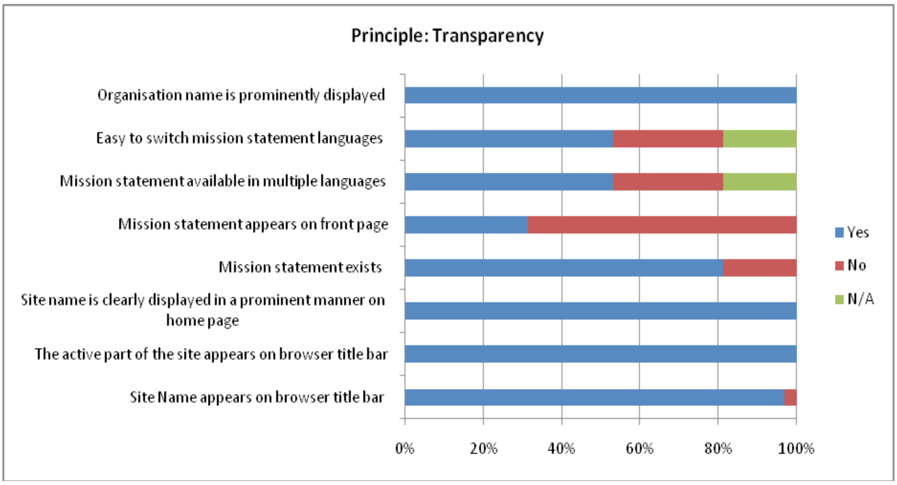
The content analysis used in this research was based on seven principles (out of the ten in the previously mentioned study), a set of criteria used for assessing the compliance of the website with these principles and a checklist based on the criteria used for assessing the website. The principles used are as follows:

- transparency;
- effectiveness;
- maintenance;
- user-centred;
- responsiveness;
- multilingual;
- managed.

Analysis was made of the websites of public institutions, such as museums, libraries and nationally supported events, companies representing the private cultural sector and non-governmental organizations whose main field of activity are arts, culture and cultural heritage. They have to originate in Macedonia, must be considered to be active and have implemented a project in the last 12 months and they should have an active website. For the purposes of the research, lists of organizations and institutions drawn up by the Ministry for Culture and the Macedonian Centre of International Cooperation's Register of Citizens Organizations were used. This gave an extensive list of a total of 32 cultural institutions and organizations belonging to the public, private and civil-society sectors, all operating at a local or national level, which were selected to be analysed.

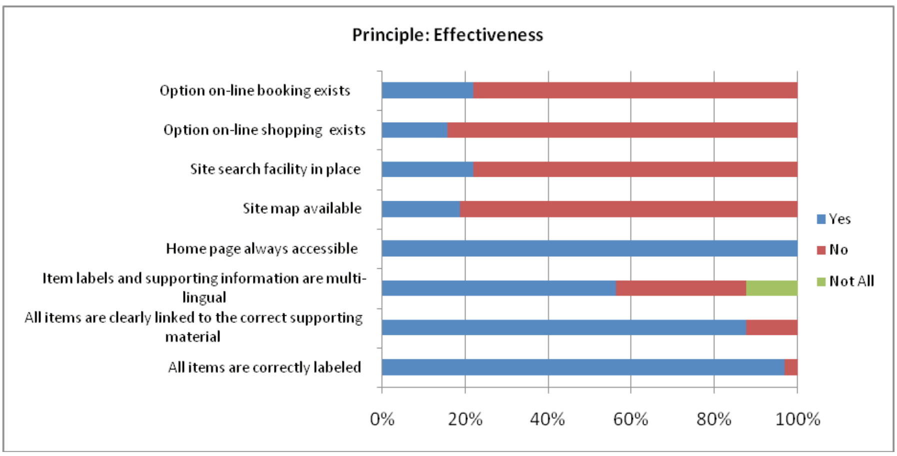
The analysis was carried out in June 2008 and, for the needs of the study, the researchers firstly created the specific coding system, then selected the relevant websites to be analysed, coded the data, analysed the results calculating percentages for every principle and lastly discussed the results and drew conclusions. The survey results are mainly reported in the form of charts and the discussion includes descriptions of the findings, the group involved and identification of best practice cases from each sector: public, private and civil-society.

Chart 21 – Principle: transparency



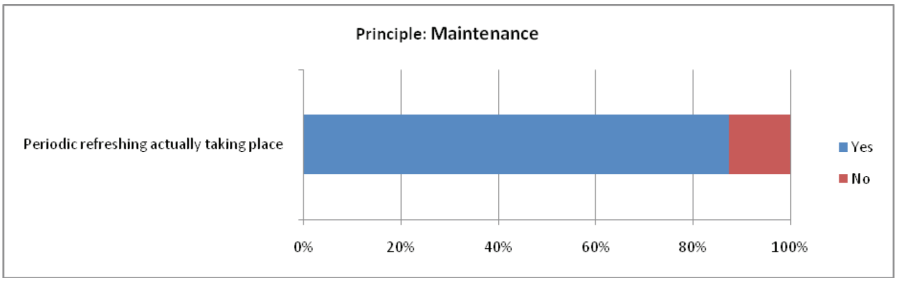
According to the principle of transparency (see Chart 21), the websites of the cultural organizations and institutions in Macedonia are generally transparent, correct and clearly visible with regard to their visual signs, site appearance and mission role.

Chart 22 – Principle: effectiveness



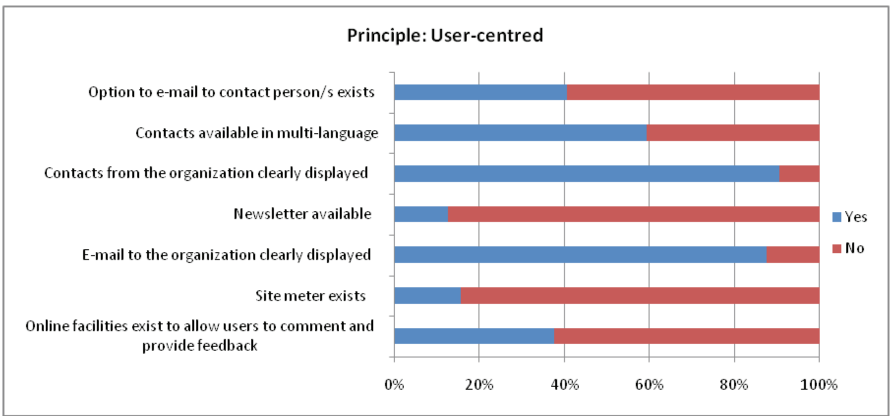
In most of the cases the web content of the cultural organizations and institutions is bilingual (Macedonian and English versions) but the content is not always complemented by correct supporting bilingual material. The web pages can be regarded as only partly effective (see Chart 22) since they rarely use options such as a site map or site search facility, which ease the research process and availability of web content, and, in addition, only in rare cases do they employ options for on-line shopping and/or on-line booking.

Chart 23 – Principle: maintenance



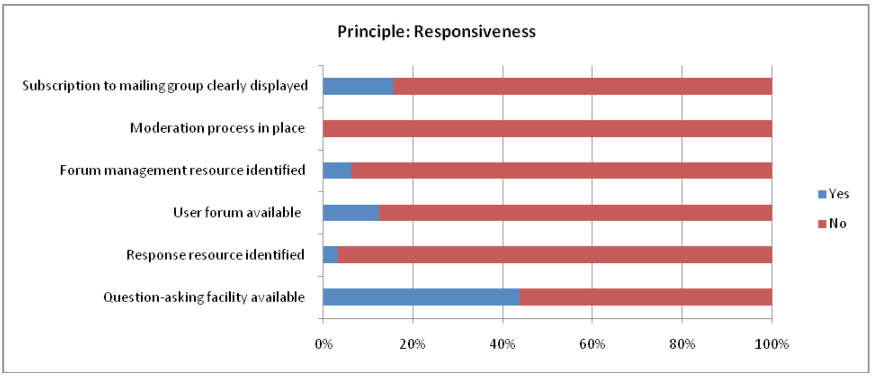
In general, the web pages of the cultural organizations and institutions in Macedonia are periodically reviewed (see Chart 23) and information is up to date but they are not quite responsive to users.

Chart 24 – Principle: user-centred



According to the user-centred principle (see Chart 24), the websites of the cultural organizations and institutions in Macedonia can be assessed as partly centred towards users. They usually have clear contacts displayed and mostly available bilingually but only in rare cases are on-line facilities for comments and subscription to a newsletter available. A site meter is rarely used and frequency of use can only be traced in a few cases.

Chart 25 – Principle: responsiveness



The websites of the cultural organizations and institutions in Macedonia can be regarded as unresponsive (see Chart 25) to users since a question-asking facility and in rare cases a user forum are available but the response and forum management resources are not clearly identified. In rare cases, subscription to mailing groups is available.

In general, the web content of the cultural organizations and institutions in Macedonia is available bilingually, meaning that the identity and the profile of the organization/institution, as well as some static information, are available in more than just the Macedonian language. In no case, however, is any of the web content available in sign language.

No websites have an end user code of conduct or terms and conditions, nor do they have a user privacy policy available for the end user to review. None of the websites has implemented a Creative Commons licence either, although this principle is particularly important since these organizations/institutions usually publish high value content on the Internet and the risk of commercial and un-authorized re-use of such material is high.

Best-practice examples of web pages of cultural institutions/organizations

National Institution Drama Theatre Skopje is one of the oldest live theatre institutions in Macedonia, dating from 1946 when the first puppet show “Siljan Strkot” (“Siljan the Stork”), based on the folk story, was shown. It has operated as an independent puppet theatre since 1949. In 1967, the theatre was renamed the Dramski Theatre and has since given performances locally, nationally, regionally and internationally.

Lithium Records, a record company which has existed since 2000, has supported young artists in Macedonia who in other ways are unable to reach a wider audience. So far they have been producers of a wide range of qualitative music from Macedonia (metal, punk, blues, rock, ethno, jazz, techno) for a number of bands.

The **Blesok Cultural Institution** was founded in February 1998 as the first on-line magazine in Central and Eastern Europe. The first issue of *Blesok* was published on 12 March 1998. So far, *Blesok* has been published bimonthly in Macedonian and English. The institution is editor of a large number of books and is involved in web design and translation work.

The content and communication processes seen on the websites of the cultural organizations and institutions of the Republic of Macedonia should have a broader appeal to the public. To summarize, there are some good examples of Internet presentations of cultural organizations and institutions in Macedonia at present, but these websites are mostly recognized simply as presenting information about the profile of the cultural organization/institution rather than having a specific role. They tend to draw attention to selected activities of the cultural organization/institution and so they tend to focus their cultural resources on specific interest groups. The websites can be an effective and valuable marketing tool but their potential is yet to be fully realized and cultural organizations and institutions still need to become proactive in promoting cultural tourism.

As regards e-commerce the following conclusions can be reached:

- The frequency of web users' visits cannot be clearly assessed. The web pages of the cultural organizations and institutions in the country only in rare cases use site meters or offer on-line facilities for comments, subscription to a newsletter or any published data on their users. As a result, no conclusion on the characteristics, origin or interests of the websites' users can be reached.
- There is rare use of on-line sales and no statistics on sales can be gathered from the websites. The websites of the cultural organizations and institutions in the country can be regarded as unresponsive to users. Although question-asking facilities, subscription to mailing groups and user forums are available, response resources and forum management resources are not clearly identified. In addition, it is not possible to have data from research conducted into the success of the websites in concrete realization of sales.
- One of the reasons for not practising on-line sales is that the target group of customers in the country is too narrow and these in general do not shop on-line. Another reason is that customers in the Republic of Macedonia are dissatisfied with the protection offered or do not believe that the protection provided under current legislation is sufficient, whether they are buying from an on-line vendor from around the corner or on the other side of the world. In addition, they are not informed about the process: what happens when they decide to make a purchase, how they can cancel the purchase or where to go for legal advice if needed. "Traditional" payment methods are still most trusted and most used. However, as broadband technology continues to become more affordable in the country and the number of households with high-speed Internet access increases so the percentage of the population that become regular Internet buyers will increase.

Conclusions

The basic goal, set out at the beginning of this research, was to find out what virtual presence cultural organizations and/or heritage sites have in connection with cultural tourism in order to gain data that would form the basis for producing guidelines for digital cultural policy.

Overall and absolute conclusions on the problem explored cannot be drawn solely from this research. Although the data and insights obtained can be presented, it is impossible to offer some general model for development. In order to achieve that, further research is needed to provide additional verification of the insights obtained.

However, because it relates to a kind of action research, these insights are of huge practical value. They are a solid basis for undertaking certain correctional activities in the process of development of this particular field.

By analysing and interpreting the results, several conclusions can be drawn. In this context, remarks are divided into two categories:

- major problems and needs, and
- recommendations.

Major problems and needs:

- There is no clear vision or plan as to what direction the cultural sector in Macedonia wants to follow in the forthcoming period and there is a lack of any kind of research or database on tourism and digital culture.
- Macedonia is still not very visible to foreign tourists.
- Cultural tourism and virtual culture are neglected elements in cultural policy in Macedonia.
- With regard to the use of communication technologies in Macedonia there is still an unsatisfactory level of technical (computer) capacity – a basic necessity for efficient work-flow – and there is poor use of software packages as well as a low level of computer literacy. There are also insufficient competent and qualified human resources to run a cultural programme and cultural institutions in the municipalities.
- Prices of these types of services (Internet, etc.) are high.
- There is a language issue – no programmes and software packages exist in the Macedonian language.
- The current situation with regard to digitization and information systems in the public sector resembles a series of isolated islands with no mutual connecting ground.
- There is no portal for e-government, as a unique place for all kinds of communication between citizens and private individuals and the government and government institutions (no facility for the safe collection, publishing and

distribution of data from government institutions, a low level of management of information systems within government institutions and an insufficient number of qualified personnel in this field).

- Very little on-line shopping exists yet in Macedonia.
- There is a lack of human resources who are competent and qualified in ICT (the majority of employees in cultural organizations show a low level of ICT literacy).
- Existing equipment in cultural institutions is obsolete and outdated.
- Cultural operators in Macedonia do not see the potential of e-marketing to access a wider audience.
- There is a need for the creation of a more comprehensive and systematically guided e-marketing strategy and coverage of cultural institutions/organizations in Macedonia.
- Macedonian cultural organizations and institutions need to become proactive in promoting cultural tourism.

Recommendations:

- A serious approach towards cultural tourism and digital culture should be taken (creation of a strategy for the development of this sector).
- In order to create sustainable policy, all sectors should be involved in the process (public, private, NGOs).
- In order to develop cultural tourism as a serious segment of the Macedonian business and cultural sector, a serious research and assessment analysis of the situation is needed. Only after such a step can a strategy for development of this particular sector be created.
- An efficient electronic system of information exchange should be introduced and established in the public sector (an e-portal with safe collection, publishing and distribution of data from the government institutions, an increase in the level of management of the information systems within government institutions, and an increase in the number of qualified personnel in this field).
- All participants in the cultural and business sector should follow the new IT trends (buying new software and computers on a regular basis), by planning their annual budgets so that there is a percentage for developing IT in their own company/organization.
- At the national level, Macedonia should establish the relevant infrastructure and also achieve the stage of establishing services such as e-sales, e-banking, e-commerce.
- Use of IT should be increased by the introduction of more content and interoperable functions.
- The creation of programmes and software packages in the Macedonian language will increase computer and Internet usage.
- A serious curriculum for IT use should be created.

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Montenegro

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Introduction

Cultural tourism is a practice that involves intersectoral collaboration of culture and tourism and in contemporary trends it includes other development practices that are functionally integrated. One of them is virtual culture, that is, the digitization of culture.

The starting point of the research on the impact of virtual culture on cultural tourism in Montenegro is the fact that intersectoral collaboration is not an established practice, but rather a framework for future development which so far occurs only in isolated cases.

This contribution intends to point to specific examples that offer possibilities for the further development and positioning of virtual culture, which today has great importance and application in the contemporary organization of culture and especially cultural tourism.

The procedures of use and creative practices which can emerge in future need to relate to the future cultural development strategy in Montenegro and it is especially important that such a document includes development plans for other sectors. The connections on paper need to initiate connections in the real space of practice, one of which is inevitably virtual culture and communication that occurs within the web in various forms.

Overview of digitization in Montenegro

The population of Montenegro is 670,000. Four Internet providers serve this population: T-com, Mtel, MontSky and MNNEWS and these offer different types of access.

According to the official report of T-com from March 2008, there are 115,000 registered Internet users in Montenegro. This shows a penetration rate of 17%. Taking into consideration that one account is used by more than one user, as well as the fact that some users have wide access, it is estimated that the number of Internet users is actually 206,000, that is, the estimated penetration of the Internet in Montenegro is around 30%.

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The most popular Internet provider is T-Com Montenegro, with over 100,000 users. T-com offers dial-up and ADSL service while other providers offer dial-up and wireless connection. T-com offers data transfer speed of 1,024 Kbps/128 Kbps for private users and 6Mbps/1Mbps for businesses.

ADSL enables simultaneous use of the Internet and telephone. ADSL technology uses the existing telephone infrastructure and has many advantages compared to similar technologies for the speed of transfer, easy use and efficiency. The total number of ADSL users in Montenegro is over 21,000. There are three new ADSL packages that offer unlimited transfer. The price of an ADSL package is between €15 and €70 per month.

The information society in Montenegro cannot develop further without higher Internet penetration and higher computer literacy. This process is regulated by the government and by private companies and their information policies.

The problem with obtaining statistical information regarding the number of users is due to the fact that the official state statistics agency – MONSTAT – does not gather this kind of data and a survey of this kind has not been carried out yet. The number of users is thus gathered from the data published by the Internet providers. It is estimated that the broadband Internet access penetration rate is around 10%.

The development of the information society in Montenegro shows several positive trends. The opening of the telecommunications market had an important impact. New market players and an increased number of information and communication technology (ICT) products resulted in competition with a greater and more varied product offer. There is evidence of an increase in many indicators of information society development, such as more people owning and using computers and the Internet.

A Council for the Development of Information Society has been formed. It is steered by the government and its members include the Rector of the University of Montenegro, deans of faculties where ICT is studied, local and international experts and representatives of the civil sector and ICT companies. The Montenegrin Government has also outlined the strategy for the development of electronic communications and has carried out a process of deregulation and de-monopolization of the market, according to the commitments in the "Memorandum of understanding on the development of a unified market of broadband networks, connected to the European and World Wide Web".

Electronic business in Montenegro

The dynamics and production of culture on the Internet need to be supported by other elements, above all by a legal framework that regulates on-line business.

For an institution to offer on-line sales of services or products, it is necessary that the state adopts and implements the Law on Electronic Document so that electronic documents gain legal value. The Law of Electronic Trade needs to identify and define the framework for trading on-line and using electronic currency. There also needs to be a Law on Electronic Signature, necessary for exchange with international credit card holders and also to speed up the process of exchange of relevant documents. Montenegro has already adopted the following laws:

1. The Law on Electronic Signature (“Sl. list RCG”, No: 55/03 and 31/05);

2. The Law of Electronic Trade (“Sl. list RCG”, No.80/04);

3. The Law on Electronic Document (“Sl. list CG”, No 5/08 from 23 January 2008).

There are legal regulations in place but their implementation is slow.

Montenegro has only recently started the implementation of laws that will enable it to join the global exchange. Access to the exchange should ultimately enable Montenegrin businesses to carry out on-line sales. So far, the state has issued licences to two banks that will enable on-line trading for their users: Crnogorska komercijalna bank and NLB Montenegro bank. The two banks have begun implementation and are in the process of forming acquisition departments that will deal with data processing. Once this is set up, they will start on-line trading.

The laws mentioned above are part of the activities recommended by the Strategy for the Development of Information Society – path to the society of knowledge, adopted by the Government of the Republic of Montenegro (2006).

On the basis of this strategy, in 2006, the government adopted the methodology for projecting an e-government system, the methodology for managing e-government projects and one for measuring the development of information society.

The content of these documents covers the following activities:

- the implementation of all laws necessary for the electronic work of state authorities and business;
- the connection of all agencies of state authorities and local authorities into one, wide Internet network;
- the availability of access points in all locations in Montenegro that have over 500 inhabitants;
- ensuring that all schools and all national health institutions have Internet access;
- the establishment of basic databases – citizens, locations and businesses and integrated information services for most administrative procedures at the state and local level;
- the establishment of an information system for culture and tourism.

This is the minimum set of aims for whose realization the government has taken responsibility.

Digitization and the cultural sector in Montenegro

The above-mentioned strategy defines the starting point and the framework for the future development of information society. The sector of culture is not yet included in this development policy, as demonstrated by the non-existence of an intersectoral approach or a cultural policy that should be the integrating factor of the development trends.

It is important to stress that the system of virtual culture is not yet included in the development predictions and documents regarding cultural policy. On the other hand the development plans and documents related to tourism and the information society do exist but in this case, that is, the impact of virtual culture on cultural tourism, it is evident that there is a lack of an intersectoral approach as a necessary principle for integrated functioning. Indeed, culture is not even included in other strategic documents.

The practice of virtual culture in Montenegro is virtually non-existent if compared to practices in some other societies that make full use of the potential of the Internet. The dominant web production in the country does use the possibilities that technology offers today. The concept of culture on the web is rather "classical", with the content involving opportunities for cultural tourism represented rather modestly. The sector of tourism has made more significant progress in this respect and has a better quality production of web content. For example, the www.visit-montenegro.com won an award at Webby Awards 2007.

This can be explained by the process of transformation that tourism has undergone, along with precise development policies in that sector. On the other hand, the process of transformation of the system of culture is yet to come.

A National Report on Cultural Policy (Republic of Montenegro, 2004a) is the only relevant document that deals with technical and technological issues relating to the development of culture. That document, however, has been largely ignored and decisions regarding the strategy for the development of cultural policy will in future be based on the recently adopted Law on Culture that the Montenegrin Parliament brought out in July 2008.

The National Report on Cultural Policy (Republic of Montenegro, 2004a) makes it clear that at the time it was a matter of urgency to create better conditions for the positioning of some institutions of culture and there was a need for better and more complete technical and technological resources. At the time, most public institutions did not have an electronic database or a web presentation, and they were not networked. As well as installation and resources, an important segment of their reform was the introduction of new management and marketing methods.

On the basis of that report, a special Report of Experts of the Council of Europe (Republic of Montenegro, 2004b) was drawn up, which reinforced the need to strengthen communication technologies and reported that many institutions worked without Internet access, a developed database or an Internet presentation.

Compared to 2004, the situation has improved after it became apparent that in contemporary work models, institutions of culture could not operate without Internet access. This trend is moving towards complete digitization and introduction of on-line trading.

Only then will the subject of research, in the Montenegrin case, show results and this will lead to clearer indicators for the methodology relating to the impact of virtual culture on cultural tourism.

The sectors of marketing and IT are not yet well positioned in institutions of culture. The most advanced in that respect is the Montenegrin National Theatre, which has an Internet presentation[1] and regular use of different types of software. However, in this case, there is another problem that will be discussed further in the research: on the one hand, the infrastructure within the institution and, on the other hand, the impossibility of on-line trading.

Situation in Montenegro: the cultural sector and e-business

Different segments of contemporary culture, institutions and projects have their life on the web. This is the basis for the development and presentation of virtual culture in place of cultural tourism in its different incarnations. In the Montenegrin context, cultural tourism should be viewed in the light of local dynamics, as well as the return of Montenegro to the international tourist market and an increased number of foreign tourists visiting the country.

The local specifics of culture, as well as the existing cultural dynamics, can all be included in the cultural tourism package. Such projects and institutions also exist on the web, a fact that confirms that there is a need to attract audiences and service users whose needs nowadays are greater and more fluid compared to traditional packages and the ways in which they are met.

The form in which the projects exist now is only a platform that still needs to be developed further and the players still need to realize the benefits that can be brought forward by on-line sales and above all a well-developed platform in the domain of virtual culture. This also follows the marketing system proposed by Dragičević Šešić and Stojković:

- On-line sales should increase the accuracy and help create assessments based on which business policy of a cultural institution is formed. It should form the identity of an institution of culture and clarify what it specifically offers, i.e. the structure of arts programmes and products for the market.
- There should be a widening of cultural audiences, information sharing, promotion of specific institutions, cultural projects and more efficient access to the arts, as well as the release of important, content-rich information about programmes through websites, helping to create different forms of networking and enabling the transition from interested individuals into regular audiences.
- An institution of culture should be able to increase its own income.
- There should be increased autonomy of work and the results should become visible within the institution as well as to the wider public. This impacts on the reputation and improves the external and internal image of an institution.

[1] www.cnp.cg.yu and a registration with a new national domain, ME.

- Autonomy and increased income add to staff motivation and strengthen the ethos of the institution.
- Overall efficiency increases, as does the effectiveness of the institution of culture.
- Wider promotion and presentation possibilities will exist, and the institution becomes more accessible to the wider public (Dragičević Šešić and Stojković, 2003).

As there are no direct examples of the impact of virtual culture on cultural tourism it is necessary to outline the reasons why this is the case. We have already considered aspects of the development process of information society in Montenegro, including all the legal aspects and, also the technical support to the carriers of that process who are currently working on introducing an on-line banking system. Now we should look into the existing system of websites that represent different practices of virtual culture.

The following examples are case studies in which different local and national institutions of culture and public and private initiatives have their "life" on the web. In the context of Montenegro, where the cultural sector is behind other segments of society in terms of virtual culture, these examples may be the platform for its future development. Close examination has focused on three examples: the Đurđe Crnojević Central National Library, the Montenegrin National Theatre and the Herceg Fest. The other examples are presented as good platforms for future development but cannot serve as examples showing the direct impact of virtual culture on cultural tourism.

Case study 1 – the Đurđe Crnojević Central National Library

"Đurđe Crnojević" is the national library of Montenegro. Digital technologies and the Internet are opening up new ways of communication with users, increasing the services offered and modernizing its overall functioning. This is an institution of culture that has achieved the most in Montenegro in the domain of virtual culture.

Their rather complex website (www.cnb.cg.yu) offers different services and varied modes of access to information. The COLIB.CG database (part of the COBISS.CG system) has services aimed at individual users, other libraries and publishers, and this enables faster and more efficient communication with the national library. It also contains all relevant information about the libraries that participate in the system of general categorization – COBISS.CG. The establishment of the Đurđe Crnojević Centre for Virtual Library enabled the full realization of a project which includes elements of importance for digitization and operation in the virtual environment.

The website of the Đurđe Crnojević Central National Library cannot be viewed strictly as a direct function of cultural tourism due to the specific nature of this institution. However, commercialization of operations and the issue of cultural heritage should be the basis of a platform that could, with different services on offer, have a direct impact on cultural tourism. The library is the organizer of different cultural activities, events and exhibitions. It is also involved in sales of books and takes part in book fairs. The museum department is an important resource for commercial activities.

The production of these contents can be the basis for on-line trade and they could position themselves on the market as interesting and original compared to what other institutions of culture offer.

Case study 2 – the Montenegrin National Theatre

This website (www.cnp.cg.yu) is a good example of a Montenegrin web project that presents the programme of the national theatre and was one of the first professional websites among institutions of culture. The current, second version of the Internet presentation was created in 2002. In 2003, it was judged to be one of the top five Internet sites by Internet Crna Gora. It is regularly updated, with new content added to all website pages (new productions, monthly programme, etc.)

This website is currently being redesigned, using the original platform of the website, but including new content and offers that will make it a more interesting information source, as well as a communication platform between audiences and the theatre.

The Montenegrin National Theatre is among the first institutions of culture in Montenegro to have an Internet presentation. The current website does not contain marketing information but it has been confirmed that the redesigned site will have content that engages consumers and the public.

Sufficient staff resources, an extensive database and the attractiveness of this institution's programmes should ensure that this web project will be useful in the future.

Traditional forms of trade and business mechanisms can be transferred on the Internet. In the 2007/08 season, the number of people attending events was 53,279 and the number of tickets sold 46,330. Direct sales at the box office and on business-to-business accounts are the basis on which future on-line sales should be structured. The number of visits to the website was over 53,000. Statistically, the average number of visits is 3,700 per month.

The main disadvantage of the site is the non-existence of interactive software.

The following is the redesigned website plan:

- installation and configuration of software for discussion groups (forums);
- implementation of RSS feed;[2]
- design and creation of a database;
- new marketing campaign.

The website will be one of the first in Montenegro to have an RSS feed. This will of-

[2] RSS is a family of web feed formats used to publish frequently updated works, such as blog entries, news headlines, audio and video in a standardized format.

fer visitors a tailored (alternative) way of searching for the information on the website (overview of the information published on the website).

The new marketing campaign will include banners and stamps on the most popular local portal-type websites as well as collaboration with websites of other institutions of culture, tourist agencies, etc.

Case study 3 – the Herceg Fest

This website's (www.hercegfest.cg.yu) character is specific since it integrates several events that take place in Herceg Novi. The traditional events – Grad Filma (The City of Film) and Grad Mimoze (The City of Mimosa) – are good examples of how cultural events may impact on cultural tourism, while the issue of the character of their presentation on the Internet is an example of possibilities that are not yet fully utilized. This website is a good example of how virtual content and cultural opportunities can be packaged.

Formally, the Herceg Fest is a local public institution in the popular tourist town of Herceg Novi. The institution uses and manages considerable resources in the town: the Park Hall, the Bijela House of Culture, the Kanli Kula, Fore Mare and Španjola fortresses, three town squares, the house of Nobel Prize winner Ivo Andrić and all other public spaces and town walls on the territory of the town that are appropriate for cultural and arts events.

There are no official statistics on the number of visitors to the website and there is no interactive content that would enable communication with users, which raises the issue of how "visible" this website is on the Internet. The key problem is that the content that is offered is not related to marketing – many of the events have a strong commercial character yet this aspect is not appropriately supported by the website.

Case study 4 – the Nikšić Guitar Festival

This festival is important for the town of Nikšić, with an innovative programme that includes presentations at different venues and locations. It is well covered by the press and with the quality of its programming it has successfully positioned itself on the music map of Montenegro.

The web presentation (www.niksicguitarestival.com) is currently only at the stage of a basic platform that still needs to be developed. It is interesting that it has the potential for the promotion of cultural tourism, considering that Niksić is not normally a tourist destination following the crisis of the 1990s.

Case study 5 – the International Perast Klapa[3] Festival

The festival presents music traditions characteristic of Boka Kotorska and other parts

[3] Klapa – a type of capella singing typical for the Adriatic coast (translator's note).

of the Mediterranean. It appeals to tourists as the town of Perast has a specific cultural tourism offer. This is a project that needs to be integrated in the development of other cultural tourism opportunities in Boka Kotorska.

This is also a rare website (www.festivalklapaperast.com), at least in terms of institutions and projects in the field of culture, which offers visitors the option to become forum members and also to join a forum, although these features still need to find a wider appeal.

Case study 6 – the Budva Grad Teatar Festival

This multimedia festival with a long tradition and successful productions works in collaboration with the tourist sector and is currently the most popular tourist destination in Montenegro. However, this is not reflected on their website (www.gradteatar.cg.yu). Although the case study cannot present any of the indicators set out by this research, it is mentioned due to its relevance in the tourist sense in Montenegro. It shows the level of (under)development of virtual culture in the country.

Case study 7 – the "Presentation of Culture and Cultural Tourism of Budva" project

This website (www.butua.com) is rare in that it directly addresses the issue of cultural tourism.[4] It is rich in content and can be a presentation that will in the future yield economic benefits, both direct (on-line sales of souvenirs, art, etc.) and indirect for different cultural content.

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[4] The idea behind the project can be found on the site and they deserve to be presented in some detail in this research as an example of practice and a project that deals with virtual culture and its impact on cultural tourism: "Tourism is the main source of income for the town of Budva. The demands of tourists today are much wider than the usual offer, like beach, sun, sea. This is especially the case with visitors from economically developed countries, who are showing increased interest in our country. They want to learn about history, culture, heritage, tradition, and this is cultural tourism. This project is an ideal opportunity to offer all this at one place through a medium that is available to everyone, at any place in the world, at any time. In that way everyone would benefit and our town will end up with more visitors satisfied with the information about culture. Realizing the benefits of modern ways of communication we wish to use the Internet to promote the cultural heritage of Budva, as well as contemporary events and culture. Montenegrina is a large project presenting the tradition and culture of the whole of Montenegro and it is already established both in our country and internationally. We think that Budva should have the key place in this medium. Since the Internet site Montenegrina has a large audience (over 350,000 visits at the time of writing) it is to be expected that the presentation of Budva will also be a success. We must not forget that Internet is available everywhere in the world, at any time. Through this project we intend to present different aspects of culture that can be found on the territory of Budva. This includes historic data with special attention to historic legends and other interesting stories from the past. The presentation of important localities should add to the advancement of cultural tourism. At the same time we will give special attention to young and unknown Budva artists, who will be given an opportunity to present their work for free on our pages. All important cultural events will be included and the institutions of culture (museums, galleries, etc.) will have the opportunity to present their work. It will also promote local tradition, along with arts and culture societies. For all these reasons, it is very important that Budva is the first town in Montenegro to use the benefits of the medium and present to the public (and millions of potential tourists) its rich culture and heritage. This is the main reason for starting this project. We are pleased that the Town Hall has recognized the importance of this project and gave it its support. In 2007, when the project on the presentation of culture and cultural tourism of Budva started, it was part of the culture network Montenegrina.net. In 2008, this project became independent with its own website www.butua.com".

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In all these examples the design and content essentially use website models from the 1990s. This means that they have not recently developed new possibilities or solutions. The key problem is the non-existence of marketing departments in institutions of culture that could deal with developing website projects and consider appropriate applications to introduce and improve on-line sales. Except the Montenegrin National Theatre, no institution has a defined and dedicated marketing department, while for individual projects and events this work is done by marketing agencies or by the institutions themselves, but without a strategy that would include sales or distribution. The accent is on information sharing, that is, presentation and even the price is excluded from the marketing mix. The reason for this is the not-for-profit character of projects and a reliance on state budget funding as the dominant source of income.

Marketing departments would take on new and important work within these institutions and the connection with and impact on cultural tourism would then be more apparent, taking advantage of the benefits that the new web services could offer.

Apart from the Montenegrin National Theatre none of the case studies have statistical data on the number of visits to their websites and there is no data that would give insight into the link between sales and Internet presentation. The main problem is that the websites do not have interactive content and do not offer possibilities of communication with users.

The issue concerning the reasons for the non-existence of on-line trade has already been explained in previous chapters, but it is worth repeating that these possibilities are only now opening up, with the appropriate legal framework and banking systems. The other aspect is the Internet marketing policy, which has not yet become part of the business strategies of institutions of culture.

Conclusions

The advantages of and the need for digitization of the sector of culture and its connection to cultural tourism clearly define the future direction of development.

The examples we researched satisfy the basic standards of web service, which are still of a “classical” type. It is clear that cultural tourism and services on the Internet need to be developed with more marketing focus and better positioning on the market.

It is necessary to be guided by the following principles: clarity of website, speed of upload, ease of navigation, ease of access to information, visual appeal of the website, regular updating, interaction, availability of trade, organization of the web page and hierarchy of the presentation. These are only the most important aspects.

There are still very few official websites that satisfy these criteria. The fact that some institutions of culture and certain projects still do not have an Internet presentation shows that there is still the need for further promotion within the sector of the necessity to become equipped for business in the on-line context.

Insufficiently developed marketing sectors, especially in public institutions predominantly funded from the state budget both at national and local level, is also a part of the problem.

Indeed, we can say that, on the one hand, the technology and, on the other, marketing policy are keys to establishing a business policy in the domain of intersectoral cooperation between culture and tourism and the strengthening of cultural tourism.

On the basis of the researched elements we can sum up the general picture of Internet use in Montenegro:

- a relatively high number of users (estimated penetration 30%);
- insufficient use of the Internet by the majority of institutions of culture;
- inadequate use of the Internet and its possibilities by state agencies and public institutions.

The low level of Internet use could be changed through the implementation of the Strategy for the Development of Information Society. However, this strategy does not have clear action plans in the domain of culture and cultural tourism. This document is still important in that it positions other areas' development, and through their technological development they will have an impact on cultural tourism, which is a complex collection of other actors.

The issue of the use of the Internet by the local population versus visitors from abroad is important since there is a huge difference in computer literacy between the two, especially when compared to people from developed countries. However, this is an actual market which Montenegrin culture and cultural tourism can count on, or rather should count on. This observation is motivated by the impression that the existing setup is geared towards the local population, which has limited habits and expectations of on-line activities.

The difference compared to other countries from the region, and especially western Europe in terms of on-line sales, is the lack of a dynamic, entrepreneurial and service-focused culture.

The technology and legal framework are already in place but at the time of research they have not yet been implemented and are still impractical when it comes to culture and cultural tourism.

Future development should certainly include the system of culture and through an intersectoral approach and project-based work virtual culture will become imperative.

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Romania

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Overview of digitization in Romania

Although it was the first country in Eastern Europe to produce computers, Romania has experienced a rather late development in domestic use of computers and the Internet. The slow start of Internet and computer use in the country has been redressed, however, by a much accelerated growth of the market in recent years.

According to the European Commission (2008), connectivity and information and communication technology (ICT) usage by households, businesses and government are at rates that place Romania close to the bottom of the EU rankings in respect of information society development.

Romania has a population of 21.7 million inhabitants (2002 census). Although the penetration rate of broadband Internet access services in Romania is at one of the lowest levels among the EU-27, the annual average growth rates exceed 100%. The electronic communications sector in general keeps growing at a fast pace, much faster than the growth rates of the national economy, and the potential for growth remains significant, especially due to the relatively low penetration rate compared to other member states of the European Union (National Authority for Communications of Romania, 2007).

With regards to the use of computers, while in 2000 only 5% of Romanians owned or had access to a computer, in 2007 this rate has increased to 41% (Centre for Research on Culture Romania, 2007a). It is interesting to note that, according to the same source, the rate of Internet penetration in 2007 was 53%, higher than the estimated number of PCs in households. This difference is explained by Internet access being integrated in Cable TV contracts.

A notable phenomenon in the digital culture of Romania is the massive use of neighbourhood networks, developed in the late 1990s in Romania's biggest cities, most

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notably in university centres such as Bucharest, Cluj, Iasi and Timisoara. In 2000, Romania's Internet penetration rate was 4% compared to Germany's 28% and people were looking for an alternative to expensive and low-bandwidth dial-up. Small 5-10 machine computer networks were then created sharing a single Internet connection. These initiatives grew very fast from tens to hundreds then thousands of users. Initially, they were mainly used for file sharing – mainly pirated films, music and software – and only to a smaller extent for Internet access. In 2004, the National Authority for Communications and IT set up a legal framework for turning neighbourhood networks into liable legal entities. Today in Romania there are over 750 neighbourhood networks with over 1.6 million users, covering about 28% of Internet connections in the country (Szakats, 2008).

The broadband penetration rate is 9.8% (of total population, 2007). Throughout the last four years dial-up traffic has dropped on average by 40% per year, while the dedicated Internet connections have grown by 188% per year. The prices for business subscribers are about four times higher than for individual users, but Internet service provider companies offer more complex solutions for business clients.

The low penetration of broadband is reflected in usage of on-line services: 35% of the public services in Romania are fully available on-line (European Commission, 2008) which makes Romania one of the lowest ranking countries in this area in the European Union. In this respect there is a large difference between services for businesses and services for citizens: 75% of basic public services for enterprises are fully available on-line, while only 8% of services for citizens are available on-line. Take-up of e-government is very low, particularly for citizens: only 5% have used e-government in 2007. Businesses score 42%, but are still more than 20% below the EU average. Almost half of these services are used for returning completed forms.

The level of digital literacy is also the lowest in the EU, with 71% of the population having no Internet skills and only 12% being able to make medium or good use of Internet opportunities.

ICTs still play a limited role in the Romanian business environment. Although most companies have Internet access (85% in 2004 according to the Ministry of Communication and Information Technologies), enterprise connectivity to broadband was 37% in December 2007, less than half the European Union average (European Commission, 2008). Low connectivity results in low levels of e-commerce and low use of e-business applications.

Electronic business in Romania

Internet banking has penetrated the Romanian market relatively late, Romania having the lowest number of individual clients of Internet banking in the European Union, namely 1% of the population, according to the European Commission (2007). Just like the entire ICT sector, this segment of services is growing fast: 865,000 individuals have used the service in 2007 for transactions totalling €64 billion, banks estimating an increase of 15-20% of the market in 2008.

On-line payments show the same tendencies, the market increasing in the first half of 2008 by 60% compared to the same period in the previous year. According to the Ministry of Communication and Information Technologies (2007) only 44% of card holders have ever made an on-line payment. The research done in 2007 into on-line tax payments reveals that the low use of this public service is due mainly to lack of information. Most respondents (85%) have never been informed by public servants or local authorities about the possibility of electronic payment of taxes, though 76% declared they would prefer this method to cash payment at counters.

Digitization and the cultural sector in Romania

The Research Barometer of Cultural Consumption 2007 carried out annually by the Centre for Research on Culture (2007b) in Romania proves that Internet use does not replace people's need for printed materials (books, magazines, newspapers, etc.). Most Romanian users (81.2%) claimed a "high need" for access to book shops and press distribution points (78.8%), and libraries (70.5%).

People in Romania use the Internet for: reading the news (18.3%); e-mail (5.8%); socializing (13.9%); documentation (12.2%); film downloads (12%); radio listening (10.6%); and file downloads (8.6%). The research does not give any detail of participation in cultural production on the Internet, which is widespread among youth: for example blogs and contributions to platforms such as YouTube, Flickr and MySpace. One should notice that these are platforms that involve Internet use not only in terms of consumption of cultural goods, but also in terms of individual production and sharing. These platforms, on the other hand, are mostly related to a culture of free sharing of cultural goods (Creative Commons or copyright free material). A huge download of cultural materials takes place through DC++ networks (computer hubs), very popular in Romania.

With regard to on-line sales, though research data specifically on this issue is not available, it is relevant to note that a family in Romania spends an average of €25 per month on cultural goods.

The Ministry of Communication and Information Technologies initiated a programme of digital reform in 2001. This was pushed through a series of pilot projects, such as the national system of electronic public procurement (2002) and a first portal of e-government in 2003. Each ministry in turn has adopted action plans to integrate information technology into their respective sectors.

For the majority of the public services in Romania, and this is equally valid for cultural services, digitization mainly means providing on-line information on the given service: working hours, procedural details, directions to location and specific departments or form downloads. There are very few public services that are fully available to citizens.

The most frequently purchased items through on-line payments are telecommunications services and items, transport – especially plane tickets – and IT products. More recently, health insurance and performance tickets have been added to the list (GECAD ePayment, 2008). The increase in on-line concert ticket sales is due to the significant growth of the entertainment sector in Romania, as well as to the growth of the number of websites that offer on-line ticket sales. It is worth mentioning, however, that this only refers to performances related to the entertainment industry: pop, rock and turbo-folk concerts.

One aspect of the digitization of public services is that large scale governmental projects barely keep pace with the rhythm of technological development. Given the long cycle identification of need>policy, development>budget, allocation>service, contracting/procurement>development and implementation of digital solution, one can notice that by the time the electronic application is put into practice, the technology used is either outdated or of low efficiency. For instance, the submission of fiscal declarations for companies is electronically processed, but up until the end of 2007 the input method used was floppy disks (which provided a high level of failure in data reading) while most computers have not had a floppy drive for years.

The Ministry of Culture and Religious Affairs published on its website a "Proposal of Public Policies on Digitization of Romanian National Cultural Resources and Setting up the Digital Library of Romania" (Ministry of Culture and Religious Affairs, 2008a). This document offers an overview of the digitization of cultural resources in Romania. It presents the current state of affairs, identifies the need for digitization and proposes specific actions.

Museums own the most significant part of mobile cultural goods – 450 museums house 25.5 million cultural items in total. The museums that are under the direct authority of the Ministry of Culture and Religious Affairs (14 museums) have one third of their collection archived electronically or at least catalogued, but the software solution limits the use to museum purposes only. New software solutions need to be developed in order to allow this data to be exported to new applications and published on-line. Only one out of 40 works have at least one digital photograph in the digital library of the museum. With regard to libraries, the urgency is to make out-of-print editorial works available on-line. One of the document's aims is to develop a unique access point to digital resources (portal) and the creation of a National Digital Library. A budget of €4 million has been allocated for a period of two years (2008-2009) for the implementation of this strategy paper.

There is no specific measure or policy document of the Ministry of Culture and Religious Affairs to encourage the virtual promotion of cultural tourism or the cultural sector in general. Since 2005, the ministry has implemented digitization reform, with programmes such as e-Europe and e-Europe2005, contributing mostly to the inclusion of the physical heritage into digital archives.

The other institution in charge of cultural tourism, the Ministry for Small and Medium-Sized Companies, Trade, Tourism and Liberal Professions seems to better acknowledge the potential of virtual promotion. They advise local and national actors on the creation and use of websites as a source of better communication with their public. Yet there is no policy document to consistently and especially address cultural tourism.

A relevant programme coordinated by this institution was the selection of "Destinations of Excellence" (see appendix) in Romania, a project encouraging cultural destinations, outside the popular mainstream ones in Romania, to attract more attention and value within the regional and European context. The criteria for selecting these sites included the use of the Internet for promotion, each location having their own website and using it as a channel to promote their cultural assets and services. Looking at these websites, it is obvious that not all are up to date and not all are specialized for promoting cultural tourism. Some are simply the websites of the Town Hall, including legal and bureaucratic aspects, and due to their unfriendly interface they are not suitable as tools for promotion of cultural locations.

Situation in Romania: the cultural sector and e-business

Specific research into the current state of cultural tourism in Romania exists only in relation to rural destinations. The study undertaken in 2006 by the Centre for Research on Culture (2006) with regards to cultural heritage located outside urban areas shows low accessibility, low capacity of maintenance and a low level of know-how with regards to the management of specific sites. In 51.4 % of cases, sites cannot be reached by public transportation and 38.4% cannot be reached by car; 67% have no special staff, only 5.4% have tourist guides and just 2% sell tickets. In 56% of these sites there is mobile phone coverage and in 16% of the localities with heritage landmarks there is Internet access. Only 30% have a bank in their proximity and only 10% an ATM. Just 7% of these sites have hotels or guest houses offering accommodation to tourists and out of these, more than half report having no clients over the last year. Since only 37 out of 360 sites researched have some tourist activity, promotion is scarce: three locations have promotional flyers, five use outdoor display boards and three are properly signalled as tourist sites by standard road signs. Using websites for promotion is only listed under "desirable improvements" in the management of these sites.

No attention is paid to the on-line aspect at all, since the weak on-line presence of Romanian cultural institutions is an issue of concern in itself.

Methodological approach

Very few Romanian cultural operators are aware of the importance of the Internet and digital tools for their work. In the following section we have reviewed the digital practices of the most significant cultural institutions that carry out activities of relevance for cultural tourism. In the analysis of these websites we have followed criteria such as:

- interactivity (various options to get information in different but efficient ways);
- community (tools to develop an on-line community – forums, blogs);
- coherence of on-line presence with the real world profile of the institution;
- information updating (frequency of information updates, access to time-based information – cultural agenda, news, etc.);
- languages;
- loyalty tools (methods used to keep visitors interested and connected);
- e-newsletters;
- contact (e-mail contact facilitated by website forms, time delays for response to general e-mail enquiries).

On a second level, we have sought to find details on:

- frequency of users' visits;
- origin of the users;
- statistics on sales (such as ticket sales, venue rental, souvenirs sales, etc.) which are realized due to the organization's Internet presentation/website;
- the reasons for not practising on-line sales.

When cultural institutions were approached most respondents refused to offer precise information that would offer a quantitative base for evaluating on-line promotion performance. They mostly considered this type of information confidential. In other cases, the cultural institutions had no interest in keeping evidence of visitors and users of the website. In both cases one can interpret these attitudes as low digital culture awareness. It is worth mentioning that most of the contacted institutions, in the absence of an on-line marketing officer, passed us on to the webmasters for this information, thus proving that these organizations are still far from developing and implementing coherent digital strategies.

Case study 1 – the Museum of the Romanian Peasant *(www.muzeultaranuluiroman.ro)*

One of the most popular museums in the capital of Romania, the Museum of the Romanian Peasant has recently developed effective strategies for attracting young people in what can be called an "updated Romanian national tradition", organizing, as well as traditional activities, alternative events such as DJ shows, slow food fairs and creativity workshops.

The museum website has an attractive design, uses a personal and informal communication style, is factual and constantly updated which makes it a useful information tool for promotion of the activities of the museum. Each section contains direct messages encouraging people to visit the museum and participate in its events.

The number of website visits in 2008 (January to November) was 97,472 – 68,674 individual visitors. In November 2008, most pages were accessed from the United States and Romania. Other website visitors were located mainly in EU member countries – the UK, Germany and France.

The website includes digital tools that contribute to its dynamism and encourage visitors to become part of the museum community: a blog section with information and images from events carried out in the museum, an e-card service (allowing users to send greeting cards with images from the museum collection to friends) and an on-line radio service.

The museum shop is advertised on-line, but no on-line sales are available. The items on sale in the museum include postcards, art catalogues, art magazines, books, calendars and souvenirs. They also sell tickets, charge for participation in fairs they organize and rent out space. On-line sales are not yet possible for the museum due to the restrictions imposed by the regulations it has to observe as a national museum. Electronic payment (by credit card) is available in the museum shop, but not for ticket sales. There are often requests to buy tickets by card, especially from foreign tourists, so improvements in this respect are planned, but their implementation depends on changes in the regulating framework defined by the Ministry of Culture and Religious Affairs.

Promotion of museum events and services is done through the website, a newsletter and printed materials such as posters and flyers. Given the restrictions on printing out materials imposed temporarily by the Romanian Government on all public institutions during the last months of 2008, the museum redesigned its approach, laying more emphasis on on-line promotion (banner exchange).

The Museum of the Romanian Peasant is one of the few museums in Romania that acknowledges the importance of on-line presence and promotion in their PR and marketing strategies. The marketing representative confirms that the department uses questionnaires to track the information sources that visitors use when deciding to visit the museum and they see a direct link between attendance at exhibitions and events and on-line promotion. The most recent fair organized by the museum was attended by 18,000 visitors, most of the questionnaires mentioning the website and e-mail as sources of information. They also claim that traditional sales such as artefacts and publications available in the museum shop are strongly influenced by the website and the virtual tools.

Case study 2 – the Astra National Museum Complex *(www.muzeulastra.ro)*

Another positive example in the museum sector is the Museum for Transylvanian Civilization, the Franz Binder Ethnographic Museum and the Open-Air Museum, all part of the Astra National Museum Complex (Astra complex).

The structure of the Astra complex website is well organized, encouraging the visitor to make a tour of all the museums of this network in Sibiu. Most remarkable is the virtual tour of the Open-Air Museum.

Speaking with the representative of the marketing department of the museum, we found out that the innovative strategy concerning the website is a key to the success of the museum today.

It is interesting to note that both the Astra complex and the Museum of the Romanian Peasant have certain traditions as their focus is cultural and so are more aware that they need new and creative approaches, both in general and on-line marketing, to raise interest among their audience.

It is in this context that the Astra complex sees it as important to often update its website, paying attention to the way of presenting information, to its design and to its content (for example information on collections, virtual tour). In the last seven years the complex has integrated into its work the standards of the digitization campaign initiated by the Ministry of Culture and Religious Affairs, and has also created a virtual library for free access to the old archive, revaluing in this way the cultural heritage that the Astra complex owns. The Astra complex sees its role as a major regional player in this field, being one of the largest museums in Transylvania. The museum management is aware of the importance of research and open access to collections that enable research. The importance of an on-line information service is acknowledged in the museum strategy and listed under the services promoted on the website.

The website includes links to separate websites for each museum within the complex, as well as other websites dedicated to events or services offered by the museum, for instance the website of the Astra Documentary Film Festival, a virtual magazine page with articles on traditions and heritage and a blog. The museum has recently opened a children's section called Ethno-Techno Park, which is promoted on-line through a playful webpage that includes animated reconstructions of museum objects and on-line games.

The Astra complex also maintains its image of a dynamic institution by owning, for the last there years, a blog. The blog is seen as a tool that maintains a quality relationship with the audience, giving people the opportunity to express and react. In the last month the blog was visited by 2,800 users from a total of 58,434 website visitors. The museum website is rated on tripadvisor (www.tripadvisor.co.uk).

The museum uses questionnaires to collect information on the sources used by the public and the basis on which they make their decision to visit the museum and they find that the Internet is a key element in this respect. They have also conducted focus group research concerning the issue of how the information gets to their public and how it can continuously be improved (data not available yet).

With regards to on-line sales, two years ago the Astra complex introduced the possibility of purchasing CDs and brochures on-line but this has since been given up due to technical difficulties. The system of on-line sales was tested through on-line libraries which apparently brought too many restrictions for both sellers and buyers. The museum marketing department is currently considering new technical solutions to enable on-line sales which are seen as important given the feedback from foreign tourists.

Case study 3 –the Romanian National Art Museum *(www.mnar.arts.ro)*

The National Art Museum is one of the major cultural institutions in Romania that has successfully implemented new management strategies. The museum has developed an educational programme and organizes special events that attract a high number of participants.

The museum website is a professional communication tool, mainly focused on information provision. It offers information on the museum collections, its temporary exhibitions and special events, as well as practical details such as location, working hours and ticket prices. The museum has no on-line sales of tickets or other goods.

The museum uses subscription via the Internet for certain workshops it organizes as part of its audience development and education strategy. There are questionnaires for visitors where people are asked to identify their information sources on what the museum offers. The Internet page and information accessed via electronic lists and newsletters are increasingly gaining importance in this respect.

Case study 4 – the George Enescu International Festival and Competition *(www.festivalenescu.ro)*

A high profile international classical music event, this festival has a well-developed and up-to-date website.

The marketing department of the festival confirms that the festival has an extensive promotion strategy, mainly structured around traditional promotional tools, including intensive collaboration with institutional partners and media partnerships. A lot of the marketing work is done throughout the year, not only on the eve of the festival and competition. Promotional tours are organized in European countries. On-line promotion is not a priority within this strategy but on-line sales are important in order to facilitate access of remote audience members to the festival. The website is a tool to keep a continuous open channel of communication with the interested public and to acknowledge the support of partners and donors. There is no information on the number and origin of website visitors.

A unique service that is offered by the festival is the possibility to book tickets on-line (reservations only). In this way the festival team can better estimate the size of their audience and thus better prepare for the event in terms of audience management. The system is not functional at the moment. They are currently working with an international on-line booking agency in implementing a new software that would allow the on-line sale of tickets from 2009 onwards. The booking system (both on-line and traditional sales) is very complex given the high number of events, locations and the differentiation of tickets into four different ranks. In 2009 the festival will sell 100,000 tickets for events taking place in seven venues.

For the latest edition of the festival, 250 foreign visitors have booked tickets on-line. Yet, most foreign audience members book their tickets through travel agencies. In 2008, the number of tickets sold to foreign tourists by travel agents was 700. There are Romanians living abroad that travel to Romania for the festival but no statistics in this respect are available, since they tend to ask relatives in the country to book their tickets. Most foreign tourists attending the festival events come from Germany, Italy and the United States.

Case study 5 – the Transylvania International Film Festival (www.tiff.ro)

The Transylvanian International Film Festival (TIFF) is the most important film festival in Romania and takes place in Cluj. This festival has a high attendance, especially among young people and it is one of the most important generators of cultural tourism in the country. It is difficult to measure the impact of the festival on tourism. Although the hotels and hostels in Cluj during the festival are fully booked, it is difficult to differentiate between festival guests and people visiting the festival as culturally driven tourists.

There is no possibility of measuring the impact of the website and electronic tools in this sense since the festival does not operate on-line booking or sales. Still, it is one of the most important festivals in the country that has the potential to generate tourism and their level of investment in on-line strategies may be relevant for the overall development of this sector in Romania.

Based on observations one can say that the TIFF website is a central tool for the promotion of the festival; it has all the necessary information, including how to submit films to the competition, prizes, a full programme of film screenings and side events, information on the films, registration forms for associated workshops and information on previous festivals. The multimedia tools used are picture galleries and film trailers. The website connects visitors to the festival blog which is one of the ways in which the team seeks to stay in contact with its audience.

Case study 6 – Sibiu: European Capital of Culture 2007 (www.sibiu2007.ro)

In 2007, Sibiu was one of the cities appointed as European Capital of Culture, so the city and its cultural programme became the national cultural priority for the period 2006-2007. With regards to cultural tourism in a country with rather poor cultural awareness and a lack of tourism infrastructure, the event was the most promising cultural tourism generator, expectations being that the number of tourists would increase even in the following years.

The event was widely covered on-line both by national and local institutions in charge of running the Capital of Culture Programme (such as the Ministry of Culture and Religious Affairs, Sibiu County Council and the Sibiu Town Hall) and the individual cultural operators that carried out projects within this framework.

The main source of on-line information for the events was the portal www.sibiu2007.ro, developed and maintained by the Association Sibiu European Capital of Culture 2007. The portal was the main source of information for people attending cultural events in Sibiu, offering an overview of the European Capital of Culture programme, a calendar of events and highlighting forthcoming performances of special interest for larger audiences. It also gave more general information that cultural tourists need, for example on how to get to Sibiu and around, accommodation and other facilities.

The information on the website was organized by categories of cultural fields, such as heritage, architecture and visual arts, film and new media, performing arts and music. As a portal, the site was not particularly interactive but it included links to web cameras streaming images from different locations in Sibiu city centre.

Besides the official web portal, on-line information was also available through the websites of independent city guide magazines.

After the completion of the 2007 official programme the portal www.sibiu2007.ro went offline for several months and has just recently been reactivated. No on-line sales or bookings were available through the official site of the European Capital of Culture Programme.

In 2007, tourism-related companies in Sibiu – hotels and guest houses, bars and restaurants and transport providers – registered profit rates 75-80 % higher than in 2006, thus proving that the cultural event generated tourism and had an economic impact. While there is no precise data on the increase in the number of tourists this may be estimated by hotel occupancy rate, which increased by 13% from 2006 to 2007 (Centre for Research on Culture, 2007a).

Sibiu was one of the destinations included in the ATLAS Cultural Tourism Project 2007, a research study on cultural tourism. The research findings highlight the use of the Internet in making decisions about travel destinations and the management of cultural trips.

According to this research Sibiu was rated relatively high in the list of favourite cultural destinations, undoubtedly due to its hosting of the European Capital of Culture. Thus, in 2007, Sibiu was the 19th favourite European destination, after established cultural capitals such as Rome, Paris and London, but before cities like Copenhagen, Warsaw, Liverpool, Brussels, Linz or Porto.

Conclusions

The field of cultural tourism is still in its incipient development phase in Romania. This is determined by the low development of tourism infrastructure and poor know-how with regards to heritage site management, on the one hand, and lack of coherence at policy level on the other.

The potential of cultural tourism is seen to be high for local and economic development but the current status of this sector can not really offer measurable and reliable data on this.

Information and communication technologies are not yet widely enough used in society in general or by cultural promoters. Digitization of the cultural sector in Romania is at one of the lowest levels in the European Union. This is true for cultural content accessible on-line as well as for the use of on-line promotion strategies and on-line sales. The on-line presence of Romanian cultural institutions is mostly limited to presentations in the form of static texts and pictures, little use being made of the specific opportunities offered by the Internet: interactivity, community features, multimedia tools and virtual galleries, for example.

The fastest growing segment of on-line sales that has the potential to generate cultural tourism is ticket sales for music concerts. The growth of this segment is visible just with pop-rock concerts as yet, but given the recent development of festivals and the entertainment industry, including the more elitist layers – jazz, film and theatre festivals – we anticipate that on-line ticket sales will be more consistently present in the marketing strategies of cultural institutions.

In order to more effectively use the potential of on-line tools for generating cultural tourism and thus increase cultural awareness and economic growth, changes of approach are required at both policy and practical level.

Strategies to foster cultural tourism by means of digital culture should be developed jointly by national and local authorities responsible for the fields of culture, ICT and tourism (the Ministry of Culture and Religious Affairs, the Ministry of Communication and Information Technologies and the Ministry for Small and Medium-Sized Companies, Trade, Tourism and Liberal Professions, as well as their respective agencies at regional and local level).

National strategies need to have focused coordinated action to overcome the gap that currently exists between the use of ICT by cultural operators in Romania and by similar institutions in other European countries. These strategies should include measures to stimulate the creative use of new technologies by cultural operators (for example national competitions or prizes for creativity and innovation for different cultural sectors, calls for projects and markets for display and promotion of innovative ICT solutions with applicability in the management and promotion of culture). They should also include professional development of cultural managers and standardization of certain services in the cultural sector, for instance digitization and on-line access to collections, electronic and on-line booking and ticket sales systems and multimedia guides for museums and heritage sites.

National strategies should clearly identify the priorities and point to actions to be undertaken at local and regional level, where financial resources (for instance from EU structural funds) are widely available but where expertise among decision makers in the fields of culture, ICT and tourism is unlikely.

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Appendix

Romania – European Destinations of Excellence

Ministry for Small and Medium-Sized Companies, Trade, Tourism and Liberal Professions

a. Horezu

http://eco-oltenia.ro/

b. Fagaras

http://www.brasovtourism.eu/

c. Vrancea

http://cjvrancea.ro/

d. Drobeta Turnu Severin

http://www.cbctourism.ro/

e. Margininea Sibiului

http://ruraltourism.ro/marg/html/margro.html

f. Neamt

http://bibgtkneamt.ro/

g. Valea Superiaora a Argesului

http://www.cjarges.ro/

h. Maramures

http://visitmaramures.ro/

i. Prejmer

http://www.brasovtourism.eu/

j. Faget

http://faget.online.ro/

k. Calimani

http://calimani.ro/

l. Rsnov

http://rosenauromania.eu/

m. Criciova

http://www.e-primarii.ro/~criciova/index.php?p_id=2660

n. Recas

http://www.recaswine.ro/intro.php

Serbia

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Turbulent times at the end of the 20th century in Serbia brought many segments of society into stagnation or degradation. However, improvement of the situation in various domains became the focus of the politicians and experts after 2000. Nonetheless, some domains just experienced bottom-up development.

Overview of digitization in Serbia[1]

Although growth of information technologies marked the last decades of the 20th century, it was not until the beginning of the 21st century that digitization appeared for the first time on the agenda of politicians in Serbia. One of the first visible actions that directly influenced the domain of digitization in Serbia was in October 2006 when the Government of the Republic of Serbia adopted the "Strategy for the Development of Telecommunications in the Republic of Serbia from 2006 until 2010" and " The Action Plan – Objectives, Activities and Responsible Parties in the Execution of the Strategy for the Development of Telecommunications in the Republic of Serbia from 2006 until 2010". The adopted strategy firmly supports the accessibility of fast, inexpensive and secure Internet for everyone and the development of broadband communications. It especially emphasizes the importance of development of this type of communication and the benefits of broadband that will come as a result. Also, the development of the web economy is briefly mentioned in the strategy. As a result, a separate "Strategy of Broadband Development in the Autonomous Province of Vojvodina for 2007-2010" was adopted for the first time in Serbia. Activities envisioned by both strategies and the action plan had no concrete deadlines, however, which caused problems in timing.

Parallel to the government legislation and initiatives, some state institutions and non-governmental organizations (NGOs) worked on popularization of the Internet.

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[1] The research is representative for the population of Serbia but excluding Kosovo and Metochia.

They organized symposia, conferences, workshops, debates and round tables on different topics connected to the subject of the Internet in Serbia. The Web Fest was also established in 2007 as the first such event in Southeastern Europe (SEE), and this promotes the Internet to the widest audience by choosing the best website of the previous year.

With the new Serbian Government appointed in May 2007, the new Ministry for Telecommunications and Information Society was created. The minister soon signed the *eSEE Agenda+* at the Regional Ministerial Conference on Information Society Development in the SEE, held in Sarajevo, on 29 October 2007. The creation of the ministry was also a signal that politicians understood that Serbian society is facing great challenges in digitization and its application in everyday life. The newly created ministry immediately needed to face the discouraging figures of the Internet penetration rate in general and especially in households.

According to research by Internet World Stats (2007), the Internet penetration rate in Serbia is very low; in the first half of 2007 the penetration rate was 13.8%, which makes people living in Serbia 0.4% of the users in Europe (see Table 1).

Table 1 – Internet user statistics and population for Serbia

SERBIA	Population (2007 est.)	Internet users	% population (penetration)	% users Europe	Usage growth (2000-2007)
	10,150,265	1,400,000	13.8%	0.4 %	250.0%

Source: Internet World Stats, 2007

The figures of Internet penetration in households in Serbia are discouraging as well. In 33% of Serbian households at least one member uses the Internet. The highest penetration rate is in Belgrade (53%), while Vojvodina and Central Serbia have significantly lower rates of penetration: Vojvodina – 31% and Central Serbia – 25%.

In 2006, users in Serbia accessed the Internet in more than 70% of cases using the standard dial-up modem. Only 1.62% used broadband Internet access (PetroviÊ and Sitarski, 2007). In 2007 that percentage was much higher and 7.78 % of the population of Serbia was using broadband Internet access (RATEL, 2008). According to the Statistical Office of the Republic of Serbia, 15.5% of the households in Serbia had a broadband Internet connection in 2008, while 51.1% of households still possess a dial-up connection.

With statistics in the business sector, the situation is different: 90.6% of companies in Serbia had an Internet connection in 2007, which is 0.4% higher compared to 2006. In total, 94.5% of large enterprises, 91% of medium-sized companies and 89.9% of small companies have access to the Internet (Statistical Office of the Republic of Serbia, 2007). The situation did not change a lot in the first half of 2008. According to the results published by the Statistical Office of the Republic of Serbia in 2008, 91.5% of the companies in the Republic of Serbia have an Internet connection. In the total number of companies having access to the Internet, 57% have a DSL connection, 32.6% a modem connection, 22.6% cable Internet and 13.2% ISDN. The Statistical Office data comparison shows that usage of modem connections decreased by 14.1% and usage of DSL increased by 26.4%, in relation to 2007. 68.9% of enterprises which are connected to the Internet have their own website (Statistical Office of the Republic of Serbia, 2008).

Although 182 Internet service providers (ISPs) are registered in Serbia on the RATEL website, there is a monopoly of Internet access in the country. Only two providers, Telekom Serbia and Verat are authorized to provide Internet services in Serbia. All other providers are users of direct links to the Internet service, provided by Telecom Serbia and resellers to the end users (E.B., 2008). However, analysis of websites of all providers showed that the average monthly price (1 Mbps) for broadband Internet access as a flat rate in Serbia is around €38. According to research into average monthly prices for 1Mbps in Europe organized by the MoneySupermarket in 2007, people in Sweden pay a minimum price of €0.4, while citizens of Slovakia are paying the most expensive price in the EU of €32.20. The highest price in Europe as a whole is the one of Turkey with €74.34 (Wallop, 2007) The total turnover from the Internet in Serbia in 2007 was €59.3 million (RATEL, 2008).

Electronic business in Serbia

Other important issues that the Ministry for Telecommunications and Information Society in Serbia faces are those related to information society services and e-commerce. Both fields have caused the nature of the global economy to change rapidly. In both fields the priority is to accelerate the legislation (Vlada Republike Srbije, 2006). The fundamental preconditions for allowing for the introduction of the e-economy are a developed telecommunications infrastructure, diffusion of the Internet and development of applications for the promotion of education, the health system, management, electronic services and government. So, if we bear all this in mind, the first question has to be whether Serbia is properly prepared for “the new era”, the era of technology.

If the focus is e-commerce, the laws that concern e-commerce and on-line sales need to be clarified. The legislation on the Internet and on-line sales needs to offer solutions that would enable unobstructed exchange of information and transactions via the Internet. The Law on Electronic Signature was adopted by the Serbian Parliament in 2004. After it was imposed, the Ministry of Science and Environmental Protection passed four regulations pursuant to the law in 2005. However, the Law on Electronic Signature was not implemented in Serbia until 2008, when the Minister of Telecommunications and Information Society passed a Regulation on Technical-technological Procedures and Criteria for the Creation of a Qualified Electronic Signature. Two other regulations helped the Law on Electronic Signature to be applied in practice; those were the Regulation on the Register of Certification Bodies for Issuing Qualified Electronic Signatures in Serbia and a Regulation prescribing Conditions to be

Fulfilled by the Certification Body for Issuing Qualified Certificates. In the meantime, a draft law on e-commerce has been in the process of being drawn up for more then a year by the Ministry of Telecommunications and Information Society and the Ministry of Trade and Services. Also, many other laws are missing, so Serbia still has to adopt new laws on information society covering e-government, e-commerce, protection of personal data, and similar.

Even in a very organized legal system, which is not the Serbian case, other internal banking regulations would weaken companies' ability to start on-line sales. The first precondition for on-line sales was met in 2007, even though it had already been announced in 2006, when on-line payment by credit card was launched (Biznis, 2008). For the next precondition it is necessary to consult the website of the Banca Intesa a.d. Beograd, the first and only bank in Serbia that offers a "payment gateway". When one carefully reads the requirements for registration on the payment gateway, one sees very high criteria. The first requirements are that the "legal entity or legal entity-founder has performed dinar payment operations through the Banca Intesa in the previous 6 months", that the "Banca Intesa does not have uncharged and accrued debts from the legal entity or legal entity-founder" and that the "legal entity or legal entity-founder did not have a default payment longer than 30 days" (Banca Intesa, 2008). After these expected conditions, there are some very severe criteria listed, such as the "legal entity or legal entity-founder has been registered for performing certain types of activity at least two years" and the "legal entity or legal entity-founder has an effected profit in the previous business year of a minimum of €500,000" (Banca Intesa, 2008). From these requirements it can be seen that only large companies with a high turnover in Serbia are eligible for the e-commerce application service that authorizes payment for e-businesses. Therefore, the fact that only around 20 companies were registered by April 2008 for the payment gateway of the Banca Intesa is not a surprise (IT događaji, 2008). No data are available for the share of on-line sales in all retail transactions, since on-line sales only started in Serbia recently.

On the other hand, small and medium-sized companies (SMEs) that would like to sell products and services on-line needed to find an option and, later on, this option very often became applied in practice. Those SMEs interested in on-line sales were entering into partnership with companies in Western Europe and the USA, jointly opening a bank account which all the payments were passing through. No figures are available for the number of companies practising on-line sales with partners from abroad.

Another phenomenon of on-line sales in Serbia occurred when some websites introduced notice of on-line sales on their sites. This occurred in 2003 and continued until 2008. It was the moment when the websites of business companies entered into the period of transition. The inscription "on-line sales" found on the websites was in 99% just on-line booking. Lack of adequate legislation led to this kind of operation where some companies offered the possibility of booking the products on-line, but paying for them later via a bank account.

Even if the legal system had been organized much better, internal regulations would have been useless because the majority of the population of Serbia did not take up the possibility of on-line purchase. According to GfK which organized a multinational survey in 13 Central and Eastern European countries in September 2007, 11% of Internet users aged more than 15 years old carried out on-line shopping in Serbia (5% regularly and 6% irregularly) (GfK, 2007).

Therefore, on-line sales is still in its early stages in Serbia and its development is still limited because of the slow implementation of European banking technologies, which are very important preconditions for the development of on-line sales, legislation on e-commerce and internal banking regulations that offer registration via a payment gateway.

Digitization and the cultural sector in Serbia

The process of digitization in Serbia has been mostly based on individual or bottom-up initiatives. The individual initiatives come chiefly from experts who recognized the value and potential of that field. The pioneers in digitization of the cultural heritage in Serbia are the Faculty of Mathematics and the Institute of Mathematics of the Serbian Academy of Science and Arts which initiated the process of digitization with the aim of helping the further development of that issue in Serbia and of accelerating the development of cultural tourism. The outcome of their work was a National Centre for Digitization, founded in 2002 with the aim "to design models and construct prototypes of information systems that should be used in Yugoslav cultural and scientific institutions, bearing in mind that their goals include offering easy access to cultural heritage to large populations of public users, as well as experts" (National Centre for Digitization, 2003). The founders of the centre were the Institute of Mathematics in Belgrade, the National Library of Serbia, the National Museum in Belgrade, the Archaeological Institute in Belgrade, the Archives of the Republic of Serbia, the Serbian Institute for Monument Protection and the Faculty of Mathematics in Belgrade. The centre implemented different innovative projects which initiated the digitization of cultural heritage in Serbia. Among others there were: the Electronic Catalogue of Cultural Monuments in Serbia, the Digital National Library of Serbia, the Digitization and Electronic Presentation of Medieval Serbian Monasteries, the Virtual Library, Groman's Photo Album 1876-1878, old maps, engravings and photographs from the collection of the Belgrade City Museum and the Project: Viminacium et al.

One of the initiatives on the digitization of relevant cultural policy documents was supported by the Ministry of Culture from 2001. It was a GeoCultural Map of Serbia, a very important project which involved research and an Internet publication produced by the Centre for Study in Cultural Development (Dragičević-Šešić and Mikić, 2008).

Apart from those initiatives there was no systematic work at the state level before 2007 when a new Government of Serbia was appointed and the Ministry of Culture started to work on new priorities and strategies (Dragičević-Šešić and Mikić, 2008). In 2008 the Ministry of Culture publicly announced the document The Priorities of the Ministry of Culture for the Period from 2008 until 2011, where among other priorities, goals and strategies, digitization is explicitly or implicitly listed in the following categories:

- as a strategic priority: to develop and approve the new law and regulations (a new Law on Culture and other related laws); to digitize tangible and intangible heritage as a tool for preservation of the cultural heritage and its inclusion in contemporary world cultural trends; to prepare the shift towards digital technology in the domain of electronic media; and adjustment of the regulations to new technologies and European standards.
- as a method of implementation: to develop the concepts though the establishment of working groups in the Ministry of Culture where decentralization is one of the priorities (Republika Srbija – Ministarstvo kulture, 2008).

In addition, the Ministry of Culture focused its attention on creating new organizational structures, one of which will be the Programme for Digitization of Serbian Culture (Dragičević-Šešić and Mikić, 2008). Parallel to the new initiatives of the Ministry of Culture, round tables were organized in Belgrade with diverse topics, such as new cultural policy and the relation between the Internet and culture, with participants coming from publicly funded cultural institutions and the NGO sector.

One achievement of the government in 2007-2008 was the formation of a working group for the digitization of heritage that gave its contribution to the definition and establishment of national standards of digitization. Its aim was also to draft the National Strategy for Digitization of Cultural Heritage and its action plan.

Another document is being prepared by the Ministry of Culture in 2007-2008. It is a new Library Law with the aim of classifying and reorganizing public libraries according to UNESCO standards and, among other things, improving the activity of digitization.

The best examples of digitization in Serbia come from the library sector. Other institutions in Serbia have also started preparing their valuable collections for the process of digitization or have already started the process, such as the Yugoslav Film Archive, various museums, theatres, cultural centres and archives.

The Centre for Study in Cultural Development in Belgrade carried out research into equipment of cultural institutions with information technologies – "The Equipment of Cultural Institutions with IT". The research was focused on 176 cultural institutions in Serbia. The following types of institutions were included in the research: archives, museums, libraries, theatres and cultural centres. According to the results of the research, communication through the Internet has started, but computer equipment is still lacking in most local public cultural institutions. 92.6% have at least one computer, while 7.4% do not use one. When it comes to Internet connection, 19.9% do not have an Internet connection at all. In the total number of cultural institutions having access to the Internet, the largest portion use a dial-up connection (38.6%), 16.5% use a wireless connection, 10.8% ISDN, 6.8% ADSL, 6.8% a rented line and 0.6% cable Internet. 46.2% of cultural institutions have a website, while 53.8% of them still do not (Zavod za prouËavanje kulturnog razvitka, 2007). This research showed that the majority of cultural institutions in Serbia are still not adequately technically equipped and this is the key reason why the many possibilities that the Internet can offer to cultural institutions are not used to their full capacity. Following this research, the cultural sector of Serbia can hardly be positively regarded in relation to Internet business. The situation, especially in the public sector, is not optimistic and no examples of on-line sales could be found in the cultural public sector at all.

Situation in Serbia: the cultural sector and e-business

Web presentations of cultural institutions reflect the current state of development of cultural tourism in Serbia. In most cases Internet presentations are focused on textual content which is frequently written in scientific language and thus hardly comprehensible for the wider public. Multimedia content is frequently missing and so are interactive services for communication with users/visitors. In addition, information for tourists, such as information about transport, hotels and restaurants, special programmes and other local attractions, usually does not exist. The absence of possibilities for on-line purchase of souvenirs, for example, or sales and/or booking of tickets, indicates the fact that cultural institutions and organizations are usually not market-oriented.

The EXIT festival (www.exitfest.org) is, at the moment, the sole example of a cultural organization in Serbia which uses the Internet to its full extent as a means for promotion and attracting tourists/visitors, as well as for sale of goods. Two other websites analysed – the Open-Air Museum "Old Village" Sirogojno (www.sirogojno.org.yu) and the Nikola Tesla Museum (www.tesla-museum.org) have been chosen as case studies because of the quality of presentation which includes a wealth of information and the general usefulness and attractiveness of the content.

Case study 1 – the EXIT festival

Serbia is a country of great variations, and despite the fact that almost 99% of sales in the cultural sector are not on-line, one of the best examples can be found in Serbia of on-line sales in the cultural field. It is, at the same time, one of the best examples of the connection of cultural structures with cultural tourism, not only in the country but also in the region and in Europe. The EXIT festival brings many innovations not only in IT links to culture, but also because it boosts cultural tourism and encourages overall regeneration of Novi Sad and the region of Vojvodina.

There are many texts about the EXIT festival and many have called it the biggest music event in Southeastern Europe. The EXIT festival started on a student campus in 2000 as a politically engaged festival, a political protest against Slobodan Milošević, who was at that time the President of the Federal Republic of Yugoslavia. At the same time, its aim was to provoke young people into voting. Even after 2000, the festival continued to be socially engaged – promoting multiculturalism, non-violent behaviour, tolerance and dialogue. At the same time, the festival raised awareness of trafficking and sexual exploitation in the region, as well as unemployment and visa problems, for example.

For the last eight years, the festival has been set within the Petrovaradin Fortress of Novi Sad, an 18th century fortress on the River Danube. It has become primarily a night-time event with the music playing from 20.00 until 8.00 in the morning. In 2008 it was organized on 22 stages with 28 performers over 4 days.

A dominant feature of the website of the EXIT festival is interactivity. A chat room, search site tool, on-line forum, on-line blog, guest book, web counter, mailing list for the newsletter (for visitors that would like to stay in touch with information about the festival), music downloads, FAQ and visitor login section are some of the web interactivity elements used in the website (www.exitfest.org). Simultaneously, users of the website are invited to join different specialized Internet communities, such as: EXIT Myspace, EXIT Second Life or Facebook, where the community is over 10,000 people. All the mentioned elements confirm that the management of the website of the EXIT festival takes great care of the quality of the website and follows the new achievements in website creation technologies.

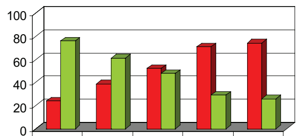
In order to explain the relation between the website and cultural tourism in Serbia, it has to be pointed out that the EXIT festival is the only example where that correlation is absolutely positive. On www.exitfest.org the visitor can also be informed about tickets that can be ordered via the Internet. The on-line ticket purchase is done through servers abroad. In 2005, the management introduced on-line booking of four days passes[2] and only one-day passes were available at box offices. That policy remained in force for all the following festivals. According to the management of the festival, the expansion of Internet sales was strongly influenced by the management's internal rules (personal communication with Dušan Kovačević, co-founder of the EXIT festival). The e-ticket was delivered electronically after purchase and was exchanged at the festival camp for an access card. The festival visitors could access on-line sales directly from the website of the festival.

Increase or re-direction of sales

Chart 1 shows the increase of Internet sales in the case of the EXIT festival. Even though on-line sales were introduced in 2003, there are no data available for that year. In 2004 (76%:24%) and 2005 (61%:39%) traditional types of sales had the advantage over on-line sales, but in 2007 and 2008 the dominance of on-line sales has increased.

[2] With this pass a festival goer gets access to the festival for the full four days. These passes were available on-line via the Internet.

Chart 1 – Comparison of Internet sales with all other sales methods[3]



	2004	2005	2006	2007	2008
Internet sales	24	39	52	71	74
All other sales methodologies	76	61	48	29	26

Origin of on-line purchases

It has to be noted that the festival goers are mainly young people, people acquainted with Internet technologies. According to the survey of the Psychology Student Club – Transfer, a typical EXIT festival goer is between 20 and 30 years old (Klub studenata psihologije Transfer, 2005). 78% of all festival goers were students or had a university degree in 2007 (Agencija TIM, 2007).

In 2008, 56% of ticket purchases came from Serbia, 26% from the UK and 15% from the region. These data help to define the cultural tourism market. It is most probable that the UK visitors became especially interested in the EXIT festival after several popular UK magazines recommended it as an exceptional event of the year and after special awards were given to the festival by the UK and international organizations based in the UK.

How audiences found out about the possibility of Internet purchase

If an average user of the Internet, living somewhere in the world, is interested in visiting the EXIT festival, he/she will probably type the words: “exit” and “festival” in an Internet search directory such as Google. The user would be informed about 706,000 results for “exit festival”. The first result is the website of the festival, and nine out of ten results are directly related to the Exit festival. Similar results can be found in other search directories (Table 2).

Table 2 – Presence of the EXIT festival in some Internet search directories

Key word	Internet search directory	First appearance of key word (page number)	Number of results
Exit festival	Google	1	706,000
	Yahoo	1	24,600,000
	MSN	1	10,100,000
	Lycos	1	707,440

[3] Data obtained from Bojana Bandić, from the EXIT festival.

Activities generated by the organization's website

Souvenirs for interested customers can also be found on-line before, during and immediately after the festival on the festival website (http://shop.exitfest.org) (from August until late autumn 2008 the on-line shop is closed due to holidays and preparations for the next season). The products are sold in cooperation with the British company Backstreet Backstreetmerch.com. There are EXIT08 t-shirts, the most popular t-shirts from previous seasons, EXIT posters and all kinds of souvenirs from previous years, as well the souvenirs that were specially created for EXIT08.

Banners and the festival link are presented on the sites of the EXIT sponsors and media partners months before and also during the festival. The EXIT festival also keeps the links to its sponsors and media partners throughout the year. The interactive website of the festival provides all the necessary information for the visitor about the festival and Novi Sad. Parallel to the official website of festival, the EXIT team organizes an official tourist service for EXIT visitors on www.exittrip.org where one can book accommodation, travel tickets, tickets for the festival or consult which places are recommended for meals or drinks. This website was used by visitors as a tool for the organization of their visit.

Another important link between the EXIT festival and cultural tourism was the cooperation between the EXIT team and the second largest university in Serbia, the University of Novi Sad. The project "the EXIT Summer School", visible on the EXIT festival website, was a three-day programme, with the aim of providing knowledge about the multiculturalism, culture, art and diversity of Novi Sad and Vojvodina and teaching participants about the history and culture of Serbia.

For many of the festival goers coming to the EXIT festival, it is their first visit to Serbia and it is very important that they get accurate information about the city and country they are visiting. Since the website of the festival is for most of them the first contact with the country, the website presents useful information about travelling from other countries to Serbia and Novi Sad, but also information about embassies, local transport, the environment, safety, food and information about history and various cultural attractions in Novi Sad. On the website one can find links to the other important cultural institutions and organizations of Novi Sad.

The EXIT festival is the best example not only of the impact of virtual culture on tourism but also of cultural management in Serbia. The management approach to culture of this private initiative is an example to all other private and public cultural institutions far beyond the borders of the country.

Case study 2 – the Nikola Tesla Museum

The Nikola Tesla Museum in Belgrade treasures the personal legacy of one of the world's greatest scientists and inventors – Nikola Tesla. The museum's collection is an invaluable source of information for research into the history of science, patenting events and the protection of patent rights, for projects related to environmental issues and research into so-called clean energies and these are among its priority activities. In order to shed light on Tesla's achievements and his contribution to the development of science and technology in the late 19th and early 20th centuries, the important mission of the museum is to initiate, organize and promote studies in scientific history.

The website of this museum is chosen as a good example not only because of its content but also because this museum is very attractive for the wider public, both from Serbia and the world. Also, in recent years the number of people visiting the museum has risen. According to the PC Press,[4] in 2006 the Nikola Tesla Museum website entered the list of the 50 best Serbian websites.

The Nikola Tesla Museum website is visited by people from all around the world. During 2007 there were 180,776 visitors from 120 countries registered. The largest number of visitors was from the United States (24.44%), Serbia (18.11%), Croatia (3.87%), Turkey (3.74%), Canada (2.88%), Poland (2.87%) and the Russian Federation (2.78%).

This Internet presentation has recorded rising numbers of visitors especially since 2006 when the site was reconstructed and new content was introduced in a very informative and attractive way. The museum does not carry out systematic research into the role of its Internet presentation on growth of traditional sales, but according to the number of e-mails received in which on-line visitors order products or just write their comments, it is obvious that sales of CDs, DVDs and posters are growing because of the Internet. It was noticeable that product sales improved when an online catalogue became available for downloading. At the moment, on-line purchase is not possible and products are available for order via e-mail or telephone. Inadequate legislation regarding the development of the information society and culture is the main reason for absence of on-line sales. However, since the majority of visitors are from the United States and they are very interested in on-line purchase, this option is planned for the near future.

Marketing of the museum is entrusted to custodians and no particular marketing department exists. The museum also has never drawn up a particular Internet policy, although, in accordance with contemporary demands, certain ideas about it exist. Marketing partners are listed in the local and national electronic and printed media when activities of the museum are presented to the public. The museum also cooperates with tourist guides, the Belgrade Tourist Office and the Serbian Tourist Office.

The Nikola Tesla Museum website has some missing elements, such as, for example, the small number of interactive services and a lack of information dedicated to tourists, for instance information about hotels, restaurants or other attractions in the locality. However, despite these shortages this website is a good example of how an interesting presentation can attract people and improve cultural tourism. Proof of this can be found in the detailed information about collections and artefacts held in the

[4] Serbian magazine dedicated to IT which annually announces a list of best websites.

museum which are presented both textually and visually. Following the principles of open communication with the public, the museum fully presented its activities directed towards improvements in order to satisfy user requirements. Besides information and services, such as the on-line library of museum catalogues, custodians designed different content dedicated to both scientific and wider audiences. Presentation of 3D models that Tesla invented, facts about Tesla's personal life and other categories have a qualitative impact on the popularization of science.

Case study 3 – the Open-Air Museum "Old Village" Sirogojno

The "Old Village" Sirogojno is an open-air museum situated on the Zlatibor mountain in south-western Serbia. The exhibition presents the traditional architecture and interior decoration of houses, the traditional economy and tools, as well as the organization of family life in the region. A permanent exhibition consists of two Zlatibor houses with yards and craft buildings as they were built in this area during the 19th and early 20th centuries. This open-air museum is the only one of its kind in the whole of Serbia. Besides classical museum-related activities, for over a decade this cultural institution has continued to develop tourism and nowadays the open-air museum "Old Village" Sirogojno is one of the region's main attractions.

During 2007, the website of the Open-Air Museum "Old Village" Sirogojno was visited by 32,818 Internet users. Due to technical limitations, it is not possible to learn about the origin of on-line visitors. The museum does not carry out any ongoing research into the effects of its Internet presentation on visitor numbers or sales of products nor any other kind of market analysis related to the World Wide Web. However, in 2006, the museum carried out a survey among "real-life" visitors in order to find out how visitors found out about the museum. The results of this survey, which included respondents of different genders, ages and education, showed that approximately 80% of them found out about the museum using traditional media (printed and electronic), 10% through the Internet and 8% in some other way; 2% did not answer this question. A possible explanation for the low number of visitors who learned about the museum on the Internet lies in the fact that the majority of visitors are from Serbia and the Internet is still not a relevant source of information in the country.

The museum management thinks that on-line presentation of facilities for the organization of seminars and conferences as well as presentation of summer schools contributed to the increase in demand for accommodation.[5] However, considering the fact that other sales segments presented on the website are not that efficient it is hard to realistically estimate the role of the Internet in the overall expansion of sales. A primary reason for the inexistence of on-line sales is poor technical equipment and, more importantly, bad infrastructure in this region that does not allow the appropriate establishment of Internet connections. A second reason is the museum management's satisfaction with "traditional" trade. A special marketing department does not exist in

[5] This claim is based upon the increase of enquiries for the organization of seminars, conferences, celebrations, promotions, etc.

the museum. As in many other Serbian museums, marketing activities are entrusted to custodians in addition to their regular jobs. Accordingly, Internet marketing policy is not properly defined although, in cooperation with the company Radionica krug (in charge of the website maintenance), some efforts have been directed towards technical improvements of the site and its better positioning on the market. The company mentioned above is also in charge of maintaining a web portal presenting tourism in the region and they keep the museum in a prominent position in their listing. Other marketing partners of the museum include several local electronic and print media agencies. The museum is also linked with many tourist agencies from Serbia and from the region which include the museum in their promotional information.

Multimedia content and possibilities for better direct communication with Internet users are lacking on the website of the Open-Air Museum “Old Village” Sirogojno. This lack is partly due to the low level of infrastructure in the whole region. Nevertheless, detailed information about the exhibition, designed as a virtual walk through the museum, provides a very interesting way of learning about the tangible and intangible heritage of a traditional village. Appropriate photos and well-thought-out texts contribute to a good overall visual perception of the website, allowing on-line visitors to “feel the spirit”. Well-designed tourism sections (accommodation, catering, souvenir shop, programmes and traditional crafts workshops) justify the efforts of museum employees and management to keep improving the position of the Open-Air Museum “Old Village” Sirogojno as an exceptional Serbian tourist attraction.

Conclusions

Serbia is in a stage of transition regarding both socio-economic and information society as well as web culture and its relation to cultural tourism. Although in recent years the Parliament of the Republic of Serbia has adopted laws on the Internet and a strategy for development of information society, conditions for the wider adoption of Internet sales in Serbia are still at a low level. Research studies into the technical equipment of cultural institutions show improvements, but cultural institutions still use the Internet very rarely for their promotion.

The EXIT festival uses the Internet to its full extent for promoting the festival, attracting visitors and selling tickets and souvenirs. Thus, their website is presented here as a good example. In the light of the fact that the EXIT festival is the sole example of on-line sales in the cultural sector in Serbia, the two other institutions’ websites (the Open-Air Museum “Old Village” Sirogojno and the Nikola Tesla Museum) were chosen because, although they do not offer Internet sales, what they have to offer is presented in a very attractive way on their websites.

Bearing in mind that the impact of virtual culture on cultural tourism in Serbia is still very low, due to the political and social situation, the present situation could be understood as the early stage of transition in the field of culture, particularly in relation to the Internet. From previous research, it can be seen that cultural structures in Serbia are now entering the so-called “on-line booking” phase, the phase that existed in the business sector in Serbia until 2008 (and to some extent still exists today).

To be able to boost virtual tourism, many preconditions need to be met. The following general recommendations present the elementary preconditions for the establishment of on-line sales in the cultural field. There are many requirements to be achieved and only the elementary ones are presented here:

- since the new media, the Internet and information and communication technologies still have low rates of penetration, the development of infrastructure, the introduction of new services, universal access to Internet and active participation in the information society are essential;
- the development of quality content for new media platforms could be funded from existing public funding (for example, a subscription fee given to the public broadcasting service);
- as only large companies with a high turnover in Serbia are eligible for the e-commerce application service that authorizes payment for e-businesses, it is mandatory to introduce "resellers" of Internet payment services that will attract small and medium-sized companies and cultural institutions and enable them to do e-business.

The law on e-commerce that is currently under preparation needs to be adopted. Legal provisions are necessary in order to create a positive environment for the development of on-line sales which will eventually also affect cultural tourism.

Consumers should be properly educated in order to use the new technologies to their full capacity. Authorities need to help the visibility of different organizations that are promoting e-banking and the use of credit cards, and so forth. A systematic policy on popularization of the Internet, e-commerce and all aspects of virtual culture is needed in order to raise awareness and educate future users.

Recommendations on synergy between the Internet, cultural institutions and cultural tourism in general can be realized only if all previous conditions are met. Based on the current situation and in order to ensure the development of cultural tourism and virtual culture in Serbia it is of crucial importance to:

- design the strategy for development of cultural tourism at the national level;
- modify laws on culture and tourism, so that cultural tourism can be properly recognized;
- raise awareness of the importance of the correlation between new technologies and cultural tourism within the Ministry for Telecommunications and Information Society or alternatively establish an inter-ministerial working group to coordinate issues related to the development of cultural tourism and its correlation to new technologies;
- participate with other Balkan countries in setting up a Balkan cultural tourism Internet portal that will help Internet users to navigate through attractive sites on cultural tourism and enable better promotion of the Balkan's cultural heritage; a starting point should be the Memorandum of Understanding between Balkan countries in developing cultural tourism, signed in 2003 in Athens (Patellis, 2007) that was very much connected with cooperation in the field of digitized cultural heritage;

- participate more actively in diverse European digitization projects;
- establish unified system(s) for digitization for all players in the cultural field;
- provide more know-how support on on-line sales to management of cultural institutions and organizations;
- ensure that websites of cultural institutions are more accessible to all people, including people with disabilities;
- provide permanent training opportunities in the field of cultural tourism, Internet presentation, promotion and trade for employees in public institutions and organizations;
- introduce positive quotas in the media for the education of inhabitants;
- facilitate communication between professionals and the community;
- introduce regulations that will encourage culture to become market-orientated;
- help cultural institutions and organizations in establishing marketing sectors that will define and implement general marketing policies including Internet-related strategies;
- create financial instruments and tax policies stimulating the development of on-line sales in the cultural sector; establish partial tax relief on income coming from on-line sales for cultural institutions over the next five to seven years, which might provoke management of cultural institutions to at least consider this type of sales, especially as the state is reducing subsidies to cultural organizations;
- allocate more money for projects for the digitization of cultural heritage (tangible and intangible heritage) and its presentation on websites;
- organize the evaluation and monitoring of virtual culture and cultural tourism in order to improve product quality.

These anticipated criteria and recommendations are only a starting point for culture and cultural tourism policy planning in the field of virtual culture in Serbia. It is not a revolutionary starting point, but without basic guidelines it is not possible to advance its further development. A synergy of previous elements can and will boost the virtual culture of cultural institutions in Serbia in the future.

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Slovenia

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A well-developed information and communication technologies (ICT) infrastructure is a crucial technical base for vibrant production of e-content, on the one hand, and accessibility of that content for as many users as possible, on the other. The cultural field, and more specifically cultural tourism which is the focus of this country report paper, is not an exception in this respect. As we will present later on in the report, one could not imagine an effective impact of virtual culture on the development of cultural tourism in Slovenia without a well-developed ICT infrastructure.

Overview of digitization in Slovenia

A general picture shows that Slovenia (one of the smallest European Union member countries with 2,010,377 inhabitants in 2006) is above the EU-27 average as far as basic ICT and Internet access infrastructure are concerned. For instance, 65% of households in Slovenia had personal computers in 2006, while at the same time the European (EU-27) average was 60% (European Commission, 2007: 142). The same holds for Internet access in general and the percentage of broadband connections in the structure of Internet access: 54% of households had Internet access (EU-27: 49%) and 34% of households had broadband connections (EU-27: 30%) in 2006. New statistical data (for 2007) reported by Eurostat show that both indicators for Slovenia are still above the European average (Internet access: Slovenia 58%, EU-27 54%; broadband connections: Slovenia 44%, EU-27 42%) but, on the other hand, trends of growth of these two indicators are less rapid in Slovenia than in the EU-27 as a whole (Eurostat, 2007). In 2007, according to RIS (Raba interneta v Sloveniji [The Use of the Internet in Slovenia]), a research survey with the longest tradition in Slovenia, approximately two thirds (66%) of individuals in Slovenia were Internet users, among them 58% were daily users, 19% used the Internet almost every day, 15% several times per week, 7% several times per month and only 1% less than once per month (RIS, 2007 : 5-6).

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As broadband access becomes an increasingly important factor in communication abilities of Internet users, hard data on trends in this respect are very important when assessing the situation of the information society in the Republic of Slovenia. A strategic document of the Slovenian government called Development Strategy for the Information Society in the Republic of Slovenia (si2010) (Government of the Republic of Slovenia, 2006a, 2007) recognizes that fact. The chapter "Assessment of the situation" starts with an analysis of broadband access data for the year 2006. The fact that cable access accounts for a share of as much as 40% of broadband access (which is a figure well above the EU-27 average, where this share is only 20%) is explained in the strategy as a consequence of well-developed cable networks and the low popularity of xDSL lines in Slovenia. However, the most recent statistics show an obvious increase in xDSL broadband connections due to the fact that in recent years more new providers have entered the market. Broadband access in general has increased rapidly in the last few years: according to Eurostat's 2004 indicators, only 10% of all households in Slovenia had broadband access, while in 2007 this figure had increased to 44%.

The following data from the most recent Statistical Office of the Republic of Slovenia (SORS) report show trends in increase of broadband access to the Internet in Slovenian companies with more than 10 employees (Table 1).

Table 1 – Trends in broadband access in Slovenia

Use of the Internet in companies with 10 or more employees, 1st quarter 2005 to 1st quarter 2008

	1st quarter 2005	1st quarter 2006	1st quarter 2007	1st quarter 2008
	share in %	share in %	share in %	share in %
Access to the Internet[a]	96	96	96	97
Narrowband (modem, ISDN)[b]	21	20	17	12
Broadband (DSL, cable, optic)	74	75	79	84
Modem	15	10	7	5
ISDN	27	22	21	20
xDSL	65	65	70	73
Other broadband access	14	13	18	18
Company website	59	62	67	71

a) Companies access the Internet through different connections.
b) Companies with narrowband access only.
Wireless connection is not included in rates of either narrowband or broadband connections.

Source: Statistical Office of the Republic of Slovenia, 2008

According to Eurostat's report from November last year, younger generations are the most frequent users of the Internet in Slovenia: 83% of males and 82% of females in the 16-24 age group use the Internet at least once a week (EU-27: 79% and 77%). It is a very high percentage in comparison to the older population group (55-74) where 16% of males and only 9% of females use the Internet at least once a week (and these data are very low in comparison to the EU-27 average: 31% males and 19% females) (Eurostat, 2007). According to the strategy, this Internet usage exclusion of older people is comparable to the exclusion of population groups with low "cultural capital" (Bourdieu, 1993), especially less educated people. Moreover, it seems that electronic communications are still a significant burden for family budgets in Slovenia. According to a survey commissioned by APEK (Agency for Post and Electronic Communication) in 2007, the average monthly costs for electronic communications (excluding mobile phones) in Slovenian households represented a bit less than 5% of an average monthly net salary in Slovenia, while respondents stated that an average acceptable monthly cost for electronic communications should not exceed 4.73% of an average net salary in Slovenia (Ninamedia, 2007: 20-23).

Electronic business in Slovenia

The strategy assesses that on-line business in Slovenia is at an initial phase of development. This critical view is based on the data from a 2006 SORS survey. According to this survey, only 12% of the population (aged 16-74) had already partaken of e-shopping. This fact can be explained by concerns, voiced by respondents, such as security (24%), privacy (21%) and doubts about delivery and return of goods (17%). On the other hand, as emphasized in the strategy, "73% of regular Internet users have used the Internet to seek out information about goods and services (seeking pre-purchase information), which indicates a relatively high potential for e-shopping" (Government of the Republic of Slovenia, 2007: 15).

A similar situation is found in companies and their use of Internet: according to the SORS 2006 survey, almost all of the companies (96%) with more than 10 employees had access to the Internet while, on the other hand, only 9% of those companies operated on-line shopping services. Companies used the Internet mainly for e-financial services (89%) and to monitor the situation on the market (73%). In 2006, many companies (with more than 10 employees) were still not aware about the possibilities of presenting their products and services on the Internet: only 62% of companies maintained a company website, of which the majority (90%) used websites to present their products and services; half of them provided access to catalogues and pricelists, and 29% offered post-purchase services (e.g. providing answers to frequently asked questions (FAQs), customer services, etc.). As far as computer hardware is concerned, Slovenian companies are well equipped: almost all companies (97%) with 10 or more employees use computers at their workplaces, and 78% of all companies have a wired or wireless local area network (LAN). They also take care about security: of those companies employing 10 or more employees and having Internet access, 94% protect their systems using antivirus software and 71% use firewalls.

International e-readiness indexes rank Slovenia relatively high: according to the network readiness index of the World Economic Forum, Slovenia was ranked 30th in 2007 (out of 115 countries) (ibid: 17), while in *The Economist*'s most recent report on e-readiness rankings, Slovenia occupied 29th place in 2008 (among 70 countries included in the survey) (Economist Intelligence Unit, 2008).

Digitization and the cultural sector in Slovenia

According to Eurostat cultural statistics (European Commission, 2007: 145), Slovenian citizens use the Internet for cultural purposes more or less the same as other average inhabitants of the EU. Frequency of usage is significantly above the EU-27 average in the case of reading and downloading on-line newspapers and news magazines (Slovenia: 47%; EU-27: 35%)[1] and slightly above the average for playing and downloading games and music (Slovenia: 41%; EU-27: 34%), as well as for listening to web radios and watching web television (Slovenia: 29%; EU-27: 22%). The habits of Slovenian users of the Internet are also close to the EU average in the case of training and education (Slovenia: 43%; EU-27: 35%). On the other hand, Slovenian citizens are not so interested in using the Internet for chat and other similar communication activities (Slovenia: 31%; EU-27: 33%).

First Development Strategy for the Information Society in 2002

The Slovene government established the Ministry for Information Society in 2002 and defined its goals in the Development Strategy for the Information Society a year later: “The ambition of the programme proposed here is to encourage economic endeavours in order to promote quality of life and knowledge […], to create good conditions for investment and new employment […], to raise production growth and the value added, to modernize the public administration, to increase the transparency of public administration and to afford access to information on the basis of equal opportunity for all so that all citizens will be able to participate in the global information society”. Public cultural and educational institutions were identified as one of the cornerstones for this programme. While the strategy estimates access to the Internet as satisfactory, it points to the lack of e-content in the field of culture, cultural heritage and education (Government of the Republic of Slovenia, 2003).

First National Programme for Culture (2004-2007)

The Ministry of Culture defined e-culture as one of its main priorities a year later in the National Programme for Culture (2004-2007) (Government of the Republic of Slovenia, 2004). It referred to the Ministry for Information Society’s resolution in a detailed action plan: support for multimedia centres in regions, support for information systems in libraries, the creation of a national cultural portal, a portal for music, the portal “Books in print”, and the digitization of various content.

Later on, the ministry presented to parliament two reports about the implementation of the national programme in 2004 and 2005. It should have prepared a report for each year, but actually only two reports were submitted. The reports describe some concrete digitization projects that the ministry supported. They are interesting as pilot projects, so we will describe them in more detail.

[1] Percentage of individuals who used the Internet in the last three months.

First, it helped to create the Slovenian Music Information Centre (SIGIC – Glasbeno informacijski center Slovenije, http://www.sigic.si/). This website includes various information and databases: the database of Slovenian composers, musicians and performers with their contacts, the catalogue of Slovene music works and a calendar of music events. The organization also promotes Slovenian music abroad through music fairs. In 2006, the Internet site had approximately 30,000 visitors, while in 2007 the number rapidly increased to 145,000 visitors.

The work on the second website Kamra (http://www.kamra.si/), the portal of regional libraries, museums and archives, is still in progress, planned to be completed in 2008. It will present local digital collections of various digitized objects (books, manuscripts, photos, postcards, etc.) and local news and cultural events in various regions that will be accessible from one spot.

The Ministry of Culture organizes the register of cultural heritage on the website http://rkd.situla.org/. It includes the immovable cultural heritage, with each item description including a wide range of information. It is going to be upgraded with some additional services, such as geo-locality information.

In the field of movable cultural heritage, Slovenian museums offer a register of items on the website the "Slovenian museum portal" (Slovenski muzejski portal, http://www.museums.si).

Narodna in univerzitetna knjiœnica (the National and University Library) has established a digital library (dLib.si – (http://www.dlib.si) which includes one million digitized pages of various origins: manuscripts, newspapers, reviews, books, photos and drawings. Some contemporary scientific reviews are also available on-line, but in accordance with copyright regulation, digitized works are older than 70 years. For the time being, the management of authors' rights is too expensive and complicated, so public libraries avoid giving access to recently published works on the Internet.

State and EU funds helped to establish a successful network of multimedia centres in fourteen Slovenian cities, including two in Ljubljana (http://www.m3c.si/dat/M3C/). Their task is to encourage the use of ICT technologies in terms of education, public access to technologies, production of new knowledge and promotion of local cultures.

Second Development Strategy for the Information Society in 2007 (si2010)

Both national resolutions – on culture and on information society – were updated in 2007 and 2008, because the older documents expired. The strategy plan for the information society reflects the European i2010 paper from 2005 (European Commission, 2005):

- the creation of a single information space;
- promotion of ICT research and innovation;
- inclusion, public services and quality of life.

The strategy assesses that Slovenia "lags behind the EU-15 member states, some new members in certain fields and even non-member states such as Croatia and Serbia" (Government of the Republic of Slovenia, 2007:48). The concrete action plan was defined in collaboration with representatives of various ministries, including the Ministry of Culture. The chapter on e-culture is introduced as follows: "Digitalisation, e-contents and public access to culture and cultural heritage are crucial for trading in such goods, for the development of creative industries and tourism, and are moreover important for the direct use of cultural e-contents in education and lifelong learning". The concrete plan up to the year 2010 includes the following actions:

- digitization of analogue content in museums, libraries, archives, media and art institutions;
- promotion of e-content, e-business and e-services in cultural institutions with the cooperation of citizens and other ICT organizations;
- inclusion in the European digital cultural area in the field of content, standards, protocols and digital rights management;
- pilot projects in innovative complex models that include content-related, business, legal and information dimensions;
- initial support to creators and users of cultural e-content in terms of content, expertise, legal help and education.

In concrete projects it reflects the European i2010 paper. It places substantial emphasis on, for example, the Digital Library of Slovenia, which is a part of The European Digital Library (EUDL). Among other projects, it lists:

- the e-archive (only some old cadastral maps and registers of archive materials are available on the site: http://sigov3.sigov.si/arhiv/ at the moment);
- the Multimedia Centre (Multimedijski center RTV SLO, http://www.rtvslo.si/ where public radio and television programmes are available, a calendar of cultural events in Slovenia, reviews, users' comments, etc.),
- a unique registry of all fields of cultural heritage, and the creation of one Internet spot from where all cultural heritage and culture databases and portals in Slovenia will be accessible, connected with the European digital library and other world libraries or databases.

Second National Programme for Culture (2008-2011)

The new resolution on a National Programme for Culture repeats the main goals from the new resolution on information society as well as the concrete plans (Government of the Republic of Slovenia, 2008). The emphasis of the National Programme for Culture between 2008 and 2011 is predominantly on the harmonization of Slovenian e-culture policy with EU policy. It puts forward two European working plans that must be respected: Commission staff working document 12352/06 (European Commission, 2006a) and Council conclusion on the digitization 14466/06 (European Commission, 2006b).

Both documents are related to the establishment of the EU digital library (EUDL) with concrete working packages. According to the EU Commission: "By 2008, users of the EUDL will be able to search in a minimum of 2 million digital works (books, pictures, sound files, etc.) originating from the various collections of different cultural institutions (libraries, archives, museums), through one common multilingual access point in the form of a web portal". By 2010, the number of digital works should expand to a minimum of 6 million (European Commission, 2006a). The European Council proposes an even more detailed working programme at European and national level in order to realize "the vision of a European Digital Library as a common multilingual access point to Europe's distributed – i.e. held in different places by different organizations – digital cultural heritage, hospitable to all types of cultural material (texts, audiovisual, museum objects, archival records etc.) and targeted at delivering rapidly a critical mass of resources to the users" (European Commission, 2006b).

The document therefore proposes, firstly, the augmentation of digital works accessible through the dLib.si portal and other websites providing access to the collections of local materials, which are going to be interconnected and easily accessible from one spot. Secondly, it proposes the documentation of art/museum objects in digital form that will correspond to the already existing metadata catalogues. Thirdly, it talks about the creation of an e-archive and many other projects of smaller scope, for example support for e-publishing of literature, free access to broadband Internet in cultural institutions for the public and 3D models of cultural and industrial heritage.

Obstacles to digitization

In the past, projects of digitization, with the important exception of the digital library, did not offer digitalized cultural works, but registers and catalogues only. This kind of service improved access to information and search for information, but did not provide immediate access to cultural works themselves. This important step is obviously planned in the new National Programme on Culture for the period 2008-2011, which states that substantial support and financial help will be reserved for programmes of digitization or for the acquisition of original e-content for public collections. But this step is not as easy as it seems. According to interviews with some representatives of cultural institutions, many collections (film, sound recordings, photos, etc.) were already digitized but, since the use of such materials should not be to the prejudice of authors' rights and related rights holders, the accessibility of digitized collections on the Internet is questionable.[2] Consequently, many already digitized collections (film, music, photos and other collections), financed by public money, cannot be accessible on-line because of the interests of the holders of authors' rights. The public can only consult such material in the premises of cultural institutions and take it out under certain restricted conditions. Interviewees that deal with various types of material (analogue, printed, photographic, digital, etc.) stated that they did not have clear

[2] Interviews were done in the framework of research "The management of author's rights and related rights in the digital environment" (Mirovni inštitut, 2006-2008, commissioners: Agency of research RS and Ministry of the economy RS)); see Breznik, 2008.

guidelines as to how to behave in particular situations. They also said that they did not know how to balance the obligation to give open public access to their collections with the obligation not to harm the interests of rights holders.

The second problem is the acquisition of electronic publications for public libraries. More and more publications are published in electronic versions only. If public libraries receive publications with licence agreements, they can make them available to the public, but only under conditions that are defined in agreements. The access to publications in such licence agreements can be limited to university staff only (especially in cases of scientific reviews) and is rarely open to other library members.

The statutory provision requires all publishers to deposit only one copy of their publications in the National Library. The publisher is required to remove all technological barriers preventing access to the publication ("technological measures"), but users can use these publications only in the library and must prove that they need the material in question for their study or research work (Article 7) (Government of the Republic of Slovenia, 2006b). If the library wants to get electronic publications for wider use, it has to sign a licence agreement with each publisher. It is not clear what social effects the limitation of public access to culture and information will have, but certainly we can draw a conclusion that the cultural right of citizens to have access to culture and information will not be self-evident any more. Anyhow, it is absurd that access to publications should be more restricted in the digital environment than it was in traditional libraries with printed materials.

Situation in Slovenia: the cultural sector and e-business

According to the SORS, 120,202 Slovenian companies receive on-line orders, among them many cultural institutions but we cannot identify how many. Among the first were the Cultural and Congress Centre Cankarjev dom from Ljubljana and multiplex cinemas. A couple of years ago, many large and small cultural organizations offered on-line ticket sales thanks to the two on-line ticket sales providers – Esiti and Eventim. The Ljubljana Tourist Board had an important role in the process by opening a central city ticketing desk. Later on it was closed in its physical form but the project encouraged, on the one hand, on-line ticketing companies and, on the other, cultural institutions (organizers of various spectacles, theatre or music performances, operas, film screenings and all other kinds of shows) to offer their tickets on-line. Museums, archaeological sites, cultural and natural heritage institutions do not provide such services due to the fact that more tickets are usually available to visitors than demanded and there is no need to buy tickets in advance.

In order to get acquainted with the situation in Slovenia regarding possible connections between culture, tourism and e-commerce, we interviewed representatives of several important players in the field: the Cultural and Congress Centre Cankarjev dom, the Ljubljana Tourist Board,[3] one of the on-line ticket providers – Eventim, and

[3] Although Ljubljana Tourist Board (LTB) is not included in this report as one of the examples presented in more detail, it is in fact an important player in connecting culture and tourism in the city of Ljubljana.

Festival Ljubljana (the organizer of a famous summer festival as well as other cultural events in Ljubljana). Finally, we prepared three exemplary studies:

- the Cultural and Congress Centre Cankarjev dom
- Festival Ljubljana
- Eventim.

Unfortunately, cultural institutions are not able to carry out in-depth research about on-line ticket buyers due to the fact that in Slovenia this kind of information is protected as personal information.

Case study 1 – the Cultural and Congress Centre Cankarjev dom

Cankarjev dom was one of the biggest investments in culture in the last century. Five halls of various sizes have, since the early 1980s, hosted cultural, artistic, congress, fair and social events. Over 400,000 people visit the centre annually in some 1,000 cultural and artistic performances and 200 congress events. Cankarjev dom presents and promotes all kinds of cultural events, from classical to modern, dance, theatre, opera, film, debates, fairs and so on. Up to now Cankarjev dom have organized 25,052 events that had more than 9 million visitors.

On-line ticket sales

The Cultural and Congress Centre Cankarjev dom was probably the first institution that introduced on-line sales of tickets in Slovenia and it is one of the rare institutions that has its own service for on-line ticket sales. Since 2002, visitors can buy tickets for Cankarjev dom's performances on the Internet. Initially, the firewall protection was too expensive, so they could offer on-line tickets only to the holders of the Ivanka card. Ivanka holders deposited some money on their account and used it for

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Due to a limited length of this report, we can provide only a brief description of the organization in this footnote: LTB is a public institution founded in 2001 by the City of Ljubljana. According to its strategic document for the period 2007-2013, cultural tourism is one of the four key pillars of so-called integrated tourism products. LTB offers ticket sales either through direct on-line payment or at one of their info points using web portals of the two biggest on-line ticketing companies (Eventim and Esiti). In other words, LTB is an intermediary between organizers of cultural events and visitors, especially tourists, and not a primary producer of cultural and tourist products. Their own product in that sense, however, is the ***Ljubljana Tourist Card***. The card includes entries to cultural institutions, products and services either for free (for instance, travel on all city buses, entrance to museums and galleries, city guidebook) or discounts up to 35% offered by more than 90 partners. Its price is €12.52, it is valid for 3 days and can be obtained on-line using the LTB web portal or from one of the tourist info points, almost all hotels, the central bus and railway stations, etc. On-line sales of the Ljubljana Tourist Card is a relatively new way of trading that product; statistical data for July 2008 show that only 10% of all cards were purchased on-line. A great majority of users are foreign visitors (98%), while Slovenian tourists buy the card only sporadically (2%). LTB will probably transform its city tourist card into an "intelligent card" which will enable its users to pay various events and services directly with it. Another important project – which goes hand in hand with the plans of the city authorities to provide wireless connectivity across the entire town of Ljubljana – will be upgrading of the LTB web portal to include services for tourists using handhelds, lap-tops or any other similar devices enabling them to get all important information 24 hours a day no matter where they are in the city. Statistical data show that the LTB web portal has approximately 160,000 to 190,000 visits per month.

buying tickets on-line until the deposit expired. Ivanka holders have special benefits and reduced prices in exchange. A few years ago, Cankarjev dom was able to offer the service to holders of all other credit cards too. The service moreover includes the possibility that customers can choose the exact seat they want to occupy. The travel agencies also sell tickets on-line.

The average share of tickets sold on-line by Cankarjev dom is 30% of all tickets sold. For some types of events, such as classical concerts, on-line sales is minimal, while for film and jazz festivals it is much higher than 30%.

Ticket sales regarding cultural programmes

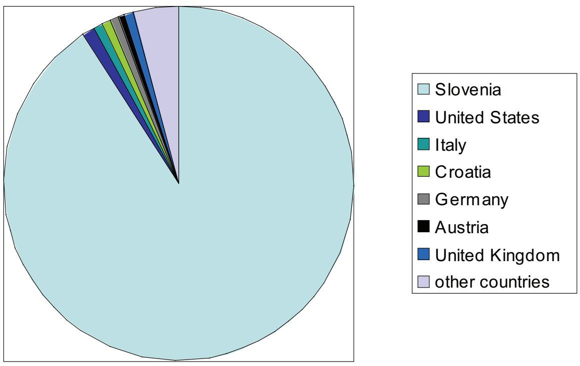
On-line sales of tickets are available for all programmes in Cankarjev dom and even tickets for free events are offered. They say that they sell more tickets on-line for film, jazz and world music festivals, as well as for contemporary theatre performances, than for classical cultural events. The reason is the age difference between the audiences at these events. Two years ago they carried out a survey according to which 40% of jazz festival visitors were between 20 and 35 years old and 40% between 35 and 50 years old, while older visitors to the jazz festival were rare. The young audience, accounting for more than half of the total audience, uses the Internet regularly and they are more likely to buy tickets on-line than the older audience. The audience for classical music is usually older, less likely to use the Internet and three quarters of them buy tickets at the box office directly as season tickets. Unfortunately, Cankarjev dom does not have more detailed information about customers that buy tickets on-line, because this kind of information is protected as personal information.

Cankarjev dom's film festival – LIFF – has the largest audience of 50,000, mostly young people, so for this festival the largest number of tickets is sold on-line. In comparison to the jazz festival, Cankarjev dom sells fewer tickets to visitors from foreign countries for the film festival LIFF than for the jazz festival. Foreign visitors are therefore attracted predominantly to various kinds of concerts, especially to big special events, such as a concert of Omara Portondo or the Slovenian singer Neisha. People who attend contemporary theatre performances also buy tickets on-line, including some foreign visitors too.

Foreign visitors

In Cankarjev dom more than a half of visitors are from Ljubljana: for example, about 60% of Ivanka holders are residents of Ljubljana. In Cankarjev dom, they know that they have foreign visitors (based on phone calls from abroad, foreign buyers at the box office), but they do not have exact data on how many foreigners buy tickets on-line, because they do not have access to such information because of the privacy protection law. They have some sales offices in Croatia and Italy, but the amount of all tickets sold is insignificant: 0.001%. The demand in Italy and Croatia for their services is anyway important for particular cultural events. For example, between 10% and 15% of tickets for jazz concerts can be sold in Italy if the performance/concert is attractive enough. For foreigners, the attractive events are music concerts, well-known ballet or theatre performances and, to a much lesser extent, film events. Although we do not have relevant data about foreign visitors, the country of origin of Cankarjev dom's website visitors can be relevant comparative information. Besides Slovenians, the most frequent users are from the United States, Italy, Croatia, Germany, Austria, UK, France, Belgium and the Netherlands, among others; altogether almost 10% are foreign visitors (see Chart 1).

Chart 1 – Cankarjev dom: website visitors (country of origin)



How audiences find out about the possibility of Internet purchase

Internet and posters are, according to the surveys, the most common source of information about events and, consequently, about the possibility of on-line purchase. Internet in general is nowadays the most important source of information about events and purchase procedures, so Cankarjev dom value highly the presentation of their events on various Internet sites (Slovenian tourist information, napovednik.com, events.si, sigic, RTV SLO Multimedia Centre, Internet sites of daily newspaper and television programmes, etc.). The number of visitors to their home page has rapidly increased: 400,000 visits in 2005 and 700,000 in 2006. On-line ticket sales are recognized and widely used, so Cankarjev dom do not advertise it separately. They plan to put more efforts into the Ivanka card programme. Information about on-line booking is everywhere, in every leaflet and in every media advertisement.

Increase of on-line sales

Cankarjev dom nowadays sells almost 70% of its tickets at the box office. The remaining tickets are sold on-line, and this portion includes Ivanka holders' purchases. A very small percentage of tickets are bought through mobile phones, using the so-called Moneta service (0.5%). On the table below (Table 2) can be seen the rapid growth of on-line purchases from the year 2002 on.

Table 2 – Increase of on-line sales in Cankarjev dom

Year	Percentage of tickets sold on-line
2002	3-5%
2003	5-8%
2004	8-10%
2005	15-18%
2006	18-22%

Other services or products on the Internet

Cankarjev dom offers on-line booking of conference premises. In addition, it is possible to book technical equipment, personnel and all services (such as collection of registration fees) related to the organization of a conference. They are also planning to offer souvenirs on the Internet this autumn, for example publications, CDs, DVDs, t-shirts and catalogues. They also provide weekly and monthly e-newsletters about their events for subscribers.

Cankarjev dom plans to improve, first of all, its home page, by adding all kinds of information, to make it as attractive as possible and interactive in the sense that visitors are able to participate actively through comments, writing and all other kinds of contribution. Secondly, it plans to enlarge its presence on other web portals.

Case study 2 – Festival Ljubljana

Festival Ljubljana is a public cultural institution founded by the municipality of Ljubljana in 1954. Many well-known artists (musicians, actors, dancers, etc.) as well as the world's greatest symphony orchestras (such as the New York and Israeli Philharmonic Orchestras) and some opera companies (Academic Bolshoi Theatre from Moscow, Milan's Scala, etc.) have performed on the stages of the Festival Ljubljana in the last five decades of its existence. Nowadays, between 70 and 80 events of different genres are presented at the Summer Festival (a flagship project of the institution), attended by about 80,000 domestic and foreign visitors. Beside the Summer Festival's events, Festival Ljubljana every year prepares or takes part in the preparation of many other events in the capital, such as the Slovenian Musical Days, a musical cycle called the Young Virtuosi**,** Festive December**,** the International Fine Arts Colony**,** Movies under the Stars (the open-air cinema at Ljubljana Castle), and others. Festival Ljubljana manages the open-air theatre Kriæanke in the old city centre and Ljubljana Castle, one of the most important sightseeing tourist attractions in Ljubljana. It is a member of the European Festival Association.

On-line ticket sales

Festival Ljubljana has been offering on-line ticket sales for several years and approximately 10% of its audience regularly buy tickets on-line. Among those cultural organizations which use on-line ticketing services provided by Eventim and Esiti, Festival Ljubljana is one of the biggest.

Ticket sales regarding cultural programmes

According to Festival Ljubljana's estimations, the majority of the tickets sold on-line are for concerts, due to the fact that this type of cultural event is best represented in its programme. The programme of the Festival Ljubljana consists of opera and ballet performances as well as concerts of practically all genres: symphonic, ethno/world music, choir singing, chamber music, and so forth. Unfortunately, statistical data are generated only for concert events in general and are not available for individual genres.

Foreign visitors

Festival Ljubljana was not able to provide exact statistical data regarding the structure of visitors to its events using on-line ticketing services. It is only an estimation that the most frequent on-line buyers come from neighbouring countries (e.g. Austria, Italy, Croatia) and Germany.

How audiences find out about the possibility of Internet purchase

Festival Ljubljana promotes its website and the possibility of on-line purchase of tickets through programme leaflets and posters, media advertisements, billboards and similar. All promotional materials and commercials contain its website address, inviting potential visitors to buy tickets on-line. Websites of various cultural organizations (for instance, the European Festival Association – www.efa-aef.org) as well as web portals run by Slovenian media companies (such as www.dnevnik.si, www.finance.si, etc.) are mentioned in the Festival Ljubljana report on the Ljubljana Summer Festival 2008 as examples of promotion of the Festival's website, including on-line ticket sales.

Increase of on-line sales

Festival Ljubljana sells approximately 10% of tickets on-line. A great majority of the tickets are still sold at its box office, while an insignificant number are sold by its partners (at their box offices). Unfortunately, Festival Ljubljana was not able to provide more structured data on on-line sales of tickets. However, statistical data related to visits to its web portal might throw more light on frequency of visits and preferences of visitors (see Table 3).

Table 3 – Visits to the Festival Ljubljana web portal (27 March to 26 August 2008)

Number of all visits to the web portal	80,000
Number of visitors (different users)	47,000
Number of all visits to all pages	405,000
Number of visits to the first page	62,778
Number of visits to the programme page	26,202

According to the festival's annual report, visitors to the Festival Ljubljana web portal are predominantly regular users. They are interested in different content offered at the festival's web portal and they stay on-line for a relatively long time. The most frequent month for the festival's web portal was July with 26,347 visits by 17,000 different users who visited all pages a total of 142,547 times.

Other services or products on the Internet

Festival Ljubljana does not offer other products or services payable on-line except tickets for cultural events. It offers, however, useful information regarding other products and services available at Ljubljana Castle, such as renting of various halls (one of them being used for wedding ceremonies), guided tours for tourists, the funicular railway, historical and art exhibitions in castle galleries (including a virtual museum), a puppet theatre, the castle coffee house, and similar.

Case study 3 – Eventim

Two on-line sales providers, Eventim and Esiti, as already mentioned, are very important intermediary organizations for Slovenian cultural institutions. They are involved in all kinds of cultural programme, from classical to pop, from traditional to avant-garde. In this way, a substantial number of cultural institutions of all types can offer on-line tickets to users. While Esiti is a Slovenian private company,[4] Eventim is an international corporation that operates in 16 European countries (including Austria, Bulgaria, Germany, Croatia, Poland, Serbia, Slovakia, Slovenia, Hungary and Turkey). It includes innumerable Slovenian organizations in the field of culture, sport and entertainment. It sells tickets in Slovenia and the region. In 2007, Eventim sold 30 million tickets. Our written and oral requests for either a short interview with a

[4] The first "electronic ticket" was sold back in 1991 and since then the company has developed numerous products and services, such as on-line ticketing, city ticketing systems (such as ticket vending machines in Rijeka, Croatia or the Ticketing Centre in Ljubljana), integral modular software packages for physical ticketing (booking and printing of single event tickets, annual tickets, financial reports, statistical reports, etc.), accreditation and registration software (for congresses, mass cultural and sport events) and similar. Today Esiti sells on-line tickets for many cultural and sports organizations all over Slovenia as well as annual tickets for various theatres and opera. So far they have sold approximately 40 million tickets.

representative of Esiti or at least written answers to our questionnaire went unanswered, so we can only present data we have received from Eventim.

On-line ticket sales

Eventim, since March 2008 when they started a new Internet site, has sold 350,000 tickets, that is, 70,000 per month. Unfortunately, we were not able to get more detailed information, so we do not know how many tickets were sold for cultural events (excluding sports events), and how many for events in Slovenia or abroad.

Ticket sales regarding cultural programmes

Eventim sells the largest share of tickets for pop concerts in Slovenia and in the region. The next most attractive events are sport events. The fewest number of tickets are purchased on-line for classical concerts. As our interviewees from Cankarjev dom and Eventim asserted, the visitors to classical concerts prefer to buy tickets at a box office.

Foreign visitors

Eventim sells approximately 5% of all tickets to residents of foreign countries, primarily from Germany, Italy, Austria and Croatia, but also from Hungary, Poland, Slovakia, the Czech Republic and Great Britain. In all countries, except in Great Britain, they also have physical box offices.

How audiences find out about the possibility of Internet purchase

Eventim has not carried out any survey about their customers so far. It advertises its portal on the Association of Sport Centres' website. But the most important way of advertisement is closely connected to its business model: organizations that offer various cultural and sport events have their websites and invite customers to buy tickets through Eventim.

Increase of on-line sales

Eventim provides box office sales as well as on-line ticket sales, but it has not been able to provide information about the share of on-line sales in total sales so far. It also refused to provide comparative data about the increase of on-line sales.

Other services or products on the Internet

Eventim also offers its customers transport arrangements for distant cultural events in Slovenia or the wider region.

Conclusions

All indicators on Internet access show that Slovenia is above the EU average and therefore provides a good environment for e-business. More than half of all Slovenian households have a computer and almost a half of these have broadband Internet access. A research survey about the habits of Internet users was even more optimistic: it reported that two thirds (66%) of individuals in Slovenia were Internet users, and among them 58% were daily users. About 120,000 business companies receive on-line orders.

Various strategic documents about digitization show how important digitization is for the Slovenian policy of ICT development. Public policy pays special attention to digitization in culture in terms of financial support for launching and maintaining cultural websites, running numerous multimedia centres, digitization of cultural goods and development of innovative pilot projects. Nevertheless, cultural operators often meet various obstacles to digitization, especially in relation to copyright law that inhibits them in many cases from offering e-content on-line. Public policy aims to expand Internet access and to encourage digitization in culture, but not e-business in culture.

The two exemplary studies (Cankarjev dom and Festival Ljubljana) presented in the report show the significant importance of on-line ticket sales that represent a 10-30% share in the structure of total ticket sales. Both cultural institutions are generously supported by the state and local authorities, so they can have an attractive cultural programme for a wider public and good marketing and innovative solutions to attract on-line ticket purchases. Intermediary companies, such as Esiti and Eventim, have recently made on-line ticket sales easily accessible for other smaller cultural institutions. How substantially important these companies are for cultural organizations and visitors to their events is shown by the fact that Eventim alone sells about 70,000 tickets per month. As illustrated by the data on percentages of tickets sold on-line for events performed in Cankarjev dom in the last few years, the trend of increasing on-line ticket sales is very significant (from less than 5% in 2002 to more than 20% in 2006). All three examples confirm that big shows and pop culture attract more on-line ticket buyers and more foreigners among them than classical culture. Slovenian cultural institutions unfortunately cannot examine the data on on-line ticket buyers because of the law on the protection of private information, so we were limited in the collection of data.

Many cultural heritage items (written works, pictures, photos, soundtracks, etc.) are digitized, but afterwards public collections are not available to the wider public on the Internet due to various copyright restrictions. In order to enhance the availability and accessibility of complete works on-line, we would recommend that national authorities provide legal and financial support to the respective institutions responsible for digitization of the cultural heritage. The argument that national cultural heritage would be "sold out" if made available on the Internet is insignificant when compared to the greater knowledge of cultural heritage that the national and international public can gain through such services.

On-line ticket sales are no longer a technical problem due also to the regular services provided by some intermediary companies (such as Esiti and Eventim). Even small cultural institutions can easily access such services. However, cultural organizations whose artistic programmes suit the preferences of massive (and younger) audiences and have aggressive marketing are more successful in on-line ticket sales. Due to the fact that smaller institutions cannot afford to pay even for small advertisements for their events in the media, potential visitors are not informed about their cultural events. For this reason we would recommend a regulation that would encourage public media to publish such information in the interest of the public.

It was surprising to discover that natural and cultural sites known worldwide, such as the Škocjan Caves (UNESCO World Natural Heritage Site), the Postojna Cave, Lipica Park and Triglav National Park, do not offer on-line sales of tickets or other interesting goods and services (tours, hotel facilities, publications, souvenirs, etc.). The possibility to book tickets in advance would certainly encourage distant visitors to visit these places. The fact is that for these places entrance tickets are usually not sold out, so the availability of on-line services might increase their visitor numbers.

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Missing the Opportunity or Sowing the Seeds for the Future? Virtual Culture and Cultural Tourism in Southeast European Countries

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Analysis of the nine countries[1] involved in this research has focused on three main subjects: an overview of digitization, digitization in the cultural sector and e-business in the cultural sector. The results are presented accordingly.

Overview of digitization

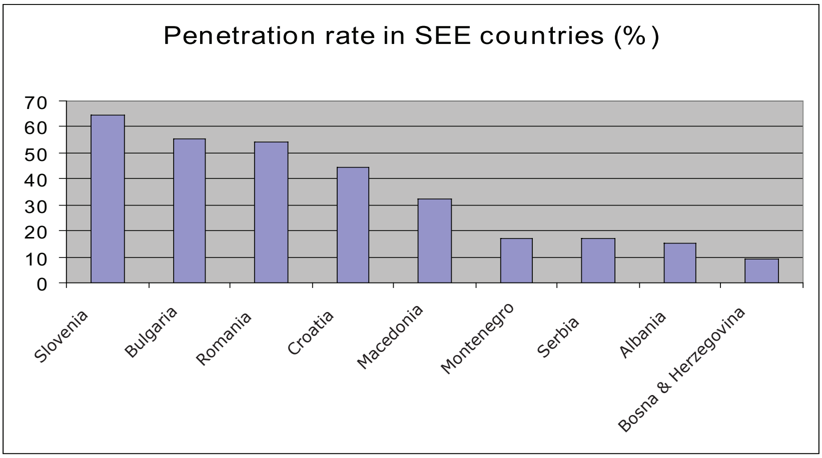
The first subject, an overview of digitization, covered six indicators according to which countries were compared:

- the Internet access penetration rate;
- the Broadband Internet access penetration rate;
- the monthly prices of basic broadband Internet access;
- the business sector Internet access;
- the number of business companies which offer on-line sales; and
- the share of on-line sales in all retail transactions.

The Internet access penetration rate is a term generally used to describe the number of active Internet users within a specific population. Usually, it is shown in percentages and represents the main precondition (having Internet access) for further possibilities offered by the virtual space. This research tried to detect if all researched countries fulfil this basic precondition to the same extent. From the very beginning, it is obvious that this is not the case. Different penetration rates are evident for the countries of Southeastern Europe (SEE) and are as shown in Chart 1.

[1] Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Macedonia, Montenegro, Romania, Serbia and Slovenia.

Chart 1 – Internet access penetration rate in SEE countries



Only three countries have more than 50% of regular Internet users: Slovenia (64.8%), Bulgaria (55.1%) and Romania (53.9%). The European Commission (EC) "i2010 Annual Information Society Report 2008" puts Bulgaria and Romania among the states with low percentages of regular Internet users but, if compared to other SEE countries, besides Slovenia, they are the leading ones.[2]

Croatia follows with a 44.4% and Macedonia with a 32% penetration rate. The remaining four countries studied are way behind: Montenegro (17%) and Serbia (16.9%) are practically equal, Albania follows with 15.3% while Bosnia and Herzegovina is rated as the last country according to this indicator (9.1%).

The percentages presented are in line with the official statistics. There are estimates that the actual number of Internet users is higher due to the fact that several users share one account. However, as this is hard to measure, the official statistics are taken as a standard indicator.

Compared to the European Union countries, only Slovenia is above the EU-27 average (60%). All SEE countries are far from reaching the top EU Internet user country – the Netherlands – which has a penetration rate of 90% but some of them (Slovenia, Bulgaria, Romania and Croatia) have better penetration rates than the last EU-27 country, Greece (35.5%).

The broadband Internet access penetration rate was studied to see if new technologies and high data rate Internet access, which enables greater information-carrying capacity, are used as preconditions for possible cultural tourism development. If high data rate Internet access is used, the greater is the speed of data download. This enables a

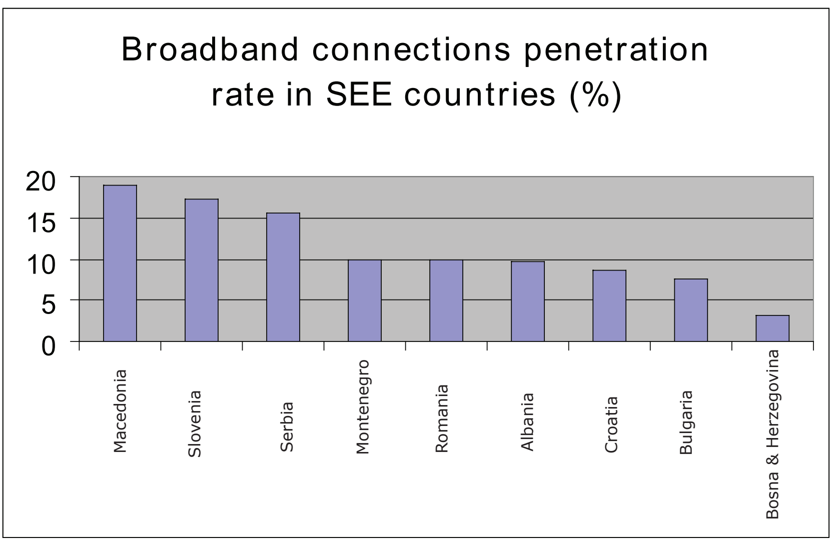
[2] It has to be pointed out, however, that there are various reports and the statistics differ. The research tried to offer the most reliable statistics.

faster search for information which is important for the post-modern cultural tourist who mainly depends on do-it-yourself programmes organizing her/his travel using the Internet (World Tourism Organization, 2003).

It is interesting to note that broadband Internet access shows better rates in countries which normally have lower Internet access penetration rates (Albania, Macedonia, Montenegro and Serbia). This is due to the overall situation in these countries which led to a later introduction of information and communication technologies (ICT). The later the introduction of new technologies, the more developed the technologies that are used. However, it does not mean that there are great numbers of Internet users in these countries. Chart 2 shows the broadband Internet access in SEE countries. Comparing them with the EU-27 data, it is evident that not one SEE country reaches the EU-27 average, which is 20%. The highest penetration rate in the EU is in Denmark (35.6%) and the lowest in Bulgaria (7.6%). In SEE countries, only Bosnia and Herzegovina shows an even lower rate (3.2%).[3]

When it comes to cultural tourism, it is obvious that in SEE countries there are not great numbers of domestic tourists who could benefit from high data rate Internet access to search for possible cultural attractions and use them for tourism purposes. However, if we take into account the international market, SEE countries could benefit from the EU countries which have greater broadband access penetration rates, as well as, for example, from North America or Japan (around 30%).

Chart 2 – Broadband connection penetration rate in SEE countries



[3] This is according to the official statistics, though the calculation shows even lower percentages.

Prices of basic broadband Internet access often have an impact on the penetration rates. With the lowering of prices, broadband connections grow accordingly and vice versa. In some SEE countries, monthly prices are still quite high which, besides other factors, can have an impact on broadband access penetration rates.

In terms of cultural tourism, it is necessary to present domestic tourists with the best platform for data search. Most countries which are developed in the sense of cultural tourism rely on domestic tourists (such as the UK[4]). Therefore, the price of broadband connection in some SEE countries still prevents greater numbers of users from participating in faster data search into cultural tourism through the Internet.

Monthly prices for basic broadband Internet access[5] vary widely. The lowest prices are in Macedonia (from €8.5 upwards). Albania is one of the most expensive countries (€41) for broadband Internet access, followed by Serbia (€38), while in Montenegro there is a wide range of prices, from €15 to €70. This fact also contributes to the general picture of Montenegro as quite a disorganized country in the ICT sector.

Bulgaria has seen a rapid increase in broadband access penetration rates, which could also be due to the low prices its Internet providers are offering (€10).

Comparing these prices with those of the EU countries, it is obvious that Albania and Serbia belong to a group of countries with high prices similar to the EU country with the highest prices – Slovakia (€49). Macedonia and Bulgaria have lower prices than the lowest priced EU country – the Netherlands (€14). Although these prices in Macedonia (from €8.5 upwards, depending on the service provider) are still very high by Macedonian standards and are thought to limit greater penetration rates, Macedonia shows the highest broadband Internet access penetration rates.

Data on business sector Internet access show pretty high percentages: between 72% and 96%,[6] Bosnia and Herzegovina being the country with the lowest percentage and Slovenia with the highest. Business sector Internet access is as follows: Romania – 85%; Bulgaria – 88%; Serbia – 92%; and Croatia – 95%. This is a good basis for starting an e-business providing a platform for on-line sales. Still, the number of business companies which offer on-line sales in the SEE countries is not high. For some countries[7] this data is not available while for most other countries, the numbers are practically negligible. The only higher numbers are seen in Slovenia where there are some 120,000 business companies or 14% which offer on-line sales. The data on the share of on-line sales in all retail transactions are available only for three countries in this research. In Croatia it accounts for 0.5%, in Bulgaria for 1% approximately and in Romania for 2%. In Slovenia, some 12% of the population purchases on-line while this number in Croatia in 2007 amounted to 7%.

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[4] See more at: http://www.tourismtrade.org.uk/MarketIntelligenceResearch/KeyTourismFacts.asp.

[5] Usually for 1 Mbps but some countries offer more Mbps in the basic package so it is rather difficult to compare the data.

[6] Data for Macedonia and Montenegro were not available.

[7] Albania, Montenegro, Romania and Serbia.

According to the “Survey on ICT use in EU enterprises” in 2007, 15% of enterprises were selling on-line and the on-line turnover was around 11% (Preparing Europe’s digital future 2008: 31). In comparison, the data on companies involved in e-business and the share of on-line sales in all retail transactions in SEE countries shows that numbers here are extremely low. Although, the data on the number of cultural organizations which are involved in on-line sales is not available for any of the countries researched, we can presume that it is reduced to individual cases. Not even the number of cultural organizations that have their own website is available but this is mainly due to the unstable nature of the topic, which is very hard to measure (new websites are regularly created and it would be very difficult to count them within a certain time span).

Digitization in the cultural sector

The second subject, digitization in the cultural sector, examined whether the subject of digitization was included in policy documents. If so, an attempt was made to see which cultural sectors it involves.

In Albania and in Bosnia and Herzegovina policy documents which might concern digitization in the cultural sector do not exist.[8] All other countries studied have some policy documents which concern this topic or are currently preparing them. Digitization is mainly taking place in libraries and museums, while in some countries, besides these areas, it is also present in archives (Croatia, Romania) and in theatres (Macedonia).

Mostly, policy documents are concerned with digitization as a way of safeguarding and protecting the heritage but they rarely have the aim of developing cultural tourism. However, some of them mention offering new services which can have an impact on cultural tourism.

The presence of policy documents which concern digitization in most of the SEE countries is very welcome. However, it seems that this is due not to a high consciousness of the need for digitization in order to develop new business models for the sector of culture but rather simply to keep pace with the initiatives made by the European Union in this sector. These initiatives are numerous in the EU, especially in the cultural industries sector.[9]

As a result, the research into the impact of virtual culture on cultural tourism could only be done on the basis of case studies which are examples of best practice.

Generally, it is hard to group countries into categories of countries which practise or do not practise on-line sales, since it is regularly reduced to individual case studies. This is why sometimes the data on some countries may belong to both research groups. Where it was possible, the data on measurable e-business was collected although it concerned only individual case studies. All other cases were researched within the group of countries not practising on-line sales.

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[8] Despite that, sporadic digitization of archives, libraries and museums is taking place.
[9] See Introduction.

There are only four SEE countries which carry out on-line sales in the cultural sector and which we consider to be measurable in terms of cultural tourism realization. These are Bulgaria, Croatia, Romania and Slovenia. One case study from Serbia which performs on-line business has been explored,[10] but generally Serbia does not belong to the group of countries which practise on-line sales. Other countries (Albania, Bosnia and Herzegovina, Macedonia, Montenegro and Serbia) do not practise e-business, therefore the results of the websites studied do not show precise data on the realization of cultural tourism through the virtual space. They are studied more with regard to their large number of virtual visitors, their presentational value or activities which can have an impact on cultural tourism development. However, they are not measurable in terms of concrete cultural tourism visits.

E-business in the cultural sector

Although Romania belongs to the group of countries which practise on-line sales, data on concrete sales were not available for this research. Therefore, we draw conclusions on best practice examples of on-line sales in the cultural sector from Bulgaria, Croatia, Slovenia and Serbia.

It has to be stressed that the conclusions drawn cannot be representative of the whole country since they rely on case studies. However, the case studies were chosen by the authors in this book as best practice examples. As the topic of e-business in the cultural sector of SEE countries is still neither sufficiently explored or used in practice, these examples and research results may serve as a starting point for future research. They should also act as a driving force for the development of the topic in practice.

Six indicators[11] were pre-set and were further compared:

- the share of on-line sales in total sales;
- the type of programme sold;
- the origin of on-line purchases;
- how audiences/buyers found out that Internet purchase was possible;
- the increase or re-direction of sales; and
- activities generated by the organization's website.

When it comes to the share of on-line sales in total sales, it is obvious that in most cases it accounts for a rather small percentage. Depending on the country and the case study, it goes from 2% up to 30%. Geographically, the breakdown is as follows: Bulgaria – 5-10%; Croatia – 2-6%; Slovenia – 10-30%. An extremely positive example is the only Serbian case which practises on-line sales – the EXIT Festival, which has practically totally shifted its business model into the virtual space: it shows on-line sales as being 74% of total sales!

It would be interesting to compare these data with those of the EU countries or the

[10] The EXIT Festival which found its own way to practise e-business.
[11] See more on the indicators in the Introduction.

United States since the data on the use of ICT in business show that they use the virtual space for innovative business more than in SEE countries. However, so far no systematic research into this topic in the cultural sector is available. Some general data on on-line sales in the USA show that they made up about 8% of all retail sales in 2008 (Forrester Research, 2008). No data on on-line sales in the cultural sector are available. Therefore the data on on-line sales in general are hardly comparable but at least they present us with a general idea of the situation in this type of business.

Although these percentages may seem low, they are very important for the sector of culture which traditionally depends on the state budget in SEE countries. It presents an opportunity for cultural institutions/organizations to enhance their earning potential by widening their target audience globally. In addition, individual case studies show a constant increase of on-line sales each year and, if this trend continues, it could be predicted that this sales method will grow in the years to come.

The type of programme sold by SEE countries cultural/heritage institutions is a category which can hardly specify certain categories of research results. Generally, the following rule applies here: the type of programme offered is the one which is sold. Therefore, whatever is offered, it gives data on on-line sales. Only in the case of Croatia were some more specific data able to be deducted. In the case of some cultural institutions a greater interest in popular shows is seen and in the case of the World Heritage List site the services most sold on-line are those of accommodation in double rooms.

Concerning origin of on-line purchases, most of the research results from the countries studied show that the greatest market is the domestic market. In Bulgaria, it is 95% and in Slovenia 90-95%, for example. This is in line with some research results already quoted which show that the greatest cultural tourism market concerns domestic tourists. It therefore includes visitors from other national cities and not only the citizens of the city where the cultural institution is located. Often, neighbouring countries are the second largest market. For example, for Croatian cultural institutions the great neighbouring market is Slovenia and vice versa. The breakdown of other markets shows a great diversity in origin of visitors from throughout the world.

Apart from the neighbouring countries, the majority of foreign customers come from European countries and traditional tourist-sending countries such as the USA and Japan.

If the rule "the type of programme offered is the one which is sold" was applied in studying results for the indicator of the type of programme, a rule "the programme offered can be purchased by customers of any nation in the world" applies here. Some unexpected origins of customers are noted (Burkina Faso, United Arab Emirates, South African Republic, Taiwan, Hong Kong, etc.) although not in great numbers.

In relation to the previous research indicator, therefore, we can conclude that it is important to offer a great diversity of cultural programmes to a great diversity of customers in order to fully use the possibility virtual space offers in the promotion and practice of cultural tourism.

When it comes to finding out about the possibility of Internet purchase of cultural goods and services, most customers find out about it directly on the cultural institution/organization website. It means that the majority of on-line customers are already acquainted with the cultural institution/organization and access its website directly. Often, the search engine Google is used to find out about the cultural institution/organization offering this possibility while other sources are less used. Little data on this indicator was available and we had to draw conclusions based upon a few resources; it is surprising that practically no tourism-related websites informing visitors about this possibility were found. Real cooperation between cultural and tourism sectors in the virtual sphere would be visible in simple data sharing practices but this was hardly the case. It does not mean that tourism-related websites do not offer information about cultural attractions; but it means that they either do not offer links to the possibility of on-line ticket purchase or they cannot easily be found through the search engines that are mostly used (such as Google). Therefore, they do not appear at the top of results found by the search engine and are barely visible in the virtual space.

Data on the indicator showing the possible increase in total sales due to the introduction of on-line sales in a cultural institution/organization was very difficult to obtain. Only Bulgaria and the single Serbian case study report an increase. Bulgaria reports an increase of between 0.5% and 1.3% and every year the EXIT Festival in Serbia reports a constant increase of ticket sales which are practically all bought on-line. For other case studies, these data were not available. However, it is thought that the possibility of on-line sales has more of an impact on the re-direction of sales to a different, simpler sales method rather than on the increase of total sales.

In both cases there are positive effects: if it is an increase in total sales, it means a new sales method enabling better financial results; if it is a re-direction of sales, it may mean reaching new audiences since it offers a better service[12] and in the longer term may also mean an increase in total sales and audience development.

Among other activities which are generated by the cultural institution/organization's website and which can stimulate cultural tourism development, the following ones have been detected:

- venue, staff and equipment rental;
- souvenir sales;
- downloads;

[12] Simpler purchasing method, greater visibility of the seating plan, simpler and faster search for programmes of interest etc.

- links to accommodation services; and
- transfer arrangements to cultural events.

It has to be underlined, however, that additional activities are rarely presented and have been studied only in a few case studies. Some of them, such as music downloads for example, are free of charge and therefore have no great measurable impact on cultural tourism profits though they add to the attractiveness and dynamism of the website which in turn can influence the tourists' choice of destination.

Venue, staff and equipment rental are activities which belong to the strict business sphere and are welcome in the positioning of a cultural institution/organization in the virtual sphere towards the cultural tourism market. They do not attract the cultural tourist directly but indirectly offer a possibility for others to use these services which can have impact on the variety of programmes offered. Indirectly, it influences cultural tourism development. It also generates additional income for the cultural institution/organization.

As already mentioned, other countries which were present in this research study and which generally do not belong to the group of countries that practise on-line sales are the following: Albania, Bosnia and Herzegovina, Macedonia, Montenegro and Serbia. Some data from Bulgaria and Romania were also grouped here since individual case studies chosen by the authors of the country contributions do not practise on-line sales.

Although the data obtained in this part of the research cannot prove the realization of cultural tourism in the virtual space, an attempt was made to provide indications of its possible development in future or to find the reasons why it does not exist. Three indicators were chosen to prove this:

- frequency of website users' visits;
- origin of the website users;
- reasons for not practising on-line sales.

The first indicator shows a great difference in website users' visits (from 32,000 to 98,000 per year) for the various case studies. Still, it is difficult to compare these numbers since they depend on the type of organization and the programme offered. Generally, these are not small numbers and all of these should be considered as potential on-line customers.

Their origin is in line with the research into the origin of on-line customers for the previous group of countries: website visits show a great diversity of origin repeating the pattern of the domestic audience as the main market and neighbouring countries as the second largest market. In addition, visitors from throughout Europe have been found, as well as those from the USA, Canada, Australia and the Russian Federation.

Various reasons are given for not practising on-line sales. Some of them are of a generic nature and some of them are specific to a certain country. Those of a generic nature are grouped as follows:

- non-existence of a legal framework which enables e-business;
- poor technical equipment;
- poor computer literacy of the potential market;
- poor computer literacy of service providers (cultural institutions, banks);
- low awareness of the benefits of on-line sales.

In most of the countries studied technical equipment is still outdated, especially in the public sector. Computer literacy both of service providers and of the potential domestic market (citizens) is still poor. Laws which enable e-trade are still under preparation. Some of them have been passed but other laws which complement them are still missing.

Specific reasons for not practising on-line sales depend on individual countries. In Macedonia, for example, the low use of credit cards stands out, as they are a precondition for on-line purchase. Furthermore, the high price of Internet connection prevents people from using computers in Bosnia and Herzegovina as well as in Macedonia. In Bosnia and Herzegovina, Montenegro and Serbia, banks are not prepared to support on-line sales. In Bulgaria, fiscal policy requires an intermediary agent for bank transactions, and this does not allow cultural institutions to practise direct on-line sales. Lack of funds in cultural institutions/organizations for the possible establishment of an on-line sales system influences its development in Albania and Bulgaria. One of the often cited reasons for not practising on-line sales in Albania and Serbia is satisfaction with its “traditional” market. Montenegro claims to have underdevel~~oped platforms for support for e~~xisting web addresses.

Main research findings

Internet access penetration rate

- The Internet access penetration rate in SEE countries is rather low.
- Only Slovenia is above the EU-27 average, which is 60%.

Broadband Internet access penetration rate

- Not one SEE country reaches the EU-27 average, which is 20%.
- Generally, countries with lower Internet access penetration rates show higher broadband Internet access penetration rates.

Prices of broadband Internet access

- Prices vary from €8.5 to €70.
- Some prices are lower than the lowest EU prices (the Netherlands – €14) and some of them are higher than the EU highest (Slovakia €49).
- Generally, the lower the prices, the higher the penetration rate.
- Although some of the prices seem low, they are still rather high for SEE.

Business sector Internet access

- Business sector Internet access is quite high, from 72% to 96%.
- Only a very small number of companies practise e-commerce.
- The share of on-line sales in total retail sales ranges from 0.5% to 2%.

Digitization in policy documents

- It is either non-existent or present/being prepared in some policy documents.
- It is mainly used in libraries and museums and, in some countries, in archives and theatres.
- It is mainly with the aim of safeguarding and protecting the heritage, rarely with the aim of cultural tourism development.

E-business in the cultural sector

- The share of on-line sales in total sales is usually limited, between 2% and 30%; only the EXIT Festival records a 74% share.
- There is a great diversity of origin of on-line customers but domestic audiences are the greatest market for on-line sales.
- Most customers find out about the possibility of on-line purchase directly at the cultural organization website or via Google.
- An increase in total sales due to the introduction of on-line sales is rarely detected; mostly re-direction of sales is detected.
- Other activities which may generate cultural tourism development were also detected, such as venue, staff and equipment rental, souvenir sales, downloads, accommodation services and transfer arrangements to cultural events, although they are rarely presented on the website.

Conclusions

Interestingly, the tourism sector is one of the best positioned sectors in on-line business. So far, results of the research by Forrester (Forrester Research, 2005) show that travel is one of the most mature B2C[13] e-commerce categories in the USA, as measured by the percentage of total industry sales generated on-line. The five best on-line selling categories of goods in the USA in 2005 were computer hardware/software (48.2%), event tickets (28.1%), travel (25.8%), books (19.9%) and consumer electronics (13%). It is predicted that by 2010, travel will take second place with 45.6% of total category sales, following the computer hardware/software category very closely (48.2%). The predictions are based on data from the same research which show a constant increase of travel on-line sales starting from 2003.

A similar situation is noted within the European Union. The Eurostat data (2006) show

[13] Business to consumers.

that in 2005, 61% of all enterprises having a website belonged to the accommodation sector. While in the wider economy only 28% of all enterprises offered advanced facilities on websites, 63% of enterprises offering direct access to catalogues and prices again belonged to the accommodation sector. On the consumer side, 47% of all Internet users used services related to travel and accommodation in 2005. Concerning sales in 2006, on-line travel sales in Europe accounted for about 16.1% of the total market, an increase of 31% in comparison to 2005 (Eurostat, 2008).

This shows that travel has moved or will move into the virtual sphere. So where is culture?

Despite the lack of systematic research on on-line sales in the cultural sector, in the sporadic data from some research studies one can read between the lines that some cultural categories are present in on-line sales in quite high percentages. The already quoted Forrester Research reports that in 2005 on-line ticket sales for events in the USA accounted for 28.1% of total category sales, which put it in second place. By 2010, Forrester predicts that this category will increase to around 40.5% of total category sales. Although event tickets are a broad category which concern events in general, it also includes cultural events which are relevant for this study in terms of cultural tourism.

Another cultural category in the Forrester research which is rated in the top five online selling categories concerns books. Their on-line sales in the USA in 2005 accounted for 19.9% and are predicted to account for 28.1% in 2010. Although book sales are not directly linked to cultural tourism development, they may have an indirect impact on image creation.

A similar research which has been done in Croatia by the Croatian Bureau of Statistics (2007) shows similar results. In 2007, most purchases via the Internet were books, magazines and educational material (27%) which are not available on the local market, together with movies and music (22%). Tickets for events accounted for 8%.

Therefore, some cultural categories are visibly present in on-line sales. However, they are perceived rather as pure business or industry categories than as cultural tourism potential. This may be the reason why no research into this topic has been carried out so far. The development of the ICT sector, which so much influences our lives, goes beyond the development of traditional sectors among which we also include culture. The changing dynamics that ICT brings have a great influence on culture but numerous obstacles prevent its development. In SEE countries this mainly concerns the lack of adoption of laws which enable e-business, poor use of credit cards which are a precondition for on-line purchase, poor computer literacy of the potential market and service providers and distrust of e-business concerning personal data protection.

The data show that the tourism sector has accepted the new opportunities that ICT brings very quickly and uses them for on-line sales of its products and services. This is not the case in the cultural sector, however. The reasons for this should primarily be sought in the type of goods these sectors offer as well as in the perception of the sectors by the decision makers.

Tourism has always been perceived as a business sector and has mainly been in private hands. Its goods and services are especially appropriate for sales. Therefore, the virtual sphere is just another channel for distribution of tourism goods and services and an excellent marketing tool which offers innovative sales possibilities.

Culture, on the other hand, has always been perceived as a public sector (or one depending on the state budget) and has rarely performed market sales, especially in SEE countries. Rather, it has depended on state subsidies. The slow adoption of market rules and the poor reflection on the possibilities that the virtual sphere offers is mainly due to this fact. Still, the lower the state budget for culture and the greater the challenges that ICT brings, the more that cultural institutions/organizations will be forced to re-position their business in the virtual sphere.

Although the tourism sector uses the opportunities offered by the ICT sector in a far more efficient way than the cultural sector, some Eurostat data (2006) show that the accommodation sector is lagging behind as regards the full implementation of e-business. The share of enterprises that have IT systems for orders and purchases that link automatically to other internal IT systems[14] in 2005 was lower in the accommodation sector (26%) than in the wider economy (34%). It deprived this sector of the potential productivity gains associated with such integrated technologies. Therefore, there is still a lot of room for development in this sector. However, when it comes to comparing it to the cultural sector, it is far more developed in terms of ICT usage.

This research has shown that cultural/heritage institutions/organizations in SEE countries still do not perceive the virtual sphere as an opportunity not only for innovative ways of doing business but even for the presentation of their activities and for marketing. The on-line presence of SEE cultural institutions is mostly limited just to presentation which is often in the form of static text and photos. Although cultural tourism has been often discussed in these countries, the opportunities for its development in the virtual sphere are not yet being utilized. In most of the countries studied, it is not just a matter of preconditions that still need to be fulfilled (laws, education on computer literacy, etc.) but a matter of awareness of these possibilities.

Young people are generally more inclined to use the Internet. The type of programme which is predominantly purchased on-line indicates that it is mainly younger customers who use this method of obtaining tickets for cultural events. The research has shown that cultural programmes which match the preferences of large or younger audiences are more successful in on-line sales. Although the data on the share of on-line sales in total sales in most of the researched SEE case studies show rather low percentages, it is possible to predict its growth. This is not only based on the increase of on-line sales in previous years but also based on the fact that young generations are growing up with the Internet. Their habits in the use of the Internet for information search and on-line booking/purchases will continue and even younger generations will start using the Internet for the same purposes. Therefore, the number of

[14] Such as invoicing, accounting or stock management for example.

Internet users will increase and so will the opportunities that the Internet offers. It is an opportunity as well as an obligation for the cultural sector to use these opportunities in future since it saves money, opens up possibilities for reaching new audiences, develops creativity, enables easier access to information for consumers and is in line with market requests.

Generally, it can be said that all of the countries involved in this research, with the exception of Slovenia, lack a complete vision about ICT development in the field of culture. According to many indicators, Slovenia is above the EU average, pays special attention to digitization in culture and has introduced various initiatives in this field. However, it is no exception to the rule in the rather low development of e-business in the cultural sector in Southeastern Europe.

SEE countries do not all share the same preconditions to be fulfilled in order to be able to use the possibilities offered by virtual space. Internet access penetration rates differ from country to country as well as broadband Internet access penetration rates. This is partly due to the relatively high prices of broadband Internet access.

On the other hand, business sector Internet access is relatively high. Although this provides a platform for e-commerce, there are not many companies in SEE countries which use this opportunity. Accordingly, the share of on-line sales in all retail transactions in general is low.

Legislation regulating e-commerce exists in five of the countries studied (Bulgaria, Croatia, Macedonia, Romania and Slovenia). In other countries relevant laws do not exist at all or only some exist but they are still not sufficient to enable trade in the virtual space. Besides, the pure existence of these preconditions does not necessarily mean that e-commerce is developed. Various other factors affect its development, including awareness of potential users of the possibility and technical conditions that need to be fulfilled.

The situation in the ICT sector differs from one SEE country to another but most indices are lower than the EU average. However, in general, a definite improvement can be seen from year to year in practically all countries. This is evident in the constant increase in the number of Internet users, broadband access penetration rates and computer sales.

Digitization is present in some policy documents but not for all sectors of culture and not with the aim of developing cultural tourism. This lack of vision is connected with the fact that in some of the countries involved in this research no harmonized data on the current status of the ICT sector can be found. Various sources show various data. Partly, this is also due to the changing nature of ICT data.

Therefore, e-commerce is still in its early stages in most of the countries of Southeastern Europe. Good examples of on-line sales in the cultural sector exist in Bulgaria, Croatia and Slovenia but it has nothing to do with a systematic public approach to this topic. They represent good initiatives by individual institutions rather than resulting from any national strategies. The best example in this research is certainly the EXIT Festival from Serbia whose success stems from the innovative minds of its on-line business creators and not from any organized national policy orientation. Conclusions concerning concrete on-line sales based on good practice examples cannot, therefore, be seen as representative of the whole country. Nevertheless, examples of good practice show where preconditions for this type of business are met, with the exception of Serbia.

Reasons for the rather slow process of digitization and the introduction of e-commerce in the cultural/heritage sector have already been discussed. Besides those which are more generic in nature and are connected with the simple preconditions for the development of innovative business in the virtual space, a language issue is also present for domestic Internet users in some countries. In Macedonia, for example, no programmes or software packages in the Macedonian language exist. Since English is still a foreign language for the majority of Macedonians, they do not rely on the Internet as a source of cultural tourism information. For this reason, this country cannot count on a large number of domestic cultural tourists.

The origin of on-line purchases in this research has shown the prevalence of a domestic market for purchases on-line. The low share of on-line sales in total sales concerning the domestic market is partly due to the relatively low Internet access penetration rates. Since there are no large numbers of people using the Internet in SEE countries, there are no large numbers of on-line customers from the domestic market. However, cultural institutions could reach foreign on-line markets since the great diversity of other on-line customers confirms the global reach of on-line products and services.

This research also reports on insufficient use of the Internet by the majority of institutions of culture (Albania, Macedonia and Montenegro) as well as on the lack of a dynamic entrepreneurial culture. This is expected since all the countries involved in this research have been in the transition economy and it takes time to adapt to new ways of making profits. At the same time, changes which occur through the introduction of new technologies are extremely rapid and this has a negative effect on all those who cannot adapt.

Cultural tourism in SEE countries is also in its early stages as regards a systematic approach to the sector. Although it has existed in practice for decades, it has rarely been perceived as a potential for profit making. Rather, it has served as an additional cultural opportunity for its own citizens. Nowadays, this sector is very much discussed but is rarely approached systematically involving all potential sectors. This is also often the case in other countries which seem to be more successful in cultural tourism development (Jelinčić, 2008). The fast changing market influences the changing needs of tourists as well as the ways tourists search for information. The virtual sphere is a platform which suits the needs of individual tourists in their information search and additionally in offering them the possibility of purchasing goods and services on-line. Therefore, changes which occur in the virtual sphere, if added to the changes in the global tourist market, demand fast reaction in the service sector which should be ready to use the Internet for innovative business models. Still, in general, this is not the case in SEE countries. As already mentioned, based on individual case studies, a relatively advanced situation in using the virtual space for cultural tourism development is seen in Bulgaria, Croatia and Slovenia.

Recommendations

In order to use the virtual space for cultural tourism development more effectively, changes in approach are required at both policy and practical level.

First, it is necessary to enact the missing laws or to start implementing those that have been passed. The problem of lack of vision or development strategy could be solved by introducing incentive measures for e-commerce. These should include financial incentives which:

- stimulate cultural institutions to provide on-line sales services;
- stimulate the creation of common cultural tourism portals offering on-line sales services both for cultural as well as tourism sector operators;
- stimulate tourism-related websites to offer on-line sales for cultural attractions;
- stimulate tourism-related websites to offer cultural tours involving as many cultural institutions as possible (these could be sold on-line as tourist packages or enable a virtual tourist to choose from the cultural attractions offered and to purchase their on-line services separately).

Beside financial incentives, information services for cultural and tourism sector operators on the possibilities in the ICT sector within a certain country should be provided. These should include know-how and match-making of interested parties with the aim of generating profit.

Incentive measures should also include prizes for creativity/innovation for various cultural sectors concerning the use of new technologies. Innovative examples could be publicly displayed and promoted in order to stimulate others to accept and create solutions with applicability to the management and promotion of culture.

An inter-sectoral approach to these issues is inevitable. The coordination of these issues and proposed incentives should be carried out by an independent group of experts from all related fields working on the arm's length principle.

In practice, cultural/heritage organizations would also benefit from an inter-sectoral approach. This research has shown that the cultural sector rarely perceives the possibility of offering accommodation or other tourism-related facilities on cultural organizations' websites (only the EXIT Festival does so). The tourism sector generally promotes culture more often than vice versa. Therefore, a change of approach is needed in cultural/heritage institutions which should become more market oriented. Sometimes, they do not even have a marketing department which shows their total dependency on the state budget. Encouragement in establishing marketing departments is needed as well as additional education related to the market economy.

It is advisable, therefore, that regulations should encourage the transition of culture from the state dependent sector to a more market orientation. Croatia has already introduced some measures in this regard. In 2008, the Croatian Ministry of Culture in cooperation with the Ministry of Economy, Labour and Entrepreneurship introduced an innovative pilot project "Entrepreneurship in Culture" in order to stimulate entrepreneurship in culture, promotion of cultural industries and entrepreneurial projects in culture. The public tender also included investment in knowledge related to the application of new technologies in culture. The twin sector of culture is certainly the tourism sector when it comes to entrepreneurship. Such measures which offer the cultural sector innovative ways of doing business in the virtual sphere are an asset in promoting cultural tourism. Analysis of case studies and regular monitoring of the developments in this field can have an impact on the quality of products and services being offered.

Partial tax relief could also be introduced for products/services which are sold on-line. This could stimulate on-line sales and could strongly influence the shift from traditional sales methods to the virtual sphere. The final aim is to increase total sales, in this way developing cultural tourism and the target audience.

Training in relation to the digitization of culture and e-commerce is one of the priority measures that should be taken. It concerns two levels: training for cultural workers who act as virtual products/service providers and training for potential customers. The first level of training could be organized in a fairly straightforward way while the second level requires long-term investment in education of citizens on ICT issues.

Cultural policy documents in SEE countries which concern digitization mainly focus on traditional cultural sectors such as museums, archives and libraries. In terms of cultural tourism, cultural sectors which are related to entertainment also need to be considered. Therefore, it is recommended that cultural sectors should be approached in a broad sense since the cultural tourist, in search of an experience, needs to be presented not only with the cultural event itself but with the local way of life. In this way, media and entertainment industries (such as fashion, tourism, sports) need to be considered while creating a cultural tourism package and should be present in cultural policy documents, leading to a wider use of virtual space. Cultural policies need to develop market awareness.

The digitized cultural/heritage items are rarely available to the wider audience. Sometimes in SEE countries this is due to various copyright restrictions, a lack of consciousness of their tourism potential or to traditional understanding which is influenced by the fear of the commercialization of culture, once it is available on the Internet. This is why cultural policies in some SEE countries have a more traditional approach focusing on ethnic or historical cultural values and digitization of traditional cultural sectors. Creative industries have a great potential for identity and image creation which could be of huge benefit to cultural tourism. They have the creative potential to attract audiences and national cultural policy documents should highlight them.

Changes in cultural policies are lagging behind the changes that the virtual sphere brings. Relatively fast reactions are therefore needed not only concerning the Internet but also other information and communication channels. “Creating a cultural policy for the digital future of Southeastern Europe is going to prove a more than difficult task, largely because of an inadequate communication and information infrastructure, but also because of the lack of a skilled workforce and mostly due to the unstable and changing governing bodies of cultural institutions which depend mainly on the politics of the day”, claims Dona Kolar-Panov (2004). Therefore, as long as cultural policies and cultural workers do not recognize or do not become aware of the value culture has for economic development, we cannot expect greater systematic changes in the field. Relying on the creativity and individual initiatives of people who are aware of these opportunities will result neither in a valid tourist view of the cultural life of a single country nor in a developed contemporary audience.

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