

NATIONAL BRANDING: THEORETICAL, METHODOLOGICAL AND PRACTICAL ASPECTS (CASE STUDY OF LATVIA, ESTONIA AND REPUBLIC OF MOLDOVA)

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In the article are considered theoretical, conceptual and methodological bases of researching national branding. The authors note that, the effective national branding contributes to building an adequate image of the country and acquiring desired positions in the global political system and is aimed at strengthening the global competitiveness of the state and its international political influence.

The article also provides a comprehensive analysis of the Latvian, Estonian and Republic of Moldova experience in domain of creation of national brand.

The need to form a national brand and a favorable perception of the country in the international arena indicates the importance of scientific analysis of existing theoretical approaches to the interpretation of modern national branding strategies.

Purposeful formation of a country brand is considered as a tool for effective interaction and promotion of national interests at the global level [13].

States may act as subjects of the political market of international relations, while pursuing their own goals. To protect national interests, they need resources to increase capitalization, expand global political influence, and participate in decision-making on key issues on the geopolitical agenda. One of these resources can be a national brand, which is formed using communication technologies [26, p. 51].

The concept of national branding in Western scientific literature began to be considered in detail in the 2000s as a practical area of knowledge, the purpose of which is to form a state brand and manage the reputation of countries and, in a more global sense, strengthen the country's economic potential.

The notion of state brand is questionable. Having served as an economic category in the early 90s of the 20th century, this notion has begun to be actively applied to various territories: states, regions, cities. Defining national branding is impossible without analyzing brand and image concepts.

The word "brand" has an old history; it comes from the old Norwegian word *brandr*, which signified mark made by burning and was used to stigmatize domestic animals and

household items. Later, it gained a new meaning: a factory mark, a trademark. The first use of the brand, known to mankind, was practiced in the times of ancient Egypt when craftsmen put their brand on the bricks they made to be known as the creator of each brick. There are documentary testimonies of the existence of trademarks on Greek and Roman lamps, on Chinese porcelain. Trademarks were used in India in 1300 BC. [37, p.9-10].

In Western marketing schools, the term “brand” is used with the meaning of a trademark, which consumers distinguish from other brands, thanks to a unique image identifier, mostly figurative, as well as a rational or emotional value for themselves. Brands symbolize the embodiment of various expectations from concrete products [32, p.8]. It is difficult to create a state brand. It is necessary to analyze all the positive components of the image of the country and, on their basis, to create symbols and their significance, as well as to identify those symbols that will really work.

In essence, the state brand is a kind of “multi-profile passport” that reflects the specific features, parameters, elements and situations in different spheres of public life. All these “passport data” of the state create in the minds of people a single mental construct that combines our knowledge with our expectations and our attitude towards this state.

The state brand is today an important condition for the fulfillment of the territorial/state potential, and its promotion contributes to the increase of the competitiveness of the national ideas, products and services and the positioning of the state on the international political and economic arena.

The state is unique, being composed of a set of values, specific features of geographical position, national interests, characteristics of the interstate economic system, social and political processes, ethnic and cultural specifics, traditions and customs that evolved with the development of human communities. These things contribute, in one way or another, in the formation of the country’s brand, globally, with the aim of creating the image abroad, which has a positive impact on the development of tourism, attracting investments and on the public opinion in general [22].

The durable brand helps the state to create favourable economic, military and political alliances, to establish partnerships, to borrow from other states and the IMF, to become a desired member of international organizations. The lack of a brand creates not only certain difficulties for the state in relation to other players in the international arena but also leads to concrete financial and political “losses”.

The concept of political image (“image”, “representation”, “reflection” (in the mirror), “metaphor”, “icon”) can be seen as a crystallized representation in mass consciousness, based on specific people’s specific actions, created to achieve political goals and to expose, in a positive light, the personal qualities of a political leader in order to awaken an increased interest and a positive attitude.

The political image of the state can be defined as a deliberately created emotionally charged image of the state, its government institutions, the political, economic and social system in the public consciousness both within the state and abroad.

In our opinion, a successful differentiation of the concepts of brand and image is that proposed by the Russian researchers A.Pankruhin and A.Ignatiev [32, p.9], which consists in the fact that:

- the brand has only a positive value, the image can also have a negative connotation;

- *the object of the brand has the quality, the image has no direct connection with the quality of the object;*
- *brand integration within the visual frame, mandatory logo presence, etc;*
- *an object can have several brands, the image is one, though it could be multidimensional;*
- *the brand suggests the price, the image goes beyond trading.*

At the present stage, state branding has gained new features, determined new approaches and channels of influence, and, in view of changing the interests of international society towards one state or another, it has helped, to a greater or lesser extent, a number of states to obtain the status of the original “brand” state.

The founders of the concept of national branding are Western scientists: Ph.Kotler [13,28], S.Anholt [1, 2], W.Olins [15], K.Dinnie [7,8], P. Van Ham [16], J.Hildreth [11]. In the future, this concept was developed by such Western authors as G.Szondi [17], Y.Fan [9], N.Kaneva [12].

In Russian science, issues of the state brand are touched upon in the works of V. Lyaporov, O. Tyukarkina [35], A. Pankrukhin [32], O. Vasilyeva [25], I. Vasilenko, N. Bogolyubova, Yu. Nikolaeva [23], O. Rusakova, V. Rusakov [33].

In Romania, the issue of national branding is presented in L. Nicolescu’s publications [18], in series of articles by the author of the R.I. Popescu [20], and in the course notes elaborated by T.Stănescu-Stanciu [21].

The practical influence on the development of the concept of national branding was introduced by the well-known advertiser D. Ogilvy, who developed in the 1950s of the 20th century an advertising strategy for a radical change in the international image of Puerto Rico and some other countries for the development of inbound tourism based on the concept of a brand image based on the super idea [26, p. 60].

National branding is an element or continuation of the marketing of territories, the founder of which can be considered F. Kotler. Beginning with the work published in 1993 by Kotler Philip, Haider Donald and Rein Irving entitled “*Marketing Places: Attracting Investment, Industry and Tourism to Cities, States and Nations*” has begun the process of studying marketing as a mechanism of a manifold promotion of territories [10].

Philip Kotler, Professor Emeritus of Marketing at the Kellogg School of Management, where he held the S.C. Johnson & Son Professorship of International Marketing USA, highlights 10 principles of marketing: the marketing of goods, services, experiences (experience), events, personalities, places, property, organizations, information and ideas. The emergence of territorial marketing, claims Philip Kotler, is related to the active competition to attract tourists, factories, central offices of companies and new residents of various places: cities, states, regions [10].

According to Ph. Kotler, marketing is a tool for strategic development of the territory and a complex solution to its problems, and territorial marketing means all that provides the best multi-faceted appreciation of territorial problems in order to choose the most original way of territorial development [10, p.15–17].

Ph.Kotler, divides territorial consumers into 4 groups [10, p. 51-75]:

- visitors (come to attend conferences, trade negotiations or as tourists);
- the local population (professional workers, investors, businessmen, retirees, etc.);
- business and industry (heavy and light industry, etc.);
- export items (representatives of other territories).

The image of the place is considered by Ph. Kotler as the main factor influencing the choice of buyers and as “the bulk of people’s beliefs, ideas and impressions regarding the place. Image is a simplified generalization of a large number of associations and pieces of information associated with a given place.” Considering the territory as a brand that needs an effective image, which is provided with permanent strategic management to influence target audiences, Ph. Kotler states that it is necessary to satisfy five criteria in the process of building it: to be true, be believable, be simple, be attractive, be unique. Three tools for the formation of an effective image of the place, according to Ph. Kotler, - (1) slogans, themes and positioning, (2) visual symbols and (3) events and actions [28].

Ph. Kotler’s work on “*The marketing of nations: a strategic approach to buiding national wealth*” (New York, 1997), in which the author identifies the main criteria for the welfare of the nation and proposes a SWOT analysis to determine strengths and the weaknesses of the state in the process of setting up the national branding strategy, is also of interest.

As the founding fathers of the national branding concept, two researchers have become almost simultaneously, who, from different points of view, began to articulate their visions of national branding. They are Wally Olins and Simon Anholt.

Wally Olins is the founder of *Wolff Olins* company and cofounder of *Saffron Brand Consultants*. In one of his researches, entitled “*Trading Identities: Why countries and companies are taking on each others’ roles*” (London, 1999), he proposes to use the model of creating the marketing brand in the process of forming the state brand. The researcher introduces into scientific practice such concepts as “corporate identity” and “nation identity”.

Wally Olins asserts that the basis of the national brand must be a major idea and a successful slogan (for example, “Rediscover Lebanon”, “Malaysia is trully Asia”, “Incredible India”, “The World Meets in Brazil, Come celebrate life”, “Cool Japan”, “Cool Britannia”, “Magic Italy”) that will individualize the country and project national features in an appealing and effective manner.

According to W.Olins, the main idea of a brand has to fulfill four tasks:

1. *It has to work emotionally and rationally to reach people's hearts and to appeal to their reason.*
2. *The main idea should be relevant to all brand audiences.*
3. *It has to be special.*
4. *It must be real. It has to reach the heart of the brand, avoid clichés and highlight the concept that the public will recognize as a real and inspiring [9].*

W.Olins develops a model for the formation of the national branding strategy as a tool for forming the international image of the state, consisting of seven stages:

The first stage consists of forming a group of experts, including representatives of the government, business and civil society, representatives of literary, art, education and media circles, to develop the national branding program.

The second stage includes the organization of sociological research to specify to what extent the image of the state is perceived in the international arena and evaluated by the citizens of the state.

The third stage involves conducting consultations with influential public officials who, as experts, are able to identify the strengths and weaknesses of the country’s image.

The fourth stage is focused on the formulation of the main idea that will become the core of the branding strategy and will crystallize in a slogan.

The fifth stage is based on the visual image that will become the communicator of the central idea and will be promoted in all public places.

The sixth stage involves conducting sociological surveys to determine how the brand is perceived by the key public: the native population, foreign citizens [15, p.47].

A major breakthrough in the research on the mechanisms of territory promotion was carried out by the British analyst Simon Anholt in “*Brand New Justice: The Upside of Global Branding*” (Oxford, 2003), and “*Competitive Identity: The New Brand Management for Nations, Cities and Regions*” (London, 2007), where the integrated and diversified approach to national branding was developed. Simon Anholt, adviser to the British government on issues of image promotion, chief editor of *Place Branding and Public Diplomacy* journal, founder and co-founder of the world’s most famous annual rankings: *The Anholt-GfK Roper Nation Brands Index* (the national brand index, based on annual surveys addressed to more than 20,000 respondents in 20 countries around the world and reflecting the attitudes of citizens of different countries towards a certain state) and *The Anholt-GfK Roper City Brands Index* (the brand index of cities), is probably today the most influential specialist in territorial marketing. In 1998, Simon Anholt introduced a new term, the “national brand”, into the scientific circuit, and basically laid the foundation for a new and important sphere of scientific knowledge, exploring the concepts of territorial or national branding. Since then, he has been working as an expert and independent political consultant with the governments of different countries in the field of national branding. He is the first to differentiate place marketing from place branding and state branding. According to S. Anholt, every city, region, country competes for tourists, investment, trust, reputation and respect from the international media. The image of the country is a competitive advantage. Country branding is a strategic approach to developing this advantage and the country’s vision of development. Without such a vision the country will not be able to compete [1]. Initially, Simon Anholt researched the state brand in terms of the brand of the product of any large corporation, where the main marketing technologies for marketing goods are used, technologies that he believes could also be used successfully to promote the national brand of the country.

According to S. Anholt, the national brand constitutes the entirety of the country’s perceptions of people, derived from six basic national skills: *export, tourism, governance, culture and cultural heritage, people, investment and immigration.*

Together they form the hexagon of the national brand:

- **export**, determines the image of products and services in each country, as well as the degree of interest shown by buyers, actively seeking or, conversely, avoiding the purchase of goods that are produced in a specific country;

- **tourism**, measures the level of interest in visiting the state and the attractiveness of tourist monuments;

- **governance**, surveys public opinion on the level of honesty and competence of the country’s government, characterizes the individual perceptions of citizens, also includes views on global issues such as democracy, justice, social policy and environmental protection;

• ***culture and cultural heritage***, shows the global perception of each country's heritage and includes the assessment of the contemporary culture of the country, including films, music, painting, sports and literature;

• ***people***, measures the reputation of the population in such spheres as knowledge, education, openness, friendship and other qualities, it also indicate the perception of the potential level of citizens' hospitality and discrimination;

• ***investment and immigration***, represents a way of communication for those countries that are attractive places to invest in people and businesses. At the same time, attracting investment and human talent can greatly contribute to the country's economic development [3].

S.Anholt outlined the following steps of state brand building algorithm:

- *finding the values, characteristics and attributes to be associated with the brand;*
- *determining the identity of the brand;*
- *transforming identity into a "visible" proposal offered to customers in the form of services, products, etc.;*
- *designing identity by appropriate methods*

According to S. Anholt, territorial branding should be based on the "synthesis of brand management and public diplomacy, followed by the active development of trade, investment, tourism and exports." A successful branding strategy is based on a proper self-identification strategy when the center of the hexagon contains answers to the following questions: "Who are we?" and "What is our strength and talent?". The researcher notes that countries whose natural resources are limited, using the principles of state branding, are capable of creating a competitive and attractive ideology and value for the whole world, thus enhancing their level of economic, political and cultural influence [3].

It is impossible to study the state as a brand without defining national identity. Today, the term "identity" applies to many political, social, ethnic and cultural phenomena, and its composition is equivalent to its object, its well-defined existence, the determination of its continuity, stability and integrity. The term "identity" can be attributed to a particular person, to a social group, ethnicity, and state. For any society and any people, national identity is the main condition for development, it is the brand of the country that plays the leading role in determining the foreign and domestic policy of the state [27].

Identity is the foundation on which opinions, attitudes and associations can be created among target audiences. The source of brand identity is the total of ideas, values, specific features, cultures, words, images, which, as a whole, form certain associations with the state-brand in the consciousness of the target audience. As the basis for forming the country's brand is the individuality of the country, which includes, on the one hand, the official characteristics of the state. These are a complex of visual, verbal indices, on the basis of which people identify the country (place on the map, name, coat of arms, flag, anthem, etc.). On the other hand, the individuality of the country includes the feature of the totality of state specificities and resources. Among these particularities and resources, the natural, demographic, historical, social, cultural, economic, organizational, legal and informational ones are included [22].

S. Anholt mentions that the national brand should be based on key identity. The brand identity source is a set of ideas, values, features, culture, words and images that, in their entirety, create in the minds of the target audience certain associations with the state brand. A successful territorial brand is not people as such, but products or talents of the country's inhabitants. The

image of the territory can not be artificially built; creating a positive image of the country can not be just an imitation, it must be in line with the current socio-economic and political progress of the country.

At the practical level, national branding is viewed from two different sides: first, it is closely related to destination marketing and pursues primarily economic goals — the development of tourism and the attraction of investment — general development of the welfare of countries; the other side of the question focuses on political or diplomatic levels. A national brand consists of three elements: a political brand, an economic brand and a cultural brand. In fact, the success of a branding strategy is possible only when cooperation is built between all the main players: the state, civil society and the business sector [1].

A new approach to branding was made by Peter Van Ham “*The Rise of the Brand State*” article in 2001. Van Ham claims that the unbranded state has a difficult time attracting economic and political attention, and that image and reputation are becoming essential parts of the state’s strategic equity [16, p.2-6]. The researcher believes that in the contemporary world the national brand plays the leading role in international relations, establishing the economic attractiveness of the state. At the same time, the state brand has to be emotionally colored to be spread as much as possible and can inspire confidence in potential consumers.

In December 2007, Keith Dinnie, a researcher at Temple University Japan, one of the world’s most prominent specialists in the field of territorial branding, the journalist editor of “Place Branding and Public Diplomacy” (Palgrave Macmillan), published his work “*Nation branding: Concepts, Issues, Practice*”. The monograph is based on case studies, detailing the best global marketing practices. Keith Dinnie says that the application of branding techniques to nations and places is growing in frequency given the increasingly global competition that nation and places now face in both their domestic and foreign markets. Today there are more reasons why nations must manage and control their branding, including the need to attract tourists, factories, companies and talented people and find markets for their exports [7]. The author also proposes his own definition of the state brand and presents it as “a unique, multidimensional set of elements that ensure the state’s cultural diversity, stability and the link with all target groups” [8, p.15]. According to the conceptual model of identity and image of the national brand by K. Dinni, the image is formed from identity (the key components of which are: culture; language; territory; political regime; architecture; sports; literature; art; religion; educational system; idols; landscape; music; cuisine; folklore) by means of identity “communicators” (brands, sporting achievements, diaspora, marketing communications, brand ambassadors, cultural artifacts, government foreign policy, tourism, celebrities) with regard to target groups (the population of the country, the population of other countries, the domestic business, international business, domestic investors, the government, media). The image of the national brand is considered by K. Dinnie as the ultimate goal of the national branding policy.

An important contribution to the development of the national branding concept was the work of researcher Y. Fan. In the article “*Branding the nation: towards a better understanding*”, the author mentions that “each state possesses a representation that is formed in the minds of people both inside the state and abroad, so we have to say that the state has a brand”. Y.Fan defines the state brand as all the existing representations and images of the country that are formed in the mind of the interested public and which includes the following elements: population, place/territory, culture/language/traditions, history, famous brands, products and

services. The author also points out that the state brand can exist regardless of the efforts made by the governors, because the image of the country is already formed. National branding depends only on the quality of the brand: it will be adequately or poorly rated or clear enough/vague [9, p.99-100]. The researcher also identifies factors that positively influence the country's perception by foreign audiences, namely: shaping or changing national identity, strengthening national competitiveness, coordinating political, cultural, business and sports activities, promoting economic and political interests inside and outside the country, changing or improving the image/reputation of the country. However, he believes that it is necessary to clearly distinguish between the concepts of "identity", "image" and "reputation", and gives the following list of factors: territory - geography, tourism resources; natural resources, local products; people - nationalities, ethnic groups; history, culture, language; political and economic systems; social institutions; infrastructure; famous people; visual components (pictures and images).

If we are to refer to Russian researchers in the field of national branding, then, in our opinion, an interesting point of view is presented by O.Tyukarkina, who concludes that a successful brand of a state will allow not only to improve the image of the domestic and foreign policy of the country, but will also increase the level of political influence of the country on the international arena, contribute to the increase of the volume of export of branded goods and services, will strengthen international ties and partnership relations, will stimulate the sentiments of national identity of the country.

In the researcher's view, national branding is a series of measures in the fields of exports, tourism, culture, domestic and foreign policy, and investment in developing and implementing the state brand building strategy aimed at improving the image of the country, perceived by the local population and foreigners and enabled by a variety of instruments (communication, marketing, public diplomacy, etc.) [35, p.26].

O. Tyurkina highlights the following features of national branding:

- *helps to attract tourists, investors, foreign capital, business in the country;*
- *offers support for national export (the entry "Made in XXX" can become the label that will guarantee the quality of the manufacturer);*
- *strengthens national identity; contributes to the formation of the positive image of the state both abroad and among the local population;*
- *is formed in the conscience of the inhabitants of other countries on the basis of known information about a country or another (this can be the experience of a visit to the country in question, the geo-regional knowledge of the facts, the information obtained from the mass media, etc.);*
- *building the state image is a complex process, based not only on communications and other strategies used in political marketing, but also on the long-term integrated state strategy aimed at building or improving the image of the country;*
- *the image of the state can be improved only when all the inhabitants of the state who are the direct representatives of the national brand (whether these are political elites or ordinary citizens) support the identity of their country's brand and, by their actions, do not reject the image presented abroad;*
- *building the brand of the state is significantly different from making the brand of goods and services;*

- *the central objective of national branding is to identify the country's uniqueness, its inhabitants, culture, i.e., everything that distinguishes it from another country* [35, p.27-28].

It should be noted that the term “national branding” is closely intertwined with the concept of “soft power” by J. Nye.

The concept of *soft power* has gained a great popularity over the last decades among researchers as well as politicians and civil servants. The emergence and rapid development of this concept is due to scientific research conducted by the representative of the neoliberal school of international relations, Joseph Nye, American foreign policy specialist and professor at John F. Kennedy School of Government at Harvard University.

Joseph Nye highlights two ways of influencing the actors of the world political process, which he identifies as *hard* and *soft* power. By the notion of *power*, the scientist implies “the possibility of using the carrot and stick method, that is, the economic and military forces, to force others to follow your will”. For the first time, soft power was introduced into scientific practice in 1990. In his book “*Bound to Lead: The Changing Nature of American Power*”, the author defines *soft power* as a constraint of others in such a way that they want to get the results you want to have. In his later works, especially in the works “*Soft Power: The Means to Success in World Politics*” (2004) and “*The Future of Power*” (2011), Joseph Nye develops the *soft power* concept. “Soft power” is a form of political power, the ability to achieve the expected results based on voluntary participation, affinity and attractiveness, unlike “hard power” that involves coercion. In other words, this notion is the ability to achieve results through persuasion, not constraint. In later studies, “soft power” is already qualified as the ability to influence other states to achieve their own goals through co-operation in certain areas, directed to conviction and the formation of positive perception.

According to J.Nye, *soft power* is characterized by three main elements:

- *culture, in the broad sense of the word;*
- *political ideology (political values);*
- *foreign policy (diplomacy).*

The use of “soft power” allows the state “to create such a favorable international environment in which the state, the holder of this power, will be able to pursue its own interests without resorting to direct and harsh influence or threats”.

By contrast, *hard power*, which is usually associated with the ensemble of military power, economic and political potential, involves the use of various instruments of influence such as economic sanctions, bribery, threats of military action or restraint in pursuit of foreign policy goals.

For J. Nye, “gentle power” means, above all, all the power resources that allow the US to achieve its soft hegemony on the international arena [34, p.19].

It is assumed that if a state or citizens of other states share the same values as the “soft power” sending state, in other words, they admire its culture, its level of development and openness to other members of the international community, they will follow the example of the sending state, trying to imitate the policies of that state and thus continuing the development scenario favourable to the sending state. Thus, “soft power”, in contrast to “hard power”, which causes states, their own citizens or foreigners and other actors in world politics to undertake certain actions by imposing their will, is based on the ability to shape the preferences of others.

We agree with the Russian researcher O. Vasilyeva, who identified significant differences between the concepts of “national branding” and “soft power”:

- disciplinary affiliation: the theory of international relations vs. marketing;
- pragmatic focus: competitive offer vs. influence disguised as offer.
- It should also be noted that national branding is a type of activity, often using the term “tool”. A “soft power” is a resource for the purpose of acquiring, which is often used by national branding.

The researcher also notes that building a state’s brand is controlled by the government, which forms a strategic approach to the development of national advantages. A systematic approach to building up a “soft power” resource through the development and implementation of a country’s brand strategy will successfully advance national interests, increase the share of exports, ensure additional growth of domestic and foreign investments, and strengthen the unity of the population. This is the way to create a stable competitive position on the world stage in rapidly changing global conditions [25, p.103].

Effective national branding contributes to building an adequate image of the country and acquiring desired positions in the global political system and is aimed at strengthening the global competitiveness of the state and its international political influence. Consequently, the functions of national branding are: 1) the acquisition by the state of a desired position in the political market; 2) recognition of the state, endowing it with certain characteristics based on the construction of stereotypical associative perception; 3) strengthening the competitiveness of the state; 4) the expansion of political influence of the state [26, p.73].

The first state branding companies emerged in the 1990s of the 20th century. Such countries like Great Britain, Germany, Italy, France, pursuing political and economic goals, invest in the international PR tens of millions of dollars annually. Today, the governments of various countries turn to branding agencies one after another to create an attractive brand: *Poland - Saffron Brands*, *Oman - Landor Associates*, *Croatia - Placebrands*, *Serbia - Corporate Edge*, *Russian Federation - Ketchum* till 2014).

For the Republic of Moldova, campaigns on national branding of the post-Soviet states, especially the Baltic countries, which in 2004 became members of the EU, are of great interest.

Among the states in the post-Soviet space, attention is paid to the research of Estonian experience and the building of the state branding campaign. The 1 million dollar project started in 2002 and was entrusted to the famous British company “Interbrand”. The main reason for launching the campaign was the country’s EU bid. It was necessary to present Estonia to Europeans as a valuable member of the EU within short terms and to promote a new image among their own citizens. The campaign’s advertising materials were spread to both Europe and Estonia. The slogans were very simple, accessible to any audience: *Welcome to ESTonia and Go to EaST*). Three letters EST, which the name Estonia begins with, and have the meaning of “East” in English, had underpinned the visual concept of the brand. Two elements were used to create the logo: the outline of the country’s borders and the inclusion of the slogan with an emphasis on EST. The strategic goal of branding was not direct economic advantages but political dividends: Estonia during the branding campaign was to be perceived in Europe not as part of the former USSR but as Europe itself, its eastern part [23].

Interbrand formulated its recommendations in the form of a manual with instructions: it was written in Estonian and English; well structured; richly illustrated and consistently showing all stages of the creation of the individual brand named Estonia [24, p.21].

At the same time, despite the resources invested, Estonia failed to create a strong brand, and the campaign's effect was rather regional as it contributed to a large extent to the increase in the number of tourists, especially from the Russian Federation.

Thus, Estonia's branding campaign shows that an efficient brand is a powerful tool that contributes to solving political, economic and cultural objectives, as well as to building a positive image of the country not only abroad, but also within the state.

The process of national branding in Latvia began after the collapse of the Soviet Union. In this connection, in September 1998, the Government of Latvia established the Latvian Institute. Latvian Institute promotes Latvia's positive international recognition.

Since March 2012, the Institute is an institution of direct administration under the control of the minister of foreign affairs.

The Institute carries out the following functions:

- participates in the creation of politics of Latvia's identity and coordinates the implementation of it;
- creates network of partners (governmental and non-governmental institutions, private partners, experts and others) that cooperate with the Institute in Latvia promoting activities;
- organizes Latvia's promoting activities abroad and in Latvia.

The Institute also performs the following activities:

- prepares and spreads general information about Latvia and also detailed information about themes concerning the state, land and nation. It also prepares and spreads informative materials about Latvia, creates and supports Latvia's official informative portal for foreign auditorium, offers information and consultations about issues within the competence of the Institute.
- within its competence carries out national and international projects;
- within its competence co-operates with governmental institutions, local authorities, non-governmental organisations, private persons.
- achieves other activities that are defined in other legislation acts.

First director of the Institute was Vaira Vīķe-Freiberga (19.10.1998.-08.07.1999.), who after some time was elected president of Latvia [14]. In 2006, the Latvian Institute created the official portal of Latvia – www.latvia.lv.

In the period from 2002-2009, a branding campaign was launched in the country, called "*The country that sings*". It was understood by the locals, but not by foreigners. In 2007, one of the most famous experts in the world on this issue, *Simon Anholt*, was involved in the development of the national branding strategy. He conducted a large-scale study aimed at identifying Latvia's competitive advantages. The results were far from optimistic. Latvia has been associated with a post-Soviet country with bad customer service and low quality of life [5]. The reality of Latvia is of a pleasant, European nation with an important capital city (Riga) and some uniquely preserved natural wilderness. There is also a very strong traditional culture that expresses itself in a variety of folk traditions, primarily singing. As with any other developing nation, Latvia is not without its problems or issues. Corruption is considered to be a problem by

some and there is the ongoing issue of a large Russian minority, stranded after the collapse of the Soviet Union [6].

As a result, S. Anholt offers a way out of this situation: to “advertise” Riga - the capital of Latvia, and not Latvia itself as a whole. The recommendations of S. Anholt in 2009 were embodied in the LIVE RIGA brand through the creation of the portal www.liveriga.com and regular advertising campaigns abroad.

In 2010, a campaign was again organized in Latvia to create a renewed brand of the country called “*Latvia - Best Enjoyed Slowly*”. Latvia has created a successful image of sustainable tourism destination with rich culture and pure nature. Latvia is a place for relaxation and recreation, a place worthy to return to. In Latvia tourists have an opportunity to change the tempo of their lives and enjoy a leisurely rest, thus enjoying new experiences, aspiring to harmony and revealing true values. This campaign was successful during the period of 2010 – 2016, and there has been a significant increase of number of tourists (+75%).

To analyze the image and brand of the Republic of Moldova, we will use the model “S.Anholt hexagon”. We will examine the competitive advantages of our country within each element.

Population. Moldova is a country on whose territory lives the native population, as well as other ethnic groups - Bulgarian, Russian, Ukrainian, Gagauz and others. According to the census data from 2014, the main ethnic groups are Moldovans - 75.4%, Ukrainians - 6.6%, Gagauzs - 4.6%, Russians - 4.1%, Bulgarians - 1.9%, and other nationalities - 0.8% [19].

Many foreigners who have visited Moldova believe that the country’s inhabitants are sincere, hospitable and very friendly. This is the very aspect and must be promoted in the West.

Culture and traditions. Our country has a rich and multifaceted spiritual and material culture that reflects the thoughts and expectations of people, their needs and their mentality. Oral folk art, traditions, customs, crafts, literature, plastic arts, music, theater, and in the 20th century the cinema as well, have reached a high level of development, proof of which being works of art that have become part of the national and international cultural heritage [30].

There are many holidays in the Republic of Moldova, such as the winter ones, those dedicated to welcoming spring, the grape harvest in autumn, all of which are an excellent opportunity for a good rest. Many traditions are also related to the calendar holidays: Easter, Holy Trinity and Christmas. Winter holidays, for example, are accompanied by carols, theatrical shows in which both children and adults participate. It should be noted that men’s Christmas carols are included in the UNESCO protected cultural heritage list. Along with religious holidays, the traditional holidays of the Moldovan people should not be forgotten, of which the most famous is “Mărțișor” - the symbol of spring. In March, people hang a “mărțișor” on their chests, a white and red cord symbolizing the arrival of spring.

Investments. Creating a positive image of Moldova is impossible without the investment attractiveness which in many respects depends on creating favourable conditions for the business environment. However, indicators of foreign investment in the Moldovan economy are not the best. Moldova is not capable of attracting serious investors who would open their offices in the country, create jobs and contribute to the launch of the Moldovan economy. According to the credit rating, conducted by the international agency Moody’s, the rating of the Republic of Moldova has dropped: from stable to negative. The country’s solvency is a reliability indicator that reflects the borrower’s ability to get a loan and return it on time. If the state rating decreases,

the investment attractiveness of its market is reduced automatically. It is not excluded that our country will be abandoned by those investors who have been working in the Republic of Moldova for many years. In the report of the international agency Moody's it is said that among the reasons for the decrease of Moldova's solvency to a negative level is the low level of the liquidity of the state securities. Moody's experts do not exclude that they will reconsider the rating if Moldova signs a new memorandum with the IMF [29].

The foreign and domestic policy of the Republic of Moldova, at the present stage, is aimed at implementing the EU-Moldova Association Agreement in such areas as trade, politics, security and culture. The ultimate goal is EU membership. However, this is a long-term goal. From the very beginning, we need to build "Europe at home, create European standards of democracy and prosperity for all citizens" [36]. As soon as possible, it is necessary to develop a campaign to promote the image of the Republic of Moldova in the EU. It is necessary to present Moldova to the Europeans as a valuable member of the EU and to promote a new image among their own citizens.

Trademarks for export. The recent years have been marked by serious steps for Moldova in the sphere of creating new export trademarks. Thus, starting with 2012, Moldovan fruit and vegetable products are exported under their own brand "Moldova" and the slogan "A great taste".

Particular attention is paid to the campaign "From Heart ♥ Brands of Moldova", launched in 2012 under the USAID CEED II project, in partnership with the Association of Light Industry Enterprises (APIUS) and the local producers who have been successful on the domestic market. This campaign aims to increase the prestige of Moldovan enterprises that produce clothes, footwear and accessories under their own brands.

It should also be noted that our country has also developed a national brand "Wine of Moldova" to promote wine products on domestic and foreign markets. The new brand logo shows a stork with a grape, stylized as a drop of wine. The grapes replicate the outline of Moldova. The new logo and the slogan "Wine of Moldova – a legend alive" must become a guarantee for the quality of wine.

Tourism. The national brand of the state can be promoted through tourism. In Moldova there are many interesting places for foreign tourists. For example, the open-air museum of Old Orhei, Țâpova Monastery, Căpriană Monastery, Curchi, Saharna, Manuc Bei Palace, Soroca Fortress, etc. Rural tourism can also be attractive, but it is not developed at all in our country. A wide variety of wine products in Moldova are of particular interest to tourists. Particularly for them special wine routes are developed, including the visit to the famous wine cellars and underground galleries, where wine collections are kept, which are also known abroad: Cricova, Mileștii Mici, Cojușna, Purkari etc.

The first step in the field of tourism promotion in Moldova was the elaboration by the Tourist Agency of a new tourist brand of the country. The logo was created on the basis of traditional motifs and represents the Tree of Life, which complements the slogan "Discover the routes of life". The brand reflects the values and the specificity of tourism in Moldova: hospitality, naturalness, sincerity and authenticity. The slogan urges tourists to follow the paths leading to new discoveries while becoming acquainted with the hospitality, history, wine, cuisine and traditions of Moldova.

Thus, recently, a number of important steps have been taken in the Republic of Moldova in order to improve the state brand. Modern concepts and state development strategies are being developed: promoting national brands, developing tourism, promoting wine, which can be subordinated to a unique branding strategy of the state. At the same time, we must note that the foreign audience's perception about Moldova is related to the negative stereotypes spread by the foreign press, regarding the corruption in the country, the billion dollar theft, and labour migration that has considerably increased in size. At present, the image of the Republic of Moldova does not correspond to the new realities and, accordingly, does not produce the necessary effect either on the investment flows and tourists, on the increase of the patriotic sentiments of the population or on the consolidation of the state's authority on the international arena.

The creation of the country branding of the Republic of Moldova for the international community is undergoing certain difficulties.

First of all, until now, a unique program of initiatives in the field of national branding has not been developed in the Republic of Moldova. Separate events do not produce the desired effect. All the branding actions of the country are reduced only to some fragmented events, which the representatives of the target audiences either know nothing about or know very little.

Secondly, there is no single government agency responsible for forming and promoting the state branding in the country. In this sphere, all the activity is limited to the rare and unobserved actions of the diplomatic corps through embassies and consulates abroad. Besides, in these structures, there are practically no specialists in the field of branding and public diplomacy.

Thirdly, the Republic of Moldova still does not have large commercial brands in its assets.

Fourthly, the Republic of Moldova does not yet have a well-thought-out and stable policy in the field of external communications. At the same time, there are no effective channels for transmitting information in the international information space.

Fifth, although in the Republic of Moldova there is a large number of tourism companies, the domestic tourism segment is underdeveloped, i.e., the country is weakly positioned on foreign tourism markets as an attractive object for world tourism.

Sixthly, there is no public institute in the Republic of Moldova that deals with branding through public diplomacy such as the F. Ebert Fund, the Goethe International Institute, the British Council etc. [31].

Thus, based on the analysis of the scientific literature, it is possible to propose the strategy of building the brand of the Republic of Moldova, which would consist of:

- *creating the organization responsible for the national branding campaign;*
- *seeking the values, characteristics and attributes that must be associated with the brand;*
- *spotting brand identity (determining the philosophy and values of the state brand; establishing the information platform; developing the creative element of the brand);*
- *transforming identity into a proposal for consumers in the form of services, goods etc.;*
- *developing and implementing the state brand strategy (identifying the basic spheres of the strategy activation and the key instruments for its attainment, etc.);*
- *monitoring and evaluating the brand success.*

At the present stage, the main problem that hinders the efficient formation of the territorial brand of the Republic of Moldova is insufficient awareness of the importance of the activity in

this direction by the national elites. There is no operational understanding of what national branding is and why it is needed.

Country branding is a difficult, multi-layered and multidimensional process. It is necessary to identify the global trends underlying the “general idea”, “direction of development and movement”, as well as the “prospect”, “lawfulness” or “reality”. After forming the general idea for the state, it is necessary to develop a strategic marketing plan for the development of the territory. One of the final steps will be to develop the logo of the object in question. The visualization should illustrate key strategic ideas and brand values. There must be some marketing concept (even a small one with minimal parameters) in which it is necessary to fixate the country’s basic positioning, goals and tasks of promotion, existing marketing issues, target audiences, promotion channels, key messages, brand values, identity profile, etc. Of course, the concept has to be created based on marketing research.

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