

# **THE NATION BRANDING OF THE CZECH REPUBLIC, SLOVAK REPUBLIC, POLAND, AND HUNGARY – CONTRASTING APPROACHES AND STRATEGIES**

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## **The Nation Branding of the Czech Republic, Slovak Republic, Poland, and Hungary – Contrasting Approaches and Strategies**

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# **The Nation Branding of the Czech Republic, Slovak Republic, Poland, and Hungary – Contrasting Approaches and Strategies**

## **Structured Abstract**

Purpose: The purpose of this study is to investigate the nation branding strategies employed by four former communist-bloc, Central European nations: the Czech Republic, Slovak Republic, Poland, and Hungary.

Methodology: An exploratory approach is adopted comprising a series of fifteen interviews with twenty-one key informants. Respondents include officials from Governments and Embassies, National Tourism Organizations, Export Promotion Organizations, and Investment Agencies.

Findings: The results show that each country investigated in this study has engaged in nation branding activity in recent years. However, the range of activities pursued by each country and the degree of coordination of activities varies. Research by each country into its own country image appears to be conducted on an infrequent basis due to budgetary restraints.

Research limitations/implications: Further research is required into the systems that countries do, or do not, have in place for developing, managing and implementing their nation branding strategies. Future research should adopt a comparative perspective to identify commonalities and differences between nation branding strategies employed by countries in other regions of the world beyond the Central Europe region that was the focus of this study.

Practical implications: Countries need to develop more sophisticated structures and processes in order to facilitate inter-agency collaboration within the overarching context of their nation branding strategy.

Originality/value: This study reports on an under-researched geographic area. The nation branding strategies of post-communist nations are of particular interest, as such countries are eager to establish modern, forward-looking identities and to leave behind negative perceptions that are remnants of their recent historical past.

Keywords: Nation branding; Czech Republic; Slovak Republic; Poland; Hungary

## 1. Introduction

In comparison with higher profile countries in Western Europe, Asia, and North America, little research has been conducted into the nation branding of Central European countries such as the Czech Republic, Slovak Republic, Poland, and Hungary. This study aims to help fill this gap in the literature, by examining the contrasting approaches and strategies used by these four Central European countries in their respective attempts to develop strong nation brands. A characteristic of nation branding is that it extends beyond the field of tourism and into other areas of national economic concern including the attraction of foreign direct investment (FDI), export promotion, and public diplomacy. Hankinson (2004) has stated that the branding of places is now widespread. Anholt (2007), Moilanen and Rainisto (2008), and Morgan *et al.* (2004) affirm that place branding may be conceptualized and practiced at nation, city or region level, whilst Skinner (2005) describes how specific challenges arise when attempting to brand places rather than products, services, or companies. Particular challenges that characterize place branding include the difficulty of achieving coordination between different stakeholders (Pike 2004; Florek, 2005), designing an appropriate brand architecture (Olins, 1989; Douglas *et al.*, 2001; Dooley and Bowie, 2005), and evaluating the extent to which commercial branding techniques can be applied to entities as complex and multidimensional as places (Hankinson, 2007).

Several authors (see, for example, Suh and Khan, 2003; Tesfom *et al.*, 2004; Arregle *et al.*, 2009) have claimed that the reputation of places can impact upon important economic issues such as the success of a place's exports and also its ability to attract inward investment. Despite the wide-ranging spectrum of nation branding objectives, most research to date has continued to focus upon tourism promotion, with an increasingly frequent use of the term 'destination branding' when referring to the branding of places in order to attract tourism ((Marzano and Scott, 2009; Bell, 2008; Peirce and Ritchie, 2007; Murphy *et al.*, 2007; Pike, 2007; Henderson, 2007; Gertner *et al.*, 2006). Our study, on the other hand, seeks to take a more balanced perspective by taking into consideration nation branding approaches and strategies used by the Central European countries of the Czech Republic, Slovak Republic, Poland, and Hungary to achieve not only tourism promotion, but also FDI attraction and export promotion.

## **2. Background on the Czech Republic, Slovak Republic, Poland, and Hungary**

All four countries are geographically placed in Central Europe, sometimes termed Eastern Europe because of their past history when they belonged to the bloc of communist countries created after World War II. Historical relations between these four countries have long existed. From 1867-1918 the Czech Republic, Slovak Republic and Hungary were all together within the Austro-Hungarian Empire. At the end of World War I the Austro-Hungarian Empire collapsed, which gave birth to the new individual states. The Hungarian Democratic Republic was established, whilst Czechs and Slovaks were from 1918 to 1993 joined in one country, Czechoslovakia. Also as a result of World War I, Poland regained its independence in 1918. Being in the same region geographically and politically makes all four countries share a similar historical and sociocultural background. All four countries experienced another dramatic change when they found themselves within the communist bloc from 1945 to 1989. This caused changes in political, cultural, economic and social life. Censorship was applied to politics and culture and there was no private property holding allowed. In 1989, a wave of revolutions in the communist bloc countries dissolved the existing political regime and all four countries became countries with a democratic system and started the process of transition to a market economy. Today all four countries are full member states of the North Atlantic Treaty Organization (NATO), Members of the Visegrad Group (V4) and from 1 May 2004 full member states of the European Union (EU).

The Czech Republic has 10.2 million inhabitants and it is ethnically quite homogenous with 90.42% of the population Czech. Its size and population places it among the medium-sized European countries. The first embodiment of the territory was the Great Moravian Empire. In 863, the brothers Constantine and Methodius brought and spread Christianity and established a written language. Later, Czech kings ruled until the sixteenth century when it became part of a large combined state together with Austria and Hungary ruled by the Habsburg monarchs. During the nineteenth and twentieth centuries, the country underwent changes to become an independent democratic state. Since 1993 it has been working on its brand image and has conducted various campaigns. The Czech Republic is known for its musicians like Dvorak or Smetana, artists and sportsmen/women.

The Slovak Republic has about 5.4 million inhabitants with 85.8% Slovak and 9.7% Hungarian as ethnic groups. It shares a similar history together with the Czech Republic. In

the twentieth century the two countries were established in one republic together. Since the split of former Czechoslovakia on January 1, 1993, the Slovak Republic has been an independent parliamentary democracy. There are fewer known attributes about the Slovak Republic from foreigners' perspectives.

Poland is the biggest of the four countries with about 38 million inhabitants, most of whom (97.8%) are Poles. The history of the Poles goes back to the arrival of Slavonic tribes in Polish territories, which adopted Christianity in the mid-tenth century. Poland has fought for its independence and been in disputes with Sweden, the Czech Republic, and other neighbouring countries. It is now a democratic country which values national sovereignty and independence. It has gone through the transition to a market economy. Poland is known for its long history and culture, especially in the field of classical music.

Hungary has a population of 9.9 million people, mostly Hungarians (92.3%). The foundation of the country was laid in the ninth century by Arpad, whose grandson later established the kingdom of Hungary. It became part of the Habsburg Empire along with the Czech Republic. Since 1918 Hungary has established itself as a democratic republic. Hungary is quite well known for some of its products such as Tokaj wine as well as for its spa resorts, which attract significant numbers of tourists.

### **3. Methodology**

In this paper, we adopt a supply-side perspective in order to examine the nation branding approaches and strategies employed by the Czech Republic, Slovak Republic, Poland, and Hungary from the perspective of official representatives of those states. These respondents comprise Government and Embassy officials, National Tourism Organizations (NTOs), Export Promotion Organizations (EPOs), and Investment Agencies (IAs). Our study corresponds to the contention of Konecnik and Go (2008: 177) that 'investigations of tourism destination branding have primarily been conducted from a perceived-image perspective... the dearth of studies offering an insight into the supply-side perspective may lead to an unbalanced view, misunderstandings and oversights concerning the possibilities and limitations of tourism destination branding'. The supply-side perspective adopted in our study looks not only at tourism destination branding but also inward investment attraction and export promotion.

The primary data collection conducted for this study comprised a series of semi-structured face-to-face interviews with key informants from the Czech Republic, Slovak Republic, Poland, and Hungary. Fifteen interviews were conducted with twenty-one key informants. Seven were government or embassy officials, six were related to NTOs, and four were related to EPOs while three were related to IAs which makes in total six respondents from IAs. One informant was not related to any of these categories but was an official consultant for the government and prime minister in the field of nation branding.

A qualitative, exploratory approach was adopted and operationalized through the use of open-ended questions, as such questions ‘have the virtue of allowing the subjects to tell the interviewer what’s relevant and what’s important rather than being restricted by the researchers’ preconceived notions about what is important’ (Berry, 2002; 681). An interview guide detailed the questions to be asked, although respondents were free to move from one topic to another regardless of the sequence of questions in the interview guide. In this way it was possible to establish ‘a conversation-like dialogue rather than asking questions that impose categorical frameworks on informants’ understanding and experiences (Arnould and Wallendorf, 1994: 492). Questions in the interview guide include the following: ‘Does your country have a nation branding strategy?’; ‘Which of the following promotional activities do you conduct – advertising, public relations, trade shows, conferences, seminars, websites, testimonials, videos, other?’; ‘Do you collaborate with other organizations? If so, which organizations do you collaborate with?’.

When respondents agreed to allow the interview to be recorded, it was later transcribed; in cases where the respondent preferred not to be recorded, the researcher took detailed field notes and wrote these up after the interview. Thematic analysis was applied to the interview data in order to explore respondents’ perceptions of their country’s nation branding strategies to attract tourism, trade and investment. Respondents’ comments were grouped together within recurring thematic categories such as general identification of nation branding, research on country image, and the region brand effect.

#### **4. Results**

Each country investigated in this study has engaged in nation branding activity in recent years. However, the range of activities pursued by each country and the degree of coordination of activities varies. Awareness levels amongst national officials varied with regard to the nature and existence of their own country's nation branding strategy. For example, in response to the question, 'Does your country have a nation branding strategy?', a respondent (representing that country's inward investment agency) from one of the countries replied, 'Yes, but nobody knows what it is.' In terms of the promotional activities conducted, each country stated that they use the full range of promotional tools available to them, that is, advertising, public relations, trade shows, conferences, seminars, websites, testimonials, and videos. As regards collaboration with other organizations as part of their country's overall nation branding strategy, respondents generated a wide and diverse range of organizations with which they enter into collaborative relationships. Such organizations originate both from within the country itself and also from outside the country. For example, collaborative relationships were mentioned with foreign trade promotion agencies, foreign chambers of commerce, and foreign trade associations, amongst others. Specific responses from respondents are given below under the following key thematic categories: general identification of nation branding; research on country image; and the region brand effect.

#### *General identification of nation branding*

Respondents from all four countries talked about the urgency of developing a strong nation brand for their own country and to be ready to compete with other already well know nation brands. They were in various stages of research about the nation branding topic and its implementation. Some had conducted surveys related to their images. Some respondents mentioned that the economic downturn is a reason for a slowdown in their nation branding activities. All respondents know nation branding and were involved in the process of implementation at various levels.

Respondents were asked, 'Do you collaborate with other organizations?' According to their answers, various governmental organizations are participating in nation branding strategy. There were various ministries and government agencies listed. In the Czech Republic these included the Ministry of Foreign Affairs, Ministry for Regional Development and Ministry of Industry and Trade; in Hungary, the Ministry of Education and Culture, Hungarian National Tourist Office, Ministry for National Development and Economy, and Ministry of Foreign

Affairs; in Poland the Ministry of Foreign Affairs, Ministry of Economy, Ministry of Culture, and Ministry of Tourism and Sports; in the Slovak Republic, the Ministry of Foreign Affairs, the Slovak Tourism Board under the Ministry of Economy. A respondent from a Slovak governmental office said, 'There was the first meeting of the Slovak government in May 2009 where issues about uniform presentation of the Slovak Republic abroad were discussed. The body of counselors for uniform presentation of Slovak was established and the Ministry of Foreign Affairs became the coordinator body in this process.' The body of counsellors is planning to cooperate with public and private organizations which already represent the Slovak Republic in foreign countries and who may be interested in participation in this project. The general strategy including a name for the organization is planned to be presented at the beginning of 2010. There are established bodies in all three countries except the Slovak Republic which are responsible for nation branding issues and they collaborate with each other.

Another question focused on the level of coordination between existing organizations and their structures. Respondents from all three countries, except the Slovak Republic, pointed out some problems related to coordination and the difficulties that there are related to non-unified nation strategy and clear goals which are communicated through all organizations. A respondent representing the country's export promotion organization from one of the countries said, 'The problem is that governmental organizations are structured in a way which do not allow communication between them'. There is dissatisfaction at the impossibility of discussing nation branding across those organizations which are involved. This results in a lack of synergy. It also creates difficulties in reaching shared goals. Some respondents mentioned that better synergy and communication will lead to higher efficiency and better budget usage because it is not unusual for some projects to overrun their budget because the projects are conducted by different organizations. Some respondents highlighted the problem that there could be disagreements inside central government, which could create pressure between two ministries and make it very difficult to coordinate. Therefore a new orientation was suggested by one respondent who does not belong to a public sector organization, 'Our main partners are towns, cities, because they have money and they have leaders. There are independent parties.' Difficulties with communications can thus be seen to vary dependent upon internal politics within government ministries, although it may sometimes be more straightforward to deal with city and regional authorities which are not subject to the same internal pressures.

### *Research on country image*

Most of the respondents confirmed that some research was conducted. They also mentioned that to conduct such research is quite costly and therefore there is a limitation on their budgets and research studies cannot be conducted very frequently. There were large scale general surveys conducted about their countries in 2004 by the Ministry of Foreign Affairs of the Czech Republic and the Polish Chamber of Commerce with some research studies in targeted countries in 2007. Other respondents confirmed that their own organization is regularly conducting research on their activities. Representatives from all four countries' NTOs said that they conduct every year surveys related to their tourism promotion activities.

### *Region brand effect*

All respondents agreed that the impact of the Central Europe region brand effect on their individual country's image is positive. Some mentioned that there is still little knowledge about this region abroad but the situation is getting better compared to ten years ago. Especially rapid changes are seen after 1989. Negative imagery related to 'Eastern Europe' appears to be decreasing over time.

Respondents varied dependent upon their organizational affiliation in their views regarding the region brand effect. NTO respondents were most positive about the importance of cooperation as a region for Central Europe, which they related to the activities of V4, the Visegrad group of Central European nations (Czech Republic, Slovak Republic, Hungary, Poland). One respondent from an NTO commented, 'The main aim of this cooperation is to improve countries as a single tourist region under a common slogan and logo: "European Quartet-One Melody". National Tourist Boards promote countries together via different events and through various marketing tools.' Respondents affiliated to export and investment organizations were more critical about highlighting the regional brand. The reasoning for this was the competition of economies, its scale and potential, and the importance of each investment. A representative of one export and investment organization said, 'We try to differentiate ourselves from our neighbors. In many cases the foreign investors are in negotiation with other governments and compare.' Another representative commented, 'A state strategy is to present our country independently. Cooperation is not desirable because

only big countries can have profit from doing that.' Opinions thus appear to vary dependent upon which type of organization the respondent belongs to.

## **5. Research Implications**

Further research is required into the systems that countries do, or do not, have in place for developing, managing and implementing their nation branding strategies. Future research should adopt a comparative perspective to identify commonalities and differences between nation branding strategies employed by countries in other regions of the world beyond the Central Europe region that was the focus of this study. Furthermore, there is a need for longitudinal studies that track the evolution of individual country's nation branding strategies over time, in order to assess the impact of internal and external factors upon the development and implementation of nation branding initiatives.

## **6. Practical Implications**

Although each country examined in this study demonstrated through respondents' interviews that they engage in several nation branding strategies, the intensity of such activities and the commitment to a coordinated approach varied widely not only from one country to another, but also within each country in terms of how closely the country's different organizations collaborate with each other. There also appeared to be varying levels of awareness regarding official government policy regarding each country's nation branding strategy, which suggests that governments need to demonstrate higher levels of commitment in terms of communicating official nation branding strategy to its official representatives located in foreign countries.

## **7. Conclusions**

This paper has investigated recent issues related to nation branding in the Czech Republic, Slovak Republic, Poland and Hungary. All four countries have experienced dramatic changes in their political and economic structures since the end of the communist era. They all feel urgency in building their own brand as it is seen to be a crucial marketing tool in today's globalized world. However, according to some respondents, a problematic area in the development and implementation of nation branding strategy is that communication between different governmental organizations does not seem to be working well. Most of the

organizations experience a lack of willingness to share information and because of that the efficiency and effectiveness of some projects is reduced. All respondents were aware of a regional effect. They all agree that positive image is increasing and the Central Europe region is much better known now than it was, and the region is now associated with mostly positive things. There was a difference in opinions about regional promotion. NTO respondents had a more positive view on joint regional promotion whereas respondents from investment and export organizations took a more critical view of regional branding, arguing that cooperation is not possible in an environment of competition for investors and market share in export.

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