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Nation Branding and Nation Brand Equity: The Case of Slovakia, Pardon Me, Slovenia (Summary Brief)

Arne Baruca
Sacred Heart University, barucaa@sacredheart.edu

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Summary Brief
Nation Branding and Nation Brand Equity: The Case of Slovakia, Pardon Me, Slovenia

Arne Baruca, University of Texas - Pan American

The purpose of this study is to explore and discuss whether Slovenia, a Central European country, has the possibility of developing a nation brand. As a new country Slovenia faces recognition problems and is thus being confused with other countries; specifically with its "twin-country" Slovakia.

This is a case-based paper. The author uses a previously developed nation brand equity model (Dinnie 2008) to illustrate and explore the nation brand equity of Slovenia. The exploratory study shows that Slovenia has the elements of the nation brand equity model, and therefore has all the needed potential to develop the nation brand. This study uncovers important implications that can be used by country officials for developing the nation brand of a country. Thus, country officials will have the understanding needed to develop a nation brand which will help to avoid confusion with other countries.

Introduction

Addressing the need to market locations, Kotler, Haider and Rein (1993) started the trend of country branding, and by the end of the 90's and at the beginning of the new millennium, several authors presented successful and unsuccessful cases of country branding; (Morgan, Pritchard and Piggot 1999; Gilmore 2002; Lodge 2002; Kolter and Gertner 2002; Pike 2006), but all agreed that this phenomenon is possible. As Morgan, Pritchard and Pride (2002) claimed, branding is one of the most powerful tools that country marketers can use to create a unique identity for their countries. Clearly, due to the complex nature of countries, some skepticism was also present (O'Shaughnessy and O'Shaughnessy 2000), but researchers (Morgan, Pritchard and Pride 2002; Kotler and Gertner 2002; Lodge 2002; Kerr 2006; Pike 2005) insisted that branding theories can be applied in country branding as well. Successful branding strategies from countries like New Zealand, Wales, and Australia confirmed this notion.

The purpose of this paper is to explore whether Slovenia, a Central European country, has the possibility of developing a country brand. Slovenia, as a newly independent country, has not yet established a well known international image, and therefore it is harder to gain competitiveness in terms of tourism, foreign direct investment and exports. Anholt (2000) claimed that Slovenia indeed lost the image of being "Balkan," but as Olins (2002) pointed out, many still cannot differentiate between Slovenia and Slovakia. As a matter of fact, many mix-ups between the two happened in the past years.

Literature Review
Dinnie's model of nation brand equity

A concept that is very important in the branding literature is brand equity. The brand equity concept has been widely researched in the past years. Many authors have discussed its importance (Aaker 1991; Keller 1993), and therefore, many models have been developed in order to help organizations build it.

Dinnie (2008) proposed an asset-based model of nation-brand equity that consists of internal and external assets and defines nation brand equity "as the tangible and intangible, internal and external assets (or liabilities) of the nation" (p.67). In this model, internal assets are categorized into innate and nurtured assets, whereas external assets are defined as vicarious or disseminated. *Innate assets* of a country include iconography, landscape and culture. *Nurtured assets* are, according to Dinnie (2008), represented by internal buy-in, support for the arts and loyalty levels. As already mentioned above, Dinnie (2008) categorizes external assets of nation brand equity into vicarious or disseminated. Vicarious assets are divided into country image perceptions and external portrayal in popular culture (Dinnie 2008). Disseminated assets are represented by brand ambassadors, the diaspora and branded exports.

The case of Slovenia

Slovenia gained its independence from Yugoslavia in 1991. With its population of 2 million and an area of 20 273 km^2, Slovenia is one of the smallest countries in Europe. Since its beginnings as a country, Slovenia has struggled with its image. The government has only promoted the country through tourism and of course through establishing embassies across the world. Little, if anything, has been done in terms of branding the country. There are some smaller initiatives, but these initiatives appear to have little strategic scope.

In order to position itself and to be more recognizable, the Slovenian government should engage in a nation-brand strategy with the inclusion of all important stakeholders in the country. As it is now, the promotional efforts are left solely to the Slovenian Tourist Organization (hereafter STO), which of course promotes tourism only. STO was established in 1996 and so far already launched two major marketing strategies for Slovenian tourism. Slovenia's situation completely depicts the problem that Kerr (2006) pointed out, and that is, that branding the destination for tourism purposes only is limited. The goal of nation branding is not attracting tourists only, but it should attract business and help

in exporting domestic brands (Kotler and Gertner 2002; Kerr 2006; Dinnie 2008).

The "Mix-up" problem

Since it is a newly established country, the nation-identity is not known. Above all, Slovenia has another major problem that is constantly making her recognition more difficult. People confuse the country with some ex-Soviet countries and in addition, Slovenia has, as I would call it a "twin-country problem" and that country is Slovakia. And needless to say, Slovakia has the same problem. The two countries are not only almost of the same age, (Slovenia gained independence in 1991, Slovakia in 1993), but also their flags are almost identical; both countries are situated in Central Europe fairly close to each other; both border Austria and Hungary; both are members of the European Union; their names are very similar and above all, the Slovakians pronounce their country's name "slovenska," which makes the situation even worse due to the similarity of pronunciation.

The recognition issue and especially the "twin country problem" would most likely not have happened if Slovenia (or Slovakia) had a nation-brand well developed. But does Slovenia have the possibility and assets of developing a nation-brand? To try to answer this question the asset-based nation-brand equity proposed by Dinnie (2008) was used to evaluate Slovenia's assets.

Conclusion/Implications

According to the exploratory analysis of Slovenia's nation-brand equity Slovenia certainly has the assets needed to build a significant nation-brand. A few examples have been described in order to understand the problem that Slovenia has and other examples presented to confirm that Slovenia has a potential of being a brand, at least according to Dinnie's model. Of course not everything is perfect, and some adjustments are needed, but the core is mature. Slovenia has a good starting point.

The government should be more aggressive towards that problem and work in order to build a strong Slovenian nation-brand. The task of the government should be primarily focused on (i) convincing the general opinion that building a nation-brand could bring benefits, as Morgan, Pritchard and Pride (2002) described and next (ii) the government must organize a special group that would progressively work on building and later implementing the whole strategy and not just a tourist focused logo. Also, (iii) the government should be aware of the fact that nation branding is a long process, and that the nation building team must work on the project on a long-term basis. With this in mind the strategy and the team members should not be changed every four years when the government leadership positions change. And in this I see a potential problem with the project, since "small revolutions" are always taking place after an election. Since the nation brand project team is usually created by the government, it is very difficult that the team would survive a shift in governance. If that obstacle could be overrun, the future for a Slovenian nation brand project might be possible. With the right strategy, the Slovenia nation-brand project can become successful, despite the smallness of the country.

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