Georgia’s national brand in the European Union – is it possible “to sell the nation”?

Introduction

In the times of globalization, the unification and intensification of international interdependencies led to the deepening of the mechanism of “mondialization” and “westernization” of the political and economic spheres. The democratic system becomes a common way of functioning of states and societies. The fact that more “new international actors” join the group of democratic states leads to the conclusion that the concept of “state’s existence” in the international area requires a new interpretation of this concept.

In the above process of “westernization” and democratization a state enters the marketing space, it becomes “a product” that needs to create a brand of the so-called, state brand. A brand itself is created to distinguish a product or service on the market, the same with a state brand. The idea of branding came from the territorial/place branding, but still the globalization processes changed its structure and the way of creating it, and currently a state brand is more common to a company/corporation brand.

The aim of the article is to present one of the components of a state brand – a national brand of one of the Post-Soviet states, Georgia. According to the Author Georgia’s national brand is oriented towards the European Union, and it is still in its infancy; what is more, it is connected with its political and country brands, which influence the progress of creating the national brand.

The article was made as part of the “Georgia’s political brand” project conducted in Tbilisi, Georgia (December–January 2016–2017). It was financed by the Faculty of Political Science and International Studies, University of Warsaw, as the “DSM 2017” project. It was made in cooperation with Ivane Javakhishvili Tbilisi State University. During the project the
Author created the series of articles about Georgia’s state branding: about the political brand, the country brand, the above national brand, and generally about the studies of state branding (the basic terminology).

The Author visited Ivane Javakhishvili Tbilisi State University to conduct the research. She used two main research methods: the research desk and the qualitative research. The first used method, the research desk, was about analyzing the literature – the Author used the Parliament Library’s and the Ivane Javakhishvili Tbilisi State University Library’s collections. The Author used the articles and books about national branding, and about the current status of politics, economy, culture, and tourism in Georgia. The second used method – the qualitative research, was about conducting in-depth interviews in Tbilisi. The Author chose mainly the leading scholars of the Faculty of Social and Political Sciences of Ivane Javakhishvili Tbilisi State University.

“Selling the Nation” – from the Studies of State Branding

The phenomena of building state brands is mostly seen in political and economic competitiveness. The variety of views defining the state brand still keeps the studies of state branding flexible and unfinished. Many researchers define it individually, and use different terms, as national branding or country branding. According to the Author there is one brand, called the state brand which consists of three equal brands (Figure 1).

Figure 1. The Components of a State Brand

Source: Own study.

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The scheme shows that.\(^2\)

The state X brand consists of its national brand (reflects the ideas of one nation in the case of a nation-state, many nations or ethnic groups in a multinational state), a country brand (where the country is understood as a form of organization of society equipped with superior authority attributes, in a given territory not including the idea of nations and ethnic groups), and the political brand (narrower terms – individual politicians, or political parties, and in broader terms – the state);

Individual state brand (political, country, and national) influence each other. A negative or positive perception of a given brand affects the reputation of companion brands.

In addition to the interaction of brands – they coincide in certain spheres, and activities. An example is the national brand and the country brand. In the case when the state, through political, educational, cultural, and economic actions leads to the unification of different ethnic groups into one country, several national brands “under the umbrella” of the state brand appear, with one country brand. If the nation as a group aspires to create its own sovereign state, the national brand in many areas coincides with the country brand, creating a kind of hybrid, that is the national-country brand.

The correlation of brands forming the state brand differs depending on the specificity of the state. In the European Union, most of the national and monolingual countries create the national-state brand. In the case of multinational states, the country and national brands will only overlap in certain spheres, activities and processes. In the case of the United States, where the society is multicultural, under the umbrella of the national-country brand of the Americans, that is, the pluralistic national-country community of immigrant origin, national sub-brands (divided by their origin) were created. These sub-brands share a common national identity as Americans and their national ideologies influence political ideology, hence the political brand of the United States. This ideology binds this deeply diverse nation.\(^3\)

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\(^2\) More about the studies of state branding: ibidem, pp. 238–252.

\(^3\) Ibidem, pp. 238–252.
In the article the Author focused on one component of a state brand – a national brand. Researchers dealing with branding distinguish only national branding, stressing that it is the process of creating a brand of the state as a nation. S. Anholt defines national branding as a professional seeking of states for position and raising competitiveness on the basis of the national brand. National branding is the art of creating, managing this brand and professional soliciting countries for their position on the market based on the national brand. He points out that the national brand consists of governance, exports, people, tourism, investment and immigration, and culture and heritage (Figure 2).

Figure 2. S. Anholt’s Hexagon


T. Domański presents the concept of national branding from the general theory of classical marketing. He claims that expanding and deepening the area of interest has led to the creation of an independent sub-discipline called territorial marketing or marketing of places (the place marketing). N. Caldwell and J.R. Freire connect the national branding with the territo-

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Territorial marketing as well – according to them it can be defined as a social and managerial process, initiated by institutional entities, where a state treats a place as a source of value for exchange partners. The analysis of territorial marketing at various levels of functioning indicates that some of its aspects are particularly strongly emphasized in relation to the national economy. These aspects are related to the concept of the national brand, which is a set of material elements. Territorial marketing is related to the concept of national branding, which consists of such elements as:

- the image of the country (not to be confused with reputation), i.e. a collection of ideas, beliefs, and impressions about a given country in the eyes of recipients;
- national identity, which is a collection of unique national features of the country that can be identified;
- brands of flag products – competing products with national content and context.

J.N. Kapferer defines the national branding as one of the marketing techniques, consisting in creating or perpetuating in the minds of consumers the existence and positive image of a specific brand, in this case – the state.7

S. Styś claims that building the national wealth takes place while using marketing principles and combining macroeconomic policy of the state with microeconomic entities on the market.8 Currently, marketing is becoming an important element of sales, it is impossible to develop the state’s economic development without preparing a comprehensive national marketing strategy. Additionally, P. Kotler defines national branding as one of the ways to achieve a high competitive position on the world stage.9 However, W. Drenttel claims that country and nationality can not be reduced to the role of a brand. The image of the country is too complex and fluid to be

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9 Ph. Kotler, S. Jatusripitak, S. Maesincee, Marketing narodów. Strategiczne podejście do budowania bogactwa narodowego, Kraków 1999, p. 44.
considered as a stable brand. Its shape is influenced by historical factors as well as current political events.10

Branding of the state, and more specifically national branding understood as the presentation and promotion of national identity defines the sense of the separateness of the nation towards others, manifests the competitive differentiation of the state. National identity consists of elements such as language, history of the territory, history of the nation, cultural heritage, national symbols, and national character. Concepts of national identity as an element of building national or national-state brand awareness can be interpreted within the scope of political psychology. The theory of national identity distinguishes the attributes of identity, such as the knowledge of cultural symbols, tradition, and history. Building the recognition of a national brand takes place through the intense creation of associations caused by national symbols tight in the national identity of a given community. The national branding studied within the national identity contains the analysis of attributes of identity, national character definitions and national identity dilemmas.

According to S. Anholt, the brand gives a competitive advantage to the owner of the service good. It has many functions and has a wide range of use possibilities, because you can buy, sell, and above all, manage it. Countries use the brand for promotion their sub-brands on the international arena, and at the same time to increase competitiveness, like companies in a given market. The role of the state brand in international marketing strategy depends on entering its on the market. Therefore, building brand awareness is one of the most important elements of international branding. Any country that becomes a “product” needs a well-recognized global brand. Building the brand’s position depends on creation of the brand’s appropriate capital, which consists of brand awareness, and consumer loyalty. Creating brand capital is done by introducing some elements of brand communication, such as websites, consumer clubs, ambassadors of brands, and PR. Building loyalty is made through emotional connection of the consumer with the given brand, in this case the national brand.11

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11 S. Anholt, op.cit.
Georgia’s National Brand in Its Infancy

In Georgia, the problem of choosing a “path of development” between democracy and non-democratic systems has replaced the historical choice between capitalism and socialism, pro-Western and pro-Soviet options. In the post-Soviet states that have directed their internal transformation to the Western democratic system, there is still a gap in the opinions about the choice. Democracy in the European sense is not the result of evolution and the natural process of creating systems in “developing countries.” The sense of threat and rooted political elites as well as ethnic groups are one of the reasons why the postulate of democracy and democratic processes encounters obstacles and resistance. Not only the political changes are noticeable, but also economic. The transitions in societies and on the world market are due to the rapid growth of educational, tourist, commercial, and cultural changes—and as a result the changes visible in the way of perceiving a state, not only as a government, as a nation, but also as a “product” that needs to be competitive and have a strong brand.

This competitiveness of countries have become particularly important in recent years. Mainly because it helps to connect the state with the specific values and ideologies, but also products, culture, and services. When a national brand is positively recognizable, a state can achieve certain economic and political goals. It is important for citizens as well, because a strong brand creates a link between the authorities and people, strengthens the attachment to the nation, culture, and tradition. According to M. Hereźniak there are some specific trends that contributed to the demand for creating a national brand, which are, among others: 12

1. The improvement of democracy;
2. The improvement of economy of “developing countries”;
3. The strength of the national identity;
4. The improvement of tourism

According to the Author other trends also contributed to this demand, such as:

6. The improvement of education systems, and creation of the platform of cultural and educational cooperation;
7. The spread of the tolerance and anti-racism movements.

The above trends are also the reason why Georgia started to build its state brand, and the sub-brand, the national one. The question remains, how these trends influenced the construction of Georgia’s national brand, and how it currently operates in terms of these categories:

1. The improvement of democracy – Many “developing countries” are in the phase of internal transformation and creation of new structures. Only the democratic system gives guarantees of development and effectiveness of support programs and possible future cooperation. Democratization is becoming not only one of the conditions for obtaining support and cooperation, but also a political and economic necessity to become internationally recognizable, which means to create a strong state brand. According to the leading scholar professor Valerian Melikidze, democratization in Georgia was visible at first after the Rose Revolution, the political brand was market-oriented towards the European Union (because the European standards of democracy were implemented in Georgia), which means that the national brand was also oriented towards the EU. Currently, he points out that Georgia’s national and political brands are not improving, they are slowly becoming sales-oriented, and what is more the democratization which was the key to improve the state brand is also at the stage of stagnation. What is more, when we look at the brand from the perspective of the consumer, V. Melikidze underlines that the growth of anti-European sentiment and the pro-Russian accusations, became a source of concern among the Europeans, as “consumers” they do not bond emotionally, especially because building the brand is about creating the right one which consists of brand awareness and consumer loyalty. Summarizing, the national brand of Georgia in democratization category is at the stagnation level and

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14 In-depth interview with professor Valerian Melikidze, Ivane Javakhishvili Tbilisi State University, January 10, 2017.
it needs to be developed together with the political brand – if the political brand will not improve, the national will not as well.

2. The improvement of economy of “developing countries” – Many new democratic countries are creating their own economic structures and identity, which they want “to sell” on the international market. The “developing countries” are currently trying to be more recognizable and competitive abroad, that is why they adapt new ideologies (like democracy), search for international investors, create their flag products, and focus their brands on some specific regions. Professor Sergi Kapanadze, Georgian parliament member of the Movement for Liberty – European Georgia, opposition party, and a professor at the Tbilisi State University, claims that before 2012 Georgia was a market leader in the South Caucasus region, and now the brand is being sales-oriented, and it is focused on the investments and financial stability\(^\text{15}\).

Same as S. Kapanadze, V. Melikidze underlines that Georgians are not open to new ideologies, only to economic ones\(^\text{16}\). That is why Georgian government focused on economic development in creating a national brand, which means that they promoted a very significant flag product – wine. It has been recently announced that Georgian wine was included in the Guinness Book of World Records as the oldest wine. “(....) The wine residues were recovered from large-capacity jars, which were probably used for fermentation, aging, and storage. Prior to this discovery, the oldest chemically identified wine from Hajji Firuz Tepe (Iran) dated back to about 5400–5000 BC. These new findings are from about 600–1,000 years earlier, and indicate that wine-making and possibly viticulture were already in place about 8,000 years ago (....)\(^\text{17}\).” This event came with many new tourist trails among the tourist centers and organizations. In general, the economic growth in Georgia is noticeable, still, the lack of implementing new ideologies keeps the national brand at the same stage of development.

\(^{15}\) In-depth interview with professor Sergi Kapanadze, Ivane Javakhishvili Tbilisi State University, January 11, 2017.

\(^{16}\) In-depth interview with professor Valerian Melikidze, Ivane Javakhishvili Tbilisi State University, January 10, 2017.

3. The strength of national identity – National identity is mostly defined as a sense of separateness towards other nations shaped by national symbols, language, history of the nation, culture and art, territory, and national character. According to professor V. Melikidze the creation of the national brand is extremely connected to the national identity, especially in case of Georgia. He points out that in this country the national brand is and still should be connected to Christianity and orthodox values – but also with some values of multiethnic communities in Georgian landscape. These religious and national values are the frames of Georgian national identity. V. Melikidze underlines that improving different values like developing the gambling business will destroy Georgia’s national brand.

4. The improvement of tourism – This trend is the most improving one in category of building the national brand. Taking into consideration growing tourists’ flow to Georgia – in January–June 2017 the number of international arrivals in Georgia amounted to 2,996,170. This showed an increase of 13.4% compared to the same period of previous year. A positive trend in arrivals among citizens of the European Union countries is noticeable, as an example – Polish tourists +24.9% of change compared to the previous year (Figure 3).

Connected with the tourists’ flow issue was the marketing campaign – Georgia has recently greeted its 6 millionth tourist – with a surprise VIP experience that included dinner with the prime minister. The winner was Jesper Black, a Dutch traveller who flew into the capital of Tbilisi to visit friends living there. The campaign was posted in social media. Additionally, this marketing campaign was also made for Georgian citizens – there was information all over Tbilisi about the “special guest,” and that “he is coming” – this marketing technique connected tourists with locals. Also, many actions aimed at integrating Georgia

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19 In-depth interview with professor Valerian Melikidze, Ivane Javakhishvili Tbilisi State University, January 10, 2017.

into the European Union have been undertaken by the Georgian political leaders. According to the vision of former Georgian president M. Saakashvili, Georgia started to turn into big reforming, reconstruction, and renovation place: Georgia had undertaken economic reform program that has transformed the country’s economy towards “the West.” During these reforms the new vision of M. Saakashvili to make Georgia the best resort place in the Black Sea region appeared. The former president came with some branding visions to particular cities – Batumi, as a “Las Vegas of the Black Sea,” Signagi as a wine center and “the City of Love.” He also started the “westernization” of the tourism sphere, also many weaknesses were discovered, discouraging the image building process about the country.

Figure 3. International Visitor Arrival to Georgia in 2016 and 2017

<table>
<thead>
<tr>
<th>Country</th>
<th>2016: 6 months</th>
<th>2017: 6 months</th>
<th>Change</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Azerbaijan</td>
<td>686,575</td>
<td>737,549</td>
<td>50,974</td>
<td>7.4%</td>
</tr>
<tr>
<td>Armenia</td>
<td>552,961</td>
<td>642,661</td>
<td>89,700</td>
<td>16.2%</td>
</tr>
<tr>
<td>Turkey</td>
<td>631,443</td>
<td>531,093</td>
<td>-100,350</td>
<td>-15.9%</td>
</tr>
<tr>
<td>Russia</td>
<td>397,734</td>
<td>507,069</td>
<td>109,335</td>
<td>15.9%</td>
</tr>
<tr>
<td>Iran</td>
<td>37,359</td>
<td>120,833</td>
<td>83,474</td>
<td>223.4%</td>
</tr>
<tr>
<td>Ukraine</td>
<td>70,788</td>
<td>84,104</td>
<td>13,319</td>
<td>18.8%</td>
</tr>
<tr>
<td>Israel</td>
<td>33,253</td>
<td>49,250</td>
<td>15,997</td>
<td>48.1%</td>
</tr>
<tr>
<td>India</td>
<td>11,886</td>
<td>27,653</td>
<td>15,767</td>
<td>132.7%</td>
</tr>
<tr>
<td>Kazakhstan</td>
<td>17,283</td>
<td>20,934</td>
<td>3,651</td>
<td>21.1%</td>
</tr>
<tr>
<td>Poland</td>
<td>16,811</td>
<td>20,623</td>
<td>4,112</td>
<td>24.9%</td>
</tr>
</tbody>
</table>

5. The improvement of education systems, and creation of the platform of cultural and educational cooperation – One of the spheres where Georgia wants to establish the national brand in the European Union is education – one of the activities was created through the Eastern Partnership and carried out within the framework of the People-to-People Platform. The Eastern Partnership in the field of education and science carries out scientific and research mobility programs that allow young people, students, and staff to cooperate with partner universities, such as the “Youth in Action” program which is aimed at young people aged 13 to 30 and young researchers involved in youth education\(^\text{21}\); and Erasmus Mundus WEBB educational program, which is based on international co-operation between universities and the mobility of students and staff. Its origins should be sought in the guidelines of the Bologna Strategy\(^\text{22}\). As an example of the European integration process, the education was recognized as a priority area, and for this purpose, the Bologna Process has been adapted in Georgia as a part of building its brand based on European standards.

6. The spread of the tolerance and anti-racism movements – The clash of Georgian traditional cultural identity and modern Western visions, create unhealthy interest around mentioned topics, and the wrong understanding of Western ideologies. Professor V. Melikidze claims that shining the spotlight on same-sex marriages issues creates an anti-European sentiment – especially that according to social attitude questionnaires, homosexuals remained one of the most disliked groups in Georgian society\(^\text{23}\). Quantitative research performed in 2016 showed the negative attitudes towards LGBT group. The homo/bi/transphobic attitudes are determined by respondents’ perceptions of traditional gender roles, and religious fundamentalism\(^\text{24}\). What is more, according to the Human Rights 2018 report “Other

\(^{23}\) In-depth interview with professor Valerian Melikidze, Ivane Javakhishvili Tbilisi State University, January 10, 2017.
areas of concern included (…) the rights of lesbian, gay, bisexual, and transgender (LGBT) people”\textsuperscript{25}. In conclusion, the tolerance movement trend is not visible in Georgia, and it is not shaping the national brand of Georgia, it only weakens it in the European Union.

At the end of 2012, in October parliament elections, M. Saakashvili and his United National Movement lost against fresh made coalition of Georgian Dream. The results of October parliament elections showed that Georgians has not understood repositioning and rebranding the state well – the current leading political party stopped the development of state branding, especially the political brand, which means that the national brand as well.

According to Dominic Cagara, a journalist, civil society activist and co-founder of the OC Media (the South Caucasian analysis website) Georgia’s brand has as many strengths as weaknesses. The state is currently at the stage of dynamic economic development, which is mainly visible in the increasing number of tourists. D. Cagara underlines the improvement of creating a strong tourism brand in advertising the emergence of Georgia in, for example, Vogue and the National Geographic\textsuperscript{26}. Still, according to him some weaknesses are crucial, like uneven economic city-centered development, growing social stratification, LGBT issues, and the question of tolerance\textsuperscript{27}. According to Sergi Kapanadze, the lack of strategic vision among the leaders, the Brexit issue, and migration crisis damaged Georgia’s brand\textsuperscript{28}.

According to all the interviewed specialists the national brand is in its infancy, and they underline the existence of the following question, whether this development will continue or will turn into the brand stagnation?


\textsuperscript{27} In-depth interview with Dominic Cagara, January 8, 2017.

\textsuperscript{28} In-depth interview with professor Sergi Kapanadze, Ivane Javakhishvili Tbilisi State University, January 11, 2017.
Conclusions

In the times of globalization, the unification and intensification of international interdependencies led to the deepening of the mechanism of “mondialization” and “westernization” of the political sphere. This process led to democratization of new states, which is becoming not only one of the conditions for obtaining support, but also a political and economic necessity to become internationally recognizable. Georgia as a “model democratic state” in the South Caucasus, which cooperates consistently with the European Union, directed its foreign policy and created the state brand towards “the West.” Perhaps more than any other country in the South Caucasus, Georgia had primarily oriented its national brand towards the European Union.

Georgia’s national brand was created as a result of some general trends, like the improvement of democracy, of economy of “developing countries,” and tourism; the strength of the national identity; the improvement of education systems, and creation of the platform of cultural and educational cooperation, and the spread of the tolerance and anti-racism movements. According to the Author there are some conclusions and statements about how these trends influenced the construction of Georgia’s national brand, and how the brand currently operates in terms of these categories:

1. The national brand of Georgia in democratization category is at the stagnation level and it needs to be developed together with the political brand – if the political brand will not improve, the national will not as well;
2. The economic growth in Georgia is noticeable, still, the lack of implementing new ideologies keeps the national brand at the same stage of development; additionally, the city-centered economic growth is a weakness of Georgia’s brand;
3. The national brand is strictly connected with Christianity and orthodox values – but also with some values of multiethnic communities in Georgian landscape. These religious and national values are the frames of Georgian national identity; they are visible in the way the LGBT people are considered; what is more, the tolerance move-
ment trend is not visible in Georgia, and it is not shaping the national brand of Georgia;

4. The strongest spheres where national brand was and still is developed are education and tourism.

All in all, it is possible “to sell the nation” – when the state enters the branding space, it becomes “a product” that needs a strong state brand. This exchange results in creating an offer that includes the goods and services of national businesses, government, and non-governmental organizations, and also creating a brand for these state products. Creating the unique brand has important political, and economic consequences that go beyond attracting tourism and investment. Research made by the Author on national branding oriented towards the European Union as a component of the state branding is still in its infancy, but it is slowly improving. While Georgia needs a brand that would help to promote its national interests, still it is on the path to democracy, but one that is still far from the Western definition. This becomes clear, that the brand faces a reality check.

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**Georgia’s national brand in the European Union – is it possible “to sell the nation”?**

**Summary**

In the era of globalization, the product development and marketing strategy (that were the domain of international corporations and small, private companies) are being taken over by the public sector. This exchange of roles causes that the state enters the branding space. It creates an offer involving goods and services of non-governmental organizations, domestic enterprises, and government itself, and as a result creates a strong brand, called the state brand.

The brand of the state consists of three equal elements: national brand, country brand, and political brand. The aim of the article is to present the construction of one of the components of a state brand, the national brand. The Author tries to answer the question whether Georgia adequately develops its national brand, can it “sell the nation” to the European Union? The article was made as part of the “Georgia’s political brand” project conducted in Tbilisi, Georgia. The project was financed by the Faculty of Political Science and International Studies of the University of Warsaw as the “DSM 2017” project. It was made in cooperation with Ivane Javakhishvili Tbilisi State University. During the project the Author created the series of articles about Georgia’s state branding: about the political brand, the country brand, the above national brand, and generally about the studies of state branding (the basic terminology).

**Keywords:** branding, brand, national brand, state brand, Georgia, the South Caucasus, place marketing, national branding

**Грузинский национальный бренд в Европейском Союзе? Можно ли «продасть нацию»?**

**Абстракт**

В эпоху глобализации государственный сектор занимается стратегией продуктов и маркетинга, которая является сферой деятельности частных
компаний и корпораций. Этот необычный обмен ролями означает, что государство входит в пространство брендинга и создает предложение, охватывающее товары и услуги отечественных предприятий, правительственных и неправительственных организаций, и создает бренд. Государственный бренд состоит из трех равных компонентов: национального бренда, бренда страны и политического бренда.

Цель статьи — представить строительство одного из элементов государственного бренда, национального бренда. Автор пытается найти ответ на вопрос, правильно ли Грузия разрабатывает свой национальный бренд или может ли он «продавать нацию» Европейского Союза? Статья была создана в рамках проекта «Политический бренд Грузии». Проект финансировался факультетом политических и международных наук в Варшавском Университете в рамках «DSM 2017» программы; в сотрудничестве с Государственным университетом Иване Джавахишили в Тбилиси. В ходе проекта Автор создал серию статей о брендинге Грузии: о политическом бренде, национальном бренде, о вышеупомянутом национальном бренде и об изучении государственного брендинга.

Ключевые слова: брендинг, бренд, национальный бренд, государственный бренд, Грузия, Южный Кавказ, маркетинг места