

Can a state be a brand and are there national brands?

Discussed by Prof. Paweł Grata and Prof. Sławomir Kamosiński

Paweł Grata: Good morning to you, welcome to the latest podcast in the series "What does economic history teach us? 12 talks for tough times". My guest is Professor Sławomir Kamosiński from Kazimierz Wielki University in Bydgoszcz, where he is the head of the Department of Economics, and therefore a person most qualified to talk about economic history. Economist, economic historian, specialist in brands, trademarks and industrial history. In today's talk I would like to address the issue of national brands. How they were created, how they function, what the future holds for them. National brands, territorial brands, local brands, so something that is a product, but not really. It is something much broader than a product, and therefore something that each of us can identify with, whether we are entrepreneurs or consumers; whether we are citizens of a country or not. That is why I would like you, Professor, to tell us a bit about this and explain another of the puzzles of modern economic history, i.e. explain what national brands are. But let me start with the simplest question. Can a state be a brand and are there national brands?

Sławomir Kamosiński: When the question arises as to whether the state can be a brand, we definitely answer yes. The state can be, what is more, the state is a brand. The state is a brand, the region is a brand, if we extend the interpretation. A municipality, a city is also a brand. And what is the result of this? It results from the fact that such a separate tree of territorial marketing has appeared in marketing. Territorial marketing has as its main objective to position countries, to position regions and to position cities and other localities in the minds of consumers, in the minds of residents, potential residents, entrepreneurs and potential entrepreneurs. This is the objective that territorial marketing has set itself. And why is something like this undertaken? One reason, among others, is that if we live in a region that has a good image and has built this image on its identity, we are more likely to attract producers, service providers and tourists. Therefore, this positioning of regions, cities, municipalities or countries very often boils down to the fact that we try to build a positive image in the perception of the inhabitants, potential inhabitants of a given place, we create good location conditions for businesses and we create good location conditions for residents. Why is this so important? Because entrepreneurs bring certain incomes to the region, the state and the cities, but so do the residents. After all, residents build social capital, they build human capital, they make the

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city come alive, as the city increases the range of services on offer for those who live there or would like to live there. This is why it is so important to combine territorial marketing with marketing related to production, services and those so-called national, regional or local brands. These are of colossal importance to customers, all the more so because today, in a globalising world with , we are seeing a tendency for a large group of customers to move away from global brands to local brands. They want to be firmly rooted in that local environment. That is why we can find in every region and in every city many small producers who are prominent local brands only in a given market. and they cater to the needs of that particular area, they have a group of loyal customers who are ambassadors for these brands, and it seems to me a beautiful phenomenon that we are increasingly shortening supply chains and reaching out to what is created right next door to us.

That is, we can say that a territorial brand, a national brand is also a product. It is the same product as a commodity produced in an industrial plant, or a service. And following this line, we can talk about this positioning, as you mentioned, and we can talk about the fact that a brand may or may not sell.

Of course, every brand, every *branding* is a certain risk. Notice how the Alpine countries, the countries in the Tatras, the countries that offer sunny holidays, are trying to sell their image. More and more advertisements are appearing that encourage us to visit the areas in question. In this way, we can see that real competition is emerging. Let us also notice another very characteristic phenomenon. More and more regions in Poland, probably all of them, but also in the world, including cities, have their own logo. These traditional coats of arms are often being abandoned in favour of logos. Why do cities abandon traditional coats of arms or have a coat of arms and a logo at the same time? Because a coat of arms is often less comprehensible to the modern consumer. It is easier to recognise a city by its logo, all the more so because a logo looks beautiful on the Internet, is easier to sell, is better perceived by our eyesight and is easier, simply easier to remember. Hence, these city brands, region brands are beginning to behave just like a typical product, or manufacturer, which appears on the market and waits for the customer.

The Alpine State is a very positive example, because it is easy to positively associate the advertising of such a brand with having a good time, with a high standard of living, with affluence, simply, prosperity. On the other hand, could you show examples of the opposite? When the brands of certain countries or regions have not quite sold, or are not able to sell themselves for various reasons?

For me, an interesting example, one from a research point of view that is worth watching, for example, is Africa and the positioning of Africa in the global consciousness. Why? Because we are beginning to look at Africa as a continent worth exploring, worth



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discovering, not only because there are natural resources there, but also because there is a peculiar culture, places, dishes, animals. That is, for the global community, Africa is the kind of place whose exploration gives us new experiences, gives us new thoughts, new knowledge. We learn it, and it's also one of the elements that makes us position brands, that makes us reach out to brands willingly. It's an experience, an emotion in contact with a product or in contact with a place. Of course, we can point to North Korea as a brand that is in itself a wholly negative brand. It is difficult to find positive elements here. We are talking, for example, about the axis of evil on a global scale, so that is also where we place the states that are responsible for wars, for terrorism, and the exploration of these states can also have a dual meaning. Some people will say that politicians will create just this negative image of a country, but there are also people out there. People who build local culture, local traditions, local customs and they are very often kind of on the sidelines of this big politics. But on the other hand, we have these positive brands associated with holidays, with leisure, with prosperity, which we have indicated here - European countries or other southern European countries. In the same way we can draw attention to, for example, Poland, how nicely we have positioned seaside towns, which we associate with sun, waves and, at the same time, mountain towns, which we associate with snow, but also with summer recreation. So each place promotes itself by offering us something specific. Today, for example, culinary tourism has become very popular. This is another element that makes certain regions gain in importance. Please note, if we go to Podlasie, we have Podlasie cuisine, in Wielkopolska we have Wielkopolska cuisine. We are no longer ashamed to call the potato 'pirza' in Wielkopolska, because this is a certain identity of the region, a certain tradition on which we build certain emotions. In those customers who come to us, visit us, they get to know our region. The same is true in other countries, where we draw on this tradition very often. Let's see how beautifully have been sold as a Loch Ness product. How beautifully sold as a product is a castle in Bavaria that has become a symbol of one of the film studios. So architectural peculiarities also become that magnet that will build brands for us, that makes us, by providing us with positive cognitive emotions, we will recommend an area, point to it and encourage us to visit it. This is the secret of territorial marketing, this branch of general marketing.

And so, referring to Lochness, one can say that a territorial brand, a national brand does not quite have to be reflected in facts, because in the economy a brand has to, or marketing has to, tell the truth about a product and possibly encourage people to reach for it. Whereas here we hear about the monster, but nobody has seen it. A second example, very similar, Bran Castle in Romania in Transylvania, where Count Drac hive may never have been, but it is Drac Castle hive and it attracts thousands, hundreds of thousands of tourists from all over the world.



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Exactly. Let's pay attention to the fact that very often these stories, legends become the leaven for building a positive image of a place. It is a very characteristic thing that we, as consumers, like emotions, we like certain positive sensations, we like amazing situations in which we find ourselves. It is very often the case that in order to heighten our emotions, artificial spaces are built in the form of parks, which often cover the area of a small town. This is in order to make us feel like children there and to create such a comfort of interacting with a certain brand.

And we often try to take over these brands as well, because we know the examples of, for example, miniature parks, parks that are reflections of famous gardens, even Bucharest was able to build its own Arc de Triomphe, very similar to the one in Paris, so this territorial marketing is not afraid to draw on other people's experience?

No, he is not afraid. When the phrase, I love New York, first appeared, New York was, after all, one of the most dangerous cities, but please note, repeated many times, I love New York, it appeared on T-shirts, it appeared on caps and it changed the image of this city, of course, with the actions also real of the authorities of New York. But let's also pay attention to this slogan, I love New York, it has moved, fall in love with Warsaw, fall in love with Gniezno; Bydgoszcz, which invites you to be its guest, that is, we create an atmosphere.... Rzeszów - the capital of innovation, of which...

Many have laughed over the years.

But this is precisely the element referring also in Rzeszów, as I was thinking about it, and to the Central Industrial District, where, after all, a large part of modern technical solutions came here at that time, and also to the aviation industry, which developed very strongly in Rzeszów, especially after 1988, when the transformation took place. This is why the term Rzeszów capital of innovation is fully justified. Let's just point out that every city has a slogan, a gothic touch. Often in cities there is a face hiding behind the brand. Let's turn our attention to Toruń - Kopernik. By the way, cities taste. Note the smell of coffee, the smell of gingerbread, the consumption of gingerbread. The potato, or pyra, we even have a pyra monument in Poznań. These are the elements that complement the space, build a narrative, a story about a place, and that is why we like to go there to experience it.

But it is also important to note, with regard to this capital of innovation or the Central Industrial District, that a brand has to find its time. Here I could give the example of precisely the Central Industrial District in the early 1990s. Even in the Sejm there was an idea to rebuild the Central Industrial District, to restore its existence in the form of appropriate legislation. Then it collapsed, the time was not right. It was a period of deindustrialisation, economic collapse, post-transformation crisis. On the other



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hand, at the beginning of the 21st century, in those times you talked about in our previous episode, when this economy started to look different and brands started to appear, their own brands, Aviation Valley is being created, which directly relates to the tradition of the CID .

Let's just point out, I'll get into the word, let's point out one thing, that in the inter-war period we were building Central District Przemysłowy, what a beautiful brand we were building, central. This is where industry is located. It was also a certain copy from what was done in the States, the Golden Triangle. The Golden Triangle there, the Central Industrial District here. It also raised the prestige of the people in the region, because I live in the Central Industrial District, I go to the Central Industrial District, or I settle in the Central Industrial District. This is also something to pay attention to, this lexical layer. Today, when we say Aviation Valley it is also a beautiful term, raising the prestige. It is here that aircraft are made, because here is the Aviation Valley, this cluster.

Well, and that reference to Silicon Valley.

First and foremost.

A symbol of modernity, development, modernisation, this also builds the brand. But why have I mentioned this opportune time? I would like to ask now, about what influence conditionality has on building brands, local brands, national brands . National politics, international politics, globalisation processes, technological innovation processes. How does this affect brands, after all, we say that brands are often traditional products, it is a reference to tradition, to Copernicus, to Wieliczka, to Pyrów poznańskie, to the inter-war period, and here we have a constantly changing world.

The world is forging ahead, undoubtedly, while the distinctive thing is, for example, the female name Mercedes, which has become associated with the car and with the long history of German motoring. Please note that Mercedes as a car is positioned very high in the minds of consumers, and it has also become a calling card, a national brand, so to speak, for Germany. It sells itself as a German car offering comfort and safety, for those who care about technical solutions. So we have this direct relationship between the brand of the country, the brand of the region, and the brand of the manufacturer, which somewhere starts to produce certain products. And that's why this territorial marketing is such an important element, because if we build a good image of the region, producers are willing to come to this region, because they already have one important element achieved in creating their own brand. We come from a good region, one that customers recognise, one that is well associated with customers, one that has the right, for example, research facilities, the right human resources, the right social capital. And we draw from these



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resources and thanks to this we can say that our product is good because it is from Podlasie, because it is from Podkarpacie, because it is from Silesia, from Wielkopolska. We are just basing ourselves on a certain image stereotype, on certain achievements of a given region, because, after all, each of us uses stereotypes in our assessments and we transfer this to brands. If the image is good, then we have half the success as a producer.

Yes, these stereotypes were very clearly visible and in the context of assessing the Polish economy after 1989. Even today, in many cases we are guided by stereotypes when assessing national brands, individual economies, individual countries or even regions.

Above all, please note the stereotype that has captured the consciousness of practically the whole of Western Europe - "polnische wirt schaft" . True, it harms us, undoubtedly harming us, because Polish professionals are sought after. And now how difficult it is to change this stereotype of "polnische wirtschaft" in the minds of many Western European citizens . On the other hand, let us note that we also have such a stereotype when it comes to Chinese products. And we also use, and this is a Chinese product, that is already image-wise.

Chinese.

Yes, Chinese, that is, image-wise we position this product lower than, for example, a French, German, Belgian or Swedish product. So the stereotype plays a huge role in our consumer choice and in our everyday life, interacting with brands.

And on the other hand, the positive stereotype of German reliability or Japanese reliability or Swiss watches.

Exactly. It makes it appear that we would like to get to know this country very often too. How did they achieve this? We ask ourselves this question and then we try to figure out those qualities, we now say of a society, a nation or a country, that made them manage to build such solid brands that are in demand throughout Europe, or even more broadly, global brands.

Yes, we want to find out, and this is already a task for economic history, because in order to answer the question of why the Scandinavian countries have built such an excellent brand, both of their social organisation and of their products, you have to dig deep.

We also need to go back to certain values, certain social behaviours adopted here, which are, however, shaped somewhere by tradition, by man's subjugation of nature, by historical experience. This national identity largely influences, it seems to me, at least our

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behaviour on the market, the way we perceive brands and how we evaluate them. Well, the bad experience, what we were talking about, the bad experience of the communist period made us repel these brands for the first decade after the transformation, only to come back to them later and recognise that how good it is to be surrounded by our own brands, right?

A brand that could be repaired, improved and sold.

That's exactly right. That is, somewhere this sentiment has been revived that this served my grandmother, my mother for 40 years, and so I want to have the same thing. It's starting to become a kind of consumer loyalty. It is also noticeable in Polish society that we are becoming more and more ambassadors of national brands, local brands. We are not ashamed of these brands internationally. We believe that we have good, solid brands. An example, for example, of these local brands. How often, please note, when tourists come to us from Western Europe, or from other countries, other continents, they reach for what is local. This is what they are looking for, because it distinguishes a given region, it shows the richness of production, the richness of taste, the cultural heritage on which the identity of a given region, of a given society, is based.

I can see this even in my relations with the Professor, because each of our meetings begins with the Professor trying to bring some regional product from Kuyavia.

Well, that's exactly right. I'm precisely also a big fan of what's local, right? That which is produced closest to me, closest to my place of residence, my place of work, because it gives such satisfaction. I always feel that by voting with my money for a local brand, I show, that I am such an active citizen who identifies with the region, the city where I work and the place where I live. That's the added value I want to give back to my region. I suspect that probably many of us are such local patriots of economic brands.

Referring precisely to this last point, of how we promote local brands today, how might one try to briefly characterise the evolution of the way we do territorial marketing? How has it evolved? Somewhere in there it used to appear as a simple translation of the robustness of a given economy into a state brand. Today it cannot be translated so easily, today the world has changed. It cannot be done in times of globalisation, nor can it be done in times of the common market. How has it changed, Professor?

This territorial marketing, building local brands, building regional brands, it is certainly a very complex process and if we look at the origins of marketing, we can see territorial marketing, let's note that in my opinion it appeared already in antiquity. The ancient Athenians colonised Italy and must also have found some kind of founding myth.



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Therefore, let's note that those areas they colonised in the south of Italy were very often described as where an Athenian came and married a beautiful woman, thanks to whom they founded a city. So the founding myths in this marketing were needed in order to settle, to populate areas. After all, in the 19th century, the United States did a very intensive territorial marketing of its territories in the Austro-Hungarian partition, the Russian partition, among others, and tried to attract inhabitants as well. They needed manpower. Today, this territorial marketing plays a slightly different role. First and foremost, it is about building a positive image of the state, region and city, and helping to create strong brands desired by customers. On the other hand, the aim of territorial marketing is to make the inhabitants, or let us say the internal customers of a given city or region, feel proud of their economic achievements, their cultural heritage, their historical achievements and their historical tradition, while living in a given region, working, studying and relaxing. It is such an evolution that today we are looking for precisely these emotions, which are the little threads that bind us together and make us grow into a region, and the same happens with entrepreneurs. If an entrepreneur feels good about his region, for example, company X from a town like that might appear in his name, the name of his company, right? It's that element of just this awesomeness of connecting the region, the city and the producers.

It seems that there is a very clear shift from promoting Mercedes to promoting the region and small products from the region, closely identifiable with them, because we associate the car with the state, while regions are associated with specific products that are unique across the country or across Europe. But there is one more important point that is probably worth mentioning in the context of contemporary territorial marketing. Here marketing alone is not enough, here there must be appropriate political action, appropriate economic action and appropriate money. Because why did Poland have great difficulties attracting foreign investors in the 1990s? Because there was a lack of infrastructure. That is, without this, without proper infrastructural facilities, no region can promote itself, because it simply won't encourage anyone.

There is even a rule in territorial marketing that local authorities must be one step ahead of the needs of residents and the needs of businesses. If we are one step ahead with the construction of infrastructure, with the preparation of facilities for economic activity, for a good place to live, for education then we have a chance of success. We have a chance to tie many producers to our region, to our place. It is what the professor said, the lack of infrastructure makes the difficulties in communication repel, builds a negative image of a place. Infrastructure is the essential element, which is why city managers must always be one step ahead of the needs of residents and entrepreneurs.



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What about a situation in which some negative phenomena in the economy or in the politics of a particular country or of a particular region are so well known to the public that they have a negative impact on the reputation of that country, on the brand of that country. Let us recall here the economic crisis in Greece and its causes, how it affected the image of the brand of Greece as that country of sunshine, tourism, leisure, great history, tradition, a place worth visiting.

This is also an interesting element, because the Greeks have always been famous for tourism, for their beautiful beaches of the warm sea, i.e. leisure offerings. We tended not to pay attention to typical Greek products, the kind of brands that are firmly rooted in our consciousness. We would sooner recognise Greece by the Acropolis than by some brands of specific products. It is very often the case that the country's plunge into financial crisis does not always translate into how we perceive the country as a place for leisure, tourism and such relaxation after work. A peculiar thing is that I once took the liberty of researching how natural disasters affect the promotion of places. And what turns out is that when I was researching Poland at the time, I came to the conclusion that many public entrepreneurs, who are mayors or city presidents and aldermen, were trying to turn a natural disaster, for example a flood, into a success, into a commercial success, encouraging people to visit a particular place, to use this information about the fact that there had been a flood to give people the reassurance that we were attracting tourists, that this town was alive, that it was able to recover quickly from a particular natural disaster. Such an example was characteristic at the time Sandomierz, where it was clearly emphasised that Sandomierz Upper, this tourist part of the city is an open city - you are welcome. And at the same time in this Sandomierz there was in the public space at the time an exhibition which showed how the city suffered heavily during the flood disaster and this also builds our emotions, our connection with a given place we visit.

That is to say, a territorial brand has its power. Not even crises, not even natural disasters can stifle it, if it really is a strong brand that is deeply rooted in public opinion or society. And please try to give me another answer to such a question, obviously not a simple one, difficult to quantify. What impact do brands have, do they have at all impact on national identity, on national culture?

Definitely yes. Brands build, they are part of a national culture. Very often we find references in works of culture to precisely what brands have done, to this good image of a country. Let us note that, for example, champagne has become part of the tradition of celebrating something, hasn't it? With champagne we celebrate the successes that we have had. So please note that also the appearance from the name of the region in the colloquial language of many European nations of this very term 'champagne', makes them build our culture, they are a strong factor creating our culture. Further, in the same way,



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this culture is built for us by literary works, which very often grow out of a certain historical experience. And please note that films or computer games owe their success to the peculiarity of the landscapes, culture and monuments used, which are typical of a given place. Take, for example, the famous Polish game Wiedźmin [The Witcher], which became famous thanks to the fact that Polish landscapes, idyllic Polish wildernesses, Polish buildings from the turn of the 19th and 20th centuries made themselves at home in the space of the game, and this is what captivated customers, this otherness from what we perceive every day, this modernity.

That is, in summary, the brand as a product of seemingly only marketing and a product aimed at positioning a product, in this case a place, a country, a region, is an extremely important part of our reality. The reality of the third decade of the 21st century.

It has even become an integral part and let us not forget that without a good image of the place, we will not build a good place to work, rest and live. It is important to always go one step ahead of the needs of the inhabitants. This is the message let's pass on to city leaders.



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