

NATURAL AND SOCIO-CULTURAL FACTORS IN COUNTRY IMAGE FORMATION

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Abstract. Positive image can improve international perception of the country and facilitate foreign investment. Country image formation factors include geographic location, natural resources, historical sites, art, sports, ethno-confessional peculiarities, psychological set of people, political peculiarities etc. Economic components include GDP, main items of export, HDI (Human Development Index) and others. This article is mainly focused on non-economic factors that can influence the rise of a country's popularity for investors. Special events, celebrations as well as natural phenomena are also considered as such factors. Combination of natural landmarks, historical heritage and high level of service ensure the rise of tourism as it has been shown using the example of Latvia. A special attention has been paid to the Olympic Games. The article contains an analysis of their expenses and benefits for the host country. The examples of Great Britain, Russia, France, Ukraine and other countries have been analyzed. Quantitative measurement of non-economic factors can not always be considered but image benefits for a certain country can be seen by billions of people all over the world.

Keywords: country image, image formation, brand, tourism, Olympic Games

JEL: O10, O11

1. Introduction

The modern aspects of international country image shaping, the role of the information and communication technologies in this process are the object of regard for different academic disciplines, in particular, social technologies theory, political culture and communication technology as key elements of domestic and international policies (Chechel, 2016). We will try to figure out a country image as a result of deliberate efforts in the context of its impact on economy.

The international image of any country confirms its political and economical significance, success and high cultural level, as well as takes a role of indicator of its credibility and success in the international field. Positive country image has got positive correlation with the perception of the country both by other countries and its own citizens. Country image matters not only in

terms of national pride of its citizens, but also in terms of investments in the country from foreign legal and physical entities.

Positive image can improve international perception of the country and, thus, help on establishing profitable contracts, conducting of some economical policy. Negative image, on the contrary, can jeopardize establishing of stable international relationships and creating the basis of future conflicts (Kabanova, 2017).

The state is an incredibly complicated object for the creation of the image from ground zero, as its image is based largely on the traditional perception, that is, on many generations' experience. Historically developed image is incredibly difficult to change. P. Petrov (2016) claims that the wide-spread in some society beliefs as relating to some country can only be altered with a radical change of situation in the country or as a result of extraordinary situation: war, coup d'état, large-scale terrorist attack etc.

2. Literature review

Shevtsov (2017) summarizes tasks, which pursue to establish a positive country image, among the others should be specified:

- attracting foreign investments;
- attracting foreign tourists;
- establishing positive attitude to the country in general and its inhabitants in particular;
- progress in the presentation of realistic information concerning the country in global marketing communication, which creates its multidimensional image through the foreigners' eyes;
- easing use of marketing communications of international companies as an instrument of communication with a potential audience of a "country brand" all around the world (Shevtsov, 2017).

An image and a brand should be distinguished. A country brand is a combination of emotional and rational perceptions, which influence the formation of certain image of the country. If comparing brand with image, the first one tend to be more sustainable. A country image is a changeable component of a brand, which means the image which is subject to influence in order to achieve its change (Drozdovsky & Yurosh, 2018).

A succinct and often quoted definition of a positive or successful brand is given by Doyle (1992), “a successful brand is a name, symbol, design, or some combination, which identifies the “product” of a particular organization as having a sustainable differential advantage”. American Marketing Association offers a similar definition of a brand as “a name, a term, a sign, a symbol, or a design, or a combination of them intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competition”. A slightly richer definition of a brand, that incorporates a consumer rather than producer perspective, is given by Macrae, Parkinson and Sheerman (1995), who posit that a brand represents a unique combination of characteristics and added values, both functional and non-functional, which have taken on a relevant meaning that is inextricably linked to the brand, awareness of which might be conscious or intuitive. A similar perspective is taken by Lynch and de Chernatony (2004), who define brands as clusters of functional and emotional values that promise a unique and welcome experience between a buyer and a seller.

3. Country image formation factors

Regarding countries brand index, it should be noted, that it is renewed annually, but its leaders are the countries, which invest heavily in their image and keep high standards of conducting a business. The latest Future Brand Country Index has been published in 2019 so far, with Japan as the leader, Norway in the second place and Switzerland in the third. The last three places of the Index looked as follows: 74th place – Pakistan, 75th place – Ukraine, 76th place – Iraq (Future Brand Country Index, 2019).

Country brand and image shaping should be based upon certain principles: a) worthwhileness (its creation and promotion according to the problem to solve and target audience); b) projectivity (possession of economic basis and worthwhileness); c) visibility (uniqueness and dissimilarity with other countries’ images).

General country image formation factors include geographic location, natural resources, historical sites, art, sport, ethno-confessional peculiarities, psychological set of locals, political specificities. Economic domain is an important component of the image, which includes GDP, main items of export, HDI, the last is becoming recently an important part of the image and considers, among other things, citizens’ educational level.

Geographic location is one of the traits, which makes the country distinctive. Thus, Russia is known as the biggest country in the world, whereas Great Britain at the times of Empire legitimately claimed that the sun never sets on its lands (because they occupied virtually all parts of the world). For some countries, on the contrary, very small area is a feature – Monaco, San Marino, Vatican are peculiar because one can walk them around. Unusual is the geographic location of Chile – the country is tucked between the Andes and the Pacific Ocean and lasts for more than 6400 km. Australia is the only country in the world which is also a continent. Japan because of its location is called “the land of the rising sun”.

Natural factors often become a part of a country image, as well as tourist attractions. Thus, Finland is poetically called “land of the thousand lakes”, Italian capital Rome is situated on the seven hills, which are one of the city’s symbol. Part of the Brazil’s image is Amazonian selva (jungles) which suffers from human activity, Russian Baikal, the deepest lake in the world can also be mentioned in this regard. The Japanese use Mount Fuji for the country image creation, the Australians use in the same way Ayers Rock, whereas the Nepalese consider Everest as the national symbol.

Historical and cultural legacy is of importance for country image formation as well. Province Piedmont in Italy is a telling example. Its administrative centre Turin for a long time has been famous as an industrial city, home of “Fiat” company plants. In the beginning of the 1990th the company started to move its facilities to other countries. Because of this Turin suffered unemployment, and local authorities turned to culture as a way to revitalize social-economic life of the region. The authorities made significant efforts to give impetus to different kinds of development through line of events:

- the cinema museum was opened;
- Turin book fair was founded;
- theatre festival was initiated (Volkov, 2015).

Festivals and carnivals are part of the national image as well and influence the country’s distinctiveness. German Oktoberfest, visited by beer-lovers from all over the world is an example of one. France holds a large-scale festival in Nice, world-wide-known festivals are held in Brazil and Italian Venice.

Both natural landmarks and artificial monuments attract tourists from the entire world. Further in the article we will try to summarize main types of such attractions (Table 1).

Table 1: *Touristic aspects of country image*

Tourist brand type	Example
Natural objects	The Nile (Egypt), The Alps (Switzerland), The Himalayas (Nepal, China), Crimean Southern coast (Ukraine), Baikal (Russia), Niagara Falls (USA, Canada), Victoria Falls (Zambia, Zimbabwe), the Sahara (North Africa), the geysers (Iceland)
Historical and cultural legacy	The Louvre (France), the Pyramids (Egypt), the Moscow Kremlin (Russia), the Colosseum (Italy), Big Ben (Great Britain), the Sydney Opera (Australia), the Parliament (Hungary), Wawel (Poland), Neuschwanstein (Germany)
Events and celebrations	Bastille Day (France), Independence Day (USA), the King's birthday (Netherlands), Day of Republic (India), Oktoberfest (Germany), carnivals (Brazil), Cannes film festival (France).
Natural phenomena	Perihelion (sun-dog), white nights, Northern lights (high-latitude areas), a blooming sakura (Japan), the highest tide at the Hopewell rock (Canada).
Historical characters	Napoleon I (France), Otto von Bismarck (Germany), Tomáš Masaryk (the Czech Republic), C. Mannerheim (Finland), A. Lincoln (USA), Giuseppe Garibaldi (Italy), Genghis Khan (Mongolia), S. Bolivar (Latin America)
Food, drinks	Oysters (France), beer (Germany), cheese (Switzerland), tea (Sri-Lanka), sushi (Japan), fast food (USA)

Source: author

In the next section, we discuss in more detail image formation examples.

4. Image development by the countries

Quite an ostensive example can be experience of image formation in Great Britain. The reason for rebranding was the Government's concern about the situation in Britain in the 1990th. In 1997 the slogan "Cool Britain" was suggested by the PR-specialist W. Olins, who consulted the British government. Apart from the very idea, British people appreciated the creative solution: "Cool Britannia" linguistically close to the famous motto "Rule, Britannia". Olins just articulated the idea, which had been existing subconsciously in the minds of British people. "Cool Britannia" became creatively selected symbol of rejuvenation (Tourist image region economy, 2011).

One of the central squares of Mexico is called the Square of the Three Cultures. This name symbolize the legacy of three stages of Mexican history, in

particular, Aztecs, Spanish and modern Mexican. Widely known is an Egyptian brand “Where it all begins”, as one of the most ancient civilizations in human history existed on the territory of the country, leaving historical legacy, which still funds the Egyptian budget. In this context the country is moving in the mainstream, typical for the Near East. The popularity of the “historical hiking” at labour market continues to grow – many of paths, which have been preserved in the region, are gaining popularity nowadays. Nativity Trail from Nazareth to Bethlehem, Abraham’s path from Turkey to Egypt, Jordan way as well as mountain trekking across Lebanon are the main destinations, which will benefit the highest popularity in the region. About 20 % of Egyptian GDP is funded of tourism (Fastovets, 2017).

In the context of the above of interest is a survey of experience of promoting international travel in the Baltic countries, and in Latvia in particular, since Ukraine is another one Post-Socialist country as well and is just starting its way to the international tourist market.

Unlike France, Germany and Italy, Latvia has never been a tourist stronghold. This ex-Soviet republic ranks 54th among 136 countries of the world, which are present in Travel & Tourism Competitiveness Index, developed by World Economic Forum. There are no more but eight five-star-hotels in Riga. However, the formation of a positive image of Riga brings its results — in 2012 Riga was visited by only 845 thousand of foreign tourists, but in 2016 this number rose till more than 1.2 million. Its tourist brand is “Live Rīga” (the city’s name is often written in Latvian in English texts) is rather recognizable in Europe (The economic profile of the city of Riga, 2018).

The Latvians give considerable attention to the development of hotel-restaurants sector. The Latvian Association of hotels and restaurants (LVRA) was established in 1993, which is a public association, which unites hotels, hostels, motels and restaurants in order to intensify their professional collaboration. The intention of the project is to support adequate level of customer service, normalization of accommodation market in Latvia, as well as presentation of hotel and catering sector in the international market. Thus, from 1995 on LVRA is a member of IHRA (International Hotel & Restaurants association). LVRA entered a partnership agreement with Association of Latvian tourist agents (ALTA) (Korsak & Furtiy, 2017).

Latvian investment and development agency (LIAA) is a state agency, established to promote Latvian business. Among other, LIAA fulfills marketing projects in Latvia and abroad in order to posture Latvia as a new tourist destination, develops cooperation between the state and the society in order to

improve tourist sector functioning, takes efforts to attract new investments to develop national tourism. Significant part of the hotels and tourist agencies in Latvia were founded by foreign companies.

Latvians take significant efforts to ensure the safety of foreign guests. The tourist policy was developed in Riga in 2009 in order to keep public order and help guests of the city in case of any problems. It is worth noting, that the crime rate in Latvia is quite low, whereas the safety is among key values, especially for the citizens of the countries, who face terrorist threat and mass riots.

Unusual, yet effective way to attract attention to the city's administration work and "revive" city image as such is Riga's Mayor Nil Ushakov's idea to get two cats for Riga's city council, that often appear in the photos in social media. The Mayor of Riga, being an economist, during all ten years of his tenure (2009-2019) paid a lot of attention to Latvian capital's image.

Latvia's tourist motto is "Best enjoyed slowly". Respectively, for its complete implementation both new trends in consumers' preferences and standards of living rise were taken into account. Latvia is advertised as a place where the time slows down its run, where one can relax and have a rest in harmony with nature. Latvian tourist goods are based on quality, stability, personal touch, tourist involvement, so that they can get a new experience (Regional survey of tourism development in Latvia, 2017). In 2017 incomes from tourism made up 4.2% of Latvian GDP. At that, the number of tourist companies in the country went from 332 in 2013 to 121 in 2016. Latvian researcher Odinokova (2019) pointed out, that each 30 tourists create one work place. The most number of tourists arrive to Latvia from the Russian Federation (13.3%), Germany (11.9%), Lithuania (10.1%), Estonia (9.2%), Finland (6.4%) (Mecele & Ruciņš, 2012). However, the Latvian authors L. Mecele and M. Ruciņš believe that tourism still is under-estimated as a sector of economy, and both politicians and civil servants should pay special attention to it. It is obvious, that for development of any sector of economy political decisions at Parliament level are essential.

Thus, Latvia can be called a country, which has successfully converted its potential into success of a tourist sector. Combination of natural landmarks, historical legacy and high level of service ensure the rise of tourism, which, as we have seen, is an important factor in economic development. Latvian example is of importance for Ukraine, which is still on the way to alluring tourist flows from other countries.

The art is an important part of image. Thus, museum pieces are capable to catch interest not only of art specialists, but of tourists as well, which, in its turn

have an impact on economical development. In this regard an example of France seems interesting. The country is known for its rich historical and cultural heritage, high standards of tourist service (hotel work, amusements parks, excursions tours) and transport infrastructure as well. Through element “culture and traditions”, Ukrainian culture experts claim, one can estimate the perception of historical and cultural heritage of the country; foreigners’ willingness to consume more commercial cultural products; acknowledgment of sport achievements (Starostina, Kravchenko & Lichova, 2011).

France is a relevant example. Important historical landmark of the country is Montmartre, the hill in Paris, birthplace of many masterpieces and artistic directions. The most recognizable building on the hill is the Sacré-Cœur Basilica. One of the most famous museums of Paris is the Louvre, its history stretches back to eight centuries, yet only during the French Revolution it was turned into museum (Ovsepyan, 2013). The masterpiece of Leonardo da Vinci “Monna Lisa” is kept in Louvre. In 1911 an Italian citizen, led by patriotism, tried to steal it to get back to Italy.

In 1987 French Ministry of tourism initiated the establishing of “Maison de la France”, the organization, meant to promote the country as a travel destination. Subsequently, in 2008-2009 it was transformed into the tourism developing agency “Atout France”. “Destination France 2020” program was created in order to increase tourism sector incomes to 3.5 % annually (Kobiakina, 2015). Soza Vidal (2019) pointed out, that even notorious terrorist attacks in 2015 and 2016 didn’t cause the decrease in the popularity of the country among international tourists.

Ukraine also possesses a significant amount of heritage assets and pieces of art, which (if combined with proper publicity) can catch the attention of international tourists in number, significantly larger, then nowadays. Besides, UNESCO (United Nations Educational, Scientific and Cultural Organization) included Petrykivka painting into the list of intangible cultural heritage (Dutchak & Shikirinets, 2017).

Sport is an important element of the country image. Thus, Ukrainian professional boxers brothers Klitschko and O. Usik have been recognized worldwide. The same is true regarding national football players – in 2006 our national football team took part in Football World Championship, in 2012 and 2016 in the UEFA (Union of European Football Associations) European Football Championships. Furthermore, the fact, that Ukraine, alongside with Poland, hosted the UEFA European Football Championship significantly improved the image of the country, as it hadn’t hosted sport competitions of such level before.

We should specially emphasize the Olympic Games, where the country claims itself not just at the level of sport, but in political and cultural dimensions as well. The first precedent was the refuse of Finland team to use the flag of the Russian Empire instead of their own. As they weren't allowed to compete under Finnish blue-white flag, they opted for not using the symbols at all.

The country which hosts the Olympic Games almost inevitably would use it as a mean to bolster its self-esteem, whatever it costs. The classic examples are the Olympic Games in London of 1948, not yet completely rebuilt, or in Mexico in 1968. Sometimes expenses are too high and cause protests. "Anti-Olympic" riots in Mexico in 1968 were pushed down with arms that claimed human lives. Attempts to boycott the Olympic Games in Rio de Janeiro by some Brazilians also led to clashes with the police (Kliuchnyk, 2017). The hosting of the Olympic Games challenges the organizers with the number of goals, such as: 1) to guarantee maximal representation of different countries of the world; 2) to ensure quality and safety of the event; 3) to improve the local infrastructure (roads, communication lines, hotels); 4) to ensure the event's publicity. The main Olympic expenses can be divided at:

- establishment costs;
- costs to establishing physical facilities;
- infrastructure costs;
- media support costs (including publicity).

Russian researchers Nureev and Markin (2010) suggest summarizing expenses and benefits for both the state and private economy at the stage of conducting of the Olympic Games (table 2).

The last but not the least point we would like to emphasize is the art and the cinema, the theatre and the show business in positioning of the country abroad. Thus, prominent actors, singers, ballet artists, stand-up comedians contribute to a larger recognizability of the country and enlarge the awareness about it abroad. Their tours cause a ruckus and somehow contribute to revival of economic activities, because some people from abroad may come to see them. An American singer Madonna, a Finnish band Nightwish are amongst the most prominent examples, as well as many others. They raise money for charity and thus motivate the others to do so. An Irish singer Bono, who helps African countries and advocates for the discharge of their debts, was acknowledged as the Person of the Year (along with Bill and Melinda Gates). South Korean band BTS (Beyond The Scene) in 2018 delivered a speech in the UN (United Nations), calling for mutual respect and equality.

Table 2: *The Olympic Games: expenses and benefits*

	Expenses	Benefits
State	Ensuring of safety; Accommodation and meals for participants; Organization of recreational activities; Utility expenses; Compensation costs due to restrictions in enterprises activities, traffic etc.	Tourist flow increase; Tickets sale (partly); Growth in business activities during the Olympic Games and afterwards.
Business	General organization costs; Activity restrictions for enterprises, establishments, organizations, transport).	City status raising in the perception of international business as well as raising its attractiveness for investments; Sale and advertisement of production, including souvenirs; Currency exchange; Transactions quantity raise; Hotel industry incomes; Sports people and their fans expenses.

Source: Nureev & Markin (2010)

The shows like Eurovision Song Contest play an important role in the positioning of the country (Boiko, 2016). As an example, can be mentioned the performance of Ukrainian singer Jamala, who won Eurovision in 2016 with her song “1944”. She sang in English and Crimean Tatar languages, her song had international political resonance, drawing attention to the issue of the Crimea problem. Besides, Ukraine got the right to host Eurovision in 2017, which was very important both for image and economics of the country. The contest in Kyiv was attended by nearly 20 thousand of people from different countries. After the completion of the contest 250 articles and announcements were published, with the promo campaign seen by 200 million people.

5. Conclusion and discussion

If we have a look at country image in dynamics, the example of Great Britain seems rather eloquent. In 2014/2015 the brand of the country ranks 12 in the world (Country Brand Index 2014-15, 2015), whereas according to the latest researches, it ranks only 19 (Future Brand Country Index, 2019). In our reckoning, it could be reasonably caused by Brexit – the process of withdrawal of the United Kingdom from the EU – as well as growth of Euroscepticism in the country.

On the contrary, the Russia's positions have improved recently. In 2014/2015 the country takes 31st position in the index. It was the time, when the sanctions against certain Russian companies were imposed. As a result, Russian ruble crashed and the investment attractiveness of the country decreased. However, in 2019 Russia takes 27th position, having raised four positions higher (Future Brand Country Index, 2019). This may be caused by several factors:

- circumvention of the sanctions by Western countries and companies (including supplies of the goods and rendering the services through Belarus and Kazakhstan);
- successful construction of Nord Stream 2;
- oil prices increasing after significant recession;
- hosting of the World Football Championship in 2018.

In summary, we should note, that the factors which at first sight seem not economic, can have significant impact on the country image development in its economic aspect. For example, geographical location and historical legacy, national celebration and pieces of art, show business and sport can contribute to recognizability of the country, attract tourists, create an image of an investment attractive country as well as stimulate business and create jobs. At that, macroeconomic factors are also of importance, because they have got quantitative measurement and directly influence incomes and risk minimization.

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