

THE FORMATION OF A NATION TOURISM BRAND OF UKRAINE

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Abstract. Performing a large range of functions, tourism implies an embodiment of an important economic, social, and geopolitical factor affecting the competitive innovative development of all the countries. Despite the COVID-19 influence, the tourism sector remains one of drivers for the global and nation economies because it plays the generating and integrating role within the context of ensuring the positive dynamics of quantitative and qualitative parameters describing the development of economic systems. Furthermore, the tourism sector is an effective multiplier with regard to enhancing the main macroeconomic indicators. A brand is a powerful means for promoting tourism in the internal and global tourism markets. Forming and supporting a nation tourism brand constitute an important goal for effective development of the tourism sector, as well as a precondition for capturing its opportunities and strategic prospects. The article's purpose is to substantiate conceptual basics and methodical frameworks regarding the formation and development of the nation tourism brand of Ukraine. Having generalized scientific and analytical researches, we have revealed that Ukraine ranks low on the level of tourism attractiveness and value of its nation tourism brand. In addition, we have observed the low level of competitiveness of its tourism sector in the global market. Therefore, there is a need to draw up a branding conception grounded in the holistic approach and implementation of its provisions into the tourism sector through a leverage portfolio, instruments of mechanisms, and recommendations concerning improvement of processes of formation, development, monitoring, and supporting the nation brand of Ukraine. The nation tourism brand of Ukraine is considered as the integral unique tourism image and a behaviour model for Ukraine as a country supplying a tourism product. A tourism product integrates outcomes of more than 50 industries of the economy and contains immanent attributes and determinants, which embody its identity and determine value for consumers alongside advantages for stakeholders. The formation of the nation tourism brand contemplates the structural and logical consequence of processes, which comprises six stages: brand-context, brand-monitoring, brand-start, brand-support, brand-effect, and brand-foresight. A semantic model for creating and supporting the nation tourism brand of Ukraine reflects the main groups of descriptors: stakeholders, principles, factors, functions, processes, results, and aims. The identification of these descriptors enables to indicate the content, intrinsic features, functions, and processes of the tourism branding of Ukraine. We have suggested a three-level model of the nation tourism brand's advantages for stakeholders, which describes expenses and benefits for indicated groups of stakeholders within the context of the functioning of the formed tourism brand of the country. Forming the nation tourism brand will foster ensuring the competitiveness, image, leadership positions, business perfection, customer loyalty, positive perception of tourism products by stakeholders, tourism sector, and nation tourism system of Ukraine.

Key words: tourism, tourism system, brand, tourism brand, branding, brand management, brand formation, brand development, stakeholders, efficiency, competitiveness, image.

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1. Introduction

The global COVID-19 pandemic has immensely influenced the tourism business. Nevertheless, under effective management, the crisis position in many cases conduces to the creation and/or development of stronger and more competitive business entities, products, and projects. Hence, opportunities of using the comprehensive social factors as determinants for development will facilitate ensuring the rising basic positions for the tourism sector of Ukraine. In such case, the promotion of Ukraine in the internal and global tourism markets is of great importance. This process is provided by the creation and efficient usage of the nation tourism brand. Successful countries being leaders in the tourism industry maintain own competitive advantages, including those emerged owing to the effective promotion of own brands, which allows providing the sustainable economic growth. The relevance of tourism is evidenced by global trends and prospects of its development. During non-crisis periods, the global tourism industry has exerted powerful influence on the general state and formed tendencies of development of the global economy since the global tourism industry has involved 10% of all the investments and every tenth employee in the world, and it accounts for up to 7% of GDP (UNWTO, 2019). In Ukraine, the positive influence of the tourism sector on the state of the economy is insufficient. Ukraine has the significant tourism potential, resource preconditions, convenient geographical location but does not use them appropriately and to the fullest extent. Therefore, the activity related to the formation and promotion of the nation tourism brand in the global and domestic tourism markets is a prior vector for the post-crisis renovation of the economy and a strategic goal for development of business entities and tourism destinations, as well as the nation economy. The formation of nation tourism brand is an important component for ensuring the competitiveness, image, leadership positions, business perfectness, customer loyalty, positive perception by stakeholders, etc.

2. Literature review

A country's brand is of considerable political, economic, and socio-cultural importance (Anholt, 2013; Kotler et al., 2002; O'Shaughnessy et al., 2000; Fan, 2006; Kaneva, 2011). According to the *Treating the Nation as a Brand*, O'Shaughnessy considers: "One conclusion is that the reputational capital of a nation with respect to a product category will influence choice more than a nation's overall attractiveness, though fragments of a nation's imagery may be successfully exploited" (O'Shaughnessy, et al., 2000). Nation brand is the total perception of international audiences about a country (Handayani

et al., 2013, 173). Examining the nation brands, a majority of scientists have concluded that tourism is a component of a nation brand (particularly, visiting a country is a factor of its perception). "In the context of the nation brand ... may be based upon the following factors: personal experience, e.g. visiting the country; education or knowledge; prior use or ownership of a product made in that country; the depiction of the country through media channels; stereotypes, etc." (Fan, 2005). From the point of view of one of worldwide acknowledged specialists in nation brands S. Anholt (2006), a nation brand is formed by the following main components: tourism, exports, people, culture and heritage, governance, investment, and immigration (Figure 1).

The Brand Finance as the world's leading independent brand valuation consultancy, in determining the strength of nation brands, takes into account results of activities based on a large amount of data in terms of three key components: a) products and services; b) investments; c) society, where the organization indicates tourism among six sub-components. Within tourism, experts evaluate openness, infrastructure, value, and appeal (Brand Finance, 2018, p.16). Consequently, scientists emphasize that, on the one hand, tourism as a component of the nation brand takes into consideration the level of the interest in visiting a country and engaging the outstanding natural and human-made landmarks. On the other hand, tourism will significantly benefit from a strong nation brand (Caldwell et al., 2004).

The Bloom Consulting being an official data partner of the World Economic Forum researches tourism brands of countries. The results of their ranking not only measure perceptions and appeal of a tourism-specific country brand but also classify its relative branding performance in a tangible and realistic manner (Bloom Consulting, 2020). The ranking variables account for the economic performance of a country's tourism sector, its online performance, as well as digital measurements.

We observe the increase of the interest in examining the tourism brands of countries or destinations and factors affecting them. It was determined that a new quality of tourism activities can bring to the formation of the national tourist brand, which is built on the symbolization of customer value of tourism resources and territory has a characteristic, respectively, on which the socio-economic and cultural influence of the tourist destination and its attractiveness to potential tourists and export development oriented model of tourism (Boiko, 2013, p. 42).

Scientists prove a hypothesis, which states that an efficient branding strategy for the brand management in tourism is primarily influenced by the perception of demand (Seric, 2011). In certain scientific papers, researchers have done an analysis of performance

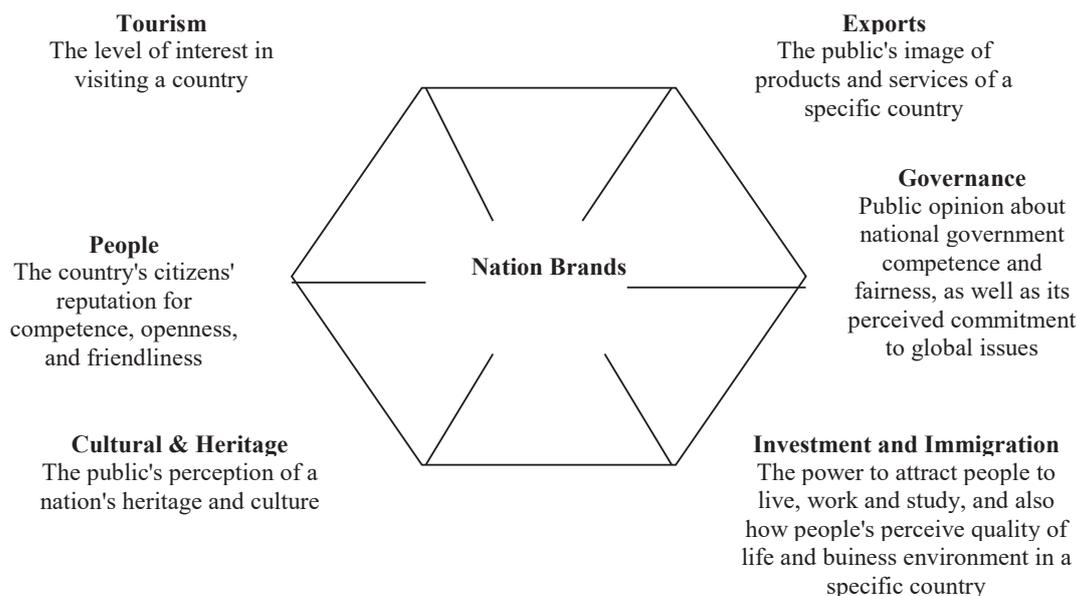


Figure 1. The Anholt-GfK nation brands hexagon

Source: (Anholt, 2006)

indicators for the nation tourism branding of countries: indicators of the inbound tourism flow, country's international tourism revenues, average cost of a vacation, travel & tourism competitiveness index in particular countries of Central and Eastern Europe (Nikolaichuk, 2020). For instance, S. Cosma, C. Pop, and A. Negrusa propose to present Romania's competitive advantages and the branding strategy this country should have as a tourist destination (2007). V. Cujba and R. Sirbu present the results of the research on the creation, organization, administration and promotion of the wine complex "Cricova" (2020).

Taking into account the existence of the scientific interest and practical necessity, problems concerned with the formation of the nation tourism brand of Ukraine require the system complex examination.

3. Generalization of the main statements

The brand of Ukraine is an essential precondition for its promotion in the internal and global tourism markets. According to N. Seric, "Management of the nation touristic brand is a new weapon in the global market" (2011). Nowadays, the nation brand of Ukraine is lowly valued on a global scale (Table 1).

Table 1

Ranking and value of certain nation brands in 2017–2020

Rank 2020	Rank 2019	Rank 2018	Rank 2017	Name of Country	2020 Nation Brand Value, USD	2020 Brand Rating	2019 Nation Brand Value, \$	2018 Brand Rating	2017 Brand Rating	Brand Value Change, % 2020/2017
1	1	1	1	United States	23,738	AAA	27,751	25,899	21,055	12.7
2	2	2	2	China	18,764	AA	19,485	12,779	10,209	83.8
3	3	5	4	Japan	4,261	AA+	4,532	3,598	3,439	23.9
4	5	3	3	Germany	3,812	AAA	4,854	5,147	4,021	-5.2
5	4	4	5	United Kingdom	3,314	AAA-	3,850	3,750	3,129	5.9
6	6	6	6	France	2,699	AA+	3,096	3,224	2,969	-9.1
7	7	9	8	India	2,027	A+	2,561	2,046	2,046	-0.9
8	9	7	7	Canada	1,900	AAA-	2,183	2,224	2,056	-7.6
9	8	8	9	Italy	1,776	AA-	2,110	2,214	2,034	-12.7
10	10	10	10	South Korea	1,694	AA	2,135	1,845	1,845	-8.2
...						
55	56	60	61	Ukraine	97	A-	93	84	68	29.9

Source: drawn up by the authors on the basis of data provided by Brand Finance

Over the past 10 years, the nation brand of Ukraine achieved the highest positions in 2012–2013 (45th position; estimated at 124–126 billion USD) when Ukraine has been demonstrating the orientation of its vector towards Western values of transparency and democracy, it hosted the European-level final sports competition, and amounts of international arrivals and investments have been increasing. Since 2014, significant changes have occurred. In the report of the Nation Brands, experts accentuate that political factors has considerably affected the brand of Ukraine, particularly the Russian invasion of Crimea and support to rebels in Donetsk and Luhansk. The continuing instability is a major problem for its nation brand. In losing Crimea, Ukraine has lost not just a significant landmass and economic base, but the better part of its tourist industry (Brand Finance, 2014, p. 6). Nevertheless, Ukraine is in a better position compared with certain countries in the Eastern European (Slovakia, Slovenia, Bulgaria, Lithuania, Croatia, Latvia, Estonia). Since 2016, regardless of low ranks (59th-61st positions in the world), the nation brand value of Ukraine has been slightly growing (from 56th to 84th billion USD) (Figure 2). This tendency is a positive factor.

With regard to the evaluation of the tourism brand, Ukraine ranks 34th among 42 European countries, according to the Ranking of Tourism Brand, a study conducted by the Bloom Consulting in 2019–2020. As compared with the previous period, Ukraine slipped two positions and ranks 96th among 198 countries on a global scale. Hence, we observe an insufficiently

favourable situation regarding effectiveness of the tourism brand of Ukraine. Therefore, there is a need for forming the nation brand of Ukraine as the integral unique image of a country, which supplies tourism products, embodies its uniqueness and identity, and is characterized by value for a customer and advantages for other stakeholders.

The formation of the nation brand contemplates the particular structural and logical consequence comprising six stages: brand-context, -monitoring, -start, -support, -effect, and -foresight (Figure 3).

Within the brand-context, in forming the nation tourism brand, we consider it necessary to indicate the holistic (complementary) approach grounded in the methodological synthesis of inter-disciplinary and multi-aspect scientific knowledge on branding in order to draw up the conception of management and its implementation through a system of recommendations, methods, and mechanisms. Taking into account this assertion, we may formulate basic components of the brand-context generalized in the form of a semantic model for forming the nation tourism brand of Ukraine (Figure 4).

Forming the nation tourism brand of Ukraine is a consolidating process, which involves the following types of stakeholders: a) representatives of the public sector (central and local authorities); b) the private sector (tourism clusters and business organizations performing various types of economic activities, particularly tourism, hospitality, restaurant, transport, and servicing infrastructure); c) the civil sector (professional and civil societies). Their mutual

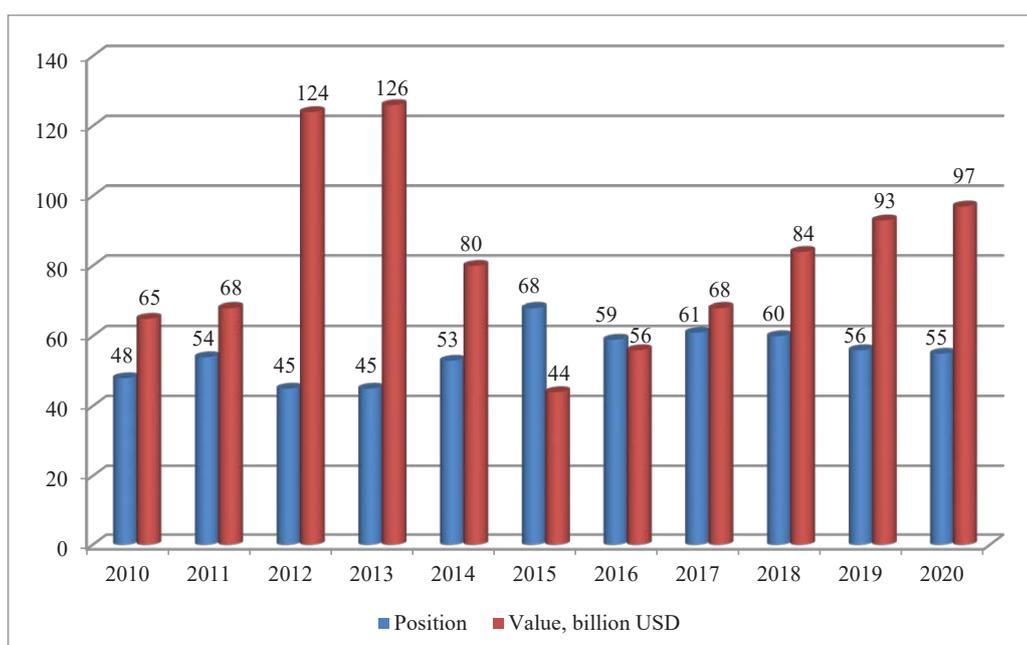


Figure 2. Dynamics of the position and nation brand value of Ukraine in 2010–2020

Source: drawn up by the authors on the basis of data provided by Brand Finance

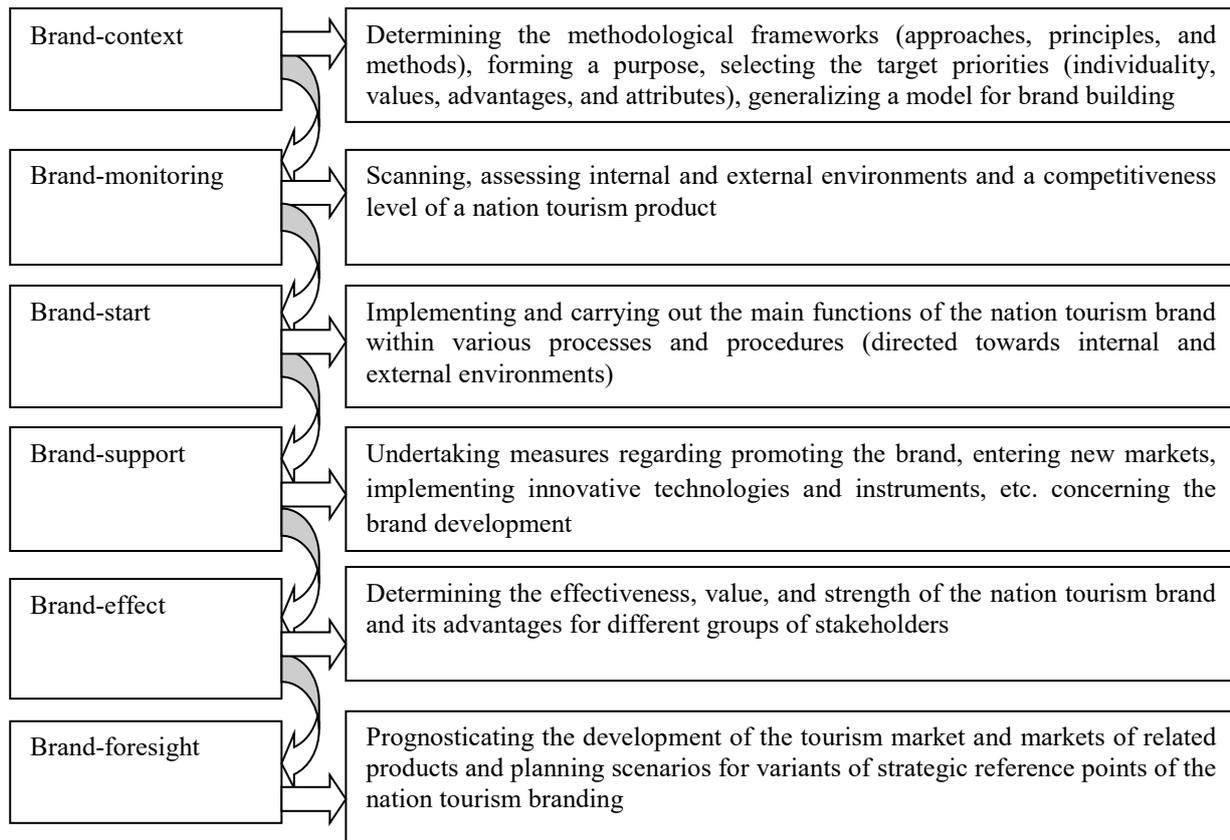


Figure 3. Structural and logic consequence for forming the nation tourism brand of Ukraine

Source: compiled by the authors

partnership contemplates developing a large-scale system of measures for promoting a tourism product in the national and global markets. The principles are inbound provisions in this process whereas the main factors of influence on forming the brand are grouped as objective, subjective, and special ones.

The brand-start stage contemplates formulating and implementing the brand conception, brand visualization, information and communication support. The semantic model for the brand ensures indicating and carrying out general managerial functions such as the regulatory, organizational, prognosticative, coordination, motivational, administrative, consulting, research, communication, information, creative, etc., and special ones. The special functions encompass: creating/strengthening the competitive advantages; establishing links with customers and disseminating the information; presenting peculiarities of a nation tourism product; symbolic embodiment of uniqueness and utility from consuming a tourism product; forming/strengthening the trust of investors; triggering the impressions, emotions, and customer commitment.

Within the brand-start, it is necessary to create a single Internet-portal for providing the open access

to information on nation tourism products, the existing tourism infrastructure, tourism resources, and presenting virtual trips. It is convenient to use modern technologies such as dashboards as information and analytical panels for visualization of data, e.g. concerning arrivals of foreign citizens in Ukraine, visiting certain destinations by tourists, amounts of tourist tax, etc.

In Ukraine, the tourism brand conception is not stable. Since independence of Ukraine, in changing the central executive authorities in the tourism industry, approaches to the brand and its logotype has been also transforming:

- the State Tourism Administration of Ukraine (2002–2006) – an inscription “Ukraine” in sunbeams underpins the logotype;
- the State Service of Tourism and Resorts of the Ministry of Culture and Tourism of Ukraine (2008–2010) – a logotype is presented as an inscription “Tourism in Ukraine” on a blue background;
- the State Agency of Ukraine for Tourism and Resorts of the Ministry of Infrastructure of Ukraine (2014–2018) – the brand’s slogan is “Ukraine: it’s all about U”;
- the Department of Tourism and Resorts of the Ministry of Economic Development and Trade

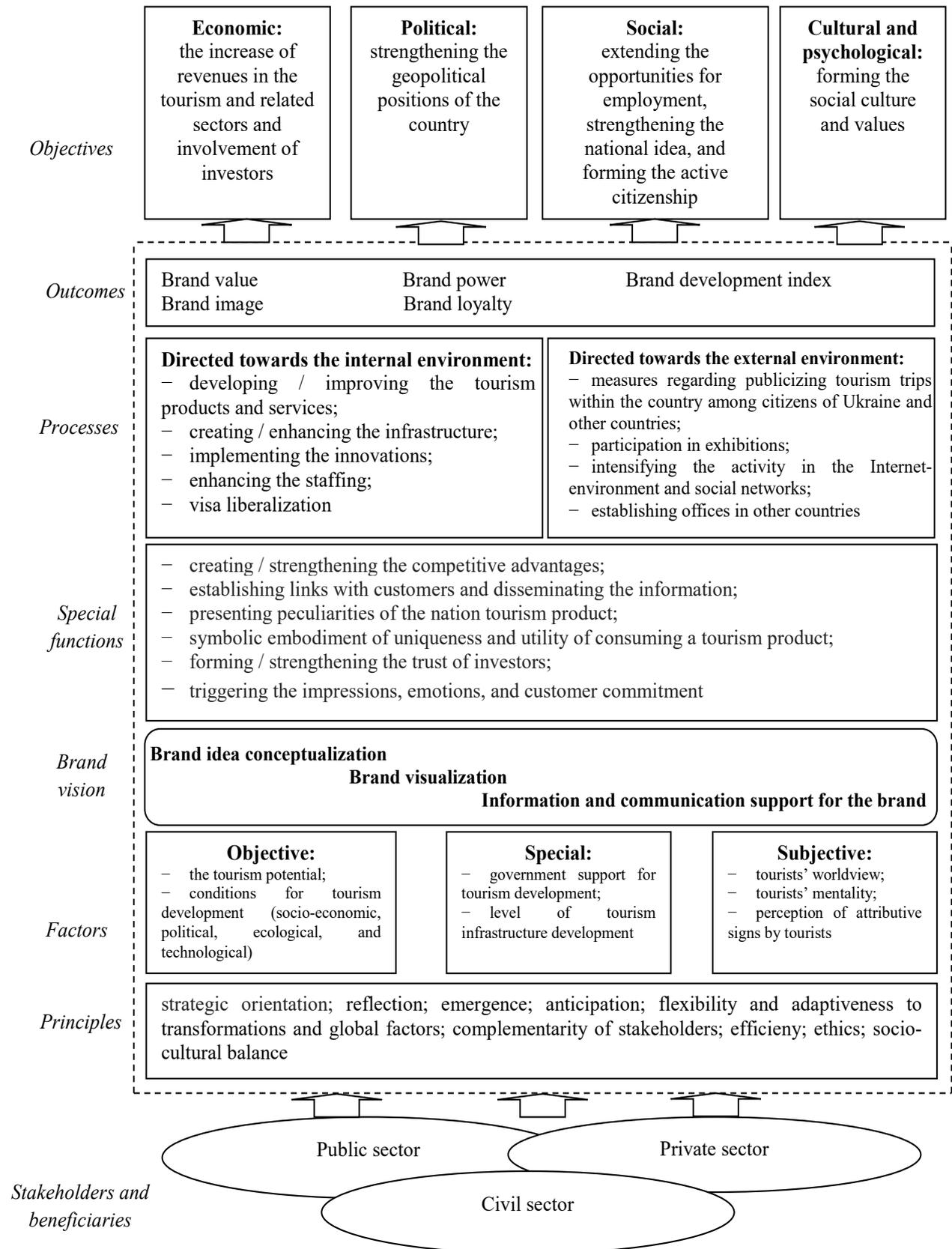


Figure 4. Semantic model for forming the nation tourism brand of Ukraine

Source: drawn up by the authors

of Ukraine (since 2018) – the brand’s slogan is “Ukraine Now”, which demonstrates Ukraine as an open modern country where all the exciting things are happening now. It is worth mentioning that, in Ukraine, a debate concerning creating another brand conception and its visualization continues. Such situation does not foster the growth of values and effectiveness of the brand.

At the brand-support stage, authorities undertake measures regarding promoting the brand, entering new markets, implementing innovative technologies and instruments regarding the brand development. In addition, within this stage, authorities deal with the following processes: a) ones directed towards the internal environment, which are directly concerned with forming and improving a tourism product, its components, the tourism environment, and accessibility of the country in the context of visa liberalization; b) ones directed towards the external environment related to the brand promotion, presenting the tourism potential and opportunities through the communication with a target audience at international exhibitions, on the Internet, and on social networks, which involves modern innovative instruments.

We think that, nowadays, the tourism brand of Ukraine is at the stage of brand-support, which requires comprehensive actions aimed at disseminating the slogan and logotype “Ukraine Now” among domestic and foreign tourists. However, beyond supporting the visual component, it is important to undertake a system and complex programme for supporting the brand coordinated by the main groups of stakeholders in relation to the two above-mentioned processes (directed towards the internal and external environments).

The brand-effect stage contemplates determining effectiveness of the functioning of the brand. From the standpoint of the interests of various groups of stakeholders, we may use the G. Kalinkina’s approach (Kalinkina, 2006) regarding multi-benefit of a product, which comprises a set of utilities for different market agents. Therefore, multi-benefit of the brand for various stakeholders takes the following formalized form:

$$\sum_{i=1}^n P_i = \sum_{i=1}^n \sum_{j=1}^m A_{ij} Q_j + \sum_{i=1}^n U_i, \quad (1)$$

where P_i is a set of benefits (value, effects, and advantages) for external market agents (stakeholders);

Q_j is a set of benefits for internal market agents (stakeholders);

A_{ij} is the ratio for the correlation between utilities of internal and external market agents (stakeholders);

U_i is the element that takes into account the impact of an institutional factor;

n is the number of external market agents (stakeholders);

m is the number of internal market agents (stakeholders).

Simultaneously, taking into account the existence of a wide circle of stakeholders in forming and implementing the nation tourism brand, we may present the model of advantages for stakeholders (Figure 5).

Outcomes of benefits/advantages from using the nation tourism brand consist of the following indicators: brand value, brand power, brand image, brand loyalty. These indicators collectively express the extent of influence the brand exerts on efficiency of the functioning of the tourism sector. Completeness of the nation tourism brand is concerned with attaining established economic, geopolitical, social, cultural and psychological objectives.

The aforementioned outcomes are applied for implementing the next stage – brand-foresight, which deals with prognosticating the development of the tourism market and markets of related products and plans scenarios for variants of strategic reference points of the nation tourism branding.

4. Conclusion

Completeness of the nation brand is a means for increasing the tourism interest in Ukraine and a precondition for the growth of tourist flows. Value of the nation brand implies not only opportunities for creating the positive image, the increase of utility from activities in the global, regional, and national markets but also strengthening the positions of the country on a global scale.

Substantiating the methodological frameworks for forming the tourism brand, we suggest considering the tourism brand as an integrated, dynamic, and multi-benefit product proposing a set of values and advantages for market entities (stakeholders). The determining influence of the brand is stipulated by a set of its identification contexts: substantive, structural, transcendental, functional, etymological (evolutional), managerial, emotional and psychological, cultural, monetary, and value. This allowed to indicate the holistic (complementary) approach to its identification as a set of unique characteristics, which provides particular guarantees to target stakeholders regarding receiving benefits and advantages. Substantiating the significance of developing the nation tourism brand enables to come to a conclusion that this component of the stable influence of “soft comprehensive power” stipulates its perception as the most important instrument for ensuring the competitiveness, forming the image and leadership positions, achieving business perfectness and customer loyalty, and the positive perception of tourism products, the tourism sector, and national tourism system of Ukraine by stakeholders.

Levels of advantages for beneficiaries:

Macro level:
country

- the increase of revenues in the tourism and related sectors;
- enhancing the level of tourism competitiveness;
- involving investments;
- strengthening the geopolitical positions of the country;
- forming the social values

Meso level:
regions, destinations, clusters, local communities

- forming the investment attractiveness of territories and efficiency of investing in development of tourism destinations;
- forming and developing the public-private partnership projects;
- enhancing the quality of a complex tourism product will enable to form tourism clusters and destinations, as well as to ensure confidence and collaboration;
- gaining synergetic benefits from strategic collaboration;
- providing the completion of long-term contracts;
- support for gaining direct benefits by local communities

Local level:

Tourists

Business entities

Investors

Non-government organizations

- reduction of uncertainty in the process of preparation for a trip and undertaking it;
- guaranteeing optimal indicators of service quality (price, service, and time);
- providing confidence and reduction of uncertainty (minimizing the risks during a trip);
- maximum satisfaction of needs in compliance with anticipations;
- providing confidence in the operative response to claims;
- guaranteeing the professionalism and attention in the process and after purchasing a trip

- recognition of the national tourism brand will enable to beneficially position a certain business entity in the market;
- the growth of efficiency, absolute and relative indicators of activity;
- scaling the activity, the increase of a market share;
- achieving competitive advantages

- maximizing the profits, minimizing the expenses;
- acceleration of a rate of return;
- the increase of business value

- forming stronger and solider civil and professional environments;
- conducting to making significant positive changes in processes of managing and planning the tourism sector

Figure 5. Model of the nation tourism brand’s advantages for stakeholders

Source: drawn up by the authors

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