

# UKRAINE: ON THE WAY TO STRENGTHEN THE NATIONAL BRAND

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## **Introduction**

Slightly more than six months before the launch of Euro 2012, the Ukrainian government is implementing a programme aimed at “boosting the country's image abroad”. So far, a huge country located between Russia and the EU, Ukraine has remained an island of relative inactivity.

What associations accompany Ukraine today? The Kyiv Post ranked 10 replies reflecting common knowledge of Ukraine: nothing, a nuclear disaster (Chernobyl), the Soviet past and the present, part of Russia, a diet of vodka and lard, beautiful women and sex-tour advertisements (ideal women or money-grubbing online brides and prostitutes), sports, the Orange Revolution, a breadbasket and of course, Timoshenko and her hairdo<sup>1</sup>.

To date, the local elites have had no time to focus on national branding due to the country's political climate. The vicious circle “no-promotion-worldwide-because-everything-is-so-bad” needs to be overcome and more effective efforts need to raise awareness of Ukraine and communicate the positive changes taking place.

Building up the national brand should be initiated by the country's citizens. Unfortunately, over 80% of the respondents in a Research & Branding Group poll stated that their life had deteriorated since regaining independence. In other opinion polls, the respondents blame politicians, businessmen and criminals for their negative influence on the citizens' lives<sup>2</sup>. According to a survey conducted by the Institute of Sociology of the Ukrainian National Academy of Sciences<sup>3</sup>, in 1998 a majority of Ukrainians (60%) believed “it was impossible to bear such hardships” while in 2011 a majority (53%) said that “it was hard to live but it was possible to put up with such life”. At the same time, people have less hope for the future: in 2011 only 39% of the surveyed showed

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<sup>1</sup> Panova K. and et., For many in the world, knowledge of Ukraine still poor, Kiev Post, August 19, 2011.

<sup>2</sup> Tuchynska S., Ukrainians debate on their identity as the nation marks 20<sup>th</sup> year, Kiev Post, August 19, 2011.

<sup>3</sup> *Most Ukrainians dissatisfied with their lives.* Informational Agency УНІАН, 12.01.2012.

optimism. Most Ukrainians define these days as an era of thieves, swindlers (48%), state-mongers (44%) and beggars (40%). Over the last 20 years, the Ukrainian society has retained a state of demoralization and destabilization. 13% of the respondents say that things are not improving at all. Ukraine is also one of the most corrupted countries in the world. According to Transparency International, in 2011 Ukraine was ranked 152nd among 178 countries with a score of 2.3<sup>4</sup>. The country's image is that of a politically unstable state: it is regarded to have been the key factor against doing business in Ukraine presented in The Global Competitiveness Report 2011-2012 by the World Economic Forum. In this Index, Ukraine ranked 89th among 131 countries<sup>5</sup>, an equal of Burundi and Cameroon. Ukraine's biggest challenges is corruption, tax regulations, access to financing and sluggish government bureaucracy. The Country Brand Index ranked Ukraine as far as the 105<sup>th</sup> among 131 countries in 2011-2012<sup>6</sup>. All the efforts toward "Euro-integration" are undermined; to an average European, the country remains "terra incognita".

### **Attempts at national branding in Ukraine**

The Orange Revolution of 2004 was the first time in the country's brief history of independence when Ukrainians felt the impact of a boosted positive image. The event itself was largely covered on a global scale for over a month. Attention was paid to the intricate and uniquely long-suffering past of this previously anonymous nation. The "Orange Revolution" of 2004 provided an unprecedented opportunity to improve the image of Ukraine. Unfortunately, it seems like the country has wasted this opportunity. However, those brief moments did enough to demonstrate what could have happened if the country had been able to do something more specific about its image problems.

In the post-Orange Ukraine, there have been three attempts to improve the nation's image. The first was made in 2005 when the Foreign Affairs Minister invited bids from companies capable of organizing promotional campaigns abroad. However, this attempt turned into a scandal. In 2007, the State Service for Tourism and Resorts associated with the Ministry of Culture decided to promote the tourist brand "snowy winters" in the country under the slogan "Ukraine. For snow lovers". Promotional videos were released and aired on Euro news and the National Geographic channel, 80 times each<sup>7</sup>.

The most active strategy was devised in 2010. At the request of the Foreign Affairs Ministry, CFC Consulting<sup>8</sup> created and implemented Ukraine's branding strategy<sup>9</sup>.

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<sup>4</sup> <http://cpi.transparency.org/cpi2011/results/>

<sup>5</sup> <http://reports.weforum.org/global-competitiveness-2011-2012/>

<sup>6</sup> [http://www.futurebrand.com/wp-content/uploads/2011/11/2011\\_2012\\_FB\\_CBI\\_ENG.pdf](http://www.futurebrand.com/wp-content/uploads/2011/11/2011_2012_FB_CBI_ENG.pdf)

<sup>7</sup> Dickinson P., *Ukraine: the price of poor PR*, Business Ukraine, Vol.3, issue 11 November 2009

<sup>8</sup> <http://www.cfc.com.ua/en/case-studies/all/brandukraine/>

<sup>9</sup> <http://brandukraine.org/e/>

The underlying idea was that the brand "Ukraine" should be simple and clear. Its philosophy is to show what Ukraine is as a state and as a society. This philosophy can be taken down to one word: openness. Ukraine declares its openness to the world as an attractive and promising tourist destination. The country presents itself as an active participant of the global socio-cultural process. According to the authors of the "Ukraine" brand, spirituality, family, land, life, and tradition are the core values of Ukrainians. The slogan "Ukraine: Moving in the Fast Lane" and the accompanying logo are designed as symbols of rapid, dynamic progress. The other chosen symbols included the cartoon characters of Harniunia and Sprytko (later abandoned because of public protests).



Source: <http://brandukraine.org/r/>

Moreover, the National Agency in charge of the European Football Championships presented another logo for Euro 2012 in Ukraine. At the heart of the logo is a sunflower, one of the most popular and well-known Ukrainian images. By design, the sunflower conveys the image of Ukraine filled with warmth, love and hospitality where everyone will feel welcome.

A lot of various projects are used to promote the image of Ukraine, for example:

- portals like Welcome to Ukraine<sup>10</sup>, Discover Ukraine<sup>11</sup> and Travel to Ukraine<sup>12</sup>. These are professional and public initiatives to advance the reputation of Ukraine as a host country of Euro2012<sup>13</sup>;
- the "one million votes for Ukraine" project aimed at collecting signatures of a million of EU citizens to support Ukraine's accession to the EU;
- the campaign "Ukraine. Beautifully Yours"<sup>14</sup> aimed at dispelling notions of Ukraine as a great sex tourism destination and a country exporting its women. The country, its tourism and cultural potential are to be introduced to Europe by the country's modern, talented, self-sufficient and successful women. Pop singers Tina Karol and Ani Lorak are to assist in undermining these stereotypes;

<sup>10</sup> <http://www.wumag.kiev.ua/>

<sup>11</sup> <http://www.discover-ua.info/>

<sup>12</sup> <http://www.traveltoukraine.org/index.htm>

<sup>13</sup> III. EURO 2012, *EURO 2012 and the Goal for Brand Ukraine*, Discover Ukraine

<sup>14</sup> <http://www.cfc.com.ua/en/case-studies/all/beautifully-yours/>

- “Ukraine. All about U”<sup>15</sup> - promo videos for CNN and BBC World aired for four months in 2011 (a total of 13,000 viewings),
  - The “Ukraine Inspires” campaign about the life and achievements of famous people of Ukrainian descent who do not live in the country,
  - “Ukraine International Information Center” whose goal is to ensure operational search and global distribution of positive news about Ukraine and stimulate generation of such news,
  - "Global Ukraine" promoting Ukraine as part of large international events such as the G8 Or G20 meetings,
  - “Ukraine - Center for Contemporary Art in Eastern Europe” to merge actions, projects, festivals and exhibitions,
  - “Fashionable Ukraine” - project Airstrip Fashion Show conducting a fashion show in the state-of-the-art cargo plane AN-225 "Mriya".

Ukraine has also been trying to improve its business position. The State Agency for Investments and Management of National Projects designated InvestUkraine<sup>16</sup> to provide investors with all-round support and special services. Since late 2011, Ukraine has embarked on a special road-show, a presentation of the country’s investment potential and top five national projects in the 16 largest financial centres of the world. The projects include ‘LNG-Terminal’ (a re-gasification terminal for liquefied natural gas on Ukraine’s Black Sea coast), ‘Energy of Nature’ wind farms and solar power plants), ‘Clean City’ (a modern waste recycling and disposal complex), ‘Open World’ (establishing a national information 4G net), ‘Olympic Hope – 2022’ (plans to provide sports and tourist infrastructure for the Winter Olympic Games 2022). The major goal is to increase investments to US\$ 72 billion<sup>17</sup>. Ukraine’s key advantages include its geopolitical position with access to strategic regional EU markets, Russia and Asia; sea connection with the Middle East; the fourth most educated population in the world and one ranked fifth with respect to certified IT specialists; cheap labour market; agricultural potential.

### **Conclusions and perspectives**

Ukraine has many strong competitive advantages and its great potential needs to be communicated efficiently. These advantages have not been assembled yet into a national story. And that is why the country’s image is tarnished with prejudice accompanying the Soviet past. The already existing parts of a more modern image will not suffice to build up a new image strong enough to replace the former image. National branding requires involvement of professionals from all walks of life. The Ministry of

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<sup>15</sup> <http://ukraineallaboutu.com/>

<sup>16</sup> <http://investukraine.com/>

<sup>17</sup> Kaskiv, V., Invest in Ukraine, Diplomat, 02 November 2011.

Foreign Affairs must attract the support of both Ukrainian and foreign businesses, the Ukrainian diaspora, think tanks, NGOs and the art community, to name a few.

If Ukraine's authorities decide to address the image issue, they must first and foremost define modern Ukraine in branding terms and streamline the country's ragged profile. Ukraine must declare what it stands for and how it wants to introduce itself to the world. This is all about positioning the country because Ukraine has not yet established its position in the minds of global consumers. Its current positioning is the result of non-existent proper bearing. While the new strategy tries to improve the situation, it is accompanied by various projects (everyone tries to break different stereotypes) that need to be connected into one idea. What is more, there is no single Ukrainian brand that could conceivably become an ambassador of the country's nature and attributes. Meagre funds pose a great problem. Nor is it impossible to enhance an image without a certain degree of institutionalization. Ukraine needs a permanent managerial and coordination framework for building its brand.

Looking ahead, the country has the potential to leverage UEFA Euro 2012 as a major forthcoming sports event to boost its image in the international community. With a global spotlight provided for a month, Ukrainians should take advantage of the event to re-introduce their country to a prejudiced global audience. There is a need to show that Ukraine has changed since the last time the world observed it, to show Ukraine's new role in the world, explain why it is worth visiting and what to expect from the country.

From an inner perspective: with the corruption, collapsing infrastructure, poor social benefits, substandard healthcare and so much more in desperate need of fixing, experts say that only pragmatism can now become a new national idea for Ukraine. The country's challenge is that the government will have to spend significantly more time and money if it is to make an impact on the image problems hampering the nation's development. Only a tax and regulatory reform could alleviate these problems and be an efficient tool of invigorating business and creating jobs.

A case in point is Georgia, a country which has managed to break down stereotypes and difficulties. Visitors to Georgia can easily see the country's successes: upon arrival, foreigners deal with polite officials and incorrupt law enforcement officers. Incentives for small businesses are a prerequisite for the emergence of new enterprises and honest competition, in particular in the tourist sector. Competition enhances quality. Georgians themselves saw the reasons for reforms and the related benefits. Now they share their understanding with visitors. This is the main conclusion: the problem of Ukraine is not so much in the bad stereotypes but the complex present situation. The main rule of successful branding is promoting conformity and advertising reality. This

must be taken into account in the first place or Euro 2012 may backfire on Ukraine with the image of a country cast outside Europe only reinforced<sup>18</sup>.

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<sup>18</sup> Pavlenko, R., *Welcome to Ukraine?*, The Ukrainian week, December 16, 2011.