

## **Flag brands as factor and result of a country identity and image – Polish experiences<sup>1</sup>**

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El presente trabajo se ocupa de los aspectos referentes a la creación de marcas regionales y locales así como del establecimiento de una marca nacional. Las tres categorías de marcas de bandera se han caracterizado detalladamente y se indican las relaciones que existen entre ellas. También se intenta analizar los factores que forman parte de la identidad de marca, con especial atención a las marcas de productos de consumo. Se presentan los conceptos de identidad e imagen desde una perspectiva más amplia como atributos que caracterizan a la empresa. Las reflexiones presentadas se refieren, sobre todo, a las empresas polacas, pero también se citan algunos ejemplos de actividades de compañías localizadas en países altamente desarrollados, en concreto en la Unión Europea, con el fin de otorgar al artículo una dimensión práctica. Se proponen marcas concretas

This article discusses the issue of creating regional and country brands by enterprises and of establishing a national brand. The three mentioned flag brand categories have been described in detail and the relations between them have been indicated. The article also makes an attempt at analyzing the factors that form part of the brand identity focusing primarily on the consumer product brands. The identity and image concepts are presented also in a broader perspective as certain attributes that characterize the enterprise itself. The presented considerations refer mainly to Polish companies, but some examples of enterprises from highly developed countries, especially from the European Union, have also been added in order to provide this paper with more practical dimensions. Specific brands offered by national

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que ofrecen empresas locales y que pueden denominarse como marcas nacionales o regionales. Se indican los cambios en el entorno del mercado que implican actividades de las empresas en el área de *branding*, y de modo especial se toma en consideración el cada vez más fuerte movimiento antiglobalizante y sus actividades dirigidas contra grandes consorcios y las omnipresentes marcas de masas. Además se pone de relieve el significado de etnocentrismo de los consumidores y de las tendencias regionalistas opuestas a la globalización. Del mismo modo, se destaca el importante papel de las empresas familiares en el establecimiento de marcas de bandera. Las empresas familiares podrán contribuir a conservar y reforzar la identidad polaca.

Palabras clave: marcas de bandera, marca regional, local y nacional, identidad, imagen, empresas familiares.

enterprises that may be called country and regional brands have been proposed. Some transformations of the market environment which imply branding activities of the companies have been identified, especially the antiglobalist movement which becomes more and more powerful and its activities directed against big concerns and omnipresent mass brands. Moreover, the consumer ethnocentrism and regional trends opposed to the globalization have been emphasized. Also the important role of family businesses in developing flag brands has been made evident. The family companies may contribute to maintaining and reinforcing the Polish identity.

Key words: flag brands, regional, home and national brand, identity, image, family enterprise.

## 1. INTRODUCTION

In 2004 Poland, together with other nine post-communist states became an integral part of the European Union, which may be perceived as a symbolic crowning of a fifteen-year period of economic transformation. Poland had endured one of the most traumatic transformations in the region. The "curative" programme that was launched in 1989 had touched off an economic revolution with its key turnaround elements: explosion of private companies, vigorous border trade, surging exports, trying to benchmark against Asian Tigers, restructuring state corporations and attracting foreign investments. Since 1989 business environment has undergone a substantial and rapid change which has altered both the structure and the direction of a large number of companies in Poland.

During these fifteen years of building the free market, the majority of Polish state entrepreneurs was learning how to function in the capitalist economy. On the other hand, private businessmen were able to develop more freely the companies that they had established before the transformation or they set up new companies. At the beginning of privatization in Poland there were functioning 8500 state enterprises as compared to only 417 such companies existing in 2004. After the years of lost and regained national identity, which directly influenced domestic

economy, the issue of Polish identity, and creating strong brands, is gaining significance.

Nowadays, Polish companies, similarly to many firms in the EU countries or in other continents, perceive the sense of exposing the identity of their products. Certainly it concerns selected categories of products for which such activities are really beneficial. In this article the author focused on the issue of creating brands offered by the enterprises underlining the country of origin of their products. However, sometimes a brand is perceived as produced in a given country and as a very typical symbol for the state but in reality the brand belongs to a foreign investor or international company. The article presents the role of brands characteristic for a given country or region whose strong position ensures them, nowadays or potentially, a crucial place in international markets. The text also shows the very essence of a national brand, proving its increasing significance in the conditions of international competitiveness and the necessity to consciously and consistently shape an image of a country. The author attempted to analyse the factors shaping the identity of a brand, focusing mainly on brands of competitive products. The analysis presented below mainly concerns Polish enterprises but it also includes the activities of the companies from advanced countries, especially from the EU. The author risks a thesis that the identity of Polish business, and even more generally, the identity of a country's business can be strengthened by powerful brands.

## 2. CONCEPT OF BRAND IDENTITY AND IMAGE

When it comes to identity and image, one should be initially focused on this issue in a wider context. According to Balmer<sup>2</sup>, starting from the inside of a company, its identity must be considered first. Corporate identity is the mix of elements which endows organizations with their distinctiveness. Corporate identity is the accumulation of a company's history and its strategies and constitutes the sense of selfhood. Thus consequently it is unique, formed by organization's beliefs and philosophy, the nature of its technology, its ownership, its people, the

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<sup>2</sup> J.M.T. Balmer (2001) "Corporate identity, corporate branding and corporate marketing. Seeing through the fog", *European Journal of Marketing*, Vol. 35, No. 3/4, p. 248.

personality of its leaders, its ethical and cultural values<sup>3</sup>. Feelings of identity and belonging are among the most profound manifestations of the company condition –they are a binding and driving force that energizes the group and gives it a sense of uniqueness<sup>4</sup>. On the other hand, corporate image can be treated as the mental picture that people have of the company<sup>5</sup> and a sort of collective experience of those who work for and deal with the organization<sup>6</sup>. The term corporate image refers to three different domains of reality: the external world, a consumer's mind, and textual intermediary between the two<sup>7</sup>.

However, in this article the term *brand identity* is frequently used, therefore it should be defined. Brand identity is treated as a group of individual features connected to each other and typical of a given product which are consciously exposed by a company (brand's owner). They may be actual attributes of a specific good (e.g. A. Blikle's products - a multi-generation tradition of Polish confectionery, Blue Mountain - Jamaican coffee characterised by extraordinary flavour and taste as well as highest quality in the world for connoisseurs) or features created by experts in branding (e.g. Frugo soft drink - a "youth" product of *new age* type, Max Factor cosmetics - necessary for professional make up used by celebrities). It should be added that brand identity is highly influenced by the corporate identity strategy implemented by a company (widely used acronym: CI). We can enumerate three major structures of CI, which also show the position of a given brand: monolithic (unitary), branded and diversified (group, endorsed). In the first case specified above corporate identity and brand identities of offered products are cohesive (e.g. Sony company and Sony product brand). In the second case the impact of corporate identity on brand identity is visible but not so strong (e.g. Renault company and makes of Clio, Megane, Laguna). The third CI type is characterised by a complete detachment of a brand from the company

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<sup>3</sup> N. Ind (1990) *The Corporate Image. Strategies for effective identity programmes*, London: Kogan page, pp. 19-20.

<sup>4</sup> W. Olins (1996) "The energy of identity", *Marketing*, April 18, p. 18.

<sup>5</sup> D.W. Cottle (1988) "How firms can develop and project a winning image", *The Practical Accountant*, vol. 21, pp. 46-50.

<sup>6</sup> M. Fearnley (1993) "Corporate reputation. The wasted asset", *Marketing Intelligence and Planning*, vol. 11, p. 48.

<sup>7</sup> B. Stern, G. Zinkhan, A. Jaju (2001) "Marketing images. Construct definition, measurement issues, and theory development", *Marketing Theory. Articles*, vol. 1(2), London, Thousand Oaks CA and New Delhi: SAGE, p. 203, 212-213.

(e.g. American huge Sara Lee corporation and its Spanish Marcilla premium coffee). Polish managers are often confronted with a problem which option they should accept. A large and complex organizational structure of a company makes the task much more difficult. In this case one of the tasks of a CI is to determine the correct balance between the parent company, the business units and the brands. The structure must be logical and understandable by key audiences.

In the case of products which have been on the market for a relatively long time, brand identity mainly stems from the company's history as well as its tradition. On the other hand, in the case of the brands which are introduced into the market it is necessary to market them in an intensified and active way so that from the very beginning of their existence their identity is created in line with an accepted strategy of a company. It should be stressed that brand values expressing its identity must be communicated to the audience in a proper way. External recipients decode this message and on the basis of interpreting it create their own picture of such a brand, i.e. its image. That is why an image reflects identity or in other words it reflects the way in which a brand is perceived by recipients. Therefore conformability between perception of a given brand and intentions of a sender (brand's owner) depends on clarity and accuracy of marketing messages. That is why actions thanks to which brand image is closest to its identity can be called effective<sup>8</sup>.

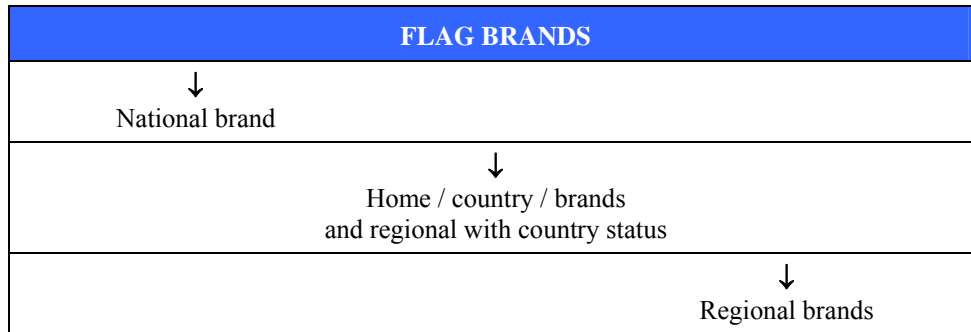
### 3. DEFINITION OF FLAG BRANDS

The literature on this subject does not include a unified classification of brands which are defined in this article as "flag brands". Many different terms are used which actually describe the same categories; what is more, the names tend to be used interchangeably. Therefore the author proposes the following classification of flag brands: national brand, home or country brands and regional brands (figure 1).

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<sup>8</sup> Attitude to the issue of identity is consistent in this article with the proposals included in the articles of such authors as among others: L. de Chernatony (2003) *Marka. Wizja i tworzenie marki*, Gdansk: GWP, pp. 48-51; J.M.T. Balmer (2001) *op. cit.*, p. 248.; W. Olins (1996) *op. cit.*, p. 18; or C.L. Morgan (1999) *Logo, identity, brand, culture*, East Sussex: RotoVision, pp. 47-73.

Figure 1. Concept of flag brands classification



A NATIONAL BRAND is a group of consciously exposed features and key attributes which express the very essence of identity of a given country (from the point of view of a sender it is a projection of national identity), transferred appropriately to the vision perceived abroad (i.e. the image perceived from a recipient's point of view). This category has the broadest and deepest meaning among the ones presented above, as well as the greatest symbolic dimension. It combines numerous attributes of a given country which are most characteristic of it. It unifies the inhabitants who identify themselves with these characteristic features, simultaneously communicating them to external recipients. A significant impact on shaping a national brand have home brands as well as regional ones and *vice versa* – creating a strong, distinct image of a national brand many times contributes to strengthening the position of the two other ones.

The author proposes to define HOME BRANDS (of products, services, goods of culture and art<sup>9</sup>) as the ones being the leaders on a home market and are positively perceived abroad also because of their country of origin and are associated with that country. Their indisputable quality and other values noticed by purchasers let them effectively compete outside their home markets. Using a metaphor, we may define them as ambassadors of their countries<sup>10</sup>. It has to be underlined that strong

<sup>9</sup> In the light of modern marketing, creators also become brands *per se*: e.g. A. Lloyd-Weber and his music or P. Almodovar and his films. Nevertheless, taking into account the character of this article the author will consider first of all product brands.

<sup>10</sup> Literature on this subject widely describes the issues connected with the country of origin of a given product - COO, in other words product-country image – PCI/. Between 1952 and 2001 the research on this issues was presented in 766 top world publications. See: J. Cervino, J. Sanchez, J.M. Cubillo (2005) "Made in Effect, Competitive marketing Strategy and brand Performance: An Empirical Analysis of Spanish Brands", *The Journal of American Academy of Business*, Cambridge, no. 2, March, p. 237. An interesting view on this subject is included in the article by P. Kotler and D.

regional brands also aspire to this group which is probably most visibly exemplified by prestigious sparkling wine from Champagne i.e. champagne (brands such as Charles Heidsieck, Krug, Moët&Chandon, Pol Roger) which for many years has been associated with France.

REGIONAL BRANDS are described here as brands of goods created on a given area which its dwellers associate themselves with and which are usually distributed on a limited territory as well as offered to individual purchasers. However, in line with EU legislative solutions, regional brands are labelled to goods produced only in some EU regions (they have a guarantee of reserving the product's name and technology). Such labels concern exclusively food which excludes from this group other goods typical of specific regions e.g. craftworks, works of art or specialized services including SPA or agro-tourist services. Taking it into account, in this article the author uses an extended meaning of the term "regional", including in this word also the brands outside food industry or the ones aspiring to EU certification.

All the three categories enumerated above are joined by a common name proposed in the article i.e. flag brands which clearly defines their basic attributes combining them with a specific area and its inhabitants.

#### 4. MEANING OF NATIONAL BRAND

Creating a national brand is ever more important. Many countries notwithstanding their economic level, area, geographic location or cultural conditions have built up a distinct image abroad which strengthened positive, strong attributes of their national identities among their citizens thanks to the employed holistic strategy of acting. The states that have accepted such a challenge include e.g. Australia, Egypt, Estonia, Finland, Hungary, Ireland, Liechtenstein, New Zealand, Norway, Republic of South Africa, South Korea, Spain, Turkey. Globalization processes indicated to the states new tasks and areas of building a competitive superiority (including the processes connected with developing tourism industry, gaining foreign investments, mergers and international strategic alliances). A properly created and consolidated national brand surely belongs to basic advantages in such actions. Its graphic image is usually

the so-called leading motif (a short slogan) written in an appropriate shape of letters (logotype) together with a graphic symbol (emblem, usually a drawing). Some countries made a mistake choosing a leading motif without a proper analysis and resigning from specifying the key, unique features of national identity<sup>11</sup>. In the result these slogans lack originality, are devoid of a deeper meaning and sometimes sound almost identically e.g. "Centre of Europe" for Lithuania, "In the Heart of Europe" for the Czech Republic. On the other hand Spain is a vivid example of a country, which projects perfectly its identity onto its image. And the image is certainly very well perceived by the foreign audiences abroad, which have been shown a holistic view, a full concept of a country (starting with the Joan Miro symbolic sun and going through other programmes based on this simple yet very clear idea).

The process of creating a national brand may be illustrated by the example of re-branding (revitalizing<sup>12</sup>) the Liechtenstein brand, implemented by Wolff Olins company between 2003 and 2004<sup>13</sup>. The monarch of the dynasty reigning continuously from 1699, Johannes Adam von und zu Liechtenstein together with other important celebrities decided to specify the Principality's identity in a more distinct way. They wanted to stress and communicate its attributes in such a way that they could become a cohesive group of values perceived in a distinct image of this country. The key features included business, tourist, educational and cultural opportunities. The actions were supervised by the Image Foundation comprised of representatives of the government, state agencies, top business organizations and was led by Prime Minister Otmar Hasler. Creating the brand's idea was preceded by widely conducted market research done both in the Principality and abroad. As many as 25% of citizens considered the improvement of the image as a priority in improving the state's reputation. The introductory point for this project was six features of Liechtenstein verified in the research, specified as:

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<sup>11</sup> A very valuable research into identifying components of national identity and their marketing implications is the publication by K. Dinnie (2002) "Implications of National Identity for Marketing Strategy", *The Marketing Review*, no. 2, pp. 285-300.

<sup>12</sup> E.g. D.A. Aaker one of the top word specialist in branding, uses the term *revitalization*. See: D.A. Aaker (1991) *Managing Brand Equity. Capitalizing on the Value of a Brand Name*, New York: The Free Press, pp. 238-263.

<sup>13</sup> The author received the information included here in September 2004 in London during a meeting with the consultants implementing the discussed project for the Principality i.e. with the representatives of Wolff Olins and London CBN companies.



dialogue, finance, industry, home, nature, principality. Although the image underwent its metamorphosis in summer 2004 we can already observe its effects including a really positive perception of this action by international media shaping opinions. The aims which were set up seem to be gradually achieved thanks to appropriate shaping of brand as well as properly communicating the changes. The Principality finally moved away from the image of a hermetic country and especially from quite an unclear and mysterious image of a financial centre covering suspicious business. It became more reliable, open and friendly.

## 5. THE BRAND FOR POLAND PROJECT

According to experts from national branding, including renown specialist W. Olins, Polish image so far has not reflected positive changes taking place in the state. Opposite to numerous EU countries we still have not created a national brand which would help to build up a competitive superiority on international markets and positively affect tourism of arrivals. What is more we should not focus our image activities on several categories of consumption products such as vodka, ham of good quality, honey<sup>14</sup> or amber jewellery. We should take them into account but Polish national brand must express much more: it must reflect the elements of our identity contained in art, science, music, film or sport<sup>15</sup>. Olins states that "thanks to creating a full, cohesive, attractive and reliable image Poland will ensure itself a deserved position on the European stage. It is a slightly more difficult task than selling neatly packed sausages *made in Poland*, but there is no other way for Poland to achieve a good brand in the world"<sup>16</sup>.

Soon it will turn out if Polish authorities implement a project done by the international group of consultants including W. Olins, the National Economic Chamber and the Institute of Polish Brand. First stage of the National Marketing Programme, initialized on the turn of

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<sup>14</sup> It should be stressed that Polish food is highly appreciated abroad which is proved by the increase in export (mainly meat products, processed fruit and vegetables, sweets and dairy products) by over 30% in 2005 as compared to 2004. See: *Gwałtowny wzrost popytu na polska żywnosc*, "Trendy Food", no 1/2006, p. 9 (no author).

<sup>15</sup> The author heard these opinions during the conversation with Wally Olins in the seat of his company Saffron Brand Consultants in London in September 2004.

<sup>16</sup> W. Olins (2004) "Polskie marki a Unia Europejska", *Harvard Business Review Polska*, 07.2004, p. 53.

2003 and 2004 is over and the costs of market research, consulting, experts' diagnoses and analyses as well as working out a leading motif (in other words: brand's essence) amounted to 5 millions PLN<sup>17</sup>. The second twelve-month stage is to cover such work as e.g. preparing a book of visual identification, specifying the strategy of marketing communication, training professionals who will implement the concept and the costs will amount more than 8 millions PLN. What has been done so far? The basic aim of the project was to "create a unique, attractive and genuine national brand which would improve the image and help to build a good reputation of Polish companies and products abroad, which would positively affect development of tourism and gain direct foreign investments"<sup>18</sup>. There were specified four most important areas where impact of a national brand should be strongest i.e. tourism industry, foreign direct investments, export and public diplomacy. The essence of Polish national brand was defined in another way than its leading motif. The slogan "Creative Tension" was chosen applying to typical of Poles constructive incitement and imagination as well as tempestuous, tense atmosphere of creation which always, however, brings positive results. The leading motif also reflects a strong personality of our energetical compatriots who are rather uncompromising individualists contributing to progress in the fields they work in. The chosen 7 attributes of Polish identity later transferred into a national brand are presented in figure 2.

The latest news, dated September 2006 and referred to the project development, is very optimistic. The government has already accepted the next steps of the project and *Brand for Poland* will be included in a state programme for the years 2007-2015 called *Innovative Economy*<sup>19</sup>.

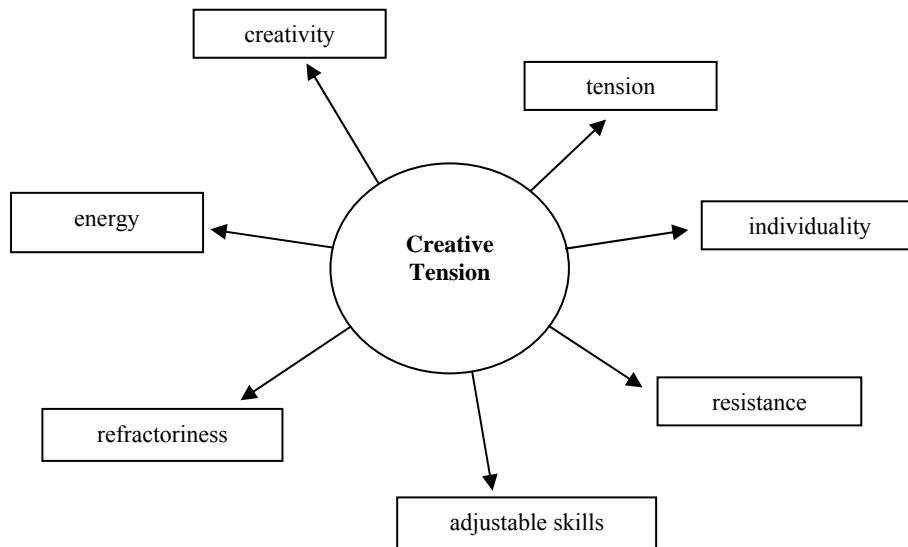
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<sup>17</sup> M. Grzegorzczak (2005) "Decyzja czeka na nowy rząd", *Puls Biznesu*, 17.10.2005, p. 12.

<sup>18</sup> M. Herezniak (2005) "Kreowanie marki narodowej – rola idei przewodniej na przykładzie projektu Marka dla Polski", edited by H. Szulce, M. Florek, *Marketing terytorialny. Możliwości aplikacji. Kierunki rozwoju*, Poznan: Wydawnictwo AE w Poznaniu, p. 341.

<sup>19</sup> The author got the information during an interview that she carried out with M. Boruc, the president of Institute of Polish Brand, in 08.09.2006. The Institute is one of the key creators involved in *Brand for Poland* project.

**Figure 2. The attributes of Polish identity chosen in Brand for Poland project**



Source: Based on the information got by the author during the meeting with M. Herezniak in May 2005. It has to be stressed that M. Herezniak was a member of a consulting group implementing the project.

## 6. ROLE OF HOME BRANDS - MARKET PRACTICE

As it was mentioned before, home brands are enumerated simultaneously with other elements characterizing a given state. They convey some information concerning a given country. Nevertheless, associations are possible only when the values of specific marks are consistently and consciously protected. Every day life brings numerous examples of almost immediate associations: e.g. Belgium - Godiva Chocolatier<sup>20</sup>, the Czech Republic - Becherovka, Italy - Armani, Spain - Zara, Sweden - Ikea, Finland - Nokia, Denmark - Lego, Switzerland - Rolex, France - Chanel, Great Britain - Burberry, Germany - BMW. They are just separate examples but certainly such associations could be multiplied; even when we think only of France we could associate it also with Dior, Dom Perignon, Hennessy, Citroen, Peugeot or Renault. All home brands

<sup>20</sup> Packages of these famous and luxurious chocolate products are labelled with a statement together with the monarchy's coat of arms: "By Appointment to the Court of Belgium".

enumerated above which are business cards of their countries in a way function as their ambassadors. Nowadays, however, many top home brands are taken over by foreign investors. What is interesting these brands often live their own lives and still, despite changing the owner due to mergers and acquisitions, are perceived as belonging to a given country. For deciphering "home" values coded in a brand most important is its origin and roots as well as communicated attributes of identity, but not always a current owner. Such a situation is in the case Wedel chocolate<sup>21</sup> (in the years 1991-1998 in the hands of American PepsiCo., since 1998 - a British Cadbury Schweppes corporation), Spanish Seat and Czech Skoda (both makes belong to a German VW-Audi concern), Swedish Saab (owned by American General Motors concern), British Jaguar (belongs to Ford Motor Company), Polish Zywiec, top leader in brewery (owned by Heineken N.V.), Milka sweets (identified with Switzerland, actually owned by KraftJacobsSuchard/PhilipMorris global tycoon), Spanish delicious Marcilla coffee (belongs to American Sara Lee corporation), Polish luxurious Chopin and Belvedere vodka as well as Zubrowka (two first in the hands of American Philips Millennium company, the third bought by Central European Distribution Corporation).

Taking over home brands by foreign investors arises justified emotions and fears. Such operations bring questions about continuing current strategy of a company and keeping the positions of brands which up till now were regarded as flag ones. It is worth illustrating it with a situation from a British market. In March 2006 a British cult The Body Shop company enjoying world reputation and fame of a precursor of social marketing, offering ecological cosmetics and accessories in over 2000 of their shops in 54 countries was bought for 652 millions sterling pounds by a French L'Oreal tycoon. The French stress, however, that this one of most famous British brands is not threatened with losing its identity and the enterprise will still be managed by its founders and current directors, Anita and Gordon Roddick (they have now 18% of shares). What is more, the brand will be positioned in the same way<sup>22</sup>. One can draw the following conclusion: if a given home brand really needs additional capitalizing and it is necessary to involve in it a foreign

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<sup>21</sup> For many years this brand has won in many rankings as "favourite", "best", "strongest" in Poland.

<sup>22</sup> <http://news.bbc.co.uk/1/hi/business/4811776.stm> and <http://www.forbes.com.wo rk/feeds/afx/2006/03/17/afx2602985.html>; access date: 29.05.2006.

investor, a new owner has to be explicitly obliged in m&a conditions to maintain brand's identity and keep in the company the people continuing the tradition of the brand (as in the case of The Body Shop).

In Poland we can indicate products fulfilling the accepted criteria of a home brand. Below there are presented only some examples of chosen products<sup>23</sup>. In the category of food industry we may propose -confectionery products: Wedel, Wawel, -ham: Krakus, -milk products and cheese: Mlekovita; -ice cream: Grycan, -honey and liquid honey: M. Jaros, Bartnik Sadecki; -the so called wet spices: Roleski<sup>24</sup>. Among brands of beverages we can treat as home ones the following types of alcohol: -vodka: Wyborowa, Zubrowka Chopin, Belvedere. Outside food industry the following brands were proposed: -jewellery: W.Kruk, Apart; -glass: Krosno; -windows: Fakro, -yachts: Galeon, -petrol stations and engine oil: Orlen. Outside *stricte* product brands we can enumerate here: hotels: Prestige Hotels group (including SPA complexes).

## 7. THE ESSENCE OF REGIONAL BRAND

As it was mentioned before, while specifying the key attributes shaping the identity of a national brand we should not focus mainly on strong brands of consumption goods. However, such goods must be taken into account as one of many components of such identity. We may even risk a statement that strong local brands contribute to shaping not only the vision of the area they come from but also to creating a general image of their country. Created by many generations, deeply rooted in the tradition of a given society, these outstanding and unique specialities constitute a crucial component of a given culture and frequently co-create this culture. Cultivating heritage is especially vital in some business fields, e.g. in food industry (including alcohol), jewellery, catering, non-mass tourism, in the market of luxurious goods or artistic craftwork. What the author means here is not exclusively goods produced for generations but also relatively new ideas created on the basis of

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<sup>23</sup> Proposing such brands the author took into account the criteria they meet, her own research as well as the ranking of Polish brands made by Ernst & Young in 2005. ("Ranking najcenniejszych i najmocniejszych", *Rzeczpospolita*, 10.06.2005). It is not important here if a brand is owned by home or foreign capital.

<sup>24</sup> Roleski Natura sub-brand is one of the first brands in Poland which received a prestigious EU certificate of *organic food* i.e. ecological food.

values cultivated for many years. Names of such products are generally directly connected with the place where they are produced which can be illustrated by richness of Polish examples: Bolestawiec (name of porcelain and small town), Sopot Ceramics (products manufactured in a seaside resort Sopot), or Zywiec (beer from mountain region of Zywiec). The other ones constitute explicit business cards of a given region and are recognized and preferred by local inhabitants (mainly food including well-known kinds of mountain cheese called *oscypki* and *bundz* as well as regional soup [*kwasnica*], sausage [*kindziuk*], St. Marcin's rolls, cheese and eggs cake called *sekacz*, cream cakes from Wadowice) but they seldom obtain the position of separate brands. Identity of some of them is derived from the historical figures who created the history of a given region e.g. Lajkonik snacks, honey cakes produced by factories by the name of Copernicus in Torun or Hevelius beer<sup>25</sup>. In some cases it is only the content of advertisement which stresses the origin of a brand e.g. Amber Centre jewellery from the Sobieszewska Island or in the products of Mlekovita acting on a wider scale.

One should also pay attention to the names of companies as well as brands of the products they offer which were created on the basis of the surname of their owner who was at the same time their producer. If he or she is a person who really plays a crucial and simultaneously explicitly positive role in a local society and at the same time successfully runs a family business, then one can witness an incredibly advantageous transfer of specific personality and his or her achievements to values of a brand<sup>26</sup>. Such brands encompass e.g. Batycki company (luxury leather goods advertised by amber which is a Baltic gem) or Jarzebinski (famous bread and confectionery in Kashubian region). Local products enjoy special recognition of societies living in given areas. They become an element of identity of the inhabitants proud of possessing unique value characteristic of their region. Local society using such products at the same time gives them a special guarantee and promotes them.

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<sup>25</sup> In 1998 Lajkonik Snacks S.A. was bought by German Bahlsen Hanover KG, which still maintains Polish brands tradition. Lajkonik – legendary character from Krakow, Hevelius – famous astronomer and brewer from Gdansk.

<sup>26</sup> The author widely described these issues in the article entitled: "Nowe spojrzenie na tradycje - zrodla przewagi konkurencyjnej firm rodzinnych", *Innowacje w marketingu*, Zakład Poligrafii Fundacji Uniwersytetu Gdanskiego, Sopot 2005, pp. 55-68.

The EU policy stresses the meaning of regional food as a factor helping to build identity, image and protection for local traditions. Regional specialities (regulations cover exclusively food) can be produced only in some EU regions which guarantees protecting their names and production technology. Since July 14<sup>th</sup> 1992 these food products have been protected and promoted by the Council Regulation /EC/ No 2081/92. The possibility of obtaining three kinds of certificates stimulates entrepreneurs who send the candidatures of their products to Brussels aware that having such a certificate it is easier for them to compete. Such certificates cover:

- PDO - Protected Designation of Origin; for example Prosciutto Toscano, Feta, Chufa de Valencia (nuts), Miel de Granada (honey), Camembert de Normandie,
- PGI - Protected Geographical Indication; for instance Mortadella Bologna, Pivo Budejovicke<sup>27</sup>, Schwarzwalden Schinken, Toscano (olive oil), Tiroler Speck (ham),
- TSG - Traditional Speciality Guaranteed; for example Mozzarella, Jamon Serrano (ham), Hushallsost (Swedish cheese), Leche Certificada de Granja (milk).

The leader of the countries possessing such certificates is Italy (over 150 brands in PDO and PGI categories), then France, Spain, Portugal and Greece. From the states which joined the EU in 2004 only the Czech Republic gained such certificates. There are not many of them because there were awarded three types of regional beer. It has to be stressed that in Southern-European countries consumers are willing to pay even 50% more for registered specialities<sup>28</sup>. As concerns Polish products probably *oscypek* will be registered as the first one (as soon as in 2006) and so far applications have been registered for our nine regional brands. It should be added here that for several years one could observe coming back to nature and a kind of fashion for healthy food produced on the basis of traditional recipes. Such products become a crucial factor of building a region's image and its business activity. Popularity of regional

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<sup>27</sup> Only four brands from the EU newcomers were registered (all from Czech Republic). Based on European Commission documents: *Agriculture and Food*, [www.europa.eu.int/comm/agriculture/foodqual/quali1\\_en.htm](http://www.europa.eu.int/comm/agriculture/foodqual/quali1_en.htm), accessed: 30.05.2006.

<sup>28</sup> J. Jasinski, M. Rzytki (2005) "Oscypek w Brukseli", *Rzeczpospolita*, 17.02.2005.

products is also on the increase due to ever stronger anti-globalist movement and its actions opposing tycoons and ever present mass brands. Consumers more and more often declare ethnocentric attitudes<sup>29</sup> and globalization is opposed with regionalization. We cannot forget about the feeling of separate identity noticed in Europe e.g. something which is Catalanian does not have to be Spanish, Cretenian does not mean Greek and Scottish products do not correspond with "being British".

It is worth mentioning here the prestigious Slow Food international association contributing to strengthening regional brands. It was set up in 1986 in Italy to defend local cooking traditions and promote product brands. Nowadays it unites about 80.000 companies all over the world, including over 150 from Poland. In our country several organizations were set up which deal with promoting such traditions<sup>30</sup>.

#### 8. FLAG BRANDS AND FAMILY ENTERPRISES

It has to be stressed in this place that regional and home brands often belong to family enterprises. Owners of such companies usually with iron consistence defend identity of the brands offered and think in long-terms. They do not surrender under pressure of business partners even if serious problems arise in the company. They usually base on carefully built reputation, have strong feeling of attachment and shaped culture of the company. They oppose anonymity typical of huge corporations and specific brands are supported by specific people backing them with their own surnames. In Poland, the owners of family enterprises try to communicate the values (such as family *per se*, tradition, heritage, honesty, solidarity, ethos, sustaining quality) to the environment. Family companies, especially those with the history of many years, give solid bases for building strong and unambiguous identity which is connected with reputation and perceived image. The evidence of their strength is history: they have been functioning despite partitions, wars, communist regime and present tough rules of the free market. Moreover, following the years of Polish enthusiasm towards global corporations and foreign

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<sup>29</sup> The notion of ethnocentrism is widely described in A. Figiel (2004) *Etnocentryzm konsumencki*, Polskie Wydawnictwo Ekonomiczne, Warsaw, p. 14. According to this author 81% of Poles prefer home products.

<sup>30</sup> The issue is presented in wider context by L. Rak, "Produkt regionalny i lokalny atutem marketingu gminy wiejskiej", edited by H. Szulce, M. Florek, *op. cit.*, p. 214.



companies observed in the beginning period of transformation, the spirits decreased to a large extent. Other countries which became new members of the EU also show this tendency: while large companies are quickly taken over, family SMEs tend to be more stable and guarantee the staff the vision of employment in further prospect. According to Mariano Puig, the Honorary President of the European Group of Family Enterprises: "Our family business is a generation project [...] a long term vision for the enterprise - from parents through siblings to cousins"<sup>31</sup>. Such attitude may be illustrated by a German BMW home brand owned by the clan of Quandts who despite the boom of mergers and acquisitions resisted a temptation to merge with another car maker. In this way it has maintained its independence and clear brand identity.

The identity of a family enterprise should be stressed but the chosen communication tools should be subtle. Such a company, with a tradition of many years, has to maintain the features of some dignity. What is more, entrepreneurs wish to underline Polish identity, presenting their original and individualized offer also as a factor which distinguishes a given region or city. As concerns family companies with a tradition, a surname is still highly important. If it constitutes the name of a company it is at least visible in the trade mark, similarly as the foundation year. Presently the family tradition is perceived in Poland definitely in a positive way and this factor also contributes to strengthening a competitive advantage. Among other alternative ways of maintaining identity of leading brands, the role of family enterprises (in Poland particularly those that have survived the communist era), should be highlighted. These companies can be a brilliant example how to maintain an identity and how it influences the creation of competitive advantage. Simultaneously, the family entrepreneurs must remember that the conscious and strategically planned activity of creating strong identity can be an instrument of supporting perceived image of their brands. It has already become clear that nowadays even excellent quality and brilliant innovation can be copied within weeks, if not days. Polish family companies usually base themselves on a conscientiously built reputation. Management and staff have a strong feeling of identity and a shaped culture of the company. Undoubtedly these constitute crucial foundations for functioning of the

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<sup>31</sup> M. Puig (2003) "Something More than a Legacy", *Revista de Antiguos Alumnos*, nr. 92/2003, IESE Business School, Universidad de Navarra: Barcelona-Madrid, p. 14.

company. Nevertheless, today, such values of an enterprise need a fully professional attitude and proper communication. Contemporary family companies have their reputation, tradition, culture which is not, however, fully reflected in a good image. One of the supreme examples of family firm, which constitutes all the major values of such company as well as can communicate them brightly, is Grycan, one of the leading brands in Polish premium market of high-quality ice cream. The main visual attributes of the strong brand image are presented in figure 3.

Figure 3. Family enterprise Grycan as home brand with powerful personality



In figure 3 there are shown some main visual elements of the brand image: the letter signed by the owner Z. Grycan, entitled: "What is the secret of our ice cream taste?", the owner himself guarantying personally the quality of his products, a kind of stamp with the owner signature.

## 9. CONCLUSIONS

Presenting in this article concepts of national, home and regional brands, the author attempted to give them applicable dimension. That is why it is backed with numerous examples of enterprises from market practice, especially from Poland. These cases of variety of brands prove that Poland has strong home and regional brands, which, properly supported with, among others, actions of marketing communication, or creating exporting consortiums, may effectively compete on international markets. Single and accidental promoting actions will not bring desired results (in the best case temporary interest stemming from the so-called novelty effect). They should correspond with some general long-term strategy which would be worked out by the entities responsible for a wider programme of foreign expansion (Institute of Polish Brand<sup>32</sup> and Polish Chamber of Commerce or Polish Agency of Information and Foreign Investment). That is why creating a national brand would facilitate shaping a cohesive and holistic character for attempts of enterprises to become known on foreign markets and would make them more reliable as well as would help them to maintain the key attributes of Polish identity. Family enterprises indeed play a substantial role in creating flag brands. Their owners have always believed and they are still convinced that the power of family constitutes a great value in itself and can be reflected in the image of their products.

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<sup>32</sup> The Institute together with Wally Olins are the main architects of the „Creative Tension” project – a national branding programme for Poland.

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