

# Country Positioning with ICT- A Case Study of “E-stonia”

25 Maggio 2019

Dragan Ilic, Árpád Papp-Váry

**UDK: 338.48-44:659.1(474.2)**

## **Abstract\***

*Several country branding organizations have been established over the last few years, and such organizations have been created in almost all countries. Although a lot of countries have started to brand themselves around the world, only a few of them have achieved breakthrough success. The essence of branding is distinction, but only a few countries have managed to actually position themselves, and present the features that distinguish them from others. However, there are some good examples. One of these countries is Estonia which in the early 2000s decided to become an “e-country”, i.e. a digital society. The leaders of the country even considered changing the name to E-stonia. Although the official name of the country remained the same, and the hyphen was not included in the English name, that “E” has become a dominant factor in people’s life: essentially all communication and developments are connected with electronics and information technology. As surprising as it may seem, there is also a chance that the concept will enable the country to increase the number of its residents to 10 million within a decade (compared to the current population of 1.3 million).*

## **Table of contents:**

- 1. The Increasing Importance of Country Branding**
- 2. The Aims of Country Branding**
- 3. The Promotion of Tourism**
- 4. The Encouragement of Investment**
- 5. The Development of Export**
- 6. Coordination**
- 7. Further Benefits**
- 8. A Greater Role in International Organizations and Foreign Policy**
- 9. Improving the Well-Being of Citizens**
- 10. Positioning: How To Be Different**
- 11. Unique Country Positioning: Estonia Having Become “E-Stonia”**
- 12. The E-Stonia Vision**
- 13. Digital Citizenship**
- 14. Conclusion**

## 1. The Increasing Importance of Country Branding

In recent years, country image centres and country brand councils have been created all over Europe and the world. Their role is the same everywhere: to position the country, that is, to distinguish the country from its “competitors”, create a uniform brand strategy, and harmonize various messages about the country.

Several sources state that Simon Anholt was the first who put the concepts of “nation brand” on paper in 1996, when, according to his own account, he was getting bored with spending his life making already rich companies a little bit richer (Rendon 2003) Therefore Anholt, having been engaged in the marketing of multinational companies (Coca-Cola, Nescafé), decided to start a completely new venture: he decided to specialize in this area. It does not mean that the theory or practice of nation branding (country branding) had been an overlooked topic before 1996, but its name was different at the time.

In 1993, a textbook on place marketing was published, which also dealt with countries: “Marketing Place s: Attracting Investment, Industry, and Tourism to Cities, States and Nations” whose most important author was who else than Philip Kotler. However, if we take a broader perspective, national identity had always been mentioned in political geography, international relations, political science, cultural anthropology, social psychology, political philosophy, international law, sociology and historical science. Rather interestingly, university marketing experts and researchers had not devoted their attention to country brands, but brands from specific countries, that is, the “country of origin effect”. For example, Papadopoulos and Heslop (2002) counted 766 significant Co-effect publications from the previous 50 years, but also pointed out that there had not been appropriate surveys on the image of individual countries.

The great breakthrough was achieved by the Journal of Brand Management, which devoted a special issue to “nation branding” in 2002 (see Anholt 2002), with the publications of renowned authors such as Philip Kotler, David Gertner, Nicolas Papadopoulos, Louise Heslop, Wally Olins, Fiona Gilmore and Creenagh Lodge. In November 2004, a separate academic journal named Place Branding was launched—today it is also called Place Branding and Public Diplomacy. Several books followed: Simon Anholt wrote three books, Brand New Justice (2005), Competitive Identity (2007), and Brand America (2004) co-written with Jeremy Hildreth. In 2008 a more “academic” book titled Nation Branding was published, edited by Keith Dinnie. The field has also developed dynamically ever since, and books focusing on Central and Eastern Europe have also been published, for example “Branding Post-Communist Nations”: Marketizing National Identities in the “New Europe” edited by Nadia Kaneva, published in 2014.

Why do we need country branding or nation branding anyway? Mostly because “Nowadays nations are in fierce competition with each other in several fields including investments, export, and tourism. This is a new phenomenon. In the course of history, tourism has not been of great importance, investments have been limited to a relative narrow range of companies, and the export has covered generally only those national products which have been transported for a long time to the traditionally formed markets. Globalisation has reshaped the rules of the game here as well”, Olins says (2004, p. 176). Yes, the struggle of countries is much more multifaceted than it was about 100 years ago. Meanwhile, the number of countries significantly increased, and – from an economic point of view – we can say that an increasing number of competitors appeared in the market. While the United Nations had 51 member states in 1945, their number is 193 today! (<http://www.un.org/en/sections/about-un/overview/index.html> 2017).

If we do not only mention the increase in the number of countries, but also consider that:

- democracy is gaining ground worldwide, which makes the work of governments more transparent,

- the role of international media is increasing, which also increases transparency: people are more well-informed than ever,
- travel costs are decreasing, while purchasing power is increasing,
- investment in other countries is becoming easier, you can “outsource” several activities,
- specific products may come from any countries worldwide,
- the demand for “brains”, the most qualified workforce is increasing; moreover, countries are also competing for students,
- certain international organizations provide resources for states that are in need and “lobby” appropriately,
- mass media, telecommunications, and internet created the global village: we may receive a lot of information about a place immediately with a Google search,
- therefore borders disappear in a sense; the expressions “foreign country” and “foreigner” lose their meaning; everything is like visiting our neighbours in the neighbourhood. (Papp- Váry 2009)

We can also say that there is a new era in the competition of nations. Although military clashes are still common in certain regions of the world, in most places warfare is not carried on through traditional weapons, but tools of marketing (van Ham 2002b). The battlefield is no else than the mind of consumers. (Ries – Trout 1997).

This is the scene where each country tries to gain dominance and occupy as much area as possible, because this means tourists, investors, and more consumers purchasing the products of the country.

Anholt and Hildreth (2004), Plavsak (2004), Vicente (2004), and Anholt (2005) call countries with a brand a “soft power”, as opposed to previously established, revulsive “hard power” which is based on authority and violence. Therefore it is no accident that countries take over well-established global corporate strategies, because 51 of the 100 strongest economies in the world are not countries, but companies (Lindsay 2000, Wint – Wells 2000, Kyriacou – Cromwell 2001, Gilmore 2002). This is why they start to use country marketing and country branding.

## **2. The Aims of Country Branding**

The primary aims of country branding are economic. The three main ideas are:

1. The promotion of tourism, and the attraction of tourists to the specific country.
2. The encouragement of investment coming in the country.
3. The development of export, and improved sales of the country’s products on foreign markets.

Now let us examine these in a little more detail.

## **3. The Promotion of Tourism**

This is perhaps the most obvious aspect “because – in most cases – an attractive image of the country is the first step when choosing a destination” (see “Eladni az országot”, Kreatív 2001).

Therefore many people identify country branding with advertisements for foreign tourists (see Anholt 2005 a, and Jenes 2005). Nevertheless, the system and aims of country branding and country image building are much more complex. This is also reflected in the expressions used in professional literature: the term “destination branding” used in tourism is part of “country branding” or, in an even broader sense, “place branding” (Anholt 2005b, p. 118).

In fact, the industry of tourism is increasing by 9% each year (Olins 2004a, p. 178.), and according to the World Travel Tourism Council (WTTC) it already produces 12 per cent of the world’s GDP.

A report by WTO says that 898 million people travelled to another country in 2007, and the number of people visiting other places in the world may be doubled by 2020. For many countries, tourism is actually the only way to rise. (For further statistics and contexts see: Kotler and Gertner 2004, WTO 2008).

Economically speaking, we have to point out that the most important aspect is not the number of tourists, but the amount of money they spend in the country. If a country is not only cheap, but can also develop into a real consumer brand “*laying greater emphasis on its art, culture, history, cuisine, architecture, landscape, and all other unique aspects*”, it may result in less tourists visiting the country, but “*people coming here will spend more money*” (Olins 2004a, p. 179.).

As 70% of inbound tourism is divided among 15 countries, the other countries are in tough competition for the remaining 30%. Therefore branding is (also) essential for them: instead of an “outspend” strategy, that is, spending more than their competitors (what most of them are incapable of) they must use an “outsmart” strategy (Anholt 2005a, p. 88., Vicente 2004, p. 20.).

One of the most useful promotion tools is the Internet, which provides global exposure for all countries at low costs (see Morgan, Pritchard and Pride 2004, p. 8.).

#### **4. The Encouragement of Investment**

Foreign investments also play an extremely important role in the rise of a country. It can also be clearly seen that this is all closely connected with branding, because “*an economy can only develop if investors arrive, but investors only arrive if they have a view of the country.*”, says Olins (2004a, p. 183).

It is no wonder that the World Bank publishes a 200-page guideline study each year (Marketing a Country: Promotion as a tool for attracting foreign investment), and the United States of America has also been publishing a similar publication titled Investment Promotion for quite a while. However, as Papadopoulos and Heslop point out (2002), only a few scientific publications have discussed the context between the country image/brand and decisions on foreign investments.

This would also be important, because, as Van Ham says (2002a, p. 5), “*The emerging brand states of Europe realize that they all offer the same product: territory, infrastructure, educated people, and an almost identical system of governance. Assertive branding is essential to stand out from the crowd.*” Communications plays an extremely important role in the presentation of the brand as described above. As Burgess (1982) says (quoted by Ashworth and Voogd 1997, p. 233), “*the most important factor in installation is the quality and nature of information about the areas in question*”.

#### **5. The Development of Export**

The most popular topic of professional literature, mentioned several times as country of origin effect, country of origin image, or made-in label. This is a field with a close connection between country brands and traditional commercial brands. Here and now it is worth to highlight that there are countries where the connection is clear: Coca-Cola and Nike are American, and Mercedes is German.

*“At the same time, there are several big and well-known countries with which we cannot associate any brands, for example, Canada, Turkey or Brazil, although these countries have considerable manufacturing industry, export a significant amount of goods, and are present on the international services market.”* (Olins 2004a, p. 178).

## **6. Coordination**

If we examine the aims mentioned above, we may note that there is a “country branding” organization for all these purposes in each country. However, the root of the problem is that there is no central organization that would coordinate the activities mentioned above.

It can best be illustrated by the example of crabs caught from the sea. Fishermen have known for several hundred years that they can put crabs into an open basket, and leave them on the ship or the seashore. Although the crabs could crawl out with a little help from each other, they try to get out individually, and never manage to escape.

Some countries have already noticed this. For example, in Scotland, an umbrella organization called Scotland the Brand was created with the cooperation of the Scottish Tourist Board and the marketing organization responsible for international commerce (Scottish Trade International, a division of Scottish Enterprise) (See Baker and Ballington, 2002, pp. 164-166). Later the campaign itself also used this name (see a writing by Vicente (2004, p. 11) and the [www.scotlandthebrand.com](http://www.scotlandthebrand.com) website). Latvia also created a similar organization, the Latvian Institute, and (had it been created) the Country Brand Council of Hungary would also have had a coordinating role.

Nevertheless, these organizations also have difficulties with resolving a few contradictions. For example, each group may have a different view of the country image. One of the most important differences is that a country can be ‘sold’ to tourists with rural, old-fashioned, traditional photos, but investors look for an emphasis on high-tech, youth and dynamism.

Anyway, as Olins (2001) points out, you do not have to communicate something else, but the same thing a little differently. (*“You don’t say different things, you say things a bit differently”*).

## **7. Further Benefits**

But let us return to aims. The Hungarian and international professional literature touches upon the fact that the above-mentioned three aims do not only stand up to scrutiny in an international sense.

The primary aims of country branding can also be interpreted in a domestic sense:

- The promotion of tourism also includes domestic tourism. The more attractive our own image of the country is, the more likely we will travel domestically.
- Investments can also be interpreted in a sense that national enterprises should stay in the country, and not relocate their seat and capacities, for example, to a neighbouring country. As Anholt (2005a, p. 85), Papadopoulos and Heslop point out (2002, p. 302), in several places foreign enterprises enjoy greater benefits than domestic ones. This is not necessarily a good strategy in the long run.

- The sales of a country's products should not only be increased in the international market, but domestically as well. There are two extremes in this regard: while Jaffe and Nebenzahl (2001) think that these campaigns are rarely effective, Baker and Ballington (2002) strongly claim that the "Buy Domestic" attitude does not only develop the domestic market, but these brands gain momentum, and, having become stronger, achieve international success.

It is also important to point out that although the most important aims of country branding are economic, good country brands may have other additional effects. The international professional literature usually mentions two of these aspects.

### **8. A Greater Role in International Organizations and Foreign Policy**

Several authors do not include this point in the aims (and results) of country branding, because they think that this depends more on the size of the country and the population, economic recognition, etc. However though, there is a noticeable connection between the two: the perception of the country (that is, the brand image) may play a significant role in the accession to international organizations.

*"The creation of a brand is not only desired from an economic point of view. It also has significant political and strategic implications that even affect the pace of NATO and EU enlargement."* – says van Ham (2002a, p. 5).

### **9. Improving the Well-Being of Citizens**

This is an aspect that many people forget, although it may be the most important one: people living in a country should be proud of the country and feel great there. In this context, some authors go as far as to state that if people are involved in the branding process, it *"promotes the development of social dialogue"* (Ashworth and Voogd 1997, p. 78), increases *"internal social national cohesion"* (Demos 2006), and strengthens democracy itself (Kyriacou and Cromwell 2001a).

### **10. Positioning: How To Be Different**

Positioning is perhaps the most frequently mentioned idea in connection with branding, whose point is to define how the brand is unique among others. Many people think that this means a definition of qualities different from rivals, but the real aim of positioning is to create a situation where the brand has no rival, it is the "only one" (Papp-Váry 2013)

In order to achieve this, brands must affect the ideas in consumers' minds first. As the subtitle of the book "Positioning" by Ries and Trout says, it is "The battle for your mind". The influence of the book is represented by the fact that the book finished in the first position by a wide margin in a readers' poll organized by Advertising Age, the most famous advertising magazine in the world – in 2009, the magazine asked readers about the most influential marketing and media book of all time. Ries and Trout explained significant ideas such as (1997, p. 29): "To succeed in our over-communicated society, a company must create a "position" in the prospect's mind. A position that takes into consideration not only its own strength and weaknesses, but those of its competitors as well."

The adaptation of this idea for places, and, in this case, countries, means that positioning greatly depends on the following three aspects:

1) What is the strength, or what are the strengths of the specific country?

2) What do “customers” need? What is the sensible advantage for locals, tourists, investors and other stake holders?

3) What is the positioning of competitors, that is, other countries? What do they communicate as their competitive advantage? (Our country must be different, or, at least, say something different.)

Good positioning can be characterized by the following attributes (Papp-Váry 2011):

1) It distinguishes: Many countries fall in the trap that they look at what others do, and copy them. This is the so-called “me too” way of thinking, although you have to be different: this is the way a country can become a focus of attention, increase the number of tourists and investors, raise media interest, and feed the pride of local people. Countries must find some unique and specific attraction that other countries do not have, or at least is not communicated. Research has proved that several thousands of messages are received by an average person in our overcommunicated society each day, so there is no chance to stand out if you are not original.

2) It is relevant: That is, it is interesting for people – tourists, investors, and, even more importantly, locals. Well-defined positioning also helps to communicate and clarify the aims and efforts of the state.

3) It is true: There must be facts behind positioning, and they must be based on existing capabilities and values agreed on by the majority of the country’s citizens. If we say something that is not true, it will kick back, because, as they say, “the quickest way to kill a bad product is a good advertisement”. There must not be a gap between promise and experience, and communications must not divorce from reality. At the same time, you also have to use it as smartly as possible. As the slogan of the McCann-Erickson advertising agency says, “Truth well told”. This must be our guideline.

4) It is concrete: The definition of a specific example of positioning always involves some kind of narrowing: you must choose a specific thing, be the best in that field, and communicate it. In the long run, less is more.

5) It is motivating: It affects the mind and the heart at the same time, creates positive emotions, and people want to be involved in it. Therefore logic and creativity are equally necessary to find it.

6) It is strategic: It is something that may affect the operation of the whole country, not just its communication. It can be adopted to each function of a country. It shows the way for the country in the long run.

The process of positioning is actually very similar to Michelangelo’s words on his own statues, stating that he just quarried the stone, and realized what had always been included in it. Therefore we are often surprised to see an example of good positioning: “Why didn’t we think of that before?”

Countries can be positioned or distinguished from various aspects, including:

- characteristic architecture
- unique sights
- natural environment
- weather
- history
- legend
- culture
- event
- cuisine
- wine

- people
- celebrity
- night life
- sport
- scientific achievement etc.

The most important point is that positioning should be as specific as possible, something that “competitor” countries do not mention in their self-descriptions, and use an argument that is important for “customers”: the stakeholders of the country.

According to the famous American brand expert, Jack Trout (2004), marketing is nothing else than a “coherent strategic direction”. If the positioning is good, then all middle-term and long-term plans etc. must follow from it logically.

### **11. Unique Country Positioning: Estonia Having Become “E-Stonia”**

Let us see the case of Estonia in the light of the abovementioned theoretical approach. Estonia is one of the smallest countries of the world and Europe considering its territory, and its population (1.3 million in total) including 68% Estonians and 25% Russians. Although the territory has a long historical past, independent Estonia has only existed between the two world wars, and since the collapse of the Soviet Union.

As the head of the country image centre of Latvia, a neighbouring country, Ojars Kalnis explained, (see Papp-Váry 2005): the process had three stages in the case of Baltic states. In the early 1990s, they had to be introduced to the world: “we are here”. Then they had to demonstrate that their nation is just as normal as others: “we are normal”. In the case of Estonia this also meant that they suggested that they are one of the top students of the European Union. The third phase could only take place when they were already discussing what characteristics distinguished the country from others. This was (and is) the era of “we are special”.

Interestingly, the starting point of the latter stage in Estonia was a discussion of a possibility to change the name of the country. What happened in 1994 was that a ferry named Estonia sank on the way between the Estonian capital, Tallinn, and the Swedish capital, Stockholm. The tragedy claimed the lives of 852 people, and there are still several conflicting stories on the sinking of the ferry to its watery grave. Some say that it was a revenge of the soldiers of the former Russian empire, who had to leave Estonia for ever in 1994, and they therefore placed explosives on the ship. A film starring Donald Sutherland was also produced on the story later on – it was titled *Estonia* (aired in Hungarian cinemas with the title *Baltic storm*). As a result of the occurring events, Estonian leaders were seriously considering to replace the name Estonia with Estland, hoping that foreigners would not associate this German-sounding name with the ferry accident. (Papp-Váry 2016)

### **12. The E-Stonia Vision**

The the “baltic storm” subsided, and the name Estonia remained. At least for a while. In the early 2000s, a nother idea to change the name of the country arose: Estonia should become E- stonia! The starting point w as that the government realized that Estonia only had forests, timber industry and some machinery industry , but the latter was not too competitive. Therefore they defined new areas including electronics and infor mation technology as the possible way out, and the first results were achieved soon. According to research b y McConnel International, Taiwan and Estonia took the first and second positions in the e-climate world ra nkings in a few years. The development of internet penetration was faster than in Germany, and free wi-fi w as even launched in sparsely populated places (Baltic States City Paper 2001).

Although the name of the country was left unchanged again, E-stonia became an existing vision that could be translated into concrete actions and communication.

They even found its historical roots and ideology: Estonia was the first place in the Soviet Union where c omputer education was started in 1965 (!), using the famous Ural-1 model.

Another reference is that most Western countries provided support for Estonia by donating computers afte r the restoration of independence in 1991, which were than used by Estonians with great enthusiasm. (Bucs ky 2016)

Another important factor in the quick spread of computerization was that paper-based bureaucracy had not been built up before, because Estonia was just ”too small” for this within the Soviet Union.

Therefore they did not have to replace something in the nineties, but build and launch something new. This was especially true for the bank system, which they had to build up from scratch – they launched a system with state-of-the-art IT technology. This attitude is also characteristic of their government: since 2000, ther e is no actual use of paper in the sessions of the government and the parliament. Moreover, the right to inter net access was also included in their constitution (!) as a significant channel of democracy. (Torontáli 2016) Nevertheless, the most important innovation is undoubtedly the digital personal document system which wa s greatly admired by people from the Hungarian government following its launch in 2002.

ID-kaartis functioning as an identity card, an address card, a passport within the EU, a health insurance ca rd, a tax card, an identifier for bank transactions, a digital signature, and a ticket/pass in Tallinn and Tartu. I t provides access to goverment databases, and also allows citizens to buy prescription drugs. All at the sa me time. (Torontáli 2016)

We may also ask how many people use the system. A suggestive number could provide an answer: in the 2015 parliamentary elections more than 30% of votes were cast online from 116 various countries.

Other indicative data prove that filling in tax returns only takes 3-5 minutes with the system, but there are a lso quick formulas that enable citizens to perform this in 1 (!) minute, because they only need to check the numbers provided by the system. It is no wonder that 95% of Estonians fill in their tax returns online.

The eesti.ee government portal, launched in 2003, allows citizens to manage more than 160 kinds of their af fairs. These are all matters that should also be managed online in other Central and Eastern European c ountries. For example, citizens can apply for child care benefit, unemployment benefit, or other social benefits by the state online, and they do not have to gather infor mation or statamements registered by the state again multiple times, or visit government offices for this rea son.

E-healthcare may be the most outstanding point of the novel system, and there are opinions that it is the best e-healthcare system of the world. Doctors see the whole patient journey including all prescribed drugs and performed examinations, and they also have access to X-ray, lab tests, MRI data and images. Patients may also authorize their relatives to access some of their personal information.

Due to the sensitive nature of patient information, they log everything in the system, and there is a strict monitoring of permissions to access these data. Patients may consult doctors and make appointments via e-mail, telephone or Skype (!). Another useful feature is the digital medicine system: there are no prescriptions, and citizens can get their medicines in the drugstores with their ID card. They can also request their regularly used medicines via e-mail, and they do not have to visit their doctors for this purpose (Bucsky 2016)

In the meantime, important international organizations also created their centres of digital operations in Estonia: the NATO Cooperative Cyber Defence Centre of Excellence was established in Tallinn in 2008, and the European IT Agency of the EU responsible for IT development within the Union was built here in 2011. Two years later, the UNESCO World Summit on Information Society honoured Estonian e-Annual Reporting as the decade's best e-Government content – among other things, the system provides assistance in the start of businesses. In Estonia, the documentation of the latter can be completed in 18 (!) minutes (Századvég Alapítvány 2015)

### **13. Digital Citizenship**

As a result, it is no wonder that Estonia is a “startup nation”, especially regarding the number of new enterprises in correlation with the population, 1.3 million people. This is also supported by the fact that Estonian children study programming from the age of 7. All this is part of the so-called Tiigrihüpe (Tiger leap) programme.

The small country has also provided the world with great brands. The most famous example is Skype, which has become a standard communications tool on the computers and phones of companies and individuals. Playtech, a digital gaming, online poker and casino company belonging to the FTSE250 index of the London Stock Exchange, also has Estonian roots. In

2016, TransferWise helped users to perform international financial transfers worth 800 million pounds each month, which saved 30 million pounds a month as compared to traditional inter-bank transfers. DreamApply is the most popular online application system for people who would like to study in higher education institutions abroad. According to the feedback, universities introducing the system increased the number of their applicants by 20-300 (!) per cent. Taxify, a competitor of Uber (trying to walk in the footsteps of Uber alternative taxi service in places where it has been banned), is also Estonian.

Lingvist, an application for language learning is also an Estonian development, which enables us to develop our skills in multiple languages. This is also special because Estonian is a language only spoken by a small number of people around the world – maybe this is one of the reasons studying and teaching languages are important for them.

However though, the brands mentioned above “forgot” one thing that would be important from a country branding point of view: none of them communicate their Estonian roots directly. Just imagine that every time you use Skype, you see that it is an Estonian brand – it would increase awareness regarding Estonia, and develop the image of the country.

In comparison, a much less effective, but undoubtedly important solution is that there is a showcase room in Tallinn presenting the success of the E-Stonia concept: the far-sighted government, the proactive information technology sector, and the population open to innovation. The 360 square metre exhibition has received delegations from more than 120 countries, who got an insight into topics such as the development of digital society, digital and mobile identity, cybersecurity, smart city projects, transparency, or the Big Brother phenomenon. And, of course, there are a lot of e-topics: e-citizenship, e-government, e-healthcare, e-justice, e-taxation, e-police, e-school and so on. (<https://e-estonia.com/e-estonia-showroom/>, 2016)

If we examine the influence of this smart E-stonia positioning on Estonian economy, we realize that the result is outstanding: at least one third of the 700% Estonian GDP growth is connected to information technology. According to data for the year 2015, the Estonian GDP per capita is almost USD 30.000, which is more than the GDP per capita of two other Baltic states, Latvia and Lithuania, and Hungary.

The nations listed above must face similar challenges: the number of births is decreasing, so a shortage of skilled labour is expected in the future. Estonia even has a solution for this: digital citizenship, which is available for anyone. 10 thousand people applied for it in 2015, which is a big deal, because only 13 thousand children were born in the country in the meantime. Of course, digital citizens do not live in Estonia, but abroad. Still, according to a report by Hungarian magazine HVG, 400 of them established a company in Estonia, and created 800 new workplaces. In addition, digital citizens only have to pay any kind of taxes if they take income out of the company, so the adventure might be worth a try. (Torontáli 2016)

And how serious is the Estonian government about this? According to their plans, this method will increase the number of their citizens to more than 10 million by the year 2025 (even if they are virtual citizens). This digital community may further develop E-Stonia.

## **14. Conclusion**

The basis of successful country branding is appropriate positioning, that is, to present how the country is distinguished from others, its so-called "competitors". This is mostly based on three factors:

- What is the strength, or what are the strengths of the specific country?
- What do "customers" need? What is the sensible advantage for locals, tourists, investors and other stakeholders?
- What is the positioning of competitors, that is, other countries? What do they communicate as their competitive advantage? (Our country must be different, or, at least, say something different.)

In addition, good positioning is characterized by attributes such as distinctive, relevant, true, concrete, motivating and strategic.

Although country image centres and country branding organizations are established all over Europe and worldwide, we can only see a few examples of unique positioning, implementing the abovementioned ideas.

The case study highlighted that Estonia is a successful example: positioning the country as E-Stonia is distinguishing, relevant, true, concrete, motivating and strategic at the same time. It is something that sets the "coherent strategic direction". We can state that positioning the country as E-Stonia had a clear role in the development of the country in recent years, and it will most likely play a similarly significant role in the future considering e-administration, ID-kaart, digital citizenship, or IT brands launched in the country, for example.

\*The publication has been created in the Budapest Metropolitan University subproject “*Versenyképesség a köz szolgálatában*” (“*Competitiveness in public service*”) in the framework of the project *A jó kormányzás t megalapozó közszolgálat-fejlesztés* (*Public Service Development Establishing Good Governance*) within the Közigazgatás- és Közszolgáltatás-fejlesztési Operatív Program (Public Administration and Public Services Development Operative Programme), KÖFOP-2.1.2.-VEKOP-15, coordinated by the National University of Public Service.

Contributo selezionato da Filodiritto tra quelli pubblicati nella Rivista “The Journal of Entrepreneurship and Business Resilience – Issue of July 2018”

Per acquistare la Rivista clicca qui:

[http://www.filodirittoeditore.com/index.php?route=product/product&path=78&product\\_id=142](http://www.filodirittoeditore.com/index.php?route=product/product&path=78&product_id=142)

Contribution selected by Filodiritto among those published in the Journal “The Journal of Entrepreneurship and Business Resilience – Issue of July 2018”

To buy the Journal click here:

[http://www.filodirittoeditore.com/index.php?route=product/product&path=78&product\\_id=142](http://www.filodirittoeditore.com/index.php?route=product/product&path=78&product_id=142)

1. Anholt, S. (2002): Foreword to the Special Issue on Country Branding, *Journal of Brand Management*, 9:4-5, pp. 229-239.
2. Anholt, S. (2007): *Competitive Identity – The New Brand Management for Nations, Cities and Regions*, Palgrave Macmillan, Basingstoke.
3. Anholt, S. (2005a): *Brand New Justice – How Branding Places and Products Can Help the Developing World*, Elsevier Butterworth Heinemann, Oxford.
4. Anholt, S. (2005b): Editorial – Some important distinctions in place branding, *Place Branding*, 2005/2. szám, Henry Stewart Publications, [http://www.businessfordiplomaticaction.org/learn/articles/intro\\_placebranding.pdf](http://www.businessfordiplomaticaction.org/learn/articles/intro_placebranding.pdf)
5. Anholt, S. & Hildreth, J. (2004): *Brand America – The Mother of All Brands*, Cyan Books, London.
6. Ashworth, G. - Voogd, H. (1997): *A város értékesítése – Marketingszemlélet a közösségi célú várostervezésben*, Közgazdasági és Jogi Könyvkiadó, Budapest.
7. Baker, M. - Ballington, L. (2002): Country of origin as a source of competitive advantage, *Journal of Strategic Marketing*, pp. 157-168.
8. *Baltic States City Paper* (2001): Selling Estonia. <http://www.balticsww.com/news/features/selling-estonia.htm>, download: 10 January 2009.)
9. Bucsky, P. (2016): Észtország, a bezzegország (“Estonia, the model country”). *Digital Hungary konferencia*, <http://www.digitalhungary.hu/prezentaciok/mobile-hungary-2016/7/?p=2>, download: 11 February 2017.
10. Demos (2006): “*Nation branding*” azaz országimázs formálás Európában, Melléklet a DEMOS Magyarország Alapítvány “Country branding – Nemzetközi imázs és identitás” konferenciájához, 28 November 2006, Budapest.
11. Dinnie, K. (Ed.) (2008): *Nation Branding – Concepts, Issues, Practice*, Elsevier Butterworth-Heinemann, Oxford.

**Avvertenza**

*La pubblicazione di contributi, approfondimenti, articoli e in genere di tutte le opere dottrinarie e di commento (ivi comprese le news) presenti su Filodiritto è stata concessa (e richiesta) dai rispettivi autori, titolari di tutti i diritti morali e patrimoniali ai sensi della legge sul diritto d'autore e sui diritti connessi (Legge 633/1941). La riproduzione ed ogni altra forma di diffusione al pubblico delle predette opere (anche in parte), in difetto di autorizzazione dell'autore, è punita a norma degli articoli 171, 171-bis, 171-ter, 174-bis e 174-ter della menzionata Legge 633/1941. È consentito scaricare, prendere visione, estrarre copia o stampare i documenti pubblicati su Filodiritto nella sezione Dottrina per ragioni esclusivamente personali, a scopo informativo-culturale e non commerciale, esclusa ogni modifica o alterazione. Sono parimenti consentite le citazioni a titolo di cronaca, studio, critica o recensione, purché accompagnate dal nome dell'autore dell'articolo e dall'indicazione della fonte, ad esempio: Luca Martini, La discrezionalità del sanitario nella qualificazione di reato perseguibile d'ufficio ai fini dell'obbligo di referto ex. art 365 cod. pen., in "Filodiritto" (<https://www.filodiritto.com>), con relativo collegamento ipertestuale. Se l'autore non è altrimenti indicato i diritti sono di Inforomatica S.r.l. e la riproduzione è vietata senza il consenso esplicito della stessa. È sempre gradita la comunicazione del testo, telematico o cartaceo, ove è avvenuta la citazione.*

---