

## COMPETITIVE IDENTITY FOR NATION OF LATVIA – LESSONS TO LEARN FROM NATIONAL HOCKEY TEAM ‘DINAMO RIGA’

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### Abstract

Nowadays global competition could be seen not only in corporate level, but also it exists among nations. Competition among nations is in following sectors – foreign investment, export and tourism. As there is competition between nations, regions and cities (as it is among corporations) there will be always need for methods to increase subject's competitiveness – this can be defined as a Competitive Identity (Porter 1998). Term Competitive Identity is used as broader expression of brand management for Nations, Cities and Regions. Higher marketing effort is needed for developing (emerging) nations, and nations without resources (natural or man made) representing absolute advantages. Nation branding has emerged relatively recently as an important field in the domain of international marketing.

Anholt 2007 states marketing quality depends on all the national stakeholders (virtually society – people) working together in creating competitive identity. Media could be involved only after all the stakeholders speak one language about their country. Communication can't substitute positive change; it can only help change to happen faster. Latvian authorities too often start from the least efficient – communication. According to Nation Brands Index (NBI) and City Brand Barometer, Latvia and its capital Riga, shares one of the last places – 35 to 40<sup>th</sup> (depending on research type and year) place from forty among other nations and cities around the World.

After regaining independence and collapse of almost all the industry, there was little left for positioning Latvia as a nation, so fanning for ice hockey was spontaneous and very convenient way for local people to speak common language about their nation. So the state became branded without any positioning effort, by people themselves. The message to the outside world was; ‘we are small nation risen from the rubble, but we can be part of worlds elite either as players or also as supporters.’ In fact Latvian ice Hockey is among World's elite nations fluctuating between 7<sup>th</sup> and 12<sup>th</sup> places. Following victory over Russia and other dramatic success of Latvian national team (predecessor of club ‘Dinamo Riga’) number of fans increased rapidly. In the beginning of millennium there was notion in Latvian society ice Hockey would bring us to the very top of the World. Ice hockey became the most popular sport in Latvia and at the same time national game, and economical development and international recognition followed until financial crisis stroked and ice Hockey was put in hands of professional marketers commercialising and merchandising every aspect of the game.

Due to financial crisis Latvian society is far from unity, but this can't be addressed to ice hockey. May be emotions are not as strong as before 10 years, you can still feel deep sense of national identification and expression through ice Hockey. It could be explained as inertia, or lack of other alternatives for external communication. Could Latvian authorities repeat success of ice Hockey story in terms of national effort of self and social support in positioning nation of Latvia? Answer is positive there must be an alternative.

### Keywords:

Place Branding, Brand Management, Competitive Identity, Sports Marketing.

### Introduction

Brand Management for Nations, cities and regions are analysed by such scientists: Olins W. Anholt S. Kotler F. Porter F. Balakrishnan.M.S Kavaratzis.M. Ashworth G. Zenker S. and Pike.S. Nation branding has emerged relatively recently as an important field in the domain of international marketing.

The field of nation branding is characterised by an increasingly large amount of real world activity, but

relatively little rigorous theory-building. The destination branding literature only surfaced relatively recently, with the first academic conference session convened in 1996, the first journal articles appearing in the late 1990s, and the first book published in 2002 (Pike 2005).

Focus of this study is Competitive Identity as a new Brand Management for Nations, Cities and Regions. ‘Most countries communicate with rest of the World create their reputation through six natural channels.-

Hexagon of Competitive Identity: 1) Tourism promotion 2) Export Brands 3) Policy decisions 4) Cultural exchange 5) Local People 6) Inward Investment” (Anholt 2007).

This paper tries to find out conceptual answer whether Latvian sports success to win people’s/fan’s loyalty and support could be repeated or used in positioning of Latvia.

Problem of this study – despite several studies in the field place management reputation of Latvia in global scale is still low.

Novelty of this study – According to the authors best knowledge, no previous research papers have analysed the impact of sports on international reputation of Latvia.

The aim of this paper: by studying brand success of national ice Hockey and “Dinamo Riga” look for positive examples in brand management for nation of Latvia and set background for further studies in this field.

Research tasks – is to analyse concepts of brand and place brand, sports marketing, and “Dinamo Riga” as national hockey team, the impact on reputation of Latvia.

Research methods - bibliographical review and case study.

Research object –Competitive Identity for nation of Latvia.

### Brand and Place Brand

“A brand is a consistent group of characters, images, or emotions that consumers recall or experience when they think of a specific symbol, product, service, organization or location” (Simeon 2006). Branding must “attract and keep customers by promoting value, image, prestige, or lifestyle” (Rooney 1995).

Conceptually, nation branding is characterised by a degree of complexity greater than that which is normally associated with brand and reputation management for single products. The multiplicity of stakeholder groups, for instance, which nation branding must address, represents a significant challenge for the discipline. The reason is that destination brands are similar to corporate brands, as they act as umbrella brands for a portfolio of leisure, investment and business tourism, and stakeholder and citizen welfare products (Trueman 2004). In other words - places increasingly compete with other places to attract tourists, business and investment (Kotler 1993).

### Latvian case

As stated above place branding is driven by global competition. It exists not only in corporate level, but also among nations. Latvia is not exception. The great democracies of old Europe have been building their rich and positive reputations for centuries, while Latvia – as far as the West is concerned – simply didn’t exist until a few years ago. For many years local marketers are

struggling to find the ways on what and how to speak to the outside World.

For the time being Latvia is far from success in building Competitive identity; according to Nation Brands Index (*NBI*) and the Saffron City Brand Barometer. Latvia and its capital Riga, shares one of the last places 35 to 40<sup>th</sup> (depending on research type and year) place from forty among other nations and cities around the World.

Latvia’s current lack of respect stems principally from the following (Anholt 2007):

1. Anonymity: it is a country which people have heard of (probably as a result of independence and EU accession), but about which they appear to know virtually nothing.
2. Perception of zero heritage/culture: last place in the *NBI*.
3. Perception of zero technology.
4. Perception of zero natural assets/tourism attraction.

Latvia is “hitting the wall” by lack to have absolute or relative advantages to form the message for outside World. By the beginning of millennium Latvian marketers developed visual representation of event they hoped will drive attention; Latvia was positioned as “Land that sings” (see: Exhibit1).

Stake was put on Song and Dance Festival, being unique and promising absolute advantages in competition with other rivals. For Latvians it is not just a festival – the tradition goes back for 135 years and in 2003 together with Lithuanian and Estonian Song and Dance tradition it was recorded in the UNESCO list of Masterpieces of Oral and Intangible Cultural Heritage. Idea failed mainly because of difficulties to position the nation through event taking place only once in four years.

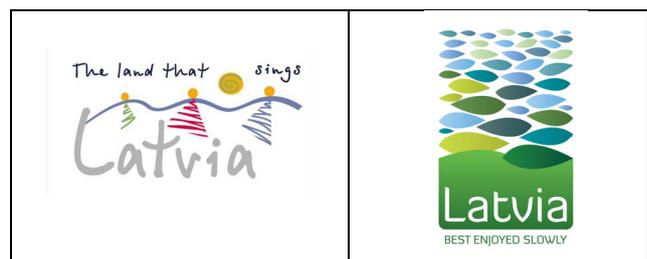


Figure 1. “Old (left) and new (right) symbols of Latvia

Only in 2010 local authorities took an action to replace concept “The Land that Sings” to “Latvia – Best Enjoyed Slowly” (see: Exhibit1). O.Kalnins Director of Latvian Institute noted: “That’s the general opinion of most people who live in Latvia, and that seems to be the consensus among international travellers, which explains why Latvia’s Tourism Development Agency recently unveiled a new tourism promotion concept based around the tagline – „Latvia - Best Enjoyed Slowly”. Time will show whether this concept will help

Latvia to climb stairs of international recognition.

The main difficulties in place branding are (Tayebi 2006):

1. Getting the governors of places to realize that they need to involve other key stakeholders from the private and civil sectors in the development of the place;
2. Getting the leaders of governments, (local, regional and national) to share the leadership of the development of their place;
3. Getting key stakeholders to join together to undertake joint leadership of their place in partnership;
4. Getting key stakeholders to understand the difference between place marketing, destination marketing and place branding;
5. Getting key stakeholders to realize that place branding has more to do with economic development and public governance than advertising, logos and strap lines
6. Getting key stakeholders to realize that place branding takes time and is not an advertising campaign of a few months duration;
7. Getting key stakeholders to understand the principles of place branding

In order to create competitive identity for nation, 80% of success depends on innovation, 15% coordination and only 5% from communication (Anholt 2007). Marketing quality depends on all the national stakeholders (virtually society – people) working together in creating competitive identity. Media could be involved only after all the stakeholders speak one language about their country. In other words, national branding must be perceived as component of national policy and not as a single marketing campaign to be done separately without complex approach. Communication can't substitute positive change; it can only help change to happen faster (Anholt 2007).

As has been seen above Latvian case consistently lacks 1) public appeal towards common goal, as people do not take an action except by paying taxes 2) politicians will not support, since due to economic crisis Competitive Identity is not priority to Latvian government 3) key stakeholders associate place branding with mass communication many times creating senseless logos, printing useless leaflets and running short term marketing campaigns.

Taking into account the afore-mentioned the authors consider it necessary to find another competitive identity for Latvia, and suppose it may be sports that are further analysed in the paper.

### **Sports Marketing**

The early beginning of sports marketing date back to ancient Rome, when Roman patriarchs sponsored gladiatorial games for the same reason today's companies do – to win public esteem (Ukman, 1984).

Sports rank as the eleventh largest industry in the USA in 1995 (Shannon 1999). Sports marketing can be broken into two categories: the marketing of sports (marketing sporting events and equipment to spectators and participants) and marketing with sports promotion of non-sport products at sporting events and using athletes to endorse non-sport products (Shannon 1999).

Sports may be linked with cults as well.

Why do people join cults? Why do they become devoted to certain brands? The simplest answer is that membership tends to make them feel at ease by being among like-minded others. Thus, one of the most important characteristics of cults and cult brands is that they establish the differences that link their users (Atkin 2004).

### **Sports Fans**

It is the support of the sports fan that underpins the sports industry; as explained by Taylor (1992), “the crowd is the supreme authority without which the golden core of the game has no currency”. This group buys season tickets, attends games, pays for parking and concessions, and typically follows the exploits of a favourite player or team with unabashed loyalty. When not actually attending games, this group will watch games on television, and purchase league apparel, supporting a multi-billion dollar market for licensed products (Ozanian 1995).

Fans manifest their attachment through specific behaviour toward the object. Further, fan is an enthusiastic consumer, meaning that he or she is motivated to engage in behaviour related to sports. The sports consumptive object can be a sport in general, or a specific league, or team. Or the object can refer to a personality such as a player, coach/manager, broadcast announcer or other individual who has strong associations with a team or sport.

Existing conceptualizations have tended to concentrate on team performance as the primary determinant of fan behaviour. Yet, fan motivation and subsequent behaviour go beyond the record of teams and, at times, seem unrelated to performance, as it is in the case of “Dinamo Riga”, In fact the sports performance of the club is much lower than support performance of Latvian population (see further). However, fan behaviour is often cited by coaches and players as a determinant rather than as a consequence of team performance.

Therefore we devote the further lines for characterising sports fans.

### **Classifying sports fans**

There are several ways for sports fans classification. Smith (1988) made the distinction between “serious” and “normal” sports fans, proposing that the serious fan believes the result of the sports contest matters. Similarly,

Real and Mechikoff (1992) suggested the notion of a “deep fan”. Deep fans have a ritual identification with mass-media sports productions, portrayals of athletes, and related commercial advertising. For the deep fan, sport provides a means of identification, celebration, expression, and interpretation of social life.

Hunt, Bristol, Bashaw (1999) provided following classification of sports fans.

### **The temporary fan**

The temporary fan’s interest in the phenomenon is time constrained. After the phenomenon of interest is over, the fan is no longer motivated to exhibit behaviour related to the sports object, but rather returns to normal behavioural patterns. Thus, the temporary fan is a fan for a specific, time-bound event. This recognized time boundary is the primary factor that differentiates the temporary fan from other sports fans. The time boundary may be as short as a few hours or as long as a few years, with the sports fan becoming a non-fan once that time period has expired.

### **The local fan**

While the temporary fan is bounded by time constraints, the local fan is bounded by geographic constraints. However, like the temporary fan, the local fan still operates under a constraint: if a local fan moves away from the city where the schema target is located, the devotion of the fan diminishes.

### **The devoted fan**

Initially, the devoted fan probably started as a temporary or local fan. Their motivation toward and attachment with the consumptive object (personality, team, league, or sport) increased, thus breaking the boundaries of time and place. The devoted fan remains loyal to their team or player even if either the specific, short-term event that captivated their temporary attention has ended or if they are removed from the context of the original geographical location.

Why do devoted fans remain attached in a more permanent manner? Perhaps because of emotional significance, defined as “the associations of the object with significant people and events in a person’s life” (Ball and Tasaki, 1992)

### **The fanatical fan**

This representation is used to infer that the fanatical fan uses being a fan as a very important part of self-identification, yet there remains at least one aspect of their lives (family, work, religion, etc.) that the individual uses for identification that is stronger than being a fan. The fanatical fan engages in behaviour that is beyond the normal devoted fan, yet the behaviour is accepted

by significant others (family, friends, and other fans) because it is considered supportive of the target – sport, team, or player. The devoted fan may go to games. The fanatical fan will go to the game and paint their body the colours of the team, go in costume or in some way exhibit behaviour different from the devoted fan.

### **The dysfunctional fan**

The dysfunctional fan uses being a fan as the primary method of self-identification. The dysfunctional fan uses the sports team, player, or whatever the schema-target is, as the primary method to identify his or her self to others and to his or her own self. While the fanatical fan sees being a fan as an important part of self-identification, the dysfunctional fan sees being a fan as the primary form of self-identification.

### **“Dinamo Riga” and National ice Hockey team’s case**

“Dinamo Riga’s” roots are found in 1946. “Dinamo Riga” was one of the eleven teams that participated in the first Soviet championship in 1946/1947. In sixties “Dinamo” played only in the USSR third league, but since 1973 the team went back to the strongest league and kept playing there until the collapse of the Soviet Union in 1991. The most successful season was in 1987/88, when “Dinamo” took the second place in Soviet championship by loosing in ‘play-off’ tournament only the legendary Moscow CSKA.

After the collapse of the Soviet Union ice Hockey was loosing popularity and fans in Latvia, the team continued playing with less success as a member of the International Hockey League until 1995. In 1995 “Dinamo Riga” ceased to exist.

In 1991, after regaining independence, Latvia was admitted into IIHF (*International Ice Hockey Federation*) and as a new team was joined to World Championship ‘C’ division with players mainly from “Dinamo Riga”. Latvian national team was born. In 1994 Latvia for the first time played in ‘B’ division, but since 1997, Latvia is a member of the World’s strongest ‘A’ division. The Highest success for Latvian team is 7th’s place in World’s Championship. The culmination of success is dated with year 2000 World Championship in St’Petersburg. Further success fluctuated between 7<sup>th</sup> and 12<sup>th</sup> places. The loss of some fans started for the second time.

Ironically in April 7, 2008 when Latvian fans started to live with the fact, that Latvian national hockey team potential was limited by averagely 8<sup>th</sup> place between the strongest, and the miracle will hardly come for the national team, “Dinamo Riga” was re-established after the Latvian Hockey Federation received an invitation

from the Kontinental (Continental) Hockey League (KHL). At first nobody knew the name of the new club, so the board of the club decided to hold a public vote to decide the club's name. Most votes were given to "Dinamo Riga". This event came just in time, regaining back former fans of national team ready to give up. To underline mentioned fact the colours of new established "Dinamo" represent national colours (see: Exhibit 2) – Latvian red and white and three stars (long lasting Latvian symbols) representing three regions – Kurzeme, Vidzeme and Latgale. Even it is club, not national team any more, you can feel the notion of nationalism in both sides – team and fan area. Moreover most of Latvian national team members playing in World Championships and Olympic Games are scrambled from "Dinamo Riga" and only few Latvians join the team from other clubs. After reviving "Dinamo Riga" fans were given consistent ability to follow ups and downs of their team as before for fans great hockey event began and started in May during World Ice Hockey Championship.



Figure 2. "Old (left) and new (right) symbols of "Dinamo Riga"

The KHL is an international professional ice hockey league in Eurasia founded in 2008. As of 2009, it is ranked as the strongest hockey league in Europe. The title of Champion of Russia, regardless of the nationality of the club, the KHL champion title and the Gagarin Cup, named after cosmonaut Yuri Gagarin, are awarded annually to the league champion, following a 16-team playoff at the end of the regular season. The league was formed in 2008 from a predecessor organization, the Russian Super league (RSL). The RSL, in turn, was a successor to the Soviet Championship League, which was founded in 1946 with only five teams. The KHL began its operations with 24 teams, 21 of which are based in the Russian Federation with the remaining 3 located in Belarus, Latvia, and Kazakhstan.

During only two years playing in KHL "Riga Dinamo" has managed to get great public appraisal and loyalty, creating very strong national sense among Latvian population. It is not only small bunch of hockey fans, but also the largest part of whole nation from district to district. People of Latvia not only watch the games, but they work together in order to promote their team colours and national flag - 20 000 tickets are sold in two hours, children train and parents support them, feeling

the best way to go global.

To extend its brand "Dinamo Riga" has enormous quantity of fan attributes (T-shirts, scarves, hats, shoes, mugs and drums) and what is more important club allowed local producers to release consumer product line (beer, chips, ice cream, mineral water, bread, picas and pelmeni) with "Dinamo" logo consisting of 35 kinds and costing higher than the same products of rivals. In 6 months after introduction (autumn 2009) 700 000 were sold in retail. One santime (0,07 EUR) from sales goes to club.

### Fanning for "Dinamo Riga"

Higher attention of public towards ice hockey was driven by following factors: 1) success of national team (predecessor of "Dinamo Riga") in World championship. The culmination came in year 2000 in St Petersburg with victory over Russian national team. For example, Cialdini found that university students were more likely to wear school identifying clothes after a win by the school's football team, than after a loss. Following victory over Russia and other success of national team dramatically increased number of fanatical and dysfunctional fans. There was notion in society ice Hockey would bring us to the very top of the World. As time showed it to be illusion, structure of fans changed towards devotion or temporary expression 2) Being fan for ice hockey enabled population to show outside world that "we" as a nation are ready to be part of worlds elite, not only in hockey but also most likely (as society though) in other spheres of life. Cialdini (1976) also stated in his research that students were more likely to use the word "we" to describe a win ("we won"), and the pronoun "they" to describe a loss ("they lost"). 3) There was no algorithm on how to fan. People in big mass gave it a try. They made noise and attracted another mass. Success of national team attracted even more people and in few years, ice hockey became not only national game, but also national symbol and in some kind tool for international recognition.

After collapse of almost all the industry after regaining independence, there was little for positioning of Latvia, so fanning for ice hockey was spontaneous and very convenient tool for local people to speak common language about their nation. So the state became branded without any positioning effort, by people themselves. The message to the outside world was as follows; "we are small nation risen from the rubble, but we can be part of worlds elite either as players or also as supporters". By creating such enormous support Latvians gained the title of the best hockey fans in the world from mouth IIHF (*International Ice Hockey Federation*) Rene Fasel ([www.rigadimo.eu](http://www.rigadimo.eu)). Latvian ice hockey fans are the most attractive, the loudest, most loyal - there are many names they are called in international media for

about ten years; they have been even on CNN. They are called “Brazilians of Ice Hockey” and the name is well earned. As a tribute to Latvian fans World Ice Hockey Championship 2006 was held in Latvia (www.rigadimo.eu).

In just about 10 years supporting their heroes fans pushed national team of small country up to 7<sup>th</sup> place in World’s hockey elite. Latvia is among such nations as Canada, USA, Russia, Sweden and Germany. Fan support helped “Dinamo Riga” club to grab 8<sup>th</sup> place in Kontinental Hockey League in 2010.

Emotions of society are not as strong as before 10 years, you can still feel deep sense of national identification through ice Hockey. It could be explained as inertia, or lack of alternatives for external communication. There are at least two scenarios for Latvian marketers: First – to catch the momentum and position Latvia as a country of best hockey fans like Canada - the best hockey country. Secondly – do further research on how to rise mass support as it happened in case with ice Hockey.

### Conclusions

- Marketers of the Latvian state and the capital Riga do not have good results to show. National brand index of Latvia is very low 35 to 40<sup>th</sup> place from forty.
- In just about 10 years supporting their heroes fans pushed national team of small country up to 7<sup>th</sup> place in World’s hockey elite. Latvia is among such nations as Canada, USA, Russia, Sweden and Germany. Fan support helped “Dinamo Riga” club to grab 8<sup>th</sup> place in Kontinental Hockey League in 2010.
- Latvian ice Hockey fans help and promote not only the game to be more successful, but over previous years they have played significant role in international recognition of Latvia.
- Sports performance of the club is much lower than support performance of fans (society). This can not be addressed to loyalty to their own country.
- High devotion towards ice hockey in Latvian society can be explained by vacuum of self identification in post Soviet era and promising hopes to become champions of ice Hockey beating such a large nations as Russia, USA or Canada
- There must be something nation believes in and sees self expression and identification. As M.Lindstrom (2005) sees future of building powerful brands through holistic view HSP (Holistic Selling Proposition) - brands adopting characteristic of religions. For Latvians such brand was and still is ice Hockey represented by “Dinamo Riga”
- Self expression as this study reveals can be created (managed) and might rise spontaneously following/fanning for something happening being managed by others,
- Destination brand managers must evaluate and promote values shared by largest part of the nation in creating Competitive Identity for the Nation, City or Region.
- Destination brand managers must understand and use the power of public self identification and benefit it can bring for reputation of the Nation

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