



THE POWER OF ATTRACTION: UNDERSTANDING HOW SOFT POWER GENERATES NATIONAL BRAND VALUE

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SUMMARY

Amid ongoing political, economic, and digital transformations, soft power and nation branding have emerged as strategic resources shaping international perceptions and national competitiveness. The article examines the relationship between soft power and nation brand value, analysing whether attraction-based influence can be translated into measurable economic outcomes at the country level. The study combines a qualitative literature review with a conceptual framework and a quantitative empirical analysis using data from the top 20 countries in the Global Soft Power Index 2025. The empirical findings reveal a statistically significant positive relationship between soft power and nation brand value. The results remain robust after controlling for economic size by including GDP as a control variable, suggesting that the observed relationship cannot be explained solely by differences in economic scale. The article proposes a conceptual framework in which soft power functions as a source of national attractiveness, the nation brand represents the perceptual output, and nation brand value constitutes the measurable economic outcome. The study highlights the strategic importance of soft power in strengthening national brands and supports integrating soft power considerations into nation-branding strategies and public policy design.

Keywords: *soft power, nation brand, nation brand value*

INTRODUCTION

In an era defined by rapid globalisation and pervasive digitalisation, the mechanisms through which nations exert their influence and build their international reputation are undergoing a fundamental transformation. The proliferation of transnational communication networks, the diversification of information channels, and the availability of information at the click of a button have collectively reshaped the dynamics of international perception. In this context, a nation's reputation is no longer determined primarily by objective material attributes, but is increasingly shaped through the lens of perception itself - a phenomenon with profound implications for contemporary geopolitical and geoeconomic dynamics.

Against this backdrop, *soft power* has emerged as a central strategic resource in the repertoire of modern governance. Introduced to the literature by Nye (1990) as the ability to shape others' preferences through attraction and persuasion rather than coercion and force, soft power operates through culture, values, and foreign policy. In addition to its strategic significance at the normative level, soft power also generates tangible economic results: increased export competitiveness, growth in foreign direct investment, the attraction of human capital, and the development of tourism. As such, soft power constitutes not only a diplomatic tool but also a structural determinant of long-term national competitiveness in an increasingly interconnected global system (Nye, 2004, 2008).

A central element of this study is the concept of national brand value, which represents the monetary and strategic expression of a country's international reputation. Where the national brand captures how a country is perceived, national brand value translates those perceptions into measurable economic terms. According to Brand Finance's methodology, the value integrates three interconnected components: brand strength, based on familiarity, influence, and prestige; financial and market performance, quantified by GDP, exports,

tourism, and foreign direct investment; and a royalty relief approach, which converts reputation capital into a monetary estimate by treating the national brand as an asset that can be licensed. The conceptual relevance of linking national brand value to soft power rests on their shared foundations: both constructs operate through perception, credibility, and attraction, rather than through material coercion. As Fan (2010) argues, soft power constitutes the fundamental substance of a national brand, shaping its global perception. National brand value thus emerges as the most appropriate empirical indicator for assessing the measurable effects of soft power at the country level.

Despite the growing importance of soft power, from both academic and public policy perspectives, the direct relationship between soft power and national brand value remains underexamined in the existing literature. Although the literature contains relevant studies on soft power (Nye, 2008; Repnikova, 2022; Chitty, 2023) and country branding (Anholt, 2006; Dinnie, 2022), the relationship between the two has a predominantly diplomatic character, grounded in public diplomacy, economic factors, and normative appeal (Fan, 2010; Szondi, 2008; Potter, 2009; Alzowibi, 2023). Crucially, the relationship between soft power and national brand value — understood as the quantifiable economic expression of a country's reputational capital — has received little or no direct empirical attention. This gap is theoretically meaningful: if non-coercive influence operates primarily through reputation and credibility, its effects should be most clearly visible precisely in the measurable outcomes captured by national brand value. Addressing this gap constitutes the main scientific contribution of the present study.

The article therefore advances a central hypothesis: there is a statistically significant positive relationship between a country's soft power and its national brand value. Empirically examining this relationship allows for a rigorous assessment of the extent to which soft power,

operating as an input through culture, values, and foreign policy, generates perceptual outputs, namely reputation, positioning, and international attractiveness, which in turn produce measurable country-level outcomes, including national brand value, export performance, foreign direct investment, and tourism flows. This analytical framework reinforces the strategic importance of both constructs for governments, public institutions, and economic actors operating in an increasingly competitive international environment (Brand Finance, 2020).

The present research addresses this gap from both theoretical and empirical perspectives, contributing to the existing literature in several distinct ways. From a theoretical perspective, the author proposes a conceptual framework in which soft power functions as an input factor, the nation brand as a perceptual output, and national brand value as a quantifiable outcome – an analytical architecture that extends and formalises existing conceptual approaches. From an empirical perspective, this research examines both the correlation and the directionality of the relationship between soft power and national brand value, using the latest available data from the Global Soft Power Index

2025. The practical relevance of these findings is equally significant: in an international environment marked by intensifying competition for talent, tourists, investments, and capital flows, understanding how soft power translates into measurable results and contributes to enhancing national competitiveness provides actionable insights for governments, public institutions, decision-makers, and economic actors seeking to strengthen their international strategic positioning.

The objectives of this study are threefold. First, it examines the conceptual foundations and interrelationships between soft power, nation branding, and nation brand value through a comprehensive review of the relevant literature. Second, it proposes a conceptual framework linking soft power, nation brand, and nation brand value as complementary dimensions of national attractiveness and competitiveness. Third, it empirically investigates the relationship between Soft Power and Nation Brand Value using correlation and Ordinary Least Squares (OLS) regression analysis based on data from the Global Soft Power Index 2025, while testing the robustness of the relationship through the inclusion of Gross Domestic Product (GDP) as a control variable.

THEORETICAL FRAMEWORK

The conceptual framework of this study is grounded in a distinct yet complementary analysis of the concepts of *soft power* and *nation brand value*, with particular emphasis on the *nation brand* as an integral component of overall brand value, as well as an analysis of studies that conceptualise soft power and country brand value as both independent variables and interconnected analytical dimensions.

Despite the growing body of literature addressing soft power and nation branding independently, there remains a notable lack of in-depth research examining the direct relationship between a country's soft power and its national brand value. Given the inherently interconnected nature of these concepts, this gap provides a strong conceptual rationale for empirically investigating their interaction and for exploring the mechanisms through which soft power and national brand value may mutually reinforce one another.

The notion of *soft power* was introduced by Joseph S. Nye Jr. in *Bound to Lead: The Changing Nature of American Power* (1990) to describe a form of influence distinct from coercion or material inducements. Nye defined soft power as “the ability to achieve desired outcomes by shaping the preferences of others through attraction rather than force or payments” (Nye, 1990). Although the term itself is relatively recent, Nye emphasised that the behaviour it captures is “as old as human history.”

The concept was further developed in Nye's subsequent works, including *Soft Power: The Means to Success in World Politics* (2004), *Public Diplomacy and Soft Power* (2008), and *The Future of Power* (2012). Across

these contributions, soft power is consistently framed as a relational and perception-based form of power. Nye (2004) succinctly defines it as “the ability to get what you want through attraction rather than coercion or payments” (p. x), or, more concisely, as “attractive power” (p. 6).

According to Nye (2008), a country's soft power “rests primarily on 3 resources: its culture (in places where it is attractive to others), its political values (when it leaves up to them at home and abroad) and its foreign policies (when they are seen as legitimate and having moral authority)”. Crucially, these resources do not automatically generate influence; their effectiveness depends on credibility and perception. In this regard, Nye (2011) argues that in the Information Age, credibility constitutes the “scarcest strategic resource” and that “the best propaganda is not propaganda”.

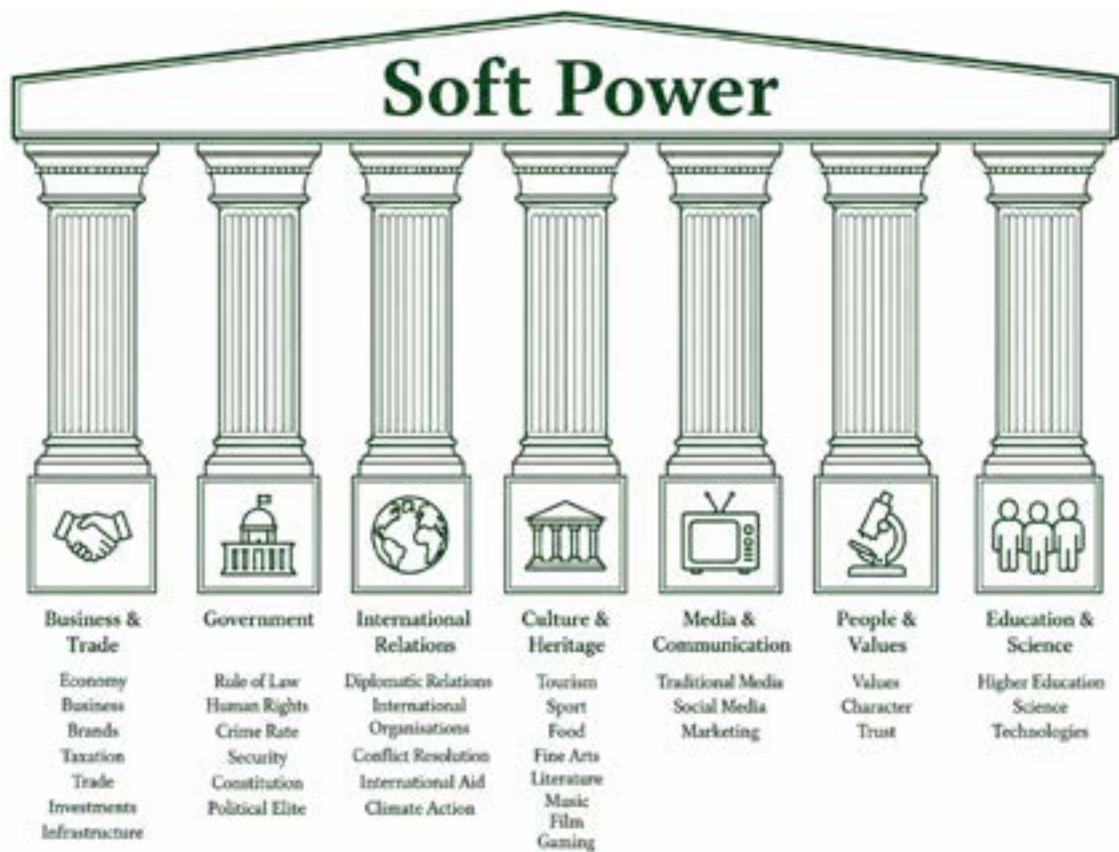
Subsequent scholarship has largely retained this conceptual core while extending its analytical depth. One example is Naren Chitty, who, in his work *The Routledge Handbook of Soft Power*, offers a contemporary perspective on soft power, emphasising the role of public diplomacy and modern communication tools in enhancing international appeal. Watanabe and McConnell (2008), on the other hand, focus on the cultural dimension of soft power, highlighting the importance of national cultural heritage in defining international attractiveness. This idea is supported by Maria Repnikova (2022), who analyses how cultural resources and global communication shape perceptions and a state's influence on the international stage. Solomon (2014) further advances the concept

by emphasising the affective dimension of soft power, arguing that attraction emerges not only from narratives or cultural influence but also from audiences’ emotional investments, thus extending the concept of soft power by introducing the notion of emotional investments. At the same time, there are also critical perspectives; for example, John Mearsheimer (2018), in *The Great Delusion: Liberal Dreams and International Realities*, questions the effectiveness of soft power, arguing that realists believe that coercive power and material interests remain dominant in international relations. Thus, contemporary literature reflects both the modern and applied exploration of soft power and debates about its theoretical and practical limitations.

The growing institutionalisation of soft power is reflected in the *Global Soft Power Index*, which Brand Finance has published annually since 2020. In this applied context, soft power is defined as a nation’s ability to influence international actors through attraction and persuasion rather than coercion (Brand Finance, 2020). This definition closely aligns with both academic consensus and mainstream lexicographic sources, such as Oxford or Cambridge Dictionary, which similarly emphasise cultural, political, and economic influence as alternatives to military power.

In fact, the Global Soft Power Index is among the most comprehensive empirical assessments of the soft power concept, offering a structured, multidimensional analysis, as illustrated in the figure below.

Figure 1.
The 7 pillars of Soft Power



Source: Global Soft Power Index, Brand Finance

Figure 1 illustrates the multidimensional architecture of soft power, as conceptualised by Brand Finance in the Global Soft Power Index. Soft power is presented as a multidimensional concept, supported by seven interconnected pillars: Business and Trade, Government, International Relations, Culture and Heritage, Media and Communication, Education and Science, and People and Values. Each pillar captures a distinct but complementary channel through which attraction-based influence is generated and transmitted internationally.

The framework clearly emphasises that soft power is not confined to a single domain, but rather the result of the cumulative interaction between economic performance, institutional quality, diplomatic engagement, cultural expression, communication capacity, knowledge production, and shared societal values. The sub-dimensions associated with each pillar operationalise soft power by linking abstract sources of attraction to measurable indicators, such as tourism, governance quality, media presence, innovation, and trust.

Overall, the literature converges on a shared understanding of soft power as a non-coercive, attraction-based form of influence grounded in culture, values, credibility, legitimacy, and human capital. This conceptual consensus provides a robust foundation for examining how soft power contributes to reputational and economic outcomes, a relationship further explored in the following section in relation to national brand value.

These approaches constitute the first pillar of the conceptual framework, which posits that soft power operates through intangible outputs, such as cultural expressions, promoted values, and globally visible behavioural patterns, that shape external interpretations and perceptions. Through the cultural system, normative attractiveness, and internationally observable behaviour, states project meanings and narratives that influence how they are perceived, evaluated, and positioned by foreign audiences. These inputs do not yield immediate material results but operate at the perceptual level, gradually forming the cognitive and emotional foundations upon which reputation, trust, and attractiveness are built. In this sense, soft power acts as a pre-structuring force that conditions the reception of a country's actions and messages in the international arena.

The second part of the theoretical framework focuses on *nation branding*, which examines how countries develop and manage their international reputation. Simon Anholt is widely credited with coining the term nation branding and remains one of the most influential theorists in the field, being among the first scholars to conceptualise countries as entities whose international reputation can be managed and measured strategically, in a manner analogous to a commercial brand. According to Anholt, the nation brand, built on 6 dimensions: culture, governance, people, tourism, exports, and investment (collectively known as the Nation Brand Hexagon, also introduced by Anholt), directly influences its global attractiveness, economic opportunities, and soft power potential. In this sense, the concept of nation brand is not merely a strategic tool, but an acknowledgment of the fact that, in today's interconnected world, a country's reputation constitutes one of its most valuable and consequential assets.

Among the authors who have further developed the field, Dinnie stands out as one of the most-cited researchers, with his seminal work, *Nation Branding: Concepts, Issues, Practice*, providing an in-depth theoretical and practical exploration of how states use marketing techniques to manage their international image and reputation. Rojas-Méndez and Khoshnevis (2022) offer a systematic review of the nation branding literature, proposing an integrated conceptual model and clarifying its distinctions from related constructs, such as place branding and public diplomacy. Furthermore, in *Branding the Nation: The Global Business of National Identity*, Aronczyk (2013) provides a critical perspective on nation branding in political and cultural contexts, examining the interplay among identity, communication, and promotion.

Collectively, these contributions establish nation branding as a structured perceptual framework through which a country's intangible assets, such as culture, values, governance, and people, are consolidated into a coherent international image. Where soft power generates attractiveness as an input, the nation brand represents the perceptual output: the consolidated image through which external audiences evaluate, position, and engage with a country at the international level. This intermediary role of the nation brand is central to the analytical framework of the present study, as it provides the conceptual bridge between soft power-generated attractiveness and its quantifiable economic expression – national brand value.

While the nation brand captures how a country is perceived, national brand value translates those perceptions into measurable economic terms – representing the quantifiable economic expression of a country's reputational capital. Operationalized through Brand Finance's Nation Brands methodology, national brand value integrates three interrelated components: brand strength, which reflects reputational and perception-based factors, such as international familiarity, influence, and prestige; financial performance and market strength, encompassing GDP, exports, tourism, and investment attractiveness; and a royalty relief approach, which translates the reputational capital into a monetary estimate by treating the nation's brand as a licensable asset. Together, these elements produce a monetary estimate of a nation's brand, linking perceptual soft power to measurable economic and strategic outcomes.

Within this context, national brand value emerges as a measurable outcome of perceptions and attraction. A strong reputation and positive associations increase a country's attractiveness for tourism, investment, international students, export demand, and geopolitical influence (Anholt, 2006). Thus, the second pillar of the conceptual framework postulates that perceptions formed by external audiences generate measurable economic and diplomatic outcomes; As reputational capital accumulates, it shapes investment behaviour, trade relations, tourism demand, and international cooperation, outcomes that are typically captured through indices of national brand value and complementary econometric indicators, such as FDI flows, tourist and human capital flows, import-export operations, and so on.

Although soft power and nation branding have traditionally been examined independently, recent scholarship has adopted an increasingly bidimensional perspective, analysing the two constructs in relation to one another and acknowledging their mutual reinforcement in shaping national competitiveness and global attractiveness. Fan (2010) argues that soft power is the essence of a national brand, shaping its global perception. Potter (2009) demonstrates, through case studies, that public diplomacy initiatives—classic instruments of soft power—directly enhance national

reputation and, consequently, economic attractiveness. Szondi (2008) presents an influential model of conceptual convergence in which public diplomacy and national branding share a common goal: building trust, credibility, and long-term international engagement. More recently, Alzowibi (2023) treats national branding as a strategic instrument of soft power, conceptually linking it to the ways countries use symbolism and communication to shape external perceptions and build reputational capital.

Taken together, these studies establish a solid theoretical foundation for understanding the interdependence between soft power and national brand value. However, previous research has addressed this relationship primarily from a conceptual perspective, focusing on public diplomacy and normative appeal rather than empirically measurable outcomes. This study builds on this discourse by explicitly focusing on national brand value and empirically investigating the extent to which

soft power generates tangible outcomes at the country level, thereby introducing a new analytical perspective that operationalises soft power in terms of measurable strategic effects.

These theoretical perspectives collectively lay the groundwork for the central hypothesis of this study: a positive relationship exists between a country's soft power and its national brand value. More precisely, if soft power generates attractiveness and reputational capital, and national brand value reflects the quantifiable economic expression of this capital, then a statistically significant positive relationship between the two concepts should be empirically observable. The hypothesis advanced in this study is therefore not only theoretically grounded in the specialised literature on soft power and national branding, but is also methodologically supported by the direct incorporation of soft power data into Brand Finance's methodology for evaluating national brand value.

DATA AND METHODS

This study adopts a mixed-methods research approach, integrating qualitative and quantitative approaches to examine the relationship between soft power and national brand value. The qualitative component supports critical analysis and synthesis of the literature, as well as a comparative analysis of the world's 20 most competitive countries in terms of soft power. The quantitative component focuses on correlation and regression analysis to empirically assess the relationship between the soft power index and national brand value. In addition, GDP is introduced as a control variable in an extended regression model to isolate the independent effect of soft power from differences in countries' economic size.

For the empirical study, the research is based on data from Brand Finance's 2025 Global Soft Power Index. For the empirical analysis, Soft Power and Nation Brand Value data were obtained from the Global Soft Power Index 2025, published by Brand Finance, while 2025 GDP data were collected from Worldometer. The latter source was selected due to the limited availability of cross-country GDP estimates for 2025 at the time of the study. Although both the Global Soft Power Index and Nation Brand Value are published by Brand Finance, the two indicators measure different dimensions. The Global Soft Power Index is based primarily on perceptions of reputation, influence, governance, international relations, culture, education, business,

and societal values, whereas Nation Brand Value represents the estimated monetary value of a country's brand. Consequently, the former captures a country's attractiveness and influence, while the latter reflects the economic value associated with its national brand.

The sample consists of the top 20 countries ranked as the most competitive in terms of soft power: the United States, China, the United Kingdom, Japan, Germany, France, Canada, Switzerland, Italy, the United Arab Emirates, Sweden, South Korea, Spain, Australia, the Netherlands, Russia, Norway, Denmark, Belgium, and Saudi Arabia. This sample was selected to focus on countries with high soft-power visibility while maintaining a sample size that allows for meaningful comparative and statistical analysis. All data refer to the year 2025, ensuring temporal consistency between indicators.

Two econometric models were estimated using the ordinary least squares (OLS) method. According to the proposed conceptual framework, Soft Power is treated as an explanatory variable reflecting the attractiveness-based influence of a country, while Brand Value represents the measurable outcome - or the monetary worth of a country's reputation, shaped by its economic performance and global standing. The first model examines the direct relationship between Soft Power and Brand Value:

$$\ln(NBV_i) = \alpha + \beta_{1SP_i} + \varepsilon_i$$

where:

$\ln$ – natural logarithmic transformation of the dependent variable;

NBV_i – Nation Brand Value of country i ;

α – intercept (constant term);

β_1 – coefficient measuring the effect of Soft Power on Nation Brand Value;

SP_i – Soft Power Index score of country i ;

ε_i – stochastic error term;

i – country included in the sample.

The second model extends this framework by introducing Gross Domestic Product (GDP) as a control variable to isolate the independent contribution of Soft Power from the effect of the economic size of the countries under analysis.

$$\ln(NBV_i) = \alpha + \beta_{1SP_i} + \beta_{2\ln(GDP_i)} + \varepsilon_i$$

where:

$\ln$ – natural logarithmic transformation of the dependent variable;

NBV – Nation Brand Value of country i ;

α – intercept (constant term);

β_1 – coefficient measuring the effect of Soft Power on Nation Brand Value;

SP_i – Soft Power Index score of country i ;

β_2 – coefficient measuring the effect of GDP on Nation Brand Value;

GDP_i – Gross Domestic Product of country i ;

ε_i – stochastic error term;

i – country included in the sample.

This approach allows for a more comprehensive understanding of the structural relationship between soft power and national brand value.

Including GDP as a control variable strengthens the methodological robustness of the analysis by accounting for differences in economic size across countries. This allows for a more accurate assessment of Soft Power's independent contribution to national brand value, thereby reducing the risk that the observed relationship is driven solely by a country's economic capacity.

In parallel, the study incorporates a conceptual modelling approach to illustrate the causal logic underlying the empirical analysis. In this framework, soft power is conceptualised as an input composed of intangible resources, such as culture, values, innovation, and foreign policy, while national brand equity is treated as an outcome reflected in measurable economic and strategic indicators, including exports, tourism, and foreign direct investment. This mixed methodological approach allows for a more comprehensive understanding of how attraction-based power translates into tangible national brand outcomes.

MAIN RESULTS

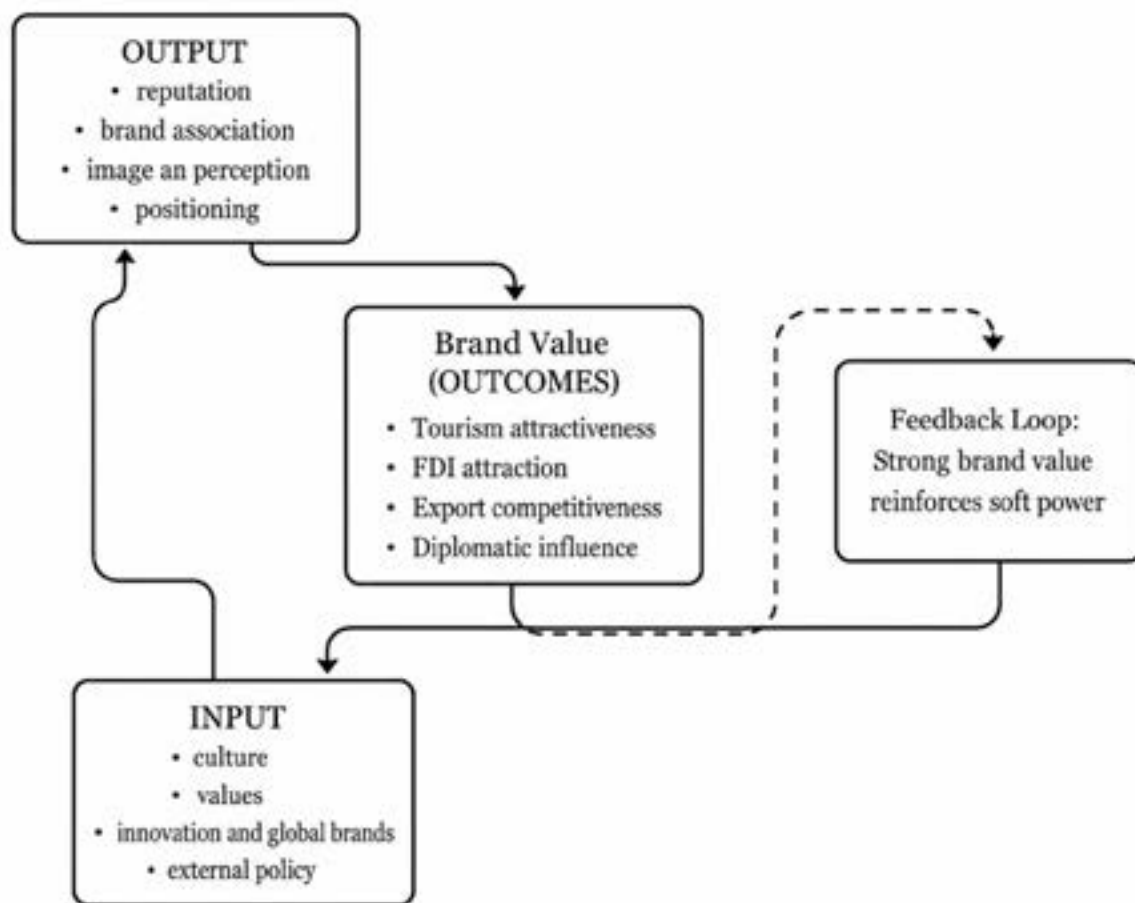
Based on the empirical results, a conceptual model was developed, based on a causal sequence: soft power resources → influence external perceptions → shape the nation's brand image → generate brand value outcomes.

The proposed model explains the interactions observed

between perception-based variables, classified by the author as system inputs (culture, values, brands, etc.), and economic performance indicators, which already represent outcomes capitalised through exports, investments, tourist flows, etc. The model is based on interdependence.

Figure 2.

The conceptual model of soft power – nation brand value framework



Source: developed by the author

The author proposes an original conceptual model that illustrates the dynamic relationship between soft power resources, global perceptions, and the resulting national brand value. The model is grounded in two theoretical assumptions drawn from the existing literature: (1) soft power functions as an intangible input shaping a country's attractiveness (Nye, 2004), and (2) nation branding represents the aggregated external perception of these intangible assets (Anholt, 2006; Dinnie, 2022). Building on these foundations, the author argues that national brand value emerges as the quantifiable outcome of this perceptual process, serving as the measurable economic expression of soft-power-generated attractiveness.

Soft power serves as the system's input, sending signals to the world through a country's cultural assets, societal values, capacity for innovation, global brands, and foreign policy behaviour. These signals do not automatically exert influence; rather, their effects emerge through transmission mechanisms such as international communication, media visibility, cultural diffusion, and public diplomacy initiatives. These mechanisms convert latent resources into externally accessible signals.

The output is expressed through global perceptions - reputation, brand associations, national image, and international positioning. This stage reflects how

external audiences interpret and internalise the soft-power signals they receive. In this sense, the nation brand functions as a cognitive and emotional construct formed in the mind of the global public.

Once perceptions are consolidated, they produce measurable outcomes in the form of national brand value. These outcomes manifest economically (tourist flows, foreign direct investment, export competitiveness) and strategically (diplomatic influence). Thus, brand value represents the tangible impact of intangible power resources.

The model underpins the study's core hypothesis: a positive relationship exists between a country's soft power and its national brand value. Specifically, it is assumed that countries with higher levels of soft power, reflected in their cultural assets, societal values, innovation capacity, national brands and ambassadors, as well as their foreign policy and relations with other states, generate stronger signals that are perceived favourably by international audiences. These perceptions, in turn, shape the cognitive and emotional components of the national brand, ultimately translating into measurable outcomes such as increased tourist flows, foreign direct investment, export competitiveness, and enhanced diplomatic influence. Accordingly, the hypothesis posits

not only a direct association between soft power and national brand value, but also an indirect mechanism through which intangible resources are transformed into tangible strategic advantages. This formulation aligns closely with the conceptual framework presented in Figure 2.

To validate the hypothesis, the author proposes a correlation-based estimation model to examine the relationship between Soft Power and National Brand Value. More specifically, the analysis combines correlation and regression techniques to assess both the strength and direction of the relationship between the two variables and to determine the extent to which variations in Soft Power are associated with changes in National Brand Value.

To examine the relationship between soft power and nation brand value, an Ordinary Least Squares (OLS) regression model was estimated using data for the top 20 countries included in the Global Soft Power Index 2025.

Given the highly skewed distribution of nation brand values, the dependent variable was transformed using the natural logarithm. This transformation was necessary due to the substantial disparities in nation brand values across the sample, with the United States and China representing dominant outliers, recording brand values of USD 37,328,559 million and USD 20,530,402 million, respectively. In contrast, the remaining countries exhibit considerably lower values. For instance, the United Kingdom, ranked third in the index, records a nation brand value of approximately USD 4,446,486 million, while Denmark and Belgium, ranked 18th and 19th, report values of USD 531,169 million and USD 794,848 million, respectively. The logarithmic transformation reduces the influence of extreme observations, improves the model's statistical properties, and facilitates clearer visualisation and interpretation of the relationship between the variables. The baseline regression model is specified as follows:

$$\ln(NBV_i) = \alpha + \beta_{SP_i} + \varepsilon_i$$

where:

NBV_i represents Nation Brand Value;

SP_i denotes the Soft Power Index score;

α is the intercept;

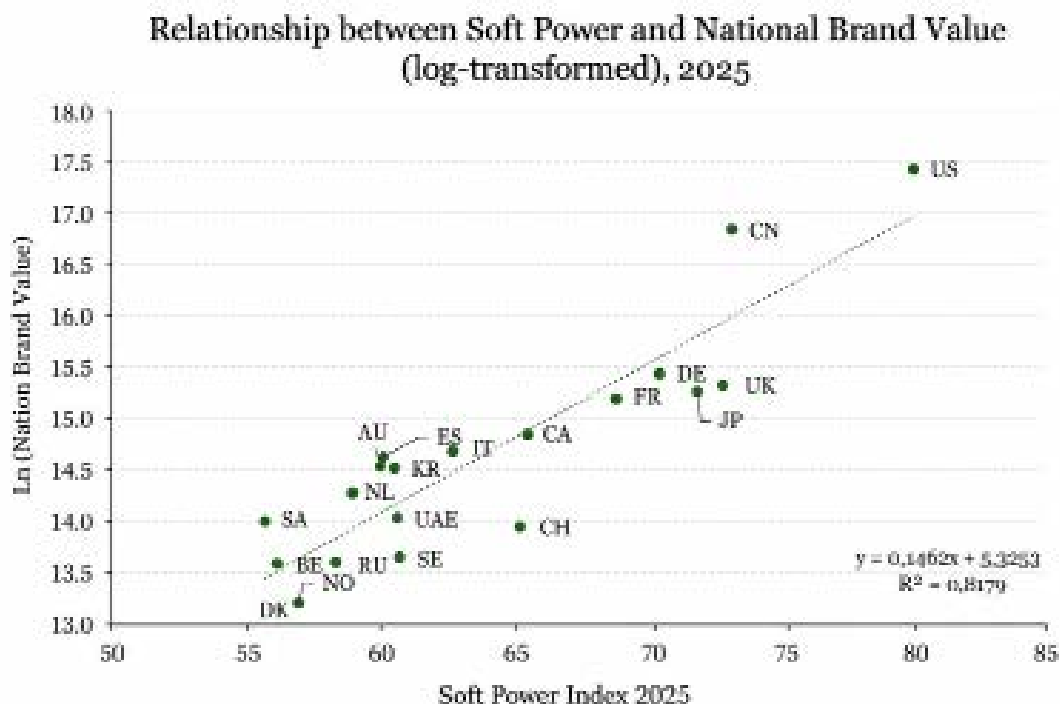
β_i measures the effect of soft power on nation brand value;

ε_i is the error term.

Figure 1 presents the scatter plot illustrating the relationship between Soft Power and the logarithm of Nation Brand Value:

Figure 1.

Relationship between Soft Power and Nation Brand Value (log-transformed), 2025



Source: Author's calculations based on Brand Finance Global Soft Power Index 2025 and Nation Brand Value 2025.

The scatter plot reveals a strong positive relationship between the two variables. Countries with higher soft power scores generally exhibit higher nation brand values. The fitted trend line shows a clear upward trajectory, indicating that improvements in soft power are associated with higher nation-brand values. This relationship is further supported by the positive coefficient on Soft Power ($\beta = 0.1462$), indicating that a one-point increase in the Soft Power Index is associated with an approximately 14.62% increase in Nation Brand Value.

The coefficient of determination ($R^2 = 0.8179$) indicates that approximately 81.8% of the variation in the logarithm of Nation Brand Value can be explained by differences in Soft Power scores. This result demonstrates substantial explanatory power and provides empirical evidence of a strong association between a country's soft power resources and the value of its national brand. The remaining 18.2% of the variation may be attributed to other factors not included in the model, such as economic performance, investment attractiveness, institutional quality, tourism competitiveness, or geopolitical influence.

The findings provide empirical support for the theoretical arguments advanced by Nye (2004) and Anholt (2006), according to which a country's attractiveness, reputation, cultural appeal, and international influence

constitute strategic intangible assets capable of generating measurable value. The strong positive association identified in this study suggests that soft power contributes not only to international visibility and influence but also to the economic valuation of national brands. Consequently, soft power may be regarded as an important determinant of a nation's brand value and a strategic resource that enhances a country's position and competitiveness within the international environment.

Although the previous results indicate a strong relationship between Soft Power and Nation Brand Value, larger countries, in economic terms, generally benefit from greater international visibility, stronger economic performance, and higher nation brand values. Consequently, part of the observed relationship may reflect differences in economic size rather than the independent contribution of soft power.

To address this concern, Gross Domestic Product (GDP) was introduced as a control variable in the extended regression model. GDP was selected because it represents one of the most widely used indicators of economic size and overall economic performance. Given the highly skewed distribution of GDP across the countries included in the sample, its natural logarithm was used in the analysis.

The extended regression model is specified as follows:

$$\ln(NBV_i) = \alpha + \beta_1 SP_i + \beta_2 \ln(GDP_i) + \varepsilon_i$$

where:

NBV_i represents Nation Brand Value;

SP_i denotes the Soft Power Index score;

α is the intercept;

β_1 measures the effect of soft power on nation brand value;

ε_i is the error term.

$\ln(GDP_i)$ represents the natural logarithm of Gross Domestic Product;

β_2 captures the effect of economic size on nation brand value.

Table 1 presents the results of the multiple regression analysis:

<i>Regression Statistics</i>					
Multiple R	0,96801145				
R Square	0,93704616				
Adjusted R Square	0,92963983				
Standard Error	0,29268167				
Observations	20				

<i>ANOVA</i>					
	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	2	21,675981	10,8379905	126,519574	6,19E-11
Residual	17	1,45626351	0,08566256		
Total	19	23,1322445			

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>	<i>Lower 95,0%</i>	<i>Upper 95,0%</i>
Intercept	1,54120194	0,9159753	1,68258024	0,11073087	-0,391337	3,4737409	-0,391337	3,4737409
X Variable 1	0,05190084	0,019314	2,687214	0,01558529	0,01115187	0,09264981	0,01115187	0,09264981
X Variable 2	0,67147338	0,11838449	5,67197106	2,7562E-05	0,42170394	0,92124281	0,42170394	0,92124281

Dependent variable: ln (Nation Brand Value)

Source: elaborated by the author

The results indicate that both explanatory variables exert a positive and statistically significant influence on the nation brand value. The coefficient associated with Soft Power ($\beta = 0.0519$), ($p = 0.0156$) remains statistically significant after controlling for GDP, suggesting that soft power contributes independently to the development of national brands.

At the same time, GDP exhibits a strong positive effect ($\beta = 0.6715$, $p < 0.001$), confirming the importance of economic size in shaping a nation's brand value.

The explanatory power of the model increases substantially after the inclusion of the control variable, with rising from 0.8179 to 0.9370. This indicates that approximately 93.7% of the variation in nation brand value can be jointly explained by soft power and economic size.

Most importantly, the persistence of a statistically significant Soft Power coefficient after the introduction

of the control variable - GDP, demonstrates that the relationship between soft power and national brand value cannot be explained solely by differences in economic size, such that economic scale is insufficient to explain the observed variation in national brand value. In other words, countries do not derive their national brand value solely from their economic capacity but also from their ability to generate trust, admiration, and positive perceptions among tourists, investors, transnational companies, talent, and human capital.

These findings support the argument that soft power should be considered a strategic intangible asset capable of creating measurable value beyond purely economic factors. Accordingly, investments in culture, education, public diplomacy, international cooperation, research and innovation and country brand reputation can enhance a country's brand value even when differences in economic size are taken into account.

CONCLUSIONS

The empirical analysis identifies a strong and statistically significant positive association between Soft Power and National Brand Value for the countries analysed - the top 20 economies according to the SOFT POWER INDEX. The basic model indicates that approximately 81.8% of the variation in the logarithm of National Brand Value is associated with differences in Soft Power scores ($\beta = 0.8179$). Countries with higher levels of soft power tend, in general, to present more valuable national brands, suggesting a close relationship between attraction-based influence and the economic valuation of national brands, as reflected in country brand value.

To account for differences in economic size, GDP was introduced as a control variable in an extended regression model - the fact that countries with larger and more developed economies would also tend to have higher country brand values, being an obvious one. The results, however, only confirmed and reinforced the results obtained in the first correlation - both GDP and Soft Power remain statistically significant. Most importantly, the Soft Power coefficient remains positive and significant ($\beta = 0.0519$, $p = 0.0156$) after controlling for GDP, while the explanatory power of the model increases substantially (from $\beta = 0.8179$ to $\beta = 0.9370$). These findings suggest that the observed relationship between Soft Power and National Brand Value cannot be explained exclusively by differences in economic size and that Soft Power is itself an independent variable whose evolution can be associated with higher national brand values.

The findings provide empirical support for the theoretical arguments advanced by Nye (2004), Anholt (2006), Fan (2010) and subsequent literature on nation branding, according to which a country's attractiveness, reputation, cultural appeal and international influence constitute valuable intangible assets – a hypothesis launched and validated in the Brand Finance Report. The results suggest that countries characterised by stronger reputation-based resources and attractiveness also tend to register higher levels of nation brand value.

From a conceptual perspective, the study supports the proposed framework in which Soft Power represents a source of nation attractiveness, Nation Brand reflects the perceptual dimension of this attractiveness, and Nation Brand Value captures its measurable economic dimension. Although the present analysis does not establish causality, it provides quantitative evidence of a strong relationship between these constructs and helps to bridge the gap between theoretical discussions of Soft Power and empirical research on nation branding.

Some limitations should be acknowledged. The analysis is based on a relatively small sample of twenty countries – the top 20 in the Global Soft Power Index 2025. Therefore, the results should be interpreted with caution and cannot be generalised to all countries. Future research could use larger, more heterogeneous samples, incorporate additional control variables, and employ longitudinal datasets to further examine the relationship between Soft Power, country branding, and broader indicators of national competitiveness and economic performance.

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