Country Branding: Promoting investment, tourism and exports through country communication management and social engineering

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Abstract

Country branding, which is about employing strategic marketing to promote a country's identity, has become a strategic tool of a country's competitiveness. However, only few developing countries have articulated and implemented a branding strategy. This paper examines the competitive advantage a country brand engenders for developing countries-in terms of exports, inward investment, tourism and positive image. Furthermore, emphasising country branding as a communication management and social engineering, this paper argues that there is more than persuasive rationale for a country branding strategy to integrate and to direct the full range of political, economic, cultural and social programmes towards national development, wealth creation and social cohesion.

Introduction

The new marketing battle for tourism, inward investments and exports sales is intensifying by the day. Countries all over the world are shaping and re-shaping their national identities as they compete with neighbours, regional blocks for power, influence, prestige and wealth. Country branding has become a strategic tool and a process of a country's competitiveness because having a reputation or none at all seriously reduces a country's ability to compete at all levels (Brymer, 2003). Furthermore, it is not enough to be in possession of the truth (Anholt, 2003); the reality about one's country must be communicated coherently and consistently. The notion that a country can be actively marketed to the rest of the world, for growth, tourism, trade, inward investment and positive image is not new. What is a novelty is the word "brand". As countries have become organised more and more on commercial lines, it is clear that marketing which is about creating and sustaining favourable perceptions and relationships has interesting applications. This is what Rudolf Giuliani realised and accomplished when he transformed the external visitor impression of New York from a frightening city to one of the safest places (Brymer, 2003).

A key advantage of brands is that they are sustainable resources. So long as their value is maintained through careful management, brands will deliver sustainable value, their value residing primarily in the minds and hearts of the consumer. Kapferer (2004) formalises this holistic view of the brand when he defined a brand as a name with power to influence buyers. Its source of influence is derived from the mental associations and relationships a brand builds over time among customers and other stakeholders. The key goal of branding is to make a brand unique on dimensions that are both pertinent and welcomed by customers. What really makes a name become a brand are the saliency, differentiability, intensity and trust attached to these association (Kapferer, 2004).

Marketing and branding are no longer merely associated with businesses. Political parties, governments, charities, educational institutions, places and even some celebrities are turning to branding to gain more resilient competitive edge. Lately, many in the developed world are calling on developing countries to turn their attention to branding, to enhance their competitiveness. For example, Anholt (2003/2) and de Vicente (2004) have made several calls to developing countries to reverse the economic gap between them and the rich countries through country branding. Olins (2002) has even projected that nation branding will, in decades, become the norm and countries (including the developing) better get used to this reality. Recently, some Africans in Europe, desperate to see development in their home countries have made similar calls. For example, Nworah (2005), while reviewing the Nigeria Image Project concludes that this project fell short of a country branding programme. However, Nworah adds that for developing countries to compete effectively in the global marketplace they need to employ branding techniques. Opoku (2005) has admonished Ghanaian authorities to get more serious in branding Ghana. There are many other voices. But how do developing countries get started? And how do they progress? In any case what benefits will country branding spawn?

This contribution aims at clarifying the concepts of country (nation) brand and branding, and argues that for a developing country, branding is a prerequisite for national development. In particular, how country branding enhances exports, inward investment and tourism, among others, is examined. Some world developments the past decades enhance country branding success for developing countries. These have been explored. Finally, this article examines, with recent case examples, requirements for successful country branding take-off.

Country Brand and Branding

Many countries have made efforts to manage their reputations and occasionally country reputations have been invented by their leaders who have borrowed from poets, orators, philosophers to expand their political skills (Olins, 2002). A country brand defines a symbolic construct, which emphasises the positively, memorable, attractive, unique, relevant and sustainable qualities of a nation (Allan, 2004). Delorie (2000) writes that a nation brand is a national identity that has been proactively distilled, interpreted, internalised and projected internationally in order to gain international recognition and to construct a favourable national image. A country brand strategy therefore is a plan for defining the realistic, most competitive and most compelling strategic vision for the country (Anholt, 2002).The basic assumption in country branding is that country names constitute brands and as a result evoke meanings and images, assisting audiences to evaluate its brands, helping customers make their purchasing decisions. From this point of view a powerful country brand translates into a better perception of the country, increases exports, inward tourism and foreign investment.

Branding a country in principle is apparently simple. Creating a brand involves developing the brand's programme, which underlies the brand identity and positioning. Thus the brand's reason for being, its identity, vision, core values, and know-how must be clearly defined, internalized and communicated. Country branding plans exhibit the clear, simple, differentiating propositions often built around emotional qualities expressing some kind of superiority, which can be readily symbolised both verbally and visually (Olins, 2002). Therefore, the principles of product, service or corporate and a country branding are the same. However, the methods differ.

According to Anholt (2002), the most critical challenge facing country branding is finding a strategy which is believable, relevant to the consumer audience, true to reality, and the aspirations of the country, yet capable of encompassing this variety without becoming a boring compromise or alienating the population. Summing up on the complexities posed by country branding, Frost (2004) explains the need for extended time frame in country branding, saying that products can be de-listed or modified, re-launched and re-positioned, or replaced. Countries, however, do not have many of these choices and their image problems may be founded in structural handicaps that take years to fix.

The country brand is defined by its people, by their values, culture, education, temper, looks and endeavours. This is why country branding usually begins with internal branding. Internal branding translates the country brand insight and vision into a strategic concept that harmonises the external brand marketing strategy with internal values and behaviours. It includes promoting the country brand to its citizens so that they fully understand the link between the brand proposition and brand value delivery. For successful country branding therefore, social capital management and investment must receive elevated consideration in the country, using social policies and practices to orchestrate consistent social alignment with the country brand values.

Now, a point about the value-transfer relationship between a country brand and commercial brands. Frost (2004) argues that because of the complexity and multiple dimensions of country brands, country brands serve as an umbrella brand for the branded services/products from that country. This means that the nation brand has to develop consistent and relevant values and symbols so that it can support commercial brands. South Africa for example has created umbrella brand symbol adapted from their post-apartheid national flag with tagline "Alive with Possibilities" that is exploited for visual branding in various media and campaigns (the national airline, tourism, sports and exports promotion).

While it is true corporate brands create country reputations (for examples: Nokia on Finland; BMW and Daimler Benz on Germany) it is equally true that a country brand can translate into guiding successfully the creation and growth of branded products and services as spin-offs of the umbrella country brand. For example, post-Franco Spain launched Joan Miro's sun device to symbolise the modernisation of Spain in 1982. The same brand symbol was used later to promote Spain's Tourism brand. Thus, country brands and individual product/service brands are in self-perpetuating cycle (Frost, 2004), transferring and capitalising on their brand values (Michalache & Vukman, 2005). For developing countries that do not have strong brands in the first place, it is important that a country brand is articulated to inspire and to provoke the launch of commercial brands that can feed into the country brand values, identity, awareness and image, to boost their commercial success on the international stage. For example, export brands from South Africa, bear the South Africa country brand visual identity, and are controlled by the South Africa International Marketing Council for standards.

From the brand perspective the absence of successful brands from developing countries is one key reason for our poverty. The brand is where the profits of most businesses and indeed most earnings of nations, as well as their competitive advantages come from (Kapferer, 2004; Clifton, 2003). Coca Cola, Microsoft, IBM, GE, Intel, Nike, Marlboro, Disney, McDonald, Pepsi MTV and many others, well recognised, and many of these bought and consumed in the remotest of villages in Ghana, all come from one country-the USA. Samsung, Daewoo, Hyundai and LG also come from the one of the fast becoming developed countries, South Korea. Brand success is the basic component of America's and indeed other developed countries economic successes, and the lack of it in developing countries is one reason for our poverty. Paradoxically, many developing countries are trapped in a pattern of economic behaviour that entrenches their poverty.

Perpetually, these developing countries are entangled in selling unprocessed goods to richer nations at low margins, allowing their buyers to mark up massively through finishing, packaging, branding and retailing, observes Anholt (1999). Continuously, many of poor countries' preferred but expensive brands are imports from the developed world. It is instructive that only Samsung (from South Korea) makes Interbrand's 2003 Top 100 global brands score-board from a developing country. Creating and selling international brands is the strategic imperative of the world's richest countries. Developing countries need to develop this mindset, behaviours and skills to helping them advance from being mere suppliers of low-margin unbranded commodities to brand owners and branded destinations in their own right.

Country Branding Engenders "Soft power"

While brands clearly belong to the intangible assets of an organisation or a country this hardly makes its economic importance less real. Globally, brands are estimated to account for a third of all wealth and the economic importance of brands on a nation's development is undeniable (Clifton, 2003). From investment point of view, argues Clifton (2003), the brand provides a more reliable and stable indicator of the future health of a business and/or a country as strong brands mean more return, for less risk. Brands also create important social benefits in relation to wealth creation leading to improvements in quality of life of a nation. Thus, because brands are the most stable and sustainable asset, living on long after the passing of technology and people, brands create security and stability of employment.

As brand images have become shortcuts to purchasing decisions, effective nation branding serves to reinforce positive images and also fight the formation of negative perceptions about a country. Nation branding is important for a developing country because effective nation branding can give it a competitive advantage and this in turn engenders several opportunities for that country. The absence of strong country brands in most of the developing world has meant that they can not compete to boost their commercial and social interests. And because strong brands do not originate from these countries world audiences do not have the opportunity to revise outdated country perceptions through experience of their brands.

In today's competitive marketplace, where many products are functionally similar a power brand is about the only remaining legal competitive advantage a marketer can acquire. One feature of successful international brands is the influence the brand's country of origin has on the consumer's perception of the brand. Country of brand origin has therefore become fundamental to consumer brand evaluation as it is a definer of image and product quality. It is for this reason that an appealing country brand is a valuable gift to its commercial and non commercial brands, and as emphasized by Anholt (2003), it is their "unfair advantage" in the global marketplace. A strong country brand also leverages exports, feeding and transferring to commercial brands the country brand identity, values and reputations. Anholt (2003) argues that developing counties stand to benefit from the synergy a strong nation brand and goods and services brands generate. For example, Café de Colombia has leveraged its country brand into success in the USA, holding over 40 per cent of US speciality coffee market (www.juanvadez.com).

Country brands also do capitalise on the success of commercial brands. India's Bangalore technology cluster led by Wipro and Infosys is rapidly modernising the image of brand India, as innovative, entrepreneurial and global. Also the emergence of consumer brands like Samsung, Daewoo and LG have done in recent years for South Korea what Sony, Toyota, Honda and others did for Japan decades earlier. Obviously, the notion of exporting branded products rather than unbranded is a forceful one for developing countries. During the last century or so, writes Anholt (2002), much of the wealth of the rich countries have been generated through marketing. This is evidenced by the ability to add attraction to exported brands through country of origin or brand effects, the increasing sophisticated techniques of marketing the country itself as a tourist brand, and the marketing skills which attract the best talent and largest foreign investment. Further evidence is provided by the acts of marketing coordination which ensures that consistent and attractive messages about the country in general are communicated to the rest of the world through acts of diplomacy, sports and cultural activities.

Country branding can actually encourage more moderate and benign foreign diplomacy and domestic policies, because it focuses the minds of political leaders and ordinary citizens on the real importance of their domestic and international reputations. Country branding focuses a country's energies, efforts, debates and discussions towards the country's common objectives and strategic imperatives. The implication is that policy and position on all major social issues would have been debated exhaustively, precluding the frequently engaging but unhelpful and wasteful national debates. Similarly, making ordinary citizens feel important in shaping and realising the international aspirations of the country may help to create a strong sense of national identity, and promote social inclusion and cohesion. The entire country can be united in an objective examination of its strengths and weaknesses through an open and public process of focus and improvement inherent in internal country branding programmes (Anholt, 2003). In principle it is the country's citizens who stand to gain from successful nation branding. Just as successful corporate branding can raise the morale, team spirit and sense of purpose of a company's employees, so can successful nation branding provide a country with common sense of purpose and national pride, identity, values and improvements in quality of life. National identity and cohesion are particularly paramount to many developing countries which are multi-ethnic groups forced into "nations" through colonialism.

Functioning states in West Africa have even more persuasive reasons to adopt branding. West Africa has well documented negative image: for failing states, political instability, civil/factional wars, poverty and disease-stricken and "serious" frauds (419). West Africa also continuously boasts of the most corrupt countries in the world (Transparency International, 2004). While some of these perceptions may be outdated, others may only apply to specific countries. Ghana for example, has abundance of resources; it is peaceful with educated work force. Ghana's infrastructure and democracy are improving. But why and how would Ghana be perceived as a unique investment and tourist destination worth considering? Why should investors not bunch Ghana with others as the basket case of "wild" West Africa when it has failing and near chaotic states as neighbours? And, when it has also experienced its share of revolutions and bad governments in the past?

As noted by Olins (2002), countries which have thought most about branding are those with some kind of traditional position, influence and reputation which they seek to change or improve. Ghana is an example of such countries. For due to its past history of instability and revolutions, current negative image of the sub-region as well as the now relative successes at democracy the truth must begin to be told through country branding and a coherent communication strategy. It makes sense therefore to say that anything which does not fall under the ambit of the brand is a weak link in the strategic chain and can undermine the efforts and investments made in other sectors (Anholt, 2003).

Developing countries also have to compete with other countries, regions and cities for foreign direct investment (FDI). A strong country brand ensures a country is in the evoked set of a targeted investor in the first place. The process of country branding would have helped a country define its investment priorities and chosen investment targets, have an information bank that adequately addresses investor questions and concerns, and employ the appropriate strategies and techniques to investment promotion (de Vicente, 2004). A country that is branded would also be in a position to harmonise national policies as varied as a country's education, culture, health, taxation, foreign diplomacy, export promotion and energy supply to promote investment. As brands have become the dominant mode of communicating identities, it has become imperative that the channels of expression for a nation, whether on domestic or international stages, are integrated, to create an attractive picture of a country in people's minds. There is now more that a compelling case for branding strategy for developing countries as these countries stand to benefit from the synergy a strong country brand and commercial brands generate.

Improving Environment for Country Branding

Some changes in the world environment the past decades enhance possibilities of nation branding, the most important being technological improvements in communication and information access. The growth of the web and world media (CNN, National Geographic etc), for example, have made it possible for some poor countries to promote their brands cheaply. The implications are that it is relatively now easier to communicate to the world to change, consolidate or set new perceptions. Information access, mainly through the web and world media, and cheap air fairs are driving people to travel far and wide. Until a few years ago, building a global brand required big advertising budget. But with the internet driven media revolution it is now possible to reach the world cheaply.

Manufacturers from emerging countries also until recently had a perceptual hurdle to overcome before launching their brands onto the international market. Unless a product was made in Europe, Japan or North America the perception was that of poor manufacturing quality. But the country of origin marks (made in Taiwan/Thailand/China) on Europe and America branded products have led consumers in those countries to adjust to the fact that the great products they enjoy are in reality manufactured in poor countries to the standard accepted by brand owners in Europe and America (Anholt,1999). Yet another change in perception is the pronounced shift in Western taste and fashions, towards a yearning for the values of older, wise, more contemplative civilizations than that for Europe and America. As emphasized by Anholt (1999), never before has there been a vogue for the ethnic, the organic and the exotic. There is now an extraordinary surge of attention in alternative, Eastern remedies like acupuncture, shiatsu, and aromatherapy and African art-paintings, music, clothing, skin-arts, carvings, beads.

The Western consumer, observes Anholt (1999), is now attracted by the cultures and the products of distant land. Increasing affluence, communication and information access to people in the developed world is making realization of this possible. According to Anholt (1999), the best example of national re-branding of our time is Japan. Made in Japan 30 - 40 years ago was a negative concept as many Western consumers had formed their perception of brand Japan on their experience of shoddy, second-rate products from Japan. Yet Japan today is synonymous with advanced technology, manufacturing quality, competitive pricing and of style and status (Anholt, 1999). Following Japan's success many western markets are now more agreeable to brands from less endowed countries. This is why Korea brands are doing well in the developed countries; South Africa wine and India beer are being served on English tables presently; Indian perfume, Urvashi, is currently enjoying success in France of all places (Anholt, 2003).

Current worldwide concerns about developing countries poverty, diseases, the debt burden and less than fair trade practices by the developed world, on one hand and good news democratic and economic successes by some developing countries on the other hand are also fuelling pressure on the developed world to open their markets and also mitigate their standpoint towards the developing world. AGOA (Africa Growth and Opportunity Act) is one example of an affirmative action to help African exports to the US. This is the time for the owners of the truly national brands to leverage the power they hold over the imagination of the world's richest consumers and now is the time developing countries can redeem some of the money they have paid to rich countries for their brands over the past century.

What It Takes to Brand a Country

Country branding hinges on the admission that in a globalised world, all countries need to compete with each other for a share of the world's attention and wealth, and that development is as much a matter of positioning as anything else (Anholt, 2003). Placebrands (www.placebrands.net) has developed the Place Branding framework to represent the ways in which a country may express itself under one or another of the six basic categories (tourism, export brands, people, foreign and domestic policy, culture and heritage, and investment and immigration) of country communication.

Country branding must align and integrate these channels into accomplishing and communicating the development strategy of the country (Anholt, 2003). Spain is a good example of a country that has succeeded the past decade at branding. Spain under Franco in 1975 was regarded as poverty-stricken, autarchic, a remote and an undemocratic pariah. After Franco's death and the accession of EU Spain has changed, in reality as well as people's perceptions. Today, it has transformed itself into a successful, respected democracy. Spain used the sun symbol as its visual identifier for a huge promotional campaign linked to national change and modernisation. Institutional and tourism advertisement, the creation of successful international business schools, the growth, privatisation and globalisation of Spanish multi-nationals like Repsol and Telefonica, the rebuilding of its major cities like Barcelona and Bilbao, the success of its film industry, political devolution, the Barcelona Olympics and the Seville International Exhibition of 1992, the prestige of some of its statesmen like Javier Solana, the success of its football teams Real Madrid and Barcelona epitomize the change (Olins, 2001).

Branding a nation demands full political, managerial and technical competencies in equal measure (de Vicente, 2004). In many countries, especially the developing, marketing expertise is in shortage. It is therefore paramount for governments to engage professionals. Frost (2004) writes that Costa Rica beat Brazil, Chile and Mexico to become the site of Intel's first Latin America plant in 1996 by drawing on the resources of its own investment promotion agency and Irish Development Agency. One critical difficulty for many countries has been deciding who should run nation branding campaigns. Though nation branding programmes may be given impetus by governments, governments do not stay in power long enough to realise the benefits of branding. Government therefore must work closely with the private sector when developing branding strategies. It is also imperative that a country possesses one-stop country website/official internet gateway as this contributes to integration, consistency and coherence in a country's communication, a sing qua non to successful country branding programmes. South Africa for example, has only one country web portal (www.safrica.info) launched by South Africa's International Marketing Council, a public and private partnership initiated by President Mbeki to create a positive and united image for South Africa to overcome the negative image left by apartheid and AIDS (de Vicente, 2004). Since launch of this initiative South Africa has won the bid to host the 2010 World Cup, with a greatly improved country image and improved exports sales and inward tourism (see: www.imc.org.za/documents/brandingsa for South Africa's branding strategy).

With a country brand coordinating organisation in place to create and manage the brand, an umbrella brand concept that will integrate all the elements of country brand expression will have to be crafted. de Vicente (2004) has listed quality, innovativeness, nature, security, pleasure, progress, honesty having to do with industries, personalities, natural landmarks and historical events that can provide a platform for story telling as bases for developing country brand concepts.

What countries like South Africa and Spain do have is the objectivity, the ability to see your country as others see it and to accept that this is more important than the way you perceive yourselves. There is also a psychological and technical hurdle to be overcome by poor countries. According to Anholt (1999), poor countries require self-confidence in believing brands developed in the developing world could measure up to developed world standards. Poor countries also require the skill, flair and patience in branding and the management of their products and services.

Another requirement is steady investment in the country brand itself and this requires commitment, collaboration, consultation with stakeholders and effective synergy among the main outlets of a country's identity in the global media- tourist board, national airline, major food vendors- because these are the routes by which the national brand is most frequently fashioned and exported (Anholt, 1999). Anholt (www.nytimes.co/2003/11) for example, has recommended to Slovenia government that schools there should teach English, German, and Italian, and that in 15 years when some of those students working at contact points to visitors such as hotels can speak in their visitors' languages fluently, those visitors will be more likely to leave with a positive impression. The country brand management requires understanding perceptions of critical audiences about your country, work to coordinate the messages from various private and public organisations, cultural institutions, sports teams and media houses to develop a carefully managed national identity, as recognisable as any powerful consumer brand.

Conclusion

The images we have about a country impact a lot on how we view it as a tourism destination, a place to invest in, and a place from which to buy the brands we so love. Current process of globalisation has highlighted the need for countries to brand themselves. Today, the battle for tourism, exports, and inward investment is intensifying as brands have become more and more the vehicles for communication. Branding is part of the reason there is such an ever increasing economic gap between the developing and the developed countries. It is imperative therefore for developing countries, like Ghana, to be branded, with the careful husbandry of existing perceptions and reconciliation of varied components of the country into harmonious and distinctive whole.

Country branding is not about constructing slogans. Country branding involves planned communication management and purposeful social engineering. Branding is no longer a choice but a necessity, and that branding is not a function to be performed solely by the state or individual corporations, but an integrative and concerted effort by all concerned stakeholders. If a country is effectively branded "soft power" can be engendered giving that country vast competitive advantage. However, only few developing countries have articulated and implemented a country branding strategy. The notion of an umbrella country brand inspiring, guiding and feeding commercial brands is a compelling one. Branding of developing countries could unleash a sustainable wealth creation behaviour which will greatly help these poor countries break out of their poverty cycle. There is now an opportunity for developing countries to close this gap, by turning their attention to employ professionalism in country branding.

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