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BRANDING THE NATION: WHAT IS BEING BRANDED?

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ABSTRACT

Nation branding and nation brand are two different concepts. A nation has a brand image with or without nation branding. This paper examines the concept of nation branding, focusing on the central question of *what is being branded*. It differentiates nation branding from product branding, and draws comparisons between nation branding and product-country image. Paradoxical issues around the concept and the wider context in which nation branding can be applied are also discussed. More research is needed to find out if and how nation branding could help the economic development in a country. As many other non-marketing factors also affect a nation's image the role played by nation branding may turn out to be only a modest one.

Keywords Nation branding, Country of origin effect, Product-country image,
Place marketing

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Introduction

Nation branding is a relatively new area though studies of the effect of country image on product purchase have been around for several decades (Papadopoulos and Heslop, 2002; Shimp, et al, 1993). Despite the recent surge in interests amongst both academics and practitioners and growing publications, research on nation branding is still in the infant stage, and the topic itself remains as a complicated and somewhat confused construct. The purpose of this paper is to explore the concept of nation branding; in particular, it discusses the following: a) what is being branded? b) what are the differences between the nation brand and product brand? c) the link between nation branding and the country of origin effect; and d) the paradoxical issues and the wider context in which nation branding can be applied.

What is nation branding?

A nation generally refers to a large group of people of the same race and language (Longman, 1995) while a country means an area of land occupied by a nation. Although nation and country are used interchangeably in the literature there is a subtle difference between nation brand/image and country brand/image. Various terms found in the literature can be classified into three categories shown in Table 1. Terms such as the country of original effect (COO) are closely related with the product. The product-country image is imbedded as part of the product brand, and is meaningless if separated from the product. The concept of nation brand or country equity refers to the nation as a whole; it describes the country's intangible assets without any explicit links with a product. Product-country image is a subset of the country image (Kleppe, 2002). Other terms such as national identity and cultural stereotypes have little direct

implication in branding or marketing because they have a clear focus on the culture and people of a nation.

Table 1 Terms used in the literature

Product related	National level	Cultural focus
Country of origin	Nation /country brand	Country stereotype
Product-country image	Nation /country image	National identity
Made-in country image	Country equity	National characteristics
Country image effect	Country positioning	E.g. “Britishness”

There is no single definition about nation branding. To some it is simply another term for country of origin effect or place marketing (Kotler, 2002). To others it refers to a consistent and all-embracing *national brand strategy* which determines the most realistic, most competitive and most compelling strategic vision for the country, and ensures that this vision is supported, reinforced, and enriched by every act of communication between the country and the rest of the world (Anholt, 1998). In nation branding “the aim is to create a clear, simple, differentiating idea built around emotional qualities which can be symbolised both verbally and visually and understood by diverse audiences in a variety of situations. To work effectively, nation branding must embrace political, cultural, business and sport activities” (Jaffe and Nebenzahl, 2001). Noting the key words used in this statement: clear, simple, differentiating, diverse, variety, this shows the complexity inherent in nation branding. More importantly, nation branding involves not just marketing, but also almost all aspects of a nation’s character. For the convenience of discussion in this paper, a working definition is adopted below:

Nation branding concerns applying branding and marketing communications techniques to promote a nation’s image.

What is being branded?

Nation branding can be interpreted in several different ways as shown in Table 2. At the simplest, it is a synonym of product-country image. The country’s name or logo

can be used by either a single company or an organisation to emphasise the COO. This form of nation branding has a clear purpose of using the nation's image to promote sales and exports. The second form of nation branding is in fact place marketing – to promote the country (or maybe a city in the country) as the destination for either tourism or inward investment. In political marketing, manipulating the images of one's own country against those of enemy countries has long been used as a powerful weapon in propaganda, from the evil Soviet Empire in the Cold War to the recent labelling of three countries as "Axis of evil". A name could also be coined to brand a region, for example, Hong Kong, Taiwan, Korea and Singapore were widely referred to Four Dragons in the 1980s. Real examples of nation branding in its true sense are rare and far between: Cool Britannia failed to make any significant impact and Deutschland Europa never took off.

Table 2 Examples in nation branding

	Example	What is being branded
Country of origin effect	Rover cars use the Union Jack as part of its logo	Being part of the product brand
	The New Zealand Way	A quality mark to promote exports
Country	100 % Pure New Zealand	Destination -place marketing
Nation	Cool Britannia	People, culture –nation branding?
State	"Axis of evil"	Regime - political marketing
Region	Four Dragons in Asia	A term used in 1980s to refer to the newly industrialised countries

According to the American Marketing Association (AMA), a brand is a "name, term, sign, symbol, or design, or a combination of them, intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competition." However, a nation is not a product in the conventional sense. A nation brand offers no tangible product or service; instead, it represents and encompasses a wide variety of factors and associations:

- Place-geography, natural resources, tourist attractions

- People – race, ethnic groups
- History
- Culture
- Language
- Political and economic systems
- Social institutions
- Infrastructure
- Famous people (the face)
- Picture or image

Depending on the context in which it is placed, the nation brand may evoke a shifting and intricate combination of the above factors. As the message being communicated by the nation brand is dispersed over such a nebulous collection of associations and attributes the intended audience may be left confused, if not slightly bewildered by the precise nature of that which is being communicated.

Nation branding and product branding

There are fundamental differences between a nation brand and a commercial product brand. As there is no tangible offer in a nation brand, its attributes are difficult to define or describe. The only benefits a nation brand could create for its audience are emotional rather than functional. In product branding the brand has a sole owner whose legal right is protected by law. In nation branding, the nation itself has no control over the use (or abuse) of its name and image. A nation normally has only one official name such as United Kingdom of Great Britain and Northern Ireland or UK for short, which cannot be easily changed. However, a nation may have more than one nation “brands”, depending on the purposes of branding, for example, Cool Britannia or Green Britain. A nation brand is not owned by the nation but by an organisation. As the nation has no control of its image any outside third party could use the image for its own advantage. It is in the public domain and any party with an interest could manipulate and exploit the “brand” image to achieve their own ends. There are many well-known examples: Giordano, a Hong Kong fashion retailer benefits greatly from

its Italian name without having any connection with the country. Similarly, a Mexican firm could use a French-sounding brand name to sell perfume that is made in Mexico and has nothing to do with France. The distinctiveness and exclusivity of a nation brand is hard to protect, as the nation has no natural monopoly on the precise qualities it is seeking to promote. If there is indeed nation branding, the first issue to be addressed is who owns the brand and is responsible for the branding because the development and management of a nation brand requires a sustained amount of concerted action. In a recent seminar on branding Britain, the panel was unanimous that there is a need for someone to be in charge of the British reputation but they disagreed on whether the government or industries should take the leadership. Without strong leadership, any campaign in nation branding, like a vehicle “with no one at the wheel”, is doomed to fail (*Brand Strategy*, 2003).

Table 3 Comparison between nation branding and product branding

	Nation brand	Product brand
Offer	Nothing on offer	A product or service on offer
Attributes	Difficult to define	Well defined
Benefits	Purely emotional	Functional and emotional
Image	Complicated, various, vague	Simple, clear
Association	Secondary, numerous and diverse	Primary and secondary, relatively fewer and more specific
Purpose	To promote national image?	To help sales and develop relationships
Ownership	Unclear, multiple stakeholders	Sole owner
Audience	Diverse, hard to define	Targeted segment

Nation brand image and product-country image

Despite large volumes of research on the product-country image/COO, little is known about nation branding: how the nation brand affects purchase decisions and how the nation brand relates to COO. Is a nation brand a separate entity or an element in the product brand? These two concepts are related but differ in a number of ways. As mentioned above, the concept of the nation brand is not centred on any specific

product, service or cause that can be promoted directly to the customer. Nation branding concerns a country's whole image covering political, economic, historical and cultural dimensions. The concept is at the nation level, multi-dimensional and context-dependent. The nation image may have little impact on the consumer and has no link with the product offer. People may like or dislike a country for all kinds of reasons that may or may not affect their purchase decisions. On the contrary, product-country image, as a kind of secondary association (Keller, 1993), is part of the product brand and closely linked with a specific product or product category. It has an immediate effect on people's mind and directly affects their purchase decisions.

A nation has multiple images. China, for example, could conjure up the following image: largest country with 1.3 billion people, the Great Wall, panda, kungfu, Made in China, etc. Time seems to be an important factor here in determining people's perceptions. In the Spring of 2003, China was associated with SARS epidemic; while in 1989 it was the Tiananmen Massacres, but in 2008 it will be the Olympic Games. What image is retrieved depends on the audience and the context. To mention Germany may still bring painful memories to some European countries about the Nazi atrocities. To the Chinese, it is Japan that is associated with the war crimes committed sixty years ago before anything else. Japan's refusal to issue a formal apology to China still casts a huge shadow over the political relationship between the two countries. However, the economic and business relations between the two sides seem to be unaffected by this animosity: China is the second largest market for Japan and Japan is the largest foreign investor in China. Contradictory to the findings by Klein, et al (1998), negative national image does not necessarily affect the purchase of products made by that country. Positive product-country image and negative nation

brand image can in fact co-exist. For example, a Chinese consumer may possess an unfavourable general perception of Japan, but this may not prevent his favourite make of camera from being Japanese. In this specific case, COO out-weights national perceptions in the purchasing decision. Given the deep-rooted anti-Japanese sentiment among majority people and numerous calls to boycott Japanese products on the Internet, it is interesting to note that not only do Japanese brands remain the most popular choice to the Chinese consumers, but the influence of Japanese culture in the forms of fashion, film and pop music is also visible in most Chinese cities, particularly among the younger generation. This again illustrates the time dimension intrinsic to nation branding, as the painful memories of war seem to be too distant to be relevant to them.

Paradoxes

The correlation between countries that have produced strong brands and those that are strong brands themselves is undeniable yet the direction of causation is unclear. Has the nation brand emerged as a result of the success of a national industry, being simply rooted in economic patterns of shifting comparative advantage and specialisation across the world, or has the mysterious and intangible benefits of the nation brand been the initiator of a country's success?

The purpose of the nation brand, the message it is trying to communicate and also the target audience must be identified before any campaign is launched. The nation brand is faced with two diametrically opposed prerequisites which must be satisfied to ensure successful communication of its brand value: it must be distinctive to enable the country to position itself against competitors whilst drawing upon the common associations shared by potential customers in order for the psychological leveraging process to occur. This paradox is only significant at the nation level due to the sheer

amount and variety of associations that a nation may produce. On the one hand, international audiences have a different degree of knowledge and experience about the nation; on the other hand, each country has different cultural values that will affect its decoding and perception of the image. For example, some cultures are more susceptible to certain types of meanings, such as symbolic or sensory associations (Roth, 1995).

In the global marketplace, the nation brand should ideally act as a national umbrella brand, seeking to differentiate the country's products from international competitors, but the mechanism of its success operates at the micro level of individual customer psychology (O'Shaughnessy and O'Shaughnessy, 2000). The challenge of nation branding relates to how the separate purchasing decisions of a variety of customers across a vast spectrum of unrelated needs and intentions can be consistently aggregated to create a harmonious and coherent value chain throughout a nation. Nation branding involves promoting a nation's image to an international audience. Like product branding, nation branding has all types of techniques, technology and media at its disposal. However, it also faces a number of unique challenges.

Firstly, national identity is notoriously difficult to define. For example, Taylor (2001) talks about the Seven Nations of Britain. It would be equally hard to define the national characteristics, for example, what is Britishness given that the UK now has a large ethnic population and multiple cultures. The difficulty lies in that it is almost impossible to separate out something that is British (distinctiveness) from something more general that is European or Western (common trait). In product branding brands such as Nokia have been promoted as global, its Finnish country origin having been deliberately downplayed to the extent that some consumers might assume that it was

Japanese (another example of COO). In the case of nation branding, should a country like Poland try to promote its unique national identity -Polishness- or should it emphasises the common trait –Europeness when it joints EU in the near future?

Secondly, the biggest challenge in nation branding is how to communicate a single image or message to different audiences in different countries. It is almost impossible to develop a simple image or core message about a country that can be used by different industry sectors. Imagine how one advertisement for France could possibly help to sell cheese, perfumes, fashion, holidays as well as cars? The dilemma in nation branding is trying to be one thing to all audiences on all occasions. In order to resonate with the audience, the message /image needs to be relevant and credible. An image that appeals in one culture or In one situation may not do the same in another culture or in another situation. Trying to be one thing to all audiences or all things to all audiences renders the message meaningless.

Globalisation is said to lead to the convergence of consumer needs and tastes across different markets though there is little empirical evidence to support the claim. To what extent will this result in a homogenisation of the values being promoted by the nation brand? Will a nation be forced to abandon its inherent, old but genuinely unique image in favour of the new image that may (or may not) appeal to the audience? Cool Britannia failed exactly because it abandoned all those traditional images associated with the country in favour of those hippy and trendy. It is ironic that the nation has lost its distinctiveness in its search for distinctiveness. The “cool image” may symbolise certain sectors like arts, fashion and music, but was almost irrelevant to the manufacturing and export industries. Of the sixteen values identified

in BrandBritain (www.wollfolins.com), many can hardly be defined as a value and none of them is universally regarded as British. Branding requires simplicity and clarity, but the image of a nation is complexity and vagueness. Using one logo plus one slogan might be just sufficient to promote a washing powder, but it is impossible for nation branding to develop a new national image in the same way. A slogan such as “A small country with a big heart” is in fact not very meaningful as it can be used by almost any small country. Similarly, values such as “trust, friendliness, and honesty” will not help develop a truly unique national image. A campaign promoting a country’s highly skilled and innovative workforce will not appeal towards potential tourists. In each context the customer has different needs and so a nation brand that tries to be all things to all people will inevitably fail, as it will isolate a significant proportion of its target audience through its vagueness. Thus it may be concluded that it is almost meaningless to talk about a nation brand in general.

Thirdly, consider the time dimension of the nation brand. Many of the stereotypes and cultural associations concerning a nation have their roots in centuries of history and will not be simply forgotten by the customer in the face of a few marketing campaigns. The historical inertia possessed by these unfavourable associations encapsulated by the nation brand represents a significant barrier impeding its development. The evolution of a nation’s image may take years or decades as shown in the example of Made-in-Japan in the west. However, the damage could have been done by a single event overnight as in the case of Bali bombing that has probably changed the island’s paradise image forever.

As branding cannot alter any of the physical attributes of the product, it can only seek to affect the customer's perception. In the context of the nation brand, an understanding of the customer's existing perception of the nation becomes vital. Their assessment with regards to the nation in question may be based upon the following factors:

- Personal experience, e.g. visiting the country
- Education or knowledge
- Prior use or ownership a product made in that country
- The depiction of the country through media channels
- Stereotypes, etc.

Any organisation seeking to capitalise on a country's nation brand must attempt to evaluate the existing qualities the country possesses in order to reinforce the positive perceptions of their country and filter out or perhaps deflect attention away from the negative aspects. Here again the importance of identifying the target audience becomes apparent, as some aspects of the country may seem positive to one segment of the target audience whilst isolating a far greater majority. Questions may also be raised with regards to the methodology of any such exercise: will such an assessment be conducted on a qualitative or quantitative basis?

Finally in addition to the external international audience, what about another important stakeholders in the branding campaign – the internal audience? Lincolnshire County Council has been working hard for the past few years to promote the county as “one of the best kept secrets in the country”- “the place to live, work, invest and visit”. The marketing campaign was a success judged by the fact that the county had the largest net internal migration inflows in the UK (*The Economist*, 2003). But this success has caused dismay and indignation among the county's many local residents. They challenged the whole idea of raising the county's profile,

insisting that a massive influx of people and jobs could destroy its unspoilt charm and lose forever many of the very qualities that are being promoted by the council (*County News Monthly*, 2003). The same dilemma could also arise in nation branding. The nation brand being promoted may seem 'foreign' to the domestic audience. In some instances a domestic audience may even find the portrayal of their country to outsiders insulting and offensive.

THE BROADER CONTEXT

The debate between Wally Olins and Michel Girard (a French academic) on whether France can be re-branded (Olins, 2002) is in fact caused by the confusion over what is being branded. While Olins talks about re-branding France the *country* in the marketing sense, Girard looks at France the *nation* from the historical and cultural perspective. The current studies on nation branding are characterised by an interesting phenomenon. Nation branding has been vaunted as a panacea - something equivalent to a grand national economic development strategy – desperately needed by developing countries. Nation branding is believed to be able to work miracles and solve much of the world problems, for example, the poverty gap between the North and South. It is undeniable that branding is an extremely powerful tool but it is equally important to realise that branding is only one part of marketing strategy which itself is a part of the whole business strategy. Branding won't work if other components of the strategy (finance, R&D, production, distribution) fail to deliver what the customers have wanted. Nation branding is no exception. To the proponent of nation branding Spain has provided a most successful example of rebranding a nation (www.wallyolins.com). However, this is a kind of misunderstanding. The change in the national image of Spain is the result of fundamental changes in its

political, economic and social systems taken place in the past 20 odd years, not the result of some wishful campaigns in nation branding. Branding might have played a role in the transformation, but its importance should not be exaggerated. In contrast, Zimbabwe is a country with rich tourist resources. But under the tyranny of the current regime the country is unable to exploit these market opportunities. Before political reform takes place there is no role for nation branding.

It can be said that some countries, often described as brand neutral, do not have many attributes to build upon. Other countries may already possess a strong cultural heritage but still remain at an economic disadvantage. Lacking the necessary capital formation, infrastructure and concentration of enterprise, together with an unskilled workforce and perhaps other factors beyond their control (political instability, natural disasters etc.) their capacity to increase their wealth through exports or tourism is greatly diminished. The nation brand cannot assert itself as the tangible sources from which its value is accrued are not in place. It is not sufficient for the country to enthusiastically promote its image to other nations if the economic basis for the nation brand is not there. Conventional wisdom would say that a firm must succeed in its own domestic environment before competing in the global marketplace. Similarly, for a nation brand to have creditability and integrity the country must create the macroeconomic climate required to nurture successful business, otherwise attempts for business to exploit nation branding will seem sadly quixotic.

Other factors in the political and economic environment also affect a nation's image, and probably to a greater degree. There are places where branding, no matter how ingenious and creative, simply won't work. A case in the point is North Cyprus. 30

years ago before the island was divided, the northern region had two thirds of 260,000 tourists visiting what was then known as the United Republic of Cyprus. The North is generally perceived as the last unspoilt Mediterranean place with stunning landscape, sleepy mountain villages and around 330 days of sun a year. The tourism sector in the North also enjoys an advantage over its rival in the South in terms of environment, culture, historical attractions as well as hotel prices. But the change of fortune couldn't be bigger now: while the South receives more than two million visitors each year the North has only a little over a quarter of million. The biggest problem faced by the tourist industry is not nation branding but a political one. The self-styled Turkish Republic of Northern Cyprus is not recognised by any other country except Turkey. With UN sanctions still in place, all the marketing and branding activities, "like walking with one leg nailed to the ground" are doomed to be ineffective (Ahmet, 2003). Another example is the image of the United States in the Arabic world after the Iraq War. No matter how clever and appealing the marketing campaign is; major policy changes (actions not soundbites) are needed to change people's perception and this may take many years.

From the marketing perspective, nation branding has its aim of helping the nation to "sell" its products and places. To succeed in this end, it needs to have a clear purpose, being product specific, i.e. having a link with an "offering", and a target audience. Beyond marketing, nation branding could perhaps play a potentially important role in cross-cultural communications. Instead of reinforcing old stereotypes or creating new ones for the short-term economic gains, nation branding could help different countries to develop better mutual understanding and improve the international relations. For example, at least part of the UK's troubled relationship with its EU partners could be

traced in the misunderstanding on the both sides. Can nation branding be used here? This then becomes a topic in political marketing.

Nation branding should be distinguished from nation brand as there is not necessarily a direct link between the two. A nation's "brand" exists with or without any conscious efforts in nation branding as each country has a current image to its international audience, be it strong or weak, clear or vague. In theory nation branding could help a nation to improve its image; in reality there are many other factors that affect the image and perception of the country, resulting in only a marginal role for nation branding. Anholt (2003) calls for the poor countries in the Third World to use nation branding in developing their economy but they first have to find or make something to sell: a product or service, which is competitive in the market place. To achieve this, they need investment, technology and knowhow far more than they need nation branding. Without a good product, branding would work to no avail. There is rather like chicken and egg situation here. How can nation branding help a country's image building if it is plagued by war, poverty, crime or terrorism? Nation branding will not solve a country's problems but only serves to add icing on the cake. If economic development in a country is like completing a gigantic jigsaw, nation branding is probably the last piece.

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