

DEVELOPING AN INTEGRATED ANALYTICAL FRAMEWORK FOR NATION BRANDING: TARGETING INTERNATIONAL TOURISTS vs. INTERNATIONAL INVESTORS

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Abstract

With nation branding attracting again attention as countries try to develop and manage their image in order to appeal to foreign tourists, investors and, in general, compete more effectively on the world stage, practitioners and academics are re-examining the validity and reliability of the construct as well as its boundaries.

Past research in nation branding was, mostly, of a normative nature addressing issues relating to the design and implementation of appropriate branding programs for individual countries. Virtually all studies published referred to successful efforts to brand (or re-brand) a country based on—primarily— anecdotal evidence, while “success” was often determined using short-term indicators and other non-rigorous measures. Equally important, many times, nation branding policy recommendations were offered in a vacuum—overlooking such pertinent variables as individual country characteristics (e.g., physical, economic, political, socio-cultural and other environmental factors or even symbolic attributes), its branding history, as well as its short- and long-term branding goals, all of which could potentially affect the design and outcomes of a nation branding effort. Moreover, the vast majority of past studies discussed a generalized concept of nation brand regardless of whether the target market was foreign investors, tourists or the general public.

This paper argues that nation branding campaigns should be developed within an integrated analytical framework that explicitly incorporates the above considerations (i.e., varied country attributes, branding experience and objectives) and recognizes the need for audience-specific appeals consistent with the diverse needs of e.g., international visitors vis-à-vis those of international businesses.

Why Nation Branding?

By means of branding, countries can establish a desired, distinct position in the global market, which could contribute to sustainable economic development, as well as enhance their political influence (“soft power”), and facilitate partnerships with other nations (Yan 2003).

Moreover, to the extent that many businesses leverage their products’ *country-of-origin*, a “top-of-mind” country image should also help increase the perceived quality of local products or services abroad and improve the financial performance of local exporters (Jaffe & Nebenzahl 2001).

Applying the branding concept to countries is often criticized for treating nations as products i.e., “*commodifying*” them. However, today’s fiercely competitive, global market environment, where decision-making is often focused on symbolic meanings as opposed to tangible characteristics, underscores the importance of systematically creating a unique, powerful, and lasting relationship between a country and its various stakeholders.

Purpose of Presentation

The purpose of this presentation is to argue that nation branding campaigns should be developed within an integrated analytical framework that explicitly incorporates such important country characteristics as physical, economic, political, and socio-cultural attributes, as well as the country's past branding experience and current objectives, while recognizing the need for audience-specific appeals consistent with the diverse needs of e.g., international visitors vis-à-vis those of international businesses-investors.

Literature Review—Brand

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 other sellers" (American Marketing Association 1995). In other words, the purpose of a brand is two-fold: (a) to serve as a tool for creating product differentiation and (b) to represent a promise of value—something akin to an informal "contract" between seller and buyer.

Later, psychologically-oriented definitions considered a brand as a set of associations linking a name, mark or symbol associated with a product; it therefore communicates attributes and meaning designed to enhance the value of a product beyond its functional value (De Chernatony & Riley 1994).

Brands incite beliefs, evoke emotions, and prompt behaviors, (Kotler & Gertner 2002). They offer reassurance of quality and "peace of mind" making purchasing decisions easier and less anxiety-ridden; moreover, they "frame" the user's experience with a product and may thus enhance the satisfaction derived from it (DDB 1997).

A brand plays a fundamental role, especially in the case of complex products: consumers facing difficulties in evaluating such products decide whether to buy them or not on the basis of their brand appeal (Alon & Jaffe 2013).

Literature Review—The Branding Process

Branding represents the process of turning a product into a brand; its application has been extended nowadays to apply to the marketing of businesses, not-for-profit organizations (Helmi & Mulyanegara 2011), as well as persons and locations (Caldwell & Freire 2004). Creating and sustaining a strong brand may actually help promote *any* project to the extent that the process ensures project acceptance and facilitates its completion in a timely and cost-efficient manner (Brown et al. 2011).

Literature Review—Nation Brand & Branding

Anholt (2003; 2000), who coined the term “Nation Brand,” originally defined it as the sum of people’s perceptions of a country across six dimensions representing various national competencies: exports, governance, tourism, investment & immigration; culture & heritage, and people.

Loo and Davies (2006) suggest that nation branding serves to manage all individual images of a country into a coherent, holistic image that addresses the needs of most of the nation's various stakeholders.

Strong nation brands should relate to specific, unique attributes, competencies, and experiences; at the same time, they should recognize the country’s core values. Furthermore, country brands need to capture a given nation’s history and origins. A country’s past cannot be changed; it may nevertheless be re-interpreted: “as nations emerge, they create self-sustaining myths to build coherent identities” (Olins 2002).

In fact, a successful country brand should strike a balance between a nation’s image and its identity, thus, connecting perceptions and expectations inside and outside the country.

A nation (or country) *image* is influenced by outsiders' perceptions of its physical environment, as well as its people & culture, level of economic development, quality of its products, etc. (Jaffe & Nebenzhal 2001) and how they evolved over the years. It is formed through education, the media, travel, and purchases of products made in the country. However, many country images are stereotypes and clichés that may not conform to the contemporary reality of the country.

On the other hand, country *identity* is “what a country believes it is.” In fact, a nation's identity is the reflection of cultural and discursive choices made by that country—its government and its people (Webber 1998).

Internal Buy-in A prerequisite for Successful Nation Branding

A number of factors internal to the country make nation branding—to some degree—an unpredictable process. For instance, the lack of “a powerful and widely agreed *internal* brand, a sense of common purpose, and common identity” (Anholt 2007) may weaken a nation’s branding effort.

Ideally, the nation branding project should lead to “a lot of soul-searching” (Papadopoulos 2004) as concerned citizens, the country’s business elite, and policy-makers, through democratic dialog, search for and eventually converge on a distinctive, commonly acceptable, and comprehensive vision that embraces the existing culture—the starting point of any branding effort. To ensure a high rate of *buy-in* by a wide cross-section of society, such a process must be authentic—governments should avoid staging what amounts to branding “theater.”

Nation Branding: The Need for an Integrated Model

Thus far, past studies of Nation Brands and Branding have been of a normative nature addressing issues that relate to the design and implementation of appropriate branding policy for specific countries; however, one notable weakness has been the lack of theoretical rigor with only a few academic studies focusing on the conceptual definition of the nation brand concept and/or its proper operationalization (Fan 2006; Fetscherin 2010).

Two characteristics of nation brands make the search for a comprehensive conceptualization of the phenomenon especially challenging: (a) country attributes are subject to continuous evolution due to a myriad uncontrollable events, and (b) country stakeholders are numerous and diverse; they may even have competing goals and expectations. The latter may prove to be a particularly difficult “*branding barrier*” to overcome both when it comes to developing a nation brand and, later on, at the “buy-in” stage.

Thus, a nation brand—like any other brand—needs to define the nature of the relationship the country has (will have) with present and potential future “customers” i.e., investors, traders, visitors, and other stakeholders; it also needs to adopt an effective *tone and manner* to communicate a coherent image to them.

Nation Branding: The Need for an Integrated Model (cont'd)

Lastly, the literature lacks a model describing specific brand-building activities appropriate for various categories of target audiences. Such an approach considers *nation branding as a dynamic, evolving process*—not a fixed outcome (a “fossilized” image) under the control of one stakeholder category. This is a particularly important gap in the case of developing a nation brand to appeal specifically to tourists, who—increasingly, these days—expect to, for instance, interact with tourist services providers in order to “co-produce” the desired experiences when visiting a foreign country (Hankinson 2007).

Nation Brand: Top-down vs. Bottom-up Approaches

To develop (and maintain) a coherent, comprehensive nation brand that will accommodate some functional variation (e.g., physical characteristics like climate, geography, economic performance, etc.) and avoid confusion among the country's diverse stakeholders, one could rely—as the vast majority of writers in the field have done—on adopting a consensus “**umbrella**” **nation brand** focusing on “universal” (e.g., emotional/symbolic) dimensions. By contrast, place/location sub-brands of smaller (and presumably more homogeneous) regions/cities could focus instead on those diverse functional country attributes (e.g., physical characteristics, economic performance, etc.), while retaining a certain degree of affiliation to the “umbrella” nation brand (Caldwell and Freire, 2004).

Given the difficulties, though, of achieving consensus/top-down coordination when applying the “umbrella” approach, this paper proposes a more *laissez-faire* (and realistic) alternative based on **brand partnership** (“*co-branding*”). Such a model recognizes the existence of separate, uniquely identifiable sub-brands representing the diverse constituent elements of a modern country. Each one of them—depending on their relative advantages, different branding experiences and goals—could implement its own branding strategy; however, to achieve specific marketing synergies, some of these local brands could voluntarily join forces and agree to develop closely associated (or even complementary) brand images.

CONCLUSION

This paper argued that nation branding campaigns should be developed within an integrated analytical framework that explicitly considers such factors as varied country attributes, branding experience and objectives, while recognizing the need for audience-specific appeals consistent with the diverse needs of a country's numerous stakeholders.

An appropriate nation brand approach applicable to attracting international visitors, it was proposed, should be based on voluntary brand partnerships as opposed to the more popular—but difficult to implement—"umbrella" nation brand concept.

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