The marketing point of view: countries as brands

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People tend to think about countries as a complete entity when they are considering whether to visit them, buy their products, or engage with them in some other way. In short, from a marketing point of view, people think of countries as brands. Even when a country does not consciously manage its name as a brand, people still have images of it that can be activated by simply voicing the name.

In spite of the fact that the elaboration of a nation’s image creating plan is a much more complicated mission and it demands a more serious coordinating effort than working out a commercial branding programme, the main points of both projects are the same. Both the brand creating plans, the commercial one as well as the national one has the aspiration to bring into existence a clear, simple, “from-everything-else-distinguishable” enterprise, which is often based on the verbally and visually alike emotional elements.

The notion of branding

Brands are ubiquitous. They are present when we are using a certain shower gel in the morning. They are present when we are buying a soft drink at the grocery standing on the corner. They are present when we are getting into our cars. They are present when we are deciding which TV-channel to watch in the evening.

Branding is no newfangled thing. According to some authors, brands have been part of our life for more than five thousand years. Actually, the beginning of brand specialist literature can be put at the 9th century: ÁBU AL-FADL JA’FAR IBN ALI of Damascus wrote his work entitled „Book of Knowledge of the Beauties of Commerce and of Cognisance of Good and Bad Merchandise and of Falsifications” at this time.

Strange as it may sound, brands existed even in the communist Soviet Union in a sense. Although products did not have a brand name, practical people were able to ascertain from the production code where, which area or factory the product came from. Hence, they succeeded in choosing the “first-rate” products.

In fact, Eastern and Central European countries managed to become acquainted with the power of global brands only from the nineties. We have been allowed to choose at an average hypermarket from 30-50 thousand SKUs (so-called stock keeping unit) in a short time.

Even so, could we define exactly what counts as a brand? According to the definition of the American Marketing Association [quod vide KOTLER 1994, page 444]: „a brand is a name, term, sign, symbol, or design, or a combination of them, intended to identify the goods or services of one seller or group of sellers and differentiate them from those of competitors.”.
Yet, a problem arises with the above approach: whereas it tries to cover every area beyond doubt, it ignores one which is of great importance. The one that in the field of marketing everything has to be approached from the consumer’s viewpoint.

That is why the following definitions accepted in the recent years convey the essence of brand better, although they are shorter. According to BUILDINGBRANDS.COM, the website that studies the topic thoroughly, “a brand is a collection of perceptions in the mind of the consumer”. NEUMEIER (2006, page 2) writes the following in his work „Brand Gap” which became one of the bestsellers in the topic in the years past: „A brand is a person’s gut feeling about a product, service, or company.” It is essential that the point at issue is the „gut feeling”, not rational findings backed up by scientific facts. It is also of great importance that this is an individual human feeling: everybody is allowed to form the brand image of his own. For instance, in the case of a Barbie doll, the brand image of a 10 year-old girl, that of a boy of the same age and of a 35 years old mother and father may differ significantly. However, these images meet at least to the same extent and that is why a brand is a brand.

In order to clarify the notions, it is imperative to stress that while the brand (namely the brand image) is a status, the branding is a process, the polishing of this image, a kind of improvement (or the reaching, at the very best) from the current image to the wish image. In the course of this, the branding creates, emphasizes certain characteristics, traits and communicates them respectively. [LEVINE 2003]

Consequently, the company controls the process. Even so, the outcome (the brand) depends not only on this. As SCOTT BEDBURY, the former marketer of Nike and Starbucks suggested, „A brand is the sum of the good, the bad, the ugly, and the off-strategy.” [quoted by WIPPERFÜRTH 2005, page 41].

By the way, the words brand and branding were originally attached to the branding of the cows. The custom of branding signs (brands) into the cows was initiated 200-300 years ago in the Highlands of Scotland in order to refer to the owners.

The substance of branding is today the differentiation as well: „in which things are we different than others” namely, what makes us diverse from our competitors. From this point of view, we speak about the endeavour to reach a unique advantage in the competition: a marketing strategy or a competition strategy. According to WIPPERFÜRTH „branding is the most critical element of commercial success” [2005, page 3]. As KOTLER has drafted, the art of marketing is basically the art of building a brand [2000, page 85].What is more, RIES és RIES [2002, introduction, page x] argue that the marketing concept itself will become obsolete, to be replaced by a new concept called branding.

However, not only a baby doll, a soft drink or a washing powder can be a brand. As LEVINE suggested [2003, page 2], anything and anybody which or who is able to exert an influence upon the consumer can be a brand. Moreover, RIES and RIES claim [2002, introduction, page xii] that everything written with a capital letter can be a brand. In other words, the railway is not a brand, but Hungarian State Railways is. The local sandwich bar is not a brand by itself, but Subway is.
The concept of country branding

Notwithstanding, when the matter at issue is the usage of the term brand for countries, the vast majority grows alarmed [ANHOLT 2002, page 231-232]. For example, the French academician MICHEL GIRARD wrote the following in 1999 [quoted by OLINS 2004b, page18]: „In France the idea of re-branding the country would be widely unacceptable because the popular feeling is that France is something that has a nature and substance other than that of a corporation. A corporation can be re-branded, not a state. One can take a product, a washing powder for instance, and then change the name which is actually done very regularly. Regular re-branding is normal, particularly in the life of consumer products, but can this actually be the case for countries? … A country carries specific dignity unlike any marketed product. … In France it is unimaginable for Chirac to attempt to re-brand France.”

Well, in contrast to the above mentioned for instance Tony Blair himself has used the expressions „country branding” and „country rebranding” respectively in Great Britain. When branding is put into a wider perspective, and we return to the previously mentioned academician, the rebranding of France instead of being a new idea had been used in history as well.

For instance, when during the Great French Revolution the Fleurs de Lys was replaced by the French tricolour, the Marseillaise became the new national anthem, the avoirdupois (the traditional system of weights and measures) was succeeded by the decimal metric system, and God was relieved by the Supreme Being. In accordance with some people, the first widely known country slogan, the “Freedom, equality, brotherhood” was born also at this time.

The fact, that King George V changed the name of the royal family has not caused such a fundamental transformation, even though it was an important step for England when in 1917, considering the war with the Germans, the complicated and strongly German appellation Saxe-Coburg-Gotha was altered to Windsor. This has strengthened the faith in the royal dynasty and created unity.

A similar gesture was, when in 1867 since the changes in foreign and internal affairs the Habsburg Empire changed its designation to Austro-Hungarian Monarchy (as a matter of fact, Austria-Hungary). Not to speak about the fact that in parallel with this measure, also the set-up and structure of the empire transformed in many respects. A point of interest may be that similarly to the contemporary euro coins the money was accepted everywhere; it did not matter whether it was coined in the Austrian or Hungarian part or in which language its legend was drafted. [GLATZ [1996]: „A magyarok krónikája”(The chronicle of Hungarians), page 443]

However, the biggest „country-brand-creator” seems to be Atatürk who made an effort after the First World War to generate a new image for the subdued Turkish Empire. A new alphabet and new, obligatory clothes were introduced (every man had to wear a Western-style hat), and what is more, every resident got a new name in a sense.

The above instances must have succeeded in conveying the message that country branding and country rebranding are in most cases not merely political acts: they mean economic and societal changes and transformation. Having translated it into the language of 21st century marketing, it indicates that the point is not solely the creation of a new logo, slogan or brand name, but a coherent, all-embracing process, including positioning and the whole communication toolkit.
The aim of country branding

In the course of history, tourism has not been of great importance, investments have been limited to a relative narrow range of companies, and the export has covered generally only those national products which have been transported for a long time to the traditionally formed markets. Globalisation has reshaped the rules of the game here as well [OLINS 2004a, page 176].

In reality, contemporary countries fight their battles in more arenas than hundred years ago; the competition became multilayer. Besides, the number of countries has increased significantly. From the economic viewpoint, we might say, much more competitors have appeared in the market. While the United Nations had 51 members in 1945, it had 192 in 2006. [UNO website, http://www.un.org/Overview/growth.htm].

Parallel to this, the competition between nations has been put to another level. Although in certain areas of the world military clashes are of common occurrence, wars are not waged with traditional guns anymore in most places, but with marketing tools [VAN HAM 2002b, page 265]. Moreover, the battlefield is nothing else but the mind of consumers. The different countries would like to occupy the most distinguished possible place and biggest possible area here.

Consequently, a country which operates with brands is termed 'soft power' by ANHOLT [2005, page 13], ANHOLT and HILDRETH [2004, page 44], PLAVSAK [2004, page 3], as well as VICENTE [2004, page 1], contrary to the previously accepted violent and displeasing so-called 'hard power' that based upon the use of force.

In the light of the previously mentioned, the primary goals of country branding are economic. The three major components of 'sale' are as follows:
1. The stimulation of tourism, the attraction of tourists into the country
2. The stimulation of incoming investments
3. The expansion of export; more effective merchandising of domestic products on the interior markets.

The fact that the above-mentioned goals are not only valid with reference to foreign countries has been addressed only very tangentially in the literature. Seeing that, the primary goals of country branding can be interpreted within a country as well.
- The stimulation of tourism means also domestic tourism. The more attractive our own country image is, the more gladly we travel within the country, too.
- Investments can be interpreted also at another level: domestic enterprises should stay in the country, they should not transfer their seat and capacities to another place, e.g. to an adjoining country.
- The sales of Hungarian products should grow also in Hungary, not only abroad. For instance, the ‘Forward domestic!’ (Hajrá hazai!) civilian movement serves this purpose in Hungary.

Although the prime goals of country branding are economic, it is imperative to point out that a good country brand can also have other additional effects.
4. Bigger role in international organisations and foreign affairs
The creation of brands is not only from the economic aspect desirable. It has considerable political and strategic facets which affect the EU and NATO enlargement pace as well. [VAN HAM 2002, page 5].

5. The bettering of the citizen’s general feeling
This aspect is often ignored though it might be the most important: people living here should be proud of their country, they should enjoy themselves here. In connection with this, certain authors go so far as to say that if people are taken into the branding process, it will help the formation of public discourse [ASHWORTH and VOOGD 1997, page 78], will increase internal societal cohesion [DEMOS 2006], and what is more, it will strengthen democracy as well. [KYRIACOU and CROMWELL 2001].

**Country branding versus classical branding**

In spite of the fact that the elaboration of a nation’s image creating plan is a much more complicated mission and it demands a more serious co-ordinating effort than working out a commercial programme, the main points of both projects are the same. Both the brand creating plans, the commercial one as well as the national one has the aspiration to bring into existence a clear, simple, “from-everything- else-distinguishable” enterprise, which is often based on the verbally and visually alike emotional elements [OLINS 2004a, page 186].

Holding the same opinion, I think it might be helpful to try to get the similarities and differences together. First, it is worth examining which kind of brand resembles a country brand the best.

1. One approach may be the comparison with brands existing on the product market. Within this, the philosophy of Colgate-Palmolive – that writes its name on every product in block letters – might be of importance, rather than that of Procter and Gamble or Unilever that employ subbrands that do not refer to the mother company (or it can be seen on the packaging in very small letters). The Colgate-Palmolive approach indicates in the case of countries that it must be always unambiguous whether the given thing a Hungarian product, a Hungarian food, a Hungarian work of art etc. is.

2. Another theoretical parallel can be drawn between the country brand and brands such as Lycra, Teflon, Gore-Tex, NutraSweet or Intel. These brands are important components of other products, in the same way as Hungary is included in goulash soup, czardas or Sziget Fesztivál. (See ‘Intel Inside’ – ‘Hungary Inside’.) The Tetra Pak and the Hungary-packaging works in accordance with a similar analogy, too.

3. A third approach is the similarity to company services brands. This has in its favour that in the case of brands attached to service industry the most important factor is the group of the people who work for the company. Employees have to be aware of the exact meaning of the brand they work for. They have to believe in it and keep it alive; if they don’t do this, they won’t be able to persuade the consumers to choose them. For this purpose we have to teach each of our employees, which brand they represent and that practically speaking they are the brand themselves, at least in the eyes of consumers.
In their essay “Company versus Country Branding” [2002] Kleppe and Mosberg reflect upon the differences that occur in the case of a ‘traditional brand’ and a country as a brand. I am completing their thoughts in the next table:

Table 1 – The comparison of a classical brand and a country brand

<table>
<thead>
<tr>
<th>Classical brand</th>
<th>A country as a brand</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clear property relations</td>
<td>There is no one real owner, everybody who lives there is a holder</td>
</tr>
<tr>
<td>The management is the owner’s competence</td>
<td>The ‘management’ is chosen by the citizens (in democracies)</td>
</tr>
<tr>
<td>Goal: profit for the owner</td>
<td>Goal: the citizenry’s welfare</td>
</tr>
<tr>
<td>From above led, top down control</td>
<td>From beneath, by community values, bottom-up (in democracies)</td>
</tr>
<tr>
<td>The brand image consists of a few elements</td>
<td>The brand image consists of a vast number of elements</td>
</tr>
<tr>
<td>Consistent marketing communications through a few channels</td>
<td>Mostly uncoordinated communications through a large number of channels</td>
</tr>
<tr>
<td>The brand name is made-up, it can be changed</td>
<td>The brand name is a geographical area, it cannot be changed</td>
</tr>
<tr>
<td>The brand is temporal</td>
<td>The brand wants to live forever</td>
</tr>
</tbody>
</table>


In my opinion, it is worth finding time to go into the most important differences deeper:

1. The places where the consumer gets in touch with the brand (it can be a shop or a commercial on TV) are called touch points in the literature. These are relatively delimitable in the case of a product brand and for the most part, can be controlled in the appropriate way by the management, for instance where the product should be on the shelf, what the advertising should be, how the homepage should look etc.

   However, in the case of countries, the number of touch points is much higher and most of them can be controlled only with difficulties. Nations present themselves in a million way every minute, 24 hours a day. [Olins, 2001]. As Tamás Barát aptly states, “It is beneficial to know – and it shouldn’t be forgotten – that the opinion expressed on Hungary begins at the condition of the toilet of Hegyeshalom.” [See Metro 2000] Paul Lendvai [1997] called the attention to the following fact nearly ten years ago: “The most outstanding experts have to join forces to make amends for the results of impossibly high fares fixed by the taxi drivers of Budapest.” By the way, taxi drivers are of key importance in other countries as well. For this reason, in Lithuania’s capital, Vilnius cabbies have been obliged to pass a tourist guide exam since 2005: only those will be licensed to drive a taxi who can speak about places of interest also in English.

2. Sergio Zyman, the former marketing director of Coca-Cola indicated that marketing is too important to leave to the marketing department, referring to the fact that in an organisation even the tiniest action amounts to marketing: how the receptionist picks up the phone, what the assembly worker employed at a factory tells his acquaintances in the evening etc.
This is obvious in the case of a country brand which does not have one real holder. Because it is formed by everyone who lives there, the proverb ‘A good farmer makes a good farm’ is completely right. RÉCHNITZER puts it another way: „settlement marketing is shaped by every citizen of the settlement” [1995, page 15]. This does not apply only to the entertainment of guests but also to the general attitude to things.

Nevertheless, the former do not indicate that the management of the countries (the government) should not do everything to influence visitors in a positive way. Still, their endeavour by itself is not enough. On the contrary, when citizens are not involved, it is only propaganda, by no means marketing. According to this view, to use a popular term, country image building and country branding should be a real PPP, that is to say public-private partnership.

3. Although in accordance with KLEPPE and MOSSBERG a country’s name (the brand name) cannot be changed, some examples may be found.

It is a well-known fact that the decolonisation process and the dissolution of the Soviet Union as well as other political occurrences have led to name changes. Certainly, it might be affirmed that these names were born under special conditions. Therefore, I cite some examples in the following when expressly marketing aspects lead the name change.

For instance in Guatemala, where at one time the Maya empire’s centre was, the alteration of one letter is planned. Thus, the country’s new name may be Guatemaya which would refer to a greater extent to their history and might be more attractive for the tourists.

But we need not go so far, or rather not in geographical sense. Since it secession from Yugoslavia, Macedonia has been compelled to use the unpleasant-sounding „Former Yugoslav Republic of Macedonia” designation, or what is worse, the abbreviation „FYROM”. The rationale behind their decision is the Greek government’s declaration which indicates that Macedonia as a geographical area is much bigger than the Macedonian state. Furthermore, it belongs to Greece for the most part. The insistence of the Greeks might sound displeasing but it can be understood from the marketing aspect: they do not want people to combine the heritage of Alexander the Great with the Macedonian state and to visit it instead of Greece as a tourist destination.

At one time, Estonia tried to avoid its English name as far as it was possible and endeavoured to use the German „Estland”. The rationale for this was that – as the surveys indicated – the former name recalled the tragedy of a ferryboat of the same name. The ferry sank in 1994 when 852 people were killed, among them Fins, Swedes, Russians, Germans and English. On the top of all this, a film was shot about the misfortune, starring Donald Sutherland. Subsequently, the “Baltic storm” had blown itself out, but the designation “Estland” has been continued to deal with. The reason for this was that it resembles the designation „Finland” and Estonians want people to consider themselves as a North European state, not as an Eastern European one. To be honest, the image of that region is much better.

A new name has emerged recently: „E-stonia”, referring to the country’s progression in information technology. This aspiration has an actual background because on the grounds of McConnell International’s research, Taiwan and Estonia are 1st and 2nd in the world rankings in the field of the so-called e-climate. Moreover, Estonia is set to become the first state to offer its citizens the online election of parliamentary representatives, which backs up the „Estonia” position to the highest degree.
The case of the Czech Republic deserves also attention, where many people lambast the English designation. As it was also covered in the ECONOMIST [2004], Czechs are not enthusiastic about “Czech Republic” since tourists go generally not to the „Spanish Kingdom” or the „Commonwealth of Australia” for the summer holidays, but they use their short names. (Not to mention Hong Kong, where the official form is „Hong Kong Special Administrative Region of the People’s Republic of China”.)

In any case, the Czech Republic has got only an official designation in the English language, there is no abbreviated form. Therefore, one part of the academicians and members of the government suggested the name „Czechia” instead of the „Czech Republic”. However, this is very similar to the English name of another country, namely „Chechnya”. (Although there is no country in the world that would have acknowledged this “brand name”.)

Then again, another part of the Czechs would like to have the former designation Bohemia or/and Moravia. This might be historically apposite, but not from the viewpoint of branding. Being not very familiar with the history, the average citizen of the world could not understand in the least where the Czechs come from…

4. As a closing statement, I add another point of interest. As it is also stressed by researchers from Slovenia [PLAVŠAK 2002, 2004] and Liechtenstein [FEHLMANN, GRAHLOW and PASSOW 2003a,b], in the case of smaller countries (like theirs), the similarities between classical brands and countries as brands may be even more conspicuous, so branding can be still more obvious.

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- To elaborate a unique selling point that will underlie your key message. What is more, depending on the market, both the USP and the message may vary. - To determine the mission of your destination and form basic values. Brand elements identification development.

In order to have a more comprehensive view of country branding, let us consider several examples of tourist brands, i.e. how countries present themselves in the world and Russian travel markets. The Slovenian Tourist Board (STB) presents their country as Slovenia “green boutique global destination, which is clearly shown in their logo. What is more, the slogan has an interesting word play ‘I FEEL SLOVENIA, which reflects the brand’s emotional value.