

**THE INFLUENCE OF NATION BRANDING ON
COMPETITIVENESS OF NATIONS**

A review of literature

By

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DECLARATION

I, the undersigned, declare that this independent study paper is my original work and has not been submitted to any other college, institution or university for academic credit.

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ABSTRACT

The world today is becoming nearly one market. The rapid advancement of globalization means that every country, every city and every region, must compete with others for its share of the world's consumers, tourists, investors. The concept of Nation branding has also gained a lot of attention from many countries around the world as it can be seen that countries are committing resources to the development of their nation brand.

The idea of Nation branding is a relatively new phenomenon but it has gained an important role in both domestic and external markets, as the countries have experienced global competition. The use of nation branding technique is growing from the diversification of branding that has steadily increased its scope from basic physical products to diverse nations. Nation branding is different from traditional product branding because of the complex, multidimensional nature, and multiple stakeholder groups that must be acknowledged by the nations.

In this paper, the concepts of nation branding literature and the extent to which they can be applied to branding of nations for competitiveness is discussed.

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INTRODUCTION

This chapter gives a brief background to the concept of branding and its application to the context of nation branding within which paper is positioned.

1.1 Background

The application of branding techniques to places has become increasingly prevalent over recent years. Place branding may focus on whole nations, regions or cities. From the smallest village to the largest country, place branding is now frequently seen as a means to create differentiation in the eyes of target audiences and to contribute to the achievement of economic growth and development through boosting exports, attracting inward investment, and promoting tourism.

Nation branding seems to be on the rage. Almost every country has discovered that its reputation should no longer be restricted to happenstance. Branding, once an exclusive domain of traditional products, tangible stuff goods sold at a fixed price that came with an instruction manual, now encompasses everything from services, personalities, families and more recently countries, cities and regions. The rapid advance of globalization and an increasingly competitive global market place, the need for nations to create a unique identity to differentiate themselves from competitors has become more critical.

The world is nearly one market and nearly every country, city and region, rich or poor, compete with each other for its share of the world's consumers, tourists, investors, students, entrepreneurs, international sporting and cultural events and for the attention and respect of the international media, of other governments, and the people of other countries. This has lead nations to create their own country branding strategies in order to fulfill some objectives amongst them; attracting tourists, foreign direct investment, boosting exports, and attracting higher education students and skilled workers (Anholt 2007). Branding has always been seen as the key to sustainable profitability and increased asset value for companies, but countries have now realized the importance of

having a strong brand image across the world. Like their private sector counterparts, countries compete for foreign direct investment, tourism, talent and trade.

The notion of brand management for countries is fast becoming accepted as a potent tool for competitiveness in the modern world. Most rich countries have already embarked branding initiatives, and an increasing number of developing and even very poor countries are working on their own branding strategies (Anholt 2005). Nation Branding is a new paradigm in the information age and one of the most powerful tools for establishing a competitive advantage. Achieving a competitive advantage and accessing global markets means there has to be an effective distinction and differentiation of products and services from others in the local and global market place.

Differentiation has also become an important feature of branding, as a strong brand identity can differentiate the actual product or company from its competitors. This has led to nations and their governments to engage in nation branding to differentiate their countries from others in order to gain a competitive advantage. According to (Szondi 2008) the core idea in nation branding is to identify the uniqueness of the country, its culture or its landscape to identify and draw on features that distinguish and differentiate “us” from “them”.

The idea of nation branding is a relatively new phenomenon but it has gained an important role in both domestic and international markets, as the countries have to face global competition. The use of nation branding technique is growing from the diversification of branding that steadily increased its scope from basic physical products to diverse nations. Just like a company's market its variety of brands, a country needs to market its large variety of output individually. The key is to develop and market distinct brands for identifiable products that can be differentiated.

1.1.1 The significance and role of nation branding

Nation branding has gained a lot of attention for many countries around the world, making countries to commit resources for the development of their nation brand. However, regardless of the successes or failures in the endeavors of those countries, comparing to the amount of real world activity, there is still limited numbers of theories related to this area (Dinnie 2008). As an emerging area of interest, nation branding is driven largely by practitioners and there is a need for conceptual and theoretical development of the subject (Yan 2006).

A brand can shape how the country is perceived, both domestically and internationally, from the quality of its goods and services, to the attractiveness of its culture and its tourism and investment opportunities, to its politics, economic policies and foreign policy. Branding is a process that takes time and consistent marketing both in the corporate world as in nation building. In the same way that successful brands for example, Coca Cola are sold through a successful global branding and marketing campaign, so too a good branding and marketing campaign for a country can reap benefits for it. The long-term benefits are evident in improved international standing abroad and greater success and prosperity locally (Gilmore 2002).

Recognizing the importance of their international image and reputation, nations are pouring more resources and formulating strategies in a bid to implement a positive national brand. Governments are now hiring specialized firms, advertising in international magazines and cable television in order to brand or rebrand in the international arena. Depending on a nation's primary goal, these companies work with the government to highlight and communicate a nation's most attractive features. Nation branding emphasizes the most positive and appealing assets, aiming to make those features the dominant association with subject nation's character. Globalization is compelling the world to a market place, leading to a situation where a small, poor, remote or less-known country is able to find a niche in the market place because of one interesting thing it does that appeals to one sector of the public.

A strong brand creates a unique set of characteristics and added values that help a product or service differentiate from the competition and win a preferred space in the mind of the consumer (Aaker 1996). In the same vein, a nation that manages its reputation organically and applies a seamless long term strategy in the way it is positioned, portrayed or represented can enjoy an enhanced international image and achieve its objectives in the global marketplace (Kotler and Keller, 2006).

Some African countries have already joined in the nation branding initiative and could benefit significantly from positive branding to distinguish themselves from the overarching reputation of the continent as whole. Anholt (2007) remarks that “even a relatively prosperous and well-governed nation like Botswana ends up sharing perceptions of violence with Rwanda, of corruption with Nigeria, of poverty with Ethiopia and of famine from Sudan.” In such cases, a positive branding campaign to develop and broadcast a unique, positive national image could be hugely beneficial to the development and international presence of a nation.

The Brand Kenya is a Kenyan government nation branding project founded in 2007 whose mandate includes creating an integrated national brand and identity, instilling pride in every Kenyan and restoring international confidence in the country among investors, visitors, tourists and development partners. The project aims at creating an integrated country brand by creating a strong and positive image for Kenya as well as foster international confidence for the country. Kenya enjoys a rich heritage, hospitable people, values that can be exploited to bring out the best for the country in increasingly changes in the global economy and increased competitive market. Combined with Kenya’s vision 2030 which is Kenya’s new term development blue print for the country, the aim of the development strategy document is to build a globally competitive and prosperous country with a high quality of life by 2030” (Kenya Vision 2030, 2007).

The most prominent and widely promoted dimensions in nation branding are tourism, exports and foreign direct investment. In Kenya, tourism is the most promoted dimension yet there are countless dimensions for instance, the rich and diverse culture and heritage,

sports that can be developed to improve the country's identity and image. It would be necessary to establish if other variables in nation branding are necessary and their effect on the nation competitiveness.

The Brand Kenya initiative has two key objectives first, to instill pride in Kenyans and secondly, persuade citizens to be positive about themselves and the country. A more positive and supportive attitude from nationals will greatly improve the country's attractiveness and competitiveness to the rest of the world.

An effective nation branding campaign requires high levels of cooperation among a wide range of stakeholders. A high degree of cooperative interaction between the government, corporations, non-governmental organizations, and other stakeholders for common goal of furthering their country's interests is required. However, this diversity of stakeholders can also prove counterproductive, as with separate sectors emphasizing different national qualities, multiple branding campaigns sometimes work at cross-purposes. Mixed messages are a common pitfall in nation branding and can be confusing. The tourism board for instance could be promoting the country to holiday makers and business travelers, the investment promotions agencies could be portraying a different message that it's: super modern and full of cars and roads and railways to foreign companies and investors. The cultural institute could be building cultural relations with other countries and promote the country's cultural and educational products and services, the country's exporters could be promoting its products and services abroad, and the government through the ministry of foreign affairs presents its policies to overseas publics in the best possible light and sometimes attempt to manage national reputation. They're all giving off completely different messages about the country (Anholt 2007)

National images exist and will continue to evolve one way or another, however, without attention by the countries themselves they will often be based on misconceptions, with potential negative short and long-term consequences for those nations (Papadopoulos and Heslop, 2002). Each nation must therefore take control of its own reputation by managing its nation brand (Loo and Davies 2006).

Nation branding has become a key strategic tool of country competitiveness because having a bad reputation or none at all seriously affects a country's ability to compete in

the global markets, thus, effective branding of a country can give it a competitive advantage. Advocates of nation branding argue that far from maintaining such inequalities the practice of nation branding presents a unique opportunity for underprivileged nations to benefit from a redistribution of wealth through contributing to the creation of successful local brands rather than merely acting as sources of cheap production for rich countries' brands. Nation branding is therefore seen as competitive strategy through which developing nations can gain access to sophisticated and lucrative developed markets (Anholt 2007).

CONCEPTUAL ISSUES

2.1 Concepts and evolution of Nation Branding

This section gives an overview of the contexts of nation branding by highlighting the concepts of nation brand and nation branding. Considering that nation branding mainly evolved within the marketing discipline, it focuses on the country of origin and place development and their relevance to nation branding. Nation branding has also combined the discipline of international relations to bring in the concept of public diplomacy.

2.2 Nation brand and nation branding

The term nation brand was coined by Simon Anholt in 1996, although the emergence of place branding and place marketing dates back to the early 1990's (Szondi 2008). Nation branding concerns the application of branding and marketing communication techniques to promote a nations image (Fan, 2006). In support of this, (Anholt 2003) defines nation branding as using strategic marketing to promote a country's image, products, and attractiveness for tourism and foreign direct investment. Nation branding implies that countries "behave, in many ways, just like brands...they are perceived in certain ways by large groups of people both at home and abroad; they are associated with certain qualities and characteristics

Marketing a country is not entirely new; in fact, numerous countries have traditionally promoted their image for tourism. However, the current process of globalization has underlined the need for countries to brand themselves on four different dimensions (public diplomacy, tourism, exports, foreign direct investment) and in an integrated manner.

The term nation brand has been defined differently by different authors according to their understanding and interpretation and as such there is no universally acceptable definition. According to American Marketing Association (1960), a brand is a name, term, sign, symbol or design, or a combination of them which is intended to identify the goods or services of one seller or a group of sellers and to differentiate them from those of competitors. A brand is more than just a name; it is a complex bundle of images, meanings, associations and experiences in the mind of people. Supporting this, (Kotler &

Gertner 2002; Cho 2004) define nation branding as a name, related terms, marks, symbols, design or combined, all to differentiate them from other countries. On his part, Aaker (1996) defines a brand as a multidimensional assortment of functional, emotional, relational and strategic elements that collectively generate a unique set of associations in the public mind. According to this definition every country has a unique name and images in the mind of people both inside and outside the country; so a nation does have brands.

Writing in the same vein, Fan (2006) defines nation brand as the total sum of all perceptions of a nation in the mind of international stakeholders which may contain: people, place, culture/language, history, food, fashion, famous faces (celebrities) and global brands among others. 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.

Szondi (2007) on the other hand, defines nation brand as a sort of umbrella under which further sub-brands can be developed. On their part, Walsh & Wiedmann (2008) define nation brand as a very complex brand identity that is the result of a specific national reality, its perceptions and evaluations by many different internal and external stakeholders (brand images), and a specific overall reputation. Dinnie (2008) defines nation brand as the unique, multi-dimensional blend of elements that provide the nation with culturally-grounded differentiation and relevance for all of its target audiences. The various definitions of nation brand are depicted in Table 1.

Table 1: Definition of nation Brand

Reference	Definition	Perspectives
Kotler and Gertner (2002) Cho (2002)	A name, related terms, marks, symbols, design or combined all to differentiate them from other countries	Symbolic
Anholt-GMI (2004)	The sum of people's perceptions of a country across national competence such as the cultural, political, commercial, tourist appeal, investment potential and human assets	Interaction between people perception and national competence
Fan (2006)	Total sum of all perceptions of a nation in the mind of international stakeholders.	Image promotion.
Szondi (2007)	A sort of umbrella under which further sub-brands can be developed.	Umbrella Brand
Walsh & Wiedman (2008)	A very complex brand identity that is the result of a specific national reality, its perceptions and evaluations by many different internal and external stakeholders (brand images) and specific overall reputation.	Brand identity and image encompassing a nation's reality and stakeholder perceptions
Dinnie (2008)	The unique, multi dimensional blend of elements that provide the nation with culturally-grounded differentiation and relevance for all of its target audience	Dynamic entity differentiating national reality from other nations and providing a relevance for the stakeholders

Source: (Adapted from Lee, K.M. 2009)

Different scholars and practitioners have so far attempted to define nation branding and just like the term nation brand; there is no universal definition of the term nation branding. Lee (2009) views nation branding as a way to achieve nation brand equity and competitiveness and required a strategic management approach to innovating a nations realities and aligning them with improving a nation's identity and image.

On the other, Anholt (2007) refers to nation branding as the application of marketing strategies to individual countries with the aim of creating and promoting a distinct self-image and international reputation that will most effectively serve a nation's interests. The tactic has become especially important for countries aiming to carve out particular niches for themselves in the international system as global markets continue to expand and international competition for trade, investment, and tourism intensifies.

In this connection, Fan (2006) defines nation branding as applying branding and marketing communication techniques to promote a nations image with image promotion as the ultimate goal. Gudjonsson (2005) contends that nation branding occurs when a government or a private company uses its power to persuade whoever has the ability to change a nation's image. Nation branding uses the tools of branding to alter or change the behavior, attitudes, identity or image of a nation in a positive way. He identifies the government as the initiator of branding acknowledging its indirect involvement and influence. The notion that nation branding is a process to brand a nation is dismissed arguing that nations or their governments cannot be branded but governments and other public institutions can use the techniques of branding to brand a nation.

On the other hand, Teslik (2007) nation branding refers to the application of corporate branding strategies to individual nations with the aim of influencing foreign affairs and international interactions. Nation branding focuses on developing an appealing, positive image in order to support a nation's presence and influence in the international realm

Dinnie (2008) defines national branding as the unique, multi-dimensional blend of elements that provide the nation with culturally-grounded differentiation and relevance for all of its target audiences. This definition makes relevance to a nation’s culture as well as to target audiences in the minds of whom nation brands are situated. Szondi (2008). The fact that there has been a growing interest amongst academics (Kotler and Gertner, 2002; Papadopoulos, 2004) and practitioners (Gilmore, 2002; Fan, 2006), the concept of nation branding is still in its infancy and the subject itself remains somewhat confusing. Table 2 shows the various definitions of nation branding.

Table 2: Definition of nation branding

Source	Findings
Olins, (2002)	Countries have always being branded with or without conscious branding effort
O’Shaughnessy and O’Shaughnessy, (2000)	A nation’s image can be exploited through its good reputation in respect to the product category
Anholt, (2002)	a powerful and positive nation image provides a competitive advantage across areas of national interest
Gudjonsson (2005)	The benefits and purpose of nation branding is to increase national prosperity by adding to the value of its brands

Source; (Adapted from Lee, K. M. 2009)

The assumption in nation branding is that nation names amount to brands and as a result convey images which help us to evaluate products and services and make purchasing decisions. Nations have always been brands with or without any conscious effort in nation branding (Olins, 1999; Anholt, 2002; Papadopoulos, 2004). Nations have been viewed as products whose image can be improved using branding techniques. When political and or economic reforms take place, nations create new identities and although they may continue to demonstrate some of their historical characteristics nevertheless

both they and their images no longer remain the same (Olins, 2002). In effect, peoples' perceptions of those nations change because the images have changed, and thus nations brand and rebrand because the existing image is no longer useful for supporting economic, political or developmental goals (Olins, 1999; Anholt, 2002). Nations branding therefore refers to the nation's image as whole, and is not explicitly linked with any particular product and therefore branding focuses on the 'customers' perception of a nation's image.

Anti globalization proponents argue that globalization diminishes and threatens local diversity. Scholars have argued that nations cannot be treated as brands and therefore nation branding is unacceptable. The complexity of a nation image makes it difficult to brand a nation (O'Shaughnessy and O'Shaughnessy, 2000; Gudjonsson 2005). A nation has a variety of characteristics whilst lacking controllability in that, it is easier to give a unity and uniqueness to a product than to a nation. This school of thought argues that evaluations of alternative makes or brands are likely to be based on the nation's core competence as opposed to the nation image. They argue that nation's image can be exploited to promote a national product and its effectiveness is less limited compared to reputation capital within the product category (O'Shaughnessy and O'Shaughnessy, 2000). In this regard governments can use the techniques of branding to add value to their industry and the brands they represent. The concept of nation branding according to this school of thought is still described as the Country-Of-Origin (COO) in that it is linked with a product. "Nation branding uses the tools of branding to confirm or alter the behaviour, attitudes, identity or image of a nation in a positive way" (Gudjonsson (2005). The two schools of thought appear to represent different views about the concept of nation branding. However, there is an agreement on the importance of a positive nation image which is seen as the outcome of nation branding

2.3 Country of origin

Country-of-origin (COO) has been used for decades in the international business and marketing context, which provides nation-branding studies with a basic principle. (Lee 2009). The origin of nation branding study can be traced to different sources, country of

origin (COO) (Papadoplous and Heslop, 2002), place or destination branding (Kotler, et al, 1993; Kotler and Gertner, 2002; Morgan, et al, 2002), and more recently, public diplomacy (Fan, 2008), and national identity (Smith, 1991). With the proliferation of products now available in the market-place due to globalization, nations have used country of origin cues in order to add value to their products and differentiate them by specific positioning, for instance, useful country of origin information can be provided by advertising, packaging and branding. Country of origin can be defined as the country that a consumer associates with a certain product or brand as being the 'home country' of the brand regardless of where the product is actually produced.

Country-of-origin studies have traditionally been conducted on a variety of consumer goods including apparel, home appliances and cars. (Schooler, 1965) undertook a study to test preconceived images of products on the basis of national origin and concluded that prejudices and biases have appeared as an economic as well as a political phenomenon and the attitude toward people of a given country is a factor in existing preconceptions regarding the products of that country. Nagashima, (1970), the "made in" image has been referred as the picture, the reputation, the stereotype that businessmen and consumers attach to products from a specific country.

Papadopoulos and Heslop (1993) stated that 'made-in can mean manufactured-in but also assembled-, designed- or invented-in, made by a producer whose domicile is in, and, often wanting to look like it was made-in.' COO refers to the connection between country image and product evaluation. A nation's image in the context of nation branding is described as the sum of beliefs and impressions that people hold about nations. It represents the associations and perceptions that people hold about the nation, including its geography, history, economy and culture. A nation's image is perceived as having attributes that carry over into product and services originating from that country. COO studies are based on the belief that consumers often use their perception of a country's image to value a product, and also states that a countries image can fundamentally influence purchase decision making (Kotler and Gertner, 2002). Consumers use country of-origin image to evaluate the quality of products (O'Shaughnessy and O'Shaughnessy,

2000; Kotler and Gertner, 2002). Supporting this, Romeo (1992) view 'country image as the overall perception consumers form of products from a particular country, based on their prior perceptions of the country's production and marketing strengths and weaknesses'.

In spite of these mixed results, studies on the COO have continued (Nebenzahl, 1997). The term COO however, has been refined to Product-country-image (PCI) in an attempt to reflect changes in the global market (Papadopoulos, 2004; Dinnie, 2005). PCI takes into account the current production system where products are manufactured or assembled in multiple locations (Papadopoulos, 2004). It is no longer realistic to promote a product or service as originating from one particular country, when in fact the various components of the product originated from several countries (Fan, 2005).

Unlike the concepts of COO and PCI, nation branding is said not to be centred around a specific product that can be promoted to the customer, rather, nation branding concerns a country's whole image covering historical, political, economic and cultural dimensions (Fan, 2005).

2.4 Country of origin and nation branding

Considering the extent to which the notion of a brand is applicable to a nation, country-of-origin is most likely to become more of a factor in high-involvement product decisions, and many businesses buying from abroad are particularly sensitive to country-of-origin. Target audiences are more likely to be impressed by information when a government cannot manipulate the nation's image for the purposes of deception. (O'Shaughnessy and O'Shaughnessy 2000)

Papadopoulos and Heslop (2002) have pointed out that, while the vast majority of Product-country images (PCI) studies have asked respondents to assess the products of various countries, the image of the original countries themselves, as distinctive from their products, has not been measured explicitly. They asserted that the traditional 'made-in' or 'country-of-origin' concept has moved to a new, broader level of 'branding a country',

and suggested approaches for strategy development. Kotler and Gertner (2002) have argued that country names amount to product brands and help consumers to evaluate products and that, beyond serving as brand names, countries must embark on a more conscious nation branding using a strategic management approach.

Brand identity of country-of-origin is developed through nation branding, which affects everything from positioning and differentiation to purchasing decisions (Jaworski and Foshier 2003). Anholt (2003) has showed how branded exports and companies combine with nation branding and how they can accomplish economic development for emerging markets, using country-of-origin more creatively by pointing out the critical role of government in undertaking a comprehensive nation-branding programme.

Nation branding is about influencing and creating an effective environment for a nation's brands to compete in the markets therefore, country of origin is not the only task of nation branding, but the latter is widely seen as a 'country of origin' practice. Gudjonsson (2005). 'COO effect' or 'country image' is an external nation-brand effect through nation branding, which can be actively managed and modified (Amine & Chao, 2005). National brands could be virtuous for developing economies, and branding facilitates and develops market access for offerings from nations in such economies (Abimbola, 2006). All nations have respective images and, through branding, attempts are made to mould, modify, or influence the shaping of these images (Jaffe & Nebenzahl, 2006). A country image is the mental picture of a country, the sum of beliefs and impression people hold about places. Every nation has an image which can vary across time and across countries to a greater or lesser extent and this image colors both consumer's perceptions of a country's products and services and investor's perceptions of the country as a place in which to do business (Vicente 2004).

There is an interaction between the nation brand and product brands, with each complementing the other, and leveraging the nation brand as a point of differentiation is one way for corporate/product brands to enhance competitiveness (Loo & Davies, 2006).

In the global marketplace, a nation brand should ideally act as a national umbrella brand, seeking to differentiate the country's products from those of international competitors and promoting a nation's image to an international audience (Fan, 2006). Nation branding faces a number of unique challenges. First, national identity is difficult to define. Nation identity is what a country believes it is. A strong country brand should be rooted in reality and connect with people, both within and outside the country and strike a balance between the image and the identity (Vicente 2004). Second, how to develop a core message about a country that can be used by different industry sectors. Third, it needs to consider the time dimension of the nation brand. Finally, in addition to the external international audiences, stakeholders in the branding campaign are important as the internal audience.

2.5 Place development and nation branding

The 'made-in images' of products "does not mean that one should think of country images in the sense of "Made-in" product labels alone.", "Product" can mean goods and services and also countries marketing themselves as attractive locations and geographic destinations for tourism or foreign investment (Papadopoulos 1993). Kotler, Haider and Rein (1993) introduced the concept of place development which combines place and economic development notions within a marketing context.

Places are increasingly facing global competition in both their external and domestic markets and the application of branding techniques to places is growing in frequency. There is no single accepted definition of branding a place. However, its concept has been established and practiced consciously or unconsciously through the place development context of marketing (i.e. place marketing). Researchers have investigated some similarities or differences between place marketing and branding, and these reflect how the concept of nation branding has evolved. In order to seize market opportunities and sustain a place's vitality, place needs to establish a strategic vision and market-oriented strategic planning process, to build qualified programs to communicate and promote its competitive advantage, and ultimately, to develop mechanisms or unique change processes for adapting flexibly to changing conditions (Lee, 2009).

Facing fundamental questions about how places can survive and adapt to growing competition, ways have been suggested in which place can respond to the market challenges. (Kotler, et al 1993) have enumerated five time-honored approaches to place development namely: First, community development with the basic idea of creating a quality environment for the people living and working in the community. Secondly, urban design is to evaluate the community's economic base and to protect the "public interest"; economic development suggests not only more output but also different kinds of output, more productive use of resources and greater innovation, and furthermore it focuses largely on helping a place enhance its competitiveness. Underlying all these approaches is the idea that place, if it is to succeed, must use the tools of business; thereby, place must develop and operate a planning methodology. Economic development strategies largely focus on helping a place enhance its competitiveness. Strategic market planning is a comprehensive approach to incorporating perspectives from community development to economic development. Place must begin to do what business organizations have been doing, namely strategic market planning.

Ashworth and Voogd (1994), place marketing needs to consider aspects of resource production, a set of marketing measures (i.e. promotional, spatial/functional, organizational practices) for the market, and many different groups of consumers for different demands. To conduct strategic place marketing successfully, place needs major elements – planning group, marketing factors (infrastructure, attractions, image and quality of life, and people) and target markets. The challenge of place marketing is to strengthen the capacity of places to adapt to the changing marketplace, seize opportunities, and sustain their vitality (Kotler et al., 1993).

The growing power of international media, the falling cost of international travel, rising consumer spending power, the threat of place parity, a scarce pool of international investors, competition for skilled and professional immigrant's and growing consumer demand for a diverse cultural diet stimulated by low-cost global communication media are some of the conditions that make place branding a necessity. Place branding, both as

a necessity and a phenomenon, is mainly provoked by globalisation processes where the market place for ideas, culture, reputation, in addition to products, services and funds are fusing into a single global community (Anholt, 2005). People can now simply work and live almost anywhere, abandoning failing and deteriorating places for ones offering growing opportunities (Kotler, 2004). Places are and have always been subject to 'internal growth and decline cycles external shocks and forces beyond their control' (Kotler et al., 1993). Therefore, whether at the national, regional, city or town level, branding is as much a way of planning developmental policies as branding in the private sector is about business strategy

Kotler and Gertner (2002) have articulated that the need to attract tourists, factories, companies and talented people and to find markets for their exports requires for the countries to adopt strategic marketing management tools and conscious branding. Strategic place marketing primarily concerns the enhancement of a country's position in the global marketplace and, therefore, it requires management of the different tasks of country brand – managing the image and attracting tourists, factories and companies). Place marketing has been practiced independently in various different contexts (such as the promotion of exports, foreign direct investment (FDI), or tourism). Moreover, there is an emerging phenomenon that public sectors at the national and local levels integrate those contexts into a consistent 'place brand' and the public and private interests in marketing place images converge (Papadopoulos (2004).

Branding a country is not the same as promoting tourism, which is only one component of nation branding. Nation branding involves other factors such as 'stimulating inward investment and aid, encouraging both skilled and unskilled workers to immigrate, promoting the country's branded and unbranded exports internationally, and increasing the international business of the national airline, facilitating the process of integration into political and commercial organizations (Dinnie 2008).

Place branding needs encompassing not only as a designed visual identity for example name, logo, slogan, corporate livery but also in a wide area of corporate strategy,

consumer and stakeholder motivation and behaviour, internal and external communications, ethics, and purpose (Anholt, 2005). Place branding should be practiced through a harmonized and strategically informed approach to the promotion of place's 'products' and 'sub-brands' and establish its overall reputations built by a place's actions or behaviors that are guided by strategy. Place branding, along with the place marketing discipline, has been referred to as 'the practice of applying brand strategy and other marketing techniques and disciplines to the economic, social, political and cultural development of cities, regions and countries'. However, Pryor and Grossbart (2007) have referred to place branding as 'the process of inscribing to a place symbols and images that represent that set of central, enduring, and distinctive characteristics that actors have ascribed to that place, thereby creating a focus of identity'

2.6 Public diplomacy and nation branding

Nation branding, as a new branding approach involving political entities, has been discussed with the dimension of public diplomacy. It is the public diplomacy, twinned with brand management that underpins the idea of competitive identity. The term public diplomacy was coined in the United States in the 1960s in terms of how a country manages its reputation abroad. The concept of public diplomacy has been redefined as a 'New Public Diplomacy,' which is strongly oriented on people and with people (Anholt 2007).

De Vicente (2004) has viewed public diplomacy as a key dimension of nation branding and assured that it should be regarded as a multi-stakeholder initiative, involving associations, private individuals, and businesses. To be effective, a strategy must be able to leverage disparate public diplomatic efforts, such as a network of cultural or language institutes, the giving of development aid or participation in peacekeeping operations worldwide.

The tasks of public diplomacy can be achieved by enlisting creative talent and soliciting new ideas from the private sector, through outsourcing major elements of the public diplomacy mission; responsible business, academic, research, and other nongovernmental

organizations could be enlisted and motivated through a competitive bidding process; it would be worthwhile to consider various modes of communicating the “big ideas” of public diplomacy through debate and discussion for the conveyance of the message; the media can be employed for the added benefit of transferring public diplomacy messages. A country’s values are key indicators that provide soft power in a diplomatic environment. (Wolf and Rosen 2004). Fan (2007) argues that soft power is context specific. A form of soft power is relevant to only one specific country or a specific group in that country.

2.7 The concept of nation brand identity and nation brand image

Nation branding is about the ways in which a whole country differentiates, symbolizes and communicates itself to all of its audiences, which relates to building and managing a nation’s brand identity and image and how it positions itself in the world market. Brand image is the perception of a brand in the minds of people. A country image is the mental picture of a country, the sum of beliefs and impressions people hold about places. Every nation has an image which can vary across time and across countries to a greater or lesser extent, and this image colors both consumer’s perceptions of a country’s products and services and investor’s perceptions of the country as a place in which to do business. Country identity is what a country believes it is. A strong country brand should be rooted in reality and connect with people, both within and outside the country. Ultimately, it should strive to strike a balance between its image and its identity.

Brand identity is how the brand is intended to be perceived. Country identity is what a country believes it is. A strong country brand should be rooted in reality and connect with people, both within and outside the country. Ultimately, it should strive to strike a balance between its image and its identity. The core concepts of brand identity and brand image are highly transferable from the context of products, services or corporations to the context of nation branding (Vicente 2008). In the nation branding context, they are described in various ways. From a country-of-origin perspective, nation branding is to meet the identity building requirements imposed upon its national brands by the global

marketplace and to build a nation's image that derives from the mutual transfer of images of particular companies and products. In terms of place development and branding, identity and image form an entity for branding a nation. To build a brand relationship with foreign audiences, the nation's brand identity and image forms the center of building foreign policy and managing diplomatic efforts

To develop an understanding of a nation brand identity and image, an analysis of the components of brand identity and image is a useful starting point (Dinnie, 2008). The notion of a country image provides an important aspect of the components of a nation brand identity and image. (Dinnie 2008) insists that segmentation of target audiences needs to be carried out in order to both monitor and influence the image. However, there is a common notion that in order to build a national image or nation brand image, a nation's brand identity must be created and developed at the same time (Dinnie, 2008; Rainisto, 2003).

Kotler and Gertner (2002) refer to the national image (or country image) as the sum of beliefs and impressions people hold about places, and describe that it results from a nation's geography, history, proclamations, art and music, industrial products, famous citizens and other social features. For effective nation branding, the desired national image must reflect reality, and be believable, simple, appealing, distinctive and conscious. Building a national image as a brand perception is linked to building a nation brand identity, based on the real contents of the country.

Gilmore (2002) refers to a nation brand identity as 'communication equities' – the 'ownable' brand communication assets, ranging from historical and political events to particular individuals and physical structures. Martinovic (2002) emphasizes the marketing identity of country as the genuine country features that make up its geopolitical, economic, social and cultural environment.

A place's brand image is inevitably linked with the place's national identity that is rooted in both culture and politics (Skinner & Kubacki, 2007). National identity is the driver

developing the nation brand and the democratic process. (Gnoth 2002) argues that the choice of brand attributes helps determine and shape competitiveness as well as the identity, and that the pool of attributes consists of the attraction, essential services, supporting primary and secondary industries, and all export products. To modify the basis of competitive advantage, a place brand platform is developed as an integrated form that combines a variety of sourced place factors into the place essence and the place competencies: the essence of the place brand consists of values and manifestations of the place; competencies are based upon capabilities and innovativeness (Zerrillo & Thomas, 2007).

Fraser et al. (2003) refer to a nation brand identity as an umbrella identity encompassing sub-brands applied to four dimensions; tourism, foreign direct investment, export, and political influence of the country. In the context of tourism, brand identity has two components of an authentic place and the natural centre. In the context of foreign direct investment, the country is identified as the physical and economic centre, a stable macro economic environment, and the qualities of the people themselves. In a similar vein to foreign direct investment I, there is an opportunity for the brand to project the idea of the people being excellent providers of industries and of location as a hub for trade. For political influence, brand identity can be articulated as an essential partner in any initiative or event impacting on other places.

The most important notion is that nation branding is to manage a nation brand that is based on the reality of the country. The identity is a result of planned activities, and its image is the passive process outcome (Rainisto, 2003). Therefore, nation branding aims to improve a nation brand identity, image and reputation.

2.8 The concept of nation branding and sustainable competitiveness

Countries compete in the competitive global environment to develop markets, technology, skills and environment and to raise their standards of living. Competitiveness is the key notion manifesting the economic success of a country and the question is how to achieve it. As branding is referred to as the starting point in creating a sustainable

future for the organization, nation branding can be considered to be the central concept in managing and managing the sustainable competitiveness of nation Lee (2009). Table 3 shows the various definitions on competitiveness as defined differently by different people and therefore there is no universal consensus on the definition.

Table 3: Definitions of Nation Competitiveness

Sources	Definitions
HMSO, 1985	Country's ability to generate the resources required to meet its national needs
Scott & Lodge, 1985	Country's ability to create, produce and distribute service products in international trade while earning rising returns on its resources
Buckley, Pass & Prescott, 1988	Competitiveness is seen as the ability to perform well; it is the generation and maintenance of competitive advantages; and it is the process of managing decisions and processes in the "right" way -Competitiveness cannot be considered as a static concept, but rather as an ongoing Process
Porter 1990	Natiional prosperity is created not inherited A nations competitiveness depends on the capacity of its industry to innovate and upgrade. Companies gain advantage against the world best competitors because of pressure and challenge. They benefit from having strong domestic rivals, aggressive home based suppliers and demanding local customers
OECD, 1992	Competitiveness is the degree to which a nation can, under free and fair market conditions, produce goods and services which meet the test of international markets, while simultaneously maintaining and expanding the real incomes of its people over the longer term
WEF, 1996	Competitiveness is the ability of a country to achieve sustained high rates of growth in GDP per capita
Krugman, 1996	A nation which fails to match other nations in productivity or technology will face the same kind of crisis as a company that cannot match the costs or products of its rivals
Boltho, 1996	Competitiveness in the short run has been equated with the level of the real exchange rate, ensured internal and (broadly defined)

	<p>external balance (i.e. desirable level of the current account)</p> <p>-Turning to the longer-run aim of rising living standards, a possible definition of international competitiveness could be the highest possible growth of productivity that was compatible with external equilibrium</p>
IMD, 2005	<p>The “wholeness” is an important characteristic of competitiveness</p> <p>-Competitiveness analyses how nations and enterprises manage the totality of their competencies to achieve prosperity or profit</p> <p>-Competitiveness is the ability of a nation to create and maintain an environment that sustains more value creation for its enterprises and more prosperity for its people; the ability of a country to create added-value and thus increase national wealth by managing assets and processes, attractiveness and aggressiveness, globality and proximity, and by integrating these relationships into an economic and social model</p>

Source: Adapted from Lee 2009)

Nations are positioning themselves strategically on their abilities to assume an advantage in attracting human and physical capital both regionally and globally. Competitiveness has given meaning to a country’s ability to produce competitive resources based on national needs or international trade and to maintain competitive advantages. In particular, Buckley, Pass and Prescott (1988) insisted that competitiveness cannot be considered as a static concept, but rather as an ongoing process and thereby it is a critical aspect of research into the process of competitiveness.

Competitiveness embodies a holistic approach to a country’s ability to sustain national economic and social development level for its people. To achieve those development goals, it is referred to as a nation’s ability to produce goods and services that meet global market needs, to create and manage value-added assets, processes, attractiveness and globalization.

2.9 The nation competitiveness concept

A nation's prosperity depends on its competitiveness, which is based on the productivity with which it produces goods and services. Sound macroeconomic policies and stable political and legal institutions are necessary but not sufficient conditions to ensure a prosperous economy. Competitiveness is rooted in a nation's microeconomic fundamentals, the sophistication of company operations and strategies and the quality of the microeconomic business environment in which companies compete. An understanding of the microeconomic foundations of competitiveness is fundamental to national economic policy.

Nation competitiveness is regarded as the differential benefit that a nation has over other competing nations (Porter, 1990; Kotler 1998; Gudjonsson, 2005; Gilmore, 2002). Different researchers have proposed different ways of determining a nation's competitiveness. Porter diamond model was as a result of a research conducted in ten leading trading nations to investigate why nations gain competitive advantage in particular industries and the implications for firm strategy and national economies.

Porter (1990) suggests that in many industries, and especially in distinct segments of industries, competitors with true international competitive advantage are based in only a few nations and certain characteristics of the nation make them the 'home base' of these leading firms. The influence of the nation seems to apply to industries and segments, rather than firms. Consequently, Porter believes that to understand competitive advantage the basic unit of analysis should be particular industries within the nation. In addition he argues that countries that have competitive advantage in one industry segment will have competitive advantage in a set of related industry segments. Indeed, Porter's conviction that the 'home base' of an enterprise is the locus of competitive advantage is reflected in his procedure which, by and large, excludes foreign-owned firms from the study of national competitive advantage. In his view, foreign-owned subsidiaries are not sources of competitive advantage for the host country. (Porter, 1990).

The diamond model proposes four interrelated facets, each of which representing a determinant of regional advantage: (1) firm strategy, structure and rivalry; (2) demand conditions; (3) factor conditions; and (4) related and supporting industries. "Chance" and the "government" are two factors that influence these four determinants, but are not

determinants themselves. Together these six factors form a system that differs from location to location, thus explaining why some firms (or industries) succeed in a particular location. Not all six factors need to be optimal for firms or industries to be successful.

2.9.1 Factor Conditions

Factor conditions refers to inputs used as key factors of production (specialized factors) such as labour, land, natural resources, capital and infrastructure necessary to compete in a given industry are created not inherited. Non-key" factors or general use factors, such as unskilled labour and raw materials, can be obtained by any company and, hence, do not generate sustained competitive advantage. However, specialized factors involve heavy, sustained investment. They are more difficult to duplicate. This leads to a competitive advantage, because if other firms cannot easily duplicate these factors, they are valuable. Porter (1990) argues that a lack of resources often helps countries to become competitive. Abundance generates waste and scarcity generates an innovative mindset. Such countries are forced to innovate to overcome their problem of scarce resources.

2.9.2 Demand condition

Nations gain competitive advantage in industries where the home demand gives their companies a clear or earlier picture of emerging buyer needs and where demanding buyer's pressure companies to innovate faster and achieve more sophisticated competitive advantage than their foreign rivals (Porter 1990). Domestic demand conditions can play an important role in shaping the rate and character of improvement and innovation by firms. Sophisticated domestic market is an important element to producing competitiveness. Firms that face a sophisticated domestic market are likely to sell superior products because the market demands high quality and a close proximity to such consumers enables the firm to better understand the needs and desires of the customers. If the nation's discriminating values spread to other countries, then the local firms will be competitive in the global market.

Porter considers three broad attributes of home demand to be important;

- 1) Composition of home demand: especially sophisticated, demanding and anticipatory buyers.
- 2) Size and pattern of growth: e.g. early home demand which anticipates international.
- 3) Internationalization of demand: transmission of a nation's domestic preferences to foreign markets.

2.9.3 Related and Supporting Industries

The third broad determinant of advantage in an industry is the presence of related and supporting or supplier industries which are also internationally competitive. The geographic proximity of internationally competitive supplier industries facilitates the process of innovation and upgrading in downstream industries in the following manner; efficient, early and rapid access to the most cost-effective inputs, facilitation of ongoing co-ordination of firms and their suppliers and access to valuable sources of information and insights, harvested by supplier companies from their international positions.

2.9.4 Firm Strategy, Structure and Rivalry

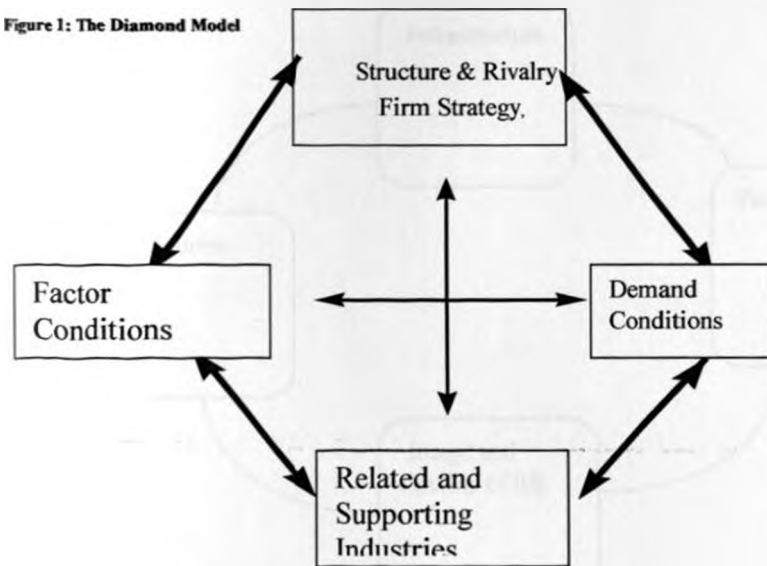
Porter argues that goals and strategies of firms, and the way they organise, vary widely among nations, in ways that are influenced by their national environments and that, in turn, influence their competitive advantage. Important national differences in management practices and approaches occur in such areas as the training, background, and orientation of leaders, group versus hierarchical style, the strength of individual initiative, the tools for decision making, the nature of relationships with customers, the ability to co-ordinate across functions, the attitude toward international activities, and the relationship between labour and management. These differences in managerial approaches and organisational skills create advantages and disadvantages in competing in different types of industries (Porter, 1990). Porter argues that the best management styles vary among industries. Some countries may be oriented toward a particular style of management. Those countries will tend to be more competitive in industries for which that style of management is suited. Porter further contends that, intense competition spurs innovation. The fulfilment of these four conditions explains why some nations gain

competitive advantage in the global market as companies aspire to operate in a nation where that industry or product is dominant.

2.9.5 Government and Chance

Two other elements of the Porter diamond model are the role of government and the role of chance. While acknowledging the influence of both these elements, Porter argues that the way in which they affect competitive advantage is mediated through each of the four major determinants of competitive advantage and can have either a positive or negative effect. A key feature of the model is that the determinants operate as a system. One determinant is almost never sufficient on its own to ensure competitive success.

Figure 1: Determinants of nation competitiveness



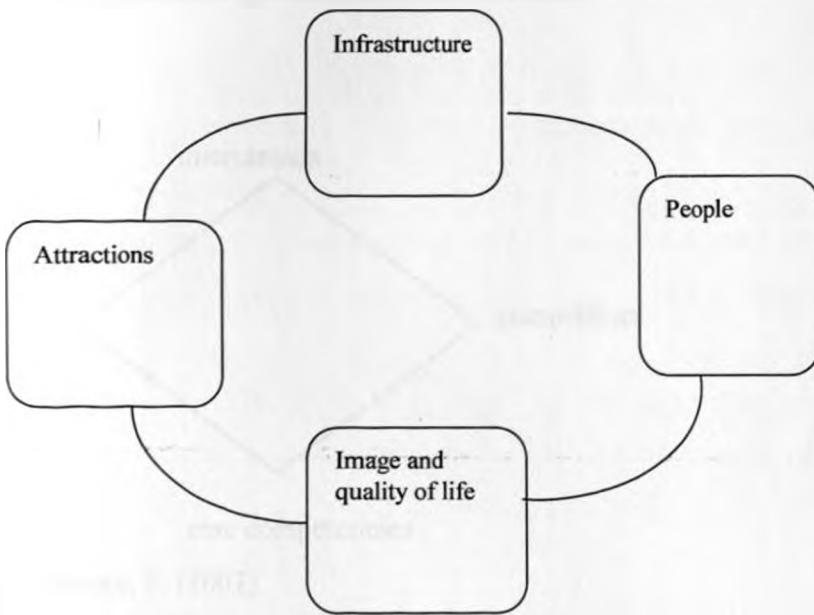
Source: Porter, 1990, p.127

The four sets of national influences on competitive advantage operate interdependently rather than individually. A key weakness in this model is the absence of the culture which is major factor due to globalization and internalization. Companies often focus their initial internationalisation efforts in countries culturally similar to the company's home market. For example, a company investing in another country will inevitably investigate

the socio-cultural factors associated with potential employees and establish an understanding of the motivational basis for work in that country (Head, 2005).

Kotler (1998) developed a model for determining a nation's competitiveness that takes into account both people and culture as part of the competitive advantage. The model suggests that nations can determine their competitive advantage by looking at four factors: infrastructure, people, image and quality of life, and attractions which are seen as having a profound impact on a nation's image.

Figure 2: Competitive marketing factors



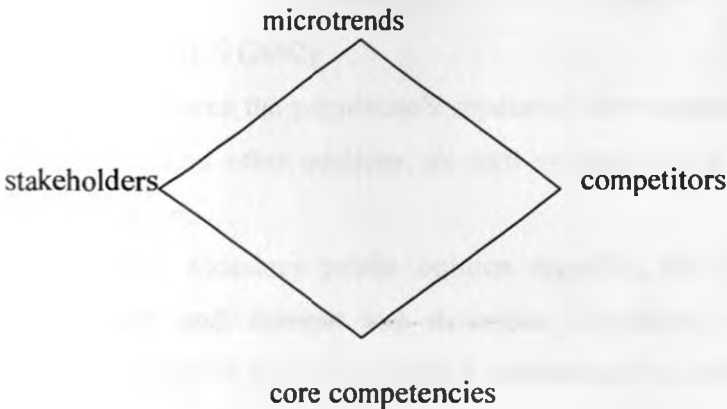
Source: Kotler, P. 1998

(Kotler 1998) view is that the customers' choice of products is based on functional benefits as much as psychological benefits. Nations therefore, need to understand the key influential factors from the customers' perception and address those for its own advantage (Kotler and Gertner, 2002). In tourism, for instance visitors have thousands of places to choose from, they are therefore likely to be drawn to places that they perceive to

offer the most benefits (Kotler and Gertner, 2002; Hankinson, 2005). In the same vein, companies selecting a place are likely to be influenced by such factors as infrastructure, security, education of the population, tax incentives, the size of the domestic market and access to regional markets ((Kotler and Gertner, 2002)

Gilmore (2002) takes the perspective of brand positioning. Brand positioning is described as a way of ensuring that different customers instantly associate with the brand with a particular benefit. The core of a nation brand must capture the spirit of its people and shared purpose. The brand positioning should be developed after consideration of four key factors: macro trends, target groups, competitors and core competencies.

Figure 3: The positioning diamond of macro trends



Source: Gilmore, F. (2002)

Physical assets in this context are those assets that cannot be moved or replicated by another country unless the same conditions permit and such competencies can be used to differentiate the nation brand. The notion of making sure that nation branding captures the spirit of its people and shared purpose can be interpreted as a way of making citizens live and champion the brand. Gilmore's (2002). The implementation of such a strategy has been seen as a challenge given the different characteristics of a nation.

Nation branding is a practice that is gaining momentum across the globe with which a country collaborates with its stakeholders to deliver a consistent global message around tangible positive attributes. The efforts aim to permeating consistent positive brand associations. Anholt (2007) measures the power and appeal of each country's 'brand image' by examining six dimensions of national competence. Together, these dimensions make up the Nation Brand Hexagon as depicted in figure 4.

Figure 4: Nation Brand Hexagon



Source: Anholt, S (2002)

People: Measures the population's reputation for competence, education, openness and friendliness and other qualities, as well as perceived levels of potential hostility and discrimination.

Governance: Measures public opinion regarding the level of national government competency and fairness and describes individuals' beliefs about each country's government, as well as its perceived commitment to global issues such as democracy, justice, poverty and the environment.

Exports: Determines the public's image of products and services from each country and the extent to which consumers proactively seek or avoid products from each country-of-origin. Also known as the "country of origin effect" – whether knowing where the product is made increases or decreases people's likelihood of purchasing it, and whether a country has particular strengths in science and technology, and has creative energy. A perceived association with particular industries rounds out that country's image in this space.

Tourism: Captures the level of interest in visiting a country and the draw of natural and man-made tourist attractions. Culture & Heritage: Reveals global perceptions of each nation's heritage and appreciation for its contemporary culture, including film, music, art, sport and literature.

Investment & Immigration: Determines the power to attract people to live, work or study in each country and reveals how people perceive a country's economic and social situation

3.0 Empirical Literature review in nation branding.

Several empirical studies have been conducted in the area of nation branding. This paper has limited the review to successfully and unsuccessful nation branding strategies studies. These studies were reviewed in terms of conclusions, methodology and comments of the study will be presented.

The “Cool Britannia” campaign of the 1990s was intended to reinvent the U.K.’s image as an energized and liberalized nation, the campaign attempted to shed the traditionally formal image of Great Britain as well as reflect the shifting political model. In addition, launched in the aftermath of the Mad Cow disease crisis, “Cool Britannia” targeted the tourism sector in an effort to improve the international image of the nation. Despite the millions of dollars poured into the initiative, however, the campaign is largely considered a failure because of its limited focus, lackluster results, and the general perception, both within Britain and abroad, that the campaign’s gimmicky approach had actually hurt the nation’s international image.

Switzerland is considered to have one the strongest national brands, due in large part to “Presence Switzerland” (PRS). Initiated in 2000, PRS’s function was to “highlight Switzerland’s particular values, qualities and characteristics” in such a way as to raise the nation’s international profile in a positive and attractive manner. Switzerland is already associated with strong, attractive clichés, including beautiful landscapes, fine chocolate and watches, as well as organizations such as the Red Cross. Building on this positive foundation, PRS’s approach was to highlight specific offerings as representative of various aspects of the national character, which ultimately come together to create a

broadly positive image of Switzerland that appeals to both policy-makers and citizens abroad.

Before the civil of 1990-1994, Rwanda's tourism industry was a rather profitable one. In 1998, 36,000 tourists visited the country. The genocide extremely damaged the international image of Rwanda. Once the economy stabilized from a macroeconomic standpoint, the new government launched a strategy for development and competitiveness program that identified tourism as one of the key sectors. Various efforts were and continue to be made on product and infrastructure development, marketing and institutionalization.

4.0 Linkages of nation branding and national competitiveness.

Countries compete in the competitive global environment to develop markets, technology, skills and investment, and to raise their standard of living (Viotor, 2007).

Competitiveness is the key notion manifesting the economic success of a country and the only question is how best to achieve it (Krugman, 1996:17). As branding is referred to as the starting point in creating a sustainable future for the organization (Kitchin, 2003), nation branding is considered to be the central concept in creating and managing nation competitiveness.

Globalization has been interpreted as the concept of both challenging the competitive pressure and expanding market opportunities on a global basis (Knight & Cavusgil, 2004; Kotabe & Helsen, 2000; Porter, 1998; Barney, 1991). Globalization promotes locational advantage by removing artificial barriers to trade and investment, which provides both the opportunity to boost national competitiveness and a threat to increasing or even maintaining it (Porter, 1998).

In the nation branding context, there are several conditions that make a branding approach to competitiveness not just desirable but essential. Globalization leads to countries competing with each other for the attention, respect and trust of investors, tourists, consumers, donors, immigrants, the media, and the governments of other nations. A powerful and positive country brand provides a crucial competitive advantage to the country (Anholt, 2005).

Nations with a strong positive brand identity will be able to gain competitive advantage over those nations that have a poorly developed identity or those with negatively perceived brand identity (Kotler and Gertner, 2002). The right application of theories and techniques of country branding can make a powerful competitive tool and agent for change both within and beyond a country. The common driver of all such changes is globalization, and only those global players with the ability to serve a wide and diverse global marketplace and with a clear, credible, appealing, distinctive and thoroughly planned vision, identity and strategy can compete successfully (Anholt, 2007).

4.1 The influence of location and nation competitiveness

Countries like Botswana and Africa are well known for their huge deposits of diamonds. Such attribute gives a country its physical core competency and specific advantage that cannot be replicated by other countries unless the same physical conditions of pressure and geographic changes and tectonic movements have occurred elsewhere (Gilmore, 2002).

4.2 The influence of people and nation competitiveness

Promoting a country by emphasizing the human dimension have been the core features of Hungarian branding efforts as compared to other country's approach, which relied more on the natural and physical characteristics of the country (Szondi, 2006). Elements of a country like people and culture are clearly very influential features in nation brands' performance in global markets. The people of a country are the most important factor and if properly utilized, can become the most powerful communication tool in nation branding (Gudjonsson, 2005).

4.3 The influence of Export and nation competitiveness

According to Anholt (2003), branded exports of a country promote tourism, bring real income and help sustain the country image. Consumers with no prior experience or knowledge of a product's attributes, tend to rely on extrinsic attributes (brand, price, package, seller, warranties and country of origin) when evaluating a product (Johansson, 1989).

4.4 The influence of Investment and nation competitiveness

Investment and tourism are believed to be two important factors that can aid in the development of countries as seen in the case of African countries. Therefore, it is important to attract these constituents

4.5 The influence of Culture and heritage and nation competitiveness

Culture can play a critical role in moving the country's current brand image to its desired brand vision. A rich cultural life of a country makes it a place that is not just a tourist destination, but a place worth visiting at different times of the year. The landscape, the stability of social model, the culture and heritage, the wisdom and world view of people of a country can become components of its competitive advantage (Anholt, 2006).

4.6 The influence of politics and nation competitiveness

Politics of a country and events that happen in a country can wreak a lot of havoc and affects the strength of a country brand (Country Brand Index, 2005). Anholt (2007) prefers to use the phrase "competitive identity (CI)" to "nation branding" when his approach to country branding has more to do with the politics and economics competitiveness of a country.

4.7 The influence of tourism and nation competitiveness

Tourism is an obvious association made with national branding competitiveness. Tourism is a fast-growing business, and developing a national brand can be part of an effective strategy in managing national growth in tourism. In developing a national brand that will support tourism growth, a country's unique architecture, history, art and other cultural forms must be included, if it is to be applied successfully (Domeisen 2003). Although tourism may be just one element of a country's brand, it should be integral to the marketing efforts since it supports and leads the development of a country brand (Morgan, 2004).

4.8 The influence of citizenry and nation competitiveness

Customer loyalty and employee loyalty are often talked about and can be compared to citizen loyalty. Today's world is a globalised one; reducing the barriers to the movement of workers. With such free movement of human talent, it is vital today that a country is able to retain the loyalty of its citizens and in fact attract more human talent to its shores. A country's brand must be used as the anchor upon which to build loyalty with its people- for we cannot assume that country loyalty is a given today. Loyalty is also essential if there is going to be realization of the country's brand because, like it or not, each of the country's citizens becomes the living embodiment of the brand (Gilmore 2002).

National branding may be briefly defined as the way a country or a nation is perceived by the target audience. Most studies have relied on national branding programs which are aimed at foreigners-improving one nation's identity in the eye of the rest of the world. Nation image programs that aim at that nation's own people are equally important because on a long-term basis, a nation is perceived also through its individuals.

Nation branding is characterized by a degree of complexity greater than that which is normally associated with brand and reputation management for single products. The multiplicity of stakeholder groups, for instance, which nation branding must address, represents a significant challenge for the discipline. Nations certainly have their brand images however the extent to which they can be branded is still, quite properly, the subject of intense debate. Moreover, there is little or no evidence to suggest that private-sector marketing techniques can change national images. Several countries that have not engaged in any form of marketing or nation branding have recorded improvements in their overall images, while others have spent extremely large sums on advertising and public relations campaigns and their brand value has remained stable or even declined. More research is needed in this area, and a clearer distinction between selling campaigns such as tourism and investment promotion which may well improve sales within their specific sectors and among their specific audiences but appear to have little or no effect on the overall image of the country and the so-called 'nation branding campaigns.

Marketing a country or place is a little understood panacea (papadopolous and Heslop 2002).

5.0 Conceptual framework and existence of knowledge gaps

The research of nation branding has emerged relatively recently as an important field in the domain of international marketing and has been characterized by an increasingly large amount of real world activity. However, there is relatively little rigorous theory-building leaving the domain of nation branding under-theorized. Whereas countries have spent colossal amount of public funds on expensive advertising campaigns, very little evaluation has been made of the effectiveness of these advertisement campaigns.

There is a general agreement among academics and practitioners that places can be branded in much the same way as consumer goods and services. (Olins 2002) with a significant number of researchers, authors and practitioners suggesting key issues to be considered in the implementation of effective nation branding. However, they have not come up with a clear definition, implementation and measurement of nation branding amongst others.

Although, nation branding is increasingly being adopted by national governments, there is far from unanimous support for the concept of treating nations as brands and has earned a place a place as one of the most controversial diplomatic tool in use. Scholars have argued that it is both deceptive and demeaning to treat the character and identity of a nation as a brand, a commercial product to be manipulated and sold to consumers.

Anholt (2007) contends that the risk of mishandling campaigns is high, at potentially great cost to the subject nation. He acknowledges the danger of the situation, as “public officials without a sophisticated understanding of private sector practice are “rather easy victims” for marketing firms that often charge exorbitant fees without any real concern for the countries interest. For some, the notion that, a nation can be branded as a product has been strongly rejected. For others, nations, cities and regions have benefited from the branding techniques leading to national competitiveness.

Papadopoulos (2000) believes in the potential of nation branding, but points to a number of significant obstacles to making the technique truly effective. Specifically, the most important challenges currently facing branding are “lack of unity of purpose, difficulty in establishing actionable and measurable objectives, lack of authority over inputs and control over outputs, restricted flexibility, and relative lack of marketing know-how,” and argues that truly effective branding requires a cohesion and expertise that most countries have not yet developed.

In defense of the field, branding analysts and scholars argue that most resistance to nation-branding stems from a misunderstanding of the concept. Legitimate branding is not simple product advertising; it is the presentation of a country’s best face to the world to the benefit of its citizens. In recent years, more and more countries appear to be turning to nation branding as an effective way to improve their positioning in the international market, moreover, there is a big confusion between what a country branding strategy is and what is advertising is. Many countries have been advertising that has been called nation branding, which for sure helped countries to attract tourists.

It is worth mentioning that while nation branding has been studied in developed countries, very few countries in Africa have embraced the strategy of nation branding and if they have, the initiative is still in its infancy with little empirical studies. African countries lag behind in the pursuit of investment, tourism, exports and human capital; they have to find a way to attract these constituents competitively (Wanjiru 2005). Country branding is now viewed as a necessity rather than a choice; it is ‘about making people want to pay attention to a country’s achievements and believe in its qualities’ (Anholt, 2005).

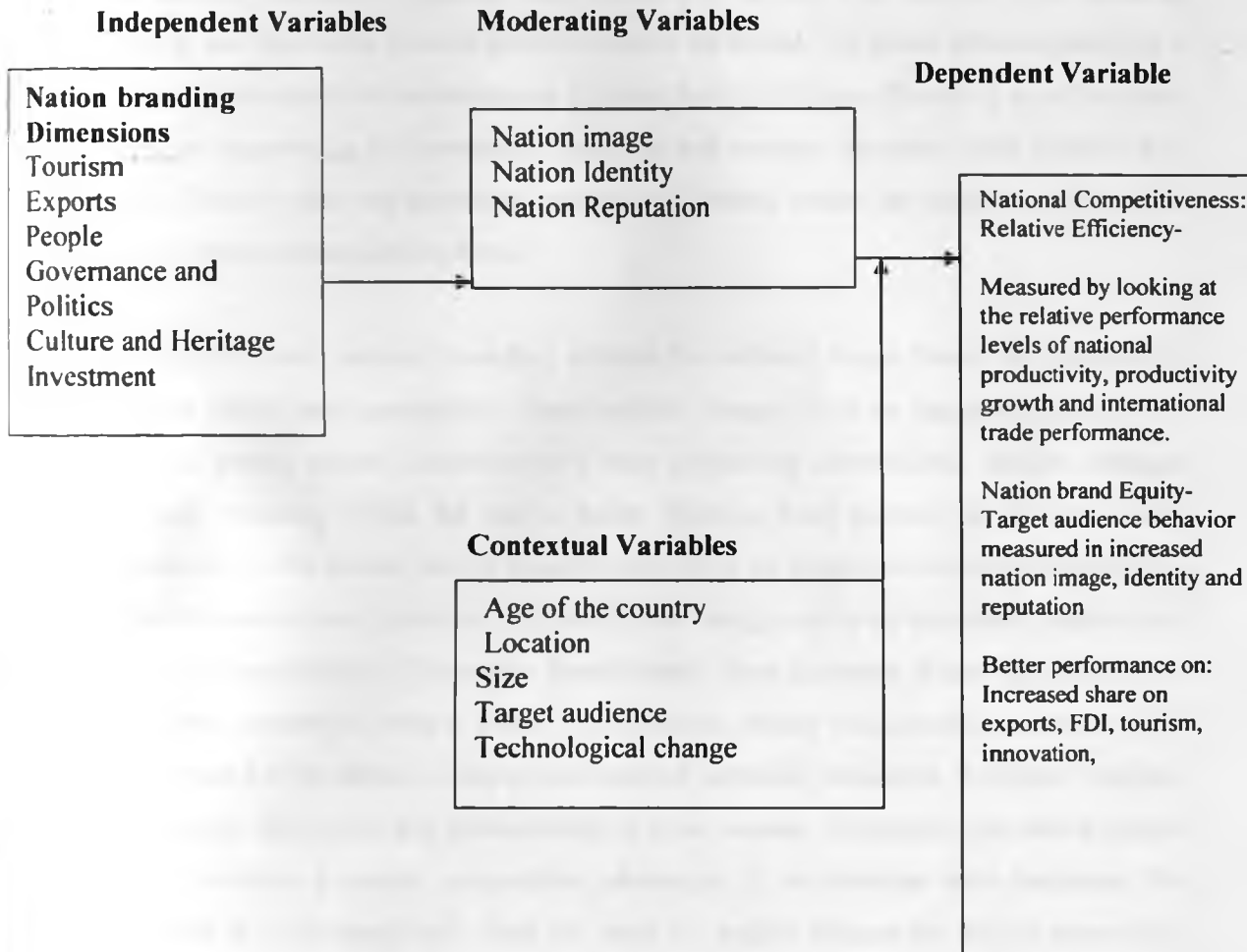
Nation branding is by nature a highly qualitative subject, dealing with matters of image and reputation, measuring the strength of a nation’s brand can be very difficult and highly contentious. As of yet, there is no consensus on a standardized methodology for determining brand efficacy, and the number of measurement mechanisms remains severely limited.

The Nation Brands Index, managed by Simon Anholt who has been regarded as the “father” of nation branding and the international polling firm Global Market Institute(GMI), is currently the only major source of comprehensive, numerical data on the relative strengths of national brands. The organization surveys 25,900 citizens in 35 nations regarding their perceptions of the cultural, political, commercial and human assets, investment potential and tourist appeal of each nation, and ultimately translates and consolidates the results into a numerical dataset comparing each of the subject nations. This approach is based upon the assumption, that nation branding can be divided into six primary subfields: tourism, exports, governance, people, culture and heritage, and investment and immigration. The aim is to create a comprehensive and empirically-sound measurement of a nation’s international reputation on which to base future branding efforts, but the methodology remains highly contentious and has failed to garner universal approval.

According to another practitioner, Thomas Cromwell, director of East-West Communications, calls the approach “pretty weak,” skeptical of the capacity to comprehensively understand global perceptions through polling data. Nevertheless, there are few alternatives whereby the data gathered can be useful as a broad measure of reputation. Such assessments therefore remain an important tool in the valuation of a nation’s brand, offering a broad survey of public opinion that allows campaigns to target lagging sectors for further development such as tourism, culture, governance amongst others.

This paper has suggested that nation branding contributes to the sustainable competitiveness of a nation. This paper further suggests examining the nature of nation branding and its relevance in the wake of globalization which has led to nations competing for markets in the domains of export promotion, export marketing, tourism and foreign direct investment and sustainable competitiveness.

Figure 5: A Conceptual Framework of Nation Branding and Nation Competitiveness



6.0 Conclusion and recommendations

Branding is all about creating differences. Branding involves creating mental structure and helping consumers organize their thoughts in a way that clarifies their decision making, and thus in the process provide value to the brand. The brand assures quality of a product in the minds of consumers as it enjoys their confidence. Branding as a discipline offers an opportunity for companies, products and services showcase their abilities and worth. There is also the increasing realization to brand nations as tourists and investors have multiple choices before them.

At a macro-level, national branding reflects the national image based on a country's positive values and perceptions. Since national image plays an important role in the tourism sector, several countries have been promoting international tourism through national branding. While the way a nation portrays itself globally is definitely very important for the tourism sector, branding also plays an important role for increasing the sales of manufactured goods as well and is now being seen as an important element in a nation's export strategy. The nation brand identity, how a country is seen by others is an important concept in today's world. Globalization means that countries compete with each other for the attention, respect and trust of potential consumers, investors' tourists, immigrants, the media and governments of other nations. A positive and strong nation brand provides a crucial competitive advantage. It is therefore very important for countries to understand how they are seen by people around the world across key dimensions.

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