A country — can it be repositioned? Spain — the success story of country branding

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Abstract

Active repositioning of a country through branding can be done successfully and holds great potential for countries. This paper argues that thoughtful brand positioning gives a country a competitive advantage over other nations. The framework suggested explains how the core of a country's brand must capture the spirit of its people and how it can be developed into a brand positioning after consideration of four essential factors — macrotrends, target groups, competitors and core competencies. It advises that the positioning derived should be rich enough to translate into sub-positionings to target diverse groups and that it should be substantiated in terms of what the country can actually offer.

INTRODUCTION

Most people would question whether a country can be repositioned or even branded. These doubts are quickly dispelled, however, when one considers the example of Spain. Twenty-five years ago, Spain was suffering from the effects of having been under the grip of the Franco regime. As such, it was isolated, poverty-stricken and not really part of modern Europe, and neighbouring countries like France raced ahead of it. Its tourist industry was largely based on low-cost, low value-added package tours with 'kiss me quick' hats and prints of 'Watney's Red Barrel' alongside a full English breakfast. Today, it has transformed itself into a modern European democracy with much-improved economic prosperity, the destination of choice for holidays, second homes, retirement homes and partygoers anxious to have spent the obligatory summer at Ibiza. Real gross domestic product (GDP) growth averaged 3.3 per cent in 1986 and 5.5 per cent in 1987 for Spain, this latter figure being roughly double the West European rate and the strongest rate of expansion among OECD countries. For the period 1991 to 2000, Spain's GDP grew by 23.3 per cent. This exceeded that of France, which grew

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by 17.8 per cent, and of the Eurozone, which grew by 19.1 per cent. The reality that is Spain as well as its image and identity has changed dramatically.

How did this happen? Spain is a success story of active orchestrated repositioning by a country involving a national promotional programme using Joan Miro's sun to symbolise the step change in the modernisation of Spain. This modernisation programme was accompanied by advertising on a national and regional level, and strengthened by the privatisation and rapid global expansion of Spanish multinationals such as Telefonica into Latin America, the impact of hosting the Barcelona Olympics, the rebuilding of great cities like Bilbao with the Guggenheim Museum, the films of Almodovar and even the prominence of actresses such as Penelope Cruz. It was part careful planning and coordination and part inspired individual and corporate action. Spanish clothes designer Adolfo Dominguez, film maker Pedro Almodovar and architect Santiago Calatrava pooled their artistic talents and worked together as a team to assist the Spanish government in expressing a Spain that was fresh, free and more competitive.

> 'Experts on location branding note that Spain is among the best examples of modern, successful national branding because it keeps on building on what truly exists. Its branding efforts incorporate, absorb, and embrace a wide variety of activities under one graphic identity to form and project a multi-faceted yet coherent, interlocking and mutually supportive whole. Joan Miro's sun is used to graphically unify a myriad of activities, publicity events and ads even though the different programmes are driven by both public and private sectors. The net result is that Spain's branding effort is both efficient and impactful — one symbol leverages everything together in the eyes of Spain and the world.'[1]

The fact that Spain has been able to attain so much in such a short time is proof that country branding can be done and can be done successfully. It also makes it even more important that Spain continues to take an active approach to maintaining its brand going forward. We have seen the effects of the 11th September terrorist attacks on tourism and trade in New York City. Spain is suffering the same on a local scale with bomb attacks by the separatist group ETA, who are now targeting tourist populated areas such as airports in Malaga in order to make their voice heard. If the country is not to backslide or acquire negative associations that will tarnish its image, it must act continuously on all fronts to protect its brand.

THE POTENTIAL FOR 'YOUNGER NATIONS'

If Spain has been able to achieve this much despite its negative history, think what 'younger' countries which have attained their independence in the last 40 years and which are still heavily in a nation building mode can hope to achieve. Young nations are in a unique position to brand themselves because they are at an early stage of development and may not have acquired any negative perceptions or associations (perhaps because the country is not yet prominent on the world stage), or at least these perceptions have not had time to embed themselves. Smaller, younger countries may have smaller populations, and are leaner,

meaner and easier to manage. They have citizens who feel a greater loyalty and drive to serve their country and potentially to realise its brand.

In this respect, it may be useful to think of some of these smaller countries almost as large multinationals. It has been said that 46 of the largest 100 economies of the world today are companies, not countries. Conversely, we can think of the running of countries as being no different from the running of a large company and therefore apply brand thinking to countries. The potential for these countries to gain a niche position in the global arena is there for the taking.

Finally, every country needs to remember that many nations are in the process of branding themselves. A nation that does not engage in proactive branding runs the risk of being positioned anyway by its competitors to the competitors' advantage — making it even more difficult for that nation to control its economic destiny.

COMMUNICATION EQUITIES AND A COMPETITIVE BARRIER TO ENTRY

The fact is that most countries already have some semblance of an identity — each carries with it certain associations, both positive and negative. Think Argentina and you think of beef, the tango, Eva Peron, the Falklands War. Think Colombia and you think of coffee, drugs, jungle, kidnappings and guerilla wars. Unless carefully managed, a country can come to be dominated by a particular negative image or stereotype. Working in Belfast, for instance, the author came to realise that the greatest challenge was to refute the stereotypical imagery, mainly stimulated by the stark, uncompromising (often black and white) pictures on the front pages of the press. Often a country's stereotype can lag behind reality — in such an event, there is great scope for country branding.

The positive elements of brand identity can be called 'communication equities' (referring to the 'ownable' brand communication assets that reflect the brand ideology and could be any number of the following: a logo, a strapline, a series of works, a visual language used in every context, a particular colour or colours, a sound, a packaging shape or material, the architecture of the retail outlets, the physical design of the product) and they can come in all forms. For a country, they can range from historical and political events to particular individuals to physical structures like buildings and bridges. Ownership of positive communication equities offers a country the opportunity to use these as a barrier to competitive threat. Ownership exists on many levels, from a mere space within stakeholders' minds to real physical and legal ownership, depending on what the communication equity is. For instance, Switzerland has been associated with 'discreet banking services' but the ownership of this equity is cemented in its banking client secrecy laws. In promoting its prominence as the world's centre for private banking and asset management, the fact that ownership is not just at the level of awareness but also in terms of the actual legal and regulatory environment means that other countries trying to promote themselves as a personal financial centre would have difficulty entering this market and competing on this front.

In an age of uncertainty, effective country branding is like a preventive injection against bad publicity. Great brands — whether they are country, corporate or product, are not easily destroyed by disaster. Perrier, for example, withstood the effect of a contamination disaster. At the time of writing, the enormous power of the 'I Love New York' brand is being demonstrated as tourists return to the city after the 11th September attacks.

AMPLIFICATION NOT FABRICATION

The important thing to realise about branding a country is that it must be an amplification of what it is already there and not a fabrication. A country or region's positioning can never by an artificial creation, imposed from the outside. Taking a proactive approach to repositioning a country does not therefore mean whitewashing the canvas, painting the desired picture of it and expecting that picture to sell. The country's brand should be rooted in reality and in fundamental truths about the destination, and it needs to connect people. Individuals' very clear sense of place and its values, in almost a spiritual and certainly an emotional sense, would indicate that, if the right nerve was touched, the connection could be very powerful indeed.

Take the example of 'Cool Britannia'. A few years ago, a British Council survey revealed that people outside the UK perceive the British to be competent in one area — the past — and so a think-tank was created with the aim of giving Britain an image overhaul. 'Cool Britannia' was to characterise the new national identity with its promise to people and businesses located here that they too could be cool just by association. The problem was that half of the British population are not into cutting-edge fashion, design, music and the arts. And many industries actually thrive on traditional characteristics, such as honour and reliability: the British service industries for example. The brand 'Cool Britannia' was not inclusive enough, and amplified only one part of Britain. It is useful at times to highlight one particular facet in order to shift attitudes, but that facet should nonetheless be presented in its wider context. Britain evokes both the cool and the traditional; 'a contrast between the traditional and the unconventional' as the author's firm defined it in 1997 for the British Tourist Authority; it can tell stories of tolerance, creativity, warmth and diversity. If the image that is chosen for a country fails to represent the people, then how can they believe it themselves? How can it then be believed elsewhere?

Another example of amplification not fabrication can be found in the story of how the state of Iowa repositioned itself.

> 'Iowa has long resented its image of 'hogs, corn and hicks' so the state made a concerted effort to help the national media not promote the stereotype when covering the 2000 presidential race there. Instead, the state purposefully staged press conferences on the campuses of the universities. And while not denying their agricultural roots, an effort was made to showcase high-tech agriculture, like biotechnology.'[2]

The state of Iowa wisely resisted the temptation to reinvent itself without any basis, choosing instead to amplify to maximum potential the best of what it had.

SPRINGPOINT

Figure 1 The brand at the heart of the organisation

A FRAMEWORK FOR COUNTRY BRANDING

Springpoint conducted research called 'Wish List' recently with over 100 senior UK managers to gather their views on what the ideal organisational structure of the future would look like. The result was that most executive managers today believe that the brand must sit at the heart of the organisation, driving its strategy and its direction (see Figure 1). This is a paradigm shift from traditional thinking where branding is the sole responsibility of the marketing department and is only communicated through advertising and other promotional activities to make products and services more saleable to customers.

Why must a brand sit at the heart of an organisation? Because if correctly defined, a brand represents the core values and ideology of the organisation, its *raison d'être* and its reputation in this world. Such a correctly defined brand comes to represent the organisation itself, and will endure even as the industry changes, the competition changes and industry boundaries fall. This brand acts as a guide to the strategic decision-making process of management and also acts as a motivating and driving force behind the efforts of all its employees, whether in R&D, production, marketing, finance or sales. How the organisation's purpose is carried out will and has to evolve with the times, with rapidly advancing technology and know-how and the changing needs of customers. This is where its marketing strategy comes in, tailoring facets of its brand to the needs of the stakeholders and ensuring that products and services are physically delivered accordingly to the brand promise. However, its core ideology remains constant and an anchor for all.

In the same way, the author believes that a brand of a country must sit at its heart. In Figure 2, the core of a country's brand must capture the spirit

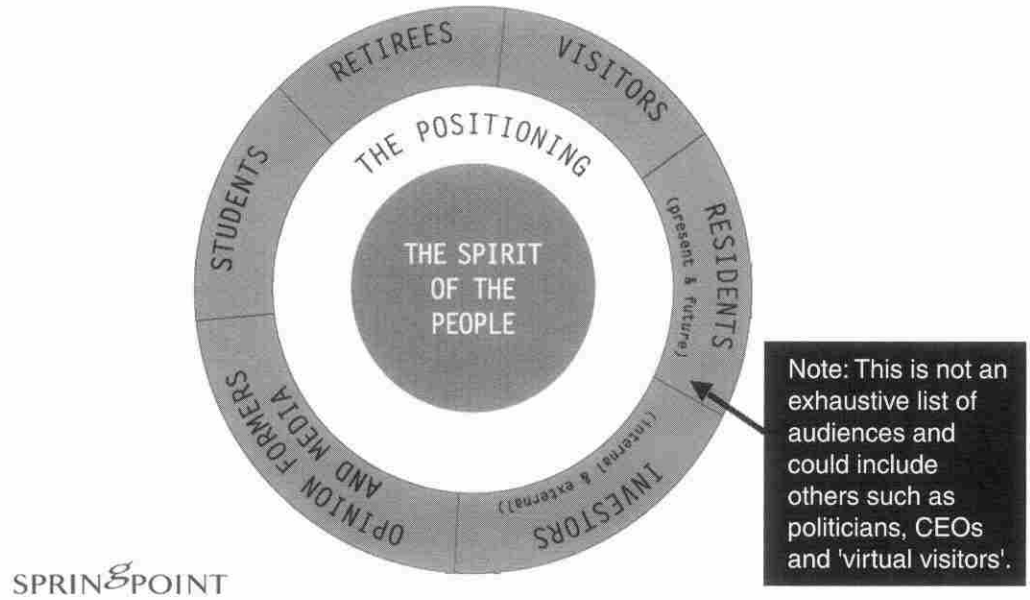

Figure 2 The brand at the heart of the country

of the people of that nation and their shared purpose. The spirit of the people and the spirit of their place are deeply connected. Part of this spirit consists of values — these are values that endure no matter what the times because they represent what the nation's citizens believe in and believe about themselves. Other factors such as environment, resources, culture, history, economy and the people's experiences will also all have played a part in influencing the development of this spirit — making it unique to the country. Although identifying and articulating this spirit is difficult, it is very real and palpable. When researching the spirit of Hong Kong, for example, the author was confronted with the spirit of the people — their unstoppable energy and their 'can-do' approach to life (*'hoh yi'*). In Belfast, it was impossible to forget the people's genuine warm welcome, their wry and witty 'craic' (humour) and their sense of optimism. In Wales, *'hywl'*, the spiritual yearning of the country, the resilience (from a history of heavy industry and limited income) and the strength of feeling in communities resonate through peotry and music and in the ups and downs of everyday life. The Welsh spirit is not like Italian passion on a hot day in Venice but more like a wet and windy day in Wrexham. It is naturally uplifting, in a bracing sort of way. Springpoint defined the spirit of the Wales brand as follows: 'Whatever you do in Wales, you'll be met by people with a passion for life and a real belief in what they're doing. We can call this 'hwyl'.'

The second layer in Figure 2 is the positioning that the country will derive from its core values and spirit. Deriving this positioning is the most difficult part of the branding exercise because the positioning needs to be 'aspirational, inspirational, challenging and differentiated'. And most impor-

tantly, it also needs to be 'translatable' for the different audiences.

The first two aspects — aspirational and inspirational — need no explanation. A country's brand will not get off the ground unless it manages to capture hearts and minds. Unlike in an organisation, where employees may be constantly urged to think about their corporate principles in their day-to-day jobs, the people of a country may be oblivious to the country's brand and not necessarily motivated to live the brand. To overcome this, it is necessary to have a positioning that is in itself captivating and fascinating. The aspect of 'challenging' is to ensure that the positioning is forward looking, energised, stretching.

The need for a 'translatable' positioning is because a country has different stakeholders to address with its positioning — these stakeholders are represented in the third layer. The positioning must therefore be sufficiently rich and deep to 'translate' into multifaceted sub-positionings with relevance and meaning for each relevant stakeholder, and yet retain its integrity by staying true to its spirit and core values. This last aspect holds great importance because one of the great difficulties of country branding lies in the complexity and diversity of its various audiences.

To illustrate, the development of the Hong Kong brand had at its core the 'hoh yi' or 'can-do' spirit which was discerned through research undertaken with 250 CEOs and opinion formers (through one-to-one meetings and seminars) and workshops carried out with 18–22-year-old Hong Kong students. One positioning that was derived from this core value was that of 'Hong Kong — Boundless Possibility': a concept that was thought to be aspirational, inspirational and challenging. This positioning was translatable — 'in business and for pleasure, Hong Kong offers a unique environment for making the most of every precious moment. Plug into the energy and adrenaline of this special place and its special people; unlock the imagination and enjoy a unique zest for life.'. Another positioning concept that was considered was 'Hong Kong — the international word for yes'. Here this proposition translated into 'Hong Kong represents the impossible dream made concrete. "*Hoh yi*", the "can-do" spirit of the people is at its heart. For business and for pleasure, dreams become reality in Hong Kong.'

A POSITIONING DIAMOND

Developing a positioning is difficult, but the use of a positioning diamond (see Figure 3) helps make the task easier. The positioning diamond has at its corners four essential factors that need to be considered for each country:

— macrotrends
— target audiences/stakeholders
— competitors
— core competencies.

The process of using this positioning diamond is invaluable because it forces you to assess the priorities of your branding exercise, to think broadly as well as to narrow the parameters governing the development of your country's brand.

Macrotrends

Macrotrends affecting a country include socio-economic trends, politi-

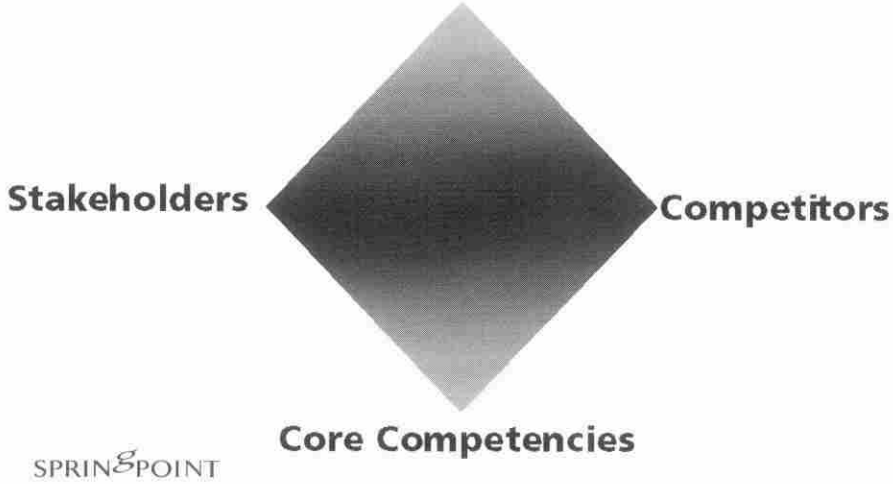

Figure 3 A positioning diamond macrotrends

cal and legal status, population trends, cultural and lifestyle trends, emerging industries etc. The study of these macrotrends places the current situation of the country into proper context and helps to highlight the issues the country is facing and could face in the future. Examples of questions that arise from a macrotrend analysis are:

— is the economy of the country being dominated by traditional economic sectors and does it need to be diversified?
— is there a labour shortage in the country and why is that so?
— are people moving out of the country or state into neighbouring states and what are they pursuing? Why are they leaving?

Target audiences/stakeholders

A country has many target audiences, the list could include:

— present and future residents
— investors, both home and from abroad
— skilled workers
— students
— retirees
— tourists, both home and from abroad as well as local daytrippers
— media and opinion formers
— travel companies/travel agents/airlines/transport companies
— service industries
— foreign governments and foreign investment/economic development bodies
— export purchasers.

These target audiences are not mutually exclusive — ie a student of a country could become an investor in 20 years' time, and the tourist of today could become the export purchaser tomorrow. With these overlapping categories, it is important to develop a brand that has holistic potential and will not alienate one stakeholder group at the expense of another. At the same time, the precise sub-positionings for each stakeholder group, although each is subtly different, should be compatible and mutually supportive when taken together.

Focusing on target audiences also forces a definition of the scope of the branding project. Who is the country trying to attract and how do they view the marketplace? Depending on the who, what is the message that the country is trying to convey?

Competitors

It is important to realise that the competitive country/region set would in turn depend on the target audience that the country brand sub-positioning is focused on. Obviously a region such as Hong Kong, which is trying to market itself as the financial centre and company headquarters location of choice for Asia, would not be competing against a country like Vietnam. Vietnam is unable to pose a credible competitive threat because it lacks the infrastructure, the rule of law and similar levels of corporate governance and transparency. Hong Kong, in this regard, would be competing against countries such as Singapore and possibly a city such as Shanghai. Therefore its brand in this respect would have to be mapped against the brands of these two places. On the other hand, some other cities in China that are focused on trying to attract companies such as Hewlett-Packard to site their chip manufacturing plants there would be competing against incumbents such as Taiwan and Singapore which are perceived to have a highly skilled efficient workforce but whose labour costs are rising, and also countries like Malaysia which are trying to improve the skill level of their workforce.

It appears that the consideration of the competitive landscape is a complex process, but it is no different from a competitive audit that needs to be undertaken by a corporation trying to enter a new market with a product or service. In fact one may find that information on competitor countries and regions easier to come by, as these would be in the form of publicly available statistics and information.

Core competencies

For the purposes of this factor, this paper will discuss two broad types:

— physical assets
— human assets.

Depending on the country, however, there can be many more.

For example a country such as Botswana is well known for its huge deposits of diamonds — a physical core competency linked to the fact that Africa is one of the oldest land masses on the earth and Botswana happens to be sitting on that part of it which holds diamonds. Such a core competency gives the country a specific advantage that cannot be replicated by another country unless the same physical conditions of pressure and geographic changes and tectonic movements have reoccurred elsewhere.

If suitable, such a core competency can be brought to the fore with a country's brand because it is a differentiator and also a substantiator. Witness Switzerland and its legendary hold on 'banking confidentiality' and 'superior-quality asset management' — associations that are true because of Switzerland's expertise and long-standing tradition in successfully safeguarding and increasing private assets. Or its association with being 'the country of makers of precision time pieces', deeply rooted in its long history of

clock and watch making which began in the middle of the 16th century in Geneva. These are unique points of superiority that no other country will be able to copy.

In terms of human assets, part of the branding exercise must involve searching out 'exceptional individuals', because these are the individuals who will have the potential to place their country on the world map irrespective of population size, economic wealth or political power. Exceptional individuals and their exceptional stories have the potential to bring a country's brand alive and make it more real to audiences worldwide for the simple fact that people relate to people. It is no different from the fact that the Virgin brand derives much of its recognition from the exploits of its chairman, Richard Branson. The potential in terms of country branding is that much greater because the focus is not necessarily on leaders but can be on otherwise ordinary people who manage to achieve exceptional results — for instance, long-distance runners from Kenya, gymnasts from Romania, musicians from Cuba or past explorers from Scotland. One must also not underestimate the value of stories — traditionally from tribal times the main method by which the history of a race or culture is preserved. Not only a good source of values for the core of the country brand, the life stories of exceptional individuals can form a store of real 'myths and legends' to be told, retold and remembered about a country.

A CITIZEN MIGRATION

We often talk about customer loyalty and employee loyalty. What about citizen loyalty? Today's world is a globalised one, and with the falling of trade boundaries and the forming of transnational organisations such as the European Union, NAFTA and other similar bodies there will be fewer and fewer barriers to the movement of workers. Yet workers are only one segment of the population — what about where retirees' want to live out their retirement years, purchase their retirement homes and spend their retirement wealth? What about intellectual talent — 20 years ago, a Swede interested in business administration would consider the Stockholm School of Economics his or her only real choice. Now it is just one out of more than 1,000 business schools in the world and such a student would be choosing between Harvard Business School in Boston, London Business School, IESE in Barcelona and even INSEAD's Singapore campus. His decision as to which school to attend would also impact on the city where he would subsequently invest his time and talent. Younger students are also another important segment of the population. The universities of choice for UK students used to be Oxford and Cambridge, but increasingly it is now perceived that American universities have an environment that stimulates more entrepreneurship and creativity and these universities have now become the institutions of choice for many UK scholars. Again, where these scholars eventually begin their careers will have an impact on the relevant countries' development.

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. This is a competi-

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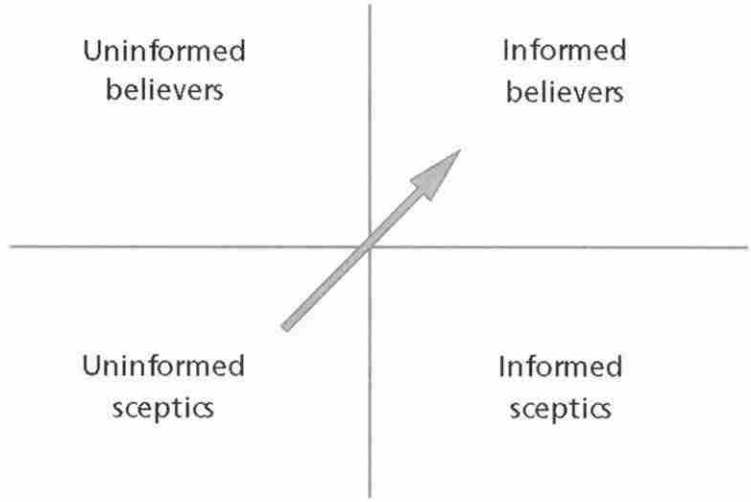

SPRINGPOINT

Figure 4 A citizen migration

tion for limited human resources and skilled labour that is ongoing among all 185 countries of this world. Take New Zealand or Canada for example. New Zealand has a population of 3.8 million (far exceeded by the number of sheep) on a total land area of 270,000 square kilometres. Canada has a population of 31 million inhabiting a land mass of 9,900,000 square kilometres (the second largest country in the world). Contrast this with the USA, which is almost the same size at 9,600,000 square kilometres but has a population of 275 million. Canada and New Zealand are countries that need to boost their populations in order to sustain continuous economic growth — although the countries may be blessed with rich natural resources, without the necessary workforce there will be no hands or minds to sow and reap.

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 realisation of the country's brand because, like it or not, each of the country's citizens becomes the living embodiment of the brand. Their actions and behaviour abroad will also have an impact on the country's brand.

Building citizen loyalty can be seen as a migration of hearts and minds (see Figure 4), where the aim is to move citizens who are 'uninformed sceptics' to become 'informed believers'. Just as it is possible to find 'sceptics' and 'believers' in an organisation, so it is also possible to find these segments within a country's population. Sceptics are those who are becoming disillusioned with the country's institutions, policies, culture and activities. If left alone, sceptics with their absence of pride in and commitment to the country and their active doubting of its potential will damage and undermine the country's brand, and they might

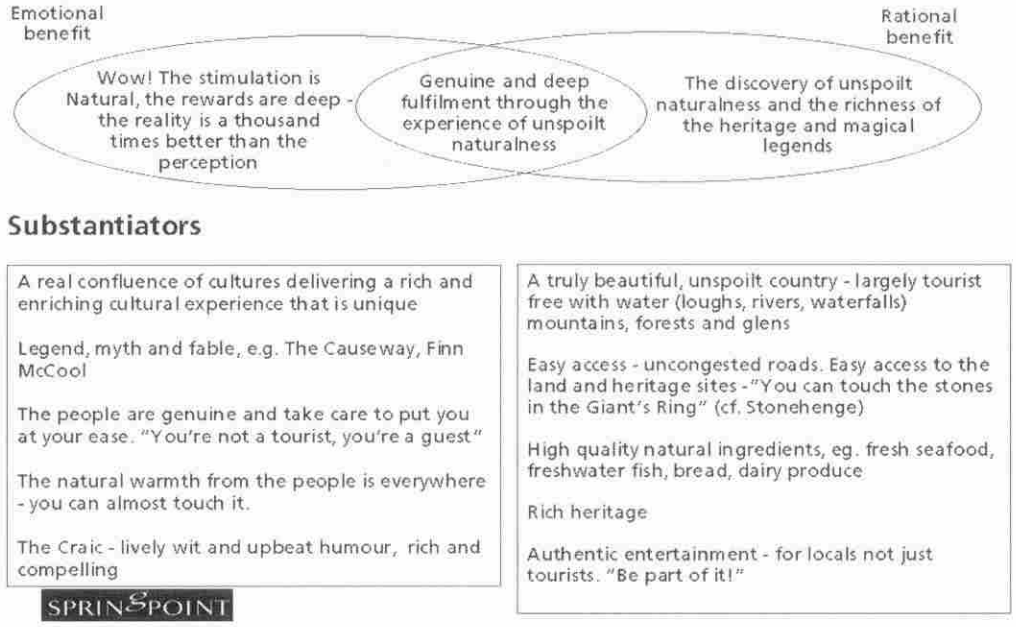

Figure 5 Delivering on Northern Ireland's promise

even migrate to greener pastures. In order to stem the 'brain drain' and also to encourage these individuals to contribute to nation building efforts, they need to be converted to 'believers' through country branding.

How can this be achieved? A promotional campaign targeting the citizens may be implemented, but the most important thing is for the branding program to have credibility. For this it may have to be supported by real physical infrastructural changes, promotion of strategic industries through tax incentives, attraction of venture capital, encouragement of creativity, and getting citizens who have an international profile and opinion formers to be brand ambassadors.

Finally, much of what is known about a country is through word of mouth — increasing the number of informed country believers is similar to creating a pool of brand ambassadors who will promote the country to whoever they meet, wherever they are. Migrating citizen loyalties is a challenge that countries should undertake — people have a finite amount of loyalty to give out, and their family and friends take first cut. Where does the nation fit in?

DELIVERING ON THE COUNTRY BRAND'S PROMISE

There are two aspects of delivering on a country's brand promise. The first is ensuring that the country is actually able to substantiate what its brand is saying about it. For example, in Belfast Springpoint developed a chart to summarise the core proposition, 'Touch the spirit, feel the welcome'. In every case, there were real substantiators that visitors could not avoid experiencing to ensure the promise would be met (see Figure 5).

It is important to realise that this is not a clear-cut rule of only branding

what is already there — in most cases it is a matter of seeing the potential of a country's competitive advantage and both branding and physically developing and building it at the same time. In some cases, it may be a matter of crafting a proposition that can be launched now but that can grow with the country as various initiatives get it closer to delivering on true relevant differentiation.

The second is using the country's brand post-development to discern what other activities, industries or projects the country should jump-start because they complement the brand. The truth is that a country's brand, if properly developed, is based on relevant macrotrends, core competencies and the country's competitive position. Therefore it can be a guide to what the country should promote. For example, the positioning 'unspoilt naturalness' developed for Northern Ireland could lead to the conceptualisation of activity-based holidays such as pony trekking and walking — with different locations around Northern Ireland specialising in a different activity. There is definitely potential for the private sector and entrepreneurs to use the positioning as a springboard for commercial ventures that in turn continue to reinforce the country brand and help support the public sector.

CONCLUSION

The author has never believed a company's corporate identity or corporate brand to be a panacea. If a brand is changed or built only on the surface and is not supported by deeper changes and fundamental beliefs within the organisation, it will not survive. A country's brand is no different, and the implications for country branding may be even more severe. The government of a country has a responsibility to look after the well-being of its citizens. Investing in developing a brand that will bring in tourist and investment earnings will no doubt do this, but it must have the support of competent government, sound policies and value-producing development projects.

Brands are now a counterbalancing force of good against the potential negative use of power of multinationals — companies have to ensure that they meet the public expectations created by their brands. Will this be said in the future of governments too — that they will be pushed to greater accountability by the strength of their countries' brands?

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