NATION BRANDING AND ECONOMIC DEVELOPMENT: FINDING THE MISSING LINK

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Abstract

Due to the growth in the whole world, countries are trying to maintain their imitable identity by promoting their distinctive features which consists of perceptible and imperceptible elements. These features can be linked with nationwide uniqueness, which integrates place identity. Considerable research augmented in recent years in the field of brand origin and its relationship with economic growth or development, but most of these studies missed out different dimensions of this relationship. For this purpose, an extensive indulgent is required to know about nation branding and its impact on economic growth of the country, especially with context to developing countries. In this article we try to bring in light nation branding, as a dimension of nation branding.

Key words: Nation Branding, Economic Development, Place Identity

Introduction

Many researchers have contributed to the place branding literature, few of the notables include (Thakor & Kohli, 1996) who introduced us to the concept of brand origin. Brand origin is defined as “the place, region or country to which the brand is perceived to belong by its target consumers.” In the same way, (Chisik, 2003) made an important contribution by moving the dimension of country of origin research towards the more important and specific area of nation branding. Similarly, Askegaard and Ger (1998) argued that the countries should heavily use the set of connotations and typecasts attached to them as compare to the approaches which are used for the branding of products. They also proposed the concept of contextualized product-place image which describes the effect of cultural context on to the consumers’ product evaluations.
Place branding, nation branding and country branding have emerged as rapidly growing research fields in our times. The literature in these fields is piling up which shows that the area has attracted a lot of attention of the researchers. These researchers are providing valuable input and creating a whole new world of knowledge in this domain. The kind of competition countries are facing now a days, in domestic as well as global markets, stimulates them to apply more and more of product branding techniques to places and nations. Now countries are controlling and managing their brands in order to attract tourism, foreign investments and exports (Anholt & Simon, Brand New Justice: The Upside of Global Branding,, 2003). The countries also understand that in order to get more shares of these resources they have to consciously adopt the branding techniques (Kotler & Gertner, 2002) (Olins W., 1999) Has described that in a few years’ time countries will be managing their own identities and the process will be considered perfectly normal. He also argues that in those times a successful brand will be considered as a national asset of the country. In the same way, (Van Ham, 2001) has explained the situation of an unbranded state as a country which finds it difficult to attract political or economic attention from the rest of the world. He further discussed that the reputation of a country along with its image plays a vital role to develop a state’s strategic equity.

Fundamental concepts and advancement of nation branding

Nation branding is relatively a new concept and still going through its infancy stage, still it is related and many time confused with other already established terminologies and concepts of marketing, branding, international relations, political science and many other disciplines. Before we discuss the nation branding link with economic growth it is better to first understand the similarities and differences between Nation Branding and other related jargons. Place branding or nation branding, is evolved from the contributions of many other fields. The major contributors are marketing, branding, international affairs and public diplomacy. Because of this amalgamation the concept itself is confused with its originators. Generally it is known as the application of branding concept to various geographical entities, which can also include areas, cities or towns and which faces the same challenges as the commercial brands usually encounter with, but more specifically with regards to stakeholders engagement. The review of the literature reveals a significant gap regarding the term “place” application and the utilization of the associated vocabulary which includes; region, city, nation, location or country. While in tourism, the word destination is sufficient to indicate a place, such is not true in rest of the disciplines.

Nation branding and nation brand

The nation branding concept has been defined in many ways. It has some implicit as well as explicit definitions. It has been defined by considering the nation as a brand to the consideration of brand management techniques applied by a nation. The definition has been discussed from the ontological perspectives and from the etymological perspectives, in the literature. While describing the word “nation”, sometimes it is referred towards A Country, A State, or The People of a Particular Area. Wilder (2007) has defined this term as a social construct and as a unit that has an essence of unique characteristics which are woven intrinsically. On the other
hand, the definitions mentioned in the dictionaries, like Oxford English Dictionary, defined this word as “a nation refers to ‘a large body of people united by common descent, culture or language, inhabiting a particular state or territory.” The other most referred and authentic definition is of The United Nations (UN) definition of “nation”. The UN defines it as “a human-centered state”. Irrespective of how differently these terms are defined in different disciplines and areas, in the literature of nation branding, and especially in the current study, we will be using the terms of state, nation, and country interchangeably.

But, this approach also invites many criticisms on it. Guerrini (2005) believes that nations and countries are not the same. Where he defines countries as “cartographic spaces inhabited by groups of people”. And on the notion of nation branding his viewpoint was that it should have a single national idea or nation building idea which is backed by collective identities that are seen as single, united theme and also represents the part of the resources that from the social bond. From another angle, it is also argued that since the social concept of the nation consists of the people sharing key elements of a shared culture (norms, values, beliefs, institutions) the image of the nations is also very much attached to it (O'Shaughnessy & Jackson, 2000). So, it could be stated that the identity of the nation significantly contribute in national branding and we can take the viewing of the nation as imagined community as one of the key issues in national identity (Dinnie, 2008). (Papadopoulos & Heslop, 2002) also applied the theory of categorization in the taxonomy of nation image or country image. The globalization has also its impact on nation branding. In today’s global village there are many products which are produced and designed in various countries but carries the identical brand name. Because of this reason, the country of the brand which is producing these products has got more significance in the eyes of the consumers (Leclerc et al., 1994; Samiee et al., 2005). This also helps the consumers in a way that they can categories the countries having a particular type of national image in certain categories. Considering the importance of national image and nation brand, (Jaffe & Nebenzahl, 2001) discouraged the idea of categorizing different countries as being developed, developing or under developed. They believe that this thing will lead to misconceptions and will affect the image of that country and its products in the mind of the consumers. Florek (2005) was of the view that the concept of the strong nation brand can be used to increase the wealth of a nation which is generally a major and long term goal of the countries.

Simon Anholt in 2003, being the pioneer of this field, argued at many places that the nation branding concept can be used to achieve national competitiveness through developing and increasing the nation brand equity. All they need to do is aligning their efforts to improve the identity and image of the nation through the application of strategic management. Anholt (2007) defines the concept of nation branding as “the systematic process of aligning the actions, behaviors, investments, innovations and communications of a country around a clear strategy for achieving a strengthened competitive identity. It can be as modest as linking the promotions, or it can be a decades-long policy of coordinating all internal and external national strategies into a coherent, planned process (Anholt, 2007).” Therefore, we can assume that this research considers the process of nation branding as a systematic and planned activity. The strategic approach behind this process will link the economic development of a nation with
the improvement and creation of a nation’s realities and its identity.

Dinnie (2008) found out that in order to compete more effectively in the global economy, the countries started using brand management techniques. The popularity and early success of such techniques gave rise to continue these practices. Anholt (2008) also argued that the governance, planning and economic development of a country is concerned with its use of brand management techniques. But all the brand management practices cannot be copied or replicated for branding a nation. As Dzenovska (2005) pointed out that there are particular ways and specific practices which constitute the nation branding. And such practices can be found in the nation branding strategies of those countries who are actively involved in the process. This is why Anholt (2002) has referred to the importance of internal branding aspects and argued that without the thorough and comprehensive research the branding activities should not be executed. He believed that without the complete support of the people such activities will not be successful, so these projects should be backed up by the people and they must live the brand. Similarly, the fact cannot be ignored that the perception of a country in the outer world is dependent on the capabilities of that nation which is generally dependent upon its reality (De Gouveia & Plumridge, 2005). So this should be very much clear that nation branding is not a tool to create something which was never there. As it is true for commercial brand management theory that a good product is always in the heart of a great brand, similarly, all those arrangements and processes that are being made for the support and development of nation branding will revolve around the national reality. (Walsh & Wiedmann, 2008). It clearly means that if there is no attractive reality than the branding efforts will not bring much for the country. It also strengthen the core idea behind the advertising that advertising can bring the customer to your door, but whether the customer stays with you or not, depends upon the product.

Country of Origin

Country-of-origin (COO) is an area which has provided the basic principle for the studies of nation branding. Researchers from marketing, global business and international studies are working on this phenomenon since decades. We can find a lot of literature on COO, discussing the issue from various dimensions and aspects. (Papadopoulos & Heslop, 2002) Peterson & Jolibert, 1994). A study conducted by (Usunier, 2006) covering the area of 1965 to 2005 provides the chronological perspective of the concept. The study reveals that country of origin concept was first discussed and got popularity in the middle of 1960. It was Schooler (1965) who first identified the importance of the topic and undertook the research in order to test the preconceived images which are caused by the national origin of the products. The results of the study showed the unique results, highlighting that the biases of the customers have a political and economic phenomenon. It also revealed that the perceptions which the consumers of a country have about the people of another country affect their perceptions about the products of that country. These findings started a new discussion in the field of consumer behavior and added another dimension to the factors which can affect the consumer buying intentions. In 1966, Reierson come up with some findings which further strengthened the results of Schooler (1965). He found out that the national stereotypes has much stronger effect on consumer attitudes than the opinions about the specific products. Continuing the stream, Nagashina
(1970) has worked on the “made in” image. He argued that the businessmen and consumers attach a stereotype, reputation or a picture to the products from a specific country, and that he named as “Made in” image.

Following the same pattern, White and Cundiff (1978) studied a different perspective of country of origin effect. First, they investigated that the buying decision is substantially affected by the perceived quality. Than they found out that a built-in stereotype about the manufacturer of certain countries, whether positive or negative, affect the perception of product quality. The results of their research were more like the recommendations for the manufacturers to locate their production plants accordingly.

Roth and Romeo (1992) came up with a different perspective. Instead of studying the impact of country of origin on consumers’ perception about the product, they tried to find out the impact of a country’s products and its marketing efforts on the consumer’s perception about that country. They concluded that, based on the prior experience of a country’s products and marketing activities, consumers form an overall perception about that country and that is called country image. Roth and Romeo (1992) studied the COO phenomena from many other angles. They introduced the concept of “Fit between country image dimensions and product categories.” Here country image dimensions were workmanship, design, prestige, and innovativeness. They believed that if the product category has a good match with the country’s image, the customer purchase intention will positively respond and company should use and promote the COO concept. In this way they also suggested guidelines to multinationals for the selection of their production facilities. O’Shaughnessy & Jackson, (2000) studied the impact of country of origin on high involvement product category. They found out that the concept is very much applicable to this product category and even the business, while buying from abroad, give more weightage to this factor. Another study was carried out by Chinen, Enomoto and Costley (2000). This study tested the relationship between perceived product images in conjunction with political images and consumers’ purchase intentions. Harzing and Sorge (2003) have studied the effect of COO on multinational companies. Their findings further reinforced the existence of unique country patterns as they concluded that the control mechanism remain firmly and primarily impregnated by the country-of-origin.

Nation branding and Country-of-origin

Nation brand and nation branding have attracted much attention of the researchers in the recent years. Now, the researchers are studying various dimensions of the concept and exploring the issues and the requirements of building the notions in this regard. Many researchers are of the view that the studies in this regard, especially the Product-country images (PCI) studies are not explicitly measuring the effect of the image of the original countries but rather their focus is product (Papadopoulos & Heslop, 2002). Although emphasized by many researchers, creating a country of origin effect is not the only mission of country branding, but most of the researches took it in that way. Amine and Chao (2005) have discussed this concept and argued that the image of a country can be influenced through the nation brand, which is created through nation branding activities. Nation branding, in a broader sense, helps to influence and create a
favorable environment for the products of a country to compete in the global economy (Gudjonsson, 2005). In recent years the researchers have tried to study the country of origin from a more practical angle. They found out the importance of maintaining the country image along with the image of industries, companies and the products. Abimbola (2006) discussed the opportunities which a national brand can provide to its country, especially in the developing economies. He believed that such brands can open a lot of doors for the other brands of their country in the international market. (Jaffe & Israel, 2006) had the same point of view. As discussed in their study they argued that the face of the nation is not a fixed image, with the help of branding techniques this image can be modified or influenced and can be regenerated.

Loo & Davies (2006) were of the view that the product brand and the nation brand complement each other. In order to increase their competitiveness, the product brands take the help of nation brand. Similarly, the nation brand gets the brand leverage from the product/corporate brands to improve their image among other nations. Researchers also missed a very important aspect of country of origin. As Hamlin and Leith (2006) pointed out that although the concept of country branding has been studied from various angles, the impact of country of origin was never tested for low involvement product category in an actual purchase situation. But the studies confirmed that the consumers showed a strong and stable effect when provided with the country of origin cue. Since, this strong relationship was found in many researches and was tested on various product categories, it can be argued that the nation branding can be used as an umbrella brand where all the corporate and product brands can be benefitted in the international market by the differentiated and positive image created through this Nation Brand (Fan & Ying, Branding the nation: What is being branded?, 2005).

Despite the fact that nation branding is a big concept with all the necessary resources backing up the idea, still it faces many challenging difficulties which need the researchers’ attention (Fan & Ying, Branding the nation: What is being branded?, 2005). The very first problem is the definition of the concept. To date, national identity could not reach to an agreed upon definition. Another problem is the consideration of the time dimension for the country brand. A primary message from the country which can be used across the board by all the industries is hard to develop. Getting a consensus on such message from all the stakeholders is another issue. At the end, the audience for such campaign consist of external as well as internal audience. The message which satisfies the international audience must also delight the other stakeholders.

Since the effect of country of origin on the consumer buying intentions was confirmed by many researches, it was argued that the image of the country should be treated as a valuable asset and must be treated in a way as the goodwill of a company is treated in corporate world (Kotler & Gertner, 2002). Jaworski and Fosher (2003) also shared the same point of view. In their opinion, a country’s core values and its spirit has a lot of impact on nation branding. They also argue that these values does not only effect the corporate brands but also creates a kind of brand cycle which effect nation image, country of origin and nation branding. Such activities also have an impact on the purchase intentions of a consumer as well as the brand differentiation and product positioning in the mind of the consumer. (Anholt & Simon, Brand New Justice: The Upside of Global Branding, 2003) was of the view that the developing nations can use country
branding techniques in order to attain economic growth. He argued, with the help of theory and practical evidences, that if the concept of country of origin is used in a more creative manner by the emerging markets, it will positively affect the exports of the country as well as helps in achieving country branding goals.

**Place Development**

“A focus on the ‘Made-in’ images of products”, (Papadopoulos, Nicolas, Louise, & Heslop, 1993) added another dimension to the topic by highlighting the importance of “places” as a marketable entity. According to (Papadopoulos, Nicolas, Louise, & Heslop, 1993) the products or services a country offers to the world are not the sole ambassadors of their global image. The “Made-in” labels do carry a lot of weightage but the countries themselves can be marketed to attract the attention of tourists and investors. The countries use their locations, which may be cities, states, regions or provinces, for their economic development that results from an increased tourism and foreign direct investments.

Combining place branding and economic development notions within a strategic marketing perspective were first introduced by Rin, Kotler and Haider (1993). Many researchers have studied nation branding in the context of branding and place development. The reason for their belief was the earlier studies which emphasized the relationship between competitive advantage of a nation and its place and economic development situation (Porter, 1998); Castells, 1996; Clark, 2002; Castells & Susser, 2002). The market conditions can also correspond with the place. The basic question that in the face of the fierce competition for tourists and investments, how a place will adjust itself and keep surviving. The answer to this question was suggested by (Kotler, Philip, Donald, Haider, & Erving, 1993) by analyzing the five time-honored approaches to address the issue. They, along with other researchers, were of the view that the place development faces a different kind of challenge where on one hand it tries to coop with the changing market trends and on the other hand tries to protect what is real, more specifically its historical traditions, culture and values (Pryor & Grossbart, 2007). The five approaches, as mentioned earlier, used by (Kotler, Philip, Donald, Haider, & Erving, 1993) states that, “the basic idea of community development and urban design is for the people currently living and working in the community; urban planning 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.”

By analyzing all these approaches, a simple and unanimous conclusion can be drawn that if place needs to be successful it has to be treated as a product and all the business tools and techniques used by business (marketing, planning, branding) should be applied on it. And it is not restricted only to business studies, economic planning and development has also suggested such strategies which can be used to build a competitive advantage for a place (Borja & Castells, 1997; Sanchez, 1997). In the similar context business practices like strategic market planning can be used as a comprehensive approach for the incorporation of perspectives leading community development to economic development.
Kotler, being the guru of his filed, claimed that anything can be marketed, with place not an exception (Kotler & Keller, Marketing Management, 13th edition, , 2008). He also mentioned that when it comes to economic development activities, place also apply business-like and market-oriented strategies, which has made it a progressive, and assimilating process to link the competitive advantage of a place to the goals of its economic development (Kotler et al, 1999). Ashworth and Voogd (1994) were also of the view that in order to satisfy different groups of consumer with different demand sets, place marketing should also take into consideration the resource production which is a set of marketing measures (spatial/functional, promotional, organizational activities). (Kotler, Philip, Donald, Haider, & Erving, 1993) discussed the same with more emphasis on attractions, infrastructure, image and quality of life, and most of all people. He believed that for successful strategic place marketing these factors play an important role, along with the correct identification of target markets, and other marketing factors (Kotler, Philip, Donald, Haider, & Erving, 1993).

Place marketing is not a onetime activity. Neither can it be done in isolation without the long term perspective and keeping all the parties on the same page. Rainisto (2003) argued that the strategic decision in this regard is to initiate place marketing with a systematic approach. And to develop a marketing program which is acceptable by the all the parties involved and which depict the shared goals of this program. He further strengthened his view point by presenting a conceptual framework which links the success factors of the place marketing with the practices’ perspectives. (Rainisto, 2003). In this model Rainisto (2003) divided the practices into three sub-groups of events and named them as events in place marketing practices, events in the macro environment and the events in the network. Leadership, public-private partnership, planning group, vision and strategic analysis and place identity and place image are considered as five success factors. These factors were placed inside the prism of this framework to represent the capabilities which can be influenced by the place.

Continuing with his suggestions (Kotler, Philip, Donald, Haider, & Erving, 1993) explained that in the new marketing era, place is facing new challenges of strengthening the capacity in order to adapt themselves for the ever-changing marketplace, analyzing and capitalizing the new opportunities from the environment, and sustaining the vitality to attract the target audience. They also believe that strategic market planning could be of great help in this regard, which can coordinate between the dynamic opportunities available in the macro environment with the objectives and resources of the place marketing. There is also a condition applied on strategic planning process that it can only work in those societies where there are particular departments or laid down procedures exist for the place marketing decisions (Kotler, Philip, Donald, Haider, & Erving, 1993).

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Arabian Journal of Business and Management Review (OMAN Chapter)
Vol. 5, No. 5; December 2015

Nation branding is not a new concept anymore, but still the researchers, academicians and others who are concerned with the field could not reach to a mutually accepted definition of this term. Never the less, the concept of nation branding is understood and applied in the perspective of place development or more commonly known “place marketing”, sometimes consciously and sometimes unconsciously. However, the researchers of this field have identified many similarities and differences between the concepts of place branding and marketing and this evolves into a whole new field of nation branding.

It is often argued by the researchers and practitioners of nation branding that in order to win the competition for the scarce opportunities like valuable human resource, multinational companies, foreign investments and tourists and also to improve exports in other than the traditional target countries, the countries have to make some conscious efforts for understand and apply the tools of strategic marketing management and branding. As the positioning is considered one of the most important and primary activity of marketing management, strategic marketing management performs the same role in country branding, where in order to establish a country’s specific position in the international market it manages various tasks like creating an image of the country and targeting companies, tourists and factories. And since it all starts with a positioning, as soon as a country gets a favorable position in the mind of its target market, it actually come in to being and only than it gets a chance to be in the competition where customer will compare it with other options and may select it for a try (Rainisto, 2003).

Unlike the other marketable products, place needs to make its value addition more visible to its customers, which required a well-developed system and a consistent approach. Strategic image management (SIM) in the perspective of place marketing, can be considered as one of these systems. It can build and manage a desired image in the minds of the potential place customers, segment and target the particular target market, devise and depict the attractions of a place to position its image at the right position and at the end communicate this value to the specific audience (Kotler & Gertner, 2002). However, the researchers have also found out that considering image building and brand management as one activity could be quite misleading, where the former constitutes the core of the latter, but do not fully replace on decrease the importance of it (Chisik, 2003) Konecnik, 2004). They also argued and unveil that no serious efforts have been made to differentiate between the functions of image building and brand management, especially when it comes to brand identity. On the same lines, Hankinson (2004) have discussed the role of marketing as to promote the product image in order to achieve economic and social objectives and the most of the literature on place marketing highlights the brands as perceptual entities.

(Papadopoulos & Heslop, 2002) has analyzed the concept of place marketing from a different perspective and concluded that, whether consciously or unconsciously, these functions are performed by the concerned in order to promote the exports or to increase foreign direct investment or tourism, which ultimately have an impact on both of the former factors. He also studied the role of government departments in building the image of the country and working on place branding and concluded that public and commercial parties are complementing each other’s effort and reaping the benefits together (Papadopoulos & Heslop, 2002).
Anholt (2004) analyzed the scenario from a different perspective and he argued that we should not confuse country branding with tourism promotion. In his viewpoint, country branding has many aspects and promotion of tourism is only one of them. These other factors, as he discussed, were; international promotion of a country’s branded/unbranded products for export, attracting skilled and unskilled workers for immigration, taking steps to improve the international airlines business, increasing foreign aid and investment in the country, supporting the process of economic and political integration and developing themselves into commercial organizations such as the European Union (Anholt, 2004).

In another study of (Anholt & Simon, Brand New Justice: How branding places and products can help the developing world, 2005) he described that place branding cannot be confined or restricted to few of the visual design elements i.e. corporate image, slogan, logo, brand name; but it also involves more serious and strategic areas of corporate strategy, consumer and stakeholder motivation and behavior, internal and external communications, ethics, and purpose. He further explained that the approach for place branding should be harmonized and consistent and it should communicate the value of all the products, brands, and sub-brands and should monitor and governs all the activities which are devised and executed for the same purpose (Anholt & Simon, Brand New Justice: How branding places and products can help the developing world, 2005).

In the light of the discussion so far, we can safely state that Place marketing along with the Place branding, is actually an application of marketing and branding techniques and strategies onto the social, political, economic and cultural development of countries and regions, sometimes also to cities or states. But, the other researchers denied this definition and believes that this statement is insufficient for the development of place branding theory and it covers only the discipline of marketing of places (Pryor & Grossbart, 2007). According to their definition of place branding it is “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” (Pryor & Grossbart, 2007).

If we categories place branding according to their different objectives and the operations conducted by their producers, we can have at least three different types (Kavaratzis & Ashworth, 2005). Number one is geographical nomenclature, where a country, region or place becomes a name for a particular brand or, in some other situations, becomes a generic name for a manufacturing process. Number two is the combination of product and place, where the features or qualities of a local product is combined with the place attributes and both gives leverage to each other. Number three is the pure use of place attributes to establish and promote a significant place identity by using the place management techniques and then using this image to affect the consumer behavior.

**Nation branding and public diplomacy**

Public diplomacy is a coined term which was first introduced and got popularity in United States during the era of sixties. The purpose was to focus on the international relations between
one country or an association of countries like European Union and the citizens of another society. The concept was thoroughly described by Edward R. Murrow Center in 1965, so it became a tool to form and influence public attitudes and to devise the foreign policy. The US Advisory Commission stated in their report on Public Diplomacy in 1991 that it is an inherent attribute of the democratic societies to form the public diplomacy which encourages the open exchange of ideas and information among the members. The foreign policy, although, will revolve around the global mission, and the national interests, ideals and a leadership role in the world will remains indispensable.

In order to make it more people oriented, the public diplomacy concept was redefined as ‘New Public Diplomacy.’ The researchers then stressed that the focus of new public diplomacy should be relationship building and it should not be primarily policy-driven (Leonard, 2002). (Van Ham, 2001) a neo classical researcher, also argued that public diplomacy should be used for the communication with the global audiences and unlike the classical diplomacy it must transmit the value to its spectators. Moreover, he asserted that public diplomacy can also be used to build personal and institutional relationships. The famous Djerejian Report (2003) public diplomacy is explained as a tool of informing, engaging and influencing the global audience in order to promote the national interest. Another view point about the new public diplomacy is that it is related to those attitudes and behaviors of the publics which are related to the policies and behavior of the foreign governments (Wolf & Rosen, 2004).

Along with these traditional concepts, the new classical approach to public diplomacy advocates a multi-stakeholder view point. According to this theory public diplomacy is one of the key dimensions of nation branding and it involves the participation of businesses, associations and individuals who are interested in it (De Vicente, 2004). This concept also states that an effective country brand strategy should leverage the proactive public diplomatic activities and should be involved in global peacekeeping activities, raising and awarding development funds, supporting cultural networks and associations, and encouraging the language societies. The same theory is also backed up by other researchers where they described the journalists and media groups; civic activists and NGOs; professional groups; politicians and political parties; religious leaders and religious groups; academics and universities and other pressure groups as non-state actors or societal actors who can influence the foreign publics (Bátora, 2005).

There are various studies which examines the transmissions and transactions of public diplomacy. The studies revealed that these activities are not confidential in nature rather they are everyday activities which are targeted towards the international citizen and mostly comprised of cultural events and discussion panels and forums related to movies, internet, theater and tourism. Such programs also include the initiatives of creating in-house forums to meet foreign academic and business leaders, hosting different seminars and offering student exchange programs.

Leonard, Stead and Snewing (2002) were also from the same school of thought who believe that in order to make strategic relationships with the citizens of other countries we should use media channels, conferences, seminars, student exchange programs, trainings and scholarships.
The GAO Report (2003) has stated, “To inform, engage, and influence global audiences, public diplomacy is carried out through a wide range of programs that employ person-to-person contacts, print, broadcast, electronic media, and other means.” Wolf and Rosen (2004) have reviewed and summarized various approaches which can be used to engage the target audience and convey the public diplomacy message. The various approaches which they have mentioned are: engaging and motivating the nongovernmental organizations related to business, academic, research and other areas through a competitive bidding process; outsourcing the key activities of public diplomacy mission; establishing a panel for new ideas and creative talent from private sector; communicating the big ideas through debate and discussion; and using electronic and print media (public speeches, television programming, radio transmission) in order to get the public service message across.

Economic Growth & Economic Development

Economic development is a concept of economics and defined as “a multi-dimensional process involving major changes in social structures, people’s attitudes, and national institutions, acceleration of economic growth and reduction of inequality” (Todaro, 1989). Similarly economic growth is defined as “a long-term rise in capacity to supply increasingly diverse economic goods to its population, this growing capacity based on advancing technology and the institutional and ideological adjustments that it demands” (Kuznets, 1955). Although, these two concepts are often confused with each other and used interchangeably, still there is quite a significant difference between the two. As compare to economic development, economic growth has a narrow scope. It refers to an increase in the per capita GDP or appreciation in the value of all the goods and services produced in an area during a specific period of time. On the other hand, economic development is a vast concept and it deals with the macro level decision and activities related to social as well as political well-being of a country.

Economic development indicators are poverty rates, life expectancy, unemployment, and literacy rates. It is also observed that economic development in a country has a strong and positive relationship with the economic growth. Although, as already mentioned that economic development is a vast concept as compare to economic growth, yet both the concepts have their own significance. Economic growth indicates an increase in a country’s real level of national output, more commonly known as GDP, which is a dependent variable and respond to technological advancements, which themselves are the products or could add into the value of those good and services which are produced in that particular country, or to an improvement in the quality or quantity of resources (Solow, 1956). All these variables effect the total output of the economy and leads to economic growth, which can be measured by an increase in country’s GDP.

Economic development, on the other hand, is not a concrete concept. It is more normative in nature, so it depends on the softer parts of the human well being. It also considers the people’s perception about what is right and wrong, good and bad. Therefore, unlike the growth concept, the concept of development deals and appreciate the sense of morality. Although many have tried to define the concept, Michael Todaro, the most cherished economist and Nobel laureate,
have explained it in many of his writings as an improvement in self-esteem needs, increase in the living standards of the people, and freedom from oppression. These things may depend on or have some relationship with the economic indicators of the country, but they are much broader than mere financial or monetary measure. This is why the most comprehensive and widely used method to measure economic development is the Human Development Index (HDI). HDI considers those factors which affect productivity, like life expectancy and literacy rates, and could lead the economy towards growth.

Because of its broader nature, economic development creates a lot of opportunities in almost every sector of the economy including: employment, healthcare, education and environment conservation. This improvement ultimately increases the per capita income of the country.

Another issue with the growth parameter is that it does consider the importance and participation of informal economy. Economic growth ignores the size of unrecorded or informal economy and name it as black economy. While this unrecorded economy may play a vital role in the improvement of low standards of living, providing suitable shelter and proper employment, which are part of the development studies.

Economic Growth also ignores many of the environmental and healthcare issues, like; congestion, disease, pollution and depletion of natural resources. On the other hand economic development does not compromise the sustainability. It does not compromise the future needs in order to meet the need of the day. Global warming and other environmental related issues are now compelling governments to think more about development than growth.

The discussion so far concludes that economic growth is necessary for economic development but these two concepts are not the same and should not be used interchangeably. In our study we will consider the economic growth theories, as they provide the basis for economic development, but our major focus will be on economic development of the nations.

The concept of economic development was introduced by US during the post WWII era (Bjork, 1990). Till date, it has gone through many phases. In its first era, in between 1940 to 1960, the state established itself as the main contributor to the development of the country and promote full scale industrialization. This era was followed by the concept of modernization theory. In 1970s, however, the focus was moved towards the redistribution and human capital development, but this era does not last very long. In 1980s, another idea, named as Neo-liberalism, emerged which revolves around the importance of free trade and import substitution industrialization (Clark, 2007).

Although it is considered by many that development is a concept of poor nations, yet, it is a widely accepted and applied area of research across the world. It is considered as sustained, concerted actions of decision makers and societies that endorse and promote standard of living and economic growth of a specific area. It could be referred as the study of quantitative and qualitative aspects of an economy. It is related to the areas of health, safety, literacy, regional
competitiveness, human capital development, critical infrastructure, environmental sustainability, social inclusion and many other related initiatives.

The Nation Brand Architecture Model

It is important for a company as well as for a nation to communicate a coherent message of its brand. On a company level, brand work is rather straightforward, and a single department can manage so that the correct image is communicated. For corporations with divisions or multiple brands it directly becomes more difficult when the different brands needs to be coordinated. And yet they both are helped by particular products or services as bearer of the brand.

For the large corporation the branding architecture can be divided depending on what level the brand is located (Dinnie, 2008). An example in the textbooks is General Motors which is an umbrella brand with a large number of endorsed brands such as Chevrolet, Buick etcetera. These car brands in turn have their own standalone brands, for example Corvette. All the way from GM down to Corvette the branding needs to be coordinated to reach the optimal effect. This architecture can be directly transferred to Nations.

The NBAR Model (Dinnie, 2008)

The Nation brand in this case can be compared to GM, the organizations which get instruction from the government to work with certain areas of the Nations brand can be compared to Chevrolet. And the end line, such as the number of tourists visiting a city is a standalone brand and is comparable to Corvette. When drawing a blue print over a Nation’s Branding we get the model called the Nation Brand Architecture Model, NBAR-model. There is a tactical reason for a NBAR as well and that is to reach a maximal impact of the branding and optimize the synergy effect and get a long lasting effect (Dinnie, 2008). According to Dinnie a nation that follows the model is Iceland, which launched a marketing program in the US and then gave room for business to participate in an exhibition in New York. Iceland’s government also made a logotype for the exhibition without knowing that it actually follows the NBAR model exactly.

The Nation Brands Index and the Hexagon Model

The image of the country in the minds of the global citizens can play a critical part in the success of its tourism, trade, business and never the less it’s cultural and diplomatic relations with the other countries. The model states that the reputation of countries functions like the brand images of companies and that they are equally critical to the progress and prosperity of those countries.

Anholt & Simon (2005) explains that he has found that what makes a difference to the images of countries is when they become dedicated to develop new ideas and make investments in innovations. Such activities play a pivotal role in creating and sustaining a positive image of the country. Such things create a buzz in the environment, grab the people attention and most importantly, it changes the image which people carry in their minds. Being the mast of this
filed, Anholt has an experience of working with the different governments, helping them in devising the strategies, policies, innovations and investments. In year 2005 he came up with Nation Brand Index (NBI) which is used to measure the reputation and image of a country on a continuous basis. On the basis on standard parameters this index produces it’s rating for fifty countries (Anholt & Simon, Places: Identity, Image and Reputation, 2010).

Anholt performs the NBI together with the research company GfK Roper and together they produce the only international measurement of national brand. It is used throughout the world as a tracking of the effects of a country's ongoing Nation Branding. Interviews are held in 49 entries via a web panel where the respondents are asked to rate the perception of the counties images in the 6 different areas on a seven-point scale. Each index is based on three to five questions and covers: Tourism, Exports, Governance, Investment and Immigration, Culture and Heritage and People (Anholt, GfK Roper, 2009).

The Nation Brand Hexagon

The NBI measures the countries power and the quality of brand image is measured using the six dimensions in the model explained below (GfK Roper, 2012):

*Exports* – this helps to understand the products and services image in the minds of the consumers and to realize the willingness to buy the product or intention to avoid the product.

*Governance* – this measures the opinion of the general public about their government and their trust in the policies, competencies and stance over various international issues like poverty, justice, democracy and environment.

*Culture and Heritage* – depicts the global image of the country’s heritage and also review its contemporary culture which includes arts, crafts, literature, sports, music, drama and film.

*People* – this parameter measures the global reputation of the citizens of the country for their education, competence, friendliness and openness. The level of hostility and discrimination among the population will also be verified.

*Tourism* – reveals that whether people want to visit that country or not and what are different man-made or natural attractions which can draw the attention of the tourists.

*Investment and Immigration* – it measures the attractiveness of a country in the eyes of the investors and the gravity to draw students, professionals and businessmen to come and live here.

**Key concepts & Discussion**

The purpose of this study is to examine the role of country branding in the economic development of a nation with a special concern for developing countries. To understand the concept of country branding, I have reviewed the literature available on the subject. The main source of relevant information were the disciplines of marketing, branding and international
relations. While analyzing the literature in the marketing discipline it was found out that country of origin has only been considered as one factor at the firm level to understand the impact of this factor on image building and consumer behavior. The results helped the multinationals to undertake their location decisions.

The analysis also revealed that the scope of the research in country-of-origin context was limited and used only as an image building factor. On the other hand country branding, which is actually a big concept, was linked with the place development and marketing. The research on this area proves that the place could be a source of competitive advantage in the global market place and have some relationship with the economic development of that area.

Place branding is not a new concept but it is more highlighted in the recent years especially in the context of place development and marketing. Nation branding, which is considered as a unit of place branding, becomes more popular in theory and practice for being more meaningful in nature. Also, in the field of international relations the concept of nation branding is considered as a tool or the soft power which can be applied upon political entities in order to make and present them as a brand. Since, in commercial meanings, the brand is a company promise and, if fulfilled, creates a trust based relationship between the company and the customer; efforts were made to apply the same through public diplomacy, where a branding oriented public diplomacy is intended to build a trust based relationship between the international target audience and the country, and to communicate the country’s interest in an effective and persuasive manner.

The analysis of all these theories and practical evidences conclude that the nation branding is a tri-dimension concepts which consists of Public Diplomacy, Country of Origin and Place development. These three domains combine creates an internal and external effect on a nation brand. Here public diplomacy plays the role of communication department by engaging the foreign audience and creating a trust-based relationship with them. Place development will bring the change from within through the development and growth of the economic activities. And the country-of-origin will create a positive brand image in the foreign markets through branding activities.

The multifaceted personality of nation branding made it more interesting for the researchers and many of them considered it as an “umbrella brand”, where the dimensions are the sub brands or the branding activities. (Kotler et al, 1999) being a key contributor of this area argued that the umbrella brand will always effect the sub-brands and, no matter what, they will carry the trademark of their origin. Similarly, other researchers who believed in this idea of Kotler further added in the theory and suggested that the nation branding efforts should be harmonized and coordinated, because in order to achieve the fundamental goals of nation branding there should be a congruence of interest among all the stakeholders (Jaffe & Israel, 2006)

The exiting literature on the topic asserts that, because of its unified sense of purpose and a significant relationship with economic growth, holistic place branding is getting more and more attention of the researchers and practitioners (Lodge, 2006). Nation branding, whether it is used as an umbrella branding or with some other name, bring very positive results for the whole
nation. Just as the company name or association of some group bring fortune to all the brands and products of that company or group, similarly if the techniques of nation branding applied in efficient and strategic manner, it will create a synergy effect by creating a unified national image for the global market and providing economies of scales in multiple areas (Therkelsen & Halkier, 2004).

The role of nation branding as an Umbrella Brand becomes a mainstream concept and being accepted and acknowledged by the modern researchers. This reputation paves the path to introduce nation brand management as a complete new discipline. The educationists and researchers admitted that the concept of place brand management is gaining momentum as an interdisciplinary and holistic approach (Kerr, 2006). Anholt (2007) also suggested that the studies of brand management should be synthesized with other related and useful disciplines, like; export promotion, tourism, public diplomacy, trade and investment. (Dinnie, 2008) has advocated that in order to compete effectively on world stage, the countries should be equipped with superior nation brand management techniques and to excel in this field the educationist must review the possibility to converge the disciplines of disciplines of national identity and country-of-origin converge to nation branding.

Dooley and Bowie (2005) also acknowledge that in the exiting literature of this field the nation brand is considered as umbrella brand and it comprised of its various functional sectors like tourism, public diplomacy, export and investment which form its dimensions and image. Based on this review it could be conveniently concluded that nation brand is a comprehensive concept which should be regarded as “holistic branding approach” to manage the image of a country right from its name to all the related activities and endorsed dimensions of nation branding.

Although the existing research shows a vigorous trend to define the term nation brand and its role in the national development, some opportunities and limitations can be observed in this regard. One, despite the acknowledgment of nation-branding as umbrella branding, the definition is not interdisciplinary. The term is defined in all the domains separately which weakens the possibility to play any significant role in national development or creating a country of origin image. Two, we can find a lot of literature emphasizing the importance of nation brand management but when it comes to analyze its role nation branding itself we can only find that the discussion is limited purely to theory level and on technical notion. While a deep analysis of the field unveils that there is a lot of potential in this concept, if it is applied in the real situation with the notion of sustainability and strategic management approach. As a step by step process, in first stage the scope of nation branding should be clarified where it should not be treated as a marketing function, like mere advertising or promotion, which could be a part of the principal strategy but should not be the core strategy, but as a wide area of organizational strategy (Anholt & Simon, Brand New Justice: How branding places and products can help the developing world,, 2005). In stage two, it should be acknowledged that as a commercial brand is made by its elements, so is the nation brand, and the elements of this brand should be identified and the branding strategy should be applied on these elements in such an intelligent way which could help the nation in achieving its economic goals (Mikhailovich, 2006; Pant, 2008; Freire, 2005). In this way, nation branding will develop a
strategic and robust nation brand system and apply this system on all the related areas mentioned earlier.

Globalization is a reality and nation branding activities help a country to manage its image and how it wants to be remembered by the other citizens (Dzenovska, 2005). It should not be misunderstood that nation branding is mere an application of branding techniques on a nation, or that it is not only the difference of the scope. Without taking into consideration the ideology and core values of a country and amplifying them accurately to world, successful nation branding is not be possible (Gilmore, 2002). The researchers like Gilmore (2002) believes that without recognizing the appropriate place of nation branding, i.e. considering the brand strategy as the nucleus of all the other plans, getting directions from this core strategy and using it as a strategic decision making authority, a successful country brand cannot be created.

(Papadopoulos & Heslop, 2002) argues that the need for economic growth and development persuade different players, involved in the process, to make a consensus over the strategies and if they all agree to use branding as a nation’s image building strategy, than it could fetch far reaching results. Nation branding is not always a planned strategy. It is a continuous process and nations continue to send various favorable and unfavorable signals to the outer world, which shape and reshape their identities (O'Shaughnessy & Jackson, 2000). Georgescu and Botescu (2004) believes that this explanation verifies that people who share some characteristics are entitled to form a national identity as a ‘unique entity’ in terms of time and space. Jaworski and Fosher (2003) also advocates the same thing and argued that those people who live within the brands and branded system, reflect the way they perceive different things, think and act. Which means that aligning the nation brand strategy with the country’s strategy is important but not sufficient condition, the brand strategy should also grasp the spirit of the people of country and their shared purpose (Gilmore, 2002).

Working on these lines I would focus on the areas of; nation brand and public diplomacy policy, development of a nation’s brand strategy, creating country image and identity and most importantly the role of nation brand in the economic development of the country.
Bibliography


