

note 1-428-772
May 2009

Note on Nation Branding

Introduction

While nation branding is a relatively new concept, the fact that nations have been associated with certain products, peoples, and landscapes goes back to ancient times. Many have long thought that the best tea is from China, the most intricate rugs are made in Persia, and the most intense spices are from India. People have often perceived Italians as stylish, Americans as industrious, and the French as artistic and appreciative of exquisite cuisine. Around the world, Southeast Asia is often associated with beautiful beaches, Afghanistan with harsh and treacherous landscapes, and Switzerland with breathtaking mountains. These perceptions are all aspects of the countries' brands, since a major aspect of all brands is the imagery or associations that people hold about them.

As the pressures of globalization have increased the production and movement of goods, services, investment, and talent, actively managing these impressions has become imperative for nations around the world. Leslie de Chernatony, professor of brand marketing at Birmingham University's business school, said, "Nations are making increasingly conscious efforts to hone their country branding in recognition of the need to fulfill four major objectives: to attract tourists, to stimulate inward investment, to attract talent, and to boost exports."¹ De Chernatony also said that nation branding can "increase currency stability and help restore international credibility and investor confidence."² These are the goals of developed and developing nations alike, and therefore nation branding has emerged as a strategy for all countries to compete financially, culturally, and politically in the global economy.

However, if nation branding is not managed properly, it can be an expensive and even embarrassing waste of time and resources. This note, therefore, is designed to capture the best practices of nation branding strategy while also addressing some of the most common challenges in managing something as complex, diverse, and dynamic as a country's brand image.

Evolution of Nation Branding

The American Marketing Association defines a brand as "a name, term, sign, symbol, or design, or a combination of them, intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of the competition."³ According to *The Economist* series publication *Brands*



Published by GlobalLens, a division of the William Davidson Institute at the University of Michigan.

© 2010 William Davidson Institute. This note was written by Research Associate Grace Augustine under the supervision of Professor Rajeev Batra.