The Importance of Nation Brand

By Hwajung Kim (November 2012)

Introduction

Recently, "*Gangnam Style*" went viral and launched PSY, the South Korean rapper, into super-stardom. The music video has been watched on You tube more than 400 million times, the song has ranked second in both the US and the UK charts, and there have been "*Gangnam Style* flash mobs" throughout the world. It means that hundreds of millions are listening to Korean lyrics, singing along to a Korean song and following the wacky dance. Alongside the global sensation that is "*Gangnam Style*," there are other Korean successes. Kim Ki-duk's 18th film, *PIETA*, won the Golden Lion, top prize at the Venice Film Festival in September. Also Shin Kyung-sook became the first Korean and first woman to win the Man Asian Literary Prize in 2011 for "*Please Look After Mom*."

Brand Korea as South Korean Government's Cultural Diplomacy

Interestingly, these global achievements by Korean individuals were not part of the South Korean government's plan. Rather, their global impact surpassed the intended outcomes of Brand Korea, Presidential Council on Nation Branding, and South Korean government's cultural diplomacy. Back in 2009, the Lee Administration established Brand Korea, to re-mold a country's reputation using the backdrop of South Korea's relatively undervalued nation brand. Its main policy was named "For a Global Korea." For many years, South Korea has been actively involved in international

affairs. Hosting multiple global events including G20 in 2010, Nuclear Summit and Yeosu Expo in 2012.

Brand Korea's ten-point action plan is to promote Taekwondo; to dispatch service volunteers abroad every year; to adopt a "Korean Wave" program; to introduce the Global Korea scholarship; to adopt a campus Asia program; to increase external aid; to develop state-of art technologies; to nurture the culture and tourism industries; to treat foreigners and multi-cultural families better; and to help Koreans become "global citizens." In addition, South Korean government utilizes cultural diplomacy to enhance Korea's image; to sustain the Korean Wave by subsidizing the costs of production of some Korean dramas, movies, and documentaries; to spread the Korean language by establishing an additional 500 King Sejong Institutes overseas by 2015; and to make Korean food one of the world's top five favored cuisines by 2017. Further, South Korean government has worked with multilateral organizations such as UNESCO and hosted a number of international sports events including the 2011 International Athletic Games.

It simply shows that the South Korean government has spending massive amount of money to enhance its soft power to captivate a better image of Korea; yet, there is skepticism over global Korean policies wondering if those policies actually improve South Korea's reputation. Ironically, "Gangnam Style" became the biggest cultural export even though the Gangnam district has been severely criticized internally by domestic politicians and the media. An authentic picture of contemporary culture in Seoul has been projected and read worldwide through "*PIETA*" and "*Please Look After Mom*." Some of the South Korean contemporary culture on display in the movies: the feeling of loss, loneliness, hatred, superficial behaviors etc., is unlikely to be promoted

by the government, but the eyes of the world prefer watching and reading the actual culture rather than accepting the filtered and polished Korean image provided by the government.

Given the situation, this paper investigates how the concept of nation branding has been evolved and the practical relevance with culture in the context of globalization. Then the paper explores three main concepts of nation brand; first, Simon Anholt's initiative about nation brand and his commercial approach; second, Evan Potter's theory referred as nation brand in public diplomacy; last, Keith Dinnie's theory on nation brand image and identity.

The Impact of Information Age

Since the 1970, the fundamental transition had been foreseen and referred to as the post-industrial society (Daniel Bell), the third wave (Samuel Huntington), and the age of unreason (Charles Handy). In the late 1990s, this new transitional period is referred to as the Information Age by both academics and practitioners. The information age has resulted to the "Informatization" and "Globalization." Increasing computer processing power and declining computer processing price show that the information age has arrived, as Marshall McLuhan once prophesized that information technology would turn the world into a global village.

The information age has formed a new economy through new communication technologies used for furthering development of modern society. Economically, business expands into markets around the world, products are dealing with the most competitive advantage, and business and financial systems become increasingly

interdependent. Also, the new communication technologies support and drive the emerging global economy (Margaret Wyszomirski). Production in the global economy is organized in cross-border networks or value-chains, and supra-national institutions are established by states although cross-national trade and investment flows are regulated by each state. Consequently, cross-border networks supersede resource allocation by markets (Prakash and Hart).

Obviously, the new economy is knowledge-based and acquired through institutions that are shaped by culture; therefore, the cultural wealth of nations is one of the key elements to the New Economy. This cultural wealth can no longer be regarded as a measure of the vitality, knowledge, energy, and dynamism in the production of ideas. Thus the challenge for every nation is how to construct one of creative explosion and innovation in all areas of the arts and sciences (ShaliniVenturelli). Therefore globalization inevitably brings culture change, even though endless debate is underway as to what form these changes take, and whether they are to be embraced or avoided at all costs.

Along with the emergence of the information age, Joseph Nye initiated the concept of soft power. He defines power as "the ability to achieve one's purposes or goals" and "the ability to get others to do what they otherwise would not do." He differentiates between soft power and hard power based on the nature of behavior and tangibility of resources. According to his theory, power rests along the continuum: Command-Coercion- Inducement- Agenda Setting- Attraction- Co-optive Power. Joseph Nye's Term - to indicate the ability to shape what others want - can rest on the attractiveness of one's culture and ideology or the ability to manipulate the agenda of political choices, in a manner that makes actors fail to express some preferences because they seem to be

too unrealistic. Hard power is a country's economic and military ability to buy and coerce, and soft power is to attract with cultural and ideological appeal. In the information age, soft power is becoming more compelling than ever, and culture and values are significant sources of soft power.

Globalization and Culture

The impacts of globalization have made the role of culture in international relations more significant, such as the global impact of US culture is irrefutable. It boosted exports of popular culture and gained world-wide recognition for the US, this resulted in cultural imperialism versus cultural nationalism and cultural protectionism. The rapid process of globalization has the capacity to transform and strengthen cultures, and information has become increasingly important resource (Randy Kluver). Globalization makes the world more diverse by dispersing every culture throughout the world. At the same time, globalization leads to a unified global culture. Or, it may be also seen as a blend of those two - a hybrid forged from different cultures. The truth is that information technologies overcome the differences between two nations that have vast historical, political, linguistic, and cultural differences. The Internet's ability to open new doors and create new forms, new types of behaviors, patterns and culture.

It is important to understand cultural change, convergence and divergence in an era of globalization. There are multi-level and multi-layer views of culture; Individual, Group Culture, Organization Culture, Nation Culture, and Global Culture. These are reciprocal process either top-down or bottom-up (Leung et al.). The importance of national culture-broadly defined as values, beliefs, norms and behavioral patterns of a national

group- has become increasingly important because national culture has been shown to impact on major business activities, from capital structure (Chui et al.) to group performance (Gibson).

Global identity means that people develop a sense of belonging to a worldwide culture by adopting practices, styles, and information that are part of global culture; however, in parallel, people continue to hold their local identity, based on their socialization to their local culture (Arnett). Culture itself influences the level of resistance or acceptance of change and certain cultural values facilitate change, whereas other hinder it (Harzing and Hofstede). Change is first observed in people's behavior. In the long run, when the new behavioral norms are being shared by all group members, they filter down to the deeper level of cultural values as they are represented in the self (Erez and Gati's).

Current research in cognitive psychology shows that the human mind is fluid and adaptive, and is engaged in active, dynamic interaction with the environment. This conception of the human mind gives rises to a dynamic view of culture, which contrasts sharply with traditional views that regard culture as more or less stable and station. Meaning studies suggest culture is represented by cognitive structures and processes that are sensitive to environmental influences.

Literature Review: Nation Brand

Many countries, including Canada, the United States, France, United Kingdom, Japan, China, South Korea, Singapore, South Africa, New Zealand, Israel and most Western European countries have accepted and practiced nation brand. The theory of nation

brand has been accepted and practised, but not developed and criticised whether it is possible to brand a nation. Ironically, Simon Anholt, who firstly coined the term "nation brand" in 1996, criticized branding a country as vain, naïve and foolish, which creates the problem not the solution (Anholt). In the academy, nation branding study have four different sources; country of origin (Papadoplous and Heslop), place or destination branding (Kotler, et al), and public diplomacy (van Ham, Melissen), and national identity (Smith and Bond, et al,). Some major definitions of the nation brand differ depending on the focus and purpose or outcome; to remold national identities (Olins), to enhance nation's competitiveness (Anholt), to embrace political, cultural, business and sport activities (Jeffe and Nebenzahl), to promote economic and political interests at home and abroad (Rendon, Szondi), to alter, improve or enhance a nation's image/reputation (Gudjosson, Fan)

Simon Anholt's Initiative about Nation Brand

Simon Anholt underlines the importance of global brands' province because an international brand is the influence because the brand's province has on the consumer's perception of the brand. His initial idea about nation brand is "the reputations of countries(and, be extension, of cities and regions too) behave rather like the brand images of companies and products, and they are equally critical to the progress, prosperity, and good management of those places." Anholt reassures the notion of nation brand, that a country can simply advertise its way into a better reputation has proved to be a pernicious and surprisingly resilient on after the phrase has been distorted and misled.

Further, in the rapid advance of globalization, Anholt emphasizes "place branding" is

important because every place wants to enhance, reverse, adapt, or otherwise manage its international reputation since the world becomes one market. Consequently, he argues if a country is serious about enhancing its international image, it would concentrate on product development and marketing rather than chase after the cinema of branding. Also "competitive identity" should be considered because nation image has more to do with national identity and the politics and economics of competitiveness than with branding as it is usually understood in the commercial sector. However, the question remains how far commercial approaches can be affecting and responsibly applied to government, society, and economic development.

Evan Potter's Theory Referred as Nation Brand in Public Diplomacy

Evan Potter approaches nation brand within the context of public diplomacy to analyze how the federal government used the instruments of public diplomacy – cultural programs, international education, international broadcasting, trade, and investment promotion- to exercise Canada's soft power internationally. He refers to the modern age with globalization as the "communication revolutions" and consequently countries need to present a "distinct national voice," which is the fact that national success can be determined by how well the message is projected.

As such, because the entire world means that a country needs to take control of a message to attempt to influence foreign public opinion for a diplomatic purpose, Potter insists the importance of the public diplomacy to enhance Canada's international image and reputation to market the country to the rest of the world. Hence he underpins that protecting and nurturing a distinct national identity through the strategic exercise of public diplomacy are essential. Meanwhile, Anholt argues that governments should

never do things purely for "brand-related reasons" because it runs the risk of being insincere, ineffective, and can be perceived as propaganda. In addition, according to Potter's theory, the attempt to create Canada's image has likely worked, but has it increased Canada's influence is the question.

Keith Dinnie's Theory on Nation Brand Image and Idendity

The concept of the Potter's distinct national identity to be protected and nurtured is given in more specific terms by Keith Dinnie. In the theory, nation brand and nation branding are defined as follow; *"Nation brand is the unique, multi-dimensional blend of elements that provide the nation with culturally grounded differenciation and relevance for all of its target audiences;and nation branding, game as any other types of branding, can enhance a country's image and global awareness and also give it the impetus to gain competitive advantage over its competitors."*

Dinnie distinguishes the difference between image and identity; image refers to how something is perceived, whereas identity refers to what something truly is, its essence. Nation brand identity and image are reffered to three concepts; Nation brand identity is the key component including history, language, territory, political regime, art, religion, icons, etc.; communication of nation brand identity means branded exports, sports achievement, brand ambassadors, cultural artifacts, government, tourism, etc.; nation brand image's audience such as domestic consumer, external consumer, domestic firms, external firms, inward investors, governments, media. And he explains the objectives of nation brand are to attract tourists, to stimulate inward investments, to boost exports and to attract talent.

Therefore Dinnie underlines that "Nation Brand Management" should be treated with great interest, as a powerful and positive nation brand can provide crucial competitive advantage in today's globalized economy.

Conclusion

There is a current drift of nation brand which stems from the commercial approach applied. It occurs in such a way beacuse the world economy is severely competitive due in part to globalization and trade liberalization. Consequently, policy makers in many countries insist that nation brand should strengthen the value of domestic goods and services to be exported to foreign nations. Thus nation brand can play an important role in shaping the strategic frameworks for nation's cultural policy.

The significance of nation brand is no doubt, however, it needs to be considered whether the commercial approaches of nation brand can be well received by government and society. Also, the practice of nation brand can actually increase nation's influence is questioning. Given the situation that the nation brand study is still developed, it is required to follow the most updated concepts or theories on the nation brand in academia and seek for the concete idea to adapt nation brand to practitioners. Further, the importance of nation branding through culture is inevitably true since the cultural diplomacy affects nation branding to enhance nation's soft power. Therefore it is expected that we can see the nation brand as a means of cultural diplomacy can be effective and useful in distictiveness in raising nation's global reputation becasuse more countries would practice nation branding to have competitiveness in the new economy.

References

Anholt, Simon. (1998). *Nation-brands of the Twenty-first Century*. The Journal of Brand Management, Vol.5, No.6.

------. (2007). *Competitive Identity: The New Brand Management for Nations, Citieis and Regions*. London: Palgrave Macmillan.

------. (2010). *Places: Identity, Image and Reputation*. London: Palgrave Macmillan.

------. (2011). *Beyond the Nation Brand: The Role of Image and Identity in International Relations*. UK Foreign Officie Public Diplomacy Board.

Arnett, Richard. (2000). *Cultural Diplomacy and the Public Agenda*. Center for Arts and Culture. Washington D.C.

Bond,R., McCrone,D.,and Brown,A. (2003). *National Identity and Economic Development: Reiteration, Recapture, Reinterpretation and Reputation*. Nations and Nationalism. Vol. 9

Chui, A.C.W., Lloyd, A.E. and Kwok, C.C.Y. (2002). *The Determination of Capital Structure: Is National Culture a Missing Piece to the Puzzle?*. Journal of International Business Studies. Vol. 33 (1).

Dinnie, Kieth. (2009). *Repositioning the Korea Brand to a Global Audience: Challenges, Pitfalls, and Current Strategy*, Korea Economic Instititue (KEI), Academic Paper Series 4(9).

Erez, M., and Gatil, E. (2004). *A Dynamic, Multy-level Model of Culture: From the Micro Level of the Individual to the Macro Level of a Global Culture. Applied Psychology*. An International Review. Vol.53 (4).

Fan, Y. (2006). *Can a Nation Be Marketed Like Products?*, PKU Business Review, No9

Gibson, C.B. (1999). *Do They Do What They Believe They Can? Group-efficacy Beliefs and Group Performance Across Tasks and Cultures*. Academy of Management Journal. Vol. 42(1).

Gudjonsson, H. (2005). *Nation Branding*, Place Branding, Vol 1:3.

Harzing, A.W. and Hofstede, G. (1996). *Planned Change in Organizations: the Influence of National Culture*. Research in the Sociology of Organizations. Vol.(14).

Jaffe, E.d., and Nebenzahl, I.D. (2001). *National Image and Competitive Advantage: The Theory and Practice of Country-of-Origin Effect*, Copenhagen Business School Press.

Kluver, Alan R. (2001). *New Media and the End of Nationalism: China and the US in a War od Words*, Mots Pluries, No.18.

Leung, K., Bond, M.H., Reimel de Carrasquel, S., Munoz, C., Hernandez, M., Murakami, F., Yamaguchi, S., Bierbrauer, G., and Singelis, T.M. (2002). *Social Axioms: the Search for Universal Dimensions of General Beliefs About how the World Functions*, Journal of Cross-Cultural Pshychology. Vol. 33(3).

Nye, Joseph S. (1990). The Changing Nature of World Power, Political Science Quarterly, Academy of Political Science. Vol. 105, No.2.

------. (2004). *Soft Power and American Foreign Policy*, Political Science Quarterly, Academy of Political Science.

Olins, W.(2002). *Branding the Nation in the Historical Context*. Journal of Brand Management. Vol. 9:4-5.

Papadopoulos, N. and Heslop, L. (2002). *Country Equity and Country Branding: Problems and Prospects*. Journal of Brand Management, Vol. 9:4-5.

Potter, Evan. (2002). Cyberdiplomacy: Foreign Policy in the 21st Century. Montreal and Kingston: McGill-Queen's University Press.

------. (2003). *Branding Canada: Renaissance of Canada's Commercial Diplomacy*. International Studies Perspectives. 5(1).

Prakash, Asheem and Hart, Jeffrey A. (2001). Globalization and Governance. London and New York: Routledge.

Rendon, Jim (2003). *When Nations Need a Little Marketing*. New York Times. Movember 2003.

Smith, A.D. (1991). *National Identity*. Penguin Books. London.

Szondi, G. (2007). *The Role and Challenges of Country Branding in Transition Countries: the Central and Easter Europe Experience*. Place Branding and Public Diplomacy. Vol 3(1).

Van Ham, P. (2001). *The Rise of the Brand State: the Postmodern Politics of Image and Reputation*. Foriegn Affairs. October.

Venturelli, Shalini. (2001). *From the Information Economu to the Creative Economy: Moving Culture to the Center of International Cultural Policy*. Center for Arts and Culture. Febraury 2001.

Wyszomirski, Marharet. (2000). *Going Global: Proceedings of the 2000 Barnett Arts and Public Policy Symposium*. Ohio Arts Council and Ohio State University. Columbus. OH. 2000.