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# Nation Brand Management: Towards a Convergent Theory for Nation Branding

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**Background** This research is to analyze recent trends in the nation branding research and to present the concept of 'A Nation-Brand Management (NBM)' as an inclusive and integrated approach to nation branding. Converging theoretical disparities relevant to nation branding, we highlight the necessity of managerial role of nation branding for sustaining competitiveness of nations, and specify the management concept of nation branding as a convergent theory.

**Methods** The authors adopt an exploratory approach to developing the concept of NBM. This article is accordingly structured with three main parts. The first section is to assess the nation branding literature from multidisciplinary domains and determine the managerial context of nation branding. In the second part, we categorize it into distinctive topics and address the concept of NBM. Finally, we examine the scientific linkages of NBM compared with the concepts of brand management and the mainstream management area.

**Results and Conclusion** The popularity of nation branding is manifest in its rapid diffusion throughout the numerous theoretical disciplines and domains. Our research refers to the NBM as a potential management theory which helps to converge the heterogeneity into a discipline. Towards a convergent theory of nation branding, NBM is highlighted with a theoretical system to be testing.

**Keywords** Nation Branding, Brand management, Strategic management

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## 1. Introduction

During and after the recent global financial crisis, free-market economic system has shrunk dramatically. A majority of the nations in the world have been threatened by economic disparities. In this turbulent global recession, they have strived for their national gains, through a variety of alternative plans, internally and externally. Nation branding has been highlighted as imperative notion to be indispensable zeitgeist of sustaining a country's competitiveness.

There has been a growing body of literature in theory and practice to draw upon nation branding since the last decade. Some have been covenant with the role of destination brands to attract foreign visitors, and others have concentrate on how to develop export and investment brands to gain the competitive advantage and remain competitive in global marketplace. Thus, the notion of nation branding has been contextually evolved through the multidisciplinary domains, lying on a continuum with 'the local' such as place development and destination branding at the one end and 'the global' such as country-of-origin effects and international relations at the other.

Concerning the theoretical status of the nation branding perspective, many academics and practitioners have highlighted impetus to clarify the concept of nation branding. In line with the conventional approach of marketing and brand management, research has described on a nation's identity, image and reputation management. In particular, they have highlighted the necessity of managerial approach to nation branding as a strategic and systematic way (Anholt, 2008; Dinnie, 2008; Pryor & Grossbart, 2007) that encompasses national diversities. Recently, there has been an explanatory research of the management role of nation branding that sustains competitiveness of nations (Lee, 2009). Yet, there has been little rigorous challenge to coalesce nation branding as a management theory into the main stream of academic research.

Nation branding has derived from various theoretical disciplines relying on numerous contextual strands. Complexities of nation branding have given impetus to clarify a managerial concept of nation branding.

With the necessity of specifying nation branding as the theoretical system of management, our research aims to define the managerial concept nation branding and moreover to present a convergent theory for scientific progress to management theory. To take an initial step towards them, we address two fundamental questions: (1) which management concept has derived from the research agenda in nation branding? And (2) how is it likely to set the stage as a convergent theory for future nation branding research?

To define research strands of nation branding, we investigate the amount and type of nation branding (NB) research published for the last decade. For the analysis we adopted the methodology used in the fields of international business (Griffith, Cavusgil and Xu, 2008) and international management (Pisani, 2008) which have examined the emerging themes and trends throughout the disciplines. This approach is suitable for four reasons. First, we can use a more complete list of relevant publications as a basis of the review. Secondly, it enables a well-crafted description of the different streams of NB research for the time periods selected. Thirdly, we can provide a comprehensive perspective of the evolution of NB research. Fourthly, it is to identify the primary themes in the leading articles and books, to synthesize them, and to provide insights into the extant literature in the practices and academics.

As a basis for the recent trend, specifically, we observe two journals as the leading journals in the field of nation branding. *Journal of Brand Management* in April 2002 introduced the special issue on nation branding. *Place Branding* in November 2004 was launched as the specialized journal that comprehended the geographical units of branding from a nation to a city and a community. Since 2007 it has extended into *Place Branding and Public Diplomacy* to converge the various themes of branding places, political diplomacy, international and public relations. Beyond these leading journals, some articles have existed through the *Journal of Macromarketing*, *Market Leader*, *Multinational Business Review*, *Corporate Reputation Review*, and *Journal of Vacation Marketing*. With the publication of the journals, the research field has corroborated with the dissertations and books based on the scientific knowledge.

This article consists of three main parts as follows. First, we assess

research strands of nation branding throughout the multidisciplinary literature and determine the managerial contexts of nation branding. Secondly, we categorize some distinctions among them, adopting a conceptual analysis (Jabareen, 2008). Thirdly, our research develops a theoretical structure of nation branding. Elaborating its aptness for management theory, we delineate a potential area of nation branding.

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## 2. Paradigm of Nation Branding Research

The management context in nation branding has been developed since the introductory year. Olins (1999) from practical standpoint has presented a seven-step model for nation branding and suggested a process approach to managing a nation's trading identities in the global marketplace. O'Shaughnessy and O'Shaughnessy (2000) have discussed the notion of the nation-as-a brand, focusing on a country-of-origin, a nation's fragmented image, stereotypes, and the government's manipulation. Van Ham (2001) has referred to branded states relying on trust and customer satisfaction as the new concept of political state, asserting that image and reputation have become essential parts of a state's strategic capital. Anholt (2002), in particular, has brought about 'a taste for ethics', describing the relevance between the decline of 'brand America' and 'the disgraced corporations.'

The Journal of Brand Management in April 2002 has published 11 articles on nation branding perspective. Managerial contexts have been developed through both history and marketing disciplines. The former has connoted a natural process for developing a nation brand that evolved with national identity based on people, political change and historical reality. The latter has discussed an intended process which develops a nation brand along with the contingent market environment. Within the marketing discipline, some researchers have focused on a country-of-origin domain on export brands and others have emphasized a destination domain on tourism brands. Research within the theoretical

disciplines and domains have elaborated the concept of nation branding in the ways of strategic management, systematic management, management process, and management strategy.

The managerial aspects in this introductory period have some similarities and differences. Strategic management focuses on promoting country image and its attractive elements. Systematic management highlights the managerial role developing a national brand and leveraging it for other national brands. Within a management process, researchers provide a common ground that emphasizes the roles of governments, private companies, and networks. A strategy development is highlighted to develop a nation brand and to trigger a successful nation branding. Furthermore, the debates on the management context have evolved with political and international relations. Public diplomacy has emerged as a new domain relevant to nation branding, converging political and international relations with marketing context. Based on existing concept of destination management, researchers have enlightened the place development and management. They have put the emphasis on the integrated and holistic branding process.

Within this growing period of nation branding research, strategic management has been extended into strategic place planning, image and reputation management. Systematic management has given weight to managements of a nation's brand equity and a nation brand's identity system. Besides, sustainable management has been highlighted with respect to managing the sustainable development of a place's quality, conjoining it with economic planning perspective. Within a management process, performance in nation branding has been importantly concerned for measuring the input, process and outcomes. Stakeholders and their behaviors have been emphasized with the necessity of the collective activities embraced by citizens and local residents as well as a leadership of national and local governments. With respect to a management strategy, research has accentuated the strategic fit between nation branding and a nation's strategy.

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### 3. The Management Concept in Nation Branding Research

Through the strands of nation branding research, the management concept is grouped into the categories in detail. The categories can be treated as an organizing tool rather than a definitive classification of the body of research.

#### **Strategic Management**

The notion of strategic management in nation branding research emerges from the strategic marketing approach which focuses on promoting the country's image attractiveness and products. It extends into the strategic place planning and image management. Strategic place planning embraces a planning approach to cultural resources, identity and image development. Highlighting a nation-brand image, strategic image management articulates target audiences' attitudes, purchasing decisions, country-of-origin cues, and image campaign. Strategic reputation management focuses on managing reputation as the outputs rather than image as the stereotypes. In particular, it emphasizes a strategic thrust for managing the country's identity and reputation.

#### **Systematic Management**

The main notion of systematic management of nation branding includes the concept of how to develop and manage a nation brand system. Studies have examined the development of a national brand and the leverage for another national brand. Specifically, a nation brand system is elaborated through a nation-brand identity system, a place brand platform, flagships, a sense of place, the brand portfolio, place brand architecture, national brands' influential map, a system of national identity and national image, and relational network brands. They emphasize the roles of national brands and management of authentic brand identity.

#### **Sustainable Management**

When the concept of sustainable management was emerged in nation

branding research, studies introduced either economic planning or ecological development. It advances to engage the notion of sustainability with place branding. Holistic sustainability is claimed by combining the contexts of a place's quality and competitive advantage in international business. It becomes one of the key notions in brand management system of a place. Recently, research highlights the sustainable development agenda that reconciles human values with those of the natural system, and that is associated with environmentally and socially responsible brand experience.

### **Management Process**

The notion of management process deals with how to manage performance in nation branding. For performance in nation branding, some researchers limited performance level in analyzing and diagnosing people's perceptions and the reality of the place. Others highlight the process of managing a nation brand development. The process engages branding actors and stakeholders as an essential component. From the marketing discipline, research has included consumer groups, target audiences or international community. Shifting to the context of nation branding, research comprehends these target audiences in the markets into external stakeholders of building a nation brand. The process includes a series of activities ranged from the assessment through branding campaign and fund allocation to control.

### **Management Strategy**

The notion of strategy development in nation branding has been discussed with developing a nation-brand strategy specifically and a nation-branding strategy in broader context. A nation-brand strategy primarily deals with how to manage a nation brand identity – how to position it and how to communicate it. It elaborates the strategy to manage brand architecture, brand relationship spectrum, kinship brand alliances, and intellectual architecture. A nation-branding strategy comprehends strategic vision, strategic goals, strategic plans, strategic choices, and strategic operations. Within the context of nation branding strategy, branding stakeholders and their partnerships are primarily needed to build value propositions and strategic decisions for a nation brand.



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#### 4. The Conceptual Fit: Nation Brand Management

For a potential convergent theory, we have examined the extent to which the nation branding research has involved a management concept. In order to determine its aptness for management theory, we need to rigorously formalize nation branding as NBM (Nation Brand Management), incorporating it with the perspectives of brand management and the main stream management research. Evaluating the scientific relevance to them, we underscore a conceptual challenge for the NBM.

##### **Theoretical Logic between NBM and BM**

In terms of the brand management (BM) perspective, the concept of NBM has the value and validity as the management theory. To examine the degree to which the NBM is likely to become a brand management theory, we investigate a logical linkage by understanding the consistency and the discrepancy between the management concepts in nation branding and brand management. A number of commonality between them enables the logical consistency of the NBM as the brand management theory.

From the theoretical standpoint of nation branding research, we have defined the dominant disciplines in terms of history, international business, international marketing, politics, and international relations. Among these, existing branding and brand management theory have predominantly evolved through marketing disciplines.

Particularly following a historical approach, Low and Fullerton (1994) assert that the evolution of brand management has been influenced heavily by changes in the business and marketing environment at the firm level, but brand management itself almost certainly will continue to thrive. Through the historical reality, there have been distinct forms of brand management existed over long spans of time, but no form of management is permanent (Ibid). This historical evidence of brand management at the firm level embarks the value and validity of the NBM concept as brand management theory at the country level.

When reflecting the historical and marketing contexts of branding the nation through the paradigm of nation branding research, we have usually limited the brand management context within the marketing discipline and overlooked historical approach to the NBM. Within the marketing discipline, namely, research excluded the brand management concept with respect to historical evidence. For instances,

Asked why and when the images of countries, cities and regions change, there are two reasons for change: either because the country changes, or because it does something to people. The first kind of change is usually a very gradual process, and the majority of 'success stories' about brand change are not stories of brand management at all...The 'nation brand' was built through its actions and behaviors and not through any deliberate attempt to market the country directly. (Anholt, 2006, 2/3:179)

However, even though the change of the country takes a gradual process, the evolution of the NBM has been influenced by changes in the political regimes at the country level. With the continuity of the politics, nation brand management itself has been continued and will continue over time. Within the time-based process, we need to explain the concept of the NBM.

From the message quoted, Anholt asserts that the notion of brand management relates to not the nation brand's actions and behaviors but the deliberate attempt to market the country directly. Blichfeldt (2005) elaborates on the question if it is possible to manage place brands, and advocates that the 'internal' branding aspect based on the populace should be thoroughly researched. At the same time, she concludes that the key contribution of branding theory to places is not one of brand management because central brand elements are neither owned nor controlled by the marketers.

These arguments bring about the confusion in defining the conceptual scope of NBM. Based on the historical evidence of brand management (Low & Fullerton, 1994), there are distinct management styles in branding and they can be changeable. But, brand management itself continues. If then, nation brand management itself is a continuing concept. Just relying on 'internal approach' to nation branding based on actions and behaviors, the management styles in nation branding are

contingent but imperative for the effectiveness of the NBM over time.

### **The Degree of Scientific Relevance between NBM and Management Theory**

Branding is essentially considered as a strategic discipline. We in previous section have categorized the management context and concept through the nation branding literature. To examine the degree to which the NBM is to become a convergent management theory, we in this part discuss the suitability of the NBM for strategy research by considering the characteristics of strategic management.

According to Priem & Butler (2001), the field of strategic management has a number of distinctive characteristics. The first prescription for management strategy is defining an explicated linkage between the key independent variables such as resource-based view and performance as the dependent variables such as competitive advantage. The “how” questions address the issue of the process black box in strategy research. In the category of the management concept, we defined the imperative notion of performance in nation branding through management process context of nation branding. As Pryor and Grossbart (2007) assert, nation branding as a source of sustainable competitive advantage has led a significant research to understanding the processes which lead to key outcomes, including brand equity. We need to take a contemporary and adaptive approach to nation branding to manage and measure the performance. However, through the nation branding literature in a certain period, there was a limited attention to explaining the relevance between the process and outcomes of nation branding. In particular, even though research has prescribed the nation branding as the source of sustainable competitive advantage, there has been little amount of research to explain the relevance between nation branding as a cause and sustainable competitive advantage as an effect.

Within the management process context of nation branding, we have elaborated the internal and external stakeholders related to nation branding. These nation branding actors are involved through the contexts of nation branding. From the strategic management perspective, further research in the NBM needs to establish contextual boundaries – from local to global context, from brand resources to brand environments, and

from activities such as branding campaign to country behaviors – and certain actors and stakeholders in certain contexts of nation branding.

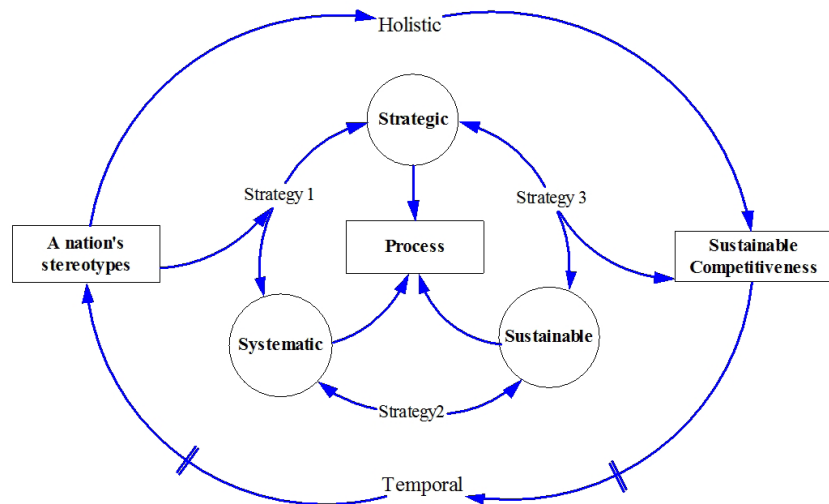
A dynamic approach emphasizes change over time. The NBM based on dynamic approach would likely be more helpful. Research in management strategy context of nation branding has prescribed certain forms and dimensions of nation branding and nation brand strategy such as janus strategy, FDI-attraction strategy, brand value propositions, brand management strategy, positioning and communication strategy. However, as we determined, it is necessary to embrace the systematic and sustainable management of a nation brand. In order to be useful strategy research, NBM studies need to define the key underlying constructs and the specific mechanisms to generate competitive advantage.

### **NBM toward a Convergent Theory**

We have categorized the management concept which has been evolved through the nation branding research since its inception period. In order to prospect the NBM to be a convergent management theory, we need to understand that a theory is a systematically related set of statements and is to increase the scientific understanding through a systematized structure capable of both explaining and predicting phenomena (Hunt, 1991:149). Considering the NBM in terms of a theory, our research needs to focus on the criteria that constitute a theory of the NBM, and to formalize the conceptual framework of the NBM to be testing.

With respect to the criteria for management theory, investigating the degree of scientific relevance between NBM and management theory of mainstream research, we have defined the necessity of explaining performance in nation branding. In terms of performance measure of nation branding, research has embedded nation branding as the source of sustainable competitive advantage. This enables the explicated linkage between nation branding as the cause and sustainable competitive advantage as the effect. With respect to the causal aspect, it is necessary to consider two dimensions, input and process. From the marketing discipline, research has asserted reputation and nation brand equity as the outcomes. However, in the center of reputation and brand equity, the consumers' attitudes and behaviors to the nation are dominantly posited and moreover bring about the nation's stereotypes. This stereotypes or

a biased view of the nation triggers process of nation branding. Even though competitive advantage and the outcome of brand activity can be measured in a number of ways (Wood, 2000), we develop a theoretical structure of the NBM based on performance that comprises three dimensions of stereotypes as an input, nation branding process, and sustainable competitiveness as the outcome (Figure 1).



**Figure 1** A Theoretical System of Nation Brand Management

In particular to be an effective nation brand management, we need to consider the complexity and causal ambiguity of nation branding process. Further research needs to explore the black box of nation branding process and to dovetail the mechanism in the process box. Based on theoretical logic between NBM and brand management, effectiveness in nation branding hinges on the process of strategic, systematic and sustainable management for the nation brand. Moreover, with respect to historical context in brand management and strategic management, incorporating time into the analysis is considered to bring a deeper understanding of the complex interactions that occur over time. For the nation brand management, the temporal component can be embedded in the theoretical system throughout the performance dimensions, which enables the dynamic approach to holistic nation branding.

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## 5. Conclusion

In this article we have presented the trends of nation branding research during a last decade and classified the emergent management concept of nation branding. The organizing categories here were not meant to be the definitive classification of a nation brand management. However, we have taken some tentative steps toward a potential convergent theory of nation branding, and presented a theoretical system for management theory of nation branding.

Although academic interest in the concept of national character since World War II was diminished, the scientific study of national character has the value and validity in the international marketing research (Clark, 1990). Since 1990s theorists have extended marketing concept in international business into place marketing to attract FDI and to promote export. Coming to 21st century, the concept of nation branding encompasses the national characters as a whole, place development and management, and international business and marketing. This phenomenon derives from the literature explicitly.

Our study contributes to determine aptness for management theory of nation branding, investigating the degree of scientific relevance to marketing and strategic management disciplines. As mainstream of management theory, strategic management primarily deals with “a match” between environmental conditions and organizational capabilities and resources, and performance outcomes through the match (Bourgeois, 1985). Therefore, the central tenet of strategic management requires explicit attention to both the internal and the external, to production and demand, to resources and products (Priem & Butler, 2001). Even though the current business literature on strategic and operational alignment does not readily address many of their specific questions about brand management, there is a persistent need for improving brand alignment in their organizations (Farquhar, 2005).

Nation brand management embraces the strategic, systematic and sustainable management in order to sustain competitive advantage, national development and brand equity. Shifting from the organization

to the nation level as the unit-of-analysis, further research in brand management and strategic management need to pay particular attention to developing a nation brand management as a more elegant theory.

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