

NATION BRANDING AND PLACE MARKETING - I. THE MARKETING PLAN

In the decades since World War II, economics prowess replaced military power as the crucial geopolitical determinant. The resilience of a country is measured by its inflows of foreign investment and by the balance of its current account - not by the number of its tanks and brigades.

Inevitably, polities the world over - regions, states, countries, and multinational clubs - behave as only commercial businesses once did. They actively market themselves, their relative advantages, their history and culture, their endowments and assets, their mentality and affiliations. In short, they aggressively promote their brand names ("brands" throughout this article).

To cast countries in the role of brands implies that they act as "producers" to some "consumers" out there. But what do countries - as distinct from firms - produce? And who are the consumers enticed by said statal brand placement and regional location marketing? And how does the process of exchange take place - who gives what to whom and where?

Few governments know the answers to these economically crucial questions. Ministers of finance and industry the world over religiously repeat the mantras of "attracting foreign direct investment" and "encouraging entrepreneurship". They recite the list of advantages proffered by their country to the lucky investor, manager, scientist, expatriate, or businessman. But they lack a deep understanding of the process and meaning of nation branding.

Few countries - Britain being the notable exception in the past decade - conduct serious market research and bang heads together in think tanks or inter-ministerial committees to redesign the national brand. Even fewer maintain long-term, sustained branding campaigns supported by proper advertising. Only recently did a few pioneering polities hire the services of nation branding experts. None has in place the equivalent of a corporate "brand manager".

One of the critical mistakes of countries the world over is the self-centered lack of emphasis on customer satisfaction. Meeting and exceeding the "client's" expectations is merely an afterthought - rather than the axis around which the planning, evaluation, control, and revision of the marketing mix revolve. At best, countries concentrate on concluding specific transactions instead of on the development and cultivation of long-term relationships with their "clients".

It is as though countries arrogantly refuse to acknowledge their dependence on the goodwill of individuals and firms the world over. The traditional and impregnable supremacy of the sovereign nation-state has gone the way of the dodo - but decision-makers still have to be appraised of this startling development. Most countries - and nowadays there is a surfeit of sovereigns - are nothing more than bit players in the global marketplace. It takes getting used to. Many politicians mentally equate self-marketing with humiliating mendacity.

Instead, decision makers should hire marketing (and, more specifically, brand name) experts to prepare a thorough and comprehensive place marketing and nation branding plan for them:

Strategic Marketing Analysis

I. Identify what needs and whose needs can the country meet and satisfy. What preference groups (of investors, for instance) or even market niches (e.g., stem cell scientists) should be targeted to optimize economic outcomes?

II. Compile databases of past clients of the state, its resources, offerings, laws, regulations, international treaties, and economic opportunities (e.g., state companies to be privatized). These allow for micro-branding (or segment branding as opposed to mass branding): tweaking the national brand to suit the preferences, likes, dislikes, and wishes of specific target groups, down to single, important, individuals.

III. Position the country in relation to its competitors, emphasizing its natural and human endowments and its relative advantages. The process of positioning aims to identify the nation with an image, perception, concept, or trait which capture its essence and further its appeal to the clients it had identified in stage I above (investors, other countries, diplomats, scientists, and so on). Great care should be taken to align the positioning messages with realities on the ground. Anything perceived by the preference groups as being a lie or an exaggeration will backfire.

IV. Marketing is about optimal allocation of resources in view of objectives and opportunities.

The classic STP model calls for:

I. Segmentation - Identify potential customers - for instance, foreign direct investors, or expatriates and the diaspora.

II. Targeting - Concentrate on those "clients" you can serve most effectively, to whom you are most valuable and thus can "charge" the most for your offerings

III. Positioning - Communicate effectively the main benefits you offer to the targeted group.

The marketing mix comprises 4 P's which are perfectly applicable to nations as they are to businesses:

Product - Your "products" as a country being tax incentives, infrastructure, natural endowments, human resources, a geographic vantage point, helpful laws and regulations (or absence thereof), etc.

Price - Demonstrate a relative or absolute advantage in terms of return on investment

Place - Facilitate the unhindered exchange of goods, services, and capital (tax holidays, free processing zones, no red tape, double taxation treaties and free trade agreements with other countries, etc.)

Promotion - The advertising and dissemination of news and information, lobbying, public relations, media campaigns, etc.

But what products do countries offer and market and how are they tailored to the needs of specific market segments?