



## Editorial

# Place branding: Is it marketing, or isn't it?

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As one ploughs through the ever-increasing quantity of blogs, articles, interviews and academic papers where place branding or public diplomacy are discussed — and interestingly enough, more and more of them mention both in the same context — one gets a reassuring sense that one important message is finally beginning to permeate the general consciousness: that communications are no substitute for policies, and that altering the image of a country or city may require something a little more substantial than graphic design, advertising or PR campaigns.

Certainly, one still hears with depressing regularity of national, regional and city governments putting out tenders for 'branding agencies' and funding lavish marketing campaigns of one sort or another, yet a rising number of commentators seems to have taken on board the idea that it is deeds that principally create public perceptions, not words and pictures. Perhaps good sense is at last beginning to prevail; perhaps some policy makers have started to ask themselves when was the last time *they* changed their minds about something they had believed for most of their lives just because an advertisement told them to. Perhaps those same policy makers, seized with an unprecedented academic rigour and a new desire to make their public expenditures accountable and measurable, have even started to search

around for properly documented case studies to prove how marketing campaigns have demonstrably and measurably improved the international image of nations, and have failed to find a single one.

Marketing communications, as this author has frequently pointed out, are perfectly justifiable when the task is essentially one of selling a product — and the product can just as well be the holiday resorts or investment opportunities of a country as the products of a corporation — but there appears to be no evidence to suggest that using marketing communications to influence international public perceptions of an entire city, region or country is anything other than a vain and foolish waste of taxpayers' money.

In fact, there is some evidence to suggest the contrary: between 2005 when the Nation Brands Index was launched and the latest study in the last quarter of 2007, there has been no detectable correlation between changes in national brand value and expenditure on the so-called 'nation branding campaigns'. Several countries that have done no marketing during this period have shown noticeable improvements in their overall images, while others have spent extremely large sums on advertising and PR campaigns and their brand value has remained stable or even declined. More research is needed in this area, and a clearer distinction between selling

campaigns such as tourism and investment promotion — which may well improve sales within their specific sectors and among their specific audiences but appear to have little or no effect on the overall image of the country — and the so-called ‘nation branding campaigns’. Establishing clarity on this point is difficult because remarkably few ‘nation branding’ initiatives appear to include any provision for measuring their impact or effectiveness. Considering that it is usually taxpayers’ or donors’ money being spent on such campaigns, this is surprising.

The view that actions speak louder than words is quite commonly heard in discussions of public diplomacy (one felicitous phrase used in this context was ‘the diplomacy of deeds’, coined by Karen Hughes, until recently the US State Department’s Under-Secretary for Public Diplomacy). The state of the debate in place branding circles lags far behind, however, and formulations such as ‘nation branding is the application of consumer marketing techniques to countries in order to improve their image’ are, alas, still the rule rather than the exception, and are even to be found from time to time in the pages of this journal.

This difference in attitudes between the two fields may be because commentators in public diplomacy more often come from a background of foreign affairs or international relations than marketing, and are consequently more used to dealing with reality than perception. It may also be because the field of public diplomacy predates the field of place branding by some 40 or 50 years, so it is not surprising if the prevailing view is a more mature one.

Those commentators who, like the author, espouse the ‘actions not words’ school of thought may feel as if they expend more time and energy explaining what public diplomacy and place branding *are not* than what they are, and in discussions about place branding they can appear to be in the grip of a permanent identity crisis: they inhabit a field with a name that clearly does not quite suit it. The branding, in other words, is all wrong.

The appropriateness of the word ‘brand’ to describe an approach that this author, at any rate, prefers to call *competitive identity*, is certainly a vexed question. Once people actually receive the message that this thing called ‘branding’ is not about communications but about policy change, many will ask the following entirely legitimate and pertinent questions (and if they ask them of this author, will receive the following answers)

Q: So if place branding is not about communications but policies, why is it branding?

A: It *is not* branding. One starts with the observation that places have images just as products and corporations have images, and that places depend to a similar extent on the power and appeal of those images for their progress and prosperity. But there is a big difference between observing that places *have brand images* (which is simply a useful metaphor) and claiming that places *can be branded* (which is an excessively ambitious, entirely unproven and ultimately irresponsible claim). Place branding, as the author intended the term to be understood, observes the former but does not claim the latter. There are certainly policy approaches that enable places to improve the speed, efficiency and effectiveness with which they achieve a better image — or else this author would be out of a job — but that better image can only be earned; it cannot be constructed or invented.

Q: So if place branding is not about communications but policies, what gives branding people the right or the ability to advise in this area?

A: It gives them no right to do so, and indeed relatively little preparation. A branding expert will need to become a policy expert in order to advise on policy, just as a farmer will need to become a software expert in order to advise on software; but it is possible that their previous expertise may bring some extra dimension to the advice they give. There is nothing to stop people retraining and then purveying advice in their new field, and their clients will decide for themselves whether their

advice is worth paying for; but relatively little of what one might learn as a branding or marketing expert is truly transferable or useful in the fields of policy-making, international relations, public diplomacy, cultural relations and the other components of competitive identity.

Q: So if place branding is not about communications but policies, what is new about it, and why bother to give it a new name?

A: There are, in essence, five new ideas within place branding or competitive identity:

1. Places must engage with the outside world in a clear, coordinated and communicative way if they are to influence public opinion. A robust and productive coalition between government, business and civil society, as well as the creation of new institutions and structures to achieve and maintain this behaviour, is necessary for achieving this harmonisation of goals, themes, communications and behaviours in the long term.
2. The notion of *brand image* is critical: reputation understood as an external, even cultural phenomenon that is not under the direct control of the 'owner' of the brand but which nonetheless is a critical factor that underpins every transaction between the brand and its consumers.
3. The notion of *brand equity* is critical: the idea that reputation is a hugely valuable asset that needs to be managed, measured, protected, leveraged and nurtured over the long term.
4. The notion of *brand purpose* is critical: the idea that uniting groups of people around a common strategic vision can create a powerful dynamic for progress, and that brand management is first and foremost an *internal* project.
5. The importance of sustained and coherent *innovation* in all sectors of national activity if public opinion is to be influenced: international public opinion, and in consequence the media, is far more interested in new things that suggest a clear and attractive pattern of development and ability within the country or city, than in the rehearsal of past glories.

If these five concepts are understood and responsibly applied by policy makers, they can bring a powerful new dimension to development, statecraft and governance. Together, they represent a genuinely new approach to the way in which places need to be managed in the age of globalisation, and the coining of a new term to describe that this approach appears justified.

Q: So if place branding is not about communications but policies, why do so many countries with good policies still suffer from a weak or negative reputation?

A: Because policies alone, even if effectively implemented, are not sufficient to persuade foreign publics to part from their existing prejudices and perceptions, which in the case of national images may prove exceptionally resilient to change. *Substance* must be coupled with *strategy* and frequent *symbolic actions* if it is to result in an enhanced reputation.

*Strategy*, in its simplest terms, is simply knowing what a nation is and *where* it stands today (both in reality and according to internal and external perceptions); knowing where it wants to get to; and knowing how it is going to get there. The two main difficulties associated with strategy development are (a) reconciling the needs and desires of a wide range of different national actors into a more or less single direction, and (b) finding a strategic goal that is both inspiring and feasible, since these two requirements are frequently contradictory.

*Substance* is simply the effective execution of that strategy in the form of new economic, legal, political, social, cultural and educational activity: the real innovations, structures, legislation, reforms, investments, institutions and policies that will bring about the desired progress.

*Symbolic actions* are a particular species of substance that happen to have an intrinsic communicative power: they might be innovations, structures, legislation, reforms, investments, institutions or policies that are especially suggestive, remarkable, memorable, picturesque, newsworthy, topical, poetic, touching, surprising or dramatic. Most

importantly, they are emblematic of the strategy: they are at the same time a component of the national story and the means of telling it.

Sometimes the symbolic power of such an action cannot be predicted, as its full effect derives from an imponderable fusion of the action itself, the moment and context in which it appears, the mood and culture of the ‘audience’ and their perceptions of the place where it originates.

Such actions can also be planned; but the three most important points are:

1. Symbolic actions should emanate from as many different sectors as possible in order to build a rounded and believable image for the place.
2. They should never be *empty* — they must be communicative substance rather than mere communication. Each symbolic action must be intrinsically defensible against the accusation of empty rhetoric, even when taken out of context and scrutinised on its own account (as commentators in a healthy democracy are bound to do).
3. They should continue in an unbroken succession for many years. Building a reputation in our busy modern world is like trying to fill a bathtub with the plug pulled out: as soon as each symbolic action is completed, its effect on public attention begins to decay, and unless it is swiftly followed by further and equally remarkable *proof* of the kind of country that produces it, that country’s reputation will stand still or move backwards, and the bathtub will never fill.

It is clear that new and dedicated structures are required to coordinate, conceive, develop, maintain and promote such an unbroken chain of proof. None of the traditional apparatus of trade or government is fit for such a purpose — at least not in a way that cuts across all areas of national activity and is capable of sustaining it for the years and decades it takes to enhance, refine or otherwise alter the international image of a nation.

The concept of strategy plus substance plus symbolic actions is a classic ‘three-legged stool’

— an approach that cannot stand up unless all three conditions are met.

Countries, for example, which succeed in developing a strategy and are diligent at creating real *substance* on the basis of this *strategy* but overlook the importance of *symbolic actions* still run the risk of remaining anonymous, undervalued or unable to change the longstanding clichés of their international reputation, because strategies are often private and substance is often boring. Without the communicative power of symbolic actions, such countries can remain trapped inside a weak, distorted or outdated brand image for decades, and consequently fail to attract the consumers, talent, media attention, tourists and investors they need in order to build their economies, expand their influence and achieve their aims.

*Substance* without an underlying *strategy* may achieve sporadic and localised economic and social benefits, but it is unlikely to build the country’s profile or influence in any substantial way. Even if the substance is accompanied by frequent *symbolic actions*, without an underlying strategic intent the messages will remain fragmented, and no compelling or useful story of the nation’s progress will form in the public consciousness.

*Strategy* without *substance* is spin: it is the frequent predicament of weak governments that they make many plans but lack the willpower, the resources, the influence, the expertise or the public support to carry them to fruition.

*Strategy* that is accompanied by *symbolic actions* but no real *substance* is worse still: this is authentic propaganda, a deliberate and schemed manipulation of public opinion designed to make people believe something different from reality. In today’s world, where the globalisation of communications has resulted in an environment where no single message can survive unchallenged, propaganda has become virtually impossible, and such an approach will result in the destruction of the country’s good name for generations.

Governments that focus purely on *symbolic actions* and fail to provide either *strategy* or real *substance* will soon be recognised as lightweights:

carried this way and that by public opinion, and intent purely on achieving popularity, they seldom remain in power for long.

Some good examples of symbolic actions are the Slovenian Government donating financial aid to their Balkan neighbours in order to prove that Slovenia was not part of the Balkans; Spain legalising single-sex marriages in order to demonstrate that its values had modernised to a point diametrically opposed to the Franco period; the decision of the Irish Government to exempt artists, writers and poets from income tax in order to prove the state's respect for creative talent; or the Hague hosting the European Court of Human Rights in order to cement the Netherlands' reputation as a global bastion of the rule of law. Even a building, such as the Guggenheim Museum in Bilbao or the Sydney Opera House, may have a symbolic value for its city and country well beyond its economic 'footprint'; and places with no chance of being selected to host major sporting or cultural events are often observed to bid for them, apparently just in order to communicate the fact that they are internationally engaged, ambitious and proud of their achievements.

Clearly, the deliberate and planned use of symbolic actions can lay governments open to the charge of 'playing to the gallery', and devising strategies purely or largely in virtue of their impact on national image. Such behaviour, it could be argued, is even worse than simple propaganda, as it commits more public resources to the task of creating a certain impression than mere messages do. Each case must be judged on its own merits, but it could be argued that a symbolic action can be defended against the charge of propaganda if it is based on a clear long-term *strategy* and is supported by a substantially larger investment in real *substance*. In the end, it is largely a matter of quantity that determines such a judgment: if nine out of ten policies or investments are selected purely on the basis that they benefit the country, and one on the basis that it gets the story across too, government may act not only with a clear conscience, but also in the knowledge that the 10 per cent of symbolic actions, by enhancing

the reputation of the country, are adding substantial value to the other investments and thus may ultimately contribute even more value to the country than its more weighty but less media-friendly initiatives.

What governments sometimes have difficulty understanding is that the size, ambition or cost of initiatives is not directly proportional to their symbolic value. Very large buildings that simply communicate wealth and hubris may have less power over the popular imagination than very small ones that happen to tell a story (in the City Brands Index, the tiny statue of the *mannekin pis* in Brussels is spontaneously mentioned by 20 times more international respondents than the enormous atomium, or even the gigantic headquarters of the European Commission; the government of Slovenia donating a few hundreds of thousands of euros to Albania, Montenegro and Macedonia is more newsworthy than the US Government donating hundreds of millions of dollars to Africa; one patient deprived of a hospital bed briefly generated more media coverage in the UK than the Blair government's injection of many billions of pounds into the National Health Service).

The substantial, strategically informed symbolic actions that help to move national images forward are not to be confused with the symbolic gestures that punctuate the history books — gestures that really have little substance in themselves but are sufficiently symbolic (in other words, media-friendly) to have real impact, memorability, popular appeal and hence the power to change opinion and even behaviours: British Prime Minister Neville Chamberlain waving his truce with Hitler, Mahatma Gandhi sitting cross-legged at his weaving loom, Japanese Prime Minister Junichiro Koizumi visiting the Yasukuni shrine, the removal of Stalin's body from the Lenin Mausoleum in Moscow's Red Square in 1961, Sir Walter Raleigh laying his cloak over a puddle so that Queen Elizabeth I could keep her shoes dry or Jesus Christ washing the feet of his disciples. And in fact, there are plenty of examples of equally effective symbols which are

not even gestures but words: Bismarck's 'blood and iron', Churchill's 'never before in the field of human conflict', Martin Luther King's 'I have a dream' and so forth.

Although these gestures and words are, in their own way, powerful 'brands', they are in a different category from the symbolic actions described earlier. Some of them only acquire their symbolic power much later through the retelling and the understanding that they crystallised an important turning point in history; all of them owe most of their power to the highly significant or critical circumstances in which they occur. In other words, they are good rhetoric, whether this is deliberate or accidental.

Almost any word or gesture can become significant if it is delivered by an important person in a moment of crisis, and this is an important distinction to make when we are speaking of competitive identity or place branding, because the task in hand is usually quite different: the challenge in competitive identity is often to attract the attention of an indifferent public in the first place, to create a sense of momentousness when in fact most people are convinced that nothing of interest is going on.

This brings us right back to the original debate about whether place branding really does have anything to do with branding, or whether the word is being used in a purely metaphorical sense. For this challenge is unquestionably the same one that gives rise to the discipline of marketing in the first place: it is the art or science of thrusting things into people's attention when people do not believe that they deserve to be there. Whether they like it or not, countries and cities and regions in the age of global competition all need to market themselves: the most effective methods for doing this may owe little to the art of selling consumer goods, yet the challenge is precisely the same.

But then, did not the wisest marketers always know that the most important aspect of any marketing initiative was the quality of the product? Good advertising, as Bill Bernbach once remarked, can only make a bad product fail faster: and the same is most certainly true of places.

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