

# Can a brand be used as an assessable vehicle to transport a nation's identity?

**Why Place Brands require sustainability and why it is time to think about comparability, transparency and evaluation in the realm of Place Brand management.**

Place Branding, Nation Branding, Region Branding – all current terms that register increasing interest. Most notably, Google entries have multiplied impressively over the past three years (in February 2004, the search engine found 17 entries for the keyword Nation Branding; by May 2007, this had multiplied to the overwhelming figure of 1,450,000 entries).

The idea of communicating the identities of nations, countries or regions as a brand is associated with both skepticism and fascination. Is it possible to brand places, regions or nations? And if this is truly possible, which methods and tools are adequate for such a complex process as Place Branding?

Place Branding uses methods and (modified) tools of strategic brand management and relies on a communication approach which includes Public Diplomacy. But although there are successful Place Brands (NYC, Switzerland, Liechtenstein, Arlberg region, Spain) the terms are often suspected of being marketing buzzwords.

At the same time, there is no doubt about the need for a clear positioning of places, regions and nations. This requirement is challenged by the intensified competition under globalization of distinguishably communicating a place's uniqueness, values and advantages as a memorable brand. Nevertheless, the area of conflict between emotional terms like home, culture, identity and the commercial term of branding is obvious. If tools and adequate methods are not implemented to improve the reliability of

Place Branding, it will be difficult to counter the increasingly negative image of Place Branding on two counts:

An enhancement of the Place Branding process needs to occur regarding its own credibility as a distinctive discipline and with its own progressive methods. Secondly, increased investments on the part of relevant decision makers needs to take place. In the context of domestic policy, the accurate handling of public money and the related question concerning the impact of resources invested in Place Branding, strategies are crucial factors.

**Therefore, there are three essential principles leading to an enhancement of 2<sup>nd</sup> generation Place Branding: transparency, verifiability and sustainability.**

For the practical work of Place Branders, this means creating frameworks which – naturally within the bounds of what is reasonably possible – enable the Place Brand strategy to be measurable, comparable and assessable. Yet in the realm of Place Branding and Public Diplomacy, no theoretical or scientific background has yet been published (May 2007) on methods and ideas to control or evaluate the branding process of countries, regions and places. But the methodical and perceptual intersections of Place Branding and the already established discipline of Brand Management lead to the assumption that an interdisciplinary look at business sciences (controlling), political communications and strategic management could be helpful. The following article will explain the

definitional approaches, challenges and goals of brand controlling and based on these, contemplate their relevance for the Place Branding process.

### Transparency, verifiability and sustainability as critical factors for success.

In very different ways, trend-setting practical examples show that a deliberate and purposeful communication of identity using tools of strategic brand management as well as a consistently applied Place Brand strategy and Public Diplomacy guidelines can make a difference. In the process, it obviously helps to ensure positive attitudes as an integral component of the conceptual level.

A comprehensive analysis of strategy and measures involved in the Place Brand process will not take place (though we think this will be essential for the sustained success of Place Brand strategies). With the Simon Anholt Nation Brand Index, an approach exists to create comparableness; here the index numbers are based on periodic surveys of psychographical parameters which allow, to a certain extent, the ranking of nations. But regarding the impact of a brand strategy and its measures, the Nation Brand Index cannot offer significant answers. In the end, it will be a question of transparency and verifiability to position Place Branding and Public Diplomacy as a new approach to determinative and assessable identity communication – or as mere hype that is not effective in meeting the challenges placed on countries, regions and places within a globalized world.

### Reflections on Place Brand Controlling.

Definitional approaches to Brand Controlling differ in the significance of the controlling. The definition of controlling, which is highly interesting for the Place Branding process, is represented by Horváth (Horváth 2006) but also by Weber (Weber 2000), who define controlling as a management system and a

coordination-orientated concept.

A spiritual and intuitive brand management alone cannot offer an adequate solution for a process such as Place Branding, which is characterized by relevant investments and the high pressure to succeed. It is the sensible and anticipatory mixture of “hard and soft” brand management, the mixture of “new spirit” and “analysis” that causes the conflicting priorities of the creative and anticipatory decisions of brand management (Wiedmann 1994, mentioned also by Tomczak, 2004, Meffert et al 2002).

This tension between the conflicting perspectives of brand management – on the one hand a market (outside) orientation and on the other hand, an internally requested economical results orientation – is the basic principle that leads to the brand controlling definition that Meffert (Meffert et al, 2002) offers: It is the principal task of brand controlling to combine the management concept from the market perspective (marketing) with the management concept from the perspective of economical results (controlling).

For the controlling and long term implementation of a Place Brand, the above mentioned area of conflict is of extreme importance. This is the field where the political discussion of sense and meaning of the Place Branding process takes place.

Within the Place Branding process, the Brand Policy is responsible for the decisions made along the defined strategy. The Place Brand Controlling is responsible for preparing those decisions.

The coordination-oriented approach of Brand Controlling as a networked concept, with quantifiable and therefore controllable figures, which has a supportive, preparatory and evaluative impact (through brand policy) on the improvement of the brand awareness, seems to be an adequate approach to Place Brand Controlling.

But the requirements to control the brand dimensions of a Place Brand suggest the need for a system which goes beyond the initialization of a mere controlling concept. Within a multidimensional system and the interaction of assessable and non-assessable factors (see the Place Brand diagram below) the complex dimensions of Place Branding lead to the question of how a mere coordination-oriented interpretation of Brand Controlling can guarantee the presence of the

defined brand identity, as well as an implementation along the superordinate strategy. Above all, the area of Place Brands evaluation is faced with the dilemma of valid measurements concerning the brand equity as well as the practicability of the brand evaluation tools (Tomczak, 2004).

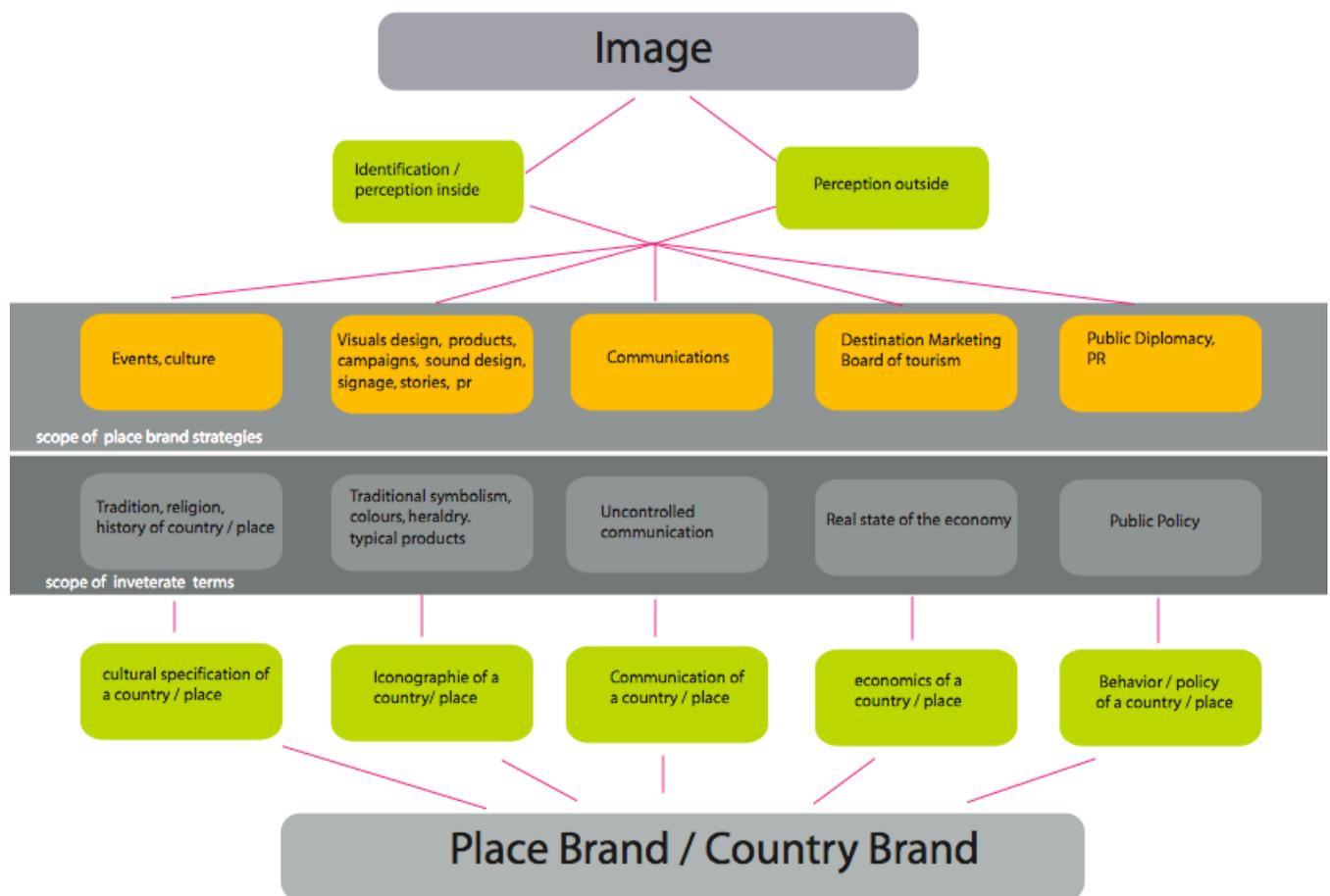


Abb.: Schema Place Brand Eitel / Spiekermann (2006)

## Place Brand Controlling objectives.

For the results-oriented management of a Place Brand, the definition of targets entails several questions:

- What are the concrete results that the 'results-oriented' management should be targeted on?
- Which results can be defined as targets of the strategy?
- How can a controlling concept help to make the single stages of the goals of the overall strategy quantifiable and assessable?

It is not reasonable to target the Place Brand management on profit or shareholder values, and at any rate – who are the shareholders of a country?

Besides the usual brand equity-relevant values such as image, brand awareness or brand loyalty, what significance is attached to the position of the Place Brand within the set of stakeholders (both internally and outside)? How meaningful are index figures such as Simon Anholt's Nation Brand Index?

The heterogeneous stakeholders, who require a high level of flexibility within the multidimensional area of conflict between partially intersecting external and internal figures, also pose a conceptual challenge. Therefore, the constitutive criteria for a controlling system are crucial. The conceptual design of a planning, measurement and monitoring system, able to both anticipate and correct interferences within the system, must thoroughly precede the aspects of utility.

Focusing the targets of a Place Brand Controlling system are three subordinate targets which fall under the primary objective of a comprehensive, results-oriented backing of the Place Brand Policy.

The Place Brand Controlling system must ensure rationality, while retaining the ability to react and be adaptable through brand-specific knowledge. A second target is the improvement of the Place Brand strategy impact by focusing the brand activities on the targets of the Brand Policy. This means the quest for a high performance impact on the outside and for a high performance implementation internally.

A third target within a Place Brand controlling concept could also be added: the establishment of a basis for a political line of argumentation, which through a comprehensible outcome, provides the young discipline of Place Branding with a sustainable room to maneuver.

The need for consistency and sustainability for the Place Branding process makes this target the most important one: It is the quantifiable legitimization of all measures within the Place Brand strategy implementation that authorizes all investments in the brand made in the past – as well as all further investments. This legitimization of investments forms the basis for consistency in the Place Brand process, leading to the long-term strength of the Place Brand.

## Functions of a Place Brand Controlling system.

The principal functions in obtaining the targets of Place Brand Controlling named above can be described using the terms planning, comparison and evaluation. Planning supports the specification of the strategic overall plan, as well as the division into operational budgets and the continuous comparison of the AS IS and TARGET states.

This is necessary for the subsequent monitoring (feed-back); in other words, the appraisal of brand management under economical, psychographical and behaviorally-oriented aspects. On the other hand, it also employs a type of early warning system (feed-forward) and monitoring in

advance for the purpose of anticipating and avoidance of AS IS / TARGET deviations.

Prof. Dr. Torsten Tomczak, Director of the Institute of Marketing and Commerce, describes the functions of a brand controlling system as follows: Not only to merge and evaluate information and data from the different fields relevant to the brand, but to provide a communication platform that guarantees a common language and understanding for all fields involved in the brand.

Regarding the requirements of the Place Branding process, the establishment of a common communication platform should be considered for all stakeholders involved in the Place Brand-relevant fields constitutive for the function of a controlling system. These fields include public policy / diplomacy, economics, tourism, education and culture.

The creation of an integrative platform that not only provides communication, but consolidates all the results, partial results, findings, proceedings and problems arising within the (usually not adequately networked) fields and stakeholders of the brand forms the essential background needed for brand policy decision makers to preprocess the required information. At the same time, this forms the basis for a framework that affords comparableness: a tool that can help to improve transparency and sustainability.

### Identification of the target values.

Target values for a Place Brand Controlling system are context-specific, and need to provide dense information as well as being able to submit valid statements on the brand.

Meffert differentiates between economic (core factors) and psychographical factors within a Brand Controlling concept (Meffert et al. 2002). The consideration of qualitative factors is a crucial aspect in the special situation of the branding process. The psychographic, pre-economic characteristics,

such as the brand image, brand loyalty, brand awareness, sympathy or confidence, build the background of the brand value.

A monetarily measurable value of the Place Brand can be developed only if memory structures have been formed for the brand: associations, emotions and appreciation. It can be assumed that in the case of Nation Brands, these memory structures already exist in a more or less distinctive way. The starting position for comparatively unknown places or regions is often very different: the creation of a positive image in this case can be carried out more easily than changing existing memory structures.

The target-oriented communication of a nation, a region or a place as a brand faces the challenge of strengthening positive associations and diluting or correcting negative connotations. The presence of these memory structures creates the need for a diligent analysis to be carried out preceding any Place Branding initiative. This provides the necessary basis for comparability, communicating strategies in an authentic way and arriving at conclusions which relate to the different target values, thus allowing the brand to become assessable.

### INSTRUMENTS FOR ACQUIRING THE TARGET VALUES.

There are many strategic instruments for planning and monitoring in the controlling practice. The specified instruments should be subjectively evaluated and examined regarding their significance for the Place Branding process:

- \* Identity profile
- \* Strengths / weaknesses profile
- \* Brand strength analyses
- \* Investment calculations
- \* Budgeting
- \* Benchmarking of the overall positioning in comparison to direct competitors over a long-term period

Operational instruments for planning and monitoring:

- \* Information on the planning and fine-tuning of individual brand management measures and instruments
- \* Budgeting
- \* Control of instruments/measures
- \* Organization of marketing results
- \* Results and deviation analyses
- \* Constant control of change to parameters: before, during and after direct and peripheral measures

Instruments for coordination:

- \* Designing a system of key figures
- \* Analysis, planning, and control of measures and projects
- \* Analysis, inclusion and communication with areas that have no legal connection to the national brand strategy but which are prepared to

engage in cooperations if allowed to remain independent (example: private-sector tourist associations, institutions abroad, etc.).

Instruments for the measurement of the psychographical factors of a Place Brand (awareness, etc.):

- \* Recall tests
- \* Recognition tests
- \* Evoked set-analyses

Instruments for the measurement and presentation of the psychographical factors of a nation brand (image):

- \* Image profiles
- \* Brand management strategies based on practical marketing experience

## Conclusion

Identity is and remains vague and hardly quantifiable.

Identity, which is reflected in a brand, uses the construct of the Place Brand as an assessable vehicle. The strategic process Place Branding designs this vehicle, supplies the instruments for navigation, bundles and concentrates the forces of the brand dimensions and outlines the "pilot communication" for a brand's specification. The economical approach to brand management allows the specification of the identity to be carried out at an assessable level.

Only if the Place Branding process is established in a transparent, assessable and comparable way can this advantage be of long-term use.

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