THE CONCEPT OF NATION BRANDING AND ITS ADOPTION IN SOUTH KOREA

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ABSTRACT

Nation Branding is the practice of creating a positive image of any country. It aims at a more favourable perception of any particular country by the outside world. Since the 1970s, with the rapid growth of the South Korean Economy, the country is known as one of the Asia's Four Little Dragons, attracting much attention from the world. South Korea transformed itself from extreme poverty in the early 60's to 70's to an industrialised country in the 80's and then became an OECD member in 1996. Despite of all these special achievement, South Korea is not well known to other countries positively. This paper discusses the strategy adopted by South Korea for its Nation Branding after the conceptualisation and definition formulation of the term 'Nation Branding' itself.

Keywords: Nation Branding, Public Diplomacy, South Korea, Presidential Council on Nation Branding (PCNB)

INTRODUCTION

Nation branding is a relatively new but very popular concept in contemporary world, as it represents one of the main areas in which nations compete with each other. Nation branding is derived from the long-existing practice of product branding but is not limited to economic aspects, as one might assume. It can also refer to state- or privately-sponsored efforts in the form of a wide-ranging and consistent strategy to improve a country's image; reputation; self-representation; emotional and representative aspects of the image; competitive positioning; associations; behaviour; attitudes; identity; social development; perception by others; nationhood; etc. Because its meaning, scope, methods, goals, and measurements are contested and have not yet been defined in a generally accepted way, there is still need for a better conceptualisation of nation branding.

The term *nation branding* itself was supposedly introduced in 1996 by Simon Anholt, a British brand researcher[1] who is indisputably a leading figure in the field of nation branding. He is known for his numerous contributions to this field[2] as well as publishing the first Anholt Nation Brands Index in 2005 – since 2008 in cooperation with the GfK Roper Public Affairs &Media, renamed Anholt-GfK Roper Nation Brands Index (NBI) – which evaluates the nation branding of up to 50 countries yearly. Following Anholt's turn from an emphasis on economic towards identity- or image/political-related goals, existing definitions of nation

branding can be divided into three groups.[3] The first group regards nation branding as a means for enhancing a country's economy or the market value of its products – so-called nation brand equity –, which has been labelled "*radical marketisation of the national reputation.*"[4] Papadopoulos and Heslop call this the Product-Country Image (PCI), on which a "*nation's level of advancement, feelings about its people, and desire for closer links with the country*"[5] can affect price expectations of products through a halo effect or a country-of-origin effect (COO). This means that the perception of the origin of the product affects the consumer in his/her attitudes towards a given product and decision to purchase it or not. Furthermore, this perspective is directly linked to normal product branding, as defined by the American Marketing Association as "*name, term, sign, symbol, or design, or a combination of them intended to identify the goods and services of one seller or groups of sellers and to differentiate them from those of competition.*"[6] Thus, a nation needs to create a unique 'brand' in a sense that it is identifiable and competitive vis-à-vis other nations. One of the still unresolved aspects of the relation between product images and nation images is the mutual effect. Although the halo effect or country-of-origin effect describes the positive influential power of nation images on product images, in some cases the same can be found in the opposite direction, i.e., a positive product

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[1] Simon Anholt, "From Nation Branding to Competitive Identity – The Role of Brand Management as a Component of National Policy," in *Nation Branding: Concepts, Issues, Practice*, ed. Keith Dinnie (Oxford, UK: Butterworth-Heinemann, 2008), 22.

[2] Among his dozen works, see, for example, Simon Anholt, *Brand New Justice. How Branding Places and Products Can Help the Developing World*, Rev. ed. (Oxford, UK: Butterworth-Heinemann, 2006), in which he is very much concerned with branding strategies for developing nations, and still subscribes to the idea that branding is mainly a marketing strategy for a nation's products and its culture,

[3] See Nadia Kaneva, "Nation Branding: Toward an Agenda for Critical Research," *International Journal of Communicatio*n 5, (2011): 120, who proposes a similar division of branding literature into technical-economic, political, and cultural.

[4] Rasmus Kjaergaard Rasmussen and Henrik Merkelsen, "The New PR of States: How Nation Branding Practices Affect the Security Function of Public Diplomacy," *Public Relations Review* 38, no. 5 (2012): 810-818.

[5] Nicolas Papadopoulos and Louise Heslop, "Country Equity and Country Branding: Problems and Prospects," *Journal of Brand Management* 9, no. 4-5 (2002): 294-314.

[6] American Marketing Association quoted in Philip Kotler and David Gertner, "Country as Brand, Product, and beyond: A Place Marketing and Brand Management Perspective," *Journal of Brand Management* 9, no. 4/5 (2002): 249

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image can generate a positive country image.[7] Further differentiations must be made, since mutual influences might not exist for all kinds of products. The economic aspect of nation branding also very often has close ties to tourism, so much so that it is sometimes used interchangeably with place branding or destination branding, which relates to placing a sectorial or functional promotion of a product, e.g., tourist spots, as in the case of Malaysia's branding campaign. Another example of destination branding is India's Incredible India-campaign, which was launched in 2002 and is lauded for having boosted India's tourism industry to a remarkable extent. A branding of Great Britain was initiated in May 2002, due to dropping tourist numbers, in cooperation with the Corporate Edge and the British Tourist Authority. Similarly, South Korea launched a tourism campaign in 1993 that hardly could be called nation branding, as it aimed purely at inbound tourism for Korea. Hence, elements of this kind of nation branding include company and product branding, the environment to attract Foreign Direct Investment (FDI), quality of entertainment, shopping or hotels, and other areas that belong to the tourism industry. Nevertheless, the relevance of economic aspects of nation branding should not be underestimated since products can also affect a nation's image abroad.

In other words, nation branding is sometimes considered a means of establishing new national symbols and identities, even if they are not related to a nation's history, culture, etc., for purely economic gain. Another potential problem is the fact that these decisions might not be made by elected officials but instead delegated to a small group of consultants. In the end, nation branding might possibly cause greater harm to a nation, since established national identities are disregarded and new ones are created. The recent Spanish nation-branding project *Marca España* was reviewed negatively because it limited the intended nation image in other nations to one that was highly simplified, leaving no room for cultural and linguistic plurality, and consisting only of existing conceptions of Spain. It is regarded a "*double risk*" in the sense that it confirms fixed images and harms plurality as well as the control of power by democratic means. Although the target audience is not the domestic population, the campaign might affect its own people as well – an aspect that underlines the difficulty of strictly differentiating between domestic and foreign oriented campaigns.

A real consensus in the academic or the political world on the definition of nation branding does not exist. Although the articles on nation branding for purely economic reasons comprise the largest share of the literature on nation branding, the centre stage is currently shifting from a purely economic emphasis toward a more complex understanding of nation branding as a strategy. Several examples illustrate this: a) Founded in 2004, the journal *Place Branding* was re-named *Place Branding and Public Diplomacy* in 2006; b) Simon Anholt's understanding of

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[7] Chung Koo Kim, "Brand Popularity and Country Image in Global Competition: Managerial Implications," *Journal of Product and Brand Management* 4, no. 5 (1995): 21-33.

nation branding evolved from an economy-centric view to a broader understanding which included political aspects as well, as mentioned above; c) In its early stages, nation branding referred primarily to a blend of national policies to boost tourism and assist economic growth; the present idea of nation branding includes cultural and ideological as well as political factors, which are becoming increasingly imperative.

Due to its complexity, nation branding is in close reach of such concepts as public diplomacy or soft power. One work of significance for the conceptualisation of nation branding is Szondi's *Public Diplomacy and Nation Branding* (2008).[8] In it, he proposes five types of relationships between nation branding and public diplomacy: a) as distinctive and different spheres; b) public diplomacy as part of nation branding; c) nation branding as part of public diplomacy; d) as distinctive, but overlapping spheres; e) the two being the same. In the first case, the emphasis is on general differences, e.g., one-way communication, symbolism, the targeting of all countries, advertisements, logos, slogans, etc. belong to the nation-branding field, whereas two-way communication, exhibitions, exchange programs, language networks, or the targeting of key geographical countries are regarded as characteristics of a (new) public diplomacy. In cases (b) or (c), one concept is considered a part of the other – a view that reduces the respective incorporated field, e.g., nation branding as a mere instrument of public diplomacy.

Finally, since equating nation branding with public diplomacy (case "d") is seen as the "*least beneficial mode*,"[9] he proposes "e" as the best solution. Similarities may exist in the orientation of both means, but differences prevail in the degree of these policies. Branding can be considered a tool for perception change and identity projection, whereas public diplomacy is only a contributing factor to a certain perception, with the aim of establishing or maintaining long-term relations. [10] Rasmussen and Merkelsen hold a similar opinion, i.e., that public diplomacy has partially merged with aspects of nation branding. Yet, they lament that the tendency towards marketisation in public diplomacy increases national wealth at the expense of national security. Anholt later revised his understanding of public diplomacy as only a part of nation branding/competitive identity, seeing in it an equally important means for image management. According to him, public diplomacy should primarily be a tool for developed states. A different opinion is offered by Simonin, who regards public diplomacy, alongside tourism, exports, and foreign direct investment, as one dimension of nation branding.

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[8] Szondi, G. (2007). The Role and Challenges of Country Branding in Transition Countries: The Central and Eastern European experience. *Place Branding*, *3*(1), 8-20.

[9] Ibid., 19.

[10] Toine Minnaert, "Footprint or Fingerprint: International Cultural Policy as Identity Policy," *International Journal of Cultural Policy* 20, no. 1 (2014): 107.

OBJECTIVES OF NATION BRANDING

States are increasingly looking towards building national brands and gaining status as a 'brand state' where a distinct image and reputation can influence the ability to gain political capital, attract human resources and foreign direct investment, and resonate with global consumers. Nation branding aims at a more favourable perception of any particular country by the outside world. It successfully enhances a country's image and can have positive economic effects; it can boost tourism, attract more foreign investment and increase the value and flow of exports from the country which is highly beneficial for an export oriented economy like that of Korea. A higher national brand value can translate into greater status in international community and more influence in world politics. According to Keith Dinnie, it is a form of self-defense in which countries seek to tell their own stories rather than be defined by foreign media, rival nations or perpetuation of national stereotypes. It can be said that it is based on soft power what Joseph Nye has defined as 'the ability to get what you want through attraction rather than coercion or payment, it arises from the attractiveness of country's culture, political ideals and policies'. The four main objectives of nation branding can be described as in the context of public diplomacy, tourism, exports and foreign direct investment. Each nation tries to brand themselves in an integrated manner on four different objectives in facing the current process of globalisation and the accompanying increase in economic competition for markets. Each country's level of emphasis on each of these four objectives will vary depending on its brand essence and competitive advantage. However, countries tend to overlook the synergies of nation branding, rather reinforcing one or two dimensions in their nation branding; mainly for tourism purposes. This is because tourist promotion is usually the only way in which countries ever consciously engage in marketing themselves to the outside. Tourism branding typically involves mass-marketing's approaches (media advertising) by government and industry associations, and both mass and more focused approaches (such as personal selling and incentives to travel agents) by associations and individual firms. Furthermore, tourism branding can be comparatively easier controlled in the designated way.

NATION BRANDING AND SOUTH KOREA: FEW RECOMMENDATION

South Korea has become increasingly important to the global economy, geopolitics, and other countries' long-term consideration of their national interest. South Korea, despite its technological advancement, rapid economic development and member of prestigious international organisations such as OECD and G20 has not received the recognition it deserves. Korea is in serious need of national image advancement as to the most world, the name 'Korea' conjures up a variety of negative images in terms of North Korean issues, Korean War or xenophobic population. The widely prevalent negative images has been working, South Korean

government has realised the need to narrow the gap between current image of Korea and the real national power, and thus shifted to focus from hard power to soft power by promoting 'nation branding.

In effort to 'brand' Korea, former president Lee Myung- Bak, in January 2009, created the PCNB consisting of 47 members including 13 government official and 34 civilian members. The PCNB is dedicated to promoting Korea's image as a country that contributes to international society, a country that produces world-class products and services, and a country that respects other cultures.

This council was created in response to Korea's poor ranking of 33rd out of 50 countries according to the 2008 Anholt-GFK Roper Nation Brand Index which is currently the most widely accepted system for measuring the global reputation of a country. Presidential council on nation branding's first chairman Euh- Yoon – Dae has called Korea's low ranking a national shame' especially considering Korea's status as 15th largest economy in the world. Acknowledging that Korea should address these issues of branding and its weak national brand as in comparison to its national power, the council has launched its nation branding project in 2009 with 10 action points which are following: (a) Promotion of Taekwondo (Korean martial art): Every year the MOFAT and Ministry of Culture sends taekwondo performance team to different country and, in 2009 it launched 'Enjoy Taekwondo Project', (b) Dispatches of service volunteer: Korea dispatches service volunteer abroad every year by launching World Friends Korea (WFK) program in 2009 which is similar to United States' Peace Corps and it sends over 3,000 volunteers to developing countries, (c) Adoption of Korean wave program: It is named after Korean cultural boom and popularity that aims to help developing countries achieve rapid economic development by providing them technological support, (d) Introduction of GKS for foreign students, (e) Campus Asia program to recruit and train talented mind from Asian country, (f) Increase in ODA to developing country. As mentioned before, Korea is rare and successful example of transforming itself to 'aid recipient country' to 'aid donor country', (g) Development of state- of- the-art technologies, (h) Nurturing culture and tourism industries, (i) Multicultural family treatment, tourist destination, (j) Making Koreans global citizens by exchange program, volunteering etc. Thus, after becoming economic powerhouse, South Korea is trying to improve its image in the world through the adoption of various policy initiatives for nation branding. For this, South Korea has adopted ten point action plans as stated above. Therefore, it makes it imperative to analyse in the following chapters the success and failures as well as quantitative and qualitative gains of South Korea in its endeavour towards nation branding as well as image building.

An independent institution like PCNB that deals with country image issue can not only provide governmental organisations with a platform for coordination, but it can also create a single arena for the private sector and the public sector to jointly discuss country image. Overseas consumers are already fairly familiar with the brands of several large Korean corporations but many of them still do not know the corporations are headquartered in South Korea. Those corporations have not gained much advantage from South Korea's country image so that they sometimes intentionally do not reveal their origin.

For the government institution to conduct extensive research on the issue of country image promotion on its own, the institution requires plenty of resources and staff. Moreover, it requires additional resources to educate government officials for public relations skills. Government officials in South Korea are required to work in various departments in rotation in order to make them generalists. In this circumstance, it is very difficult to nurture public relations professionals. By promoting private-public sector cooperation through outsourcing, a government institution can save a lot of resources and efforts while utilising professional skills. Many experts suggest South Korea should stress the cultural image of Korea to improve its national image. In general, developed countries tend to evaluate a country more favourably if the country has an excellent cultural heritage. In addition, people from advanced countries tend to be more interested in culture and art than economics. Stressing South Korea's fast economic growth might let them see South Korea with both admiration and concerns.

Therefore, emphasising soft power is more advantageous as it can fulfil their intellectual desire to know more about South Korea's culture. South Korea has a unique and distinguished cultural heritage so that it could be easy to differentiate Korea if promoted skilfully.

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