



Kinship branding: A concept of holism and evolution for the nation brand

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Abstract Branding is finally understood to play a critical role in the national and international success not only of firms but also of countries. Unlike the brand of a firm, a place brand is not created to be sold or to increase in value on the stock market. Altruistic goals such as sustainable, long-term employment and prosperity are primary objectives. A coherent place brand architecture is fundamental to an emerging nation's growth strategy as it provides a structure for forging powerful alliances and driving the country's overall development strategy. This paper examines the extent to which nations can learn from successful companies and countries, and outlines the critical success factors providing foundations for a successful place brand strategy. It considers the case of repositioning a damaged nation brand, and emphasises the importance of branding through all aspects of a place — its commodities, citizens, industry and even regions beyond its borders — through culture and all forms of cluster and kinship alliances. It seeks to suggest an approach that could help developing countries to make their mark on the world map so as to compete with vigour and confidence. It also highlights the potential threat of new forms of colonialism that could possibly be posed through foreign direct investment by global brands, and suggests instances where nation branding and even the simplistic strapline approach to nation branding could backfire.

Keywords: *nation branding, place brand, kinship branding, holistic branding, cluster branding, rebranding, brand colonialism, brand architecture, brand DNA, sustainability*

INTRODUCTION

With globalisation markets are becoming more integrated. Firms are increasingly expanding their geographic scope of operations, setting up or acquiring companies and brands across borders, or entering into alliances across national boundaries. A relatively recent

development has been the growth in awareness of nation branding — how a nation can itself become a brand uniting its citizens and attracting foreign investment or tourism and exports. Countries and companies are taking on each other's roles and the most urgent problems are faced by small new nations,

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little known except by their immediate neighbours (Olins, 1999).

Place branding is relevant because consumers and investors continue to rely heavily on country images in making their economic decisions. Effective place branding not only serves to reinforce positive images but also helps fight negative ones by shaping new images and associations. Branding has become a central tool in country competitiveness, where having a bad reputation or none at all seriously affects a country's ability to compete. Thus effective country branding can give a competitive advantage in world markets and open up many opportunities for developing countries (de Vincente, 2004).

Very few new countries have established clear, let alone positive, brands where they are known for anything other than war (Olins, 1999). Countries need to do whatever they can to upgrade and 'upbrand' such images, ensuring that they become and remain as fair, true, complete and useful to their aims as the marketplace is prepared to accept. That is the nature of the contest (Anholt, 2005). As competition increases, nations need to develop distinctive brands: they need to be different, which means investing in more than just a logo, strapline or advertising campaign (EIG, 2005). For most developing countries the primary goal is likely to be employment, essentially rural employment. As such, nation branding should not simply focus on country image but should develop an holistic and sustainable brand architecture uplifting not only itself but also its surroundings.

Marketing a country is not entirely new; in fact, numerous countries have traditionally promoted their image for tourism. But the current process of globalisation has underlined the need for countries to brand themselves — in an integrated manner — in at least four

different facets: public diplomacy, tourism, exports and foreign direct investment (FDI). It is about using strategic branding to position and promote a country's products, culture and attractiveness for FDI and tourism.

Modern branding specialists believe that what has been learned in advanced societies about creating value through branding can and should be transferred to less-developed nations in order to improve the lives of populations (Anholt and van Gelder, 2005). The central role of branding in defining a firm's identity and its position in international markets shows that it is critical to develop an international brand architecture. This implies identifying the different levels of branding within a place, the number of brands at each level and also their geographic and product market scope. The most critical element in this structure is the number of levels, corporate, house/product brand, their elasticity and how these are used in conjunction with each other.

Since the publication of Michael Porter's (1990) book 'The Competitive Advantage of Nations', clusters — local concentrations of horizontally or vertically linked firms specialising in related lines of business together with supporting organisations (OECD, 2006) — have grasped the imagination both of policy makers and entrepreneurs. Cluster building is now among the most important economic development activities in OECD countries and beyond. The branding of such clusters is often clumsy and badly structured, as it tends simply to slap generic brand names on a group of firms sharing the same industry within a nation-state, such as Serbian Apparel, with little thought, if any, given to the architecture of the brand.

The objective of this paper is to examine certain current perspectives,

including strategic options and the underlying drivers, within place branding. Key branding models and tools from industry are borrowed as relevant tools for the purposes of place branding. Strategic branding options are simplistically explained so that civil servants or ‘cluster creators’ with little knowledge of branding may develop a clear set of guidelines for the sustainable development and evolution of their place brands. The development of strong kinship alliances is strongly advocated.

PLACE BRAND DNA

If a place brand’s heritage is of negative attributes, the terms ‘rebranding’ or repositioning apply. It has to build its DNA from scratch, but how? Where a place’s heritage is not known it may be considered as ‘unbranded’, ie without known reputation or therefore image. In such instances a totally new DNA can be constructed — ideally one based on reality. The brand architect can target an open consumer mind within which a constructed identity is then established to provide a unique positioning for the place. Conversely, a name that comes with a very negative top-of-mind image can be seen to have a DNA that will clearly have to be modified in some way or another. Here is where the greatest challenge lies — the extent to which these places can be repositioned as opposed to simply renaming them. Renaming can, however, be considered as the quickest option, eg the name Zimbabwe represents a post-colonial Rhodesia.

Almost no marketing or branding text provides guidelines on rescuing damaged brands. This is because companies can easily discontinue or rename damaged brands. A nation cannot always take this easy option. Countries commonly suffer from what Anholt (2003) calls the

‘starlight effect’, an image in people’s minds which is based on the still-resonating memory of long-past events. Germany has recovered from its Second World War image and South Africa has managed to rebrand itself as a modern advanced democracy following its heinous apartheid legacy. The latter miracle was partly due to the Truth and Reconciliation Commission, Nelson Mandela, visible political change — even visible by skin colour — and a very well-integrated branding campaign starting from the bottom up. In the case of South Africa, every South African, including their very influential diaspora, was called upon to act. As the country was historically an artificially divided nation, a new nationalism has emerged to create unity and the ‘Proud to be South African’ slogan does not cause alarm in the outside world.

By contrast, Serbia, with most in the Western world having little or no knowledge of the country, its people or its heritage, still evokes the word ‘war’ (Tomic and Mihailovic, 2005). To many it was unheard of while still a state within the Federal Republic of Yugoslavia. A further step associates it with Milosevic, the Hague and war crimes. It is unheard of for countries to prosecute newspapers for libel as companies may do, and rogue-nation citizens have to live with their personal reputations tarnished as a result of actions taken or not taken by their governments. Fair or unfair, Serbia represents one of the greatest challenges for any ‘place’ branding expert, and any image-only campaign to restore its reputation today is likely to be viewed negatively as nationalism re-emerging as sheer propaganda. Serbia would thus need an approach different from South Africa’s in order to modify its existing DNA.

For most brands, the core of their brand DNA begins with one product. In

the case of Coca-Cola the true core can be seen as one distinct flavour. This focus on taste prevents the brand from stretching into categories where the Coke taste is not wanted, such as fresh orange juice. In contrast, Virgin can be said to have created its DNA through brand extensions. The brand is in constant evolution: having started as a record label it now offers space flights. As the reputation of a place is primarily derived from the activities of its citizens, it could be considered to embody infinite elasticity. Its DNA is created organically, like a crystal that grows and grows, although less solid. Its core will always be under threat from challengers.

The extent to which Paris has ceded some ground in fashion dominance to New York, Milan, Tokyo and London is recognised. It has to keep reinforcing this aspect. Witness the extent to which France has ceded ground to New World wines in foreign markets, and observe a similar trend in fragrance, lingerie and even their pre-Second World War language dominance of Europe. The extent to which the USA ceded its technological ground to Japan and Korea, not to mention in the motor industry, is acknowledged. What of the industries the great British Empire used to dominate? No brand is invincible. No positioning is invincible. How do Pepsi and Coke feel about Red Bull? How does Sony feel about the iPod? In people's minds Paris remains the heart of fashion, fragrance and perhaps even of romance. Its Eiffel Tower is seen to symbolise and embody all of those properties.

L'Oreal, by adding the name Paris to its brand name, has effectively co-branded itself with all of these associations, thereby enabling its brand to stretch into almost any personal care category for which Paris is known. For its own part, L'Oreal adds to the image

of Paris with every product and every advert. Clearly, though, the heritage of Paris or France does not add value to any French company planning to launch a pasta or pizza unless a touch of French gourmet cuisine is added. The core brand of France has many attributes allowing it to stretch across categories, those of elegance and sophistication in particular. France has primarily exported its culture, and it is this that provides the country with its greatest guarantee of sustainable employment.

BRAND STRETCHING

Kapferer (2004) outlines the theoretical roots to core brand models and refers to the core as the 'kernel', consisting of 'traits judged by more than 70% to be necessary to the brand definition. Eventually, innovations introduce new peripheral attributes, which may be incorporated into the kernel at some point in time. This is how brands evolve through time, how innovations have an impact on identity. This is key to branding and to modifying a brand DNA. He adds that 'far from seeking to capitalise on its past — and thus to repeat itself — the brand should surprise, and promote change'.

It is the element of surprise that tends to generate free publicity and has long been the major critical success factor of the French luxury houses — what designer Galliano aims to do for Dior on the catwalks of every Paris Fashion Week. The same tool is essential for place branding — from the Ice Hotel in Jukkasjärvi to the excitement of a fast-changing Shanghai. All brands need to keep moving, keep building their stories. As witnessed with Virgin, every new story sows the seeds of new legacy. A place brand develops in just this way. Japan had no fashion designer heritage to start with, but today has a whole stable

of powerful designer brands. Beginning with each individual, the key is to start sowing the right seeds.

Brand theory suggests that if a brand stretches beyond its peripheral traits it runs the risk of introducing something that could be considered ‘out of the brand’ (Kapferer, 2004) or not fitting (Aaker, 1991) and representing a high risk most often leading to failure. Virgin is one of the few companies that has taken such risks and has mostly succeeded (Mihailovic, 1995). It could be argued that Virgin now has two cores, one music and the other travel. Virgin’s founder, Richard Branson has built his brand extensions from the brand concept — but had it not been for the personality of the man himself, it is doubtful that the airline would have succeeded. Considering that a place brand is made up of many people — perhaps many potential Bransons — each with the ability to create at least one new core within the place, there should be no limit to the seeds that can be planted in the brand’s core. Clearly, however, the success of one seed rubs off on others, primarily those in closer proximity to the core of that seed. In France, for instance, mustard made in Dijon has made the place famous. Dijon could most likely add value to a similar kind of product, such as mayonnaise. Fashion designers have added value to Paris via fashion, fragrances and other luxury goods. Every successful launch alters the DNA of France, creating new cores, new seeds that can grow and stretch as far as consumers will accept them. As culture tends to stretch the furthest, it should be branded wherever possible, just as Italians have done with espresso — and coffee is not cultivated in Italy!

Whereas firms traditionally considered line extensions on the basis of the line of business they are in, the brand architect

considers what business a brand’s believers would accept finding it in (as reflected in Figure 1). It is here that the life of a brand can become infinite.

The same principles apply to place branding. Once Paris had established itself as the fashion capital of the world, it was clearly not too difficult to do the same with fragrance. Thanks to a trend started by Worth and Coco Chanel, Paris managed to take the spotlight off Grasse, France’s traditional fragrance heritage place, and become the perfume capital of the world.

To plot the elasticity potential of a brand based on its DNA, a brand-stretching matrix is proposed (see Figure 2). The model uses beauty brands to illustrate how the principles may apply to place branding.

The brand-stretching matrix is in reality a simple model that can be used to test how far a brand’s reputation has stretched in the consumer’s mind. It is perhaps more useful as a tool for examining the extent to which the DNA of a brand may have to be adjusted in order to make a line extension fit, ie which seeds have to be sown or which attributes need modification to provide the right conditions for such a seed to grow.

One can see how, due to Wella’s hair-care heritage as well as its consistency in reinforcing its hair-only positioning, the house brand cannot readily stretch into aligned areas such as skin care or fragrance with much credibility. Its German origins do not help either. Neither does the name of its home town, Darmstadt. L’Oreal, on the other hand, though with its roots in hair care, not only has ‘Frenchness’ built into its name, but with the additional co-branding to the Paris place name — L’Oreal, Paris — can in fact expand into almost any personal care category it likes, thanks to the reputation embodied in the

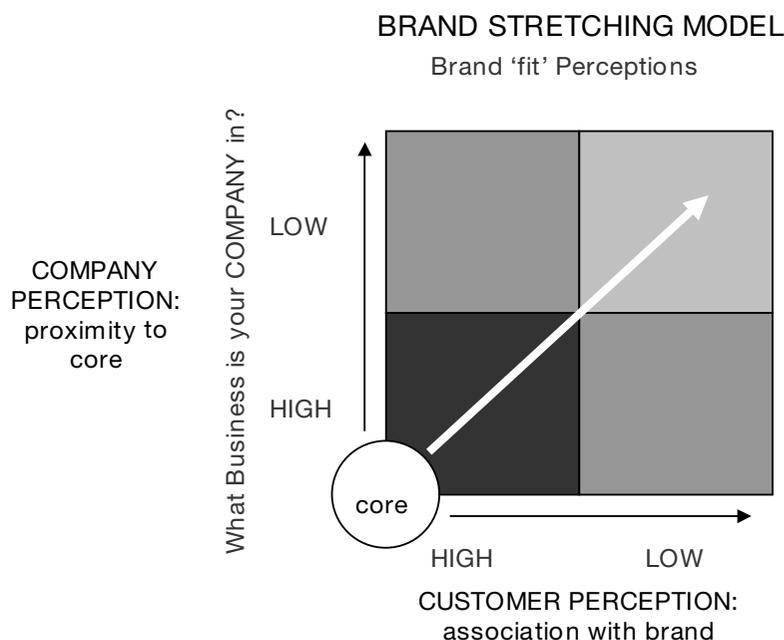


Figure 1: What business will your customer accept your BRAND to be in?

name Paris. Dior, an essentially fashion couture house, has little credibility with which to enter into the hair-care market. Should it wish to do so, it may well first have to open a beauty salon or spa concept as a peripheral step, then, at a later point, introduce hair-care and colour products with a fashion edge to them.

For place brands the issues are the same. France is not known for its friendliness to tourists or for much entrepreneurial flair. The UK has never had a reputation for its cuisine, and yet today is fast gaining a reputation for the best culinary diversity in Europe. Japan, with its high prices and significant language differences, is not a popular tourist destination. People's image of a place is formed by encounters with every person or aspect linked to that place: immigrants, music, art, food, restaurants, travel, history and so on, newspaper and other media reports, feedback from travellers and now blogs.

All these attributes may change over

time. It is here that political leaders often have the greatest role to play.

Zimbabwe's current low reputation due to President Robert Mugabe's present policies lies in stark contrast to the improved reputation of South Africa, very much due to world respect for former President Nelson Mandela — himself an icon, a nation brand. On such grounds one could argue that the Serbian Republic's new democratic President Boris Tadic should consider becoming a star in his own right, as Mandela did. He could surprise the world with some huge gesture.

Although politicians have an important role to play, it is recognised that every single individual from a place can have an important influence on the DNA of the place, as they will always be considered ambassadors of the place at one point or another. It is here that a damaged place brand hurts citizens of that place most, eg the embarrassment felt by white South Africans abroad during the apartheid era and Serbs

BRAND STRETCHING MATRIX

Example A: Beauty House Brands and Product Brands

	Hair care	Hair styling	Hair colour	Deo	Fragr.	Make-Up	Skin care	Bath & shower	Men's
WELLA	Wavy pattern	Wavy pattern	Wavy pattern						
L'OREAL	Grey	Grey	Grey		Grey	Grey	Grey		Grey
NIVEA	Dark dots			Dark dots		Dark dots	Dark dots	Dark dots	Dark dots

Example B: Place Brands

	Fashion	Perfume	Luxury	Cuisine	Entrepreneurs	Exports	Hospitality	Tourism	Work Force
FRANCE	Grey	Grey	Grey	Grey		Grey		Grey	Grey
JAPAN	Wavy pattern	Wavy pattern	Wavy pattern	Wavy pattern		Wavy pattern	Wavy pattern		Wavy pattern
SPAIN	Grey	Grey	Grey	Grey		Grey	Grey	Grey	Grey
U.K.	Checkered	Checkered	Checkered	Checkered	Checkered	Checkered	Checkered	Checkered	Checkered

Figure 2: How far has your brand is reputation stretched – in the consumer is mind?

abroad during the Milosevic era. Brands linked to a nation too often risk boycott for actions undertaken by the nation-state, eg Israel.

It might be suggested, then, that brands not dependent on place often stand a better chance of contributing more, in financial terms, to that place, but this does not seem to be the case for Champagne. Regional branding such as Champagne, or greater regional branding such as caviar from the Caspian, might be seen to act as much more powerful forces than any nation brand. A geographical region exists forever. Mountains and rivers are permanent. The successful branding of a region could result in the creation of long-term sustainable employment. A country, and even a nation, rarely remains the same forever. As such, place brand architecture must, in essence, look beyond national

borders. The prosperity of a nation's neighbours should be considered to be as important as the prosperity of its inhabitants, simply because wealth spreads. Ideally place branding can be created in alliance with a nation's neighbours — in a form of kinship alliance — with a single focus on a clear attribute- or product-linked positioning message for the geographical place, such as 'Fair trade Balkan berries are the world's best' or even a regional stamp like 'Balkanica Organica' (Mihailovic, 2006) which could eventually symbolise and represent the highest-quality organic food region of the world, just as the French use their AOC symbol (Appellations d'Origine Contrôlée).

The beauty of place branding is that it is often easier to promote a region or even a city with a single-minded message than an entire country. Prague is no

doubt more of a destination than the Czech Republic itself. Visitors to New York, London and Paris are normally headed for those cities only, not the countries they are in. Hotel groups and other property investors perhaps think much the same way. The key is to focus on the 'carrots' and not on the national pride. It is here where many of the new cluster brands in the CEE region can be seen to be making major errors — Serbian Apparel, for instance. National pride should develop organically out of positive results. Conversely, if the name of the city carries negative connotations, as do Belfast and Johannesburg currently, one can focus on the country, the region or another town first — the city with a problematic image being dealt with later. This paper will argue that many new nation branding strategies have been ill advised.

PLACE BRAND ARCHITECTURE

As markets such as in the EU become more interlinked and integrated, companies and countries have needed to identify opportunities for strengthening brand architecture by improved coordination and harmonisation of their brands across borders. Before the advent of the EU relatively little attention was paid to the question of brand structure or brand architecture, but these are now the very basis for creating or recreating brand DNA.

In international markets an important issue for a firm is whether to use the same brand name in different countries, thus leveraging brand strength across boundaries, or maintain local brands responding to local customer preferences. A related issue is the level of branding to emphasise corporate/house or product-level brands or some combination of both. Though this is a fundamental issue, leading texts on

branding today still offer little strategic advice in this regard.

Kapferer (2004) and Keller (2003) tend to offer brand categorisations which may be useful for brand valuation purposes — snapshots of a brand's positioning strategy at a single point in time — but which are not designed for use as strategic models in brand development. Not many brands start out from day one deciding to be a corporate umbrella brand, corporate source brand, corporate endorsing brand, 'maker's mark', source brand, range brand, line brand or product brand and then just stay there forever. A more strategic and actionable model that allows brand strategies to evolve over time is the 'brand-bonding spectrum' (Figure 3) which serves as a useful tool in helping brand strategists understand the strategic dynamics arising out of different relationships between house and product brands (Mihailovic and de Chernatony, 1994).

From a structural point of view, place branding faces the same strategic choices firm's face, except that the architecture is more complex and multifaceted. Using Figures 1–3 as a basis, examples pertaining to place branding will be illustrated.

Simplistically, the brand-bonding spectrum (BBS) outlines different permutations that might exist in a brand-bonded relationship. It is suggested that the BBS be used as a primary tool in the formation and planning of all brand strategies and policies. The BBS was developed as a necessary tool resulting out of the 1990s' trend towards branding corporate identity with a view to adding value to brand equity. The interaction taking place once these brands have been bonded, and the relationship they enter into, can add reciprocal values forming their sum equity in the consumer's mind, thus enhancing their competitive edge

BRAND-BONDING SPECTRUM
Strategic Considerations for Brand Architecture

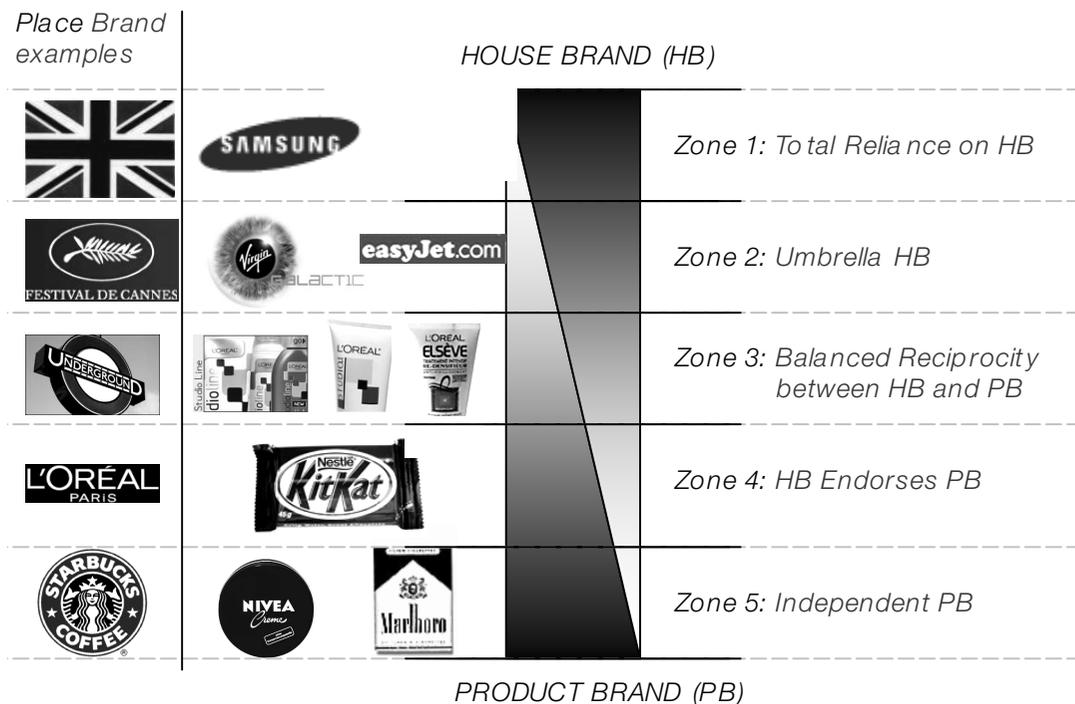


Figure 3: Strategic considerations for brand architecture

(Mihailovic and de Chernatony, 1994).

It should be clearly outlined from the start that a company name is not necessarily a brand name. Most often it is simply a trading name. Brands in Zone 1 of the spectrum represent a situation where the house brand (HB) is the only brand name emphasised and the product or service is differentiated by a simple descriptor such as a colour or catalogue number eg Samsung E500 mobile phone. In this instance the HB loses the opportunity to develop a distinct positioning and identity for its product brands (PBs). It can be viewed as a family name, an embodiment of family reputation. In a Zone 1 situation, the children have no names! The place branding equivalent is hard to find because places usually have names, but the same effect is seen when simplistic straplines like ‘Chill out, you’re in

xxxland!’ are used for nation branding. This may work for small holiday places but is unlikely to help generate FDI, employment and so on for complex historical countries with more to offer.

Brands in Zone 2 of the spectrum are sub-brand names subordinate to the HB providing the umbrella for the PB, eg Virgin Atlantic/Virgin Megastore, EasyJet/EasyMobile, Nivea Crème/Nivea Visage. Where brands in Zones 1 and 2 lose value is that sub-brands have no value without the mother brand and cannot be easily divested — Easyjet cannot sell off Jet as a brand on its own. Although this does not apply to place brands, it is clear that if a product brand remains generic it is totally dependent on the parent brand and loses all chance for a more specific positioning. The strategy has worked extremely well for many, eg Swiss banks, Swiss cheese, Swiss watches,

the Swiss Alps etc, but does not work for fashion, eg Serbian Apparel, because designer brand names cannot be marketed under the same banner as high-street factory names.

Zone 3 offers an excellent way forward for businesses and place brands. Both HBs and PBs in this zone are considered to possess a unique independent positioning and value in relatively equal proportion, eg Studio Line *from* L’Oreal, Elseve/Elvive *from* L’Oreal. The PB branding always communicates the HB as the source. Each advert for a PB adds value to the HB. When L’Oreal acquires a PB, say in China, it can immediately add its HB to the PB as a way of introducing the HB to loyal customers of the PB, and then introduce its entire range of PBs into that country. For place branders this would mean advertising a precise destination point (PB) eg Prague, and in doing so simultaneously feed some value into the name Czech Republic. An entire portfolio of strong PBs continually feeding values back to the HB provides a very forceful representation of the HB, especially in instances where the HB has focused on building its reputation in relevant product categories, as has L’Oreal in cosmetics and toiletries.

One can imagine the extent to which people, products, specific places and events might add value to the positioning of the HB, eg the Côte d’Azur, Bordeaux and Cannes for France, the Louvre and Eiffel Tower for Paris, each adding its own particular value to the HB. This PB/HB relationship can apply at many levels, for instance the named raspberry (PB) from the named place (HB), or sports star from club/team, match in stadium, town in country — are all place branding opportunities.

Zone 4 brands represent PBs which tend to feed more value to the HB than

vice versa, thus putting the HB in an endorsement situation. Kit Kat (ex-Rowntree’s, now Nestlé-owned) is a fine example. Co-branding, such as Barclaycard Visa, could be said to fit in this category equally well, as one brand merely acts as an endorsement for the other. New York, London, Paris and Tokyo can all be said to be in this situation for commercial branding purposes, as can David Beckham for England. More interesting is the extent to which regions can and should play this role, eg Champagne in France or caviar from the Caspian.

Zone 5 brands represent totally autonomous PBs with no intentional link to the HB. No reciprocity of brand equity is expected. Many brands begin their lives in this way but evolve perceptually into Zone 2 umbrella HBs, as have Nivea and Dove. This strategy works well for risky PBs which might harm the HB if something went wrong, eg cigarettes, and Dasani water from the Coca-Cola Company. Coca-Cola itself originated in this way but then became the corporate name as well. To what extent can this apply to place branding? Disneyland/Disney World, Club Med, even MacDonald’s and Starbucks serve as destination points wherever they may be located. They may be recognised as nation brands but do not trade on their national origins.

IS IT ABOUT BRANDING A NATION?

To what extent should place branding be nation-based? It makes sense if and when the nation brand has value to add to a customer offer, which is the case with many destination brands. But place branding should not be seen as the Olympic Games on a larger socio-political scale. If the best organic produce in Europe is produced in the entire Balkan region, surely it makes

more sense to brand the Balkans under one, single relevant positioning — such as a ‘100% pure Balkanica Organica’ label meaning the highest-quality, tastiest, purest, pollutant-free organic produce in the world — rather than for each Balkan state to rush out with national slogan messages such as ‘soul of Europe’, ‘spirit of the nation’ or ‘centre of new Europe’ etc in order to compete with each other on image. Together they might produce a message with which no EU country can compete. They could combine all the strengths they share, going into the EU with very powerful brands and a combined promotional budget, the prosperity of the Balkan region as a whole working to the ultimate benefit of all. But will they be prepared to share marketing budgets?

Place branding needs to accommodate primary, secondary and tertiary industries, every place and region and every person with a vested interest in them. Each has a role to play in attracting investment, employment, visitors, export trade, goodwill, trust, reputation, etc. It is endless. ‘The best model for implementing a nation brand is probably closer to Al Qaeda than Josef Stalin: a loose network of semi-independent groups, each planning and carrying out its own activities and communications and inspired by a commonly held belief in some simple, powerful mission’ (Anholt, 2005). Why should this network stop at a nation’s borders? The internet knows no borders. Friendship and kinship know no borders. Diluting their strength into separate, nation-brand strengths, the Balkan states make themselves vulnerable to stronger EU states which will not hesitate to swallow them up at the earliest opportunity. They may soon find themselves living under a new form of brand colonialism, with all their major brands and land owned by foreign firms.

TOWARDS A BRAND ARCHITECTURE

This paper proposes an architectural structure which crosses borders, as do firms where necessary, and entails all the alliances necessary to achieving a nation’s ultimate objectives — which should at least be employment for all. The very existence of a British Commonwealth or EU is an admission by powerful nations that it is too costly and ineffective to try to do everything alone. Yet nation branding pundits tend to overlook this. Place branding needs to have the mobility to transcend borders as efficiently as the web.

Returning to the issue of Serbia, for one thing it can be seen as a relatively unbranded country. If war is the only attribute associated with it, then it may simply be a matter of bringing other attributes to the fore, although that should not be the priority. The priority should be a simultaneous realisation of the objectives set for the key areas: public diplomacy, tourism, exports (including culture) and FDI, with employment as the ultimate motivation (Anholt and van Gelder, 2005).

The country’s new democratic government has made great strides in this direction, but could make them more newsworthy with the creation of a regional Truth and Reconciliation Commission. It has created powerful free trade alliances with its traditional relatives, Russia and other traditional kin. It might consider widening its ‘family’ by forging alliances with fast-growing countries such as Turkey, India, China and other non-EU or former communist countries in order to make itself a fierce competitor able to fend off the EU brands prior to joining.

Serbia’s strategic geographic position as the centre of Europe might be maximised to its full advantage, except that Poland already advertises its

positioning as ‘the heart of Europe’. The ‘Heathrow of the CEE’ could be better. FDI is a key priority, but how to attract it? Being the geographic centre of the South East Europe Free Trade Zone is a great magnet for investors, but many such investors may leave just as quickly if better offers crop up elsewhere. The ‘centre of a SEE Fair Trade Zone’ may be a stronger message.

Its agricultural commodities such as raspberries and other fruit exports are being marketed as ‘Serbian Fruits’, but raspberries could benefit more if precise names and locations were branded, ie Vilumet raspberries from Arilje, — like Granny Smith apples from the Cape — as well as being clustered together by natural geographic region beyond the national borders, eg as ‘Balkan organic berries’ which all countries in the alliance might then promote for the betterment of the entire region.

The idea of regional is not new. With the support and advice of USAID in the form of expert assistance in management, financial operations, marketing, business administration and introduction of new technologies and new equipment, other clusters have already been formed (USAID, 2004) in Serbia in vegetable processing, furniture production and garments. But these tend to be independent enterprises branded by nation, such as ‘Serbian Apparel’. Such descriptive branding tends to tie the cluster to ‘the place’ as well as to dilute the strength of individual brands within the cluster. Will this raise the image of the place, or will it deter customers biased against it? Perhaps a non-nation-based name to position cluster brands against competitors such as H&M and Zara could be more effective.

Using classical branding tools, every alliance at every level in primary, secondary and tertiary industries could be clustered under various umbrella HBs to

form strong kinship brands. The branding structure could have HBs within HBs within HBs. Every ‘place’, from small villages up to regions broader than nations, can be branded. Every key individual, from key politicians to businessmen to filmmakers to sports stars to musicians, artists or ‘bloggers’, can be branded. They are all potential key ambassadors. All need to be absorbed into a kinship system that benefits the entire family.

BOTTOM-UP BRANDING

A nation-state needs to go beyond creating a single positioning easily identifiable by a simple slogan — a top-down strategy. It has to go beyond creating a cosmetic national identity, and create a real collective consciousness with genuine integrity. It must transcend national borders wherever possible. In order to survive and prosper it must be driven by the need of each individual linked to the place. This implies that cooperatives of shared vested interests across borders could be clustered into a single positioning, one mega-brand per cluster wherever possible. Even commercial brands should seek greater alliances, mergers or acquisitions to create ‘power brands’. Family, lineage and clan links can also play a major role. The important and influential diaspora should be mobilised, as should special interest groups, from bird watchers to gay-friendly organisations. There should be alliances of sporting bodies, tourist organisations, cultural sites, leisure locations and places of worship. A bottom-up strategy leads to the creation of a multifaceted DNA.

There can never be too many alliances, only too few, and this force should be powerful enough to allow small non-EU countries to penetrate deep into the heart of the ‘developed world’ using their

music, cuisine and anything else that has the potential to transcend borders: the export of culture, just as the Italians have exported pasta, pizza and espresso. Note the influence of Anglo-Saxon language and music, French, Indian and Italian cuisine, chocolates from Belgium, watches from Geneva. Here is where innovation and exoticism have a major role to play. A 'place' needs more than fans, it needs 'brand evangelists' — it needs kin and kinships.

As Quelch and Jocz (2005) rightly point out, 'in the age of internet, 24-hour-a-day news and easy international travel for the masses, it's perhaps harder than ever for a government to control the information flow that helps shape its national image'. Anyone with a 'blog' now potentially has the power of a journalist. They should all be key ambassadors. An effective brand architectural foundation is the first step. Brick by brick, seed by seed, it must aim to provide the right momentum to 'places' by presenting a congruent positioning which fits reality. A slogan-led branding campaign without this is likely to be bland and meaningless. France was not built on a slogan but on a shared ideology and value system.

For nation branding, 'bottom up' implies 'showcasing' talented individuals such as sports people, artists, authors, academics and politicians worldwide, Hollywood style. Imagine what value Harry Potter books must have added to the England brand. For investment branding, 'bottom up' means clustering commodities or people from village to natural geographic region under meaningful brand names and reputations.

Each nation may share a regional kinship cluster brand at the base (Figure 4), but building upwards to brands in secondary and tertiary industries one clear positioning should emerge, as for example in the case of France within the

greater EU. It may share American tourists with other EU countries but it has its own identity and unique destinations. Clearly it is more cost-effective for EU countries to promote the EU together and their national specificities separately. The same logic should apply to 'new places'. Once the complexities of the architecture of cluster alliances is decided, the rest should follow easily. For instance, Beaujolais advertising is co-funded by France, Italy and the EU, whereas the French tourist arm, Maison de la France, promotes the French Alps specifically to attract winter tourists from the USA, and divert them from Paris.

The difficulties lie in trying to draw up any simplistic model for place branding based on the BBS due to the highly complex, interwoven network of alliances and relationships that need to be forged. The extent to which a nation-state needs to play a central role or risk being rendered relatively powerless is obvious if it is unable to motivate and drive the entire structure from bottom up to top down, sideways and in all ways possible. Applying the logic of HB/PB, the nation brand will ensure that even commodities and people are branded, just as their places of origin, eg Vilumet raspberries from Arilje, David Beckham from Britain.

To return to the example of Serbia, assuming it were to employ the Zone 3 strategies used so successfully by L'Oreal to speak of the great monasteries, villages or natural curative spas *in* Serbia, or the highly skilled English-speaking workforce *in* Serbia, the organic produce *from* the region, the emergence of Serbia as the Hollywood of Europe, with 24-hour Belgrade as the New York of Europe, bit by bit Serbia could build a holistic brand forming a very precise picture of the place as such while helping the country bypass its Serbian war image.

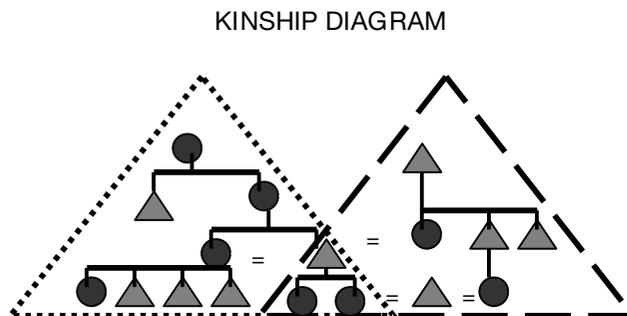


Figure 4: Two countries sharing a common regional brand

The ‘what’s in it for me?’ question asked by potential investors, travellers and alliance partners will have been clearly answered. In contrast, a simple slogan for the country could be interpreted as distasteful nationalist propaganda, showing off or a desperate plea more associated with regular NGO fundraising campaigns.

A simple 30-second TV commercial on CNN (where all place brand adverts tend to look the same as credit card, mobile phone and holiday resort ads) alone is unlikely to add much value to the ‘place’. The country’s positioning should be derived from a holistic accumulation of single-minded ‘promises’ coming from a plethora of ‘HBs’, from clusters of commodities to investment packages to tourist attractions to commercial brands. If every sports person, taxi driver, local B&B/pension, factory worker, shopkeeper, businessman and politician, everyone, embodies the spirit and hospitality that Serbia is so well known for, they will begin to own those attributes in the minds of the rest of the world. True ownership of a brand’s attributes are built on reality, not on a barrage of 30-second TV adverts. It is now widely recognised that in today’s world buzz marketing is more effective than advertising.

A ‘dipstick’ research study undertaken among international BBA and MBA students at two business schools in Paris

found that the first and almost only word that students associated with Serbia was ‘war’. After researching the country on the internet for a group project to ‘rebrand’ Serbia, all came back with extremely positive views as well as a strong desire to visit or invest in the country (Tomic and Mihailovic, 2005). It was not advertising that led to a change of image within a week, it was knowledge. People need personal reasons to take an interest. This is where promises and positioning play a fundamental role. They must be focused. It also shows that the DNA of a place with few associations, even if these are already negative ones, can be modified over time — from a few days to a few years depending on the reasons for the original damage and the strategy employed to outweigh those perceptions — to inform and to engage.

KINSHIP BRANDING: THE BRANDING OF ALLIANCES

People have become accustomed to considering brands in the same way as persons. One speaks of brand personalities. The idea of positioning stems from the need to know what a brand stands for before one engages with it, just as with people. People are becoming more familiar with the term ‘parent brand’ referring to a HB, and seeking to create order out of chaos

people seem almost naturally to use the analogy of family and family structures. As Ian Ryder (2005) has shown, the study of brands can be very much likened to the field of anthropology. Brand architecture can then be seen as the creation of a sustainable branded kinship system. Every culture has developed its own kinship system to protect its young, provide a set of concepts relating to reproduction and group natural connections of community into states of relatedness or connection by blood, marriage or adoption and so on.

It has been argued that each product place brand should have a specific *raison d'être* — just as one expects from individuals — a precise positioning which could interest a specific group of people. Each is then in a position to add something to the cumulative value of the house place brand. The target market will add them up to see the whole picture. People always do this with countries anyway: they add up news reports, travel ads, the restaurants they have experienced and nationals they have met — their total experiences of the place are summed up in their minds. People do not wait for an advertising agency to do that for them. In fact, they like to choose the aspects of a place that interest them and discard the bits of information that do not. People have inbuilt filters blocking 'spam' messages that do not interest them. Each message must be precise and relevant to them personally, which is why it is natural for people to trust word-of-mouth information above advertising. It is the personal recommendation that is trusted.

Because place branding is really dealing with people, it is natural to work with structures that people use in their daily lives too. One can easily understand kinship between people, and therefore between brands. Treat each brand as an

individual within a family. As with all families, ages may differ, as do personalities, star signs and gender, but one can assume that all members support the great reputation of their family. In stating this, this paper is not advocating nationalism. Instead it is advocating the creation of brand families according to common interests or offers — kinship relationships that can grow, develop and evolve sustainably, adding value to the lives of their creators.

If high-quality raspberries can be found throughout the Balkans, considering that it is one strain or race of raspberry surely it makes sense to cluster them under one HB — a form of commodity nationalism. One is reuniting the tribe of raspberries by strain, by blood link, by region. It is here that nation-states should work together to promote the unique characteristics of this tribe of raspberries instead of 'remaining enmeshed in a pattern of economic behaviour that keeps them poor' (Anholt and van Gelder, 2005). Shared budgets behind a common cause to begin with, after which additional differentiation can take place to counter competition from within.

Using the BBS as the backbone, the starting point in the architecture, one has a simple framework with which to begin. Assuming the core is a central 'nation-state' and the driver within it, its government, this government needs to outline the critical alliances that are already in place or that should be in place at all levels, right down the line to particular key individuals and across the line in terms of specific interest groups. Wherever possible these networks, clusters, lineages or clans should rally behind a single positioning, forming a specific kinship system of brand cells or kin that will contribute towards building a particular attribute in the DNA of a core place brand. Each brand cell or

'kin' can be given the task of 'brand manager' for the internal and external development of that brand — building in both the rational and the emotional aspects of the brand, all the way up the line, through the line, across the line and back.

They are 'cells' and need to reproduce and multiply. As such, they should not be developed without careful engineering, because once they find a place in the consumer's mind they cannot easily be modified. They should all feed in an additional value required by the house place brand. France provides an excellent example: from the Champagne or Bordeaux regions to Cannes for film, Dijon for mustard and Paris for romance amongst other things, most images tend to lead to a cumulative perception of sophistication and elegance.

With a clear mandate, each of these cells or kin knows what it has to do, with or without funding. Buzz marketing techniques are going to play an essential and central role in the communication of these brand attributes, and the competition is gaining momentum by the day. A nation that is slow off the mark will find itself at the back of the line. The world has entered an era of fierce intellectual warfare of the most creative kind. Nationality, borders and pride should not hinder prosperity. Pride follows employment.

Mergers and acquisitions too offer major opportunities. Turkey, which has manufactured goods for the German brand Grundig for decades, now owns Grundig. To change the identity of Grundig to that of Turkish brand for reasons of pride would be self-defeating. Due to the very fact that established brands already have their unique universes and positioning, China with its capacity to manufacture could find itself enjoying faster success in the field of luxury brands if it were to acquire

LVMH (if France allows it) instead of trying to develop its own luxury brands from scratch. Whether brands are derived as a result of organic creation, alliances, mergers or acquisitions, each will need to be managed in its own particular way. Serbia's prize-winning 100 per cent fresh fruit juice brand, Next, has been bought by Coca-Cola. If the brand wears a place stamp of origin for its fruits, it should still benefit the place and employment within the place.

Nations aiming to enter the EU would do well to encourage their local companies to build brands that can cross borders and dominate categories as quickly as possible so as to be in a position of strength when the EU brands arrive on their territories to compete and acquire. Increased political and economic integration in many parts of the world has been a key factor stimulating the growth of international branding. As governments remove tariff and non-tariff barriers for business transactions and trade with other countries and people and information move easily across borders, the climate has become more favourable to the marketing of transnational brands. In essence this means that the time has come for governments to do whatever they can across the spectrum, to encourage the strengthening of branding at every level, to both attack and defend.

A key factor underlying the power of international brands is increased consumer mobility. While global media provide passive exposure to brands, increasing international travel and movement of customers across national boundaries provides active exposure to brands in different countries. Awareness of the availability and high visibility of an international brand in multiple countries enhances its value to consumers, and provides reassurance of

its strength and reliability. Increased exposure to and familiarity with new and diverse products and the lifestyles and cultures in which they are embedded also generate greater receptivity to products of foreign origin or those perceived as 'international' rather than domestic. All these factors help to create a climate more favourable to international brands. What is most advantageous to the smaller nations is that the trend in the West for some time has been towards niche and exotic brands. Good national brands in a smaller country should simply be modified where possible to appeal to those outside their borders (Douglas and Craig, 1999).

There is nothing to stop anyone from a small country exporting its best retail brand concepts, either. Starbucks and McDonald's are huge American brand ambassadors. A good concept travels. Kinship systems have no borders.

STRUCTURE: THE MANAGEMENT OF KINSHIP BRAND ALLIANCES

Whatever positioning a country may aim to establish, a transparent, open and honest government will be an essential ingredient. Governments should strive to assist all selected interest groups in establishing the 'kinship' alliances of common positioning and the structures needed for effective branding. They need to encourage, mobilise and monitor these kinship brand groups periodically and diplomatically ensure that the cumulative holistic positioning the nation-state desires is being achieved. It may even require its own specific brand management structure to get there: brand managers for commodities, categories, industries, towns, municipalities and regions, and even a chief branding officer to oversee national and transnational branding.

Anholt (2005) elaborates on the

differences between managing a corporation and managing a country, and outlines the importance of creating the best possible environment within the home country for sustainable and profitable global companies to launch themselves and flourish, the necessity for businesses in or from these countries to contribute to and benefit the wider community and the importance of ensuring that all brand 'stories' throughout a place network are as ethical, transparent and appealing as possible.

Reputation is the key attribute for the DNA. Where countries like the ex-communist bloc do themselves a great disservice is when they rush to privatise property, previously confiscated from their influential diaspora in the West, instead of returning it to the rightful owners or compensating them for their land. Without the restitution of property rights, even the best branding efforts in the world may fail to attract legitimate investors. Once a country's brand image begins to improve, a virtuous cycle comes into play: the country promotes the brands and the brands promote the country. The initiative has to be a major, nationwide, public-private partnership (Anholt, 2005).

Brand architecture is not a static framework, but one that needs to be monitored and modified continually. The mechanisms established for brand custody help ensure that an individual brand is managed in a consistent fashion across multiple countries. But given the dynamic nature of international markets and the changing competitive realities, the structure needs to be reviewed, at least annually. An international brand architecture audit should be performed and the entire portfolio of brands be examined in terms of whether the overall brand architecture requires modification (Douglas and Craig, 1999). The

investment needed to establish a 'place branding' department is negligible relative to the rewards that such commitment should bring.

South Africa has successfully implemented such a system by establishing the International Marketing Council of South Africa.

'The IMC is made up of a board and an operating unit. The IMC is currently funded 100% by national treasury through GCIS (Government Communications and Information Systems) however the plan is to broaden the sources of revenue in the long-term. The board consists of influential people in business, government and civil society. Its major responsibility is to make big decisions and to open doors. Headed by a chairperson, it is accountable to the minister in the presidency with whom it meets once a year to share lessons learned and achievements and to raise issues that stand in the way from a marketing standpoint.' (Moremi, 2005)

The structure set up by Dubai also seems to be working very well (Varughese, 2005).

Whatever body is put in place, a major role it will have to play, will be that of educating and mobilising the nation. In essence, this implies that acquiring a basic knowledge of branding at all levels of 'place management' may now be as important, if not more so, than acquiring a basic knowledge of English for the world as it is today.

CONCLUSION

The central role of branding in establishing a place's identity and building its position in the global marketplace among customers, investors and other stakeholders makes it increasingly imperative for nation-states to establish a clear-cut international branding strategy. A key element of success is the framing of a holistic and consistent brand

architecture across countries and categories, defining the number of levels and brands at each level. Of particular importance is the relative emphasis placed on kinship or clusters grouped under HBs or PBs, which need to feed value to a parent brand such as the nation-state.

To focus on a top-down single strapline positioning may generate cost economies and potential synergies for the nation-state's efforts in international markets, but it could ultimately be to the detriment of a more complex country that may need to succeed by attracting different target markets simultaneously. Nation brand architects should carefully consider all branding options outlined in the BBS. At the same time procedures for managing the custody of these brands have to be established. These should be clearly understood and shared throughout all levels of the 'place', leading to a kinship/culture mentality that promotes the growth of strong brands without undermining their strength through inconsistencies that may arise between image perception and actual reality.

A nation brand should not focus only on what lies within its borders. It needs to be integrated into the rest of the world to the ultimate benefit of the place. The Alps does this for France, Switzerland, Italy and Austria. A country with a damaged reputation can begin by marketing place, people and commercial brands other than just its nation brand. The less generic the better. Every commodity, person, category or town can act as a PB. Reputation is identified as the ultimate brand attribute, and an education in branding is suggested as the key knowledge criterion. Cultural factors may play a primary role in determining the final branding approach adopted by a place, but place brand 'experts' and practitioners should beware of falling into a pluralist philosophy — viewing a

nation brand as confined within its own borders. Brand kinship knows no borders. It outlines the ultimate DNA structure for the development of successful place brands. Like all brands, place brands are about relationships, beyond the customer. Lasting relationships are built on trust, which will hopefully all lead to greater employment, peace and prosperity for 'places'.

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