Editorial

I am often asked why and when the images of countries, cities and regions change. In my experience they only ever change for two reasons: either because the country changes, or because it *does something* to people.

The first kind of change is usually a very gradual process, and the majority of 'success stories' about brand change are not stories of brand management at all: Ireland's change from a collapsing rural backwater in the 1960s to the 'Celtic Tiger' of the 1990s was primarily a miracle of foreign direct investment promotion; South Africa's change from a virtual pariah to the 'Rainbow Nation' of today was first and foremost a political miracle, triggered by the end of apartheid, the election of Nelson Mandela and the formation of one of the most innovative constitutions created in the last century. In both cases, the 'nation brand', or what I prefer to call the *competitive identity* of the country, was built through its actions and behaviours, and not through any deliberate attempt to market the country directly.

The prominent marketing campaigns carried out by South Africa may have helped a little to shorten the lag between reality and global perception, by supporting what was in the news media to bring the changes to people's attention, and help summarise and characterise them. In such cases marketing communication can certainly play a role: but it does seem to confirm that all it can really do is capture the zeitgeist and reflect changes in society that are already taking place. Communications cannot substitute

change, but they can report it, help to consolidate it and to some extent speed it on its way.

As I have often observed, Japan provides the last century's best example of enhanced competitive identity. The effect of Japan's economic miracle on the image of the country itself was quite as dramatic as its effect on the country's output: 40 or even 30 years ago, 'made in Japan' was a decidedly negative concept, as most Western consumers had based their perception of Japan on their experience of shoddy, second-rate products flooding the marketplace. The products were cheap, certainly, but they were basically worthless. In many respects the perception of Japan was much as China's has been in more recent years.

Yet Japan has now become enviably synonymous with advanced technology, manufacturing quality, competitive pricing and even style and status. Japan, indeed, passes the best branding test of all: whether consumers are prepared to pay more money for functionally identical products, simply because of where they come from. It is fair to say that in the 1950s and 1960s most Europeans and Americans would only buy Japanese products because they were significantly *cheaper* than a Western alternative; now, in certain very valuable market segments, such as consumer electronics, musical instruments and motor vehicles, Western consumers will consistently pay more for products manufactured by previously unknown brands, purely on the basis that they are perceived to be Japanese.

Again, though, the change in the image of Japan over the second half of the 20th century was not primarily designed as an image change: it was an export, design, technological and industrial miracle. South Korea, and more recently China, have quite deliberately followed Japan's lead in this, but with the advantage of hindsight are dealing with the image simultaneously with the product change, and using brand management techniques to build their corporate and national reputations as they build their 'product' — which is why they are getting there faster.

The second reason why the images of countries change is not when things happen to the country, but when people are personally affected by the place in some way. In such cases national reputation can change quite suddenly in the minds of certain individuals or groups.

This can be a positive change: in the Nation Brands Index data, I have found a statistically significant correlation between a positive experience of visiting a country and positive feelings about its products, its government, its culture, its people. More research is needed in this area, but an interesting hypothesis to work with at this point would be that *any positive experience of a country, its people or its productions tends to create a positive bias towards some or all aspects of the country.*

Or, of course, it can be negative. A direct attack on the individual's self, country, values, religion or population, whether real or perceived, can damage the brand in that individual's mind in an equally powerful way: the most striking example of this since the Nation Brands Index started was the impact of the Danish cartoon crisis.

Last December an international furor broke over the publication of satirical cartoons depicting the Prophet

Muhammad in Denmark's *Jyllands-Posten* and other newspapers, which eventually resulted in rioting and numerous deaths, as well as widespread boycotting of Danish and other Scandinavian goods in shops all over the Muslim world. A serious rift appeared to have opened up between the values of Islam and some aspects of secular liberal Western democracy.

In the 2005 Q4 study, Norway and Denmark remained in level positions almost throughout the index, suggesting that many people, especially beyond Northern Europe, do not have a strong sense of the differences between these two countries, even when it comes to distinguishing between their exports (this despite the fact that Danish brands like Lego, Bang and Olufsen, Carlsberg and several others are associated with Denmark, while Norway produces no famous global brands). The strongest component of both countries' images was in governance, where both ranked within the top five on every governance question (with Norway consistently a shade ahead of Denmark). This fitted in with a fairly well-established traditional perception — rooted, like most perceptions, in reality — that Northern European and especially Scandinavian countries are fairly, efficiently and liberally governed, with a strong tradition of social welfare and a good record in international relations and development.

Elsewhere in the world Denmark's scores remained more stable, although there was a slight depression in the scoring from the panellists in Central Europe (Hungary, Poland, Estonia and the Czech Republic), for example on key questions about people's interest in Danish products and services, their expectation of being made to feel welcome if they visit the country, their propensity to employ a Dane and their view of the Danish government's

contribution to human rights and international peace and security. At the further end of the spectrum, the American panel's average scores for Denmark went up slightly — perhaps reflecting a sense of relief that, for once, somebody else was in trouble.

By contrast, the Egyptian panel's average scores for China rose — a suggestion that the whole axis of its global loyalties has undergone a slight shift.

Denmark was the only country in the NBI that suffered a reduction in its mean overall score between 2005 Q4 and 2006 Q1.

Although some of the changes reported here are subtle, often no more than a few percentage points, they are significant because country scores generally move very little from one quarter to the next. People's views of other countries are generally quite fixed and stable, and it takes something very serious indeed to make them revise their views. Above all, it takes something personal.

And it goes without saying that this effect can be prolonged and reinforced more or less at will from generation to generation through education and indoctrination if it is in the interests of society or governments to do so — which is one reason why it is impossible to make any predictions about how long this effect will last in the case of Denmark.

Generally, if an action is strongly out of character with the nation's reputation, people's beliefs about that nation will return to their previous state relatively quickly; but it seems clear that the respect expressed by the Egyptian, Turkish, Indonesian and Malaysian respondents for Denmark prior to the cartoons episode was something that existed in one part of their being but not in another. People can hold several contradictory feelings about countries at

the same time, and they can respond to surveys like the NBI in different ways too: as consumers, as politically aware national or global citizens or as individuals thinking about their own lives, tastes and careers.

Given the nature of the survey, it is quite likely that in previous editions of the NBI these relatively pro-Western respondents were expressing their views about Denmark and other mature Western economies as consumers or potential consumers of their products, tourism, popular culture, employment and education opportunities and so forth. But if Denmark touches a different nerve — a political, personal, cultural or religious one — then the reaction may temporarily or even permanently drown out what they feel for the country in other ways. We have all seen images of Coca-Cola-drinking, Nike-wearing youths in the Middle East and South Asia burning American flags.

This particular episode, like all wildfires, started in one small place, but spread rapidly because it found dry tinder and favourable winds (perhaps predictably, some people suspect arson). In consequence it soon created a violent impact well beyond Denmark's borders. As the *Arab News* reported on 28th January, 2006:

'Many international brands have become targets of the recent boycott of Danish products, thanks to the confusion of consumers caused in part by the misinformation distributed by the proponents of the ban. 'The email I received said that NIDO is one of the Danish products, so I stopped buying it,' said Saudi teacher Khaled Al-Harhi, who didn't know that NIDO is a product of the Swiss Nestlé Company. A flier obtained by *Arab News* calls for boycotting Danish and Norwegian products ... the flier listed many items that are not products of Denmark, including Kinder (owned by Italy's Ferrero-Rocher) and New Zealand's Anchor.

‘... Zakaria Ismail, manager of Al-Malki supermarket, said they would start hanging signs indicating Danish products. They had to do so in order to reduce their loss of sales of products that are mistaken as Danish ... He said that all customers now generated the habit of reading the source of each product to make sure of its origin. ‘Even old people who cannot read, are asking, ‘Where is this made?’” he said.’

The episode is a stark illustration of the real meaning of globalisation: almost every nation and culture on earth is now sharing elbow room in a single information space. No conversation is private any longer, no media are domestic and the audience is always global. And everybody knows what happens when a group of human beings with different backgrounds, habits, values and ambitions are thrown together in the same crowded space: sooner or later, tempers start to fray. Somebody treads on someone else’s toes; some say by accident and some say on purpose; insults get traded, a fight breaks out.

The implications of the Danish cartoons episode are profound and leave us with several unanswerable questions. It is a universal human trait, whether we like it or not, to brand other countries, other races, other religions, other cultures. No matter how complex or even contradictory they are, we often resort to treating them as single entities. How quickly our disapproval of one government’s foreign policy can lead to mistrust or persecution of that country’s people; the failure of one company can be taken as indicative of the imminent failure of its country’s economy; admiration for a single media star can lead to an imaginary liking for the entire population of the country. This case is no different: the actions of one independent newspaper are blamed on the people of the country, the government is expected to explain or resolve the issue and the country’s

exporters are caught in the cross-fire and their products boycotted. Even other countries have suffered because they happen to lie in the same geographical region and have some brand values in common.

If we pursue the metaphor of national reputation as brand image, the nature of the dilemma becomes clear. Were such an episode to threaten the well-being and reputation of a corporation, it would be obvious what to do: the chief executive would address all staff, warn them that they are all equally responsible for preserving the organisation’s good name and demand that they behave ‘on brand’ or lose their jobs.

But corporations are not democracies, they are a species of tolerated tyranny. As the prime minister of Denmark pointed out, he is not and cannot be responsible for the behaviour of the free media in a democracy, as long as they act within the law. Perhaps on this occasion the law was inadequate, and perhaps in an increasingly interconnected world and increasingly multiracial societies the old models of national law need to evolve faster than they currently do. Perhaps in an enlightened modern society the forces of education, cultural sensitivity and respect could and should operate more effectively to prevent such episodes than the blunt instrument of the law.

But the fact remains that although countries depend on their reputations as much as corporations do, they have — quite rightly — very little power to control the way those reputations are treated or mistreated by their own citizens. Nations being viewed as single brands is a phenomenon of growing importance which is increasingly resistant to direct control — and who knows where that will lead us?

Simon Anholt
Managing Editor