Editorial

When I first proposed the idea of nations as brands around eight years ago, it was little more than an intellectual curiosity, so the idea of actually measuring these mega-brands seemed not only impossible but also unnecessary. Quite apart from the difficulties involved, what would anybody do with the data?

But in the meantime more and more countries, regions and cities have decided to 'jump on the bandwagon', and the notion of brand management for countries is fast becoming accepted as a potent tool for competitiveness in our modern world. Most rich countries have branding or public diplomacy initiatives, and an increasing number of developing and even very poor countries are working on their own strategies: most of my own advisory work is now carried out through various UN agencies on the brand strategies of poorer states.

Not surprisingly in such a climate, it is no longer good enough to venture opinions about which nation brand is stronger than another, which is declining and which is on the rise. It was for this reason that I decided to create the Anholt-GMI Nation Brands Index, the first analytical study of ordinary people's perceptions of the brand images of countries.

As the American banker J. P. Morgan famously observed, 'a man always buys something for two reasons: a good reason, and the *real* reason'. It seemed to me that there were hundreds of surveys looking at the 'good reasons' why people might choose to invest in a certain country, buy its products, go on holiday there, respect its government or take an interest in its culture and heritage — but

nothing which explained the *real* reasons: those instantaneous, emotional, deep-rooted, good or bad feelings that we all have about places. In short, there was plenty of information about what ought to go on in people's heads but nothing to tell us what goes on in their hearts.

Each quarter, GMI research in Seattle polls a selection of its worldwide panel of over five million consumers on their perceptions of the cultural, political, commercial and human assets, investment potential and tourist appeal of 25 developed and developing countries. This adds up to a clear index of national brand power, a unique barometer of global opinion.

HOW IT WORKS

The Anholt-GMI Nation Brands Index measures the power and appeal of a nation's brand image, and tells us how consumers around the world see the character and personality of the brand.

The nation brand is the sum of people's perceptions of a country across six areas of national competence. Together, these areas make the nation brand hexagon (Figure 1).

Every country has its brand strengths and weaknesses, so there is a different 'winner' for each point of the hexagon. The overall 'top nation brand' is the one with the highest marks across all points of the hexagon.

Tourism

Tourism is often the most visibly promoted aspect of the nation brand,

Figure 1: The nation brand hexagon

since most tourist boards spend lots of money on ‘selling’ the country around the world. Blue skies and golden sands or snow-capped mountains are only a tiny part of the reality of a country, but because these images are often so aggressively promoted, they have a disproportionate effect on people’s perceptions of the country as a whole.

Exports

In this point of the hexagon, consumers are asked about their level of satisfaction with products and services produced in each country, and also about their tendency actively to seek out or actively to avoid products from each country. These two questions allow one to measure any difference between the appeal of each country’s ‘Made in ...’ label and the reality of the products produced there. People are also asked what kinds of products they would expect to be produced in each country.

Whether we like it or not, commercial brands are increasingly performing the role of transmitting national culture: they have become one of the primary vectors of national image, and are more and more often the means by which people form their views about national identity.

Governance

Here, respondents are asked to rank countries according to how competently and fairly they are governed (domestic policy) and how far they trust them to make responsible decisions which uphold international peace and security (foreign policy). They are also asked for an adjective which best describes the government in each country.

Investment and immigration

This point of the hexagon looks at the ‘business-to-business’ aspect of the nation brand, asking respondents about their personal willingness to live and work in each country for a substantial period, and their views on which country would be the most suitable location for setting up an overseas branch of their company. They are also asked for an adjective which best describes the country’s current economic and social condition.

Culture and heritage

In this point of the hexagon, two questions are asked which are designed to measure perceptions of the country’s cultural heritage (‘How would you rank the cultural heritage of this country?’) and appreciation of or intention to

consume its popular, more commercial cultural products and activities ('Do you avoid or seek out cultural activities that originate in the following countries (for example, buying a record or going to a concert or show)?'). In addition, respondents are asked to name what kind of cultural activity they most expect to find in each country, in order to understand how they perceive the country's main cultural strengths.

People

To understand how the 'human capital' of each country is viewed, respondents are asked a 'business-to-business' question ('Imagine you are a manager and need to make an important hiring. Please rank the following countries in order of your preference for the nationality of your candidate') and a 'non-business' question ('Please rank how hospitable the people are in the following countries') — this aspect of the 'human' dimension is also of critical importance when considering the tourism potential of each country. Respondents are also asked to select the adjective which best describes the people in each country.

INTRODUCTION TO THE SECOND ANHOLT-GMI NATION BRANDS INDEX: QUARTER 2, 2005

There are some striking changes in the second edition of the Anholt-GMI Nation Brands Index (NBI). Australia, a new entry in the NBI, has replaced Sweden as the strongest nation brand in the world. America has moved from fourth to 11th place, and Sweden has moved down to fifth place.

But these changes are not the result of any dramatic shifts in global public opinion during the last three months; they are mainly because the list of countries tested is more complete. The

NBI now covers 25 countries, and some important gaps have been filled: France, Canada, Spain, Australia, Ireland, the Netherlands, Switzerland and New Zealand. (The NBI also includes several more developing countries with interesting brand profiles, like Brazil, Mexico, Egypt, Poland and South Africa.) The main reason why the USA and Sweden have dropped down the list is because the panel ranks some of these new countries even higher than them, and the bar has been raised.

It is not expected that there will be many dramatic changes at the top end of the ranking from now on, although predicting public feeling is a notoriously risky business. But unlike the majority of attitude surveys and opinion polls, the NBI is not calibrated to track people's responses to short-term events: it is designed to measure the real, underlying brand power of each country, its fundamental attractiveness as a 'consumer proposition', and this is a dimension where significant change tends to take place gradually over years and decades rather than weeks or months.

Catastrophic events may cause a momentary 'shudder' in the brand, but it is not usually very long before people's basic beliefs about the country return to normal.

What does seem to have a profound and lasting impact on people's perceptions of a nation brand is direct personal experience. If something happens to the nation or its communications change, it usually has little effect on people's perceptions; but if the nation causes something to happen to the audience, the effect is far stronger.

In our analysis of the data produced by the NBI, we have already found a statistically significant correlation between a positive experience of visiting a country and positive feelings about its products, its government, its culture and

its people. The reverse is also true: a negative vacation experience will tend to bias the consumer against trusting the government and the people of that country, choosing its products, engaging with its culture or investing in its companies. Our research in this area continues, but a likely hypothesis 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.*

It seems only logical that this should be so — it is nothing more than simple brand loyalty, after all — but if proved, the implications of the finding are genuinely significant for governments and their foreign services, tourist boards, investment promotion agencies, cultural institutes and exporters. It means that the individual successes and failures of each agency, ministry, company and organisation, and the content and quality of their actions and communications, are inextricably linked with those of all the other stakeholders and with the image of the country as a whole. This means that the nation brand should be measured and managed as a whole, and that treating the management or promotion of any one sector in isolation is likely to be less effective than a coordinated approach.

There are many ways in which the different points of the hexagon can have an impact on each other. The visual images of the country provided by tourism advertising or feature films set in the country, for example, do far more than sell holidays and movies: they give people who may never visit the country a visual image of the place in their imagination, which undoubtedly affects their feelings about it.

If one could dissect the brain of an investor in the process of considering whether to build a new factory in a country, somewhere in there would be found a visual image of the country —

most people unconsciously ‘label’ concepts with a visual marker of some kind — and that image has a significant impact on his or her decision-making process. If he or she has never visited the country, the chances are that the visual image, the mental ‘postcard’, comes from a tourist advertisement or a film. If the ‘postcard’ is of a grey, polluted, industrial wasteland or a war-torn, disease-ridden, famine-struck desert, the country surely will be demoted on the investor’s list of targets, no matter how good the numbers are.

AUSTRALIA

In the second Anholt-GMI NBI, Australia is the panel’s overall first choice for people, tourism and investment/immigration, and this trio of top rankings puts Australia in first place overall as the world’s most powerful nation brand. This is in spite of rather low rankings for products (presumably because people in other countries are exposed to so few Australian exports) and culture.

So the strength of Australia’s brand derives from an almost universal admiration of its people, its landscapes and its living and working environment. It is more the *portrayals* of Australia than the *productions* of Australia which have built its brand — the prominent and attractive international tourism campaigns which the Australian Tourist Board has been running for several years; books like Bill Bryson’s ‘Down Under’ (published as ‘In a Sunburned Country’ in the USA); movies like ‘Finding Nemo’ and ‘My Brilliant Career’; ‘Crocodile Dundee’ did so much to establish the Australian character (or at least a likeable stereotype of it) in the minds of foreign audiences; a new style of wildlife documentary fronted by enthusiastic Australian naturalists has stimulated interest in Australia’s natural history as well as liking

for its people; soap operas like 'Neighbours' and 'Home and Away' have made audiences around the world familiar with the details of Australian domestic life; and the Sydney Olympics helped to portray a country which combines an ideal climate with good-humoured, fair-minded people, talented athletes and considerable organisational abilities. These forms of 'vicarious visit' are the ideal means of promoting a country which, in the end, relatively few people will be able to visit in person.

Australia's low scores on culture are something of a surprise, given the fact that some of Australia's most notable ambassadors are media stars like Kylie Minogue, Natalie Imbruglia, Nicole Kidman, Mel Gibson and Cate Blanchett. Perhaps it is simply that these people are not widely recognised as Australians, and suffer from the 'Hollywood effect' — the tendency of non-English-speaking audiences around the world (who are less sensitive to the different varieties of spoken English) to assume that all English-speaking entertainers are American. America's brand is like a huge planet whose gravitational field pulls in quite a lot of stuff that does not actually belong there.

Australia also comes top of the list as an investment destination. This is a better result than the one produced by A. T. Kearney's 2004 FDI Confidence Index survey, which ranked Australia as the world's seventh most attractive destination for foreign direct investment. The discrepancy can probably be accounted for by the fact that the ATK survey is carried out among professional corporate investors, whereas the NBI panel is deliberately composed of ordinary consumers who will probably be more swayed by 'quality of life' issues than fiscal regime, transport infrastructure, government incentives and the cost of

labour. But it is a fact worth bearing in mind that even if Australia is not the first choice of investment decision makers, it is likely to be the first choice for those of their employees who will end up actually being relocated there.

One of the most interesting results on Australia's remarkable brand scorecard is the fact that it comes top of the list as a desirable tourism destination. This is such a strikingly inaccurate reflection of actual tourism patterns that some explanation is required (even though numbers continue to rise, an annual total of around five million visitors does not even place Australia in the top 25 of countries actually visited).

What we are testing here is neither behaviour nor even serious intent, but brand image: not what is in people's heads but in their hearts. Brand value is the *real* reason, not the 'good reason', which is why we measure aspirational value alone, ignoring all practical factors such as cost, time, distance, availability, facilities, infrastructure, etc. The fact is that many more people end up going on holiday to France, Spain, the USA, the UK and Italy than Australia, but in their hearts they would *prefer* to go to Australia. Make it as easy as France or Spain, and they will go.

Tourism is merely the most striking example of several of these fundamental disconnects between Australia's value as a nation brand and its actual performance in the global marketplace: Australia may have the most powerful brand in the world, but it is not the world's richest country, biggest exporter, biggest recipient of foreign investment, number one tourist attraction or anything of the kind. This is because brand represents *goodwill*, and thus points to potential rather than the fulfilment of this potential.

What this means is that Australia coming top of the NBI is not the end of

the branding journey. It is not a sign that the Australian Tourist Board, Invest Australia and all those other people helping to promote the country can now retire. No, this is the beginning of the story — and if the Australian people, government and businesses choose to read the signs correctly and seize the opportunity, the start of a very exciting time.

What the NBI tells us is that much of the world has an appetite for things Australian. Now is the time for Australia to be producing great Australian-branded products, culture, events, services, ideas, media and people as fast as it possibly can. Anything that reflects, promotes and sustains those essential and admired Australian values will *sell*.

Perhaps we are already starting to see the beginning of a serious capitalisation on the fashionable image of Australia in the appearance of brands like R.M. Williams and Billabong, which trade with pinpoint accuracy on people's perceptions of the world's favourite country brand.

CANADA

It is interesting how Canada, like Australia, has achieved its considerable brand power despite having very few famous branded exports: a successful and respected national airline and a couple of beer brands are about it for both countries (and almost every country on earth can boast a liquor brand of one sort or another). Most of Canada's internationally reputed firms are industrial, energy, mining and banking brands and hardly qualify as household names.

Part of Brand Canada's appeal is, like Australia's, undoubtedly connected with people's perceptions of the land itself: like Sweden, Switzerland and New Zealand, one of Canada's primary brand

qualities is *purity*. Although Australia is also seen as an uncontaminated country (which is a major brand asset), it is also a hot country, which makes it difficult for people to perceive it as pure or clean in the same way as the cooler countries.

Notions of Canada's purity appear to extend beyond the environmental into the moral and the political sphere, and this is an important part of the country's brand: Canada's liberality and moral integrity are well-established ideas, and this is undoubtedly one of the reasons why Canada comes in second place on the governance axis.

People who are geographically distant from a country have greater difficulty in distinguishing it from its neighbours: most French people could discuss the difference between Holland and Belgium at great length, but few Koreans could. Canada and the USA have no near neighbours apart from Mexico, so it is perhaps not surprising that most people's distinction between these two largely English-speaking countries is rather hazier than it should be. The consequence of this is that Canada may take on some US characteristics by default, including a high score for investment potential and a low score for culture.

Canada's low scores on culture are a shame, when you consider that the province of Québec actually produces more culture than its population can consume, and is therefore obliged to export it. Cirque du Soleil is one prominent cultural ambassador for Canada, but most of Canada's media stars appear to suffer from the 'Hollywood effect' mentioned earlier, and more work clearly needs to be done in this area.

SWEDEN

Sweden's top ranking in the first NBI has given way, as I mentioned, to the new arrivals — Australia, Canada and

Switzerland — and it has also changed places with the UK. The second survey was carried out before Britain took on the EU presidency, before London's successful Olympic bid was announced and before the terrorist attacks on London in July; Sweden has not featured much in the world's media during the same period, so it is hard to pinpoint any one occurrence which could have caused the panel to reverse the order of these two countries. The scores for the two countries are, in any case, fairly closely matched, so the reversal may not have any great significance.

Whether first or fifth, Sweden is still punching substantially above its weight in world affairs, and only Switzerland has a better brand-to-population and brand-to-wealth ratio (the wealth of the country and its population size are important factors when considering the strength of a nation brand, since having more trade with other countries, more products in the global market and more people acting as ambassadors for the country creates more opportunities to build a powerful and popular brand).

After the first NBI was published, many Swedes expressed surprise at the international perception of their country as a kind of Utopia, and asked me how a country where ministers are assassinated in broad daylight, a country of racial tensions and welfare crises, can possibly be considered a good brand. I am tempted to ask them when they last compared their country to Rwanda, Serbia or Afghanistan, but of course familiarity breeds contempt, and you tend to be more conscious of the faults than the virtues of the country you live in. The Swedes, in any case, have always suffered from what I call 'Groucho Marx syndrome' (referring to that great man's quip, 'I'd never join a club that would have somebody like me for a member').

The fact is that Sweden's brand, like

those of the other countries in the top five of the NBI, appears to have attained *positive critical mass*, to the extent that people simply delete from their minds anything negative which threatens to contradict the overwhelmingly positive 'brand story'. Problems in Sweden — even grave problems — appear to be interpreted as exceptions which prove the rule that Sweden is a safe and orderly society. Obviously this benign branding effect will not last forever, and if bad news from Sweden starts to become a regular event it will eventually spoil the brand.

This points to a key fact about branding: the brand is not the message, it is the *context in which the message is received*. If the context is positive, then even negative messages will be interpreted in a favourable light. This is one of the reasons why a powerful and positive nation brand is such a valuable asset: it makes the country's image exceptionally resilient to negative influences, and is a kind of national insurance policy.

The precise order of the countries in the NBI top ten is actually less important than each country's scores on the individual points of the hexagon, which are of more practical use for understanding how the country's reputation is composed, and where its strengths and weaknesses lie. The only area where Sweden's brand image noticeably lacks power is on the heritage side of culture — an issue which would certainly benefit from closer analysis.

RUSSIA AND TURKEY

What remains unchanged since the first NBI, despite the addition of 14 new countries, is the position of Russia and Turkey at the very bottom of the list. Unless we begin including countries with obviously damaged brands (like Iraq,

Sudan or North Korea, which are famous for the wrong reasons) or countries with virtually non-existent brands (like Zambia, Kyrgyzstan or Paraguay, which are not famous at all), they will probably remain at or near the bottom of the ranking. Yet both countries have plenty of good stories to tell, which — for whatever reasons of poor brand management or audience prejudice — are simply not getting through.

FRANCE

France appears for the first time in the second NBI, and it ranks at the lower end of the richer Western nations on just about every count. For a country with an abundance of those assets which so often help to build a powerful and popular nation brand (many prestigious and loved export brands, a well-known and much-admired culture and lifestyle, not to mention being by a wide margin the world's top tourist destination), it is interesting that France never manages to achieve a higher position than eighth or ninth on every point of the nation brand hexagon apart from culture, where it comes second overall behind Italy, the cultural champion of all the nation brands.

Considering how many people actually visit France from abroad (typically at least 75 million each year), and considering the finding noted above that a positive experience of visiting a country tends to increase people's loyalty and esteem for the nation brand as a whole, it is surprising that France scores as low as it does. When so many people have an opportunity to sample French culture, French cuisine, the French landscape, French hospitality, French products and the French lifestyle at first hand each year, one cannot help wondering if this is partly a case of familiarity breeding contempt.

Leaving aside the number of people who are actually able to perform a 'product trial' of Brand France each year, there are of course tens of millions more who drive French cars, drink French wine and buy French fashion, cosmetics and perfume back home. In the Interbrand/*Business Week* (2004) survey of the world's top 100 global brands, eight of them are French-owned (quite a high number when you consider that 57 are American, and the next biggest producer, Germany, has only nine).

This survey coincides closely with the NBI panel's ranking of each country's prestige as a producer of brands, suggesting that the number of famous global brands produced in each country has a direct correlation with people's perception of it as a desirable producer of brands. Yet France is an anomaly: despite producing more billion-dollar global brands than any other country in the NBI apart from Germany and the USA, it comes in eighth place, just after Italy, which only has three.

There are more disconnects between perception and reality. In reality, France is performing well as an investment destination (in Europe, it is second only to the UK, according to Ernst & Young's 2004 European Investment Monitor), but in our more employee-oriented and lifestyle-oriented questions about inward investment and recruitment, France comes 11th. Such a result, given the nature of our panel and the style of the questions, suggests some reluctance to consider spending a long period living and working in the country, and a relatively poor view of the strength of the country's entrepreneurial spirit and economy, rather than a professional appraisal of its investment climate.

A particular concern for France is its low ranking on the people dimension, where it is pushed down to ninth place

overall because of a surprisingly low ranking (19th) on the 'hospitality' index. The traditional image of the French people as courteous and hospitable is not reflected at all in this survey, yet they rank much higher as potential employees (seventh). Somehow, I would have expected this to be the other way round. But the indications are that France needs to concentrate on its public diplomacy, in both senses of the phrase: French government policies need to be presented to potential consumers as carefully as they are to other governments, and the French public itself is not appearing in the best possible light internationally.

SWITZERLAND, NEW ZEALAND AND IRELAND

Switzerland, with a population of barely seven million, yet with a GDP per capita which is second only to America's in our list, turns out to have one of the most powerful nation brands in the world. Like Canada and Sweden, it is associated with purity, integrity, trustworthiness and competence; its branded products are ranked just behind those of the three global brand-producing giants.

Switzerland's star performance in the NBI is on the dimension of governance, where it comes out top of the list of 25 countries. Unusually, it is ranked first in both of the areas of governance which the survey explores: for competence, honesty and fairness in domestic governance as well as responsible decision making likely to uphold international peace and security. The international panel is effectively saying that if it had to pick one national government to run the planet, it would be the Swiss. Clearly, a long record of honourable neutrality and stable governance has reaped its reputational rewards.

New Zealand and Ireland also have small populations (both under four million), but through positive brand values they manage to punch well above their weight on the global stage. Unlike Switzerland, both also have relatively small economies and neither produces many famous global brands, but they have still managed to become well known and highly regarded. Both undoubtedly benefit from attractive tourism imagery even though they are not major tourist destinations, and Ireland's spectacular economic growth has given its brand a tremendous boost, along with a very distinctive national culture and heritage which has been well represented internationally through literature, film and music (although it is likely that two of Ireland's most prominent entertainers, Bob Geldof and Bono, may be further victims of the 'Hollywood syndrome' I mentioned earlier, especially since few non-native speakers of English can distinguish between an Irish and an American accent). On the other hand, our panel did identify 'pop videos' as the product they would most expect to be produced in Ireland, so perhaps the connection is being made reliably enough. Irish people are ranked as the world's fourth most hospitable (just behind the Brazilians, who are ranked third).

New Zealand has undoubtedly benefited from vigorous, well-coordinated and unusually thoughtful promotional campaigns for its products, tourism and inward investment offerings (under the single banner of 'New Zealand 100% Pure') and from the well-publicised fact that the 'Lord of the Rings' trilogy was shot there. New Zealand's tourism brand comes fourth overall — like Australia, this may be more aspiration than intention, given the cost of getting there from most other countries — but it undoubtedly

contributes to the overall brand power of the country, which is considerable (and beats the USA into 11th place).

EGYPT

The most striking result in the 'culture and heritage' category of this latest NBI is Egypt's appearance at the top of the 'cultural heritage' ranking. Egypt's ancient monuments are clearly among the most valuable brand assets a country can have, and are in branding terms what distinguish this country — by a long way the smallest economy of the 25 in the NBI — from many other lower-income countries in the Middle East, Africa and Asia. Clearly, it takes more than a collection of unique heritage sites to propel a country into the world's top tourist destinations (Egypt may be top of the 25 brands for cultural heritage in the NBI, but it is some way below the top of the world's leading 25 tourist destinations, and its tourism brand comes only 14th in the NBI), yet the incredible brand power of Egypt's cultural patrimony suggests the potential to achieve far more.

Egypt's brand is clearly failing to make the connection between the massive awareness and goodwill towards its cultural heritage and its desirability as a tourist destination. This often has something to do with perceptions of the people, and indeed the Egyptian people come a low 23rd on this axis of the NBI. There is generally quite a strong correlation between a high tourism score and a good score on one or both of the cultural axes as well as on people (especially on the hospitality side of the 'people' axis). At the moment, Egypt's cultural heritage is something that people are clearly highly aware of, but in the absence of any other powerful brand attributes (and perhaps some basic reassurance of safety and comfort) the

awareness remains passive, and does not translate into a widespread change of behaviour on the part of consumers overseas.

CHINA

China appears in second place on the cultural heritage scale — and, like Egypt, this is the only brand dimension where China shines. On every other aspect of its brand, China languishes in the bottom third of the rankings, and scores particularly badly in the 'exports' category: Chinese products come last in the table, below Egyptian, Indian, Russian and Turkish products. Clearly, China has a long way to go before its products acquire any prestige in the eyes of the world's consumers.

But if the NBI had been around in the 1950s, Japanese products might also have found themselves at the bottom of the list, and it seems pretty certain that South Korean brands have only recently arrived at their current tenth place. There is no rule which says that a country cannot climb this perceptual ladder quite quickly, given the right products, adequate funding, distribution, branding skills, government support, ambition, entrepreneurship, innovation and determination. Certainly, as a powerful and positive country of origin for high-value products, China has enormous promise, and its high score on cultural heritage is undoubtedly a good sign that this change can eventually be made.

USA

It has been pointed out many times — in the first NBI, among others — that America's brand image has suffered severely as a result of the unpopularity of the current administration's foreign policy. This is not an unfamiliar situation

for the USA, which has faced international opprobrium for its foreign policies more than a few times during the last century or so.

Two questions spring to mind in this context: first, is the effect of these spells of unpopularity iterative, or cumulative? In other words, does Brand America fully recover its prestige after each unpopular overseas engagement, or does the ill-will gradually build up? If it is cumulative, then Brand America may be truly in deep trouble. The second question is whether we are witnessing for the first time some symptoms of this political harm beginning to leach out into other areas of the nation brand. This is one of the questions which I addressed in my last book, 'Brand America' (Anholt, 2005), so I will not go into it in detail here, but the second NBI does provide some new evidence.

The USA scores extremely, almost ludicrously, poorly on the 'heritage' side of the culture axis, coming last of the 25 countries in the survey. One is tempted to assume that this is a deliberate slight on the part of our respondents, a kind of protest vote, but there is a question on the 'governance' axis which offers a much clearer opportunity to express disapproval of US foreign policy: 'Please rank how much you trust the following countries' governments to make responsible decisions which uphold international peace and security' — here, America comes 19th, certainly a very low ranking, but not 25th. The governments of South Korea, India, Egypt, Turkey, Russia and China are still rated by our panel as being less responsible (South Korea, as I mentioned in the first NBI, being probably the victim of a certain amount of confusion with North Korea).

In some ways I find the low culture score of Brand America more disturbing than the low governance score. One

could argue that a degree of unpopularity is to some extent the unavoidable price of being the world's only military superpower, but such a low ranking on the dimension which, more than any other, is associated with the maturity, prudence, wisdom, cultivation, humanity and intelligence of the nation hardly provides a positive context in which to evaluate America's political and military acts.

Perhaps this poor showing in serious culture is only to be expected, since successive administrations have dismantled much of the machinery of cultural diplomacy which helped to win the Cold War, and which could now serve so well as a foil to many of the country's currently negative brand attributes.

American brands are still doing well, of course, but there are worrying signs at the margins. As I mentioned earlier, in the 2004 Interbrand/*Business Week* survey of the world's top 100 global brands, no less than 57 are American owned. The number has fallen slightly, from 63 two years ago, but the survey still evidences the most staggering domination of the global 'brandscape' by American firms. Germany is in second place with a mere nine billion-dollar global brands, followed by France (as we have seen), Japan and the UK.

What is most surprising, given this state of affairs, is the fact that our panellists now rank Germany *higher* than America as a desirable producer of branded products and services, despite the fact that American brands outnumber German brands in the global marketplace by more than six to one. This has changed since the first NBI: in the space of three months, both in terms of people's satisfaction with products and in terms of how highly they rate the country of origin of those products, the positions of these two countries have reversed.

It is also noticeable that only two of the new entries in this year's *Business Week* survey are American and the other seven are European: one is Swiss, one is Dutch, one is French, one is Italian and three are German. It looks as if American brands have a serious competitor on their hands: tiny in terms of numbers, but significant in terms of consumer preference.

SOUTH AFRICA

South Africa has, so far, not succeeded in building as powerful a nation brand as its wealthier Commonwealth partners, Australia and Canada, despite a substantial investment in tourism advertising and a very visible and competent 'nation branding' campaign. But, of course, it has started from a very much lower base, and in many senses it is a remarkable achievement that South Africa scores as well as it does, appearing in some categories quite comfortably high up in the rankings of the other developing countries in the NBI.

Like most countries in Africa, Latin America and Central Asia, South Africa still suffers to some degree from what I call the 'continent branding effect', where the worst attributes of the least progressive country in a continent tend to be ascribed to every country in that continent, deservedly or not. This tends to happen when no single country has a separate identity which is stronger than that of its continent: most countries in Africa are not yet truly independent brands with their own clear, well-established identities and personalities, strengths and qualities which are powerful and distinctive enough to survive beyond the region itself, so they are obliged to share a single brand called 'Africa'. So even a relatively prosperous, relatively well-run

state like South Africa still tends to get saddled in the minds of most foreign audiences with civil war from Sierra Leone, genocide from Rwanda, AIDS from Botswana, corruption from Nigeria, starvation from Burkina Faso, poverty from Ethiopia, despotism from Zimbabwe and so forth.

There is an analogous risk for recent-accession states to the EU like the Czech Republic and Poland in our survey: if they do not have a clear and clearly articulated sense of identity and positioning — in other words, a strong brand — when they enter the EU, there is a serious risk that they will simply be absorbed into the overwhelming brand of Europe itself.

But the NBI suggests that Brand South Africa may be starting to pull away from the gravitational pull of its continent — its brand is in better shape than several countries in the NBI, and there seems little question that the other sub-Saharan states would fail to register on the NBI at all. In the near future, I hope to produce an African NBI, calibrated to a more sensitive scale, which will help to show which African nations have the more robust and powerful brand images, and which ones must do more to position themselves fairly and positively in the global marketplace for tourism, foreign investment, exports and cultural relations.

CONCLUSIONS

It is now becoming pretty clear what kind of country tends to have powerful brand values: a stable, liberal, democratic Western state with a tendency to neutrality, often producing several well-known branded products and with a strong international presence in the media (either through entertainment and culture or through attractive tourist promotion). The countries with the best

brands are rich countries too: the top 15 countries in the NBI each has a gross domestic product of at least \$23,000 per capita, whereas the bottom ten all fall below \$19,000.

Countries like Canada, Australia, New Zealand and Switzerland appear to carry much of the same appeal which put Sweden at the top of the first Anholt-GMI NBI — indeed, our panel seems to consider Australia, Canada and Switzerland as ‘more Swedish than Sweden’. As we have seen, however, the world’s love for Australia and Canada is, in some senses, way beyond reason — or certainly quite hard to account for in practical terms. Unlike Sweden or Germany or Italy, neither country is associated with loved and world-famous brands; unlike Britain, neither has any internationally prominent or respected political figures; neither is an especially prolific or prominent contributor of cultural offerings on the world stage. But both are large, beautiful, relatively remote countries with relatively small populations; they both have a certain exotic appeal which is helped by the fact that not many people are as intimately familiar with them as, say, Spain, France or America.

It is certainly easier for countries which are not in the mainstream of global politics to achieve good brand rankings: negative brand attributes nearly always accrue to first-world countries as a result of unpopular foreign policies (America’s foreign policy being a case in point), and any country which regularly plays a key role in world affairs will find this kind of negative equity hard to avoid completely.

The UK is the exception which proves the rule: it is the only country near the top of the NBI to occupy the international political and economic mainstream (it is the only trillion-dollar economy, the only permanent member of

the UN Security Council and the only nuclear power in the NBI top five). To maintain such a positive brand despite these factors — and despite having been an imperial power within fairly recent history — is quite an achievement. Hosting the Olympic Games in 2012 should, if properly managed, further enhance Brand Britain.

Any discussion about the brand values of nations, about their importance in the modern world and their impact on people’s decisions, inevitably raises the question of whether there is anything that can be done to change them, to reverse a negative image or simply to manage the brand in the way that the better-run corporations sometimes succeed in doing with their brands.

The promotion of tourism, cultural relations, media personalities, branded exports, politicians, investment promotion and the people of the country all play their part in creating the brand image of the nation. But in the end, deliberate acts of communication, no matter how well performed or how well funded, can only work at the margins of perception, and one simple truth about nation brands emerges from the NBI: a reputation can only be earned.

People form their views about countries in the following ways:

- by the things the country does, and the way it does them
- by the things the country makes, and the way it makes them
- by the way the country looks — or people think it looks
- by the way other people talk about it
- by the company it keeps
- by the way the country talks about itself.

There is a common misconception that nation branding is mainly about the last item in the list — in other words, that

the image of a country can be built through paid-for communications, through attractive logos and clever slogans. Actually, this is one of the least effective and least reliable ways of communicating the 'national brand'. Saying things is not enough: they either have to be said by respected independent voices — item four — or better still, proven: items one, two, three and five.

Just as advertising cannot sell a product which does not deliver on its promises or which people do not need, so a country cannot build its reputation by singing its own praises or spewing out endless information about its wonderful products, investment opportunities, people, places and achievements. In today's world, information is virtually valueless because there is so much of it. If someone has already decided to buy, then they will welcome information; if not, they will simply ignore it.

In the end, if a nation wants to change its brand image, it must learn to

behave differently. But understanding how it is really perceived by its various audiences and stakeholders, how nation brands are formed and how they change, will at least ensure that the new behaviour will build the new brand as effectively, efficiently, fairly, truthfully, usefully and predictably as possible.

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