

## **NATIONAL BRANDING – BRANDING CROATIA**

### **Why is so important for a country to become a brand?**

Croatia has a good basis to become a powerful brand in the world. We have top level sportsmen, we have world famous towns like Dubrovnik, rich tradition, we have companies which are not, frankly speaking, world giants, but some of them are regional giants, high quality products, clean sea, healthy food,...All mentioned should serve as a good basis for creating a strong national brand. But if Croatia wants to become really competitive compared to other countries, it must invest in the promotion of its values - working on its image.

National branding is a hot but sensitive issue and an important concept in today's world. Countries are complex products and market place is very, very large. It is the rest of the world. Globalisation means that countries compete with each other for attention, respect and trust of investors, tourists, consumers, donors, migrants, the media and governments of other nation. Therefore, a powerful and positive nation brand provides a crucial competitive advantage. It is essential for countries to understand how they are seen by various publics around the world. How are their achievements and failures, their assets and their liabilities, their people and products reflected in their brand image.

But what is branding? What is actually a brand? Creating the brand is creating a mental picture of products, services, corporations, countries in the minds of the consumers or wider public. A brand is not only slogan, trade mark, advertisement, media campaign, public relations and so on. It is more than all that. It is, let's say, intellectual property. Because everything is inside our heads, and brands as well.

We have to make a clear distinction between what an image is and what an identity in branding is. An image is a perception about country, town, region, politician, person,... An identity is what a country, let's say, thinks of itself. What somebody thinks of themselves. Image and identity should be equal. At the same level.

At the present time consumers are bombarded with products from all over the world, and knowing which country they come from can greatly influence their decision to purchase them. As we know some of the most powerful company brands in the world usually come from strongly branded countries. In fact it is hard to find any international brand that does not come from such countries.

On the other hand, most of the leading product brands and company brands are more popular than countries. For instance, Nokia than Finland, or Sony than Japan, Coca Cola than USA,...State authorities nowadays understand the importance of using the brand marketing as a powerful tool for increasing the competitiveness in the world market. For this reason a number of countries have actively started the branding process. But branding a country is more complicated than branding company or a product. Country is a complicated thing. It is very complex.

Furthermore, there is a strong link between images of the states and company or product brands. Thus, Disney and McDonald's, Coca-Cola, Levi's and Pepsi are known to come from the U.S. and it is still one of the factors of their success among consumers, according to some world experts in marketing. Therefore, no wonder large U.S. efforts to improve its image in the world. And some other countries have a clear, consistent and recognizable image in the world as well. For example, England - the tradition and social values; France - quality of life and chic, Italy - style and sexuality; Germany - high quality engineering and reliability; Switzerland - precision; Sweden - cleanliness and efficiency, Japan - Technology, entertainment and design. In all these countries successful national brand products have been created and they have conquered the world by linking quality and originality. Thus England, for example, gave us Burberry and British Airways, Chanel and Citroen come from France, Italy gave Ferrari and Armani, Germany Bosch and Mercedes-benz, Switzerland Swatch and Swissair, to name but a few.

However, "neutral" country brands such as Belgium, Portugal, Austria, Chile and Norway have also produced several important leaders in the international market. There are also countries that successfully change their image, like Spain, Ireland or South Africa, and those like the UK or Germany, which invest huge efforts to change and improve their images. Thus Spanish marketing experts, along with the traditional Miró's Sun, recently say: "Smile! You're in Spain", where besides sun and sea, you can play golf or simply relax in one of the hotels. Those from South Africa are struggling mightily to convince business people around the world that this country has a dynamic economy. They say: "In South Africa, business is not just a briefcase", but can contain incredible ideas, plans and business opportunities.

In recent years a great investment resources and effort can be perceived in the development of distinctive and attractive brands of the states. Companies specializing in branding states are mushrooming all over the world. It has been proved that with the right combination of marketing expertise, government support, high-quality manufacturing base, investment and creative branding strategy, the basic resources can be given for the development of a healthy state and the brand-based export economy.

The essential skills for a strong synergy between countries and national brands of products are brand development, marketing sense and understanding of the psychology of target consumers. All of these are currently skillfully used by the largest national brands in the development, such as China, India, Russia or Brazil, whose companies and products are becoming recognized by consumers worldwide.

States can strengthen its brand value in the same way as companies and products do, with appropriate branding strategies. Japan, for example, has in this way improved its image. 30 years ago, the "Made in Japan" label had a negative connotation, and today it is a synonym for advanced technology, quality manufacturing, competitive price, style and status. South Korea is undergoing a drastic transformation of the image due to corporations such as Hyundai, Deawoo, Samsung and LG. Other countries also take credit for profiling successful brands, such as Finland and its Nokia. The country has quickly capitalized on the importance of origin of Nokia in an effort to create a strong national brand, while combining high quality products, speed to market, great marketing and distribution. Nokia has been transformed from a successful domestic manufacturer of rubber boots into one of the most high-tech brands in the world.

Launching a global brand requires great skills, especially if it's not the brand from some „major“ countries. It is important to have the ability of objective perception of yours, or the way others see you, and to accept that this is more important than how you see yourself. Also it is necessary to have the government support. The continuous investment in the brand of the country should be based on cooperation and effective synergy among the main promoters of the country in the global media, usually the national tourist board, airline, leading manufacturers,... because these are the ways in which the national brand is mainly produced and exported.

Some branding specialists emphasize the importance of the country to focus on brand management rather than promotion in managing its image. Others point out that managing their image should go deeper, "levelling" of its foreign and internal policies with well-researched perception of the country. Managing so that the country really lives in a way that its brand promotes.

Anyway, today all the countries are competing for the attention of the world public, and branding has become an important part of their positioning in the world. Therefore, governments are doing everything within their capabilities to ensure the consistency of participants' behavior in each area of the branding process. The goal is to be different from others!

Even a few years ago, there was dominating belief that creating a global brand requires a lot of money for paying ad placements in the media, and that it can not even be conceived to create a global brand with less than 50 or 100 million U.S. dollars per year. However, the development of the internet and various marketing and public relations methods have brought handful of new possibilities, new communication channels and cheaper advertising. It goes in favor of Croatia.

Good news for Croatia as well is that global consumers have become closer to many developing countries due to the production of the world's leading brands in these countries. All this contributes to the changing perception by consumers of brands like "Made in Mexico", "Made in Romania", "Made in Taiwan" ... 'In' become ethnic, organic and exotic. Growing interest in the alternative, to the east and pseudo Eastern medicine such as acupuncture, Shiatsu, aromatherapy and many other things, like healthy food, untouched nature and clean water. Marketing strategists of India, are familiar with all of this and they invest great efforts in showing the world that their country is "Incredible" place where we can relax from the stress and do yoga through media campaigns in the world's leading televisions.

Global consumers are encouraged by healthy lifestyle and are attracted as never before by cultures and products from distant countries, and by ecology. That is why now it is time for completely exotic and new ecological national brands. These trends, too, come in favor of Croatia. When a country finds courage, inspiration and creativity to go away from the classical paradigm of "national product" and starts to produce brands that will inspire us to think about the country they come from, the results can be very noticeable and very profitable, marketing experts believe.

Successful brands often occur from where they are least expected. Like Brazil which is currently one of the most strongly „new branded“ countries in the world. It produces almost everything as a leading industrial nation. Brazil does not want to be only recognisable for samba dancing at carnival times, rainforests, like exotic country with sex, beaches, sport, adventures. With negative associations like pollution, overpopulation, poverty and the like. Upcoming Olympic game will do a face-lifting of the Brazil which has already started to attract world's attention.

However, the branding of a state does not depend solely on government promotions. National branding is composed of two at first quite different areas: marketing and diplomacy. First of all, public diplomacy, and ways of presenting the country - its tourism, products, culture, promoting exports and attracting investment, people and government policies - abroad. The best results are achieved when all this have to be found "under a common umbrella, or when there is a relationship between them, as well as coordination.

The nation brand is the sum of people's perceptions of the country and its people apart from six usual areas of national assets, characteristics and competence. Together, these areas make the Nation Brand Hexagons.

There are:

Tourism - often the most visibly promoted of the nation brand. But it is only a part of the reality of the country. Export – this is the power of „Made in“ label to add value to products and services. Governance – it means people's perception of the government sense of responsibility. The best describes the government in each country. Investment and immigration – people's personal willingness to live and work in each country for a substantial period of time. The best description of the country's current and social condition. Culture and heritage – measuring of the country's cultural heritage, as well as people's appreciation of or intention to consume its popular, more commercial cultural products and activities. Also the country's sporting excellence. People – to understand how the human capital of each country is viewed. Also the best description the people in each country.

Indexes, as the Anholt Nation Brands index, measure the power and appeal nation's brand image. It tells us how consumers around the world see the character and personality of the brand. Precisely, an index measures nation brand, state brand and city brand. The studies poll includes nearly 20,000 people in 20 countries each year, asking them more than 40 questions about their perception of 50 countries.

For example, the top ten country brands in the world according to the index in 2007 were Germany, United Kingdom, Canada, France, Australia, Italy, Switzerland, Japan, Sweden and United States. In 2008 those were Germany, France, United Kingdom, Canada, Japan, Italy, United States, Switzerland, Australia and Sweden. And in 2009, for the sake of comparison, the „best“ country brands were United States, France, Germany, United Kingdom, Japan, Italy, Canada, Switzerland, Australia, Spain and Sweden.

Today, it seems, that before we go on vacation to a country or make a decision on investment, we should follow the brand index and ranking on the list of national brands.

Highly ranked on such lists, according to numerous studies in the world, is Australia, with a strong media campaign in tourism. "We polished silver. Illuminate the rock. Sure under the table no lizards. So where the hell are you?" teaches us in ads and there is a way to emphasize the value of Australia by using humour. Olympic Games in Sydney contributed to the creation of the country's image of as the one with an ideal climate mixed with the sense of humour, open-minded people, talented athletes and outstanding organizational skills.

No doubt, brand, branding and rebranding are words that still resonate strongly on the planet. The battle for public attention is increasingly leading to web pages, blogs and digital media. The image of a country, whether good or bad, usually reflects the current state of the country and it should always be measured. Therefore, the rise of a country's topmost brands do not mean an end of the branding journey. On the contrary, it means starting a new story.

So, which are the main trends in branding states? Firstly, never before has there been such a vogue for the ethnic, the organic, the exotic. According to many brand gurus around the world, it is time for the truly exotic nation brands. Secondly, strong development of internet and different marketing and public relations methods bring us so many opportunities. New ways of communication and cheaper advertising. Everything has become simpler, cheaper and cheaper. Finally, people and consumers all around the world always look for new brands. New tourist destinations. New cities. All the above mentioned is very good news for small and new brands, like Croatia. Over the last few decades consumers have become very familiar with new branded countries and goods. Branded products „Made in India“, „Made in Taiwan“, „Made in Thailand“, „Made in Mexico“, or South Korea become new brand stars.

Global branding is a war! And there is a lot of branding offensives in the world. For instance, Germany is also among the top brands in the world and has invested major efforts in changing its image in the world. Thoroughly it tries to delete public perception associated with the Holocaust and the Third Reich, and to introduce itself as more "sexy" or "cool." German's marketing experts want to draw our attention to a new Germany. Sexier than the old one. Germany has started a series of campaigns to improve country's image abroad. The Goethe institute has got a key role in branding. The Institute is trying to define the key icons, and corporate brands that can delegate an attractive image of Germany to another country. In order to move from its past, Germany tends to emphasize new and more positive aspects of German culture and society in marketing campaigns. Present us Germany as an attractive country in which the "Love Parade" takes place in Berlin techno festival, a country that has world-famous stars such as supermodel Claudia Schiffer, who wrapped the German flag around herself, adoring ads with the message "Follow your instinct. Invest in Germany." All this contributed to the Football Championship, which was a great opportunity to present Germany in a new, more modern light.

It is known that world sports events are an integral part of branding strategy of the host country and a great opportunity to change or improve their images. The branding has been extremely important tool to attract attention and to host world sports events, especially football championships, and is one of the best opportunity for it. Sport spectacles have proved to be a great opportunity to attract public attention around the world and economically very beneficial.

Some countries successfully use world sport events or world famous sportsmen for promotion. Portugal used the advantage of EURO 2004 championship, world class football event for the promotion of the country. Greece did the same with the Olympic games a few years ago. Or China as well.

The promotion of the Olympic game in 2010 will probably be a new opportunity for the Great Britain to promote itself – for rebranding of this country. Britons have started promotion of the Olympic games around the world through sport events like Sport reliefs and playing cricket. South Africa is currently working hard on its branding due to the world class football event this summer. It started a few years ago by promoting its economy and tourism.

What is "in" this year in the process of branding a state? Many countries put emphasis on attracting investors. They are aware that without foreign investments economic growth and employment can not increase.

The branding seeks to create a strong synergy between the state and national brand products in international advertising. Creating strong links by promoting companies, products and the state at one stroke, for the benefit of all, promoting the state and products from that country.

In such a way of promotion investment promotion agencies, backed by governments, have the key role and they should invest a lot of effort, money and time to attract investors. In doing so, they should widely use the internet, filmed commercials and promotional films of the highest standards and production. Increasingly demanding consumers spend a lot of time on the internet and watching TV. In doing so, they should not save on advertising in world leading media, and they should use the most powerful marketing guru and world agencies for public relations.

There is no lack of inventiveness in marketing. Using and mixing everything which is the most valuable in a country. For example, writers and Nobel Prize-known artists with innovation and business experience, as in the case of sophisticated promotions by the Irish government agency of promoting exports, with the main message "Ireland, Knowledge is in our nature." Furthermore, alluding to the locational advantages as in the case of Poland, which is presented as "The Heart of Europe", referring to "meet in Warsaw to search for answers to the challenges of the future." The slogans of the word 'tomorrow' and 'future' are very common in branding. This year „in vogue“ are "green" country brands sending messages about untouched nature and clean environment. The countries in the region are also very aggressive in promoting.

But, let's go back to the branding Croatia. Firstly, branding is a very important issue for every country in the world, especially for a small country like Croatia. Secondly, how can we do it? Thirdly, what do we expect as an end result from the branding process?

So, why is branding such an important issue? In the globalized world the success can be achieved by being different. By being able to face changes. The key for success is to be unique and absolutely, absolutely competitive. Today, in

Croatia it is not clear – what kind of image is Croatia trying to project into the 21. century? That's why branding is such an important issue for Croatia. In the branding process the key question must be – how to present Croatia in the world.

Each branding process starts with and is based on examining the perception of a country, both in the country and abroad. We are not what we think we are, we are what we are perceived to be! Some researches performed several years ago, clearly showed that Croats would like Croatia to be recognised for its tourism, for its good results in sports, for agriculture and for healthy food, for the beauty of its national parks,...

According to the research, carried out by the agency Media net, 28 percent of respondents believe that tourism can represent Croatia in the world in the best way. Then following sea, coast, islands, Adriatic Sea, maritime and marine products (13 percent) and food, national cuisine, cuisine and gastronomy (12 percent). In the fourth place, there was Podravka and its most famous product Vegeta (10 per cent of respondents).

Among the top 20 most frequent responses, there were even agriculture and agricultural products, Dubrovnik, wine, national parks and natural beauty, sport and athletes, Kraš products, Plitvice lakes, Pliva company, cheese (and ham and Pag lace) olives, olives and olive oil; artistic monuments and cultural heritage; pure nature and natural beauty; Slavonia, kulen, breads, and specialties.

Considering natural beauties, the most cited were the Plitvice lakes, Bjelolasica, Cetina, Kornati, Krka, Kopacki Rit, Brijuni, cave Vranjača, Paklenica, Velebit, Zadar peninsula.

Along with many answers that are generally related to Croatian culture, history, monuments and works of art, individually referred to: Arena, the Diocletian's Palace, St. Donat in Zadar's Cathedral. Jacob's Cathedral, St. Blaise and Rector's Palace in Dubrovnik, gold and silver of Zadar, the castle Trakošćan. There are also cultural - entertainment facilities such as the Dubrovnik Summer Festival, Varazdin Baroque Evenings, the Rijeka carnival. Among Croatian towns well represented in the world the respondents were pointing out Split, Dubrovnik, Trogir, Varazdin, Samobor, Šibenik,...

All of the above can be good "material" for the creation of a strong brand Croatia. But it must be clear that creating a national brand lasts for years and requires a bit of efforts and investments. In addition, the experiences of other countries show that it can be only carried out by joint efforts of everyone and by sending a clear and coordinated message about the country. Everyone in Croatia understand that no institution, person or company can work alone on branding Croatia. Everybody must work on it and must participate in this process!

Finally, why branding Croatia? Basically, we have no choice. This is an absolute must! Competitors are doing it and they have undertaken initiatives - countries in the region, European Union and the USA, ...and others have taken great steps. And they probably spend a lot of money, energy and time on branding. Because of globalisation – which is a great challenge for all of us. The importance of creating a positive image of the country - which influences products and services of its companies. The branding influences both the perception and emotions of the consumer. Perception and emotions of the public. It influences practically everything in the country. All of this refers also to Croatia! Strengthening competitiveness – if we have to climb on the top we have to fight a fierce competition. Promotion of economic interests – it's a sink or swim situation. Attracting foreign investments, tourists, increasing exports, employment,.... all lead to economic growth – there is a need for a stronger economic growth. Croatia would like to join the European Union. Because of the membership in the European Union in the future Croatia should work on developing an easily recognisable public image among member states of the European Union.

So, how to start a national branding? It is essential for Croats to understand that branding must start at home – in Croatia! Firstly, we should develop a brand awareness among Croatians. Through presentations, conferences, seminars, discussions, articles, in different magazines and newspapers – to get full attention on the importance of national branding. It could be a very, very tough job. Secondly, we should form a team - a working group or some kind of a council for the creation of a recognisable Croatian image. Thirdly, we should create an efficient communication strategy.

Good news for starting a branding process is that Croats think that we need to invest more in creating a positive image of Croatia. According to some polls the majority, 64%, thinks that we don't invest neither enough money nor enough work into branding Croatia.

Experiences of some countries show that a successful branding of the country requires a combination of strong, clear government support and leads politicians to encourage the private sector and all other parts of society to engage themselves in the process. They must all be found under the umbrella of daily work to improve the country's image. Because of that, one of the most important aspects of this is creating some kind of an umbrella. Under this umbrella representatives of the government and the private sector have to work on daily bases. Public relations and marketing professionals should be on the top of the umbrella. They should work for both sides. Under the umbrella there should also be representatives of major towns, regional authorities,...Other institutions like, for example, Croatian chambers of commerce, representatives of business sector, sports, media, design, art, culture,...

So, what should be the key stages in branding? There has been a research carried in the country and abroad, to find out how Croatia is seen in the eyes of Croatians and foreigners. We need to establish good and bad sides of the country and compare them with other countries in the world. Creating a central and powerful idea. Creating a visual identity – it means creating a logo to be used in advertisement, in the promotion of tourism, embassies – anywhere possible. One of the most important aspects of this is the coordination of all participant in the branding process. The attention focuses mainly on the promotion of Croatia. To insure a strong marketing support for the program. To apply it gradually into different areas of life. To do a monitoring to see how the message of the brand is perceived in diplomacy, tourism, attracting investments, increasing export and among wider public.

What is particularly important for us in Croatia is to draw attention to Croatia. We have to be incredibly intelligent, nice people, but if nobody knows that, our quality has no value. All this is true for all countries. Wrapping the largest tie in the world around the Pula Arena few years ago, for instance, promoted the tie as a part of the Croatian and world cultural heritage, and Pula as tourist destination.

So, how can Croatia catch attention? By strong, clear and attractive identity. By efficient promotion in the world and international press relations. Furthermore, more efficient diplomacy has to play an important role and help in the branding process and vice versa. Better image of the country should make diplomacy work much easier and that should contribute to the realization of government aims.

Finally, Croatia must rebrand itself and intensify its promotion in the world. Croatia has good grounds to grow into a strong brand. Why should not Croatia be a more recognisable, unique and absolutely, absolutely competitive. But, to achieve that, Croatia must strengthen its own brand! There is no choice. The world's consumers are constantly hungry for new and different brands and destinations. The brand "Croatia" has all the prerequisites to conquer their hearts.

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She is the author of the final work "Branding Croatia - the importance of promotion and diplomacy" at the Diplomatic Academy 2003, where she is a permanent lecturer. She edited the first special edition in Croatia on the importance of country branding in the monthly "Business Magazine" 2003, a special edition of the leading Croatian weekly "Globus" magazine - "The best of Croatia - brands for the EU" 2004 and she was the author of a series of articles about branding and trends in state branding.

She has been giving lectures at numerous national and international conferences on state branding, brand marketing and public relations and has initiated and participated in roundtable discussions on the image of Croatia in the world.

She was a longtime reporter and editor at the Croatian Television specializes in economy, domestic and foreign financial markets and international economics. She edited and hosted the first educational and informative program for shareholders in Croatia - "Club d.d." on television, and wrote for the leading daily economic newspapers in the country. Awarded for outstanding contribution to the development of the Zagreb Stock Exchange.

