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## **Beyond Nation Branding to Building country Brands through Marketing Mix**

*<sup>1.</sup> Muteshi, K. Hilda*

Kenyatta University, School of Business, Department of Business Administration.

Email [hildahmuteshi@gmail.com](mailto:hildahmuteshi@gmail.com)

Mobile: +254723149441

*<sup>2.</sup> Maina, S. M., PhD, Lecturer*

Kenyatta University, School of Business, Department of Business Administration

**Abstract**

Technological advanced and other factors has resulted to stiff competition among countries. Hence the concept of branding has moved from products to Nations. Countries compete for investors and tourists. A favorable country brand determines the choice people make either to study, to invest in, to live, or just to visit. Most countries have concentrated on production of attractive leaflets, business cards and little is done in building and developing a brand. This paper reviews literature that links the role of the marketing mix in brand choice. Largely marketing mix has been used in studies relating to tourism and country destination but not necessarily building country brands. This paper attempt to contextualize marketing mix to reflect the sub elements of a country and how they affect different foreign investors in country choice. Previous scholarly themes concentrate on the term country brand choice to mean country of origin and how it affects products purchase choice (Made in). Similarly a number of studies have expressed dissatisfaction with 4Ps model, and agreed that 7Ps is more applicable to both goods and services. This makes 7Ps the essential general model in marketing. The question remains to whether it applies to country marketing since country is not a good or a service but a combination. This paper is work in progress towards a research study on Country marketing mix and country brand choice.

**Keywords:** Country brands, Nation branding, Country Brand Index, country Marketing Mix, country brand choice

### 1.1 Background

Strategic marketing of places can improve the countries position and competitive advantage in the global market. Anholt (2002) acknowledged that branding and marketing strategies can be applied to countries to build economic cultural wealth and improving its competitive position in the global market (Queiroz & Giraldi, 2015). According to Kotler (2002) even without strategic efforts, countries already have an image. This image can either be negative or positive and can determines the decision to purchase its products, the decisions to visit, and the decision to invest in (Queiroz & Giraldi, 2015). The reputation of a country can attract tourists, stimulate exports, investments and immigrants which in turn contributes to sustainable development. A favorable country image attracts investment, tourism, donors, foreigners willing to study and live in a country, people willing to buy products from a specific county of origin (Che-Ha, Nguyen, Yahya, Melewar, & Chen, 2016). There is increasing competition among countries based on international markets to sell their products or to attract visitors. This calls for countries to position themselves and build a reputation that is desirable. previous studies indicate a one unit increase in country reputation translates to 0.9% increase in the proportion of income from tourists while same unit translates to 0.3% increase in open markets for export (Prado & Trad, 2018).

Although competition among countries has intensified, the performance of African countries has not been impressive. Between the years 2014-2015 Japan was ranked position 1, Switzerland displaced to position 2, Germany position 3 Sweden position 4, Canada position 5 Norway position 6, United States position 7, Australia position 8 while Denmark and Austria position 9 and 10 respectively. It should be noted that New Zealand and Finland were displaced from the top 10 country brands with only 22 countries meeting the minimum qualifications to be considered as country brands, Similarly, no African country was ranked among the top 25 (Future Brand, 2014). Based on quality of life, value system, tourism, heritage and culture, Made in, no African country qualified to be called a country brand. South Africa was the top African country ranking position 40, followed by Egypt position 54, morocco 57, Kenya 65, Zimbabwe 69, Ghana 70, and Nigeria 75.

### 1.2 Building a Country as Brand

Kotler et al. (1993) becomes the first author to combine strategic marketing, place branding and economic development. The effect of marketing cannot be standardized, neither can it be reduced to mere financial objectives. It's important for companies or organizations to understand how to position their brands in the market both in the short term and in the long run (Hsieh, 2004). Scholars have argued that nation branding goes beyond image boosting (Viktorin, Gienow-hecht, Estner, & Will, 2016). Kotler and colleagues believed that countries regions could learn from business branding to improve their image and target more markets during economic downtown (Zeineddine, 2017).

Simon Anholt becomes the first author to use the term Nation Brand as a way of measuring or increasing country image. Believes that countries that are serious about brand building should put favorable policies in place, enhance business potential, technology and investments, produce quality products and services, improve on their culture, tourism, technology, education, businesses, invest in people skills and organize events which eventually reflect positively on the country, improves its reputation image and finally brand equity and economic impact (Pike & Anholt, 2013).

### 1.3 Problem Statement

According to Future Brand (2014), only 22 countries in the world meet the threshold of being called country brands, this study was based on perceptions and associations. . African countries have performed poorly both in Country Brand Index Ranking and the financial Nation Brand Index Ranking. Anholt (2013) highlights where countries have failed in the efforts to build strong brands by concentrating on producing leaflets, symbols, business cards, attractive notebooks, T-shirts, flag, without focusing on key elements like product development and marketing. According Kottler (2011) a brand is a combination of tangible or intangible symbol, a name, design that differentiates one offering from another through its quality attributes. Based on this definition, anything that has a symbol, name design, attributes should qualify to be a brand. On the contrary report by Future Brand (2015) indicated that most African countries do not qualify to be called country brands. Several nation branding researchers have disagreed whether nation branding should include tourism, foreign direct investment, and export promotion (Daniëlle van den Akker, 2011).

Anholt (2013) becomes the first author to challenge the concept of country branding, the author argues that brand building requires product development, marketing strategies and has little to do with branding if any (Pike & Anholt, 2013). The players have ignored the fact that a country is not a fast moving consumable that relies on quick sale, the branding strategy cannot be copy pasted from a product to building a nation as a brand (Anholt, 2013). This line of thought leaves a gap on how then can marketing be useful in building country brands beyond branding. Most studies (Mukherjee and Shivani (2016), Yasin, Noor and Mohamad (2012), Kibet and Bogonko (2016), Edo Rajh (2006) have measured product or company brand equity or brand choice in relation to marketing but have not measured the effect of marketing mix on country brand choice. The measurement of financial objectives like sales and profit in a company, is a short term goal, it does not give much information on how to increase market share and sustain the market. The effect of marketing cannot be standardized, neither can it be reduced to mere financial objectives. It's crucial for firms to understand their brands long term position in the market (Hsieh, 2004). It's from these findings that the author seeks to establish the relationship between marketing mix and country brand choice, how countries can use marketing mix to expand their market share in international trade. The traditional marketing mix has 4Ps (Product, Price, Promotion, and Place). Based on the limitations in

the application of these Ps on service industry, the 4Ps were extended to 7Ps. Pomeroy extended the 7Ps by adding an 8th P (Partnerships). The 7Ps have been used in goods and services, a country is neither a good or service, the question remains if the 7Ps can apply to country marketing and if it is necessary to include additional Ps in the country Marketing mix.

## **2.0 Marketing Mix and Brand Choice**

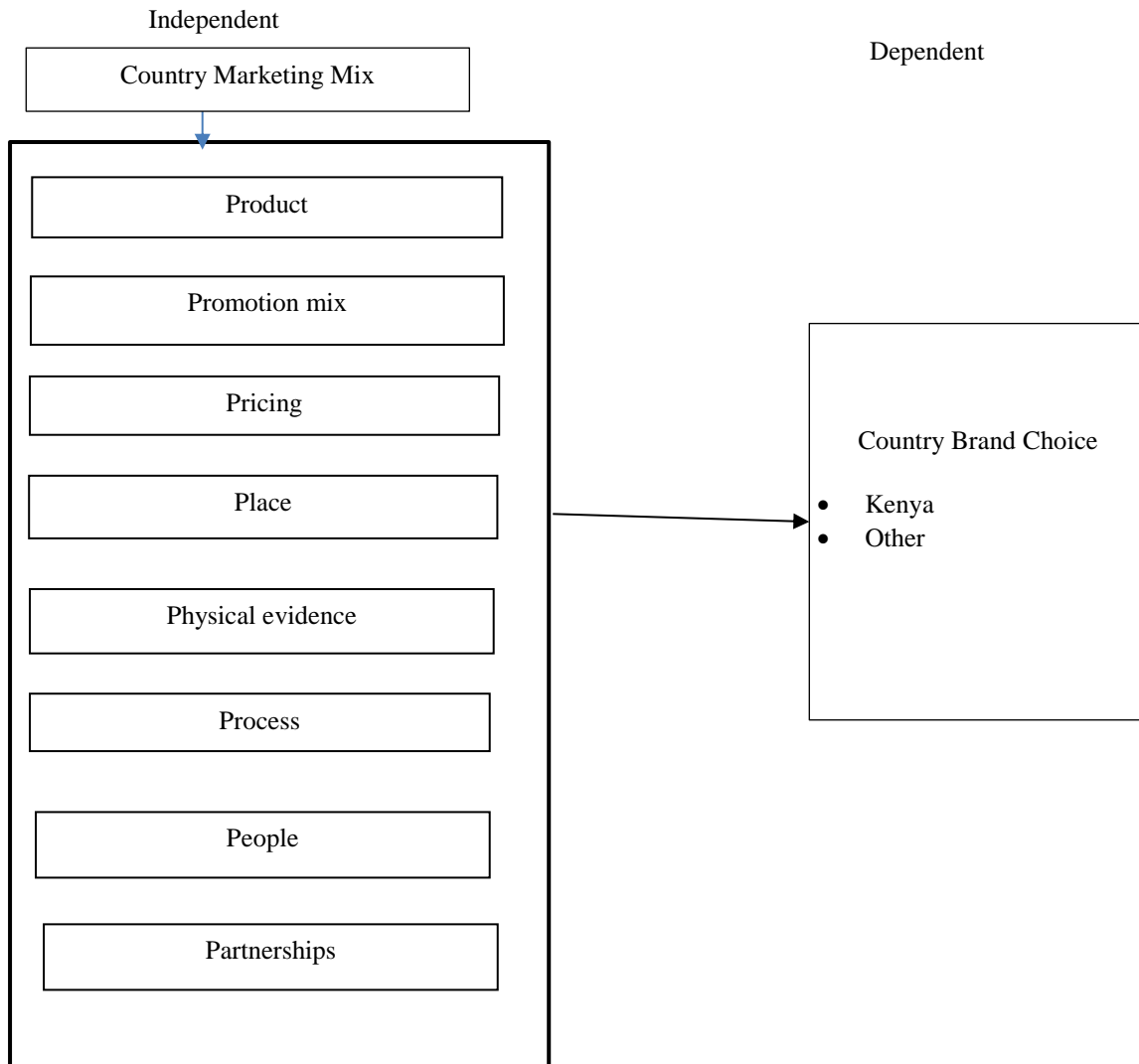
Product is one of the key elements of the generic marketing mix (7Ps), Strazdas (2011) widened the concept of product to include information, ideas, enterprises, events, places, people, experiences, natural resources, property rights, and services (Išoraitė, 2016). In this context, country attributes are synonymous with product attributes. Brands attributes must constantly respond to the needs of the consumers in order to continue being the preferred brand of choice (Toraitich, Kibet, & Bogonko, 2016). According to Cobb-Walgren, et al (1995) and Rice and Bennett (1998), advertising increases brand awareness, once consumers are aware of the brand, they are likely to choose it. However, advertising frequently does not build a brand but word of mouth does. There is a significant positive relationship between sales force and brand preference. Similarly, findings indicate that online communication influences brand preference as well as promotional agents and direct promotion (Toraitich et al., 2016). According to Future Brand (2015) country brand awareness is key in the decision people make in choosing a country either to invest or to visit. This implies that promotion could be key in country marketing.

Price is the cost incurred by a consumer to obtain a product or service, government restriction, regulations are all costs. Companies can choose cost leadership strategies to reduce cost of production and improve efficiencies (Hasbullah & Bahador, 2019). The quality of a product accounts for variance in various brand prices, brand names contribute minimally on the willingness to pay for a product (Holbrook, Letters, & Jan, 1991). Competing brands operate in different environments, consumer dynamics affect cross price effects. In international trade, the decision to visit or the decision to invest in a country is likely to be affected by the costs the prospect is likely to incur compared to competing countries. Countries are not moving goods or services, beyond awareness raising, the need for putting information about countries is inevitable. Placement is about bridging the gap between the seller and the buyer by putting products and services in more convenient places (Arionesei & Ivan, 2012). Both tangible and intangible products are placed in convenient places through displays, agents, placement provides quality customer satisfaction and services (Hasbullah & Bahador, 2019). Countries can utilize the placement strategies in marketing mix to optimize their brand choice.

In tourism marketing, countries have physical features natural sceneries that attract visitors. Zeithaml and Bitner (2000) described all aspects of environment and the organizations facilities as physical evidence. Berry (2007) believed that when people spent more time in the physical environment of an organization, they are likely to be influenced in perception. The physical evidence raises the influence of channel choice. It's evident that countries can borrow these aspects of physical evidence and utilize it to influence the decisions that people make in choosing countries either to visit, stay, or invest in. Besides the physical environment, the levels and type of service can influence the decision to choose a brand. The business process of acquiring a service contributes much to the future decision of choosing a particular service provider (Domb, Sujata, Sanjay, Arindam, & Jypti, 2015). Customer experience is key in businesses, if well managed, it leads to competitive advantage in the global market (Domb et al., 2015). Countries can learn to optimize their services to be more attractive than their competitors. It's becoming increasingly impossible to separate processes from people. People can either delay processes or fasten them. Booms & Bitner (1981) introduced participants (People) as a key element of the marketing mix. Zeithaml, Bitner, & Gremler (2006) advance this thought by relating the role of the people in influencing quality of services hence the perception of buyers. This means human resource is key in influencing purchasing decisions (Pomeroy, 2017). Keller (2003) has successfully linked brands with the people. The speed of service, the efficiency of service, depends entirely on the people (employees). Country employees and culture is likely to affect customer experience and the decision people can make in either choosing it for visit, investment, or for stay.

**3.0 Proposed Conceptual framework**

The concept of branding has moved from goods and services to nation branding. This implies that the 7Ps of the marketing mix can be utilized in country marketing and developing country brands. This review proposes a contextualized 7ps model to reflect sub-elements of country Marketing Mix. The final paper proposes the extension of the 7Ps generic marketing mix model to 8Ps of Country Marketing Mix.



**4.0 Conclusion**

This paper concludes that the 7Ps of the marketing mix elements can apply to country marketing. The 7 elements are likely to have a similar influence to country brands the same way they influence products and services. It also concludes that other factors are likely to affect the country brand choice beyond the 7Ps. Factors like Partnerships need to be explored on how they apply to country marketing. Finally, the research concludes that the sub-elements of each P in the generic marketing mix cannot apply to country marketing. There is need to contextualize the sub-elements of each P to reflect country elements. Hence the other distinguishes the elements by referring to the model as Country Marketing Mix and not the generic Marketing Mix.

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