

**NATION BRANDING  
AND  
SUSTAINABLE COMPETITIVENESS OF NATIONS**

**DISSERTATION**

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## **ABSTRACT**

Considering the importance of explaining how a nation brand is effectively managed and how nation branding aligns the nation's brand with country management so as to gain competitiveness, this research aims to assess the role of nation branding and to create a strategic management tool for nation branding to achieve sustainable competitiveness of nations. Focusing on performance in nation branding, the dissertation develops a brand management model towards a systematic and strategic application for nation branding.

Adopting a deductive approach based on a five-step plan for systematic research, the study proposes the Nation-Branding Mechanism Model as a mechanism-based process model. To provide empirical evidence a case study methodology is implemented involving two countries: the Republic of Korea and the Republic of Ireland. Longitudinally, the research investigates contextual variables of the nation branding process and their dynamics in branding Korea and Ireland by analyzing the "Export, Science, Technology and Industry"-brand system of Korea and the "FDI, Industry, Enterprise and Knowledge"-brand system of Ireland. The study identifies the nation-specific branding mechanisms within their nation-brand systems and the similarities and differences in both nation branding processes.

An important finding is that nation branding is a process that must align with country management to influence the sustainable competitiveness of a nation and that needs a systematic approach to building a nation brand. The mechanism-based process structures a set of activities carried out by branding actors. Moreover, nation branding is an ongoing and iterative process to develop a nation-brand system and to influence a nation's sustainable competitiveness.

This research suggests the 'Nation-Branding Mechanism Model' as an effective model for explaining performance in nation branding. Through its development, this study

contributes to building a body of knowledge concerning the role of nation branding as a strategic management tool for achieving sustainable competitiveness of nations.

## SUMMARY

In this era of increasing globalization, nations attempt to attract foreign investors, tourists and creative workers into their countries, to increase market share and to command premium prices in global markets. To improve national development and competitive advantage both internally and externally, nations aim to obtain nation brand equity which is based on both national identities and images of symbolic 'soft power'. To sustain these values, nations rely on the continuing role of nation branding. Research shows a wide range of definitions of what nation branding is and how it works in creating, improving and sustaining a nation's values and competitiveness.

Nation branding encompasses activities from country naming through to all the collected activities of the country. Researchers of nation branding have argued that nation branding is a managed process of building the brand identity, image and reputation. Nations put efforts into nation branding with the help of various branding techniques. However, there are limitations in the theoretical and practical approaches to nation branding. Firstly, the brand management of a nation is often considered merely as a simplistic notion of creating a visual identity or communicating a promotional campaign. Secondly, despite the nature of nation branding involving complex multidimensional facets and unpredictable tasks, research has mainly been limited to considering how a nation brand should be managed and nation branding is a managed process conducted in a holistic and systematic way. Thirdly, even though the existing literature on nation branding has emphasized a nation's brand and branding with respect to national development, competitive advantage and sustainability contexts, there has been limited attention paid to explaining the relevance of nation branding with respect to the sustainability and competitiveness of nations. Particularly in regard to the notions of sustainability and brand alignment, this research highlights the importance of explaining how a nation brand is effectively managed and how nation branding aligns the nation brand with country management so as to achieve sustainable competitiveness of nations. This research aims *to assess the role of nation branding and create a strategic management tool on nation branding for the sustainable competitiveness of nations.*

To define the role of nation branding and develop a strategic management tool on nation branding with respect to the sustainable competitiveness of nations, we focus on performance in nation branding - the extent to which the variables in nation branding contribute to the achievement of the sustainable competitiveness of a nation as the outcome of nation branding. Particularly in respect of performance in nation branding, we highlight the need to take a brand management approach based on the application of a systematic model. This includes explaining how a nation brand's elements may be integrated and managed, and how nation branding achieves the sustainable competitiveness of a nation in a systematic way. Therefore, this research formulates the following research questions: (1) *how does nation branding contribute to the sustainable competitiveness of nations? Moreover (2) how can we design a comprehensive framework for nation branding that facilitates effectively the sustainable competitiveness of a nation?*

We adopt a deductive approach to constructing a theoretical model that explains performance in nation branding. A five-step strategy of systematic research contains: reviewing the literature; building the research model; developing the research protocol; collecting and analyzing data; and extending the research model.

To develop an effective nation-branding model in terms of the sustainable competitiveness of nations, Chapter 2 reviews the literature concerning the concepts of nation branding and sustainable competitiveness. An overview of the nation-branding context with the domains of country-of-origin, place development and public diplomacy is provided. The research focuses on four aspects of key nation-branding concept that relate to causal variables of performance in nation branding: (1) aligning a nation brand with a national strategy; (2) building a nation brand strategy; (3) building a nation brand identity and image; and (4) managing nation brand behaviour. The concept of sustainable competitiveness as performance outcome in nation branding is examined in terms of competitiveness and nation brand equity. Existing models of nation branding are evaluated, and it is highlighted whether such models incorporate the key variables of nation branding in terms of achieving sustainable competitiveness.

Chapter 3 presents a research model that can explain performance in nation branding. The chapter includes the criteria for developing a nation-branding model, the typology of models in general, and the compatibility of models for nation branding. Finally, we

propose the Nation-Branding Mechanism Model (NB-MM) as a ‘mechanism-based process model’ explaining a dynamic sequence of brand behaviours that contextually take place within a nation-brand system and that influence the sustainable competitiveness of a nation. The NB-MM sums up an input-process-output framework, and the process consists of the sequential phases of creating a nation-brand vision (C-NBV), setting a nation-brand goal (S-NBG), developing a nation-brand strategy (D-NBS) and operating a nation-brand strategy (O-NBS).

To study the subject in its current setting, this research selects two cases, namely the Republic of Korea and the Republic of Ireland, based on the criteria as follows:

- Each has distinguished its own nation-specific development path
- Each has developed its own FDI or export branding system
- Each has a similar category level of auto-identification and country image, implying the level of nation brand status
- Each has undergone a period of evolutionary change (i.e. epoch) inspired by influential national leaders
- Each has multiple events of nation branding based on longitudinal scope

Based on the performance criteria in the ‘Nation-Branding Mechanism Model (NB-MM)’, we analyze the ESTI (Export, Science, Technology and Industry)-brand system of Korea and the FIEK (FDI, Industry, Enterprise and Knowledge)-brand system of Ireland. Exploring the nation-specific branding mechanisms within the nation-brand systems, our research identifies the cross-case patterns in branding. Data collected about Korea’s and Ireland’s branding show similarities and differences in the nation-branding process. In particular, testing the model on the Korea and Ireland cases, this research highlights the important empirical findings in nation branding as follows:

- Nation branding is a process that must align with country management and influences the sustainable competitiveness of a nation.
- Nation branding is the process that needs a systematic approach to building a nation brand.
- Nation branding is the mechanism-based process that structures a set of activities carried out by branding actors.

- Nation branding is an ongoing and iterative process to develop and maintain the nation-brand system and to influence the sustainable competitiveness of a nation.

Investigating contextual variables of the nation branding process through empirical testing, the research affirms the ‘Nation-Branding Mechanism Model (NB-MM)’ as an effective model for explaining performance in nation branding. Through developing the NB-MM, this research contributes to the building of a body of knowledge of defining the role of nation branding as strategic management tool for achieving the sustainable competitiveness of a nation. Firstly, in concrete terms, the study provides a strategic management process model that is suitable for aligning the nation brand with country management and explaining the management role of nation branding that influences the sustainable competitiveness of the nation. Secondly, we highlight the adoption of a mechanism-based process model to explain how nations develop a nation-specific brand system and therefore provide a mechanism-based nation branding theory. Thirdly, this research contributes to providing the reality-based brand management approach to building and managing the nation’s identity and image. Finally, our study contributes to designing a strategic nation-brand management model that creates systematically the nation-brand system and sustains effectively the nation’s competitiveness.

Fig. 1 Key concept of nation branding (p. 36)

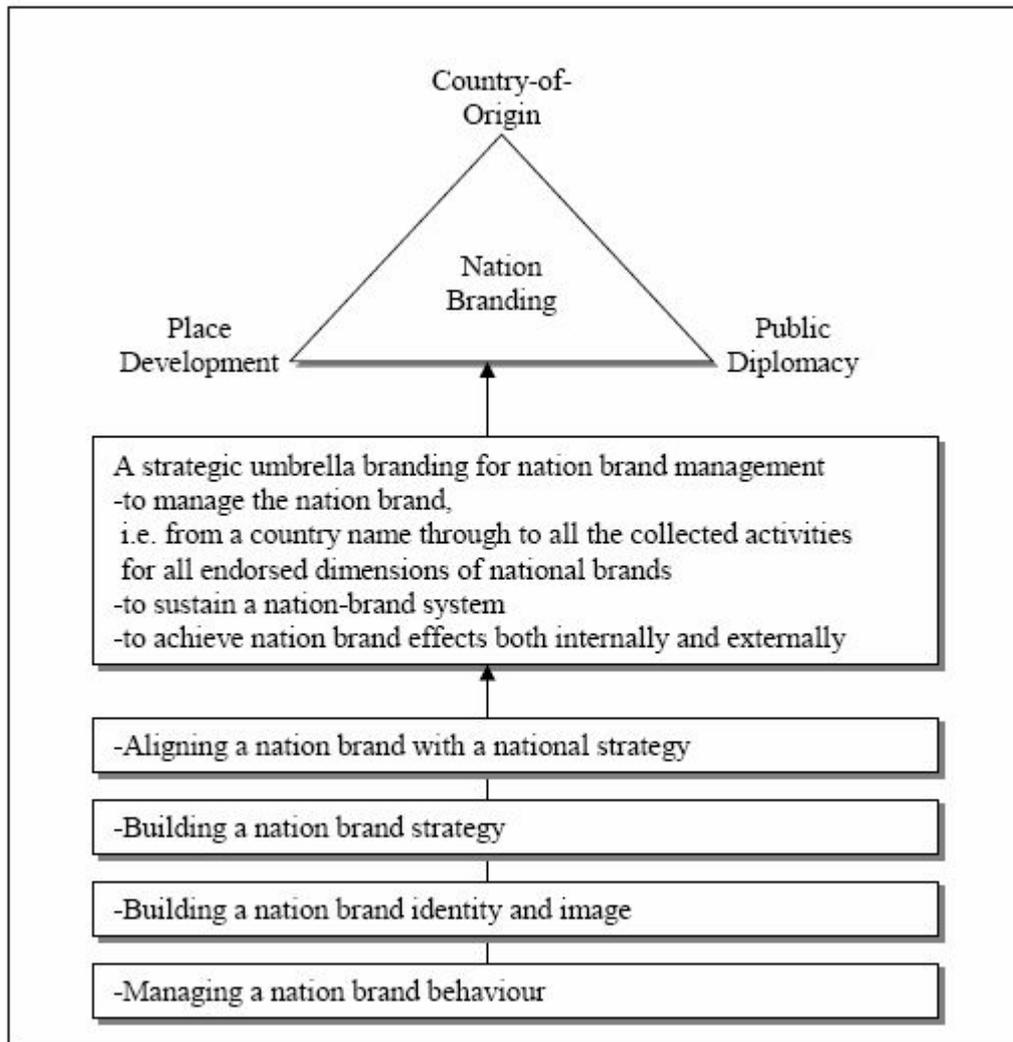


Fig. 28 The Nation-Branding Mechanism Model (p. 193)

