



Repositioning the Korea Brand to a Global Audience: Challenges, Pitfalls, and Current Strategy

by Keith Dinnie

During the past decade there has been growing academic interest in the field of nation branding.¹ It is increasingly common for governments to adopt the techniques of brand management in order to raise their country's profile or to correct image deficits that may be detrimental to the nation's standing in the world. Korea has been at the forefront of this surge of interest in the potential of nation branding. Driven largely by a desire to reposition the Korea brand away from negative association with North Korean brinkmanship and lingering images of the Korean War,² the government of South Korea has committed significant resources and energy to position the Korea brand as a vibrant dynamic democracy, creative and open to the world. Whether this attempted repositioning of the Korea brand will be successful remains to be seen. The current raft of nation-branding activities initiated and coordinated by the recently established Presidential Council on Nation Branding will need to deliver tangible outcomes within the next two to three years; otherwise the initial enthusiasm will dissipate, political support will dwindle, and inertia will set in.

Although it has been suggested that Spain is one country that has successfully managed a trajectory that is in some ways similar to South Korea's, namely the transition from internal conflict and dictatorship to a more open and confident cosmopolitanism, it has not been proven that global perceptions of this transition have been influenced by the skillful application of nation-branding techniques or whether the repositioning of the Spain brand derives simply as a consequence of the reality of that nation changing in the post-Franco era.³ Although the changing reality of Spain does seem to have registered in the perceptions of people outside Spain, there appears to be a strong feeling among South Korean policymakers that the changing reality of Korea has not translated into

more positive perceptions of Korea among global audiences. Perceptions of Korea thus appear to lag behind reality. The barometer of public opinion most frequently cited in this respect is the Anholt/GfK Roper Nation Brands Index, in which Korea's relatively lowly standing compared with the size of its economy is taken as evidence of the weakness of the Korea brand. Thus, what can Korean policymakers hope to achieve by embracing the techniques of nation branding?

Given the relatively recent emergence of nation branding as a field of academic study, to date the concept of nation branding shows little theoretical underpinning. There is therefore a dearth of frameworks or templates upon which Korean policymakers can draw. One convincing and erudite argument suggests that nation branding has been in existence for centuries and that it is merely the language that we use to describe it that has changed.⁴ Yet, in terms of research and theory building, the concept of nation branding is still in its infancy. One of the few conceptualizations of nation branding defines it as "the strategic self-presentation of a country with the aim of creating reputational capital through economic, political and social interest promotion at home and abroad."⁵ The focus on self-presentation and promotion derives from a public relations perspective and emphasizes the importance for a nation to actively manage its reputation rather than passively allowing external parties to impose their own brand onto the nation. Nation branding may thus be conceived as a form of self-defense in which countries seek to tell their own stories rather than be defined by foreign media, rival nations, or the perpetuation of national stereotypes.⁶

The goals commonly associated with nation branding include export promotion,⁷ the attraction of foreign investment,⁸ tourism promotion,⁹ and more intangibly an increase in the influence of the nation in world affairs. Although the first three goals lend themselves readily to the application of conventional branding

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techniques from the business sector, the goal of building the nation's influence is often situated within the domain of public diplomacy and soft-power promotion.¹⁰ Although nation branding and public diplomacy share similar goals with regard to enhancing a nation's image, the fact that they emanate from different academic disciplines has resulted in a significant lack of conceptual integration. To a large extent, the origins of nation branding lie in business, whereas the roots of public diplomacy lie in international relations; and within the academic arena the two disciplines rarely meet. This will no doubt change as interest in both nation branding and public diplomacy continues to grow.

Several obstacles to integration will need to be overcome. A key barrier to the integration of the concepts and disciplines of nation branding and public diplomacy is simply a question of terminology. The language of branding sits uneasily within the rarefied atmosphere of many countries' embassies and foreign ministries. The concept of public diplomacy is far from universally embraced by ambassadors and other diplomats, many of whom prefer the diplomatic function to remain in the realm of discreet official channels rather than the vulgarity of pandering to the masses in foreign countries. Hostility to the concept of nation branding may be even more visceral, with nation branding being perceived as an unwelcome intrusion of crass commercialism and unworthy of diplomatic resources. To overcome such hostility it may be necessary to alter the term "nation branding" to a less provocative one such as "national reputation management" or "competitive identity."¹¹

Alternatively, governments may need to focus more attention on stakeholder analysis in order to determine which stakeholders should be included in the country's nation-branding strategy. The dominant view at present mandates that all potential stakeholders should be included in the formulation and implementation of nation-branding strategy; however, such a view may prove to be naive and ineffective given the challenges of coordination that flow from a fully inclusive approach. It will be interesting to observe the evolution of Korea's Presidential Council on Nation Branding during the coming years, in terms of which stakeholders go on to play an active role, which stakeholders provide only a token presence, and which stakeholders withdraw.

Because governments around the world have embraced nation branding only within the past few years, as yet few if any templates or models of best practice exist for other nations to follow. Korea may establish such best practice through its current initiatives if the present momentum can be sustained.

Challenges

Branding a nation is a politically sensitive undertaking. It encompasses issues of national identity that can be controversial and difficult to manage. The demise of the UK government's attempt to rebrand the nation under what became known as the "Cool Britannia" campaign serves as a warning to other governments of the potentially hostile reactions that may greet any official attempt to manipulate a country's image. In the case of Korea, as for most other nations, a key challenge for policymakers is to successfully manage the country's reputation through projecting an authentic and culturally grounded image of the nation in such a way that domestic audiences do not feel excluded. One academic observer notes that oversensitivity about identity can be problematic in Korea and suggests that "a solution cannot be found by pretending that national identity does not matter; a solution must rest on some kind of compromise highlighting elements of identity that serve urgent goals."¹² This may be viewed as one of the most challenging aspects of nation branding: distilling the vastness of national identity into something that is relevant and communicable to specific audiences.

One of the major challenges that Korean policymakers have set for themselves is to reduce or even eliminate the so-called Korea discount, which refers to the belief that the "Made in Korea" marque carries less prestige and status than other countries of origin such as "Made in Japan" or "Made in Germany." As a consequence, many Koreans believe it is not possible for Korean producers to enjoy the same price premiums as those enjoyed by producers from more highly regarded origin countries. By taking on the challenge of reducing the Korea discount, policymakers have set the bar high. Very few nations can hope to compete with the likes of Japan and Germany in certain product categories. Furthermore, the Korea discount is only a discount when viewed in relation to the top-ranking nations; by changing the frame of reference to include less prestigious provenances, the Korea discount would transform into a "Korea premium." Deeper analysis will need to be conducted to ascertain the exact dimensions of the Korea discount, the findings of which can be incorporated into future nation-branding planning.

Many nations suffer from specific negative images of which they would like to rid themselves. However, policymakers should be cautious in assuming that they themselves know what these negative images are. Politicians frequently assume that domestic political events and incidents are familiar to external audiences when in reality external audiences neither know nor care

about such events and incidents. In the context of Korea, the negative images that cause concern to policymakers revolve around corruption, violent street demonstrations, and the behavior of North Korea. The behavior of North Korea is relayed to the rest of the world and impinges on perceptions of South Korea, in line with research that suggests that “the public learns the relative importance of issues from the amount of coverage given to the issues in the news media.”¹³ It is less certain, however, whether external audiences are concerned by or even aware of domestic issues such as street demonstrations and corruption.

Relevant research in selected target markets is required to verify outsiders’ perceptions; officials cannot rely on assumptions about what foreign audiences perceive Korea to be. Qualitative research techniques, such as brand association, can be useful in this respect. Brand association research into Korea’s image could consist of asking a simple, open-ended question: “What comes to your mind when you hear the word Korea?” When this question was posed to an internationally diverse group of university students in Tokyo earlier this year, sample responses included:

- Spicy food. Not so far from Japan.
- Military. Korean actors.
- Movie industry on the rise. Electronics, Korean BBQ, plastic surgery.
- People get mad easily.
- Politicians fight with their fists.
- Samsung, Hyundai, kimchi.
- Technologically strong. Friendly people. Tied to their roots.
- Spicy food. Small area, separated in North and South.
- Challenge to the world.
- Samsung, Hyundai, LG. 2002 World Cup.
- Very Asian but different from Japan or China. Korea is very friendly and positive to me. Kind people. Interesting culture. Delicious food. Pretty women. Korean War. North Korea is bad: South Korea is good.

A range of potentially useful insights can be drawn from the application of qualitative research techniques such as this. The research should be conducted in whichever countries or regions Korea is attempting to build its brand, as responses from any one region cannot be generalized to other regions. Perceptions of Korea within European countries, for example, will likely be very different from perceptions of Korea within neighboring countries in Asia.

Among the most intriguing challenges for the Korea brand is to find ways in which the Korean nation brand can benefit from the esteem in which some of its major corporate brands are held. Samsung, Hyundai, and LG are highly respected global brands, yet they downplay their Korean origins, perhaps a manifestation of the Korea discount alluded to earlier. Whereas Japanese corporate brands such as Sony, Toyota, Mitsubishi, and Toshiba appear to have made a huge contribution to the enhancement of Japan’s nation brand, Korea does not appear to have benefited from this transference of brand equity from corporation to nation. Creative ways need to be found to ensure that Korea receives due recognition as being the country of origin of Samsung and the other global corporate brands. Particularly in the electronics sector, there is always a risk that consumers in foreign markets will assume that a brand is Japanese even if in reality it is not; an apparently high percentage of U.S. consumers believe, for example, that Nokia is a Japanese brand. One way in which Korean corporations can and do contribute to Korea’s nation branding is through the provision of their marketing and branding expertise to organizations such as the Presidential Council on Nation Branding.

Pitfalls

Many pitfalls await governments that are embarking on nation-branding campaigns, projects, and strategies. Chief among these is the allure of expensive but ephemeral advertising campaigns. Although the role of advertising can be an important element in a country’s overall nation-branding strategy,¹⁴ it should not be regarded as sufficient in itself. A comprehensive and coherent nation-branding strategy must go beyond advertising and address fundamental issues, including the coordination of different government departments and ministries, the establishment of productive public-sector–private-sector partnerships, and the allocation of sufficient resources to the often overlooked importance of diaspora mobilization.

An obsession with slogans is often manifest in different countries’ nation-branding initiatives. In the case of Korea, slogans such as “Dynamic Korea” and “Korea Sparkling” have been used recently, and new slogans are being planned. Although such slogans have a role to play in Korea’s branding, they are no substitute for intelligent coordination of different stakeholders and substantive improvement of the nation’s capabilities, whether in terms of being a good location for business, study, or visiting.

A further problem with slogans resides in their transitory nature: each time there is a change of government within any country, the incoming administration almost inevitably cancels the previous slogan or campaign and replaces it with a new and not necessarily better one. There is also little if any publicly available evidence of the effectiveness of nation-branding image campaigns based on advertising and slogans.

A further pitfall to be avoided is the “siloitis” that commonly afflicts large corporations but that can also occur between government departments and ministries. Lack of communication between government organizations can result in wasteful duplication of resources and failure to capitalize on potential synergies. In some countries, the national tourism organization (NTO) has for so long been the only body charged with promoting the country’s image that the NTO may come to believe that it does not need to collaborate with inward investment or trade promotion. In such cases, leadership needs to be exercised by senior government figures to ensure that these different functions are collaborating or, at a minimum, are exploring the possibility of future cooperation. In Tokyo, for instance, the inward investment agency and the NTO of a leading European nation have signed a memorandum of understanding in which they agree to explore possible synergies in their activities in the Japanese market.

Although “country image” is a commonly used term, it should in reality appear in the plural as countries do not have one single image but rather a multitude of context-dependent images. It would be a mistake for Korea to attempt to project a single global image; instead, there should be customized campaigns for specific target audiences. Fundamentally, this could be fashioned at a minimum of three levels—peninsular, regional (Northeast Asia), and global. However, the selected strategies should be developed according to the specific objectives that are set for each level. A lack of such adaptation of strategy in favor of a clumsy monolithic approach can backfire, as was seen in Australia’s controversial tourism branding campaign that made use of the slogan, “Where the bloody hell are you?” In the UK market the campaign was received moderately favorably, but in Japan it was perceived as rude, aggressive, and inappropriate. Corporations are familiar with the standardization-versus-adaptation argument within international marketing, but most nations have not acquired expertise in this concept as applied to their nation brand.

Current Strategy

In August 2008 President Lee Myung-bak announced plans to establish a nation-branding committee. This set in motion a flurry of activity, including numerous articles in the Korean media on the topic of nation branding, an ongoing public debate, visits by foreign experts, and conferences in Seoul. On 22 January 2009 council chairman Euh Yoon-dae officially launched Korea’s current nation-branding program under the auspices of the newly created Presidential Council on Nation Branding. The council comprises 47 members, 16 of whom are senior government figures while 31 are from various private-sector backgrounds. As a former president of Korea University, Euh Yoon-dae is widely credited with the successful internationalization of that institution, and he aspires to bring a similar global outlook to the branding of South Korea. The Presidential Council on Nation Branding is structured into five teams that have been allocated responsibility for international cooperation, corporate and information technology, culture and tourism, the global community, and overall coordination.

The details of Korea’s nation branding strategy have been summarized in the form of a 10-point action plan:

- Promote tae kwon do;
- Dispatch 3,000 volunteers abroad each year;
- Adopt a “Korean wave” program;
- Introduce the Global Korea scholarship;
- Adopt the Campus Asia program;
- Increase external aid;
- Develop state-of-the-art technologies;
- Nurture the culture and tourism industries;
- Treat foreigners and multicultural families better; and
- Help Koreans become “global citizens.”

The plan is ambitious and wide-ranging and is to be commended for its focus on tangible activities and active global citizenship rather than merely on marketing and advertising campaigns. The soft-power component of the strategy is particularly strong through the emphasis on increasing external aid, thus clearly signaling Korea’s transition from aid recipient to aid donor. The social trends within South Korean society that have formed the basis for this increase in overseas development assistance are identified by Lumsdaine and Shopf, who posit:

[A] recent rise in voluntarism, the expanded political influence of NGOs, and strong popular support for assistance to the poor, both at home and abroad, signal a shift in

*civic values. . . . Korean foreign assistance policy, then, shows great promise, and has the potential to serve as a model for newly developed countries, while providing Korea with lasting prestige.*¹⁶

Another facet of Korea's foreign assistance policy is World Friends Korea, roughly equivalent to the U.S. Peace Corps. The Presidential Council on Nation Branding will play a coordinating role through its oversight of the various volunteer programs that government agencies have traditionally operated. Volunteers will be tasked with promoting Korea's culture and food around the world as well as working in areas such as information technology, education, and the environment. The spread of Korean culture—the Korean wave—is considered by policymakers to represent an important dimension of the country's soft power. Although soft power has been considered difficult to measure, the economic benefits can sometimes be directly observable, as in the influx of Japanese tourists to Korea following the screening of Korean soap operas on Japanese television.

Korean policymakers, like their counterparts in other nations, need to grapple with the issue of measuring the effectiveness of their nation-branding strategy. This is an area in which most nations are weak and need to quickly learn lessons from the business sector. It is rare to find rigorous strategy evaluation systems in place for nation-branding projects. There can also be a lack of communication of the strategy, whereby nation-branding strategy is formulated domestically but then followed by a failure to communicate that strategy effectively to organizations and individuals on the ground in foreign countries. Governments need to ensure that their countries' networks of offices for investment attraction, trade promotion, and tourism are all aware of and buy into the strategy that has been formulated. This is a key role that Korea's Presidential Council on Nation Branding will need to assume if the good intentions of the formulated nation-branding strategy are to become reality.

For evaluation of the effectiveness of the strategy, responsibility has been delegated to the Samsung Economic Research Institute to develop a measurement system that will capture the multidimensionality of nation-branding policy. If such a system is developed successfully, that in itself will represent a major contribution by Korea to the field of nation branding in addition to the many positive elements of the strategy already announced and initiated.

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