The Necessity of Creating National Brand in the Background of “the Belt and Road Initiative” Strategy

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Abstract. With the development of “the belt and road initiatives”, "going out" along “the belt and road” will become the “new normal” of Chinese products and enterprises. However, negative impressions for China of foreign consumers has made it difficult for Chinese products to get the market share and realize the added value. Therefore, it is necessary to carry out the national marketing and to construct our national brand. In the context of “the belt and road”, constructing our national brand can promote the “going out” of Chinese products, quicken the development of tourism industry, attract foreign talents and foreign capital as well as technical support.

Introduction

“The Belt and Road Initiatives” strategy provides an important platform for Chinese enterprises to "go out" and open the door to the world for more domestic products. However, the state of national brand has shown a downward trend, which is not consistent with the rising international economic and trade status of China. Therefore, it is necessary to construct China’s national brand to emphasize the positive national image, change the negative factors and establish a new image. And it can help the country among competing countries to highlight its characteristics, attract exchange and cooperation from stakeholders, and eventually maximize the social material welfare, the economy and political goals.

The Belt and Road Initiative

March 27, 2015 in Hainan Boao forum for Asia, Chinese national development and Reform Commission, the Ministry of foreign affairs and the Ministry of Commerce jointly issued the "push to build Silk Road Economic Belt and twenty-first Century Maritime Silk Road vision and action" (National Development and Reform Commission, 2015). This marks that "the Belt and Road Initiative” strategy enters the construction phase. If the reform and opening up brought China involved deeply in the process of economic globalization, then promoting "The Belt and Road" marks the arrival of a new phase of globalization with the characteristics of Chinese "going out".

“The Belt and Road Initiatives” opens a new window to show the national image for China, providing an important platform for mainland enterprises to "go out", opening the door to the world for more domestic products. However, the share of our products in the international market still remain a low level. Negative impressions for China of foreign consumers has made it difficult for Chinese products to get the market share and realize the added value. For instance, we often face the embarrassment that the shirts made in China being exported to developed countries at a very low price but worth more than a dozen times, or even dozens of times after being posted the label of the manufacturers of developed countries. “Made in China” not only cannot get the proper value, but also often be discriminated by foreign consumers because of the low prices. It can be seen that our products are not competitive in the international market, not because our products are lack of competitiveness, but our brands are lack of competitiveness

The State of National Brand

National brand, the way how a country is viewed, has become a very important part of the world
today. The deepening of globalization means competition between countries for the attention and trust of tourists, consumers, investments, immigrants, international assistance, media, and governments of other countries: a powerful and positive national brand can improve the competitive advantage of the country. In 2009 the survey from International Public Opinion Research Program Center of University of Maryland and World Public Opinion commissioned by BBC shows that, in the past year, the national image ranking is in the following order: Germany, Canada, Britain, Japan, the European Union, France, Brazil, India, South Africa, China, the United States, Russia, Korea, Israel, Pakistan and Iran. And opinion of people around the world on the influence of Chinese became more negative, positive evaluation on China decreased from 45% to 39%, a decrease of 6 percentage points, negative evaluation on China increased from 33% to 40%, an increase of 7 percentage points.

Table 1. The national image order of 11 countries

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Note: Q represents quarter. From 2005 to 2007, the survey was conducted quarterly. Objects are 35 countries from the fourth quarter of 2005. From 2008 the survey was conducted annually and the surveyed countries (regions) to 50. In the first and second quarter of 2006, the survey invests the national image of the European Union and Denmark respectively, so the results are not listed in the table. The survey was not conducted in the fourth quarter of 2007. Source:[1]

Anholt created a set of methods to measure the national brand image, that is, the National Brands Index (hereinafter referred to as NBI). Each year NBI rank the national image of 50 countries. From 2005 to 2010, national image of China ranking remained in the middle position. From the fourth quarter of 2005 to the third quarter of 2007 (when 35 countries were ranked), the national image of China ranking declined slowly. China ranked 24th in the third quarter of 2007, which actually was below the middle. China ranked 28th in 2008, and rose to 22th in 2009, with a rather big jump. And the rank slid one place to 23th in 2010. In the permanent Security Council Member States, Britain has the best national image overall, ranking 1st from the fourth quarter of 2005 to the second quarter of 2007, sliding to 2nd in the third quarter of 2007 and ranking 3rd and 4th in 2008-2010 respectively. The national image of France is on the rise, rising from 8th in the fourth quarter of 2005 to 2nd in the year 2009, sliding slightly to 3rd in 2010. The most surprising is the rapid rise of the United States, jumping from 7th in 2008 to the 1st in 2009, and remaining 1st in the 2010[2].

As the research on national brand has been increasingly emphasized by researchers and governments, since 2005, Anholt cooperated with GMI, GFKReper and other institutions, launched national brand ranking (NBI) every year. In the 50 countries surveyed, China's ranking has been hovering in twenties. The rank is still not in line with the position of China in the world economy. From 2005 to 2007, Anholt made a survey on China's national brand image. At the very time of the run-up to the Olympic Games, it should be a great opportunity for China to advance in the world stage. Because the Olympic Games is not only a sports event, but also an embodiment of the country's economy, society and culture. It can present the modernization and internationalization of the country, letting more people to travel and visit, deal business and buy the goods of the country etc. But the Anholt survey shows that the current situation of China's national brands is not ideal, the respondents did not give a good evaluation on China. Compare the NBI in survey from October 2005 to June 2007 of 35 countries, the situation of evaluation on China’s national brand has not improved, but is getting worse and worse. The overall evaluation on China’s national brand
decreased by 4%, compared with other countries which decreased on evaluation on national brand, China decreased at a rate is about twice that of other countries.

Despite grasped global events such as the Olympic Games, the evaluation of China’s national brand has shown a downward trend, which is not consistent with the rising international economic and trade status of China. So far, China has not enjoyed international status and positive national image suited to its economic strength. It is the different situation from the imagination that make us have a deeper understanding that there are still some “short board” in the construction of national brand of China.

The Necessity of Creating National Brand

The construction of national brand needs to carry out “national marketing”, taking a country as a brand to promote and marketing. China is a big country of economy and trade with rising international status, and the outside world is not complete innocent about China. Hence, the construction of national brand of our country is not to build a national brand, but to take a series measures on the basis of existing national brand image to change and improve our national brand, transmit the realities and appeals of China, change the negative cognitions of the target audience on our country, promote China’s economic interests. Marketing guru Philip Kotler mentioned in his book “The Marketing of Nations” in 1997 [3]that “nations that devoted to self-marketing will increase the share of the world economy and the world they serve greatly”. The core task of national marketing is to build excellent national brand image on the world stage, which embodied in the politics, culture, economy, military, diplomacy, education and other aspects. The core demand of national brand image is actually a possess of promotion and outputting towards outside of the social economy and daily life values of the country, which will ultimately provide a strong boost to the development of the country’s economy. Therefore, it is necessary to carry out national marketing, cultivate and create national brand, enhance the image of the country, strengthen the country-of-origin effect, endow products with the strength of national brand and improve the brand competitiveness of Chinese products in international market.

Clear and strong brand image of the country is more likely to attract foreign direct investment, attract tourists, hire high intelligence talent, help our products to open up the international market, etc. At present, many countries and regions are sparing no effort to promote themselves, through a variety of techniques and means to obtain a good reputation. In fact, constructing a national brand is to promote and marketing the country as a brand, spread out the desired national image through various channels, and gradually transform this image into a consolidated positive image that recognized by the outside world. The construction of national brand can not only emphasize the positive national image, but also can change the negative factors and establish a new image to help the country among competing countries to highlight its characteristics, attract exchange and cooperation from stakeholders, and eventually maximize the social material welfare, the economy and political goals. In fact, the construction of national brand is of great significance for the comprehensive development of a country, and the significance is mainly shows in the following aspects:

Halo Effect of National Brand on Products

The value of national brand is reflected in the international market. The national brand image of the country-of-origin, is an important external clue that affect consumer brand evaluation and purchase. This effect is particularly pronounced when consumers are lack of intrinsic cues (such as materials, functions, etc.), or lack of ability to handle internal cues. If a country spreads and instill a certain image to the market for long, consumers will form an inherent model of this country which is difficult to change in the short term. For instance, Peterson and Jolibert (1995) found that the national brand image can explain 30% of the product quality evaluation and 19% of the purchase intention of the product[4]. In fact, the impact of national brand image is not all objective. A test on a beer somewhere found that in blind tasting, consumers showed their preference for domestic brands; but when they see the label of country-of-origin, they gave an identical negative evaluation
on the same domestic brand. It can be seen that the national image of this country is negative to its consumers, and have a negative effect on its products, which is not necessarily related to the quality of the products. According to a worldwide survey by Inter Brand, from 2007 to 2008, consumers paying attention to the country-of-origin increased from 6% to 10%; in 2007, 1% of the people are not concerned about the country-of-origin, while in 2008, all respondents are concerned about the country-of-origin more or less. The survey shows that consumers are paying increasingly attention to the country-of-origin of the products, that is, the national brand image may have a direct impact on consumer purchases.

Boosting the Development of National Tourism Industry

Tourism has become an important industry in almost all countries. The competition for international customers is not only dependent on the country's own tourism resources, but also on the promotion and publicity of the country. A positive and clear brand image related to the tourism can help the development of tourism industry of the country. The tourism industries of some countries with high quality tourism resources may not better developed than the tourism industry of country with relatively less resources. It may because that the latter has a strong national brand.

Attracting Foreign Talent and Foreign Capital and Technology

Accelerating the development of a country must rely on a large number of highly intelligence talents, capitals, technologies and other key resources. And a strong and positive national brand would mean a commitment of good investment environment and development space, and can give investors and talents the hope of development, thus attracting high intellectual talents and foreign investments. In addition, the construction of national brand can help better carry out international communication; gain more support form their own national organizations; build up the confidence of their own people and government officials; get more positive reports from international media and so on.

Conclusion

According to analysis above, in the context of “the belt and road” initiative, it is necessary to carry out national marketing, cultivate and create national brand, enhance the image of the country. Only by taking measures to create a positive national brand, can Chinese product and enterprises “go out” successfully. And to better create the national brand of China, the specific strategies of national marketing should be proposed in the future studies.

References


