Chapter 1

The Public Sector and Branding

Public sector brands can be found in every country of the world, whether intentionally created or not. Public sector institutions and organizations all have relationships with individual consumers, businesses, other countries and governments, and so on, and thus they all have images of some kind. Because perceptions held by stakeholders and "customers" are so important in achieving success for the public sector, the need to control, manage and build brand images is of fundamental importance. Failure to undertake branding activity may well lead to negative perceptions and lesser achievement of national objectives.

Branding in the public sector is no longer a "nice to have" but a "must have." Increased competition in every sector makes branding an imperative. From nations to non-profit organizations, from civil services to cities, from sectors to services, there is no escape from the tough requirement of the need to create a point of differentiation and a positive image. Competition is ubiquitous and every country or public sector entity is fighting for a share of voice, talent, political support and funding. In the age of resource scarcity and constant change, the only way forward in convincing customers and stakeholders that any public sector institution or organization is different and better than others, is through the development of a strong brand. Everything else can be replicated, whether it is services, products, processes, systems, technologies or rhetoric. The only thing that any public sector entity can create that is not capable of being copied, is a powerful brand image.

Until relatively recently, branding was regarded by many as a private sector activity, and the admiration for the world's top brands has been a global phenomenon. But the public sector has now come to understand that those very same techniques that created corporate and product brands with enormous financial worth – on occasions larger than the gross domestic product of some countries – can indeed be used in exactly the same way to achieve any business or philanthropic goal.

Public sector branding is a fast-growing global trend that is here to stay. If you are in charge of any aspect of public sector development, in particular policy, sector development, corporate affairs, marketing, communications, fundraising, stakeholder relationships, image-building or other activities and initiatives, then this book is for you. You will find that the content covers the huge scope of this subject and the many ways in which public sector branding can be developed and implemented. It will also explain the globally successful techniques of branding developed by the private sector and relate these to many case examples of where the public sector has employed them.

Before I move on, let me first explain what I mean by the words "public sector." Simply put, the public sector can be defined as anything outside the private sector, but it is not quite as straightforward as that and there are some areas of overlap. The public sector can include nations or countries, public and civil service organizations, government ministries and departments, cities and other destinations, and even industries or sectors under the control of governments. In addition, there are government-linked corporations, non-profit organizations such as charities and foundations, for-profit organizations such as co-operatives, and any other non-commercial institutions or organizations such as the World Bank, NATO, or groups of countries like ASEAN (Association of Southeast Asian Nations). All of these entities can be classified under the umbrella title of "public sector." I thus take a very broad view of this area, and will give more specific examples as we move through the chapters that follow.

Why the public sector needs branding

The issue that has caused most concern in every market of the world in recent years is that of parity. Faced with a situation where their products, services, systems, processes and technology are easily replicable, the biggest challenge for corporations in the private sector has increasingly been one of differentiation. How can they appear to be different and better than their competitors when marketing and selling products and services that are so similar? The answer to this question, and the challenge, is that in the world of parity the only true differentiator is brand image. This is why people pay 1000 times the price of a Casio watch to own a Patek Philippe, and why Nike has a commanding market share of the sportswear market. It is why Louis Vuitton sales and profits continue to rise in recessionary times, and why the waiting list for luxury cars rises as prices move upwards. People are not merely buying the products associated with these examples, they are buying brands that generate emotional associations in their minds through skilful image-building techniques. They are buying for the status, prestige, self-expression and other things that they want and feel good about. The "commodity" label can be shrugged off with powerful branding. We can all give our own examples of brands we like and love from the commercial world, but what has this got to do with the public sector?

The examples from the private sector given above are all top consumer brands, but many business-to-business brands also realize the benefits, for example large companies like GE and BASF. Brands that are merely ingredients, such as Intel's branded products and other ingredient brands such as Lycra® also recognize this fact. The truth of the matter is that wherever you come into contact with a target audience that you want to influence, and whenever people are involved in an organization, institution or entity, image counts.

Let me explain more about this by giving four reasons why the public sector is now heavily involved in the world of branding, and why this activity is likely to increase in the future.

The first reason is that the issue of differentiation affects all organizations and institutions. For example, countries battle for tourists and foreign direct investment, and charities need to appeal for more funds. All are competing for the same target markets – in these cases, people who want to go on a vacation and those who want to be philanthropic and help the less fortunate. Just like corporations in the private sector, they have to attract various customer groups and "sell" similar products, services and ideas; just as companies have found that the best way to do this is not by lowering price, but by creating perceived value, they have to impress by building strong brand images. The perceived value of this consists not just of the tangible aspects of products and services, but also the intangible elements that exist in people's minds – how they feel and what they think about a brand. These mental associations are hugely important as they can make the difference between something ordinary and something highly sought after. Strong brands differentiate and attract people to them rather than having to chase after them. The public sector has entered the world of branding for purposes of differentiation and attraction.

A second reason for public sector interest in branding is that survival in a changing world means a demand that everyone and everything must change; relying on past reputation does not always ensure success in the future. Whatever positive brand images might have existed in the past may not remain or be desirable in the future. For example, New Zealand wants to be associated with more than just sheep and rugby, and highlights other perceptions such as a source of medical science expertise; Canada wants to be seen as a high-tech global player and world-class food producer and not just a holiday or educational destination; and Britain wants to be seen as more innovative, friendly, trendy and "with it," rather than solid, traditional, reliable and "past it." Brands need to stay relevant to consumers and keep up with change and the changing aspirations they have set themselves. The management of brand image now plays a vital role in the public sector.

Thirdly, the public sector has observed that brands are strategic assets in their own right and can bring both power and financial rewards. Some

of the major rewards and benefits of branding for the public sector are outlined later in this chapter. Brands can replace the "push" factor with the "pull" factor and influence major decisions taken by large communities and groups of stakeholders in areas such as investment and funding, talent, reputation and other important variables.

Fourthly and importantly, public sector entities already have images whether they like them or not. Some of the perceptions that make up these images may be negative and some positive, but it is better to be one step ahead and manage or control these images, leveraging and strengthening the positives and playing down or removing the negatives, than allowing others to form opinions in a way that might be counterproductive.

These four reasons have led the public sector to recognize the power and rewards of branding. Just like those companies in the commercial world, the public sector has realized that greater image power means greater wealth and influence. I will discuss these benefits later and also explain how the public sector uses exactly the same techniques to build its brands as those that have proven to be so effective in the private sector.

Brands and branding

Before I summarize the chapters that follow, I would like to clarify some terminology regarding the subject of brands and branding, as these words can be misused and misunderstood.

What is a brand and what is branding?

I would like to start by saying what a brand is not. A brand is not a name, logo, a slogan, nor an advertising or public relations campaign. While these initiatives are all important in their own way and are part of a comprehensive brand building and management process, they are tactical and not strategic. They are basically communications devices that help with marketing

and messaging but tend to be one way in nature, from the brand owner to the consumer. Branding happens before all of these. Secondly, a brand is not just a trademark. It is true that trademarks are a part of the management of brands as they protect them from replication and commercial fraud and form an integral part of a brand that can be reflected in monetary value.

Brands have been defined by many authors and experts in various ways, but all tend to agree that brands are a complex mixture of tangible and intangible elements. On the tangible side are products, services, communications and other "hard" aspects, while on the intangible side are "soft" aspects such as feelings, mental associations, perceptions and emotions. It is the intangible side of brands that makes them so valuable and desirable. Successful brands are emotional in nature and reflect the experiences people have with the products, services and organizations they have contact with. The simplest but most powerful definition I can offer is that brands are relationships. When a brand is being developed or managed, it is fundamentally a relationship that is being built or managed by the brand owners with current or prospective customers. This view of the brand as a relationship has particular importance for the public sector where strong relationships are critical to success. The stronger that relationship becomes, the stronger the brand will be, and this is why the experience of the customer or client at every interaction or touchpoint, is of critical importance. As with the building of any relationship, brand building is only as good as every experience encountered in that process, and this is why brand management focuses intensely on the high level of satisfaction customers or clients have across multiple touchpoints. This means that the culture of the organization has to be based on values and attitudes that reinforce what the brand stands for as it is the employees that mainly deliver the brand experience to the customer. At every level, the identity of the brand must be brought to life by those working in the organization and this is why strongly-branded companies spend a lot of time training employees to be passionately engaged with and to behave in alignment with the brand values. Developing a strong identity for the brand and bringing it to life in this way leads to success, whereas communications and other tactical activities only partially help to build brands.

The power and rewards of branding for the public sector

In the private sector, brand success can be measured in many ways but not all of these are relevant to the public sector where organizations have different, often non-commercial aims. For example, a private sector corporation may focus on brand profitability (whether for the corporation or its products), but a public sector organization may be more focused on helping to realize national objectives, however small or large a part it plays in doing this.

Looking at it from the highest level, branding can help a country to achieve its strategic objectives by clarifying what the country stands for and identifying which strategies should be used for differentiating it from other countries. Branding at a national level has led to various benefits such as:

- Increases in currency stability.
- Improvements in international credibility and investor confidence.
- Attraction of global capital.
- Increases in international political influence.
- Growth in the export of products and services.
- Increases in tourism and investment – internal and external.
- Development of stronger international partnerships.
- Enhancement of nation building (confidence, pride, harmony, ambition, national resolve).
- Attraction and retention of talent.
- Greater access to global markets.
- Reversal of negative thoughts about environmental, human rights, and other matters of importance to global audiences.
- Reversal of international ratings downgrades.

The list could go on, but these are the main, substantial benefits that governments are striving to achieve through the effectiveness and efficiency of their public sector organizations and by building strong brands.

Branding is seen in the public sector as a strategic investment that will generate strong returns and there is now a belief that when a brand is being built, it is the process of building a strategic asset with value. Not all public sector entities are aimed specifically at achieving the benefits listed previously, but by developing powerful brands, they are likely to contribute in some way towards them.

A typical example of the results and benefits gained by taking a strong branding approach at a national level is that of South Korea. Not only have they improved the value and image of their national brand, but they have ensured that government-related companies such as Samsung and others have also worked hard on their branding activities. South Korea has created a virtuous circle or link between the nation brand image and its corporate brand ambassadors, whereby if the nation brand improves, it helps the country's corporate brands; if the corporate brands do well, then this supports the country's brand image. This activity, known as the Nation Brand Effect, is led from the President's office and uses various branding techniques (see Chapter 3 for more on the Nation Brand Effect).

Moving down a level from a country to an area, England is famous for its counties with their different historic origins and distinctive dialects; destinations where there can be more than one city in each. Yorkshire is one such county in England and I have to admit to being a little biased in my choice of county for a case study, as Yorkshire is the county in which I was born.

Yorkshire is a historic county in Northern England and the largest in the United Kingdom, and is so large that for civil administrative reasons it is split up into the North, South, East and West Ridings. It has sometimes been nicknamed "God's Own Country"[1] or "God's Own County"[2] (mostly by Yorkshire people I suspect).

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[1] https://uk.eurosport.yahoo.com/blogs/londonspy/yorkshire-10th-olympic-medal-table-135654936.html

[2] http://news.bbc.co.uk/1/hi/magazine/5234444.stm

But bias is one thing and fact is another. Yorkshire has recently won the title of Europe's Leading Destination 2013, beating Berlin, London and Madrid among other destinations. A second piece of interesting news is that Yorkshire is the first destination other than a major city or country to have won this title in the 17-year history of the award.

- An increase in the value of the visitor economy from £5.9 billion to just over £7 billion.
- Yorkshire now attracting 216 million visits per annum, the same as the Disney theme park network globally.
- Consistently being the UK's fastest-growing tourism destination, outperforming the rest of the country.
- Achieving matched funding of £36 million making the total investment in tourism promotion £76 million over the past three years.
- Procuring hard-to-achieve best value for money for the investment.
- Ensuring that Yorkshire was identified in the Government's tourism policy as one of the UK's vital "attack brands."
- Creating a smart, ambitious and confident brand which is uniting the county.
- Founding innovative ways to increase Yorkshire's visibility and profile.
- Winning the World's Best Marketing Campaign for two years running at the World Travel Awards, beating the following destinations and brands – Brazil, India, South Africa, Abu Dhabi, Qatar, Etihad Airways, Kuoni, Expedia, Visit London, Thomas Cook and Visit Scotland.
- Putting Yorkshire firmly on the UK and international map as a force to be reckoned with.

We can see from this list that there are both tangible and intangible benefits that can be earned through branding in a relatively short space of time.[3]

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[3] www.yorkshire.com

The Welcome to Yorkshire brand intends to go further than growing the tourism economy and extend the brand to develop a stronger international profile and secure a large increase in inward investment. International network development has seen marketing activity in China, S.E. Asia India, Europe and the USA. For example, the Yorkshire messaging was seen more than 600,000 times in the back of New York cabs, and many more trade missions are planned. It intends to do this by involving both large businesses through their involvement in the Welcome to Yorkshire's Y30 group, further enhancing small business membership schemes, and involving everyone who lives and works in Yorkshire through the Yorkshire Champions scheme. An amazing aim of inclusiveness regarding Yorkshire's people is in five years' time to have every man, woman, teenager and child (post-primary school) to be able to articulate a strong message about Yorkshire and to be an active advocate. This is to ensure that the brand creates community pride so that the county speaks with one voice, as all great brands do.

The final thought I want to leave you with at this point is that public sector brands may not relate to products as they tend to do in the private sector, they are more likely to be associated with ideas, beliefs, services and causes. These are more intangible and emotional than products, and this makes branding even more important as it focuses on the building up of strong intangible thoughts, feelings and perceptions. As a result, while products and services can be replicated by other organizations, it is true to say that a brand cannot be copied and is the only thing an organization can create and offer that will provide it with a permanent source of differentiation.

The book in more detail

This book looks in considerable detail at the many kinds of public sector brands there are, how these develop or can be developed, how they can be managed, and how important they are for the countries they are in.

Part One of the book, Chapters 2 to 5 inclusive, looks at the scope and importance of branding to the public sector, and how a brand strategy is built. Part Two, Chapters 6 to 9 inclusive, looks at brand strategy implementation and management.

Using examples, Chapter 2 explores in more detail the types of public sector brands there are. Several categories of public sector brands can be found and these range from national brands to non-profit brands to individual personality brands. The concept of brand architecture is explained, with examples of how public sector brands are interrelated, and the chapter also illustrates why architecture needs to be managed to avoid unnecessary duplication of resources and intra-brand competition.

Chapter 3 looks mainly at how the combination of the private and public sector brands can make a good, or not so good, country brand. The private sector and its brands cannot be isolated from their country of origin and the public sector, and there can be a positive or negative Nation Brand Effect, depending on the relative strengths of each. This chapter also explains the concept of brand architecture and how it has implications for brand alignment, engagement, inclusiveness and intra-brand competition.

Chapter 4 moves into the field of brand strategy, answering questions concerned with how public sector brands are built using private sector techniques and some of the important issues in public sector brand development. The focus of this chapter is why brand visions and brand personalities are so important in the development of a brand strategy, and how they can create the emotional connection between a brand and its customers and stakeholders.

Chapter 5 continues looking at the elements of brand strategy and examines the role and nature of brand positioning.

The implementation and management of brand strategy is discussed in detail in Part Two of the book, which encompasses Chapters 6 to 9 inclusively.

Chapter 6 deals with the very important topic of brand management. Developing and owning a brand is one thing, but managing it and keeping it relevant is another. Brand management is a complex activity and entails not just adhering to brand strategy, but the meticulous day-to-day management of a lot of variables, some of which are not always under the control of people responsible for managing the brand. This chapter looks at the holistic nature of brand management and the activities that are necessary to ensure it is done well. Additionally, the issue of creating a brand management structure to ensure that discipline prevails and brands are kept in good condition is dealt with.

Chapter 7 examines brand communications and how both online and offline communication strategies are needed.

Chapter 8 deals with internal and external brand engagement, the importance of ensuring that all stakeholders buy-in and are aligned with the brand, and the need to build a brand culture.

In Chapter 9 the need to track brand success is explained, and by way of illustration takes a look at the ranking and valuation of nation brands, including some of the current methodology that is used by specialist valuation firms.

Finally, Chapter 10 deals with the future of public sector branding and the influences and trends that are assuming greater importance.

Throughout the book many examples are provided of various public sector brand issues and I have also included my own choice of success stories for illustration. I hope that the book provides you with some ideas on how to move forward with brand strategy, implementation and management, particularly in the public sector.