

David Reibstein: Professor Phil Kotler has published more textbooks and sold more textbooks than anyone else in the field of marketing. If you are a student of marketing, or if you are a practitioner of marketing, you are very familiar with the work of professor Kotler. If there was such a thing as the Nobel Prize in marketing, Dr. Kotler would be right at the top of that list and would be awarded that prize. Phil, glad to have you with us. I'm curious to ask you a bunch of questions that are related to the topic of nation branding that we will be covering in this conference.

Philip Kotler: I'm happy to be here, Dave. I have had a long-term interest in the marketing of nations.

Reibstein: You have authored dozens of books. One of them is titled *The Marketing of Nations*. What was your motivation for writing that book?

Kotler: We always thought of marketing as a field dealing with the marketing of products and services. At the Kellogg School, we started a movement called "The broadening of the concept of marketing." We said that marketing theory and practice can be applied in many other areas — to the marketing of cities, social causes, personalities and celebrities and even nations. There was even an article in *Harvard Business Review* with the title, "Marketing is Everything." So I guess we got carried off with that idea.

I had published "Marketing Places" as a book and to emphasize not nations, but cities and possibly regions. I was conscious that, however, nations compete very much. Every nation has an image. Every nation is a brand and the brand image affects how well its companies can compete. For example, if you are going to buy a TV set — if it's made in Japan or South Korea, you're going to buy it. If it's made in Nigeria, you will have to be more careful about the quality. So there is an image that the nation projects about certain projects, products and the quality that it would [have] and so on.

When I wrote the book, it was called "The Marketing of Nations" and it was basically an economic development book, because I did emphasize that it's important for a nation not only to assess its attributes — positive and negative — and then just do what it can with those, but it has to develop and evolve into a better and better place. I spent a lot of time in the book showing how a nation should choose carefully the industries that it wants to be known about and do a great job with its lead industries. It also should work with its people to participate in the concept of its nation — what is its character and culture — and be able to project that.

Reibstein: You refer to the marketing of nations. I have often used the expressions, "A nation's brand." Are those one and the same? Or, how do you see those as distinct?

Kotler: I see them as distinct. I see marketing as a larger concept in branding. You're going to do marketing as a startup company, even before you have any brand. You will continue to do many other things besides branding after you start up your company, because branding is ... one of the tools of marketing. Marketing makes other decisions — not only prices, sales locations, product features, how many products to have and which ones should be branded. Branding is a skill set that marketers use to strengthen the preference for their particular offering in the market.

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Reibstein: I do agree with you. Marketing and branding are different, although they're highly related in the sense that as we do the marketing of a nation or of a product, it helps develop what that brand is. Which countries do you think are doing the best job of marketing themselves?

Kotler: Your own recent work is going to open up our eyes to the countries that are considered “best countries.” Obviously, that's an answer to the question of which countries are doing the best job.

It will overlap with 10 nations that were identified in your work as “best nations.” But I will start with this point, that there are some nations that spend a lot of time on tourism. They need to do that. I am thinking of the Bahamas and Brazil and Bali. They all are saying that their place is very attractive, or the beaches are better in the Bahamas than somewhere else. That is the starting point for trying to market something about a country, [and provide] some reason to come to that country. The tourism part leads the country to clean up its act, so that it leaves a good impression. It knows every visitor ought to leave with a good impression. To answer your question about [which] countries are good at it, they are the ones that have developed a very clear self-concept of their culture.

For example, [consider] the Japanese culture — we think of their tea ceremonies, the bonsai trees and Samurai legends and so on. Storytelling is a big part of conveying the nature of a country. Different countries have their [own] stories. For example, Scandinavian countries — we think of them as very good people, very sensible, very good negotiators, very unbiased and

so on and so forth. I think the job is really this — for a country to figure out what its culture and character are all about and then to do the branding work to transmit that idea to other people.

Reibstein: When you think of doing marketing for a nation, one could easily think about some advertising campaigns. [They vary from] “I Love New York,” which is on a statewide basis, to tourism bureaus that feature their own nations and why you should come, or see this particular site. But I suspect that the marketing of a nation is beyond just the advertising. I heard you say something about cleaning up one’s act and some self-concept. Are there other things that a nation can and should do to market itself?

Kotler: I would be in favor of each nation appointing a brand manager.

Reibstein: Interesting.

Kotler: Ireland once had a minister of marketing — could have been called a minister of branding — who handled three things. First, [the country] handled the problem of attracting tourists, so the tourism operation was under the minister of marketing. The second was foreign investment, or bringing companies to come into Ireland as their base of operations. The third was to market Irish goods, like Irish whiskey and Irish lace (its famed needlework) around the world.

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Whether you call it a minister of marketing or a brand manager, wouldn’t it be nice to put someone in the state department or the department of commerce, who is tracking the brand and even measuring brand equity, because you hope the brand equity is improving, going up. I don’t know of any nation that now has a responsibility center for checking on whether they’re improving their image or not. But I would make an argument for doing that.

Reibstein: I would strongly agree. Is that currently being handled today in the U.S. within the department of commerce? Or do you think it’s not even being handled directly?

Kotler: I don't think it's being handled. One of the problems is — no matter how much good and strong brand building you can do, all kinds of things will happen that will upset and even contradict the brand you're trying to build. You know the situation in our own election, where the two big candidates are marketing very different images of the country.

One saying, "It's a great country now" and the other saying, "It isn't, but let's change it to become a great country." The job is going to be a very tough one because there won't be much in the way of measures and controls by the brand manager to stop certain things being said. Maybe that's why countries don't seem to entrust brand management to any one center or department.

Reibstein: Well, so much of government is run by non-business people, it's just not the natural thing for them to be thinking about. What I loved about your earlier answer is it's beyond tourism; it's foreign direct investment and foreign trade as well, which are directly affected by the image of the nation. Those may or may not appeal to the consumer. There might be businesses it's appealing to. I note in particular the campaign going on in India right now of "Make in India" not "Made in India." It is trying to attract other businesses to come and produce goods in India and probably draw them away from China. I don't know if you have looked at that campaign at all and if you have any thoughts about it?

Kotler: I wish I knew more about their current campaign. They now have a very exceptional prime minister (Narendra Modi), who is supported and creative in his efforts to compete with other countries. I believe they have a good slogan. The tools consist of, of course, some advertising — but remember, they're trying to attract foreign investors. Advertising merely opens the start. It's not much beyond that.

Reibstein: Right. It's a whole host of other marketing activities beyond advertising, for sure.

Kotler: Yes. Because any company that may consider entering India has so much to consider. Are the skill sets there? Is the safety and the security of the country assured or is it one subject to a lot of terrorism? There are so many considerations that it's a negotiation, really, between India and the company to ensure that company of a good place there.

Reibstein: Phil, I have a hypothesis — a nation's brand often is derived from the products that are produced there and are known for that part of the country or that part of the world. For example, Germany has a great brand, it was the No. 1 brand in my study and I believe a great deal of that is driven — if I could use the expression "driven" — by the auto industry. Brands like Mercedes, BMW, Audi and Porsche — they all affect the brand of a nation. How much do the products that come from a nation affect the brand of a nation?

Kotler: They do very much. We have a term in marketing that you know about called “country of origin.” Every country creates certain impressions on buyers.

Let’s take Italy. Italy normally has a very good name for its products. I mean, you can have someone make a leather jacket in a country that has not much of an image. But it goes to Italy next for them to add something and then they say, “Made in Italy.” If they say that, immediately, the price doubles and triples. Many countries carry the image of being very good in a certain class of product. It could be shoes, or clothing, or electronics. We’re very good in our image in the United States about technology and the whole Silicon Valley [image] and creativity.

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That means that certain nations will be specialized [in specific industries] and it’s important for them to select their industries. “What industries are we capable of developing to such a high level that its products will be demanded or at least sold around the world and have good feedback for the image of our country?” That’s the issue, basically.

Reibstein: As I hear you talk about that, I start thinking that it’s probably somewhat recursive. You use the expression “country of origin,” and there are some products that do better because of their country of origin. I’m going to buy this car because it comes from Germany; I’m going to buy this wine because it comes from France; or these shoes because they come from Italy. I use the expression, “It is recursive,” because that’s the country having an impact on the sales of the product. I’m thinking [also] about how the sales of a product have an impact on the image of that country. It goes sort of in both directions, which I find interesting.

Kotler: When you mention the wine industry, we always think of France first and should, in a sense. But many other places have noticed the value of having a wine industry and have worked very hard to get the seeds and develop really good products. I’m thinking of Australia, New Zealand, and even New York state in building a wine industry. So can you imagine the challenge of a country that doesn’t have a particular industry, but for some reason believes it can develop one that’s important for world sales? But it should be very careful to be sure of its competition.

Reibstein: I am trying to think about some countries that don't have a good brand. Their image is not held in high regard globally. As there are products that come from those countries, they may not want to advertise, and they may not want to make it readily known what their country of origin is. So, that country doesn't have the benefit of riding on the coattails of some of its products. I am trying to think of how a country gets past that, how a country tries to get buy-in from its best products and companies to help elevate the country's image and not just work on their own? Or is that just too difficult of a task to put on the shoulders of any company?

Kotler: That makes me think of the clothing industry worldwide when you raise that question. We normally cannot think of anything coming from Bangladesh, and we can't be too sure of what's coming from Turkey and some other countries. In the case of Bangladesh, they end up being one of the world's biggest makers of cotton clothing and labeled as such. Maybe there's more respect for Bangladesh over time when you see that you are enjoying the sweater that you bought and the label says "Bangladesh." In fact, that shows how a country gets to be better known through labeling of its products.

But if a country has been without any products or renown outside of the country, it has to do an inventory of its attributes. What are some of the positives that could be drawn upon and connect with some industries that the country could enter into? I am trying to say it's not fatal for a country to be without any image abroad in terms of its products or even its existence. It's a challenge for that country to take a marketing point of view, which is – "how can we find some people around the world who would respond to an image that we can transmit of what we're trying to be and do? How can we ... achieve some visibility in that world of 200 countries?"

You've raised a very good question that the marketing of nations has to address because we know there's a question of what successful countries should be doing with their marketing and what unknown countries should be doing about marketing themselves.

Reibstein: Absolutely. It sounds like marketing in general. I think it applies to businesses as well, and as you have aptly put it, it can apply to countries just as well.