Successful territorial brand formation (on the example of Singapore)

Vlada Didkovska *A; Yelina Falko A

*A Oles Honchar Dnipro National University, 72, Gagarin Ave., Dnipro, 49000, Ukraine

Received: November 10, 2020 | Revised: November 28, 2020 | Accepted: December 31, 2020

JEL Classification: G02, G12.

DOI: 10.38188/2534-9228.20.4.01

Abstract

This article is devoted to the issue of forming a successful brand of territories (on the example of Singapore). The key aspects of territorial branding are considered and the factors influencing this process are analyzed. The authors analyze the successful experience of Singapore as the country with the most influential brand in the world, and describe the key decisions, led to this. Aspects of the formed image of Singapore in the international arena, based on the international rankings of leading organizations, are highlighted. Attention must be paid to close term relationship between the national and tourism brand of countries and territories. The results of the article can be used to establish the vector of successful socio-economic development of countries and territories and in the process of further research on the issues of effective branding of territories.

Keywords: territorial branding, place marketing, tourism brand, country image, national brand, Singapore.

Introduction

In the modern world, it is customary to consider countries with the largest territories, significant amount of minerals and billions in the budget as potentially successful in any area. These factors provide such giants with a powerful safety cushion that can be easily monetized and make country’s economy and brand successful in the world. This was especially evident on the example of the United States, which leads in each of the above points. According to the Brand Finance rating, it was USA that became the country with the most valuable brand, but did not receive the leading place in the category of “most influential brand”. On the other hand, it was done by a tiny country, completely opposite in characteristics – Singapore. The Asian country-city has conquered this place for itself, having almost no resources and investing less money in it. What has made such a breakthrough possible? This is what we will discover in this article.

Material and methods

The concept of brand and branding has existed in the scientific field for a long time. In the context of country's branding, the concepts of national brand and tourism brand, which were introduced to the world in 2002 by British marketer Anholt (n.d.), come forward. The scientific direction that studies the branding of territories appeared in the 1990s, but it was Anholt (n.d.) who introduced the concept of “place branding” (branding of territories) and became the founder of theory of the complex formation of county's image on the world stage, having developed clear points to work on.

Also, Olins and Hilderth (2011), Fan (2010), Keller (2012), Scott, Suwaree Ashton, Ding, & Xu (2011), Knott, Allen, & Swart (2013),

All mentioned theorists continued the work of Anholt (n.d.) and laid a powerful basis for the concepts of the national and tourism brand of countries, and some of them adapted the branding system in practice, proposing specific actions for their regions. Having analyzed the results of their work, the vector for further research can be determined. We have found, there are only a few scientific works, analyzing the branding of countries that have already achieved significant success with the definition of a clear algorithm of actions, led to such results. Therefore, this work is extremely relevant, and its results will be useful and significant for everyone who is related to tourism and national marketing.

The main goal of this article is to define a clear algorithm of actions that led Singapore to the title of the country with the most influential brand in the world.

Results and discussion

In the context of the instability of the world economy and the tourism sector as a whole, it becomes extremely important to find a fulcrum for maintaining important economic indicators. The brand of the country or territory serves as such a fulcrum.

But why a brand is equated with stability? Because a brand is something, developed over the years, which is a kind of mental image that economic characteristics cannot destroy. Of course, the crisis and financial factors will affect it, but they will not cause significant harm. This is clearly expressed in the definition of James Gregory: “A brand is not a thing, product, company or organization. Brands don’t exist in the real world – they are mental constructs. A brand is best described as the sum of a person’s entire experience, their perception of a thing, product, company, or organization. Brands exist in the form of consciousness or specific people, or society” (BBC News, 2013).

When it comes to tourism and its development, the branding of the territory is first thing to pay attention to when developing an action strategy. The key concept in this process is the national brand.

This concept is new to the scientific world in comparison with the term «tourism brand of the territory», and was introduced only in 2002. Territorial branding or national branding has become a revolution for the world of marketing, presenting a new, wide and complex vision of building an image of the area to different groups of people, interested in issue. For investors, the national brand carried the meaning of drawing attention to a particular country as an object of profitable investment, for the political world, it conveyed information about the potential of the nation and the views of the local population, and for ordinary people it revealed a clear picture of the country’s image and evoked a set of feelings associated with her.

The national brand is a tool for packaging the entire image of the state into a single whole to present the uniqueness of the country to general public. It was created in order to bring economic benefits to countries from a positive image formed during the branding process. A territory, nation or country turned into a kind of product that can now be sold at a higher price, presenting it in a favorable light.

For the successful implementation of this idea, Anholt (2007) created the concept of the competitive identity of territories, which described all the factors that form the national brand (Conceição, 2019). Elements of this concept include:

- export
- heritage and culture
- population
- tourism
- business and investment
- state policy (external and internal).

All of them together form the basis for
successful territorial branding.

Although the concept of a national brand carries a multifaceted view of the image of one country, it works for prosperity of tourism industry. This term is extremely useful for all participants in the tourism industry – both for the travelers and people who organize this process.

Before proceeding to study and «taste» the country's tourism brand, the tourist draws attention to the country through its national brand. He thinks about what he has heard on the news or seen in advertisements, and it usually comes to mind he is aware of the country's national brand. And only a positive impression of the country's image can make a wish to visit it (of course, not in 100% of cases).

When a country is associated with security, economic success and political stability, we express a desire to share this experience. There is a tourist motivation to visit a particular state. It is the moment, the country’s tourism brand comes into effect.

A tourism brand is a composite image of the culture, natural resources and social characteristics of a nation with an aftertaste of the country’s politics and economy. Often, this is all expressed in visual symbols – the state’s tourism logo and a slogan, which expresses the main feeling of tourists from a visiting the country. These features combine into a single image, and deeply and securely settle in the minds of tourists, reinforcing the travel motivation generated by the territorial brand. And if everything goes well, the country gets another future client and, as a result, money for the budget. This is how it works. But how does the travel branding process take place?

Unlike national branding, the country's tourism image can be built, for the most part, only with the help of material investments. That is, it can be easily purchased if an experienced team of professionals is working on it. Experts will not only pack the entire image of the country into visual attributes, but also create an action strategy to maximize the brand’s effectiveness.

When carrying out the procedure of tourism branding, it is important to have comprehensive information about the resources of the territory that can work for its benefit. The nature and physical characteristics of the area, the presence of cultural heritage and traditions of the nation, the level of infrastructure and security of the country play a primary role in this process. Marketers choose the key features among these points: this will make the brand authentic and meaningful, which will highlight the advantages of the territory and grab the attention and hearts of tourists.

It’s important to note that tourism branding can be time-consuming and costly, but some countries don’t feel like that. The fact, that countries have previously formed a profitable national brand, can easily adapt their top position of tourism sector and save a lot of money.

Territorial branding for the purpose of attracting tourists appeared only at the end of the previous century, while national branding took place constantly. Despite the fact that the concept of “national brand” appeared only in 2002, the process it describes took place long before its appearance. Countries competed for investment attractiveness, place in world politics, territory and resources, using personal authority, what later became known as the national brand. This fact can describe the failed national branding campaign of Russia, which has invested enormous funds in nation brand promoting for 2014 Winter Olympics. To present its nation in a favorable light, Russia spent more than $ 50 billion on this event, but it has only worsened the image due to scandals related to corruption schemes and money laundering (Anholt, 2004: 213-226).

A successful and influential brand of a nation can only be created by acting and adhering to the nation's prosperity policy. Only in this case, the world community will evaluate the correctness of the brand, increasing a loyalty to the country and nation. A striking example of this is the Singapore island, located in Southeast Asia, which proudly bears the title of country
with one of the strongest national brands in the world (Brand Finance, 2020).

Singapore is a 725 km² country with the most competitive economy in the world (WEF, 2019). This East Asian tiger was able to raise its economy from deep crisis to the level of highly developed countries and has already outstripped them in terms of its growth rate. It has happened after the island gained independence only in 1965. In a phenomenally short time, a small fishing village was able to turn into a place where an economic miracle takes place.

From the short history of the independent existence of the island, we can highlight the main steps led to such stunning results:

1. “Cleansing” the government from corruption and the views unity of the top. Since the first days of independence, Singapore has been ruled by the People’s Action Party, which, with its authoritative influence, has suppressed unfair opposition and don’t allow anyone to influence the policy of the state. Thanks to this, the state developed according to a single strategy with a clear framework, which helped the economy become the most transparent in the world and provided all the conditions for business development in Singapore. The country has no corruption and has one of the strongest armies in Asia, making Singapore unshakable for most influences.

2. Creation of the Committee for Economic Development, headed by the country’s best specialists in building the economy of the future. The key point was the openness and professionalism of analysts, who identified reference points for the growth of Singapore’s prosperity, not only based on current events in the region and the world, but also set a growth vector for the future. The committee clearly understood – there is no point in winning today – important is the level, which can be achieved in the coming years. This is how the attraction of investment, the help of tax incentives and the industrialization of the island began.

The specialists had complete data about the resources, the island possesses (or rather, does not possess) and were able to do their best, using the minimum. The bet was made on the geographical location. And the success was enormous. The country, which stands at the intersection of the largest trade routes, has taken a dominant position in traffic and built one of the most important ports in Asia. Thus, it has realized its potential in the processing of oil (the world leader), which is transported through the sea routes of Singapore.

3. Providing the highest level of security for citizens and businesses. The main pain of all humanity is the lack of a safe environment for life. The Singapore authorities have masterfully solved this problem by creating their own armed forces (one of the most equipped in Asia), which ensured the country’s physical security for a long time.

As far as economic security is concerned, the strategy «if you don’t have your own resource for creating great things – become a home for those who have already created it» worked. That was the beginning of the massive deployment of headquarters of the largest transnational corporations in the business center of the island. World business leaders will never attack themselves.

4. Huge investment in human resources. To ensure its title of the cradle of modern technologies, Singapore must have high quality human resources. The country is in the top ranking in terms of human potential and has achieved this by solving all the problems of its population and making it educated (Conceição, 2019). The funds were invested in education for all segments of the population, building social housing and reducing unemployment. The key decision was to assign the status of the state language to English.

5. The main vector has always been aimed at stability and the future. The country’s leadership is doing everything to make everyone in Singapore feel comfortable. Tough rules and high fines have cultivated discipline and respect in Singaporeans and country’s visitors (an example is the death penalty for the sale,
distribution and use of drugs, the same for all). The law has equalized the rights of all who stay on the island.

The focus of development for Singapore is medicine and biotechnology, electronics and transportation (both freight and passenger).

These five principles have provided Singapore with a leadership position in many areas that determine the nation’s competitiveness. The funds were not “put in the pocket”, but in the development and support of the economy and people. Attention was paid to the smallest details and actions were carried out in an authoritarian way – it was these features of the policy of Lee Kuan Yew (the country’s prime minister in the period 1965-1990) that brought Singapore from the third world to the first (Ortmann, & Thompson, 2018). And subsequently, these actions ensured Singapore the title of the country with the strongest national brand in the world, because the maximum was done for the prosperity of the nation.

Thanks to national success, the harmonious development of the tourism industry has become possible, as an important component of the service sector, which occupies a priority place in the economy of Singapore (75% of employment). Tourism revenue in 2019 brought the country $ 20.5 billion, which is 5% of the country’s total GDP (World Tourism Organization, 2019).

Singapore is the top-ranking country (in Asia) that tourists want to visit, and the country’s tourism brand is well recognized. The key to Singapore’s success as a tourist destination lies in a special policy of providing all residents and visitors with the convenience and comfort of staying on the island.

The national brand played a primary role in this sphere. Singapore is a country created by people for people. An atmosphere of comfort, safety and bright Asian flavor reigns here. When an ordinary tourist thinks about choosing one of the Asian countries for a trip, Singapore will certainly be one of the first choices. This is because the city combines a number of special advantages:

- Small territory (a tourist can visit all the key places of the city in a short period of time to get into its atmosphere and culture);
- Convenience of transport interchanges (you can get to Singapore by any means of transport, including a car, plane or any kind of water transport. Wherever the tourist is, he will find his way here);
- High level of security (Singapore’s one of top 5 countries in the absence of any threats to human life and continues to strengthen its position - safety is a priority);
- The level of comfort (thanks to a competent approach to the arrangement of living conditions for residents and visitors of the country, a very high level of comfort has been achieved in all corners of the island. Innovative technologies work for the benefit of tourism, making it easier and more accessible, and all processes – faster);
- Language environment (English, recognized as the national language of Singapore, offers endless opportunities for tourism. Most tourists speak it and will not experience any inconvenience, communicating with locals);
- Professional staff (upon the arrival of a tourist, professional managers will be waiting to ensure maximum comfort and best entertainment. Everything is controlled at the state level – an illiterate employee will not be allowed to work with tourists);
- Recognizable national brand (the country carries the meaning of something futuristic and technological. Singapore is an example to follow, a storehouse of experience in any industry, which generates an interest of tourists to visit it);
- A unified strategy (in Singapore nothing is done without the approval of the country’s leadership. There is a dedicated tourism development committee, where the best specialists develop a strategy for the country’s tourism industry and constantly improve it. Singapore has planned everything in advance and confidently achieves its goals).
Conclusions

From all of the above, it follows that the formation of a national brand is an extremely important and necessary process for any country. Although it is not always possible to fully influence the formation of the country’s mental image on the world stage, it is always possible to make a life comfortable for residents and visitors, which will subsequently lead to an increase in all economic indicators.

A strong brand contributes to the achievement of the country’s diverse goals in the international arena, to stand firmly on its feet and develop confidently. The tourism industry is no exception and is directly related to this concept. Singapore is a great illustration of this.

In our opinion, scientists and practitioners should pay attention to this tiny country and the successes it has achieved. True, copying them is not worth it, as practice has shown – it will not bring results. But it worth understanding how this island skillfully used everything it has, turning disadvantages into advantages, and adapting the experience of Singapore to the realities of the life of a separate state.

References

Mel'nik T., & Varibusova A. (2018). Nacional’nii brendi u global’nii ekonomici: komparantnij


