



# Brand USA: A natural quasi-experiment evaluating the success of a national marketing campaign



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## ABSTRACT

As national, state, and local governments implement strategic place branding and marketing plans, questions remain about how to best measure the success of such endeavors. Using a natural quasi-experimental design, we evaluate how well marketing efforts from Brand USA achieve intended tourism goals. Brand USA was created in 2009 to market the country abroad. Based on air travel data collected from the National Travel and Tourism Office, Brand USA reports, and economic indicators from the World Bank, we find Brand USA's marketing efforts have little effect on inbound international travel to the US, thus showing a potential weakness in place marketing efforts abroad. Findings suggest the organization may decrease the effectiveness of the complex branding campaign.

## 1. Introduction

Popular news outlets have covered President Trump and his effect on travel to the United States. Recently, news of the US Supreme Court upholding Trump's travel ban caused a spokesperson for Brand USA, the government's destination marketing agency, to reaffirm the role of destination marketing and implore people to transcend political rhetoric and visit the US (Leposa, 2018). What some are calling the “Trump slump” has cost the US travel and tourism industry an estimated \$4.6 billion and 40,000 jobs (US Travel Association, 2018). Perhaps signaling Brand USA as extraneous government spending, the Trump administration threatened to revoke funding for the agency in its fiscal year 2018 budget request (Gingerish, 2018). Together these events beg the question: How well do Brand USA's destination branding and marketing efforts work?

Brand America is one of the strongest nation brands in the world (Anholt & Hildreth, 2010), so it might seem unusual for the country to have its own marketing and branding agency. In this case, Brand USA serves that role as a federally funded public-private partnership (PPP) established in the 2009 Travel Promotion Act. Brand USA's goal is to develop and communicate the US brand to targeted countries globally to increase leisure travel to the United States. Given that federal dollars fund these efforts, understanding the performance of Brand USA's international communications efforts via country-specific targeted marketing strategies becomes prudent. While Brand USA leaders and

spokespeople continue to praise the efforts of the organization, we evaluate if Brand USA's international branding marketing efforts indeed help increase US tourism.

The question addresses a gap in the place branding and marketing literature about measuring success of such programs (Zenker & Marin, 2011). Given Brand USA targets certain countries and not others, we have a natural quasi-experiment that allows for evaluation of programmatic success. By comparing countries that received the marketing treatment with those that did not, we find that Brand USA may not be successful in its efforts. The organization presents a picture of success to sustain funding given that, when adding social, economic, and other controls for the nations targeted, their marketing efforts abroad do not work well. This finding confirms existing literature that suggests it is difficult to measure place marketing success, as the one-to-one relationship of treatment-effect is elusive at best (Aaker & Joachimstahler, 2009). It is challenging to measure whether someone saw an ad for Brand USA and selected the country for travel or had plans to travel to the US anyway. Therefore, Brand USA's claims that direct marketing works in this manner is spurious at best. Brand USA, as a PPP, has the incentive to return less revenue to its tourism mission, instead allocating resources to marketing the *agency itself* to its members and policymakers through glossy annual reports.

The paper proceeds with an overview of place branding and marketing, focusing on nation branding and Brand USA's operations. Next, we detail the quasi-experimental design, followed by findings and implications of the study. Practical lessons are offered in the conclusion.

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## 2. Literature review: an overview of nation branding and marketing

Oftentimes, place branding and marketing are lumped together into one, non-distinct concept. Practically, they are different yet related so are treated as such here, given Brand USA uses both terms. Both have roots in tourism and hospitality studies (Hanna & Rowley, 2013) and are important given the governance implications and use of taxpayer dollars to achieve branding and marketing goals (Eshuis & Edwards, 2012; Eshuis, Braun, & Klijin, 2013; Zavattaro, 2014). With increased competition among cities, neighborhoods, regions, and nations, “it seems that the question facing places is not whether to brand, but how to brand” (Hanna & Rowley, 2013, p. 1782).

Place branding is the application of typically corporate-like branding practices to places such as nations, states, cities, and other geographic regions and communities (Eshuis, Klijin & Braun, 2014). Branding is an active strategy ideally involving stakeholders throughout the process (Dinnie, 2015), helping create emotional connections to a place via a series of networked associations (Zenker, Braun & Petersen, 2017). Place marketing uses various tools to communicate to internal and external publics about the value of a place in a coordinated effort (Eshuis et al., 2013). Marketing materials are often the vehicles through which places (or corporations, or nonprofit organizations) communicate their brand identities to various stakeholders. Brands, then, are not rational means for influencing choices; instead, they are emotional, cognitive shortcuts to accelerate a purchasing decision (i.e. – travel to this country, purchase a home in that neighborhood, buy that line of dish soap). Incorporating branding and marketing into the public sector is not without critique, as “the nation has been reconfigured from a political idea into a commercial product circulating on a global market” (Stahlberg & Bolin, 2016, p. 274). But as Eshuis et al. (2014) note, this shift could be harnessed for good governance purposes if key stakeholders are meaningfully involved in all aspects of branding process.

Our focus for this paper is on nation branding, given that is the explicit, legislatively assigned task of Brand USA. Nation branding results from a turn toward globalization and marketization (Anholt, 2006) and can be defined as:

the total sum of all perceptions of a nation in the minds of international stakeholders, which may contain some of the following elements: people, place, culture / language, history, food, fashion, famous faces (celebrities), global brands and so on. A nation's ‘brand’ exists, with or without any conscious efforts in nation branding, as each country has a certain image to its international audience (Fan, 2010, p. 98).

Given the vastness of a nation, and the interested stakeholders at home and abroad, it often is unclear who is the target audience(s). This is why Anholt (2006) suggests thinking holistically about the branding audiences rather than separating, say, tourism from economic development. We see, though, Brand USA falling into this myopic pattern given its sole mission is tourism focused.

Place branding and marketing involve many actors from public, private, and nonprofit sectors coming together to increase the economic standing of the place (Klijin et al., 2012), and we see this reflected in Brand USA's organizational structure. Within a tourism context, as is the case with this study, the goal of place branding and marketing is to increase overseas travel and spending to the place. Tourism, then, can be seen as a public good – the benefits from which support all within the place regardless of their participation in the process (Giovannelli, Rotondo, & Fadda, 2015). The opposite also is true regarding negative externalities associated with increases in tourism, especially ecotourism when once-pristine lands fall prey to pollution and litter (Fennell, 2015).

Despite challenges, nations brand to achieve what Anholt (2006) calls competitive identity. “The reputation of a country has a direct and measurable impact on just about every aspect of its engagement with

other countries, and plays a critical role in its economic, social, political, and cultural progress” (Anholt, 2006, p. 9). Tourism promotion naturally lends itself to the development of PPPs, given the incentives for both business and government to increase tourism, but forming a coherent network with similar goals often proves difficult (Giovannelli et al., 2015).

### 2.1. Brand USA: its mission and background

It seems almost counterintuitive for the United States to have an agency dedicated to its brand, as “America has quite deliberately built and managed itself as a brand right from the start” (Anholt & Hildreth, 2010, p. 6). Specifically, the American brand involves individualism, liberty, freedom, and choice. American political thought often attempts to reconcile the conflicting tensions between Americans as self-interested individuals and Americans operating in a larger community (Love, 2008). Love (2008) identifies the core of the American brand – individualism with a balance of communitarianism. Anholt and Hildreth (2010) take an in-depth look at Brand America, or how others perceive the strength of the US nation brand. The country of origin effect – Made in America – is strong. Tourism destinations are always on someone's radar, and the long-held American Dream drives people to this country in droves. Put simply: America as a brand is well known, for good or for ill.

Scholars have looked at Brand America related to the image of the US at home and abroad. In a survey of international students, Randolph, Fullerton, and Kendrick (2010) found that respondents viewed Americans as domineering, controlling, fat, and materialistic. Those images changed only slightly if respondents consumed American media, which might give a more positive portrayal. Rawson (2007) found negative perceptions of then-President George W. Bush also influenced an overall negative perception of the US abroad. Contemporarily, news outlets are reporting another downturn in Brand America during the Trump administration, calling it the “Trump slump.”

Brand America has several additional problems (Silver & Hill, 2002). First, the sheer size of the country makes for different internal brands. Rural America, for example, often is pitted against the coastal elites. The different internal brands lead to confusion for visitors. Second, corporate brands have a relatively easier time than places in defining key customers. For nation brands such as America, that task is challenging given the wide array of consumers and businesses taking part. Finally, Silver and Hill (2002) bring up international incidents such as wars in Afghanistan and Iraq, plus today's continuing War on Terror, that tarnished Brand America. Lai and Harrill (2013) found, for instance, that Chinese tourists were afraid to come to the US because of negative brand images. The authors suggest an increase in US destination marketing to Chinese elites as a possible fix to the negative images (Lai & Harrill, 2013), but sometimes the perception of risk is too much to overcome for international travelers (Krozak, Crotts, & Law, 2007).

Snow (2016, p. 24) describes how conscious efforts from branding or rebranding campaigns may prove ineffective given existing and historical perceptions:

The United States of American is the original nation of branding itself to the world, from the time of the Declaration of Independence to the Statue of Liberty [...] The problem today is that the United States is not the aspiration symbol that it once was. [...] The United States does not suffer from what affects many countries: invisibility in the minds of tourists and investors. It is always on the mind of the global publics—for good and for bad. One persistent troublesome image for the United States is that it is seen as a nation of violence.

Indeed, violence was the impetus to create Brand USA. After the Sept. 11, 2001, terrorist attacks, the US went through what the industry called a dark period for tourism, as people did not want to visit. International arrivals at the time declined to 12.4 percent from 17

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