

South Korea trying to improve its Nation brand

notion

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SOURCES:

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- Lee Myung-bak, Presidential discourse during South Korea's independence day, august 15, 2008.
- Lee Dong-hun¹, "Korea's nation brand in 2012", *Korea Economic Trends*, Samsung Economic Research Institute, January 28, 2013.
- Shin Yonh-ho, "Council president big on building nation's brand", *Joongang Daily*, February 2nd, 2013.
- Yoo Jae-woong², "Control tower for national image promotion", *Korea Times (Opinion)*, October 13, 2013.

The successive South-Korean governments have over the past decade gained awareness of the discrepancy between the economic success of their country and what can be considered as Korea's hard power (15th global

¹ Researcher at the Samsung Economic Research Institute (Seri)
² Public relations Professor at Daejeon Eulji University, Yoo Jae-wong was the assistant minister at the oversea Korea Information Service under Roh Moo-hyun's presidency.

economic and military power according to IMF and Sipri), and its nation brand towards the rest of the world. This article of *Korea Analysis* aims to study the concept of nation brand, by applying it to South Korea. As it has been outlined by Lee Doo-hee, from Korea University, member of the Presidential Council on Nation Branding, « no nation [other than South Korea] have taken systematic measures in order to improve its nation brand, notably by establishing a separate organization and creating its own international comparison tool ». Our sources reveal the results but also the limits of South Korea's nation branding policy.

The concept of nation brand

Nation brand is a concept stemming from marketing. It is defined as the way in which a nation is perceived by foreigners, notably in their degree of positive opinion and trust at the evocation of the said nation. The concept of nation branding, the building process of a nation brand, was developed for the first time in an article by Simon Anholt published in the *Journal of Brand Management* in 1998. This British national, who has now become a reference in the field, has since then created an academic review dedicated to the concept (Place Branding and Public Diplomacy), but he has particularly developed in partnership with the GfK groupe - the largest market and audit marketing research institute in Germany -, the Anholt-

GfK Rope Nation Brand Index, in 2005. This international comparison tool is made up of 6 measurement indicators constituting the « hexagon of nation brand ». National brands of more than about fifty countries are compared.

A blurred and sometimes negative image of Korea

Apart from its excellency in technology, the country was at the end of the early 2000s too often associated, in Europe and in the United States, to North Korea and to the tensions between the two countries. As shown by Cho Hyun Jin, former head of foreign press to the president Lee Myung-bak, many foreigners continue to think that there is only one Korea, attributing North Korea's provocations and South Korea's economic success to a single country. The results of a study published by the Korea Trade Investment Promotion Agency³ in 2009, which were notably presented in the Yonsei Annals, are unequivocal. Westerners, in addition to associating South Korea to the nuclear crisis in North Korea, are unaware of Korean companies. Only 36% of Americans and 54% of Europeans knew in 2009 that Samsung was a Korean brand, in contrast with 80% of Asians. There existed thus an important distortion of South Korea's image between western countries and countries from the Asia-Pacific region. The latter had a clearer and more modern image of South Korea, especially focused on culture (cooking, TV series, taekwondo, etc.)

Furthermore, South Korea's image seems to have continued to decline during the early 2000s. In the famous Anholt-GfK Nation Brands Index, the country showed a constant downgrading between 2005 and 2008, from the rank of 25th to 33rd. In a yearly survey on the international perceptions of about thirty countries, realized in 2009 and published in 2010 - and taking into account South Korea for the first time -, the BBC underlined that the country benefitted from a globally positive image in Asia, North and South America, but a mainly negative one in Europe. For example, its image was positive only up to 28% in Germany. Moreover, on average, the country only gathered 32% of positive opinions and 30% of negative opinions, nowhere near Germany (59/15) or even China (40/38).

A longstanding awareness and the turning point of 2009

The successive Korean governments have become concerned about this phenomenon, misunderstanding such a distortion between the economic and also democratic « miracle », and this downgraded image qualified as « Korea Discount ». The will of South Korea to improve its nation brand is not recent. As soon as in 2002, even as South Korea was preparing to welcome the FIFA World Cup, in partnership with Japan, the government of Kim Dae-jung was developing the concept of « Dynamic Korea » in order to offer a modern image of the country to the international community. The following year, Roh Moo-hyun, who had just been elected, expressed his willingness to transform South Korea into a « cultural superpower », and to make the country into one of the five most important

³ The Korea Trade Investment Promotion Agency (Kotra) was created in 1962 under the initial name of Korea Trade Promotion Cooperation. It is implanted in more than 80 countries and has more than a hundred offices.

nations in the field of cultural industry.⁴ He notably set up, under the authority of the prime minister, a Comity for nation branding.

The president Lee Myung-bak greatly reinforced the dynamic triggered by his predecessors. In his August 15th 2008 speech, he announced that it is « extremely important for Korean people to earn the respect of the international community. [...] Korea is one of the most advanced nations technologically. Still, the first images that comes to mind to foreigners are those of strikes and street demonstrations. If our nation wants to be « labeled » as a developed country, it needs [...] to improve its nation brand and its reputation significantly.» The president expressed his regrets on the score realized by his country on the Anholt-GfK Roper Nation Brands Index and announced his intention to raise South Korea's rank from 33rd in 2008 to 15th in 2013, an ambitious goal. As soon as January 22nd 2009, he created the Presidential Council on Nation Branding PCNB (gugga beulaendeu wiwonhoe), replacing the Committee for Nation Branding, which was under the direct authority of the President of the Republic.

The Presidential Council on Nation Branding

From his nomination in 2009, the chairman of the Presidential Council, Euh Yoon-dae, a close associate of the president Lee Myung-bak, intended to change the slogans used until then and professionalize his Council. Abandoning the two slogans of the precedent administrations, « Dynamic Korea » and « Korea Sparkling », he developed in 2012 the slogan « Global Korea », during a campaign orchestrated by the government in close association with Korean multinationals (Samsung, LG, Hyundai) and the entertainment industries (SM, YG, JYP).

Since 2009, the presidential Council allied with the Samsung Economic Research Institute⁵ (Samsung gyeongje yeonguso) in order to create a « Korean » index of comparison (baptized Seri-PCNB NBDO, Nation Brand dual Octagon⁶) and to realize a yearly study on nation brand of about fifty nations.

In march 2009, the Presidential Council presented an action plan in ten axes. Among them the creation of a service of international volunteers (World Friends Korea), a Korean equivalent to the United State's Peace Corps, and with the objective to send each year more than 3000 young Koreans in developing countries, the promotion and learning of the Korean language and taekwondo; or the creation of a Global Korean Network aiming to give oversea Koreans (more than a million) a platform of exchange and coordination with their country of origin. The Presidential

⁴ Shim David, « A Shrimp amongst Whales? Assessing South Korea's Regional-power Status », Giga working papers, n°107, august 2009

⁵ Created in 1986 by Samsung Life Insurance (and not Samsung Electronics), the Samsung Economic Research Institute (Seri) is one of the most important private think tanks in South Korea; it publishes mainly macroeconomic studies.

⁶ This index is composed of two large categories: substance (what is considered as the capacities and the real capital of a State) and image (perceptions from foreigners regarding its capacities and its capital). The individuals surveyed on decided upon 8 under categories (economy and businesses, sciences and technology, infrastructures, politics and institutions, heritage, contemporary culture, population, celebrities).

Council also partnered with Kotra in order to develop the label "Project Advances Technology and Design Korea", aiming to promote Korea's excellency abroad.

Finally, the country sought to develop its public diplomacy (gong-gong oegyo) notably through the nomination of an "ambassador for public diplomacy", based in Seoul, since September 2011. The South Korean government particularly intended to take advantage of the major export success of Korea's cultural industry, Hallyu⁷, in order to promote a positive and modern image of South Korea?

A gradual improvement of Korea's nation brand since 2009

According to the different statistics available, Korea's nation brand has improved since the creation in 2009 of the Presidential Council.

In the Anholt-GfK Nation Brands Index, South Korea reached in 2011 the 27th place, admittedly far from the ambitious 15th place aimed at by the president Lee, but showing a steady rise since 2009. In the yearly study published by the BBC in 2013, South Korea earned four points in positive opinions compared to 2010 and lost one point in negative opinions. According to the online website of the presidential Council, the organization by South Korea of the G20 summit in 2010 had an extremely positive impact on Korea's image: +17% in terms of foreigners knowledge of Korea and +3,5% in terms of positive international opinion of the country.

The most conspicuous success is demonstrated by the « Korean » index created by the Presidential Council, thus raising the very question of the objectivity of the index and of its possible instrumentalization. In 2012, and for the first time since the creation of the index, Korea's nation brand was above the average of the OECD (102% in average against 99% in 2010), which was also an official goal of the government. If South Korea continues to loose points in certain subclasses like property, population or politics and institutions, it is showing an extremely positive image in terms of sciences and technology, and economy and business.

Limits to Korea's governmental policy

The apparent success of the campaign of promotion of nation brand by president Lee Myung-bak's administration cannot be exaggerated; numerous questions and limits remain. First of all, if the Hallyu (Korean wave), in other words the exportation of Korea's cultural production and its success in certain countries, particularly Asia, has a real - direct - impact on foreigners, the Presidential Council doesn't coordinate alone the entire cultural production of South Korea. It is thus difficult to associate the rise of Korea in statistics to the sole presidential initiative. Indeed, the worldwide success of singer Psy's Gangnam Style (1.8 billion views as of December 25) had a very important impact according to Seri's rapport, which can't be owed to the presidential Council.

Furthermore, the great volatility of the results from year to year should be noted. Thus, between 2012 and 2013, the negative opinions in Germany of South Korea have shown a spectacular growth of 19 points, to stand at 65%. No concrete explanations were given in the BBC study. According to official personalities like Cho Hyun-jin, former head of foreign press to the president, North Korea's provocations in 2013 could have had, paradoxically, an important negative impact on South Korea's image. In this case, the impact of South Korean diplomacy would prove to be limited.

Finally, Simon Anholt himself formulated criticisms against the South Korean presidency's strategy. Since January 2012, he confided to Lucy Williamson, Seoul BBC correspondent, that his principal criticism was the South Korean government's daily mediatization of its will to improve nation brand, an entirely counter-productive mediatization, according to the specialist. Moreover, he felt that South Korea was in a logic oriented towards the promotion of marketing and tourism⁸, and not in a logic oriented towards the improvement of nation brand, that is, to make sure that South Korea becomes a « pertinent » nation in the eyes of foreigners. According to him, the country's initiatives in official development assistance or green growth could have a far more important impact in shaping these international perceptions.

Challenging South Korea's national strategy?

Early in 2013, the newly elected president of the Presidential Council, Samuel Koo, felt that the concept of nation brand itself would be completely diluted if each ministry had to take care of it; he was thus trying to ensure the survival of the Presidential Council after President Lee's departure. Yet, immediately after taking office, the new president Park Geun-hye decided to dissolve the Presidential Council without giving any official reasons. This decision was particularly criticized by Yoo Jae-woong, former assistant minister under the liberal president Roh Moo-hyun. According to him, South Korea needs a « control tower » to manage the promotion of its nation brand.

Therefore, it is still too early to say that there is a questioning of South Korea's national strategy, but the disappearance of the Presidential Council sings a new turning point after the priority it had been given under Lee's administration.

⁷ See in this *Korea Analysis* issue the article of Lee Kil-ho, "Questioning *Hallyu*: a "critical" discourse on South Korea's cultural expansionism"

⁸ In this particular case, it can be said to be a total success. Indeed the number of foreign tourists in South Korea has greatly increased, from 7 to 11 millions between 2008 and 2012.