



Nation Branding Israel

Herzliya Conference

Professor David J. Reibstein

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Product Branding

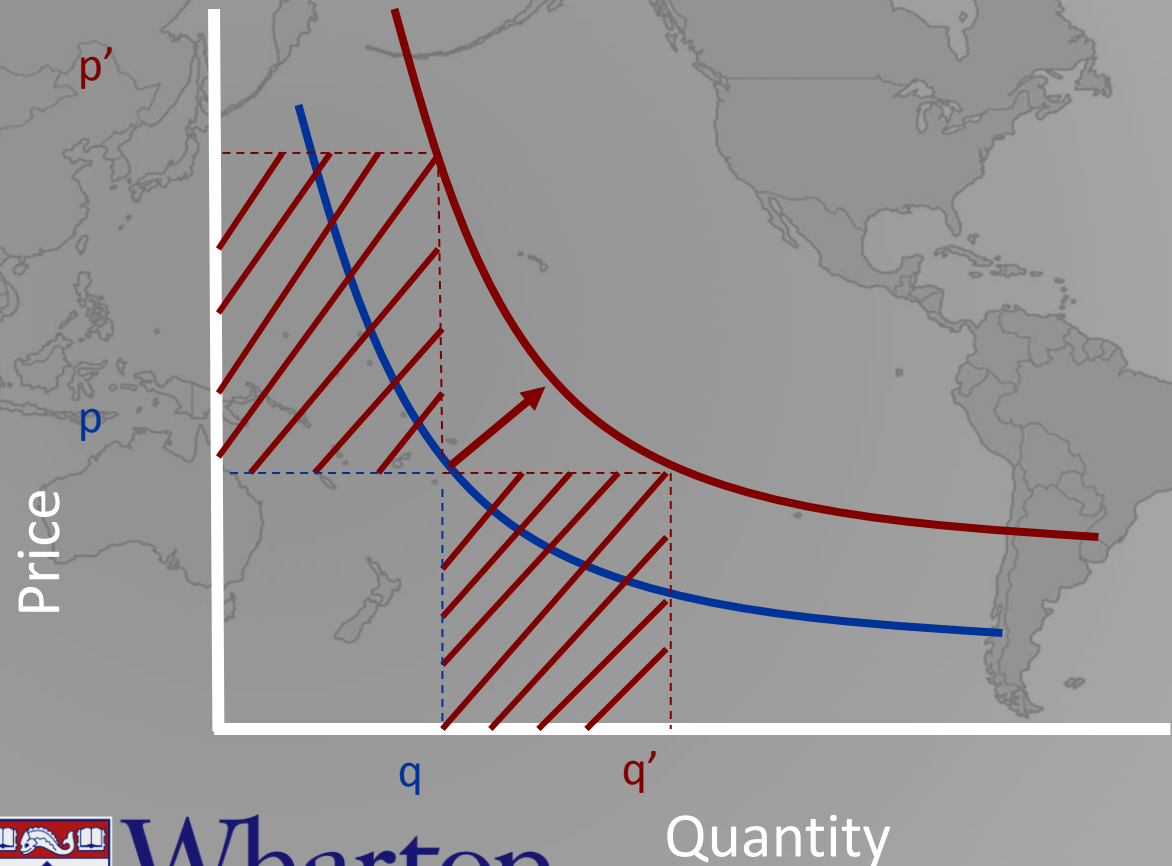
- A product's brand is a perception in customers' minds
 - An association
 - An expectation



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Product Branding

- Why do companies invest in brand development?
 - It pays
 - Higher prices
 - More volume



Nation Branding

- Just as corporations in customer associations do nations brands,” so
- Nation brands are comprised of perceptions that people have of a nation about what people can expect
 - visit an area (tourism)
 - buy goods from the area (foreign trade)
 - invest capital there (foreign direct investment)



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Return on Nation Branding

- Based on their perceptions of nations, people might develop generalizations that
 - products from Italy are stylish
 - French wine is superior to all others
 - German cars are well engineered



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Return on Nation Branding

- Some nation brands are so strong that any association with that nation is worth publicizing
 - Harry's Razors advertises that their blades are “German Engineered”

**5 German Blades. Flex Hinge.
Lubricating Strip.**

Everything you need for a close, comfortable shave: sharp and durable blades, a flex hinge that contours to your face, and an aloe lubricating strip for a smooth finish.



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Return on Nation Branding

- Location could also have a negative impact
- Companies might try to avoid association with their nation or region of origin
 - Häagen-Dazs uses a name that makes it sound like its ice cream is manufactured in dairy-rich Denmark, but the company originated in the Bronx
 - Lenovo uses a name that sounds European, but the company's original name was Legend and was founded in Beijing

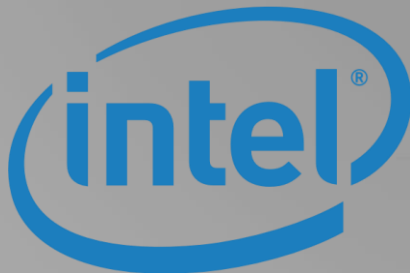
lenovo



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Return on Nation Branding

- Case Study: “Israel Inside”
 - Israel has long been a technology innovator
 - Israel provides tax exemptions and public subsidies to encourage foreign companies to invest in Israeli technology
 - Through such incentives, Israel has successfully transformed its industrial base and strengthened its economy
 - Israel could still be better known globally as one of the top leaders of technological innovation
 - Companies that rely on Israeli technology shy away from publicizing their connection to Israel to avoid association with Israel’s geopolitical conflicts



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Best Countries

- The 2016 Best Countries report was created by Prof. Reibstein, *U.S. News & World Report*, and BAV Consulting
- We released the report at the 2016 World Economic Forum in Davos, Switzerland
- We surveyed 16,000+ participants from around the world, including business experts and informed elites
- We grouped 65 brand attributes into 9 subrankings, which we weighted by their GDP PPP per capita correlation
 - Adventure (3.24%)
 - Citizenship (16.95%)
 - Cultural Influence (12.93%)
 - Entrepreneurship (17.42%)
 - Heritage (3.17%)
 - Movers (11.99%)
 - Open for Business (10.00%)
 - Power (7.42%)
 - Quality of Life (16.89%)
- We ranked 60 top nations based on the 9 subrankings

BEST COUNTRIES

Defining Success and Leadership in The Twenty-First Century

By John Gerzema and David Reibstein

Foreword by Sir Martin Sorrell



BAV Consulting



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Best Countries

- Warning!

- All the data are wrong!!!

- Israel was ranked #25 out of 60

- Higher than Mexico, Malaysia, and Algeria (which came in last) but below India, Brazil, and Japan

- The top-ranked countries:

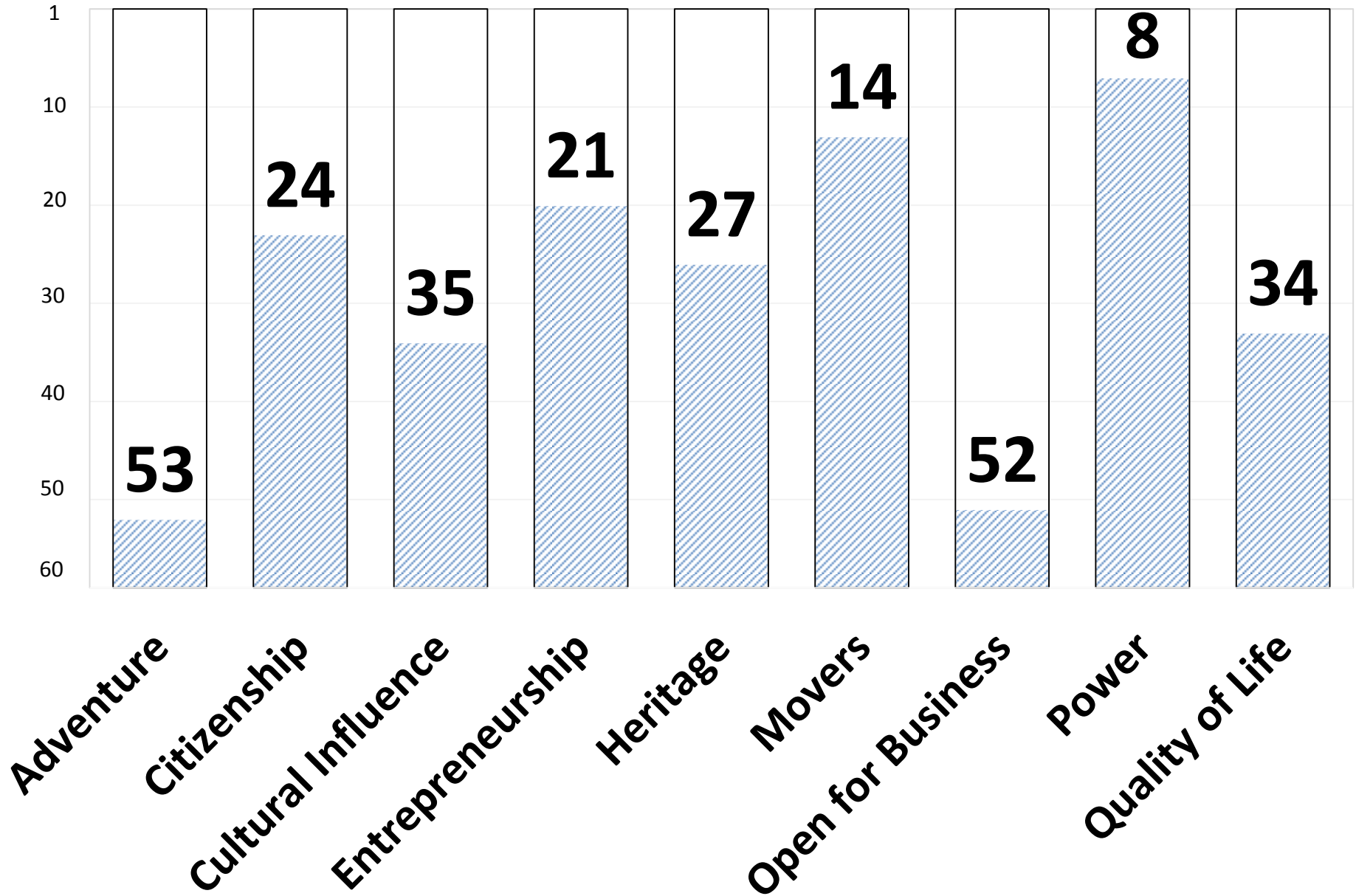
- #1 Germany
 - #2 Canada
 - #3 United Kingdom
 - #4 United States
 - #5 Sweden

Israel Rankings			
OVERALL RANK	ATTRIBUTES	RANK	RANK BY BUSINESS DECISION-MAKERS
#25	Adventure	53	55
	Citizenship	24	20
	Cultural Influence	35	35
	Entrepreneurship	21	21
	Heritage	27	27
	Movers	14	7
	Open for Business	52	36
	Power	8	8
	Quality of Life	34	28



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Israel Rankings



Best Countries

- Israel ranked #53 for Adventure
- The top countries for Adventure:
 - #1 Brazil
 - #2 Italy
 - #3 Spain
 - #4 Thailand
 - #5 New Zealand

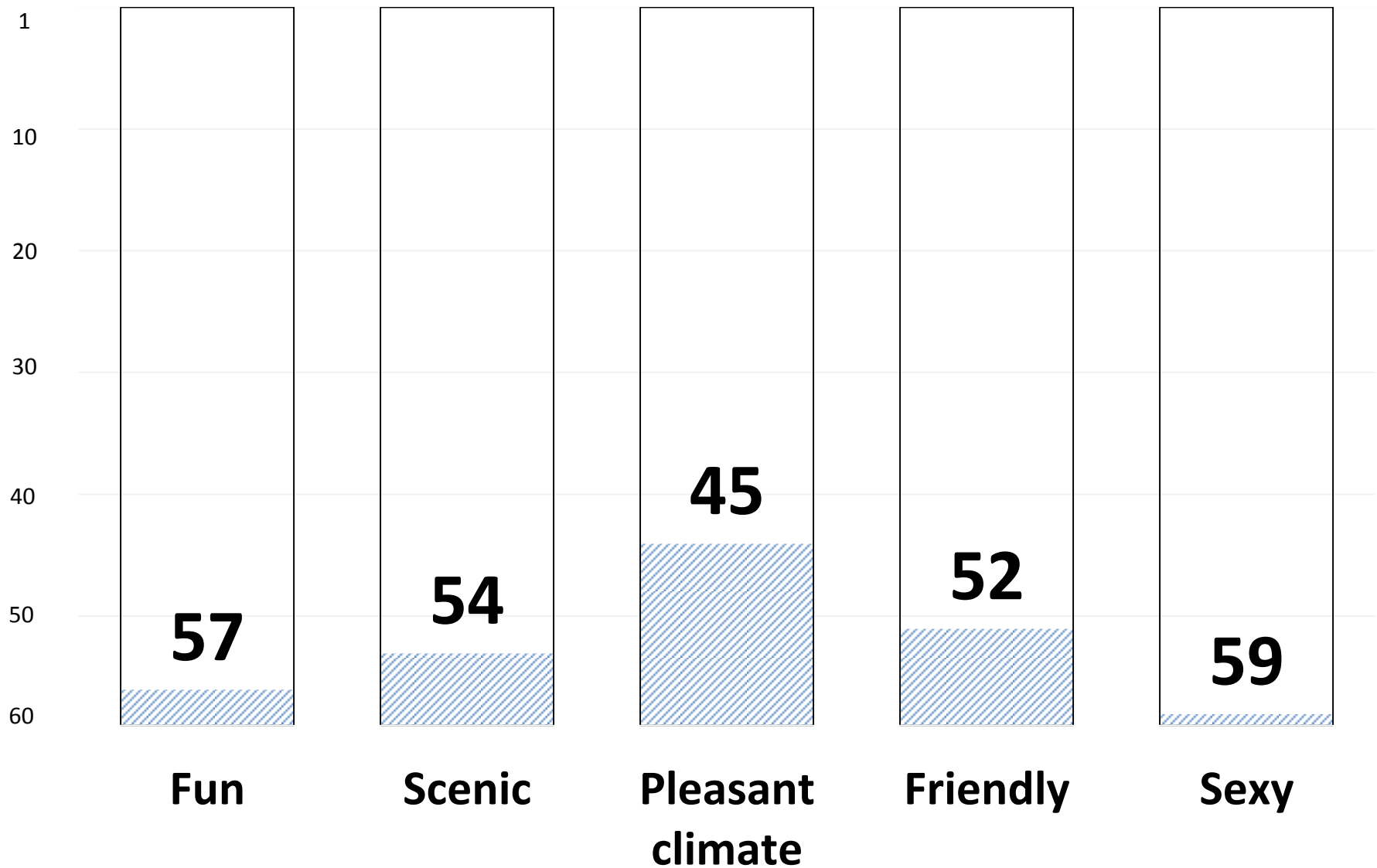


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Adventure

Corr. to GDP per Capita: 3.24%

Rank #53



Best Countries

Citizenship Corr. to GDP per Capita: 16.95%

- Israel ranked #24 for Citizenship
- Business decision-makers ranked Israel #20
- The top countries for Citizenship:
 - #1 Sweden
 - #2 Canada
 - #3 Denmark
 - #4 Netherlands
 - #5 Australia

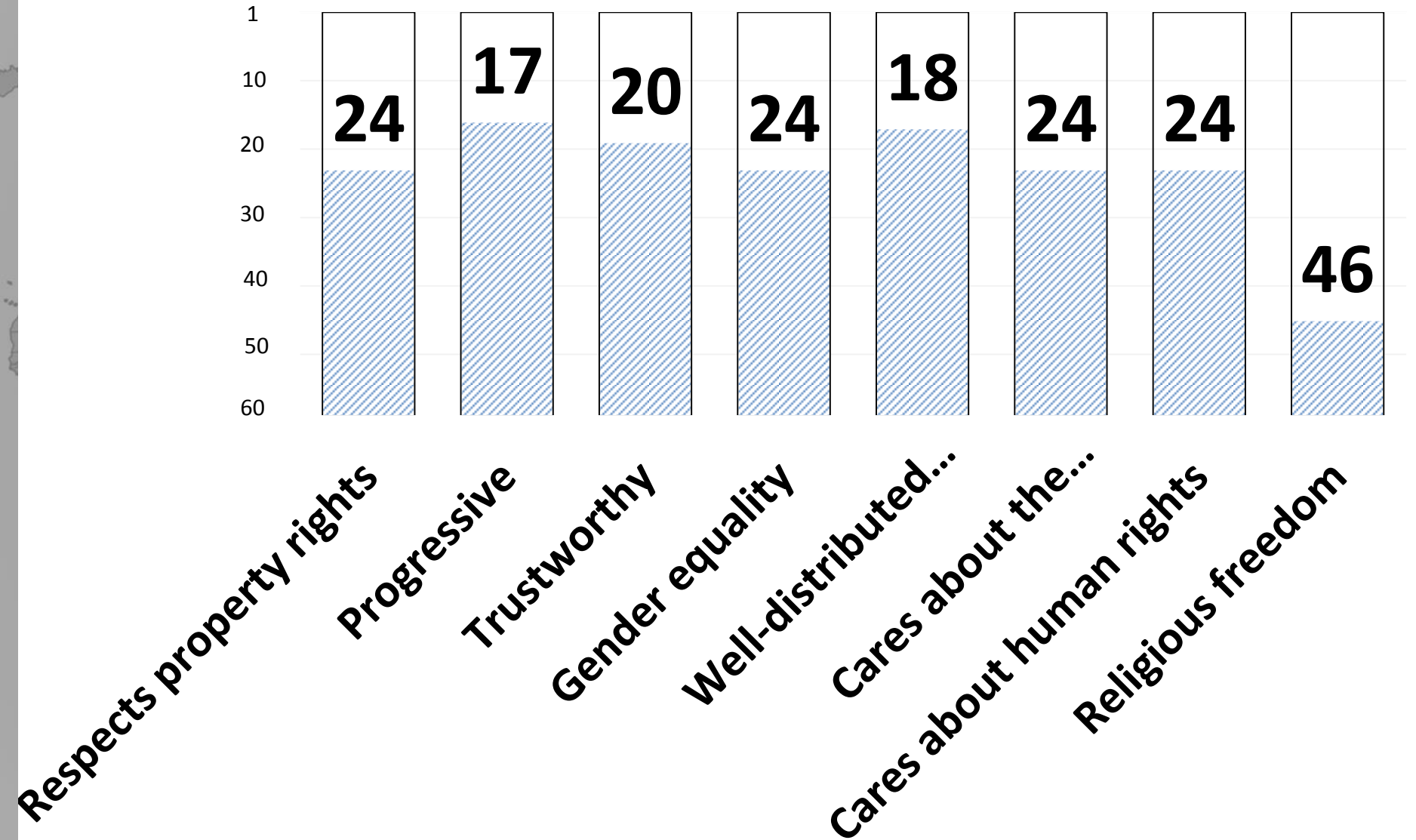
RANK BY BUSINESS DECISION-MAKERS		RANK BY CITIZENS	
		#24	#18
Respects property rights	24	18	
Progressive	17	17	
Trustworthy	20	18	
Gender equality	24	20	
Well-distributed political power	18	17	
Cares about the environment	24	49	
Cares about human rights	24	27	
Religious freedom	46	57	



Citizenship

Corr. to GDP per Capita: 16.95%

Rank #24



Best Countries

- Israel ranked #35 for Cultural Influence
- The top countries for Cultural Influence:
 - #1 France
 - #2 Italy
 - #3 United States
 - #4 Spain
 - #5 United Kingdom

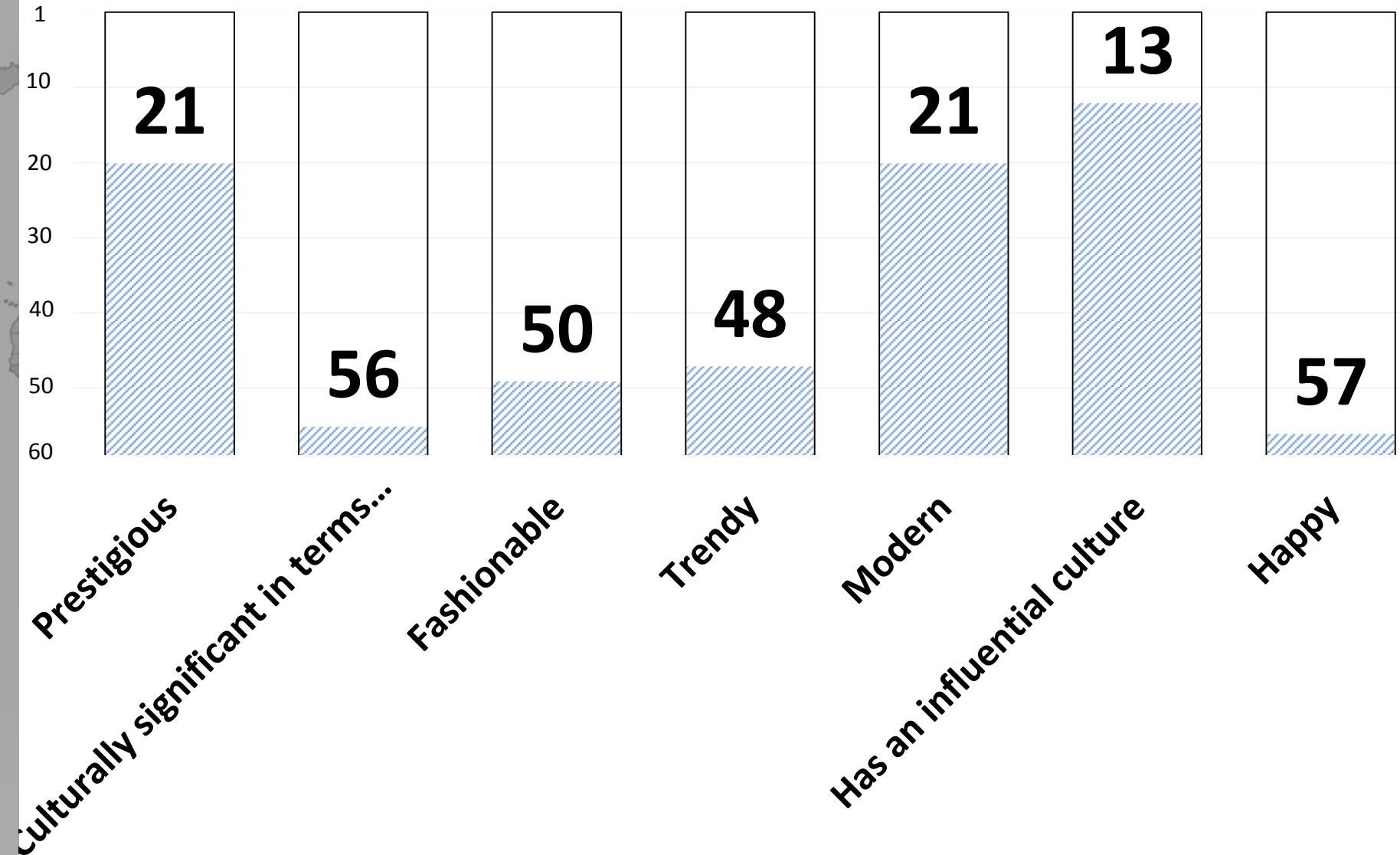


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Cultural Influence

Corr. to GDP per Capita: 12.93%

Rank



Best Countries

- Israel ranked #21 for Entrepreneurship
- The top countries for Entrepreneurship:
 - #1 Germany
 - #2 Japan
 - #3 United States
 - #4 United Kingdom
 - #5 Canada

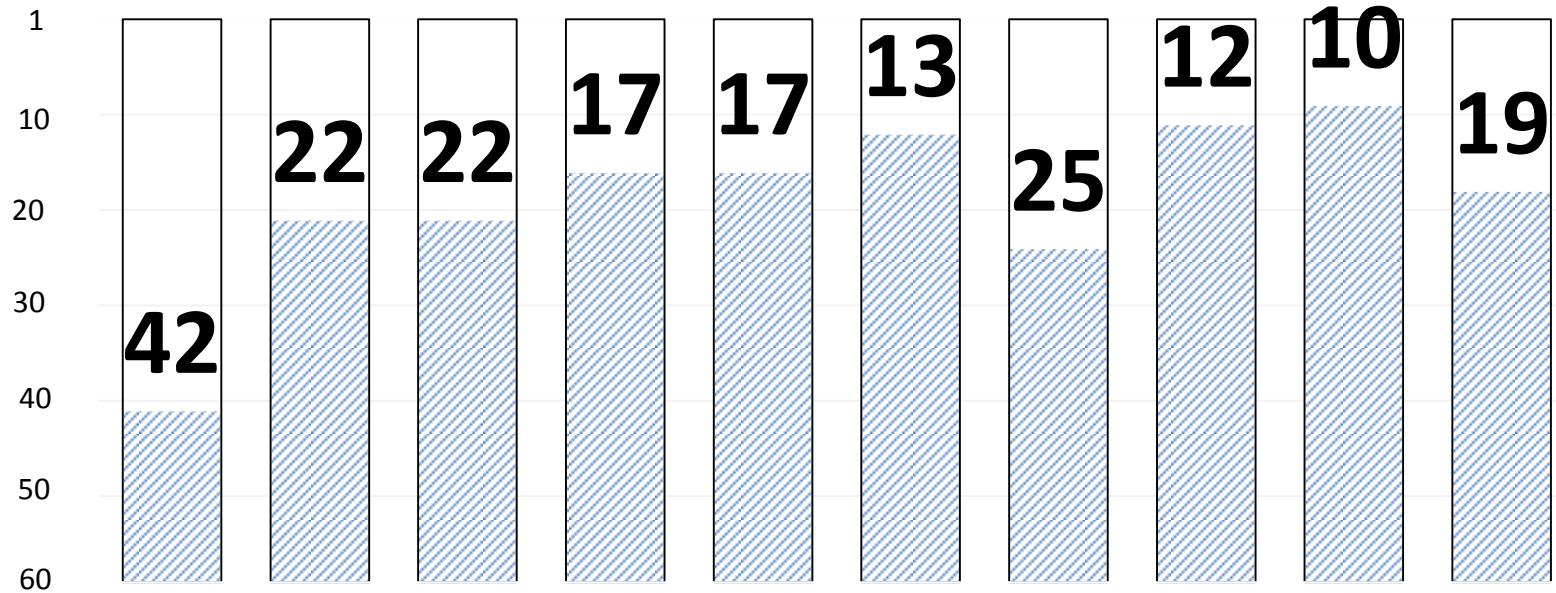


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Entrepreneurship

Corr. to GDP per Capita: 17.42%

Rank #21



Provides easy access to capital

Well-developed infrastructure

Transparent business practices

Educated population

Skilled labor force

Entrepreneurial

Connected to the rest of the world

Innovative

Technological expertise

Well-developed legal framework

Best Countries

- Israel ranked #27 for Heritage
- The top countries for Heritage:
 - #1 Italy
 - #2 Spain
 - #3 Greece
 - #4 France
 - #5 Mexico

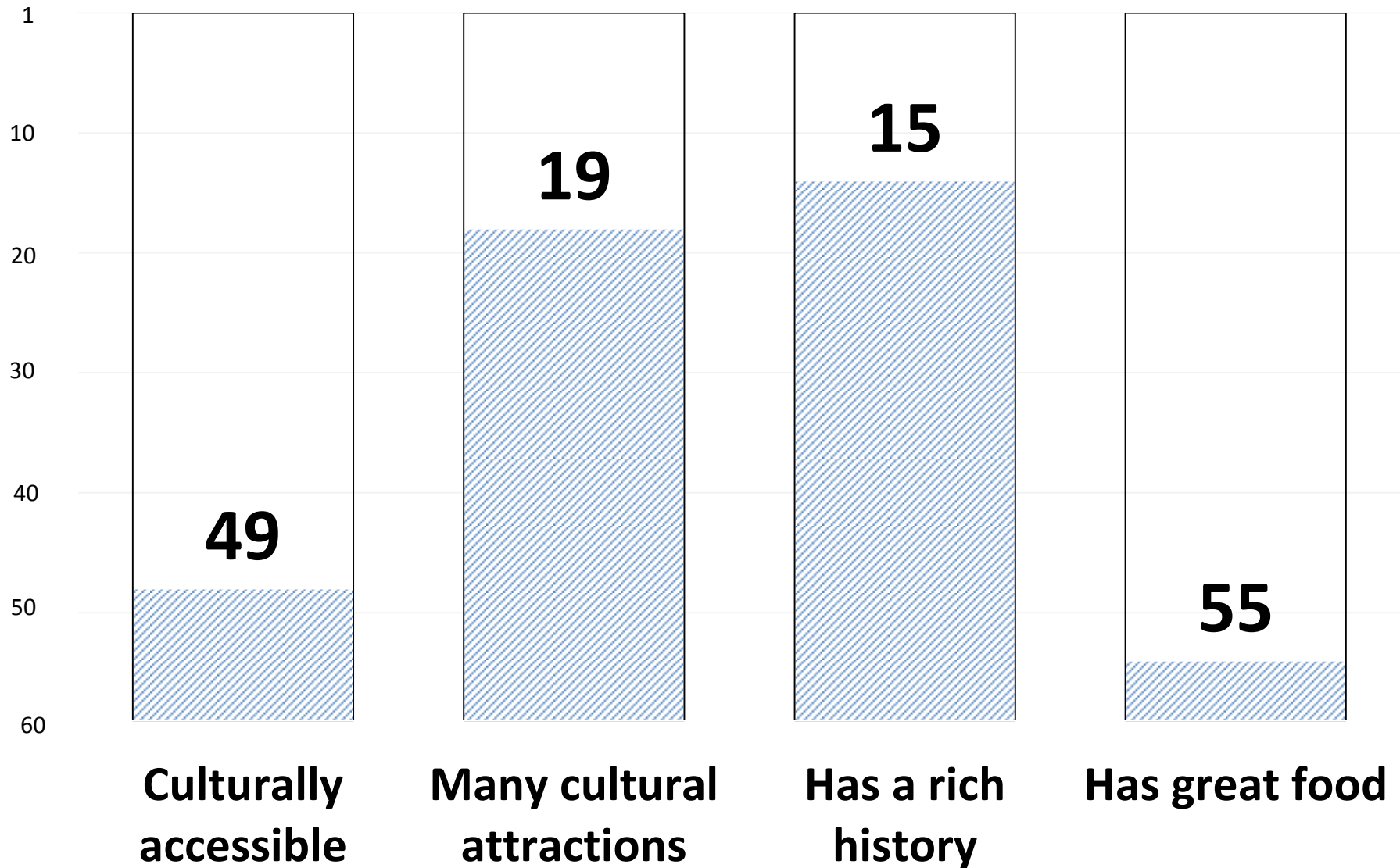


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Heritage

Corr. to GDP per Capita: 3.17%

Rank #27



Best Countries

Movers

Corr. to GDP per Capita: 11.99%

- Israel ranked #14 for Movers
- Business decision-makers ranked Israel #7
- The top countries for Movers:
 - #1 India
 - #2 Singapore
 - #3 China
 - #4 Thailand
 - #5 Japan

OVERALL RANK	ATTRIBUTES	RANK	RANK BY BUSINESS DECISION-MAKERS
#14	Distinctive	13	2
	Different	24	24
	Unique	10	13
	Dynamic	21	27

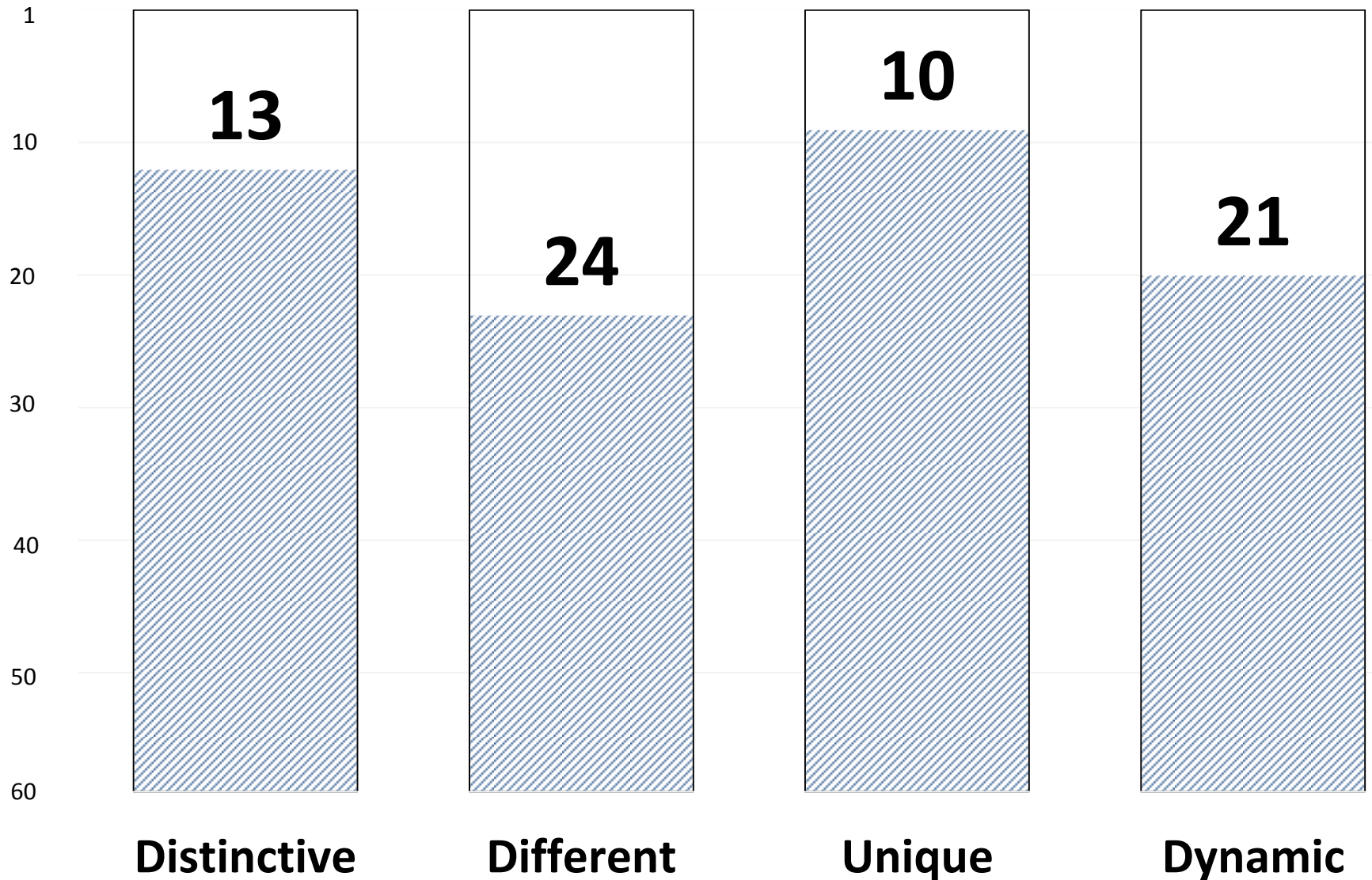


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Movers

Corr. to GDP per Capita: 11.99%

Rank #14



Best Countries

Open for Business Corr. to GDP per Capita: 10.00%

- Israel ranked #52 for Open for Business
- Business decision-makers ranked Israel #36
- The top countries for Open for Business:

OVERALL RANK	ATTRIBUTES	RANK	RANK BY BUSINESS DECISION-MAKERS
#52	Corrupt	21	19
— #1 Luxembourg	Favorable tax environment	59	58
— #2 Sweden	Bureaucratic	51	29
— #3 Canada	Transparent government practices	18	18
— #4 Denmark	Cheap manufacturing costs	44	44
— #5 Panama			

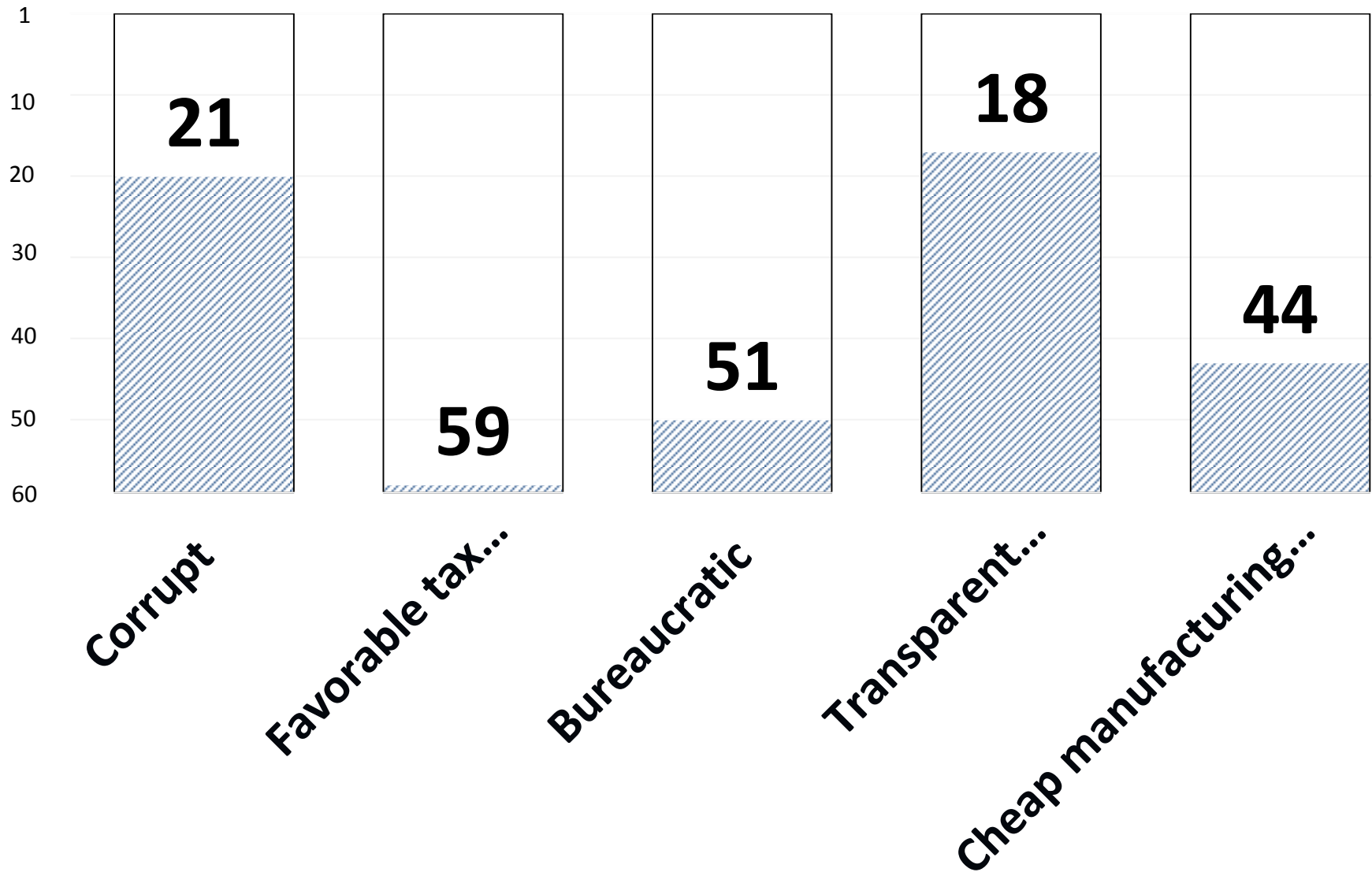


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Open for Business

Corr. to GDP per Capita: 10.00%

Rank #52



Best Countries

- Israel ranked #8 for Power
- The top countries for Power:
 - #1 United States
 - #2 Russia
 - #3 China
 - #4 Germany
 - #5 United Kingdom

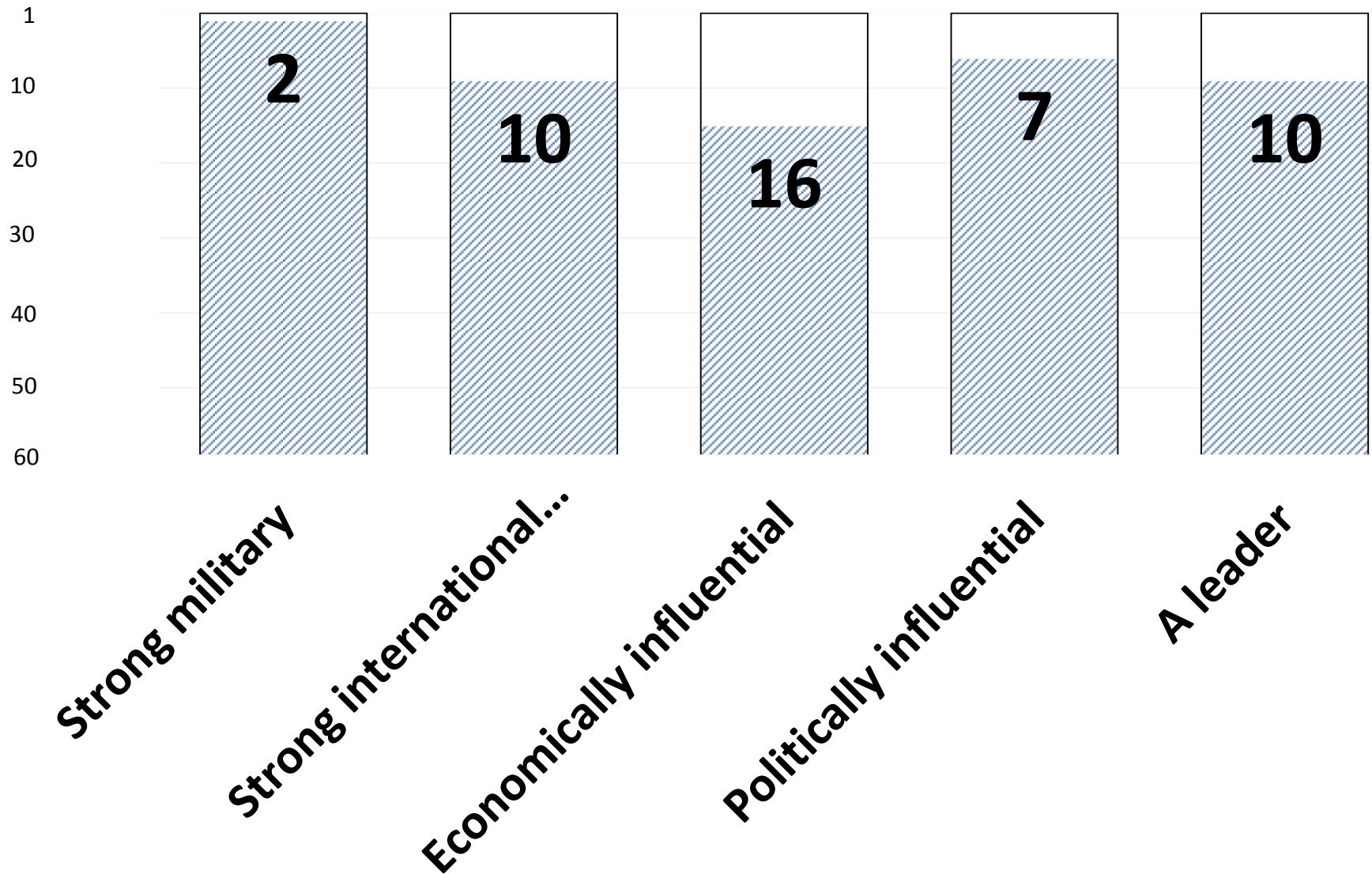


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Power

Corr. to GDP per Capita: 7.42%

Rank #8



Best Countries

- Power was Israel's strongest set of ranks
 - Tied for #2 with China for the attribute of Strong Military, directly ahead of the U.S. and behind only Russia
 - #7 for the attribute of Politically Influential
 - #10 for the attribute of Strong International Alliances
 - #10 for the attribute of a Leader



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Best Countries

Quality of Life Corr. to GDP per Capita: 16.89%

- Israel ranked #34 for Quality of Life
- Business decision-makers ranked Israel #28
- The top countries for Quality of Life:
 - #1 Canada
 - #2 Sweden
 - #3 Denmark
 - #4 Australia
 - #5 Netherlands

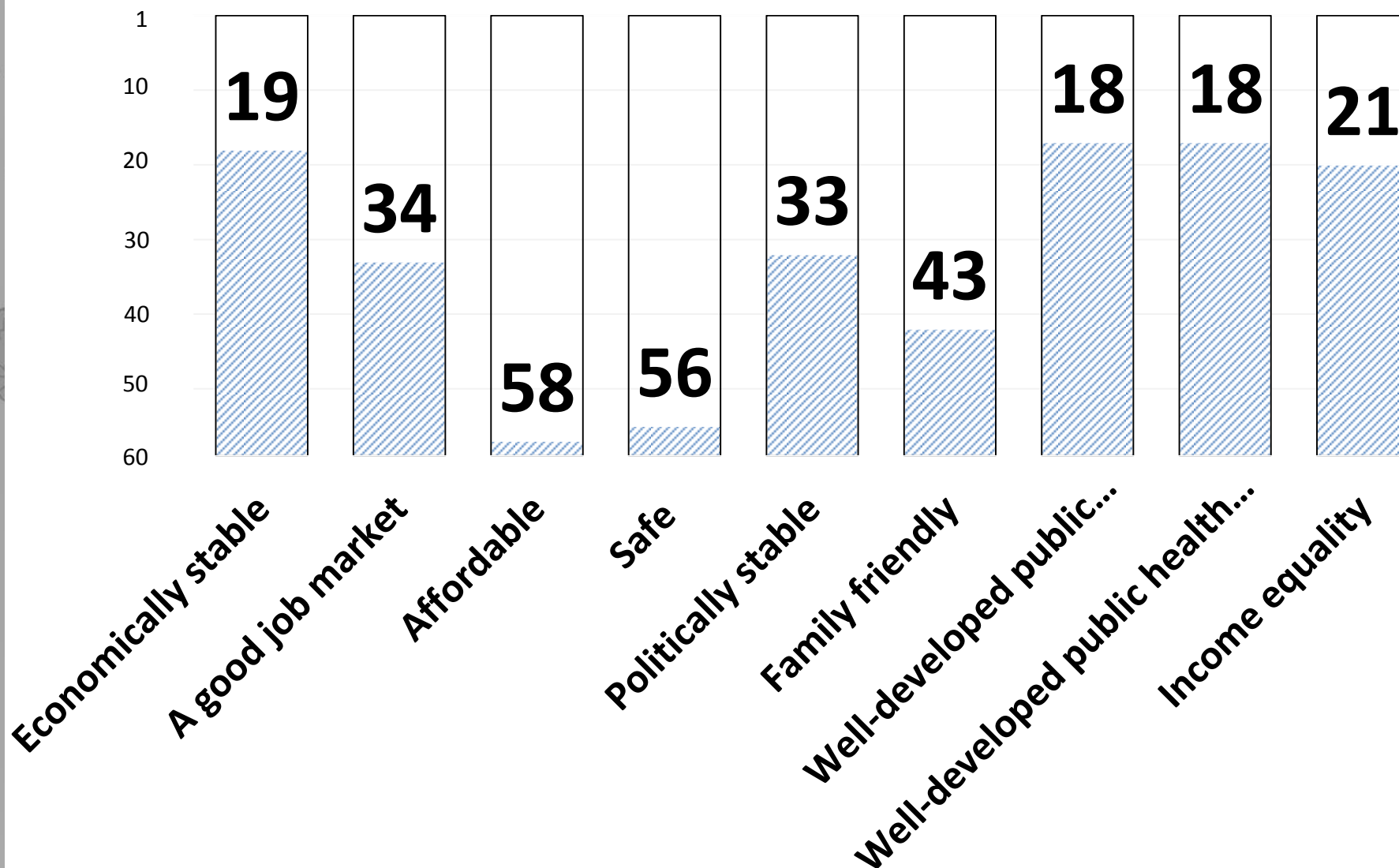
OVERALL RANK BY BUSINESS DECISION-MAKERS	AT PRIVES	RANK	BUSINESS DECISION-MAKERS
#34	Economically stable	19	18
	A good job market	34	24
	Affordable	58	57
	Safe	56	48
	Politically stable	33	30
#28	Family friendly	43	51
	Well-developed public education system	18	15
	Well-developed public health system	18	17
	Income equality	21	20



Quality of Life

Corr. to GDP per Capita: 16.89%

Rank #34



Best Countries

- What nation has the highest self-evaluation relative to how the rest of the world views it?

—Israel



- Whose fault?
 - Self-deception?
 - Lack of external understanding?



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Best Countries

- The Best Countries report received significant attention in the media and the public sphere.

- So far 4.6 million visitors
- More countries

THE JERUSALEM POST

Lapid, Liberman gang up to attack PM's foreign policy, Netanyahu cites study saying country is eighth most powerful in world.



Internal fight rages on whether Israel is loathed or loved abroad

“Shortly afterward, however, Prime Minister Benjamin Netanyahu responded that Israel’s standing in the world has never been better, citing a US study calling Israel the eighth most powerful country in the world.”



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Summary

- Nations have brands whether they like it or not
- The perception of a nation's brand has a direct influence on its economy
- There are actions that nations can take to affect their brands
- For a nation to alter perceptions—i.e., to reposition its nation brand—it must make a focused effort to change the perception that other people have of the nation



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What Are The Implications?

- If negative perceptions accurately reflect reality:
 - Change policy
- If negative perceptions are inaccurate:
 - Change misperceptions
- Which are the important areas for Israel to change?
 - The ones that affect Israel's economy the most
 - 17.42% GDP: Entrepreneurs (#21)
 - 16.95% GDP: Citizenship (#24)
 - 16.89% GDP: Quality of Life (#34)
 - 10% GDP: Openness for Business (#52)



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