



BRANDING SRI LANKA: TOURISM AND BEYOND?

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Abstract

People make decisions about their next moves, whatever they may be, not so much on a comprehensive analysis of facts. Decisions are often made on the basis of impressions that are hurriedly put together. This is why in deciding one's next overseas vacation or purchasing an imported product, the impressions one has of a country matter.

The formation of impressions a person has about a country, say as a tourist destination should not be left to chance. This realization makes the whole endeavour of branding a sector such as tourism a meaningful one. Moreover, branding the nation, as a whole, so as to create positive and distinctive impressions of it, is a larger exercise, whose merits are being increasingly discussed.

The wisdom of a possible thematic tie-up between tourism and exports in their presentation to common markets is discussed. The possibility of incorporating four other facets to strengthen and enrich the tourism-exports nexus is also explored.

1. Introduction

Positioning – a pivotal concept in Marketing, is about owning a particular position of an organization's (or a country's) product/service or any offering of value in the minds of a well defined group of customers. In sum, it is about getting one's offering into the mind(s) of a targeted consumer(s), and occupying a particular place or position therein. We consumers have defined places in our minds for particular categories of products/services. The position in our minds for "toilet-soap" is different to that for "baked cakes". They belong to different mental categories. Indeed, if you don't get into the minds of consumers and own a specific and well defined position, you do not exist for all intents and purposes, although you may well exist in the market place. That is the centrality of the Positioning concept in marketing, in business and, for that matter, in any form of communication. Positioning is the means by which a brand is created. Ones you own a distinctive and desirable position in the consumer's mind, you have a brand that is valued by the consumer.



2. What/how to Position?

How do you get into the consumer's mind? When the consumer is exposed to an offering of any kind, the first question that the consumer raises in his/her mind is: "What is it about?" By asking this simple question, the consumer is attempting to locate the offering in a particular mental category. This is the way the consumer **recognizes** the offering, and attaches **meaning** to it.

Hence, the **first step** in Positioning is to clearly identify and profile that consumer in whose mind you intend to position your offering. **Second**, you need to understand the mental category (MC) or the Frame of Reference (FOR) of the consumer, in which you wish to locate/position your offering. **Third**, you need to figure out the other offerings that already exist in the consumer's particular MC/FOR, and establish a clear Point(s) of Difference (POD), so that your offering will stand out from those that are already there in the MC/FOR. Importantly, the POD must provide value to consumers and relate to a clearly defined market opportunity. **Fourth**, you need to provide proof/evidence of your POD and convince the consumer, that it is distinctive, desirable, defensible (sustainable) and deliverable (credible). **Fifth** you need to develop the network of desired mental associations (i.e. brand schema) that the target consumer should establish with respect to your offering. These associations should spontaneously spring to the mind of the consumer, whenever the name or the mark of the offering (now a brand) appears before the consumer. The aforesaid five steps spell **what** you should do in order to Position your offering, in the mind of the target consumer. The five steps again.

- Identify consumer group
- Target mental category/frame of reference
- Isolate key points of difference
- Provide evidence
- Develop mental associations/schema

You need to now figure out **how** to do it. This could be done by determining and providing the appropriate stimuli that you should expose the consumer to, at each critical touchpoint – those points of contact between the brand and the consumer. In sum, when the consumer "types" the key word(s) – name/mark of your brand, in his/her "mental computer," you should ensure that a particular mental category is stimulated and the network of desired mental associations (schema) of your brand appear on the consumer's mental "computer screen". If this happens readily and vividly, then you have done your positioning job well.

3. Positioning SL Tourism

Let us now examine the five key steps of Positioning that were taken in developing a positioning strategy for Sri Lanka Tourism.

First, **“Identify consumer group”**. Here, the SLT marketing personnel have identified three types of markets. “Safeguard the base” markets consisting of 55% of tourists will come from the United Kingdom, France, Germany, India, and the Netherlands. Second, “Realize the potential and invest” markets, which are expected to bring 30% of tourists, include the Middle East, Russia, China, Italy and Japan. Third, “Explore the prospects” markets, which may bring 15% of tourists, consist of those from Pakistan and Thailand, in particular. Socio-economic groups (SEC) A and B and those over 55 years of age make up the primary target, while the younger groups will form a new target segment. A more comprehensive psychographic profile of target groups, however needs to be developed in this regard.

Second, **“Target mental category/frame of reference”**. Here, a “vacation/holiday”, and in so far as foreign tourists are concerned, “vacation in another country” is the larger cognitive space or mental category in which Sri Lanka Tourism ought to be located. Within this larger frame of reference, the words “Asia” and “Island” help position SLT in a particular and more specific sub-category. Most tourists’ decision-making processes would be characterized by first deciding on Asia, to spend their next vacation. The word “Island” again is suggestive of “sun and sand” and a particular kind of experience that may well typically precede the decision to isolate a particular holiday destination. Hence, **“Overseas Vacation in an Asian Island”** is the typical frame of reference (FOR) for SLT.

Third, **“Isolate key point(s) of difference.”** Within the identified FOR, how should SLT stand out from other competing countries and locations. Indeed, actual competition takes place not in the physical or virtual market place, but in a given cognitive space or mental category of the consumer.

Three key words help to set SLT apart from its competitors. They are, SLT’s key points of difference.

- Diversity
- Authenticity
- Compactness

Diversity:

Sri Lanka Tourism (SLT) has, from time to time, articulated its desired *standing* of being a leading tourist destination in Asia, and attracting a million tourists per year. In order to reach this desired standing, SLT has developed country-specific *steps*. For example, “we will develop program X for the U.K. market, program Y for the Indian market and program Z for ———,” and so on. These programs of action, indeed steps, it was expected, will lead to achieving the desired standing.

Now, the pivotal strategy-question has yet to be asked. Standing and steps are in place. Indeed, what about the *stand* SLT ought to take. In an attempt to develop a stand that should, by definition, be unique, SLT articulated its position as, “Land like no other”. The strategic position or stand that an organization should first take is about the operating space or battlefield. “Land like



no other” does not entail a position taken *on* the market, to begin with. What is the particular context in which the stand is taken? Consequently, the declared stand does not spell the position SLT has taken *in* the selected operating space either.

The question that needs to be asked first about “Land like no other” is “*where* is this land, and then “*what* makes it unique?” As stated earlier, *Asia or Island* provides the requisite context. Then, what does this “Land like no other” provide? *What* does it stand for? Is it to *have* (e.g. shopping), to *do* (e.g. activity) to *relate* (e.g: MICE offerings); to *see* (e.g: nature and artifacts) or to *be* (e.g: sun and sand, and wellness)?

Taking a stand requires the examination of the opportunities that exist in each of the above domains, and the *natural* comparative advantage and the *designed* competitive advantage Sri Lanka can and could enjoy in relation to its direct competitors. A close examination of the possible value propositions for SLT suggests a unique combination of *being and seeing*. In addition, the other, peripheral value offerings of “having, doing and relating” provide the vital points of difference, the critical factor of **diversity**, which the likes of Maldiv Islands cannot match.

Authenticity:

The **being-seeing** core offering in particular is authentic; It is natural and indigenous. It is truly Sri Lankan. As Naisbitt recognized many years ago, the Mega trend of authenticity is unfolding across the globe. The rich and wealthy increasingly value that which is natural and authentic. Indeed, there appears to be a premium placed on the “real thing”. This also entails the increasing value attached to eco-tourism, and the demand for natural/herbal products. Interestingly, the market for value-driven commerce from organic food and eco-tourism to earth-friendly appliances and alternative medicine, had reached US Dollars 230 billion by 2008, according to the New York Times, and is likely to grow by double digits, year on year. Culture-tourism is another growth-area, which attracts those who value that which is rooted and indigenous. The typical Sri Lankan smile and friendliness, it must be recognized, is a part of the larger “authentic” offering

Compactness:

The being-seeing core **value offering**, along with the peripheral offerings, and given a strategically developed (total) pricing strategy, SLT will have a **value proposition** (i.e. value – price) that can be markedly enhanced by the POD of “compactness”. Unlike “incredible India”, that offers many things to “see, do and be” in a large and expansive geographical spread, Sri Lanka makes its unique “diverse and authentic” value offering in a small and narrow geographic space. Travel a couple of hours across the island and almost everything changes, from what you see to what you feel and do. Hence, the critical PODs of SLT are : “Diverse, authentic and compact”. Combined with the strategically selected Frame of Reference (FOR), we can now articulate the strategic offering of Sri Lanka Tourism.

“Sri Lanka – Asia’s diverse, authentic and compact island”

Importantly, the Positioning Statement should reflect a clearly defined Market Opportunity in so far as the target markets are concerned. Moreover, the Positioning Statement must be markedly appealing to the target consumers/tourists who, in fact, have to be more comprehensively defined. Based on research done, and industry knowledge, the above positioning statement does make sense on both counts.

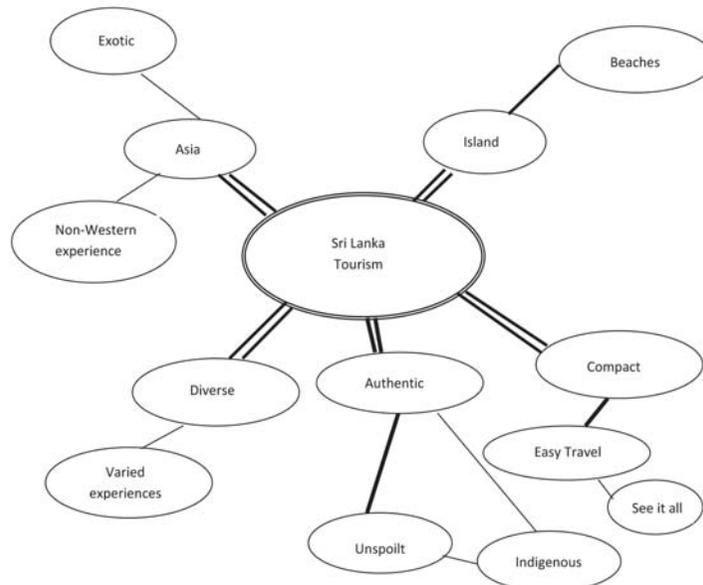
Fourth, “**Provide Evidence**”. Proof must now be provided to target consumer groups in order that they become satisfied that the proposition of Sri Lanka being, “Asia’s diverse, authentic and compact island” passes the acid test of the 4Ds. The points of difference must be **distinctive** (not commonplace), **desirable** (of value), **defensible** (sustainable) and **deliverable** (believable). If not, the proposition and the POD’s will not enter and remain in the minds of target consumers.

Fifth, “**Develop mental schema**”. The proposition, “Asia’s diverse, authentic and compact island” must evoke in the minds of consumer, a network of readily (salient) and vividly recalled words/images. Importantly, the SLT **Brand** comes into being when this happens.

The following is illustrative of a desirable mental schema of SLT, consisting of a network of word-images.

Figure 01: Illustrative SLT Brand Schema

4. Operationalizing the Brand SLT





The central *task* before the authorities of SLT now is to do everything – both big and small – that is faithful to the Positioning of SLT that has been strategically developed. Indeed, the **challenge** before the authorities is to convey (through the effective management of a multitude of **touchpoints** where target consumers of SLT will come into contact with the SLT brand) accurately and consistently, the **meanings** (brand schema or brand values) of SLT.

The marketing communications–mix will play a pivotal role in getting the Brand Positioning Statement (BPS) that has been developed, to come alive in the minds of consumers who matter.

5. From Tourism to Exports

Is there a need and indeed, an opportunity to extend the positioning of Sri Lanka Tourism to the country's Exports? Is there, in other words, a common stand that can be taken with regard to both? Importantly, the larger question is about the wisdom of undertaking the arduous and expensive task of branding our exports—from being an exporter of generic commodities to Sri Lanka-branded, export offerings.

Interestingly, who owns the world's 100 most valuable global brands? 61 are American, eight are German, six are Japanese and six are British. Importantly, the world's wealth is being increasingly distributed in favour of those who own and design brands, rather than those who source, and produce them. Increasingly, the second and more so, the third worlds are becoming suppliers and producers for first-world brand owners. Take our own case of Ceylon Tea. We get only a quarter of the total value chain. Brand owners are the principal beneficiaries. In fact, this is the case for the bulk of our exports.

Before globalization reached today's levels, being a supplier nation did provide opportunities for reasonably stable foreign income, even if it was seldom a recipe for great wealth. But, as Simon Anholt (2003) points out, in a globally networked world, brand-owning companies are free to shop around the world for their raw material, their manufacture and labour and instantaneously locate the best combination of sufficient quality and low price. Here, supplier nations are at risk. An American or European company can switch its suppliers of raw materials from Latin American to South East Asia, overnight, if the price and quality are right. Suppliers in Thailand can bid on the internet for contracts against suppliers in Kenya and Peru and this creates a very volatile situation. The consequences of this effect of globalization is far reaching. Intense competition between supplier nations means greater risks and tighter margins for the suppliers, and better opportunities for the purchasing companies, the brand owners in the West.

It is estimated that, Wal-Mart's next major impact on the world's economic system would well be to bankrupt the Uganda's coffee industry. Wal-Mart began to sell 100 percent Brazilian sourced coffee in its North American stores. Most coffee companies use a supply chain of many steps, from the farmer through one or more stages of processing, to an exporter, a broker, a roaster, a wholesaler and finally a retailer. Instead, Wal-Mart has now put in place integrated arrangements with Brazilian and Colombian companies that completely bypass the traditional



supply chain. One of these companies is *Original* in Brazil. Because *Original* in Brazil. Because *Original* grows, processes, roasts and packs ground coffee in retail tins and ships them from Brazil directly to individual Wal-Mart stores, the Wal-Mart – *Original* partnership is able to make a profit at a retail price that is 30-40 percent cheaper than the competition.

Directly supplied coffee will end the present market for Ugandan coffee. The coffee sold by Folgers and Maxwell House is a blend of arabica and roudusta beans from several sources including Uganda. If Wal-Mart is able to undersell them, Maxwell House and Folgers will suffer a depleted market share or be forced to follow suit. As the grocery industry leader in the USA, Wal-Mart is poised to increase its current \$ 560m in coffee sales as it builds around 3000 new “neighbourhood markets” over the next 5-10 years. (Anholt, 2003)

Wal-Mart has even worse news for Ugandan robusta farmers. Thanks to its highly integrated partnerships, Wal-Mart can sell its own brand of 100 percent arabica coffee at prices which are 10-15 percent lower than the 60 percent arabica 40 percent robusta blends sold by Folgers and Maxwell House. These products represent one of the principal markets for Ugandan robusta. So, if Wal-Mart’s customers “trade-up” to the 100 percent arabica option, as seems likely, then the Robusta market will shrink even further. Wal-Mart’s growth in coffee sales is not expected to come from new coffee drinkers – coffee consumption worldwide has been stagnant for a number of years and is unlikely to increase. Wal-Mart’s growth will come from existing customers switching from other brands, thus putting further pressure on companies like Maxwell House and Folgers to imitate Wal-Mart’s sourcing strategy. (Anholt, 2003). This story spells the increasing predicament of poor supplier nations.

It is becoming exceedingly clear that, while more and more brand owners and designers are in rich countries, sourcing and production of these brands are relegated to poor nations. Unfortunately, this trend is viewed by many poor countries as an attractive long-term proposition and a way forward.

Redressing the Balance: Importantly, if a company in a poor country, sells brands to consumers in a rich country, the overall balance of global wealth-distribution begins to be redressed, and justice begins to be done. The faint-hearted will dismiss this attempt to sell local brands to rich countries as a mission that is impossible to accomplish. The task is arduous. Of that there is no doubt. But, that is perhaps the best way to reverse the trend of global wealth creation and distribution. (Liyanage, U, 2005)

6. Riding the Authenticity Megatrend

In the positioning of Sri Lanka tourism, “authenticity” features markedly. Is this theme of authenticity relevant and applicable to Sri Lanka exports?

First, is authenticity a trend that has currency in the globalized world?



Authenticity is a mega trend that is unfolding, across the globe among the wealthy. Wealthy tourists pay a premium to come to our part of the world and live in thatched huts, eat food that is natural and produced out of organic fertilizer, free of synthetic chemicals. Cotton clothing fetches a premium. Herbal products and alternative medicine are two of the fast growing industries in the world. These are products not for the rich but for the wealthy in the West. This trend may spell an opportunity for some poor nations like Sri Lanka.

As Boyle (2003) states, employees of the semiconductor giant Intel now receive an average of 300 emails a day, part of the company's total daily average of 3,000,000. This overload can swamp normal human communication. It isn't just Intel's people who could spend their entire working lives answering emails. Unfortunately, this kind of set-up is also a charter for the worst kind of managers - those who prefer to have no face-to-face dealings at all. Businesses are increasingly aware of this problem. Virtual management can take no account of individual foibles, it cannot respond to the kind of human feedback people give, and it is, by and large a poor way of managing. Human contact is important. It is also natural and authentic, and it chimes with the growing feeling some people have - the reverse of a generation or so back - that natural processes are more effective than unnatural ones. Hence, the suspicion of 'unnatural' developments like genetically modified food, and burgeoning interest in natural childbirth, natural death, natural pest control, even natural yoghurt, and natural health. More than half the population of UK and USA have already used alternative health practitioners. This also explains the way that soft drinks like Coke and Pepsi have been losing out to natural ones like mineral water and fruit juices. There is a growing sense, rightly or wrongly, that working with natural processes is safe, while working against them - managing the weather, suppressing immune systems - is best avoided, except in serious emergencies. Half a century ago, this attitude would have been dismissed as quaint.

Authenticity is also about that which is ethical. Take the concept of ethical investment - that you concentrate your investments in companies whose activities you approve of. The fact is that making ethical demands on companies makes no sense at all to people with a different worldview. But £3.7 billion is now ethically 'screened' in the UK, and at least \$100 billion in the USA, mainly because some people are reacting against the way their lives seemed morally fragmented. They may be members of conservation groups or environmental organizations, and yet their pension money is invested in arms companies or a multinational that is pressing the riskiest cigarettes on teenagers in Vietnam. It isn't enough for people just to pray or give money to charity - they want moral coherence. They don't expect moral purity. They know that, however much they buy recycled toilet paper, they still stamp on creepy-crawlies every time they go into the shop. But they do want to sense that their lives are not, through their actions, undermining people or the planet. (Boyle, 2003).

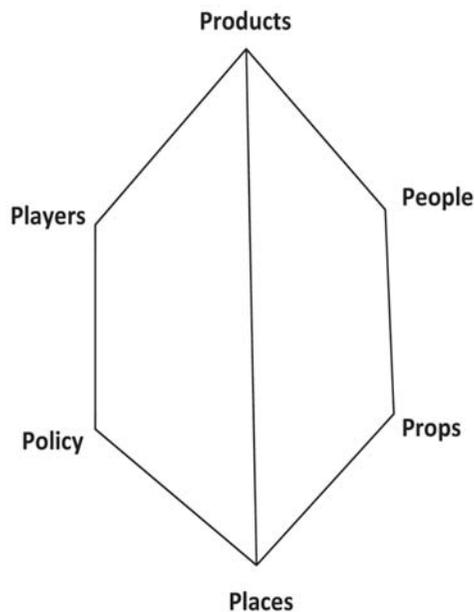
Surely, all this does not mean that globalization is suddenly going to disappear, sending us all back to a cottage economy. Nor are we going to throw away the internet and beat our computers into ploughshares. It's not going to happen. But simply because globalization is so powerful, there is an equally strong opposite reaction going on.

That is why many a top brand in the world has lost value in with the biggest brands – Coca-Cola, Gillette, Nike and McDonald’s – taking the biggest hit. That is why the top ten brands in China have squeezed out anything made by Coke or Proctor & Gamble. They are all local. That is why the big corporations have been buying up home-grown, homespun brands like Ben & Jerry’s Aroma coffee houses. Mass marketing has become a very hard thing to do, because people do not like to be seen as “normal” any more – they all want to be seen as individuals, the bigger you become, the less appealing you become. It’s a dilemma: somehow, you have to find a way of exploiting the behind-the-scenes benefits of being big. Yet, at the point at which you touch the consumer, you have to be seen to be small. That is the tough new world business has to operate in. It is also the first glimmering of the demand for authenticity. (Boyle, 2003)

7. Extension of the “Authenticity” Theme

It is argued that Tourism and Exports of Sri Lanka can be positioned as being “authentic”. Can this theme of authenticity be supported and strengthened by other areas as well?

It is here that we need to look at the facets that contribute to branding a country. The products (exports) and places (tourist attractions) form the main axis and four other facets could play a supportive role in the design and delivery of the nation brand.



Source: Adapted from Anholt S. (2003)



We have examined the central nexus of the country's products (exports) and tourism (places) in terms of "authenticity". Now the question is: Are our sports (*viz*, cricket) as reflected in "players," authentic? Do our cricketers, for instance, have an "authentic" style, a distinctive style of their own? Is that a position we can own? On the other hand, do our people (both local and the diaspora) have an "authentic" way about them? Is there a recognizable Sri Lankan-ness, manifest in our behaviour that is both distinctive and desirable? Indeed, one that can be promoted as an integral and supportive facet of the nation brand.

Props (artifacts) refer to the larger domain of culture and heritage. Indeed, there is much here that is ours - an "authentic", indigenous culture that underpins our nation brand. The Policy dimension relates to foreign and other governmental policy regimes that must support and buttress the authenticity of our nation brand.

Imagine France without fashion, Germany without automotive excellence or Japan without high-tech consumer electronics. There is no doubt that the impressions we have of another country prompts one to view that country – as a tourist destination in a particular way. Hence, the Tourism - Exports link in nation branding is clear. Moreover, the tourism (places), culture (props) nexus is also evident. Hence, the question is: Can the other facets, namely sports (players) people and policy lend credence to the "authenticity" theme that could well underpin Sri Lanka's nation brand.

8. A Call to Action

Sri Lanka can offer a range of authentic products, exotic and ethical in their appeal – from tea to sapphire, from resorts to cinnamon, from ornamental fish to Ayurveda. This rich array of products could be turned into powerful brands under the rubric of brand Sri Lanka. This strategic country branding exercise and, under its umbrella, product-brands is possibly the way forward for poor countries like Sri Lanka.

Developing our own brands and selling them to the wealthy in the West, as opposed to being only a "supplier nation", suffocated by squeezed margins and intense global competition, will take us far. It is time we used the power of brands and tested principles of branding to work for us, for a change. A paradigm shift in our thinking is indeed, the need of the hour. The mega trend of authenticity is one we can ride on – the veritable core of our nation's branding strategy. Interestingly, it is also a paradoxical thesis of value addition through minimalism!

We certainly and urgently need to make a concerted effort to develop local brands for the West. A team of dedicated professionals committed to developing the mother brand, Sri Lanka, has a key and strategic role to play. It is a national call of far-reaching consequences. Our nation, it is argued, needs it badly and urgently, especially in our renewed effort to rebuild the nation.

9. Conclusion

Sector branding or Nation branding? There are compelling arguments on both sides. Treating Sri Lanka tourism as separate and distinct from Sri Lanka exports has the advantage of a sharp and single-minded focus. Conversely, combining the two in promotional endeavours has the advantage of cost-efficiency and positive synergistic effects. The wisdom of nation branding is reflected in the latter. This, however, does not mean that stand-alone campaigns for an individual sector do not have a place. It only means that the principal means of presenting a sector is underpinned by the nation brand.

Time has come to explore and decide upon the merits or otherwise of developing a holistic nation brand and then to present and promote, under its rubric, individual sectors such as tourism and exports. The key decision criteria have to be determined and then decisions, followed by concerted actions should ensue, which may well lead to a valued Sri Lankan nation brand and identity.

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