



International Trade Centre

Executive Forum



**Managing Competitive Advantage**

## **COMPETITIVE ADVANTAGE AND NATIONAL IMAGE - IS THERE A CASE FOR NATIONAL BRANDING?**

### **SEYCHELLES – A CASE OF NATIONAL BRANDING?**

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## **1. THE ISSUE:**

In considering the establishment of an Export Strategy, one is more likely to consider competitive advantage in terms of quality, output capacity and costs rather than in terms of national image. Yet in a world where globalisation is producing an ever-increasing number of products and services from an ever-growing number of sources, products and services are becoming more and more uniform and similar in their design, quality and price. This leads to the inevitable question of how does one make the difference in the choice of products in a uniform marketplace.

The theory that National Branding, being established on the key component of image, itself extracted from a perception or recognition of a quality product that has an element of uniqueness and can be used to make the product “stand out” is not a new concept. It has been used as far back as the reign of Alexander the Great to reinforce a “national image” of a strong tolerant mixture of Greek and Asian culture, ensuring the adherence of many enemies without the need for full-scale war.

The concept today can help establish an image based on positive national values and perceptions on which any given country can rely in the promotion of exports and services. In this way, the country origin becomes itself a factor upon which to build a competitive advantage. It can become a valuable tool, conveying an emotional and intangible component that can affect investment decisions and should be given serious consideration by all export strategy makers and this despite the high costs and the high risk involved.

Its relevance is becoming more and more evident in the tourism industry where similar destinations offering similar high quality products are being pushed to invent that extra sales’ gimmick that can make that destination STAND OUT from the crowd. Ideally and in the national interest, this same approach must be adaptable to other business and industrial sectors with the same desired effect. To do this effectively, the country must, first of all, starting from a good working vantage, determine its readiness to establish an image as well as the goods and services in which it can “stand out”, given the right image.

## **2. HOW TO PROCEED**

It is recognised that “national branding” calls for a significant investment in terms of financial and human resources. Serious studies have to be carried out both locally and also in the target audiences (export markets). A joint national effort must be made to set up the relevant structure and forum in which the results of such studies may be analysed and appropriate decisions taken. Moreover, it is also evident that the cost factor is not limited to the determination of products and services, but extends to the advertising and publicity campaigns that must ensue. Besides, once the image has been established, a good reliable structure must be set up to manage the brand and ensure that the standards and quality set for the brand do not deteriorate or fall below the established norms; the more difficult part of the work being the maintenance and sustenance of the image through continued follow-up and improvement.

In the face of such high investments, the risk of failure must necessarily be high as the loss of the investment could be and is prohibitive on small or poor economies. For these and a number of other reasons, “national branding”, by and large, is not considered a “best practice approach” for developing countries. The fundamental question, at this juncture, is whether this should remain the case or whether export strategy makers should give increased priority to the need to adopt national branding as a best practice in order that where all other things being equal, the national image could itself provide that competitive edge.

### **3. THE SEYCHELLES EXPERIENCE**

Tourism is recognised as one of the world's largest industries and an important export product providing income and employment in both developing and developed nations. The tiny Republic of Seychelles is no exception to this rule where tourism represents 75% of the country's total foreign exchange earnings and 20% of the GDP. It also directly employs some 20% of the Seychelles' workforce.

Independent since June 1976, with a current population of 84,000, the Seychelles is the smallest country in the Eastern and Southern African Region and also one of the smallest in the ACP region. Although generally recognised as being poor in natural resources, it is exceptionally rich in its natural beauty and sea territory. Despite a land area of only 450 square kilometres spread over a total of 115 islands, Seychelles boasts an Exclusive Economic Zone of 1.4 million square kilometres of the Indian Ocean.

The country, identified as one of the 24 hot spots of biodiversity on the planet, is also home to two World Heritage sites and has dedicated 50% of its limited landmass to conservation. It is a living Natural History Museum and a sanctuary for many extraordinary and unique species of flora and fauna that include some of the rarest specimens on earth.

Yet, the country's isolation, limited arable land and small population pose a severe handicap to economic development and the growth of an agricultural, agro-industrial or other industrial sector. Partly recognising this handicap and as early as 1972 with the opening of its international airport and the establishment of air links to the rest of the world, Seychelles embarked on the development of tourism as the mainstay of its economy.

It has since recognised the vast potential of its sea resources for the development of industrial and semi-industrial fishing which, since 1995, has taken a major role in the country's economy with the setting up of one of the world's most advanced tuna canneries in the small fishing port of Victoria. The port has also become the principal fishing transshipment port of the Indian Ocean.

### **4. READINESS TO BRAND**

The Seychelles has always recognised the need to underscore its uniqueness as the preferred destination for the high income traveller looking for a taste of paradise. As a country, therefore, it was ready to "brand" both in its means and its capacity to maintain such an undertaking, having considered and determined that its perception fully matched its reality giving it the additional factor required.

The national reality was worth talking about and could become a factor upon which the tourism product could be made to "stand out". The country's exceptional natural beauty and its uniqueness, both from a geological and historical point of view allowed it to use, in addition to its pristine white coral beaches, clean, warm and unpolluted waters and tropical sun, its reality of being the only mid-ocean, granitic island group in the world, sitting on a continental plateau a thousand miles from anywhere! Its 115 islands, every one of which is different and unique, dotted along the Equator and around the South Western Indian Ocean, have collectively attributed it with 1.4 million square kilometres of very rich fishing grounds, with a very high potential of development of both demersal and pelagic fisheries.

Consequently, in 1999, Seychelles approached the issue of "national branding" from a tourism perspective having experienced a persistent drop in tourism numbers and revenue over a period of years. The nation had awoken to the realization that it was time to take a long hard look at itself to reposition the country in an industry where diversity and competition

had made the game harder to play. It was evident that selling sand, sun and sea was no longer enough as similar attributes could be found in countries all over the world and small island resorts were continuously springing up in every far-fetched corner of the globe all offering the same thing. Furthermore, there was a need to determine what the root cause of the drop in the number of visitors and revenue was attributable to and address the issue urgently.

## 5. THE WORKING GROUP

Seychelles was not a new-comer to the tourism scene and had some experience in the idea of selling an “image”. An old tourism slogan, drawn up as far back as 1981, had been *avant gardist* in “branding” Seychelles “Unique by a Thousand Miles”, with reference to the distance between the islands and the nearest shoreline of Eastern Africa, and with special emphasis on the uniqueness of the islands. This slogan had served to place Seychelles on the world tourism map. However, by then, over 20 years old and having lacked a more aggressive and forceful promotion during its lifetime, this wonderful phrase had remained very much confined to the tourism milieu and, some believe, had worn itself out.

A fresh ill-fated attempt to modernize the image in 1997 had introduced the slogan “Treasure every moment” but had achieved very little notable success. This could probably be attributable to the fact that the slogan had failed to establish an idea or image which could make the destination “stand out”.

In its approach to establishing a national brand, it is essential that a country make the effort a concerted NATIONAL one and should preferably include politicians, civil servants, representatives of industry, the media, educators, figures and personalities from sports and arts to collectively determine the image best suited to the Nation. Seychelles did this by creating a Seychelles’ Tourism Advisory Board, composed of both public and private sector representatives of all the major tourism related service activities as well as the Government ministries and agencies involved in the trade. This advisory body later gave life to the Seychelles Tourism Marketing Authority which was set up to create the image and build up and sustain a comprehensive marketing strategy.

Despite the Seychelles public-sector driven initiative, it is recognised that the Working Group can, provided it is manned by suitable professionals in the various sectors, carry out the task of defining the country’s image and determining the CRITICAL AUDIENCE. In our case, in seeking to determine who we were trying to influence, we came to the obvious conclusion that our critical audience was Europe, our major tourist market. Again, one must also consider at the strategy making level whether a case is made out for widening the tourism market so as not to “place all one’s eggs in one basket”, but that is another story.

Determining the perception of the Seychelles by the critical audience underlines the approach the nation will take in its endeavour to “brand” itself. Where the national perception is far-fetched and completely out of focus with the target audience perception, there would obviously be a need for a major review and re-focussing. On the other hand, such a study may assist a country in re-creating or changing a bad image. However, it is fundamental that this exercise remains realistic at all times to avoid the risk of failure.

Seychelles’ national perception recognised its natural beauty and uniqueness. It also recognised its weak points as an expensive destination not for modest pockets. Its reality was very close to its expectations, with the additional recognition of the need to create an image that ensured value for money. A study of departing tourists established that the natural and unspoiled environment of Seychelles surpassed their expectations.

Further studies carried out in our main tourism markets in Europe demonstrated clearly that even with potential visitors, the Seychelles continued to enjoy a reputation as an ideal tourism destination due to its uniqueness and strong environmental champion status which translated into a perception of cleanliness, purity and unspoiled environment. The same studies indicated that one of the negative factors was the high cost of a holiday in Seychelles and to a lesser extent the perception that the value for money factor was not what it should be. The perception of our target audience therefore matched our own and was consistent with our reality. It was therefore evident that therein lay the “core idea”; the image that made Seychelles stand out from its competitors and hence what could be used as the basis for the branding programme.

## 6. THE CORE IDEA

Consequently, the idea around which the branding programme was created was one of natural beauty, quality, purity and unspoiled nature. It led to the idea that what would make Seychelles “stand out” as a destination was this revitalized image of a high quality destination possessing a beautiful and well-protected natural environment, unusual flora and fauna, interesting cultural heritage and a friendly people.

From these studies and analyses, a new image emerged based on the perception of Seychelles as “... a very natural, unprocessed product”. The first slogan to emerge was “Seychelles 100% Pure”, which being unfortunately too close to the “100% PURE New Zealand” already released to the world, brought with it certain legal conflicts which required that it be dropped. However, keeping the same principle and the same “core idea” the final version of the Seychelles’ image was simplified and emerged as “Seychelles – As Pure as It Gets”. Alongside the slogan, the logo also sought to echo this sentiment with a series of circles expanding outward from a lush green island in the centre, surrounded by a white beach, a fringe of coral reef, and finally the endless blue waters of the Indian Ocean.

## 7. COORDINATE AND DIFFERENTIATE THE MESSAGE

The final objective of “national branding” is for the economy to use the brand in selling the nation’s products and services. The country must therefore develop the means and capability to manage the image as a national image, that is, a “national brand”, making it as effective in the sale of fisheries products, IT and other financial services and inward investment.

The image used in “national branding” therefore, must convey a “national” message and therefore must be shared by all. It should be easily adaptable to all sectors of the national community and economy, whether tourism, investment or export products. Consequently, the question now arises as to whether the image Seychelles has created can be incorporated into a **realistic national** export strategy bearing in mind that its conception is based on the sale of Seychelles as a Tourism destination.

There is no doubt that Seychelles could adapt the brand to its fisheries sector which is the largest export product sector of the economy. Seychelles’ position on a mid-ocean continental plateau in the central Indian Ocean has provided it with some of the richest fishing grounds in the world. This country’s isolation being so far from the main sea lanes of the Indian Ocean ensures that the fish, particularly the demersal bottom fishing currently fished mostly for local consumption by the artisanal fisheries sector, could establish a niche market fetching premium prices under the national “As pure as it gets” brand label.

It is recognised that if the image is to be shared by the entire NATION, it has to be adapted to achieve maximum impact and be understood in the same manner for all other sectors of activity. Hence, the task ahead will be to differentiate the message and create a visual idea which can be put into words and which can encapsulate what the national brand stands for to best suit the purpose of the different sectors in different circumstances.

With a brand such as “As Pure as it gets”, the task can be a daunting one as Seychelles has set itself very high standards which will require a tremendous and sustained effort to uphold in other industrial sectors. However, therein will lie the major challenge to Seychelles in the future.

## **8. A NATIONAL BRAND FOR A GENERATION**

Seychelles remained “Unique by a Thousand Miles” for over twenty years. A national brand is recognised as a long-term investment. It must be established for at least one generation; a minimum of twenty years, because it must have a sense of belonging to the “nation”. It must be promoted by local audiences as a “national” asset and should, in time, be seen as a powerful marketing tool for all export businesses, which should be able to use it and adapt it to their needs to add more value to the quality of the goods and services they are seeking to export.

For this reason, it must not be attributed as the brainchild of any particular Government and must not be run by the Government. The need for continuity is vital and the brand must remain even after an eventual change in government

Moreover, it will be expected to protect its credibility through the establishment and management of standards for usage and will become, in time, self-controlling and self-sustaining. To achieve this level of internal policing, it will have to develop quality standards and control mechanisms which will determine the use of the brand by the various sectors of the national industries. This will open the door to the establishment of a strong private-public sector partnership in the management and control of Bureau of Standards issuing the label under the best possible conditions.

## **CONCLUSION**

Is National branding therefore only a tool for the rich, developed countries of the world? Do only rich developed countries need to portray a good image? Undoubtedly not. National images can be built from nothing. Japan’s national image rose from the ashes of the Second World War to make the label “Made in Japan” today synonymous with ingenuity, high quality and design. This is what the national brand should aim for. It is what Seychelles aims to achieve.