



Nation Brands 2020

The annual report on the most valuable and strongest nation brands
November 2020

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About Brand Finance.

Brand Finance is the world's leading brand valuation consultancy.

We bridge the gap between marketing and finance

Brand Finance was set up in 1996 with the aim of 'bridging the gap between marketing and finance'. For more than 20 years, we have helped companies and organisations of all types to connect their brands to the bottom line.

We quantify the financial value of brands

We put 5,000 of the world's biggest brands to the test every year. Ranking brands across all sectors and countries, we publish nearly 100 reports annually.

We offer a unique combination of expertise

Our teams have experience across a wide range of disciplines from marketing and market research, to brand strategy and visual identity, to tax and accounting.

We pride ourselves on technical credibility

Brand Finance is a chartered accountancy firm regulated by the Institute of Chartered Accountants in England and Wales, and the first brand valuation consultancy to join the International Valuation Standards Council.

Our experts helped craft the internationally recognised standards on Brand Valuation – ISO 10668 and Brand Evaluation – ISO 20671. Our methodology has been certified by global independent auditors – Austrian Standards – as compliant with both, and received the official approval of the Marketing Accountability Standards Board.



Get in Touch.

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Brand Finance® 

Request your own Nation Brand Value Report

A Nation Brand Value Report provides a complete breakdown of the assumptions, data sources, and calculations used to arrive at your nation brand's value and strength.

Each report includes expert recommendations for growing brand value and offers a cost-effective way to gaining a better understanding of your position amongst general public audiences and specialists across the globe.



Nation Brand Valuation Summary



Nation Brand Strength Tracking



Royalty Rates



Cost of Capital Analysis



Customer Research Findings



Competitor Benchmarking



Education



Communication



Understanding



Strategy



Insight



Benchmarking

What's in a Nation Brand Value Report?

Benefits of a Nation Brand Value Report

Foreword.



David Haigh
CEO, Brand Finance

The effect of a country's national image on the brands based there and the economy as a whole is now widely acknowledged. In a global marketplace, it is one of the most important assets of any state, encouraging inward investment, adding value to exports, and attracting tourists and skilled migrants.

For over 15 years, the Brand Finance Nation Brands report has provided key benchmarks for diplomats, tourism boards, trade agencies, nation brand consultants and managers. The study analyses the benefits that a strong nation brand can confer, but also the economic damage that can be wrought by global events and poor nation brand management.

In this year's study, we see that COVID-19 has wiped over US\$13 trillion off the top 100 nation brands in 2020 as the world's nations are being put to the test.

The US retains its position as the leader among the world's 100 most valuable nation brands. Second-ranked China is nevertheless narrowing the gap, as it performs well relative to its counterparts in the top 10.

Germany's nation brand strength comes out on top. A nation renowned for its strong economy and for being particularly well governed, the Western European powerhouse remains a beacon of stability across the continent and globally.

For the first time our Nation Brands Brand Strength Index includes perceptions of nation brands measured both domestically and internationally, with the data taken from our inaugural Global Soft Power Index.

Brand Finance has created the Global Soft Power Index to provide an all-round view of perceptions of a nation's soft power – its presence, reputation, and impact on the world stage. Understanding those perceptions is key for nations and particular brands to achieve success internationally, allowing to identify strengths and weaknesses and to improve growth strategies going forward. The stronger the nation's soft power, the greater its ability to attract investments and market its products and services.

Following the successful completion of our inaugural Index, Brand Finance is commencing the second wave of research due to be published in early 2021. Having surveyed the opinions of over 55,000 people in more than 100 countries last year, we are now planning to cover new markets, extend sample sizes, and rank more nations next year.

In this time marked by change, it is more important than ever that governments, trade bodies, and businesses take steps to ensure that their nation brand is strategically appropriate and well-managed.

At Brand Finance, we are proud to be able to call upon our network of global representative offices, as well as on the wealth of experience in public diplomacy and geographic branding of our sister company – Brand Dialogue. The team and I hope you enjoy this report and look forward to speaking to you soon.

COVID-19 Wipes Over US\$13 Trillion Off Top Nation Brands Values.

- + Top 100 nation brands lose US\$13.1 trillion of brand value in 2020 as they negotiate devastating COVID-19 pandemic
- + **China** continues to close gap behind long-standing leader **US**, brand values US\$18.8 trillion and US\$23.7 trillion respectively
- + Top 10 most valuable nation brands contract 14% on average. **Japan** claims 3rd position as it emerges relatively unscathed from pandemic
- + **Ireland** is only nation brand in top 20 to record brand value growth, up 11% to US\$670 billion, a testament to its resilient economy bolstered by strong exports and consumer spending
- + Emerging as a Southeast Asian haven for manufacturing, Vietnam defies global trend, brand value up an impressive 29%
- + In contrast, **Argentina** is fastest falling nation brand, its brand value dropping 57%, as COVID-19 cases pass 1 million mark
- + Brand Finance's Global Soft Power Index data has been included in Brand Strength Index (BSI) for first time, meaning original research on global as well as domestic perceptions of nation brands is now part of Brand Finance's evaluation methodology
- + A nation admired for its stable leadership, **Germany** is world's strongest nation brand, BSI score of 84.9 out of 100

Executive Summary.



Top 100 nation brands lose US\$13.1 trillion of brand value

The top 100 most valuable nation brands in the world have suffered a monumental loss to their brand value because of the COVID-19 pandemic, amounting to US\$13.1 trillion.

2020 has put the nations of the world to the test – from the economic impacts of COVID-19 on nations’ GDP forecasts, inflation rates, and general economic uncertainty, to diminished long term prospects. Brand Finance estimates that the total brand value of the top 100 nation brands dropped from US\$98.0 trillion in 2019 to US\$84.9 trillion in 2020, with almost every nation feeling a significant impact of the health crisis on their respective economies.

US & China remain in a league of their own

The US and China remain a cut above the rest, claiming first and second position in this year’s ranking, recording brand values of US\$23.7 trillion and US\$18.8 trillion respectively. Relations between the two forerunners remain particularly fragile because of the US-China trade war that has consumed both economies over the past few years.

Long-standing leader, the US has recorded a 14% brand value loss to US\$23.7 trillion, following yet another turbulent year. Now home to both the most cases and deaths of the virus globally, the world’s largest and strongest economy continues to encounter harsh criticism and questioning on the global stage. With Biden announced as the winner of the 2020 presidential election, in one of the most controversial and polarising races in American history, the country is likely to chart a new course and change many of the policies pursued under the incumbent president.

The downward trend of nearly all the world’s most valuable nation brands is unsurprising given the year we are currently experiencing. With COVID-19 contributing to the recent rise of protectionism, we may see a reversal of the economic growth brought about by globalisation. Having said that, optimism has certainly prevailed, with forecasts looking less dire than initially predicted, and with the announcement of a working vaccine beginning to be rolled out, the future is certainly looking brighter.

David Haigh
CEO, Brand Finance

Despite this political uncertainty, American brands’ sheer dominance and success globally will always provide the nation’s economy and reputation with a strong safety net. American brands - Amazon, Google, Apple, and Microsoft – claimed four out of the top five spots in the year’s Brand Finance Global 500.






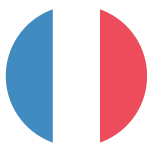




Unlike the US, China’s brand value has managed to remain largely stable, recording only a modest 4% drop this year. The Chinese government’s quick response to the COVID-19 outbreak, paired with its targeted stimulus measures in recent months, have resulted in the nation becoming the first major economy to recover from the pandemic and is currently expected to be the only G20 economy that will grow this year.

We are once again witnessing China inch ever closer behind the US in our ranking of the world’s most valuable nation brands. This year has proven that there is nowhere to hide when it comes to a nation’s economic performance and China has shown its ability to recover at a meteoric pace – providing a beacon of hope that recovery can happen on the global stage too.

David Haigh
CEO, Brand Finance

Top 10 down 14% on average

With the pandemic wreaking havoc on nation brand values across the world, the top 10 has recorded a brand value loss of 14% on average. Japan has fared relatively better than its counterparts, recording a modest 6% brand value loss to US\$4.3 trillion, and inching up to claim third spot in the ranking. Defying the odds of many that expected the nation to be one of the worst hit at the beginning of the COVID-19 outbreak – due to its proximity to China, its

| Top 10 Most Valuable Nation Brands | | | | |
|---|----|------|----------------|--|
|  | 1 | ← 1 | United States | 2020: \$23,738bn 2019: \$27,751bn -14.5% |
|  | 2 | ← 2 | China | 2020: \$18,764bn 2019: \$19,486bn -3.7% |
|  | 3 | ↑ 4 | Japan | 2020: \$4,261bn 2019: \$4,533bn -6.0% |
|  | 4 | ↓ 3 | Germany | 2020: \$3,813bn 2019: \$4,855bn -21.5% |
|  | 5 | ← 5 | United Kingdom | 2020: \$3,315bn 2019: \$3,851bn -13.9% |
|  | 6 | ← 6 | France | 2020: \$2,699bn 2019: \$3,097bn -12.8% |
|  | 7 | ← 7 | India | 2020: \$2,028bn 2019: \$2,562bn -20.8% |
|  | 8 | ← 8 | Canada | 2020: \$1,900bn 2019: \$2,183bn -13.0% |
|  | 9 | ↑ 10 | Italy | 2020: \$1,776bn 2019: \$2,110bn -15.8% |
|  | 10 | ↓ 9 | South Korea | 2020: \$1,695bn 2019: \$2,135bn -20.6% |

The luck of the Irish is at work yet again, as the nation mitigates the risks and limits the impact of both COVID-19 and Brexit. Backed by a vibrant and resilient economy, Ireland’s strong nation brand reinforces the Emerald Isle’s perception as a preferred investment destination even in times of crisis.

David Haigh
CEO, Brand Finance

densely populated cities, and burgeoning elderly population – Japan has emerged as relatively successful compared to its counterparts, with lower Coronavirus cases and deaths and with its economy faring better.

Luck of the Irish strikes again

Ireland has bucked the negative trend this year as the only nation brand in the top 20 to record a positive brand value growth, up 11% to US\$670 billion. This strong performance is largely attributable to its forecasts being impacted less dramatically than others on the global stage – a particularly positive position given the twin threat of Brexit and COVID-19. The Irish economy has proven to be particularly resilient, being supported by strong exports and continued consumer spending. Should the UK reach a deal on Brexit, Ireland will find itself in an even stronger position as trade disruption with the UK will be reduced.



The UK retains 5th position

The UK has retained 5th position, following a 14% brand value decrease to US\$3.3 trillion. Despite Brexit being forced into the shadow of COVID-19 this year, the uncertainty surrounding the outcome has persisted. The UK government are still engaged in negotiations with the EU, with fishing rights and competition rules as two sticking points for both sides.

As the UK enters the final weeks of Brexit negotiations before the transition period deadline at the end of the year, the nation is certainly at a turning point. There is a great opportunity for Britain to become an economy that operates similar to its neighbour, Ireland – with lower taxes and a friendly ecosystem for startups. Should the UK reach a suitable trade deal, Brand Britain could certainly thrive and become the entrepreneurial hub off the coast of Europe as Singapore is in Asia.

David Haigh
CEO, Brand Finance

Vietnam defies global trend, up 29%

Vietnam is the fastest-growing nation brand in this year’s ranking, its brand value skyrocketing 29% to US\$319 billion. Vietnam, which has recorded staggeringly low COVID-19 cases and deaths, has emerged as one of the top locations within the Southeast Asian region for manufacturing, and has

become an increasingly attractive destination for investors - particularly from the US - that are looking to relocate their China operations following the fallout from the US-China trade war. Recent trade deals with the EU are supporting the growth of the nation further.

Do cry for me Argentina

In stark contrast, Argentina has recorded the biggest drop in brand value this year, down 57% to US\$175 billion. With COVID-19 cases recently passing the one million mark - the smallest nation by population to do so - Argentina has been struggling to respond effectively to the outbreak. Riots have erupted across the nation with protestors calling for a reform of the justice system, corruption cases to be investigated, and to demonstrate general grievances of the handling of the pandemic. The nation’s already ailing economy is taking further hits and the road to recovery will not be short.



Germany is world’s strongest nation










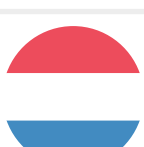
In addition to measuring nation brand value, Brand Finance also determines the relative strength of nation brands through a balanced scorecard of metrics evaluating brand investment, brand equity, and brand performance. For the first time this year, the nation brand strength methodology includes the results of the Global Soft Power Index – the world’s most comprehensive research study on nation brand perceptions, surveying opinions of over 55,000 people based in more than 100 countries. According to these criteria, Germany is the world’s strongest nation brand with a brand strength score of 84.9 out of 100 and a corresponding AAA rating.

Long renowned for its strong and stable economy and for being particularly well governed, Germany scores well across the majority of our data points. Angela Merkel’s long tenure as Chancellor has provided a stable presence against the backdrop of unstable and erratic counterparts. For the most part, the German government’s and Merkel’s response to the pandemic has been received positively both domestically and internationally and the numbers support this with the country recording consistently lower cases per million than any of its Western European counterparts.

Germany remains a beacon of stability both across the continent and globally. As Merkel prepares to step down as Chancellor in 2021 – a position she has held since 2005 – Germany will be hoping that its history of reliable leadership during times of increasing polarisation across Europe will stand it in good stead in the coming year as the nation works towards a post-COVID recovery.

David Haigh
CEO, Brand Finance

Top 10 Strongest Nation Brands

| | | | |
|---|----|----------------|-----------------|
|  | 1 | Germany | 2020: 84.9 AAA |
|  | 2 | United Kingdom | 2020: 83.0 AAA- |
|  | 3 | Switzerland | 2020: 82.9 AAA- |
|  | 4 | United States | 2020: 82.8 AAA- |
|  | 5 | Canada | 2020: 81.7 AAA- |
|  | 6 | Singapore | 2020: 81.1 AAA- |
|  | 7 | Japan | 2020: 79.5 AA+ |
|  | 8 | Denmark | 2020: 79.3 AA+ |
|  | 9 | France | 2020: 79.1 AA+ |
|  | 10 | Netherlands | 2020: 78.6 AA+ |

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New and Improved Brand Strength Index Methodology

This year, our Nation Brands Brand Strength Index (BSI) includes, for the first time, perceptions of nation brands measured both domestically and internationally, with the data taken from our inaugural Global Soft Power Index.

Brand Finance has created the Global Soft Power Index to provide an all-round view of perceptions of a nation’s soft power – its presence, reputation, and impact on the world stage. Understanding those perceptions is key for nations and particular brands to achieve success internationally, allowing to identify strengths and weaknesses and to improve growth strategies going forward. The stronger the nation’s soft power, the greater its ability to attract investments and market its products and services.

We are commencing the second wave of research due to be published in early 2021. Having surveyed the opinions of over 55,000 people in more than 100 countries last year, we are now planning to cover new markets, extend sample sizes, and rank more nations next year.

The Nation Brand Strength Index structure has been enhanced and modified to incorporate this research, and is compliant with ISO 20671 on Brand Evaluation.



Brand Finance Nation Brands (USD bn).

Top 100 most valuable nation brands 1-50

| 2020 Rank | 2019 Rank | | Nation Brand | 2020 Nation Brand Value | Brand Value Change | 2019 Nation Brand Value | 2020 Brand Rating | 2020 Brand Strength Index |
|-----------|-----------|---|----------------------|-------------------------|--------------------|-------------------------|-------------------|---------------------------|
| 1 | 1 | ↔ | United States | \$23,738 | -14.5% | \$27,751 | AAA- | 82.8 |
| 2 | 2 | ↔ | China | \$18,764 | -3.7% | \$19,486 | AA | 71.1 |
| 3 | 4 | ↑ | Japan | \$4,261 | -6.0% | \$4,533 | AA+ | 79.5 |
| 4 | 3 | ↓ | Germany | \$3,813 | -21.5% | \$4,855 | AAA | 84.9 |
| 5 | 5 | ↔ | United Kingdom | \$3,315 | -13.9% | \$3,851 | AAA- | 83.0 |
| 6 | 6 | ↔ | France | \$2,699 | -12.8% | \$3,097 | AA+ | 79.1 |
| 7 | 7 | ↔ | India | \$2,028 | -20.8% | \$2,562 | A+ | 60.6 |
| 8 | 8 | ↔ | Canada | \$1,900 | -13.0% | \$2,183 | AAA- | 81.7 |
| 9 | 10 | ↑ | Italy | \$1,776 | -15.8% | \$2,110 | AA- | 67.5 |
| 10 | 9 | ↓ | South Korea | \$1,695 | -20.6% | \$2,135 | AA | 70.5 |
| 11 | 11 | ↔ | Spain | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 12 | 12 | ↔ | Australia | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 13 | 13 | ↔ | Netherlands | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 14 | 14 | ↔ | Russia | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 15 | 16 | ↑ | Switzerland | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 16 | 17 | ↑ | Brazil | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 17 | 15 | ↓ | Indonesia | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 18 | 20 | ↑ | United Arab Emirates | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 19 | 26 | ↑ | Ireland | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 20 | 21 | ↑ | Saudi Arabia | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 21 | 18 | ↓ | Mexico | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 22 | 22 | ↔ | Poland | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 23 | 19 | ↓ | Sweden | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 24 | 24 | ↔ | Belgium | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 25 | 30 | ↑ | Norway | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 26 | 29 | ↑ | Austria | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 27 | 27 | ↔ | Singapore | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 28 | 28 | ↔ | Thailand | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 29 | 23 | ↓ | Malaysia | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 30 | 31 | ↑ | Turkey | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 31 | 25 | ↓ | Philippines | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 32 | 32 | ↔ | Denmark | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 33 | 42 | ↑ | Vietnam | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 34 | 35 | ↑ | Czech Republic | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 35 | 34 | ↓ | Bangladesh | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 36 | 36 | ↔ | Finland | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 37 | 39 | ↑ | Israel | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 38 | 43 | ↑ | Iran | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 39 | 38 | ↓ | Chile | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 40 | 40 | ↔ | Nigeria | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 41 | 37 | ↓ | Qatar | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 42 | 41 | ↓ | Colombia | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 43 | 48 | ↑ | Portugal | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 44 | 44 | ↔ | Kazakhstan | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 45 | 33 | ↓ | Argentina | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 46 | 45 | ↓ | New Zealand | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 47 | 46 | ↓ | South Africa | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 48 | 53 | ↑ | Pakistan | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 49 | 47 | ↓ | Romania | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 50 | 52 | ↑ | Hungary | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |

Top 100 most valuable nation brands 51-100

| 2020 Rank | 2019 Rank | | Nation Brand | 2020 Nation Brand Value | Brand Value Change | 2019 Nation Brand Value | 2020 Brand Rating | 2020 Brand Strength Index |
|-----------|-----------|---|----------------------------------|-------------------------|--------------------|-------------------------|-------------------|---------------------------|
| 51 | 49 | ↓ | Egypt | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 52 | 50 | ↓ | Peru | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 53 | 51 | ↓ | Kuwait | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 54 | 57 | ↑ | Greece | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 55 | 56 | ↑ | Ukraine | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 56 | 54 | ↓ | Slovakia | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 57 | 55 | ↓ | Luxembourg | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 58 | 58 | ↔ | Algeria | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 59 | 60 | ↑ | Slovenia | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 60 | 59 | ↓ | Iraq | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 61 | 70 | ↑ | Uzbekistan | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 62 | 66 | ↑ | Kenya | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 63 | 72 | ↑ | Ethiopia | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 64 | 62 | ↓ | Dominican Republic | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 65 | 64 | ↓ | Morocco | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 66 | 67 | ↑ | Bulgaria | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 67 | 73 | ↑ | Uruguay | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 68 | 61 | ↓ | Sri Lanka | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 69 | 68 | ↓ | Myanmar | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 70 | 63 | ↓ | Panama | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 71 | 69 | ↓ | Lithuania | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 72 | 71 | ↓ | Ghana | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 73 | 65 | ↓ | Guatemala | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 74 | 76 | ↑ | Serbia | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 75 | 74 | ↓ | Angola | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 76 | 78 | ↑ | Croatia | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 77 | 75 | ↓ | Oman | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 78 | 83 | ↑ | Tanzania | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 79 | 84 | ↑ | Yemen | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 80 | 82 | ↑ | Latvia | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 81 | 79 | ↓ | Turkmenistan | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 82 | 81 | ↓ | Estonia | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 83 | 80 | ↓ | Paraguay | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 84 | 88 | ↑ | Lebanon | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 85 | 86 | ↑ | Azerbaijan | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 86 | 77 | ↓ | Costa Rica | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 87 | 89 | ↑ | Jordan | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 88 | 92 | ↑ | Uganda | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 89 | 94 | ↑ | Democratic Republic of the Congo | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 90 | 90 | ↔ | Bahrain | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 91 | 85 | ↓ | Bolivia | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 92 | 87 | ↓ | Iceland | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 93 | 95 | ↑ | Nepal | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 94 | 91 | ↓ | Tunisia | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 95 | 100 | ↑ | Honduras | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 96 | 96 | ↔ | Cyprus | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 97 | 93 | ↓ | Libya | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 98 | 99 | ↑ | Cambodia | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 99 | 103 | ↑ | Georgia | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 100 | 98 | ↓ | Cameroon | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |

Brand Valuation Methodology.

Brand Finance measures the strength and value of the nation brands of 100 leading countries using a method based on the royalty relief mechanism employed to value the world’s largest corporate brands.

Step 1 – Nation Brand Strength

Nation Brand Strength is the part of our analysis most directly and easily influenced by those responsible for their country’s

nation brand campaigns. It is determined by reference to performance on dozens of data points across three key ‘pillars’: Goods & Services, Investment, and Society. These are divided into sub-pillars and individual metrics.

Each metric is scored out of 100 and together contribute to an overall Brand Strength Index (BSI) score for the nation brand, also out of 100. Based on the score, each Nation

| Investment | Equity | Performance |
|--|--|--|
| 25% | 50% | 25% |
| Investment Sub-Categories | Equity Sub-Categories | Performance Sub-Categories |
| <div><div>• Business & Trade: Tax, infrastructure, venture capital</div><div>• Governance: Legal framework, judicial independence</div><div>• International Relations: Environment, international openness.</div><div>• Media & Communications: Internet usage/access, government online services</div><div>• Education & Science: Staff training, universities, patents, graduate numbers</div><div>• People & Values: Safety and security, life expectancy, equality</div></div> | <div><div>• Familiarity: Familiarity with respective nation(s)</div><div>• Overall Influence: Perceived influence of respective nation(s)</div><div>• Reputation: Perceived reputation of respective nation</div><div>• Business & Trade: Brands, ease of doing business</div><div>• Governance: Political climate, safety, legal international relations</div><div>• International Relations: Influence, country relations</div><div>• Culture & Heritage: Heritage, lifestyle, food</div><div>• Media & Communication: Trustworthy, influential</div><div>• Education & Science: Leaders in education</div><div>• People & Values: Tolerant, friendly, fun</div></div> | <div><div>• GDP: Indicators of GDP and growth</div><div>• Markets: Foreign direct investment, unemployment rates</div><div>• Tourism: Tourism – frequency and average spend</div><div>• Well-being: General population perceptions of general well-being and happiness</div></div> |

Disclaimer

Brand Finance has produced this study with an independent and unbiased analysis. The values derived and opinions produced in this study are based only on publicly available information and certain assumptions that Brand Finance used where such data was deficient or unclear. Brand Finance accepts no responsibility and will not be liable in the event that the publicly available information relied upon is subsequently found to be inaccurate. The opinions and financial analysis expressed in the report are not to be construed as providing investment or business advice. Brand Finance does not intend the report to be relied upon for any reason and excludes all liability to any body, government or organisation.

Brand is assigned a brand strength rating in a format similar to a credit rating.

Nation Brand Strength Ratings

| | |
|----------------------|--------------------|
| AAA + | BBB |
| AAA Exceptional | BB Developing |
| AAA - | B |
| AA + | CCC |
| AA Very strong | CC Weak |
| AA - | C |
| A + | DDD |
| A Strong | DD Failing |
| A - | D |

Step 2 – Royalty Rate

The hypothetical royalty rate charged is determined by reference to average rates seen across sectors which are applied to the country based on the proportion of the country’s Gross Domestic Product (GDP) generated from the primary, secondary, and tertiary sectors. The Brand Strength Index is relied upon to determine the appropriate royalty rate for the country.

Step 3 – Revenues

The nation brand valuation is based on forecasts of GDP in each country taken from the World Economic Outlook of the IMF. The applicable royalty rate calculated in Step 2 is applied to the country’s GDP to determine brand-related GDP streams.

Step 4 – Weighted Average Cost of Capital (WACC) or Discount Rate

In order to account for the risk across each national economy a discount rate is calculated. This represents the average cost of a brand’s sources of finance and the minimum return required on the brand asset.

The discount rate is used to calculate the present value of future brand earnings (accounting for the time value of money and the associated risk).

Step 5 - Brand Valuation

The post-tax brand-related GDP streams identified in Step 3 are then discounted to a net present value using the discount rate, to determine the nation brand value.



Brand Strength Index (BSI)

Brand strength expressed as a BSI score out of 100.



Brand Royalty Rate

BSI score applied to an appropriate sector royalty range.



Brand Revenues

Royalty rate applied to forecast revenues to derive brand value.



Brand Value

Post-tax brand revenues discounted to a net present value (NPV) which equals the brand value.

Brand Finance Network's Insights.



Nations as tourism brands

Jeremy Sampson

It is not that long ago that brands and branding were seen as the sole preserve of the FMCG brigade. Not anymore. Today everything is brandable from people to countries. And that means a value can be put on everyone and everything.

Tourism is a major potential source of income for all countries, regions, and cities. But competition is intense and so it is essential to ensure all touchpoints of the brand are aligned to provide the best possible experience.

Africa is a patchwork quilt of 54 countries, with a plethora of different cultures, currencies, and local languages. This fragmented geography, slowly harmonising, remains an obstacle to both easier trade and tourism.

Another issue is the perception that Africa is a long way from everywhere, which is far from the reality. South Africa remains the gateway to the continent, with Johannesburg the hub.

Today, everyone has to fight for a share of the tourism wallet. Remember: it's the brand, stupid!

Attracting green field investment

Laurence Newell

Nation branding applies widely-used marketing concepts to countries in the interest of enhancing their reputation – principally among institutional investors – and why not?

Corporate marketing has created immense value through brands, based on a clear understanding of certain consumption patterns and how brands meet them. Much like consumers, investors are predictable, and nation brand managers need to study their needs.

Central to positioning a nation brand is a clear understanding of what drives investor decision-making.

Having had the opportunity in the past to help define brand strategy for the investor relations arm of Brand Mexico, critical to success in that project was an understanding of what was most important to investors, and what drives their motivation to select a nation over another.

Focusing on measurement and collecting the right data going forward is a competitive advantage in itself, and knowing what not to measure can be as important as understanding what should be measured. Certainly, the closer a metric is to income – or in this case, investment – the more seriously it will be taken by management.



Jeremy Sampson
Managing Director,
Brand Finance Africa



Laurence Newell
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Samir Dixit
Managing Director,
Brand Finance Asia Pacific



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Managing Director,
Brand Finance Sri Lanka

National quality mark

Samir Dixit

Every country aims to drive some form of competitive advantage for their products through the country's brand image. Some use tourism advertising, some FDI campaigns, and some global events such as the Olympics. But all these drive the "inbound", which in an economic context is equivalent to focusing on imports only. What about exports – the "outbound"? After all, most countries have a better chance to ride out an economic slump due to their export concentration.

In the international marketplace, consumers have a much wider choice of products from different countries. They seek higher assurance of quality than what they simply get through the place of origin. Consumers need a warranty and assurance from governments about the quality of exported products. And the solution simply lays in a strong "National Quality Mark" which endorses quality and authenticity.

Due to the efforts of a national mark program called "Vietnam Value", Vietnam's processed food industry now contributes upwards of US\$17 billion of the country's exports. The apparel industry makes up over US\$22 billion of exports. These economic contributions are absolutely crucial for Vietnam's overall growth and would not have been entirely possible without the concentrated efforts by Vietnam's government.

A well-managed national quality mark is key to nation brand success and doing it right can bring great benefits.

Opportunities for GI products

Ruchi Gunewardene

























































By virtue of a country's bio-diversity, climate conditions, heritage and cultural diversity, many unique commodities and products are made available that generate appeal among customers in other countries. Whilst these are often traded, there is an opportunity for greater value creation by protecting their source of origin, so that similar products from another region cannot unfairly exploit the reputation that has been amassed.

Every nation in the world has such valuable intangible assets. These exported products add to the perceptions around a nation's brand. However, a lot of work needs to go into protecting, regulating, and managing them in order to create an effective global marketing strategy and extract the hidden value.

Ceylon tea is a good example of a country of origin product that has survived for 150 years after it was first exported to the UK. Although it still retains the perception of being a good quality tea, it is now under pressure to use modern marketing and branding techniques to stay relevant in these rapidly changing times.

Branding strategies centring on the geographical origin of a product is a key basis for differentiating them from commodity products. And the use of such "geographical indication" (GI) can involve a range of unique quality characteristics associated with a particular location.

Global Soft Power Index 2020.

| | | | | |
|--|--|---|---|--|
|  1 UNITED STATES Score 67.1 |  2 GERMANY Score 61.9 |  3 UNITED KINGDOM Score 61.8 |  4 JAPAN Score 60.2 |  5 CHINA Score 58.7 |
|  6 FRANCE Score 58.5 |  7 CANADA Score 54.5 |  8 SWITZERLAND Score 54.5 |  9 SWEDEN Score 51.9 |  10 RUSSIA Score 51.0 |
|  11 ITALY Score 49.3 |  12 NETHERLANDS Score 48.9 |  13 AUSTRALIA Score 48.8 |  14 SOUTH KOREA Score 48.3 |  15 DENMARK Score 47.7 |
|  16 SPAIN Score 47.6 |  17 NORWAY Score 47.3 |  18 UNITED ARAB EMIRATES Score 45.9 |  19 BELGIUM Score 45.5 |  20 SINGAPORE Score 44.8 |
|  21 FINLAND Score 44.8 |  22 NEW ZEALAND Score 43.5 |  23 AUSTRIA Score 43.5 |  24 IRELAND Score 43.0 |  25 ISRAEL Score 42.6 |
|  26 SAUDI ARABIA Score 41.9 |  27 INDIA Score 41.6 |  28 PORTUGAL Score 40.6 |  29 BRAZIL Score 39.4 |  30 TURKEY Score 39.4 |
|  31 QATAR Score 38.5 |  32 THAILAND Score 37.6 |  33 MALAYSIA Score 37.4 |  34 GREECE Score 36.6 |  35 POLAND Score 36.6 |
|  36 SOUTH AFRICA Score 36.4 |  37 MEXICO Score 35.6 |  38 EGYPT Score 34.8 |  39 CZECH REPUBLIC Score 34.4 |  40 ARGENTINA Score 33.9 |
|  41 INDONESIA Score 33.4 |  42 PHILIPPINES Score 32.5 |  43 CROATIA Score 32.4 |  44 CHILE Score 32.2 |  45 HUNGARY Score 31.9 |
|  46 UKRAINE Score 31.7 |  47 ESTONIA Score 31.7 |  48 IRAN Score 31.5 |  49 COLOMBIA Score 31.5 |  50 VIETNAM Score 31.3 |
|  51 PERU Score 30.8 |  52 ROMANIA Score 30.4 |  53 PAKISTAN Score 29.7 |  54 ALGERIA Score 29.0 |  55 VENEZUELA Score 28.8 |
|  56 NIGERIA Score 28.8 |  57 BANGLADESH Score 28.5 |  58 KAZAKHSTAN Score 27.7 |  59 IRAQ Score 27.7 |  60 MYANMAR Score 27.5 |

The effect of a country's national image on its home-grown brands and the economy as a whole is now widely acknowledged. In a global marketplace, it is one of the most important assets of any state, encouraging inward investment, adding value to exports, and attracting tourists and skilled migrants.

For the past decade, the Brand Finance Nation Brands report has provided key benchmarks for diplomats, tourism boards, trade agencies, nation brand consultants and managers. The study analyses the benefits that a strong nation brand can confer, but also the economic damage that can be wrought by global events and poor nation brand management.

Public diplomacy efforts within the realm of soft power should be treated no differently from developing a corporate and marketing strategy of a nation brand. A successful nation branding campaign will help create a more favourable and lasting image among the international audience thus further enhancing a country's soft power.

Essentially, soft power is a country's ability to influence the preferences and behaviours of various actors in the international arena (states, corporations, communities, publics etc.) through attraction or persuasion rather than coercion.

In February 2020, Brand Finance launched the inaugural Global Soft Power Index - the world's most comprehensive research study on perceptions of soft power. The Global Soft Power Index is based on the most extensive and wide-ranging research programme of its kind, with responses gathered from over 55,000 people based in more than 100 countries.

We are commencing the second wave of research due to be published in early 2021. We are now planning to cover new markets, extend sample sizes, and rank more nations next year. This year, our Nation Brands Brand Strength Index (BSI) includes, for the first time, 'perceptions' of brands within the nation and outside of it, with the data taken from the Global Soft Power Index.

What does soft power look like in Brazil? And what did the survey unearth about global perceptions of Brazilian soft power? We have included a country spotlight on page 22.

In this time marked by change, it is more important than ever that governments, trade bodies, and businesses take steps to ensure that their nation brand is strategically appropriate and well-managed.



Example - Brazil's Soft Power.

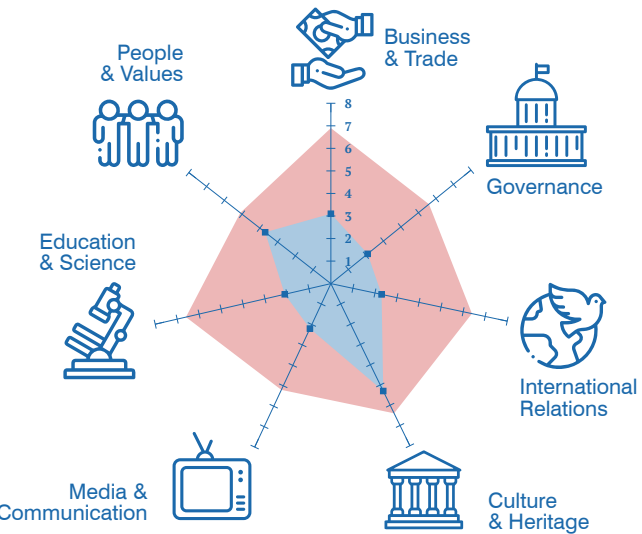
Example - Brazil's Soft Power.

The Global Soft Power Index provides unique insight into the perceptions of soft power of 60 nations from all continents. With responses from over 55,000 from more than 100 countries and territories, the data can be analysed across audiences, geographies, key metrics, and performance on each of the 7 Soft Power Pillars as well as the underlying 30 characteristics.



Brazil's performance compared to best in class per Global Soft Power Index pillar

● Best in Class ● Brazil's Results



Rank #29
Score 29.4/100

6.9 Familiarity
6.1 Reputation
4.0 Influence

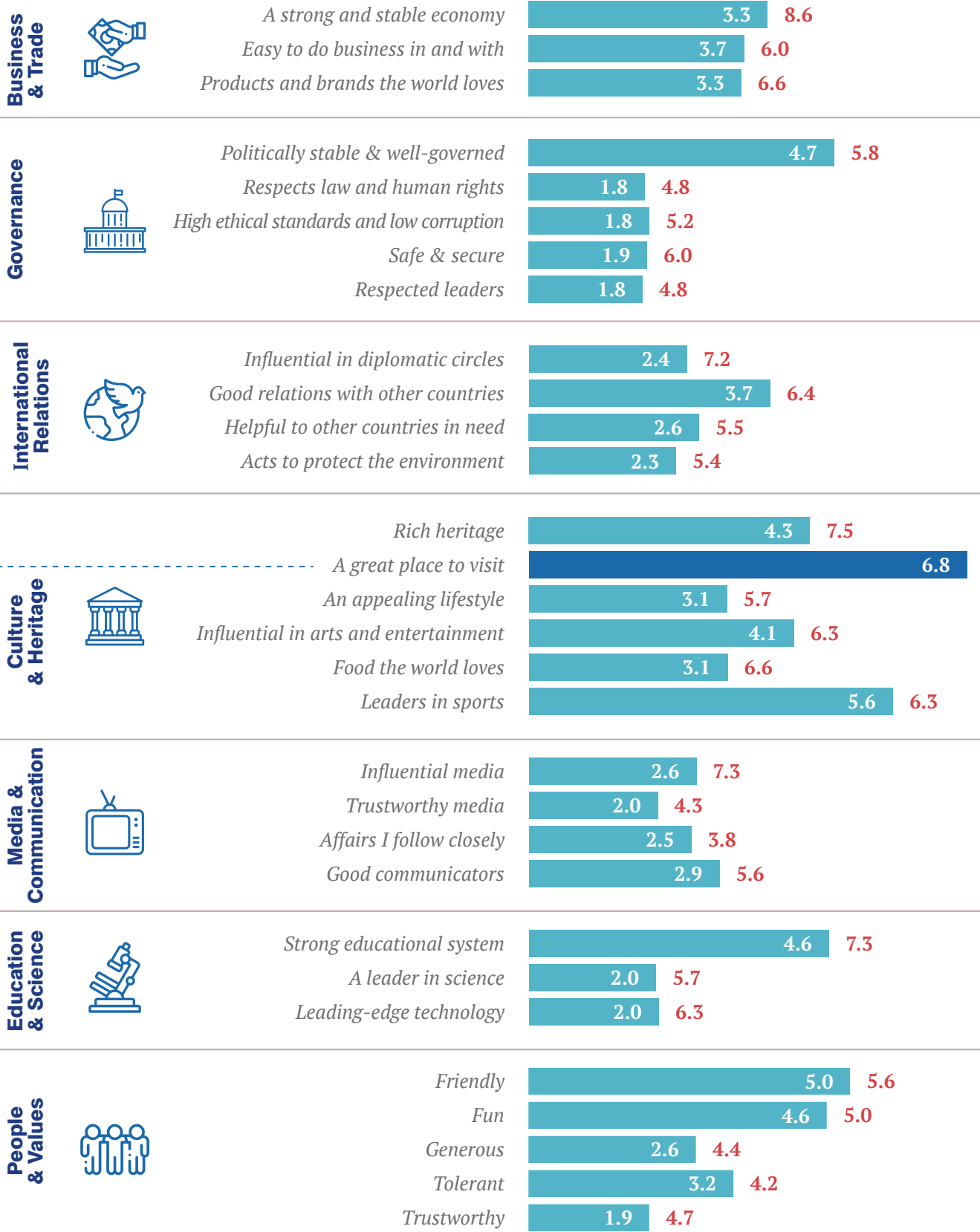
| Rank | Score | |
|--------------------------------------|-------|----------------------|
| 13 | 6.9 | Familiarity |
| 13 | 6.6 | General Public |
| 15 | 7.6 | Specialist Audiences |
| 32 | 6.1 | Reputation |
| 30 | 6.2 | General Public |
| 35 | 5.5 | Specialist Audiences |
| 21 | 4.0 | Influence |
| Who perceives Brazil as influential? | | |
| 21 | 3.8 | General Public |

| | | |
|-----|--|-------------------------|
| 8.0 | | Argentina |
| 6.2 | | Portugal |
| 5.0 | | Mexico |
| 3.6 | | United States |
| 2.6 | | Kazakhstan & Uzbekistan |

| | | |
|----|-----|----------------------|
| 20 | 4.6 | Specialist Audiences |
| 1 | 5.2 | Think-tanks & NGOs |
| 2 | 4.7 | Politics |
| 3 | 4.7 | Business |
| 4 | 4.5 | Media |
| 5 | 4.4 | Analysts |
| 6 | 4.2 | Academia |

| | | |
|---|--|-----------------|
| Who perceives Brazil as a great place to visit? | | |
| 73% | | Southern Africa |
| 41% | | United States |
| 41% | | Mexico |
| 36% | | Portugal |
| 18% | | Japan |

● Light blue bars | Brazil's Results ● Red digits | Best in Class ● Dark blue bar | Metric in Spotlight



Soft Power: Why it Matters to Governments, People, and Brands



Steve Thomson
Insight Director,
Brand Finance



Parul Soni
Associate,
Brand Finance

This whitepaper was first published in July 2020 and elaborates on the results of the Global Soft Power Index 2020. All data points and rankings referred to in this whitepaper come from the Global Soft Power Index 2020.

Soft power has a significant impact on the decisions people, businesses, and governments make. As Joseph Nye, the godfather of soft power, puts it, it is ‘a means to success’ for those that know how to leverage it. It is fascinating to see the perceptions that people around the world have about different nations, their strengths and their challenges. In the course of working on the Global Soft Power Index, we have learned a lot about the real powers of persuasion and attraction that different countries possess – as well as seeing who the underperformers are, with potential to raise their game and deliver tangible benefits to national wellbeing.

What do we mean by Soft Power?

We conducted an extensive academic literature review, including the pioneering work of Harvard Professor Joseph Nye, and the following summarises our working definition of soft power.

“A country’s ability to influence the preferences and behaviours of various actors in the international arena (states, corporations, communities, publics etc.) through attraction or persuasion rather than coercion.”

Influence, attraction, and persuasion are classic elements of brand strength, and Brand Finance has been conducting an annual Nation Brands study on the world’s most valuable and strongest nation brands for over 15 years. This study has provided key benchmarks for diplomats, tourism boards, trade agencies, nation brand consultants and managers.

This new Global Soft Power Index report expands on our Nation Brands methodology and focuses on measuring the soft power of different nations around the world.

Measuring Soft Power

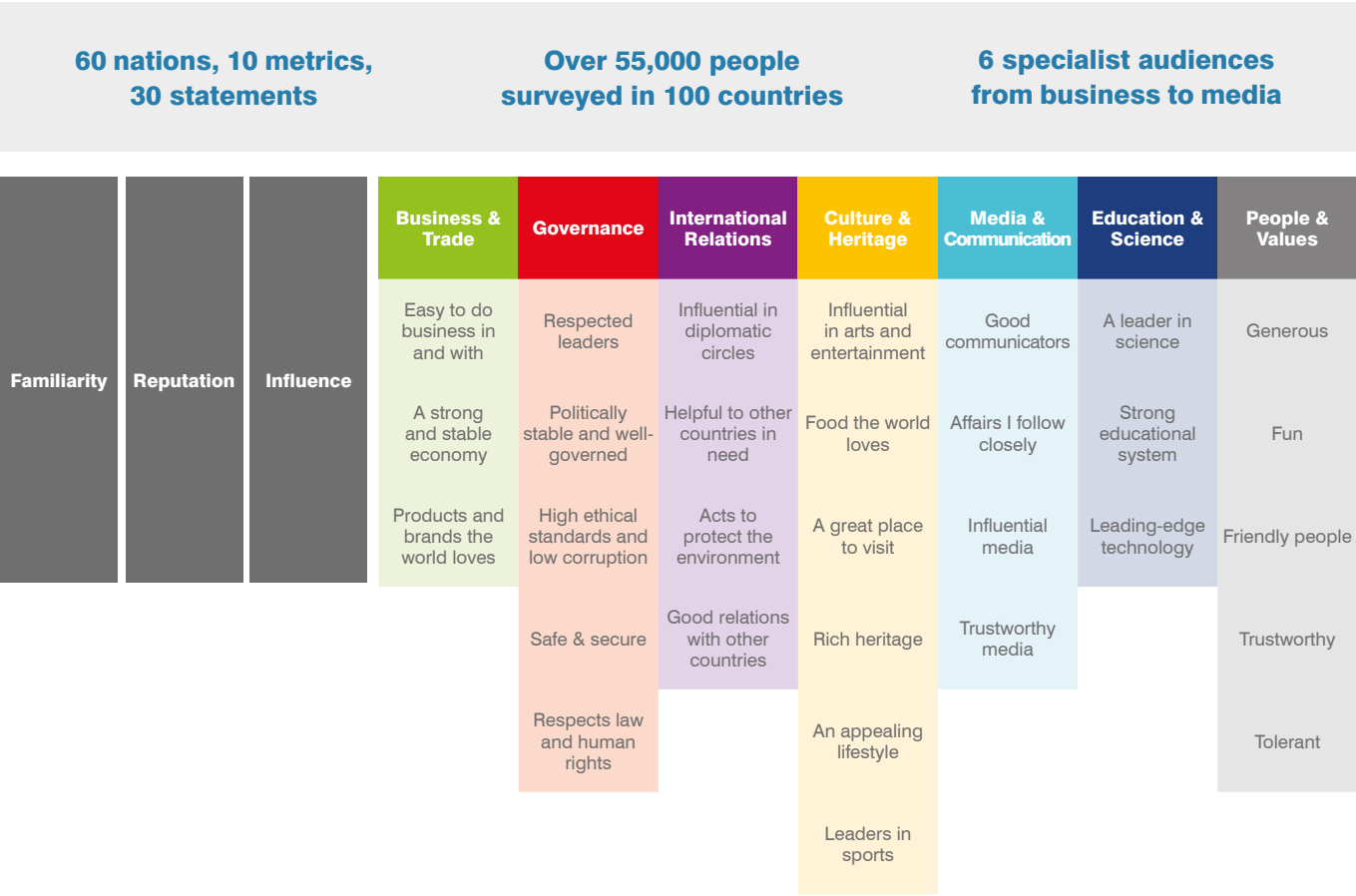
In our quest to develop the definitive measure of soft power, we developed a framework which encompasses all its key dimensions.

There are three overall measures which we refer to as ‘Soft Power KPIs’ – important and universal indicators of soft power:

- + **Familiarity:** A hygiene factor – if people know more about your country, its talents, businesses, and resources, then soft power is enhanced.
- + **Reputation:** For a nation to be attractive and a role model for others, its overall reputation must be strong and positive.
- + **Influence:** A direct measure of the perceived presence and impact that your country has in other countries. It is also a way of assessing whether soft power really plays out globally, or whether some nations’ soft power is restricted to certain regions or cultural affiliations.

We have also ascertained 7 specific dimensions, or ‘Soft Power Pillars’. These are the different areas where soft power is exercised, ranging from culture and foreign

Figure 1: Global Soft Power Index Methodology



policy to dimensions such as a nation’s educational and scientific resources, media reach and influence, and a favourable business climate.

The Global Soft Power Index research programme, the largest of its kind, was based on two key principles:

1. Capturing the views of ordinary people (General Public) and the opinions of experts (Specialist Audiences) who see soft power in action close-up and who ensure it has real impact on outcomes and decisions.
2. Creating a genuinely global measure, that captures the impact of soft power initiatives far and wide reaching many smaller nations in the world that are often overlooked.

We gathered responses from over 55,000 people in 100 countries, including a survey of the General Public in 87

countries with over 54,000 respondents. Complementing that was a survey of over 1,000 experts from Specialist Audiences in 71 countries – academics, NGOs, government officials, business leaders, and media.

The survey methodology rated 60 nation brands chosen for the size of their economy or likely influence.

Benefits of Soft Power & a strong Nation Brand

Experts agree that soft power delivers all kinds of benefits for nations, their people, businesses, and organisations of all shapes and sizes. A strong nation brand and positive soft power perceptions allow a nation to promote itself as a place for people to visit, invest in, and build a reputation for their quality of goods and services. It allows a country to rise in the esteem of its neighbours, market its resources and compose the face it presents on the international stage.

Figure 2: Benefits of Soft Power & a strong National Brand both domestically and international

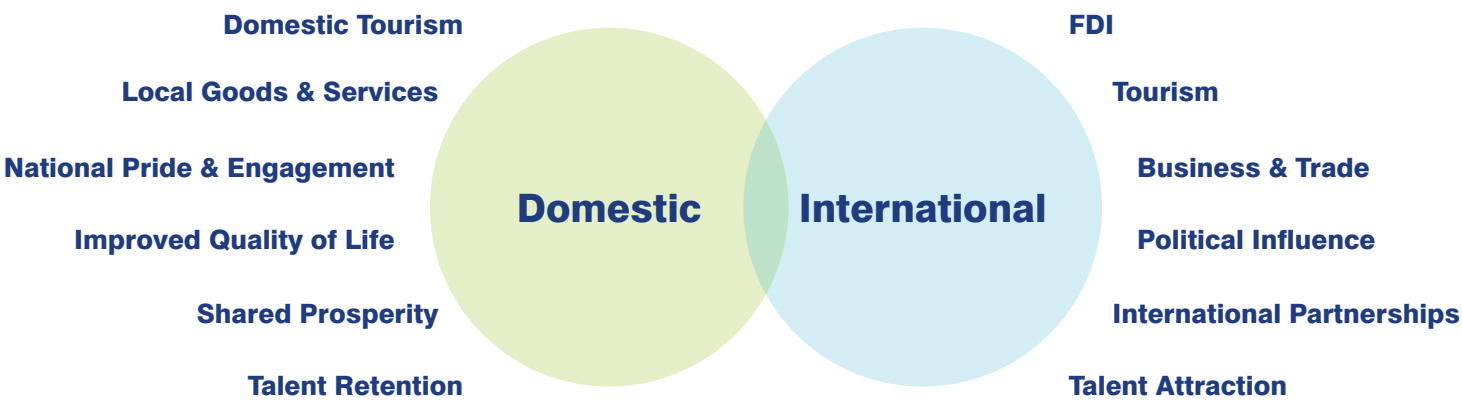


Figure 3: How can Soft Power perceptions be leveraged by nations?



However, it is often overlooked that a strong nation brand and soft power can deliver better outcomes at home – for example by encouraging domestic tourism, the consumption of domestic goods and services rather than imports, and less tangibly just making people feel better about their country. The benefits are extensive, for both the nation and its citizens, domestically and internationally.

But what specifically can and should governments and other large organisations do to assess and improve their soft power credentials? The starting point is to use soft power measurement to diagnose a nation’s strengths and weaknesses. This in turn helps governments set priorities to improve global reputation and guide policy strategy.

Benchmarking and accountability are important to ensure projects deliver tangible returns.

Another key application concerns communication and education. In some cases, soft power may be constrained because of poor communication of a nation’s strengths and resources limiting its potential. However, this is often easily addressed with a communications strategy. A good understanding of your existing reputation, brand equity, and the misperceptions which need to be corrected is the first step for effective communication and utilisation of a nation’s soft power.

Why does soft power matter to corporate brands?

Soft power perceptions form a key component in the overall measurement of a nation’s brand strength. While soft power is the ability to influence actors, a nation brand puts that ability into practice.

A mutually beneficial relationship exists for nation brands and the corporates that originate from and associate themselves with that nation. A country’s nation brand facilitates location branding which encompasses nation, region, and city branding through which both local and global businesses strive to create visual, emotional, and perceptual connections with locations in order to market their products and services.

The concept stems from the idea that places evoke strong emotional connections that are highly effective

in conveying characteristics and perceptions that are associated with the location. This is evident with German automobile manufacturers that regularly leverage the nation’s reputation in the field to differentiate their cars.

Location branding also creates a symbiotic relationship between nations and corporates where corporate brands act as brand ambassadors for the nation on the world stage. Singapore Airlines, for example, has become an iconic brand ambassador for its home city state. The airlines’ heritage, history, and branding is deeply rooted in the nation’s identity and this is evident in their marketing that frequently features local elements which can in itself be considered both an advertisement for the airline as well as a tourism campaign for the nation.

Figure 4: How can Soft Power perceptions can be leveraged by brands?



A nation’s attractiveness and soft power will impact most brands and businesses – especially those with very clear national origins and associations. The following 5 areas outline the various ways in which corporates can leverage and utilise soft power perceptions.

Who are the current Soft Power superpowers?

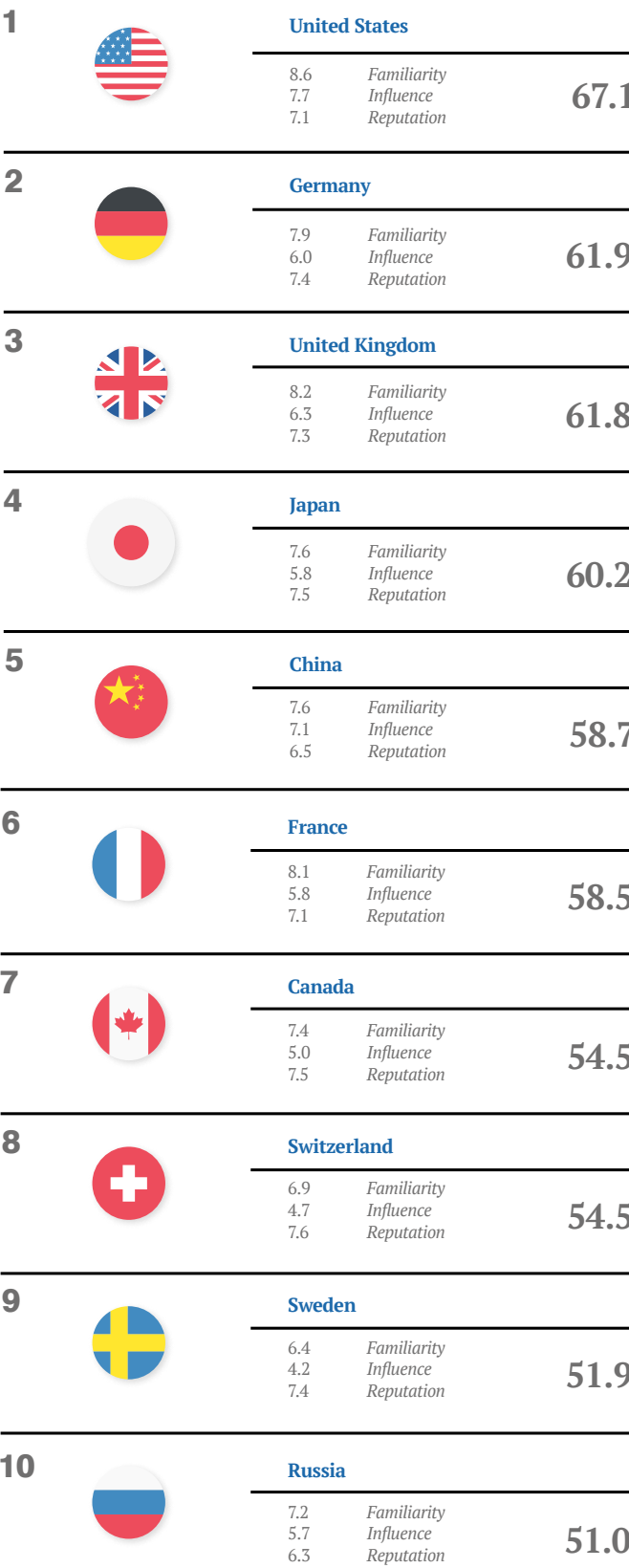
The US leads the rankings with a significant margin. It has high familiarity, strong perceived influence, a largely positive reputation and comes out strong on multiple

pillars. Its cultural reach and ‘star quality’ is reflected by the far reaching global interest in the nation and its people.

Germany is traditionally strong in business and technology. Its leading position in the EU also demonstrates its significant influence in international affairs. The nation’s stability in economy and politics sets a solid foundation for soft power.

United Kingdom’s soft power practice balances multiple metrics. It has a rich culture although

Figure 5: Global Soft Power Index 2020, Top 10



not quite comparable to the top-tier tourism destinations; it has a good education system despite never really outperforming in technology. However, its consistently healthy performance on all aspects builds up strong sft power for the nation.

Japan has an excellent reputation, and its strength in leading-edge technology and business demonstrate its significant influence to the world. Its unique culture and excellent governance make Japan a high-ranking soft power nation.

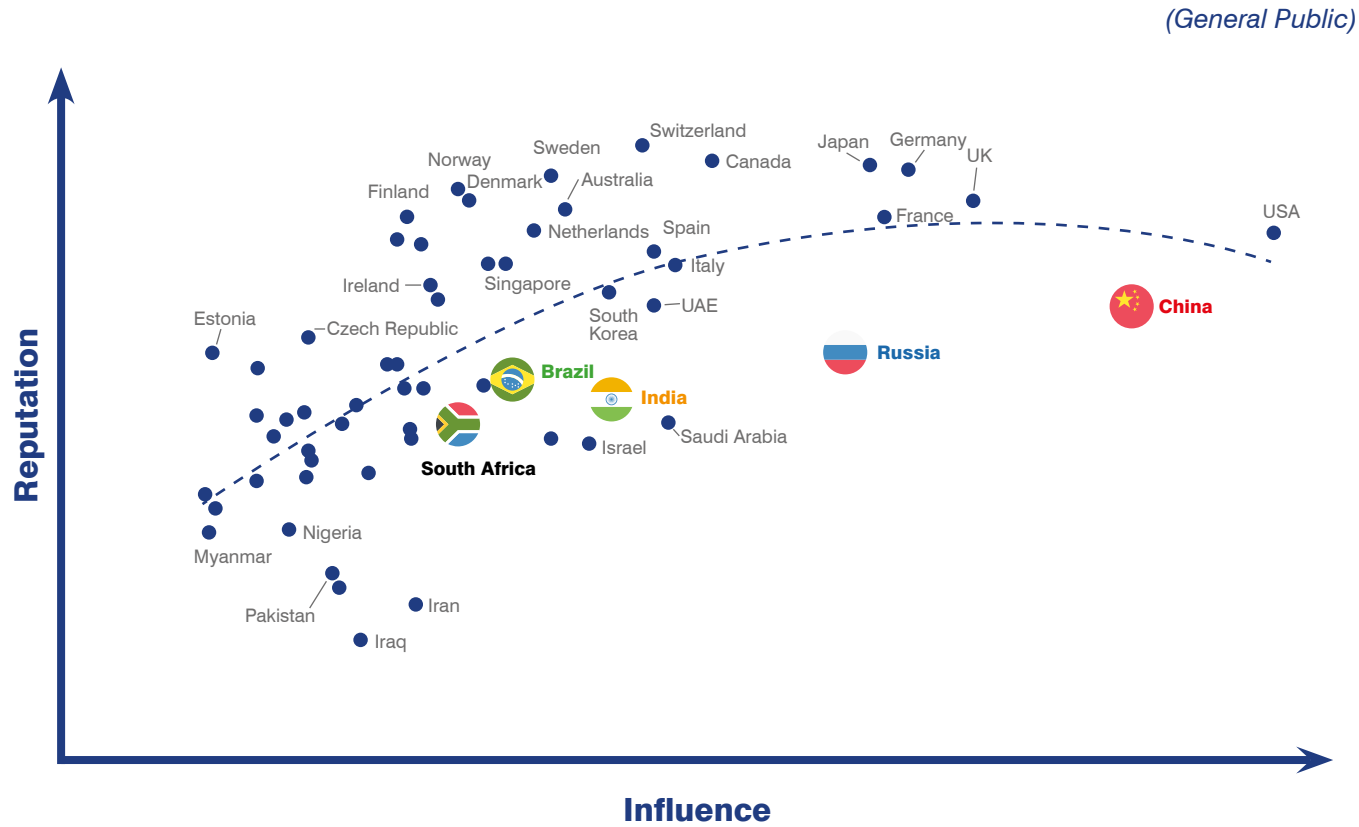
China challenges liberal western democracies with a 5th-place ranking based on high perceived influence. China’s sheer size and increasing confidence on the world stage gives it undoubted influence. Its enthusiastic embrace of capitalism has led to great strength in business and trade as well as education and science.

Key Themes in the 2020 Results

- 1. **BRICS:** Previously highlighted as five major emerging economies, the nations have - to an extent - underperformed on soft power rankings. The BRICS nations underperform on Reputation which has a strong positive correlation with Influence. All five nations have a somewhat mixed reputation internationally and none rank within the top 20 on the measure.
- 2. **China:** China ranks 36th on Reputation amongst Specialist Audiences, and 43rd among the General Public, a ranking that is lower than expected for a 5th ranking soft power superpower. However, although China’s reputation may be mixed, and it would undoubtedly benefit from a more positive reputation internationally, we should not conclude that China is seen negatively around the world.

China’s reputation is more positive in some countries than others such as Bangladesh, Nigeria, Russia, South Africa, Central & West Africa, and Central America. Additionally, only 5% of Specialists think the impact of China’s influence is negative while that percentage is 16% amongst the General Public – among both groups the consensus is that China’s influence has a mix of positive and negative impact on the rest of the world.
- 3. **Your View, Our View:** Another key theme emerging within the results is the mismatch between global perceptions of a nation and how people of that

Figure 6: BRICS influence constrained by mixed reputations



nation view themselves. This perceptual gap is generally biggest in smaller countries, which are not especially familiar to people in all parts of the globe. Looking at perceptual gaps in more detail can be revealing to identify where a nation may be strong and weak as understood by people from the country as well as globally. For example, in the case of the UK, there are generally accepted areas of excellence. Respondents both within the UK and outside of it agree that the UK has a strong and stable economy, a strong educational system and is a great place to visit. On the other hand, they also agree that the UK does not rank as high on ‘Food the World Loves’. The analysis also highlights several key metrics where there is a large perception gap between respondents within the UK and those outside of it. For instance, respondents within the UK believe the nation to be ‘Helpful to Others in Need’ and a ‘Leader in Science’. However, the world views the UK less positively on the same metrics.

- 4. **Mental Availability and Brand Fame:** Our analysis also reveals that two of the key KPIs of Familiarity and Influence are to some extent determined by a country’s size, relevance, and proximity. These are broadly comparable to the concept of mental and physical

availability, which are a known driver of commercial brand growth. Brands with strong mental and physical availability have an advantage – they come to mind when considering purchasing or investment options, best practice, sources of advice and guidance and so on.

Some countries have built-in advantages through their size. The US emerges as a leader in terms of mental availability helped by the international reach of its culture, brands, people, and values. The nation’s ‘Brand Fame’ is undeniable, while in more recent times, Donald Trump himself, although not universally popular, remains a source of fascination. The UK also remains a nation of international interest, helped by the English language, its colonial past, as well as through the Royal Family.

- 5. In contrast, there are many smaller countries which have to fight to get noticed globally, despite strong reputations. For small countries, with no particular strength or ‘USP’ (Unique Selling Proposition), becoming a focus of interest is difficult.

This phenomenon also explains the mid-tier ranking of smaller nations like New Zealand (22nd) and Singapore

Figure 7: Nations rate themselves more positively than the world rates them

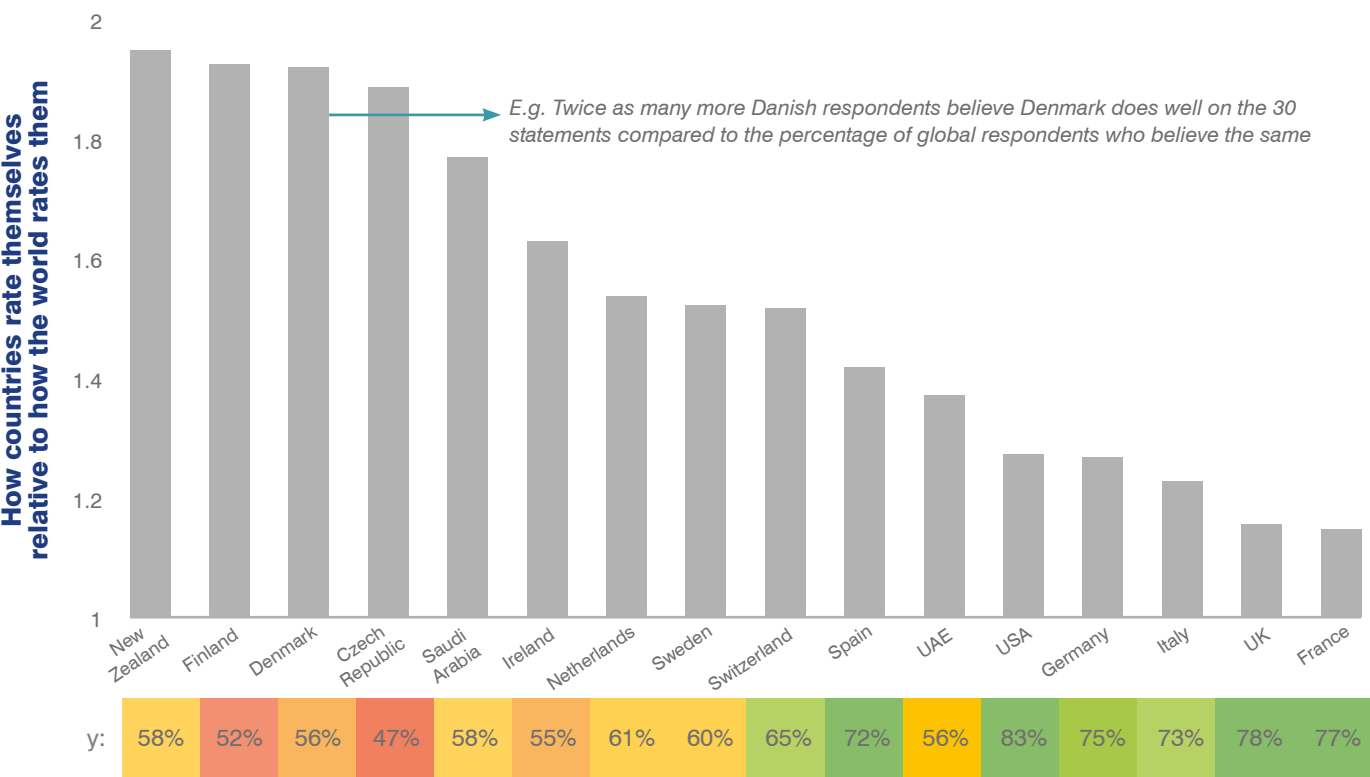
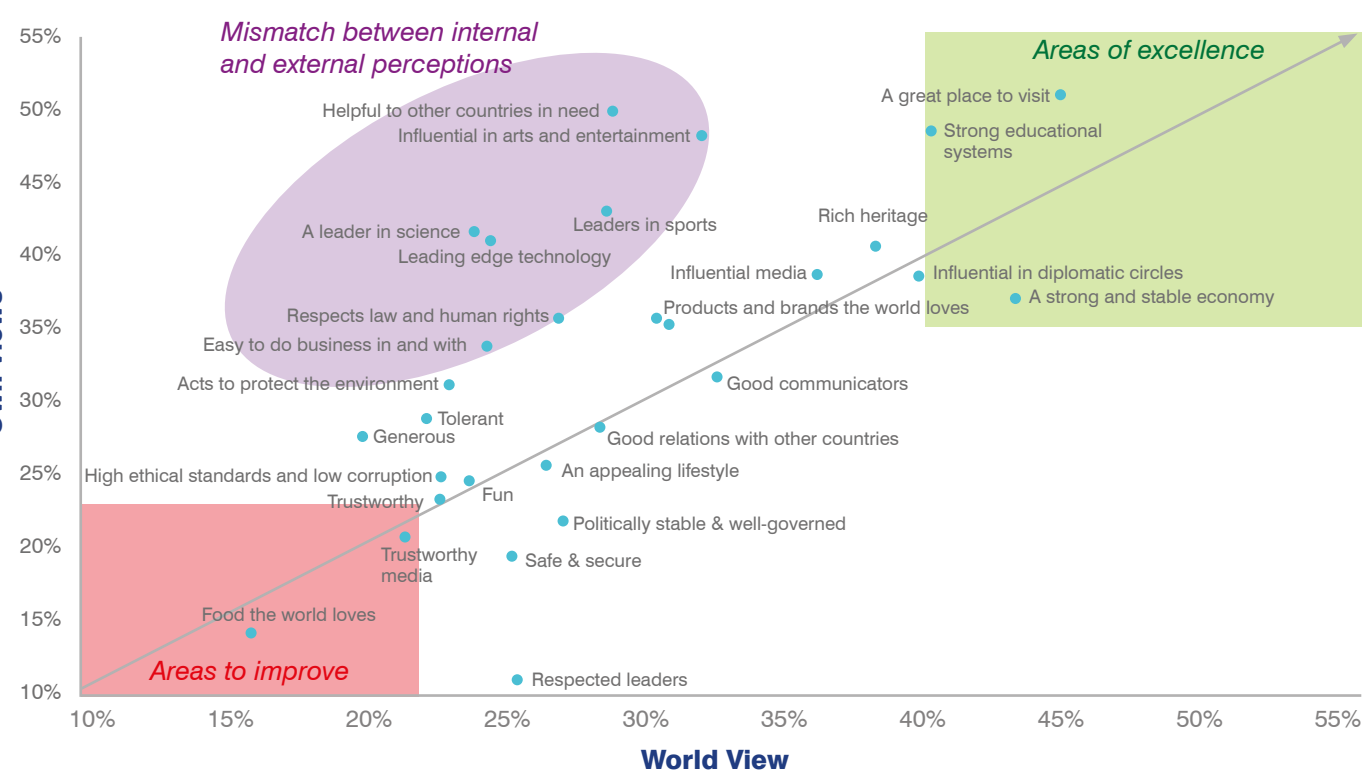


Figure 8: What the world thinks of the UK vs how the UK sees itself



(20th). A lower overall familiarity means that nations may be less able to demonstrate their strengths.

Impact of COVID-19

As a result of the recent global health crisis and the lockdowns that have followed, changes to our daily lives have had a big impact on how nations exercise soft power. Looking at the UK for example, a key asset is its leadership in the area of Education as one of the top destinations for studying abroad. It is also a global Culture & Heritage hub helped by the thriving West End, and well-established traditions including the Monarchy and English Premier League which both have a widespread following.

With international travel, educational institutions, hospitality, entertainment, and arts industries forced to shut down, and physical distancing the norm for the foreseeable future, it is unlikely that these arenas will return to their original breadth of exposure any time soon.

We have identified four key pillars that are likely to be the focus of soft power actors during and after the crisis:

International Relations

The importance of maintaining collaborative relationships for business, tourism, aid, and sharing limited resources including PPE, treatment drugs, and eventually a vaccine is becoming increasingly evident.

Last year, the top ranking nation on perceptions of being ‘Helpful to other countries in need’ was Germany, and their continued successful handling of the virus has allowed them to extend their resources to neighbouring countries, allowing patients from France, Netherlands, and Belgium to be flown into German hospitals for treatment, an act that has earned them a lot of praise and is likely to reinforce their position at the top of the ranking next year.

China, 23rd ranking nation on the metric last year, has also adopted an approach dubbed as ‘Mask Diplomacy’ helping other nations during the crisis. China’s aid in the form of shipments of PPE and medical supplies has reached several nations from Italy, Czech Republic, to Serbia. China’s distribution of contextually important resources has been a significant part of China’s foreign policy and may help the nation improve its ranking next year.

Figure 9: The US is out in front in terms of mental availability

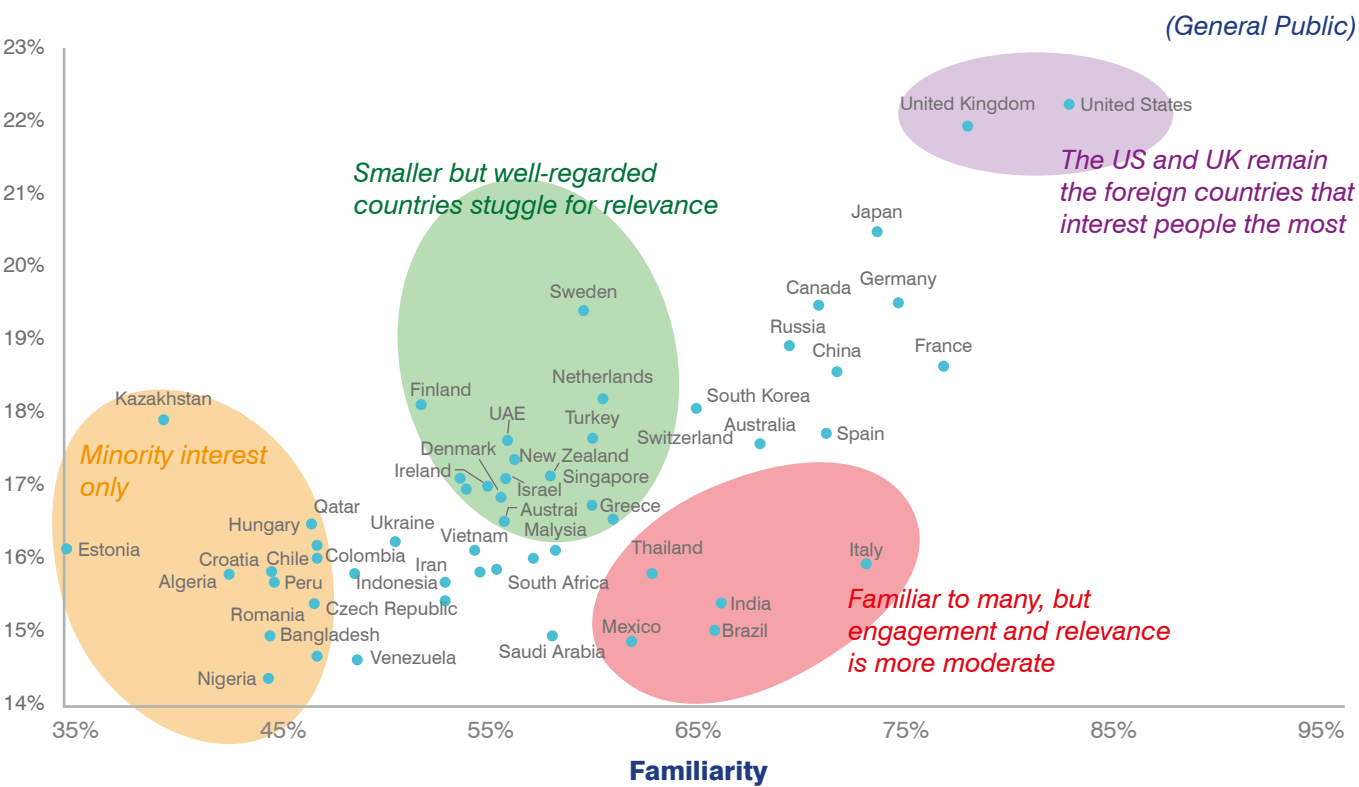







Figure 10: Global Soft Power Index 2020, Top 5 Ranking on Education & Science

| Rank | | Country | Score/10 |
|------|---|----------------|----------|
| #1 |  | Japan | 5.9 |
| #2 |  | United States | 5.8 |
| #3 |  | Germany | 5.3 |
| #4 |  | China | 4.9 |
| #5 |  | United Kingdom | 4.6 |

Education and Science

The global hunt for a COVID-19 cure and the race to develop a vaccine has taken centre stage.

We would expect nations’ scientific and technical resources to have a big bearing on the success of dealing with the pandemic. The leaders on the Education & Science pillar are all large, advanced nations, though they have different strengths within this pillar.

However, the evidence in 2020 is that science and tech capabilities are not the only factors which determine a nation’s ability to deal with threats such as COVID-19. To some extent it is how you apply these resources, and that is a matter of governance and organisation.

Governance

Steady leadership and dependable governance have come into the spotlight and are likely to have a direct effect on perceptions of stability in the nation and which nations are sought out for business, investment, tourism etc.

However, despite being in the top 5 on Education & Science, several nations do not score as well on perceptions of being ‘Politically stable and well governed’. This also mirrors the response to the health crisis that we have seen in the UK and US for example, which already rank relatively low - 16th and 19th respectively - and are likely to fall down the league table next year given the perceived chaos in both countries over the course of the pandemic.

Business and Trade

With global economies in turmoil, investors and businesses are seeking stability in markets that have been able to successfully manage the health crisis.

The top 5 nations on the perceptions of being a ‘Strong and stable economy’ are all projected to decline in economic output over 2020, a significant contraction between 5-7%. It is evident that perceptions of economic stability are likely to dramatically change as several global powers navigate one of the worst recessions in generations.

This is an opportunity for nations like Vietnam, which have handled the crisis well and as a result protected their economies to an extent, to build their soft power in the field. Vietnam ranks 57th on perceptions of having a ‘Strong and stable economy’, but is now one of only a handful of nations with a positive growth forecast for the year by the IMF.

Vietnam as a nation ranks 57th on perceptions of having a ‘Strong and Stable economy’, and has a modest scores on several other Soft Power measures. In contrast New Zealand, a much smaller nation, scores a lot higher on most Soft Power measures.

Despite thin resources, it is currently the largest nation without any reported coronavirus-related deaths and less than 400 cases despite being one of the first countries to have been affected and sharing a border with China. Vietnam deployed quick strategic testing, aggressive contact tracing, as well as a highly effective public communication campaign featuring a viral public awareness song. Nevertheless, there has been limited coverage of Vietnam’s success, in contrast to the attention received for instance by New Zealand.

This demonstrates the impact of soft power and poses a key opportunity for Vietnam and other nations that have handled the crisis well.

Vietnam is in the midst of several global changes that are proving to be favourable for the nation. A heightening US-China trade war, and the shifting of manufacturing out of China due to COVID-19 have opened up opportunities for the nation. Soft power can help seize them and further Vietnam’s assets and resources as has been the case for New Zealand, which has been able to benefit from their policy and strategic successes enhanced by their strength in soft power.

If Vietnam is able to build on its soft power, its successes in society, economy, and governance can have a far greater reach and create ripple effects for the nation the same way the soft power superpowers currently enjoy.

Conclusion

The relevance, importance, and impact of soft power is impossible to ignore. Governments and corporates alike can use their understanding of how their nation is perceived to harness its potential and amplify the benefits that policies and strategies can help achieve. Identifying a nation’s strengths and weaknesses to either improve infrastructure, frameworks, and policy or to address misconceptions, will allow nations, its corporates, and its people to achieve their potential and access opportunities otherwise missed.



Consulting Services.

1. Valuation: What are my intangible assets worth?

Valuations may be conducted for technical purposes and to set a baseline against which potential strategic brand scenarios can be evaluated.

- + Branded Business Valuation
- + Trademark Valuation
- + Intangible Asset Valuation
- + Brand Contribution

2. Analytics: How can I improve marketing effectiveness?

Analytical services help to uncover drivers of demand and insights. Identifying the factors which drive consumer behaviour allows an understanding of how brands create bottom-line impact.

- Market Research Analytics +
- Return on Marketing Investment +
- Brand Audits +
- Brand Scorecard Tracking +

4. Transactions: Is it a good deal? Can I leverage my intangible assets?

Transaction services help buyers, sellers, and owners of branded businesses get a better deal by leveraging the value of their intangibles.

- + M&A Due Diligence
- + Franchising & Licensing
- + Tax & Transfer Pricing
- + Expert Witness

3. Strategy: How can I increase the value of my branded business?

Strategic marketing services enable brands to be leveraged to grow businesses. Scenario modelling will identify the best opportunities, ensuring resources are allocated to those activities which have the most impact on brand and business value.

- Brand Governance +
- Brand Architecture & Portfolio Management +
- Brand Transition +
- Brand Positioning & Extension +



MARKETING



FINANCE



TAX



LEGAL

We help marketers to connect their brands to business performance by evaluating the return on investment (ROI) of brand-based decisions and strategies.

We provide financiers and auditors with an independent assessment on all forms of brand and intangible asset valuations.

We help brand owners and fiscal authorities to understand the implications of different tax, transfer pricing, and brand ownership arrangements.

We help clients to enforce and exploit their intellectual property rights by providing independent expert advice in- and outside of the courtroom.

Brand Evaluation Services.



How are brands perceived in my category?

Brand Finance tracks brand fame and perceptions across 30 markets in 10 consumer categories. Clear, insightful signals of brand performance, with data mining options for those who want to dig deeper – all at an accessible price.

What if I need more depth or coverage of a more specialised sector?

Our bespoke brand scorecards help with market planning and can be designed to track multiple brands over time, against competitors, between market segments and against budgets. Our 30-country database of brand KPIs enables us to benchmark performance appropriately.

Do I have the right brand architecture or strategy in place?

Research is conducted in addition to strategic analysis to provide a robust understanding of the current positioning. The effectiveness of alternative architectures is tested through drivers analysis, to determine which option(s) will stimulate the most favourable customer behaviour and financial results.

How can I improve return on marketing investment?

Using sophisticated analytics, we have a proven track record of developing comprehensive brand scorecard and brand investment frameworks to improve return on marketing investment.

What about the social dimension? Does my brand get talked about?

Social interactions have a proven commercial impact on brands. We measure actual brand conversation and advocacy, both real-world word of mouth and online buzz and sentiment, by combining traditional survey measures with best-in-class social listening.

Communications Services.

How we can help communicate your brand's performance in brand value rankings



Brand Accolade – create a digital endorsement stamp for use in marketing materials, communications, annual reports, social media and website. Advertising use subject to terms and conditions.



**TOP 100
NATION
BRAND**



**MOST VALUABLE
NATION
BRAND**



**STRONGEST
NATION
BRAND**



Video Endorsement – record video with Brand Finance CEO or Director speaking about the performance of your brand, for use in both internal and external communications.



Bespoke Events – organise an award ceremony or celebratory event, coordinate event opportunities and spearhead communications to make the most of them.



Digital Infographics – design infographics visualising your brand's performance for use across social media platforms.



Trophies & Certificates – provide a trophy and/or hand-written certificate personally signed by Brand Finance CEO to recognise your brand's performance.



Sponsored Content – publish contributed articles, advertorials, and interviews with your brand leader in the relevant Brand Finance report offered to the press.



Media Support – provide editorial support in reviewing or copywriting your press release, pitching your content to top journalists, and monitoring media coverage.



**Brand Finance[®]
Institute**

Brand Finance Institute

Learn how to build, protect and measure brand value

The Brand Finance Institute is the educational division of Brand Finance, offering expert training on brand evaluation, management and strategy.

Our in house training and workshops, online learning offer and webinars will help you answer key strategic questions about your brand:

- How can I grow brand value?
- How can I build a business case to show the return on my marketing investment?
- How can I set up my marketing budget using brand research and analytics?

For more information, contact enquiries@brandfinance.com

Brand Finance Institute is a member of the Brand Finance plc group of companies



Brand Dialogue®

Our Story

Brand Dialogue is a public relations agency developing communications strategies to create dialogue that drives brand value. Our approach is integrated, employing tailored solutions across PR, marketing and social media, to deliver campaigns driven by research, measurement, and strategic thinking.

Our collaborative, multi-disciplinary methods, as well as our commitment to achieving results, have helped us establish and sustain strong client relationships. Since our incorporation in 1988, we have worked with companies of all shapes and sizes, across multiple sectors, many of whom have been with us for over 20 years.

We have a specific focus on geographic branding, including supporting nation brands and brands with a geographical indication (GI).

Our team has experience across a wide range of disciplines – from research and insights, public diplomacy, and crisis communications, to digital marketing – and therefore understands the importance of sharing a brand's story to reach business objectives.

FIND US HERE

<https://www.brand-dialogue.com>

GET IN TOUCH

enquiries@brand-dialogue.com

Our Services



Research, Strategy & Measurement



Public Relations & Communications



Marketing & Events



Content Creation



Cherry Haigh
Chairman, Brand Dialogue

What makes a great communications strategy? Some might argue it is knowing your target audience or creating consistent key messages or determining the best communications channels. While all of these are true, the outcome of the strategy should help an organisation communicate effectively while also meeting core objectives, ultimately driving business. Brand Dialogue develops communications strategies to create dialogue that drives brand value, and for more than 25 years, Brand Dialogue has focused on leveraging a brand's geographic location for commercial success.

Geographic branding can come in many forms, from well-known Protected Designation of Origin brands – such as our clients Parmigiano Reggiano and Prosciutto di Parma – to brands which evoke an immediate sense of identity such as British Airways and Deutsche Bank, business clusters like the Silicon Valley tech ecosystem, and obviously nation branding. Our team has experience across a wide range of disciplines to help drive the success of nation brands and GI brands. We understand the importance of sharing a brand's story to reach business objectives. As an example, we have worked with the Parma Ham Consortium as their first and only PR agency in the UK. We began by promoting Parma Ham on and off the bone, and then oversaw the introduction of pre-sliced Parma Ham products into the UK, coordinating a wide range of successful campaigns focusing on origin, tradition, naturalness and traceability. Today, Parma Ham is one of the most well-known Italian products in the UK.

Due to the success of our work, the Parma Ham Consortium recommended Brand Dialogue to the Consortium for Parmigiano Reggiano and we also became their first PR and marketing agency in the UK. We have also worked closely with our sister company, Brand Finance, to support the promotion and understanding of nation branding. The effect of a country's national image on the brands based there and the economy as a whole can be of significant importance, encouraging inward investment, adding value to exports, and attracting tourists and skilled migrants. In times of economic and political uncertainty, nation branding and employing geographic branding in corporate marketing and communications strategies require extra consideration.

We are proud to work with some of the best brands in the world and have a keen interest in understanding the benefits of geographic branding and the GI status in particular. Brand Dialogue recently conducted original market research to shed a light on the perception of GI brands in the UK.

Interestingly, the study has confirmed that, for British consumers, GI is a sign of quality. Phrases associated with protected status skew positive with “Authentic” (66.2%) and “Premium Quality” (62.2%) receiving the highest scores, followed by “Preserve Traditional Methods and Culture” (50.6%) and “Something to be Proud of” (49.6%).

In addition, nearly three in four British consumers (71.4%) believe that they are “much more likely” or “somewhat more likely” to purchase GI products over alternatives. It was promising to see that affinity with GI brands is closest in the youngest generation of consumers, with 42.2% of 18 to 24-year-olds “much more likely” to buy ‘protected’ products over ‘standard’ products.

The growing importance of authenticity in the new, experience-driven consumerist economy ensures that geographic branding will remain relevant for years to come.

Brand Finance Network.

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