

TOURISM DESTINATION BRANDING AND ITS EFFECTS ON NATIONAL BRANDING STRATEGIES: BRAND NEW ZEALAND, CLEAN AND GREEN BUT IS IT SMART?

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ABSTRACT: The present work analyses how tourism and non-tourism place brands are integrated under an umbrella national brand, and how the tourism brand may have little value or even prove negative for other industry sectors. The study examines the development of Brand New Zealand and the subsidiary '100% Pure' tourism and 'New Zealand, New Thinking' trade brands. In 2002 New Zealand sought to reposition the national brand so that it was perceived internationally as innovative and creative in order to advantage non-tourism and agricultural enterprises. However, while the 'clean, green and smart' proposition had domestic appeal it did not have broad international impact. The research highlights the importance of understanding effects of destination branding in a broader policy and place branding context. Keywords: Place branding, New Zealand, tourism, innovation

RESUMEN: El presente trabajo analiza cómo el turismo y las marcas de local no turísticas se integran bajo una marca paraguas nacional, y cómo la marca turística puede tener poco valor o incluso resultar negativa para otros sectores de esta industria. El estudio examina el desarrollo de la marca Nueva Zelanda y la subsidiaria turística '100% Pure' y la marca 'New Zealand, New Thinking'. En 2002 Nueva Zelanda trató de cambiar la posición de la marca nacional por lo que era percibido internacionalmente como innovador y creativo con el fin de aprovechar el no-turismo y las empresas agrícolas. Sin embargo, mientras que la proposición «limpio, verde e inteligente» tenía un atractivo doméstico, no tuvo amplio impacto internacional. La investigación pone de relieve la importancia de comprender los efectos del branding de destino en un contexto de branding político y local, más amplio. Palabras clave: Branding de locales, Nueva Zelanda, turismo, innovación.

INTRODUCTION

Since its launch in 1999 the New Zealand 100% Pure tourism campaign has been portrayed worldwide as a highly successful tourism branding campaigns that has reinforced the country's 'clean and green' positioning (e.g., Jones & Smith, 2005; Morgan et al., 2002, 2003; Morgan & Pritchard, 2005, 2006; Tourism New Zealand, 2009) that has

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served to influence other countries' tourism and national branding strategies (e.g., Hall, 2007a; Hudson & Ritchie, 2009; Lee, 2009; Morgan et al., 2004; Viosca Jr. et al., 2006). Nevertheless, the representation of New Zealand's national branding strategies, as with destination management organizations' understanding of the effects of branding in general (Blain et al., 2005), is often highly partial with a failure to indicate some of the broader potential implications of the branding strategy in terms of positioning and non-tourism business. What is often not realised, especially in the tourism context, is that the 100% Pure campaign was only one component of an overall national branding strategy, a central element of which has been to portray New Zealand as a highly innovative and entrepreneurial country in order to encourage foreign investment and develop further exports (Hall, 2009; Ministry of Economic Development (MED), 2005, 2006).

Although there is a substantial amount of research with respect to the danger of a gap developing between the 'clean and green' image, and the reality of the New Zealand environment, including in a tourism context (e.g., Bell, 2008; Grinlinton, 2009; Hall & Stoffels, 2006; Ministry for the Environment, 2001; Paterson & McDonald, 2004), there is surprisingly little research on how tourism branding is related to broader government strategies of national place branding which have sought to create positive perceptions about New Zealand as a place to do business. To quote the MED (2005, p.19): "Overseas perceptions of NZ have too often stereotyped us around our picturesque landscape and related 'clean green' image. Although these perceptions have value (e.g., for tourism), we need other perceptions that better recognise NZ as a good place to do business and to do business with. This includes ensuring that NZers are recognised for their creativity, innovation and proficiencies in the use of technologies". This article therefore examines the interrelationships between the tourism and non-tourism components of national branding in New Zealand. It does this via a review of New Zealand government national branding strategies, and research on the perceptions of the innovation of the tourism sector and Brand New Zealand.

Place branding and competition

Place branding is an integral part of contemporary place competition. Place branding, also referred to as place marketing and place imaging and reimagining (Hall, 1997; Kavaratzis, 2005, 2007; Skinner, 2008), is regarded as an important component in the attraction and retention of mobile capital, firms, people (including skilled and unskilled workers, domestic and international migrants, and domestic and international tourists), and in the promotion and sales of locally produced

goods and services (e.g., Anholt, 2007; Hall, 1997; Kotler et al., 1993, 1999; Kotler & Gertner, 2002). Tourism destination branding, although clearly important in its own right with respect to tourism promotion, is therefore a subset of a wider range of place branding strategies and literatures as well as having its own specific literature (Ashworth & Kavaratzis, 2010; Gnoth, 2002; Hudson & Ritchie, 2009; Pike, 2005). Although the economic and social value of place competitive strategies, such as place branding, is often highly contested many policy makers remain enthusiastic about the place competitive discourse and the opportunity to become 'winning' places (e.g., Bristow, 2005; Hall, 2007b; Malecki, 2004; Minford, 2006). Although it is important to note that there has been a significant shift in thinking on place and regional advantage since the late 1990s from one that concentrates primarily on the competitive or comparative advantages of regions to one that focuses on the constructed advantages between regions which emphasise the role of symbolic and creative capital (Cooke & Leydesdorff, 2006).

Brands are clearly important contributors to the construction of regional advantage. Place branding is the development of a place brand and its promotion in order to differentiate a place from other locations so as to gain advantage for its firms, organizations, people, products and services. Place branding also has internal and external markets. Internal place branding is primarily concerned with brand development and construction in relation to place identity, including community pride and the creation and maintenance of an attractive environment. External place branding is primarily concerned with the communication of brand and brand values, including place attributes, to external markets in order to fulfil place branding goals and objectives.

Place branding is undertaken via a mix of material and intangible means. Material strategies include such mechanisms as flagship projects or signature developments, often as part of broader planning strategies or redevelopment projects. Although these tend to be based more at a regional and urban scale (e.g., Kavaratzis, 2004), material strategies can also be enabled on a national basis, for example, via the hosting of international sporting events such as World Cup football, cricket or rugby which are based in several cities and centres (Van Der Merwe, 2007). Immaterial strategies include the use of advertising, slogans, media placement and the development of new place myths (Anholt, 2007; Malecki, 2004).

The fact that place branding occurs at multiple levels and from multiple locations within a country or association of countries (e.g. the European Community) can create significant issues for the governance and management of place brand architecture. Place brands can be formal (registered brands, trademarks) or informal (overall image), with the formal and informal dimensions informing each other over time. Figure 1 indicates the multiple spatial scales at which place branding occurs.

With respect to the understanding of place brand messaging in target markets there ideally needs to be a degree of coordination between the different brand policy actors who operate at different scales. For example, in the case of Australia a formal agreement exists between brand actors at the state level, the tourism organizations of the state governments which manage state destination brands, and the Australian Commonwealth government which is responsible for national destination branding via the national tourism organization, Tourism Australia (Hall, 2007a). Not only is vertical brand policy coordination required between place brands and brand actors at different spatial scales but also at the same scale. Therefore in terms of place branding there should also be a consistency of message between sectoral sub-brands, e.g. tourism, export, education, health, as well as other public and private brand extensions such as mega-events and national sports teams, in order to provide an effective ‘umbrella’ brand for an entire country or supranational jurisdiction (Dooley & Bowie, 2005). Such issues are highly significant as they raise the question as to the extent to which tourism place brands actually create effective synergies with national umbrella brands as well as the branding strategies of other sectors, an issue which has been little studied in the tourism branding literature. And it is to this question in the New Zealand context that we will now turn.

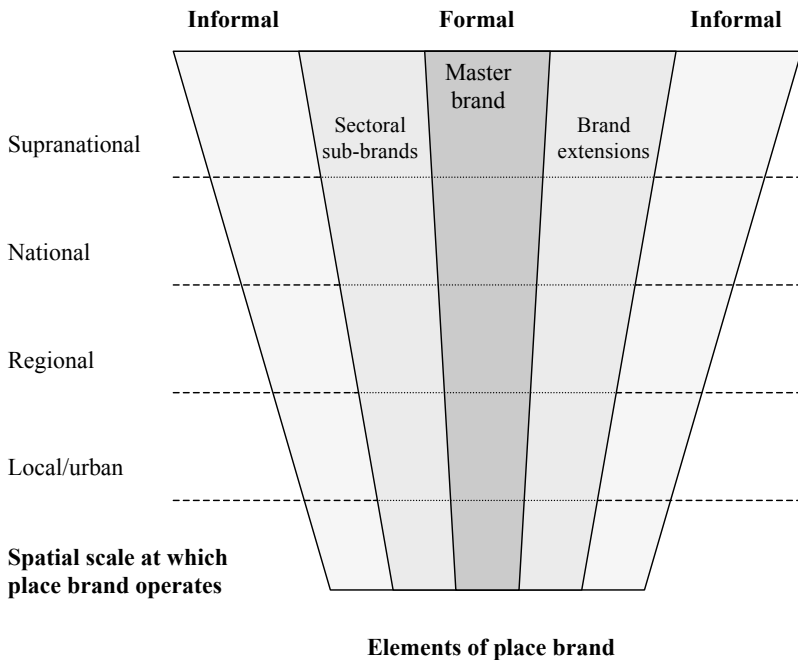


Figure 1. Brand architecture issues of place brands

The development of Brand New Zealand

Like many countries New Zealand has a long history of formal and informal branding. Although the informal portrayal of a New Zealand identity in the European mind arguably extends to the accounts of Seventeenth- and Eighteenth-Century mercantile exploration of the South Pacific, it should be stressed that colonial governments of New Zealand were early exponents of place branding in order to try and attract capital and migrants and, from the 1870s on, tourists (Dürr, 2007). According to Dürr (2007) not only was New Zealand's natural scenery advertised as attractive and distinct, but also the colonial society. Throughout the Nineteenth Century the predominant promotional slogan for New Zealand was "Scenic Wonderland" (Bell, 2008). The early environmental and agrarian focus of New Zealand promotion was only further reinforced by the creation in 1901 of the Department of Tourist and Health Resorts, as well as subsequent incarnations of the organization, such as the Department of Tourist and Publicity which operated in various forms from 1930 to 1990 (McClure, 2004).

In the 1980s the brand image of New Zealand was often regarded as consisting of little more than "70 million sheep and 3 million people" (Lodge, 2002). New Zealand's long involvement with the sheep industry provided the country with this agrarian image. However, at the start of the 1990s, there was government interest in promoting the country, particularly as New Zealand faced an economic downturn in its traditional primary export sectors (Lodge, 2002). Government and private sector restructuring, corporatisation of government agencies, and the development of a more commercial approach by government bodies also contributed to a greater interest in international marketing of New Zealand products and sectors.

In response, the then New Zealand Market Development Board tried to promote New Zealand by advertising in the European market as well as initiating national marketing innovations such as the so-called Dallas experiment (Lodge, 2002). The Dallas experiment involved saturating Dallas with New Zealand promotions, events and trade fairs in order to promote New Zealand agricultural products. Though the campaign increased exports for a year, it had no long-term effects on recognition of the New Zealand brand as the levels of awareness and purchase returned to the same levels as they had been before the experiment started (Lodge, 2002; Dinnie, 2008). At the same time as the Market Development Board sought to promote New Zealand produce so the New Zealand Tourism Board and the national carrier, Air New Zealand, tried to promote the country as the "environmental destination of the 1990s" (Kotler, Haider, & Rein, 1993) in order to take advantage of the growth of interest in nature-based tourism as well as build upon its green image.

However, the promotions of different national organizations created inconsistent images and there was a realisation that there needed to be a development of an effective national brand. Initially, New Zealand tried to promote itself as “the orchard of the Pacific” (Lodge, 2002). A strength of this brand was that it spoke to the domestic population as well as prospective buyers (Dinnie, 2008). However, this rebranding campaign did not manage to provide a consistent image of New Zealand that was applicable to all business sectors and in 1995 a new brand was launched, “The New Zealand Way”.

The New Zealand Way

The New Zealand Way Limited (TNZWL) was a joint venture, which was set up in 1995 by the New Zealand Tourism Board (the government corporate body responsible for international tourism marketing and promotion of New Zealand) and Trade New Zealand (the government’s international trade promotion agency) to restore the fragmented image of New Zealand in global markets (Kent & Walker, 2000). TNZWL adopted six “brand values” for the country’s repositioning, which included: environmental responsibility; achievement; cultural diversity; integrity; innovation; and quality (Kent & Walker, 2000). In late 1999 TNZWL registered the fern as a trademark so as to give New Zealand an official national icon (Florek & Insch, 2008). It was developed after it was recognised that:

New Zealand is not top of mind internationally and whilst generally positive images exist they lack clarity and consistency. Research showed that while New Zealand was generally regarded as a distant and friendly country, with a strong ‘clean and green’ association, this was usually a vague understanding and did not translate into competitive advantage. In some developing markets, customers had little or no perception of New Zealand at all. (New Zealand Way, 1998, in Hall & Mitchell, 2002)

TNZWL utilised a range of events, advertising, promotional activities and imaginative public relations exercises developed around themes such as “Fresh The New Zealand Way”, “Taste The New Zealand Way” (both associated with food and wine products) and “Experience The New Zealand Way” (associated with tourism activities). In 1998 TNZWL’s 170 Brand Partners jointly accounted for 20 percent of New Zealand’s foreign exchange earnings and represented the top 20 percent of New Zealand companies (Hall & Mitchell, 2002). Some of the more internationally recognised Brand Partners included, amongst others: AJ Hackett Bungy (Queenstown) Ltd, Air New Zealand, Quality Hotels Ltd, Steinlager (beer), Anchor (butter and dairy products), Fernleaf (dairy products) and Cervena (farmed deer).

100% Pure

Although arguably successful from a national perspective, TNZWL did not succeed in promoting New Zealand as the tourism industry desired (Morgan et al., 2002, 2003; Tourism New Zealand, 2009). In late 1998/early 1999, following a reorganisation of tourism at the national government level, including the replacement of the New Zealand Tourism Board by an even more market and commercially driven entity called Tourism New Zealand (Hall & Kearsley, 2001), it was decided to develop a global marketing campaign in order to brand New Zealand as a tourism destination in a consistent fashion in selected target markets. Such a decision was driven not only by frustration with previous highly fragmented marketing efforts (Tourism New Zealand, 2009), but also by the need to gain a better return on government expenditures on tourism promotion and marketing.

In July 1999, Tourism New Zealand launched the 100% Pure campaign in order to reposition New Zealand as a tourism destination. This campaign focussed solely on the tourism sector and was intended as a base to double New Zealand's foreign exchange by 2005 (Morgan et al., 2002). It used "Landscape" as the brand essence and portrayed New Zealand as a young, beautiful and clean country (Morgan et al., 2002). The tagline of the campaign, "100% Pure" was copyrighted by Tourism New Zealand in its major markets including: New Zealand, Australia, the European Union, United States, Japan, Singapore, Taiwan, China, India, Thailand, Korea, and Hong Kong (Mitchell, 2008). This campaign turned out to be one of the most successful international country-level promotional efforts of its time and has led to its recognition as an extremely powerful travel destination brand (Mitchell, 2008; New Zealand New Thinking, 2007; Tourism New Zealand, 2009), which is arguably seen by many consumers and stakeholders as the embodiment of "Brand New Zealand".

Brand New Zealand and New Zealand New Thinking

Although the 100% Pure campaign was driving an increase in international tourist visitation to New Zealand and greater destination awareness the new Labour Government which came into power in 1999 was also seeking to promote other industry sectors internationally as well as develop a more innovative knowledge-based economy. On 12 February 2002, the then Prime Minister Helen Clark released a policy framework for economic transformation, *Growing an Innovative New Zealand* (Clark, 2002). This "Growth and Innovation Framework" (GIF) was designed to pursue the long-term sustainable growth necessary to improve the quality of life of New Zealanders. The GIF strategy indicated that the New Zealand national government would be concentrating its policies and resources in four areas (Clark, 2002):

- Enhancing the existing innovation framework.
- Developing, attracting and retaining people with exceptional skills and talents who are able to innovate and so contribute to increasing overall productivity.
- Increasing global connectedness to overcome the tyranny of distance.
- Focusing innovation initiatives in areas where their impact will be maximised.

A key role in the GIF for increasing global connectedness was to “support initiatives to brand New Zealand as being technologically advanced, creative and successful and to present that consistently across sectors” (Clark, 2002, p. 7). According to the Prime Minister, “We need to develop and promote a contemporary and future-focused Brand NZ, which projects New Zealand as a great place to invest in, live in, and visit” (Clark, 2002, p. 48).

Although tourism was noted in the GIF it was generally commented on in sometimes negative terms with respect to the way that tourism images and promotion may be at cross-purposes with other desirable images (Hall, 2009). For example, Clark (2002, p. 48) stated that “Off-shore perceptions of New Zealand are outdated. While there is some awareness internationally of our ‘clean green image’, from a tourism point of view there is too little awareness of New Zealand as an innovative country at the leading edge of knowledge”. In a similar vein, the report noted that “the requirements for marketing ICT are very different to those associated with primary products or tourism” (Clark, 2002, p. 61) and that, while previous international marketing and publicity “has been successful in attracting tourism, it does not necessarily encourage entrepreneurial migrants” (Clark, 2002, p. 43). Such sentiments reflected a concern from the government department responsible for economic development that “too close a relationship between the nation brand and the tourism brand, particularly for those tourism brands relying heavily upon rural or traditional imagery, can actually be regarded as detrimental for the country as a whole” (MED, 2006, p. 19).

Concurrently with the development of the GIF the TNZWL was reviewed to form Brand New Zealand (Brand NZ), which became the new trading name of TNZWL in 2002. This change was part of the broader goal to create greater international awareness of New Zealand as an innovative country. According to Prime Minister Clark (2002, p. 48):

One of the reasons why the image of New Zealand internationally is not strong is that we have not presented a consistent brand image across our various sectors. This must change. To that end government, through Industry New Zealand, Trade New Zealand, and Tourism New Zealand is working with the private sector to

develop a Brand New Zealand programme. The aim is to reposition the brand and develop a joint management structure so that government, industry and business can all utilise the same brand.

The objective of Brand NZ is “to enhance New Zealand’s national brand to better differentiate New Zealand internationally; support key sectors; and, enhance New Zealand’s established/emerging areas of comparative advantage” (MED, 2006, p. 3). Tourism is not one of the areas that were explicitly identified as being of comparative advantage (Hall, 2009). The policy rationale for the Brand NZ programme was the need to actively manage the perception of New Zealand internationally, especially in what were regarded as the economically key biotechnology, creative industry and ICT sectors, noting that while the inferred “clean and green” New Zealand brand, “may work well for major export sectors such as tourism and primary products, it is potentially irrelevant or an impediment to credibility in others, as it may be associated with a lack of technological sophistication” (MED, 2006, p. 10).

Brand NZ is intended to provide coordination and facilitation of New Zealand marketing and promotion related to trade and investment and to secure leverage from other public and/or private sector activities around the “New Zealand New Thinking” theme. The Brand NZ Programme did not emphasise national branding mechanisms such as “country of origin” or “Made in New Zealand” but instead focussed on ensuring that there was a consistency of marketing messages with respect to trade, investment and the attraction of appropriate migrant groups (MED, 2006). According to New Zealand Trade and Enterprise (NZTE) (2009) the Fern Mark which is the core brand icon of Brand NZ was created to build New Zealand’s business reputation in key international markets and by using the Fern Mark, NZTE, Tourism New Zealand and New Zealand businesses can tell a consistent story about New Zealand and increase international connections.

Figure 2 indicates the brand and governance relationships of Brand New Zealand. The Brand NZ fern mark is regarded as the umbrella brand under which are the 100% Pure New Zealand and the New Zealand New Thinking brands. The relationship is not only brand based but also one of governance and inter-agency coordination as Brand NZ is jointly owned by Tourism New Zealand and NZTE, while each of the agencies are also responsible for their separate branding campaigns. The New Zealand New Thinking programme aimed to improve Brand NZ by adding creativity, innovation and technological advancement to the brand values of Brand New Zealand and create a “clean, green and smart” image (MED, 2006; New Zealand New Thinking, 2007). According to New Zealand New Thinking FAQ

‘100% Pure’ is the Tourism New Zealand positioning of our national brand. ‘New Zealand New Thinking’ is the trade related com-

ponent. The two are complementary in building an overall brand personality of ‘clean, green, smart, innovative, and creative’” which is “especially important for the range of industries and businesses in New Zealand that are not operating in spheres where clean and green is relevant.” (New Zealand New Thinking, 2009)

Under the umbrella of the fern mark, “New Zealand New Thinking” was registered in 2004 (Florek & Insch, 2008). Five brand messages were developed for the “New Zealand New Thinking” proposition. The messages consisted of: new Pacific nation; entrepreneurial spirit; globally connected; space and openness; and resourceful (MED, 2006). These messages not only differ from the brand values of TNZWL in 1995 but are also different from that of 100% Pure (Table 1). The target audiences are also different, with that of “New Zealand New Thinking” being much wider, although tourists remain a target audience.

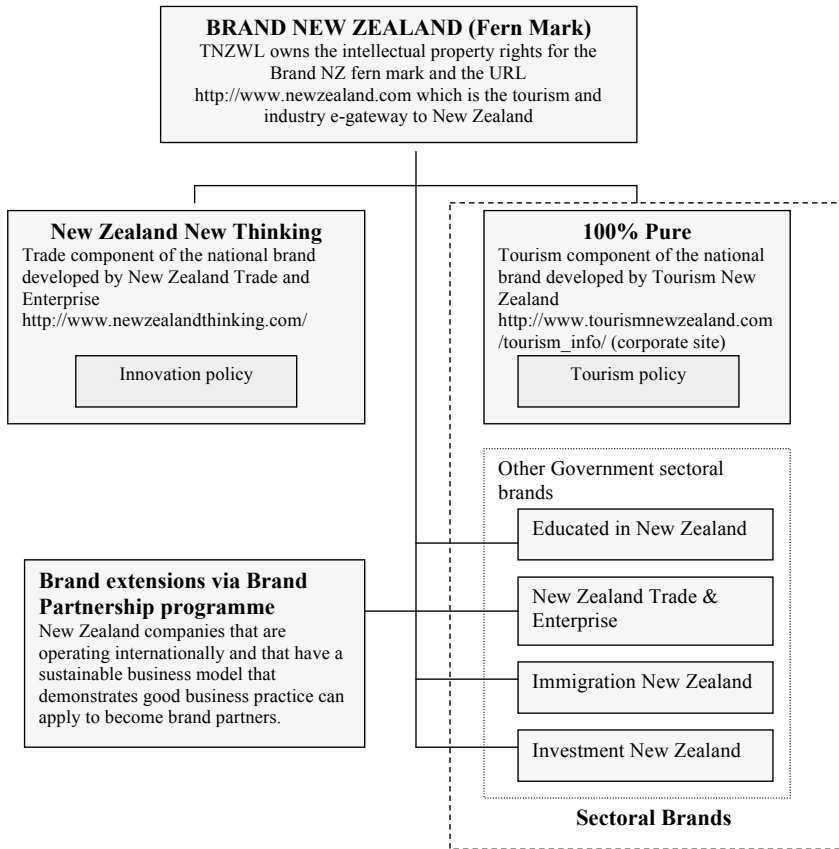


Figure 2. Governance and branding relationships of Brand New Zealand

Table 1. Comparison of New Zealand New Thinking and 100% Pure

	New Zealand New Thinking	100% Pure
Target Audience	<ul style="list-style-type: none"> •The New Zealand public (initial primary target) •Offshore purchasers of New Zealand goods and services •Foreign investors •Potential migrants •Public and private sector business partners •Tourists and tourism marketers 	<ul style="list-style-type: none"> • ‘The Interactive Traveller’ - regular international travellers who consume a wide range of tourism products and services. They are travellers who seek out new experiences that involve engagement and interaction.
Proposition	<p>The brand messages underlying the New Zealand New Thinking proposition of ‘clean, green and smart’ are</p> <p>New Pacific nation - a young nation with a stimulating and sophisticated lifestyle, shaped by its history, cultural mix and unique Pacific heritage.</p> <p>Entrepreneurial spirit - a nation of innovators and entrepreneurs who dare to do things differently and have a desire to break new ground – an independent spirit that celebrates fresh, creative and unconventional thinking.</p> <p>Globally connected - place in the world shapes perspective – Successful New Zealand businesses recognise their fit in international markets and the value they can best contribute.</p> <p>Resourceful - a resourceful nation with a history of rising to the challenge – modern businesses have transformed this resourcefulness into commercial innovation.</p> <p>Space and openness - in both physical landscape and state of mind; room to think – freedom of expression, creativity and clarity.</p>	<p>The purity of New Zealand is revitalising. As based upon what are identified as New Zealand’s unique attributes: authenticity (as umbrella concept for all attributes), pristine, isolated (positive, genuine, uncorrupted, fresh, vital, raw, mythic, scenic, natural, fresh.</p> <p>– extension of brand proposition in 2007 to include notion of ‘The Youngest Country’</p> <p>– the initial 100% Pure tagline has developed into an entire branding proposition that also conveys the more ephemeral concept of ‘100% Pure New Zealand-ness’ in whichever situation it is placed. This is particularly favourable to agricultural sector exports.</p>

Source: Mc&CSaatchi, 2000; Ministry of Economic Development, 2006; Ministry of Tourism et al., 2007; Tourism New Zealand, 2009.

The difference in target audience, brand proposition, and goals clearly has major implications for the expressed goal of creating synergies between New Zealand New Thinking and 100% Pure as part of the positioning and reinforcement of Brand New Zealand as something broader than just “clean and green”. This is particularly the case if government is consciously trying to reposition or extend a national brand so as to try and benefit a wider range of industries as well as use notions of constructed advantage to benefit both brand and innovation strategies. Furthermore, it raises fundamental questions as to the successful integration of tourism and non-tourism place brands under the umbrella national brand and the goal of being perceived as “clean, green and smart”.

How innovative is New Zealand? Brand perception and reality

Like several other countries and jurisdictions New Zealand produces a regular innovation activity survey across a range of sectors (Statistics New Zealand, 2008). Unlike many national innovation surveys, the New Zealand data also includes information on the service sector and its sub-sectors as identified under standard industrial classifications, meaning that although a specific national overview cannot be made for tourism, it can be for a tourism sub-sector such as hospitality (accommodation, cafes and restaurants) (Hall, 2009).

In 2007, innovation activity was reported by 47% of New Zealand businesses, a decrease from the 2005 innovation rate of 52%. The rate includes businesses with implemented innovations (42%), and businesses with ongoing or abandoned innovations (5%). Table 2 provides a summary of the innovation rate by sector. The industry with the highest innovation rate in 2007 was communication services (73%), while in 2005 it was finance and insurance (68%). The Accommodation, Cafes and Restaurant (ACR) industrial category has the highest proportion of businesses with tourism-related sales (74%), with the next largest being the transport and storage category at approximately 35% (Hall, 2009). The overall innovation rate of the ACR sector fell from 50% in 2005 to 39% in 2007 (Statistics New Zealand, 2007, 2008). Table 3 provides a breakdown of the innovation activity in the ACR sector for the two financial years preceding 2005 and 2007. This indicates that the sector has a disproportionate emphasis on marketing innovation in comparison with innovation activities in other sectors. A small number of other countries conduct innovation surveys based on the Oslo Manual (OECD, 2005) definition that New Zealand uses. Although only high-level comparisons can be made between these countries, as differences exist between survey designs, methodologies, populations and reference periods it is worth noting that despite the relative lack of innovation in

ACR, the overall innovation rate in New Zealand (47%) is higher than the rate in France (46%) and Norway (21%) (Statistics New Zealand, 2008). However, to what extent does the reality of innovation in New Zealand compare with the perceptions of Brand NZ?

Table 2. Sectoral Innovation Rate in New Zealand

Industry / sector	Total number of businesses	2005 %	2007 %
Agriculture, forestry and fishing	3,060	42	34
Mining and quarrying	96	44	31
Manufacturing	5,349	65	56
Electricity, gas and water supply	18	52	67
Construction	3,609	41	38
Wholesale trade	3,081	61	57
Retail trade	5,772	46	43
Accommodation, cafes and restaurants	3,360	50	39
Transport and storage	1,530	53	47
Communication services	132	62	73
Finance and insurance	573	68	59
Property and business services	5,118	50	48
Education	606	58	57
Health and community services	2,097	59	49
Cultural and recreation services	597	57	61
Overall	35,004	52	47

Note: Businesses must be economically significant private enterprises (those that have an annual Goods and Services Tax turnover figure of greater than \$30,000); had six or more employees; and had been operating for one or more years.

Source: Statistics New Zealand 2007, 2008

In 2004 Brand NZ commissioned a market research report on the perception of Brand NZ the results of which were included in a 2006 evaluation conducted by the MED. The quality of the research was variable and hampered by poor response rates. The method employed comprised a 500 person telephone survey to cover the general New Zealand consumer population and web-based questionnaires of 377 New Zealand businesses (including existing NZTE clients as well as businesses yet to form a relationship with NZTE), although due to low response rates, the findings of the research related to New Zealand and offshore businesses must be interpreted with caution (MED, 2006).

Table 3. Innovation activity in the Accommodation, Cafes and Restaurants Sector last two financial years at August 2005 and 2007

Innovation activity	2005	2007
<i>Product innovations (new or significantly improved goods or services)</i>		
ACR	30%	23%
New Zealand Enterprises overall	30%	26%
<i>Process innovations (new or significantly improved methods for production or delivery)</i>		
ACR	23%	18%
New Zealand Enterprises overall	29%	23%
<i>Organisational innovations (new or significantly improved methods in a firm's business practices, workplace organisation or external relations)</i>		
ACR	21%	18%
New Zealand Enterprises overall	31%	27%
<i>Marketing innovations (new or significantly improved marketing methods)</i>		
ACR	37%	30%
New Zealand Enterprises overall	29%	26%
Total innovation rate		
ACR	50%	39%
New Zealand Enterprises Overall	52%	47%

Source: Statistics New Zealand 2007, 2008.

The key findings of the Brand NZ research indicated that for domestic consumers innovation ranked last at 3% as a differentiating factor although 39% of those surveyed believed that New Zealand was viewed internationally as innovative. Two-thirds of New Zealand business survey respondents would have liked the rest of the world to see New Zealanders as inventive or innovative but instead believed that overseas perceptions of New Zealand as a country are instead dominated by clean and green (77%), a great place to visit (66%) and a producer of rural products (60%). Similarly, although offshore business regarded New Zealand business people as entrepreneurial (22% of respondents) they believed that as a country New Zealand is 'naturally beautiful' (80%) and clean and green (64%) but not technologically advanced (6%) (MED, 2006).

Perhaps surprisingly given the stated target markets of Brand NZ (Table 1) no survey was undertaken of international tourist perceptions of Brand NZ. Although both Tourism New Zealand and NZTE

regularly undertake research with respect to market perceptions and experiences this is not specific Brand NZ research. Table 4 provides a synthesis of national and regional surveys undertaken by NZTE with respect to perceptions of New Zealand over 2006-8 that, with the exception of Australia, reinforce the MED (2006) findings in regards to the perception of Brand NZ.

Table 4. Overview of main findings of NZTE studies of overseas perceptions of New Zealand (2006-8)

Market (date of study)	Core findings	
	Perception of country	Perception of business
Australia (2007)	An extension of their domestic market	Business acumen is seen as “pretty sharp”
China and Japan (2007)	A nice place to visit	Business acumen is low
India (2008)	Good ethics but no business appetite	Business appetite is low in New Zealand
Korea (2008)	Pure and friendly but too boring and relaxed	Business acumen is low in New Zealand
UK (2006)	A distant affection for something familiar / clean and green	Business acumen is low
US (2006)	An expectation of something different / clean and green	Business acumen is low

Source: NZTE, 2006, 2007a, 2007b, 2008a, 2008b

Further evidence of the extent to which the tourism branding affects broader perceptions of New Zealand is derived from a survey conducted of visitors to the Canterbury region of the South Island of New Zealand in 2007 in relation to perceptions of rurality and sustainable tourism behaviours. As part of the survey several questions were asked, in part derived from the MED (2006) review of Brand NZ, on the branding of New Zealand, New Zealand tourism and New Zealand wine (which uses ‘Pure Discovery’ in its export branding (Dunleavy, 2007)). The survey used a convenience sampling method of intercepting visitors to wineries with a total of 447 usable surveys being gained. Of these 137 were from international visitors and 310 from domestic.

The results of the survey questions (Table 5) on international perceptions of New Zealand as a country and as a tourism destination are presented in summary percentage terms in order to make comparisons with the results of the 2004 Brand NZ research (MED, 2006). No

breakdown of results by demographic variables was provided in the MED (2006) evaluation. No significant differences in perceptions on the basis of demographic variables were identified in the 2007/2008 survey. The results reinforce the findings of the MED (2006) review by indicating a clear bias towards environmental perceptions among both domestic and international visitors, as well as a stronger belief by domestic visitors that New Zealand was perceived overseas as entrepreneurial and innovative than by international visitors. Yet also of interest is the extent to which neither domestic nor international tourists regarded New Zealand tourism as being entrepreneurial or innovative. Although based only on a convenience sample the results of the survey clearly raise significant questions, as does the formal evaluation of Brand New Zealand (MED 2006), as to the extent to which the success of the tourism brand affects the perception of the country as a whole in relation to the brand propositions and values that national place brand strategies seek to convey in the international marketplace.

Table 5. Perceptions of New Zealand internationally and as a tourism destination

Perception	New Zealand as a country		As a tourism destination	
	Domestic Visitors	International Visitors	Domestic Visitors	International Visitors
Authentic	72%	41%	78%	47%
Clean and green	81%	61%	85%	66%
Down to Earth	73%	25%	54%	28%
Entrepreneurial	51%	18%	24%	9%
Great place to visit	77%	74%	81%	79%
High quality products	63%	27%	74%	49%
Inventive or innovative	47%	7%	26%	16%
Naturally beautiful	75%	71%	79%	74%
Open and straight-forward	74%	38%	47%	37%
Producer of rural products	56%	48%	51%	44%
Technologically advanced	45%	12%	38%	8%

international visitors n=137, domestic visitors, n=310

Conclusions and implications

New Zealand has long had an inferred brand based on agrarian and natural landscapes that are embodied in the concept of ‘clean and green’. This image has been of great economic value to the agricultural and tourism sectors with the image being identified as potentially being worth more than a billion dollars per year (Ministry for the Environment, 2001). The role of ‘clean and green’ in New Zealand’s international image has only been enhanced by the highly successful 100% Pure campaign of Tourism New Zealand which has been in place since 1999 and which to many people both in New Zealand and overseas arguably is New Zealand’s international place brand. However, since the late 1990s successive governments and their agencies, particularly the MED and NZTE have sought to extend the place branding of New Zealand under the concept of Brand NZ so as to try and portray the country as being innovative, entrepreneurial and creative, what has been referred to as ‘clean, green and smart’ (MED, 2005, 2006). The development of a more innovative image of New Zealand is regarded as being extremely important for the ICT, biotechnology, and the creative industries (design and film production especially) and was a centrepiece of the Clark Labour government’s (1999-2008) innovation strategy (Clark, 2002). Yet the results of this study clearly reinforce the difficulties in extending perceptions of New Zealand beyond clean and green and 100% Pure. As the analysis of the New Zealand Innovation Survey has demonstrated, New Zealand enterprises are innovative in international terms. The problem is that while this may be believed by the domestic market and to an extent in New Zealand’s closest market, Australia, the rest of the world does not perceive it and instead sees New Zealand in the terms reinforced by 100% Pure – clean and green and a nice place to visit but not smart.

Place branding is a slow process with no guarantee of long-term success. The desire of governments to reorient national place brands, even if they are based on empirical data, often does not easily match the realities of the strength of inferred brands and even changes in politics and public administration. Yet in New Zealand the greatest contemporary issue in terms of national place branding has been the strength and success of a sectoral-brand “100% Pure” which is much more closely aligned with the inferred brand than the brand proposition and values that Brand NZ has sought to advance with respect to being innovative and creative.

It is perhaps because of the international recognition of the 100% Pure New Zealand campaign that the Prime Minister, John Key, who also holds the tourism portfolio, has raised the prospect of 100% Pure expanding to become a “master brand” for the whole country. Accord-

ing to Mr Key, “100% Pure forms a big part of our brand marketing for New Zealand Inc... We think it’s a foundation brand to carry on into the future. We can use that to leverage not just our tourism activities but also our trade promotion and general promotion of New Zealand” (BusinessDay, 2009). Although he did add that he thought that the logo may need some change such as inclusion of the silver fern (which is currently the master brand). Interestingly in light of the above discussion the Tourism Industry Association chief executive Tim Cossar said the 100% Pure brand was already representing the wider country. “By default, we have curated it in some ways into a national brand” (BusinessDay, 2009).

New Zealand therefore appears poised for a further evolution in its national place brand which may further its constructed advantage in tourism and agriculture. But if such a development occurs it will still lead the country back to a core branding issue with respect to the extent that its brand can move beyond its tourism and agricultural appeal to meet the needs of those industries and enterprises for which clean and green does not enhance their competitiveness. On a wider basis, this study also suggests that the understanding of the contribution of tourism destination brands to the branding of a place also needs to be understood in a much wider context than is often the case.

Limitations and Future Research

The findings of the present research raise some fundamental questions over the relationship between tourism and other sectors in national branding place strategies. Although the importance of coordination between different agencies in national branding strategies is highlighted in the literature (e.g., Anholt, 2007; Dinnie, 2008) there is actually little direct research on the subject. This case study has used a range of secondary and primary research to indicate the extent to which one national brand, in this case for tourism, can overshadow other brands even though they were meant to be a part of the same overarching programme. However, there is a clear need not only for more international comparative studies of such issues but also for research that examines the relative economic benefit of one brand proposition over another and the different understandings of different propositions in different international markets, as what may be good for tourism may not be good for a country’s economy overall. Finally, although not a direct focus of the present study, it is also apparent that there is a need for further examination of the politics of place branding and how one part of a government may use its authority, funds and networks to gain advantage for its brand within a number of competing brand options.

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