



Brand Japan after Fukushima

By Dr Jochen Legewie



The Fukushima nuclear accident and its aftermath have clearly damaged Japan's national brand. However, the current situation also offers a unique opportunity to rebrand a nation, whose reputation has seen a decline over recent years. One keyword will be quality.

The triple disaster of March 11 and the nuclear fallout from Fukushima have clearly damaged brand Japan. There has been an outpouring of sympathy for the victims, and a widespread admiration for the perseverance, stoicism and orderliness of the Japanese reaction to this catastrophe. Yet, the overwhelming impression and perception overseas is a negative one: disbelief that such an accident could happen in high-tech Japan, frustration with the crisis management and information policies of the public authorities, and an outright fear of travelling to Japan or of contact with contaminated products originating there.

In June, the consultancy Interbrand published the first results of a survey it had conducted in May on the perception of brand Japan in the USA, the UK and China. Overall perception had fallen by 12 percentage points and perceptions of "safety" and "reliability", usually regarded as Japan-specific strengths, were down by an even higher margin.

Is this only a short-term phenomenon? Or will brand Japan suffer from the events of Fukushima in the long-term? To find some answers to these questions let us look at the world's perception of Japan prior to March 2011.

The Anholt Nation Brand Index NBI, named after the pioneer of nation branding Simon Anholt, has been listing Japan consistently at No. 5 since 2008 (2010 behind the U.S., Germany, France and the U.K.). Likewise the Country Brand Index CBI, run by Future Brand and the BBC, ranked Japan as No. 6 in 2010 (behind Canada, Australia, New Zealand, the U.S. and Switzerland).

Japan gets top marks globally in the category of Advanced Technology with CBI and in Exports with

NBI. It also ranks highly in other areas such as Culture/Heritage, Tourism, People and Quality of Life (around No. 8 to No. 10). Japan's only perceived weaknesses have traditionally been its value system and its governance where Japan regularly fails to reach the global top 15.

Obviously the perception of Japan around the world is stronger than many Japan doomsayers might think. Notably, though, the perception of Japan as weak in the area of governance is dangerous. While governance is usually regarded to be primarily a domestic issue, Fukushima clearly was and is not. Hence Japan's perceived shortcomings in dealing with the crisis have huge potential to affect Japan's standing abroad negatively in the long run.

Secondly, Japan's image of a nation producing perfect, safe and reliable quality products had already been affected by Sony's battery and Toyota's car problems prior to March 11. Any nation's brand identity is based on the strength of consistently delivering a specific quality product over time, e.g. Switzerland: Cheese, Chocolate and Watches; Italy: Fashion and Food; or Germany: Cars and Schwarzbrot (traditional dark dye bread). Fukushima now calls into question this positive perception of Japan's perfection and quality, upon which much of its overall brand strength was built.

So how does one go about safeguarding, strengthening or even rebuilding brand Japan damaged by the aftermath of Fukushima? Many observers point to the need for a national control tower which would coordinate and bundle Japan's branding activities.

Japan's neighbor, Korea, established such an institution in January 2009; the Presidential Council on Nation Branding. Under the slogan "Korea, A Loving Embrace" the Korean government aims to position its country as a globally active nation with respected people, international corporations and a caring society that promotes unity.

Other successful classical nation and city branding programmes around the world, like "I♥NY", the striking Miró sun-logo from Spain or the national initiative "Germany – land of ideas", show the potential of cleverly constructed self-expressional nation-branding concepts: they are able to trigger societal processes of development. Other nations



are following suit. Currently, the small principality of Liechtenstein is undergoing a new comprehensive identity process and Austria plans to do the same. Japan has never undertaken such ambitious programs. It has tended to limit nation-branding activities to small isolated measures, such as the set up of a Brand Japan Working Group in 2004 or the Japan Brand Development Assistance Program of the Small and Medium Enterprise Agency in the same year. Its previous tourism campaign, Yokoso Japan (literally Welcome Japan), even committed the marketing crime of not speaking the language of the consumer, and thus did not mean much to non-Japanese speakers abroad.

Probably the closest Japan's public agencies have come to a coordinated image transfer abroad is in the area of pop culture. In July 2010, the foreign ministry, METI, the agency for cultural affairs and the Japanese tourism agency collaborated successfully in the Japan Expo Paris, and leveraged Japan's soft power through an exhibition visited by more than 160,000 people. It is this area of soft power in which Japan's best opportunities for branding lie. Even teenager bands, such as the immensely popular AKB 48 or Arashi, often do more for Japan's image abroad than the country's politicians, especially in neighbouring Asian countries.

However, brand Japan needs more. Japan and its people need to decide on a clear and simple national vision and stick with it. This vision has been lacking since the bursting of the bubble economy twenty years ago. It is no exaggeration to say there has never been a better time to redevelop such a vision than now.

Despite its rather high brand rankings up until 2010, Japan has been on a slow decline in global presence and attention in recent years. Fukushima has put Japan back – admittedly in a tragic way – into the global spotlight. Japan's politicians and business leaders have the difficult task and unique opportunity to reposition the nation. A simple rebuilding of a pre-March '11 manufacturing superpower will not be enough. It is not even an option with the manufacturing giant China already occupying that spot.

One keyword for this rebranding exercise will be quality. So far Japan's brand image has primarily

been driven by the perfection of its products, sometimes also of its services. In the future it could be a broader understanding of quality of life – even including governance – that marks Japan's identity course.

Today, quality of life in Tokyo is probably higher than in most, if not all, large cities in Asia, whether based on air quality, public transport, safety or the quality of restaurants. Further expansion of these strengths and exporting them would do Japan good in a world of urbanization, where half of the global population already lives in urban areas. This type of focus would certainly help to keep brand Japan attractive at home and abroad.

About the author

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What makes a good Equity Story?

By Susanne Oliver



Most companies are good at explaining the growth prospects for their industry, but few understand the importance of communicating competitive advantage. Yet understanding competitive advantage is at the heart of what long-term investors aim to do, and constitutes one of the defining elements of a company's valuation.

One of the most important tasks of an investor relations manager is to promote the company's shares: this includes arranging meetings with investors and providing timely and clear information on the company's business development. However, the biggest, and most challenging, task is to develop an attractive equity story for the company.

What is an Equity Story?

An equity story is the rationale for investing in a company. There are many different types of investors - some look for dividend income, some look for capital growth, some invest for the short-term,