

Commercial brands with strong reputations support a positive nation brand

 By [Miller Matola](#)

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In reflecting on the value of strong commercial brands to a country's nation brand, I stumbled upon the following definition of national competitiveness:

"National Competitiveness is a term that can be defined on a number of levels. At its most basic level, a country's competitiveness requires a good use of human and natural resources for a country to achieve some goal. The goals that a country chooses are a reflection of the philosophy of the country, but they typically have two things in common: productivity and efficiency. A country can achieve a better competitive position through its ability to introduce productivity and efficiency into its use of these human and natural resources. Ultimately, the competitiveness focus of a country is intended to drive some higher order benefit - from improved quality of life to longer life expectancy - but the common language for such goals tends to focus on increasing the inflow of capital to the country, in the form of exports or foreign direct investment."

Brand South Africa and Brand Finance announced the country's [top 50 commercial brands](#) on 22 July 2014. This explanation of a country's national competitiveness becomes very pertinent when we consider why this announcement will matter to our overall nation brand, competitiveness and reputation.

National branding

Indeed, Simon Anholt, who is regarded as the father of nation branding has said that "national image has more to do with national identity and the politics and economics of competitiveness."

In the politics and economics of competitiveness, we need to consider more than just the country's GDP and other such numbers.

We need to consider whether we are competitive in terms of being able to grow a nation that can compete equitably with global peers, are we growing individual brands with solid reputations that are considered as leaders in their individual industries?

I believe that with any developing country and emerging economy, such as South Africa is, a plethora of challenges continue to confront our country and its developmental agenda. The National Development Plan succinctly outlines these challenges and at the same time, proposes suitable remedies that must be implemented. I recently heard a term - execution deficit - I am convinced that this is our country's most serious affliction. We have wonderful policies yet we simply do not implement them. A cursory reading of many of them will make one ask the question, "Why do we need another policy?"

Why do we not just implement what we already have in place?"

However, on a corporate level, I think that we have begun to look systemically at what needs to be done to develop and sustain a competitive advantage in the global market place.

Overseas presence

Many of the Top 50 brands actually have a presence beyond the borders of our country and this attests to the fact that we are beginning to get the formula for sustainable competitive advantage correct. Quite a few of our home grown commercial brands are now blazing the trail both on the continent and abroad, contributing to strong and positive associations of South Africa across the globe. In turn, they build the attractiveness profile of the country for inward investment, "visitability" and skills.

A country's products and services are a critical competence and measure used by investors and consumers to rate the country's appeal and attractiveness. A nation's brands are purveyors of the identity, image and attributes of a country and therefore go a long way in the nation brand building and promotion process.

When one looks at our top national brands with their domestic and international presence, it is therefore befitting that South Africa continues to rank as a top destination not only for tourism but also inward investment.

In this regard, the recent AT Kearny FDI Confidence Index ranks South Africa 13th globally, the only African country to be in the top 25 in the world while the EY Africa Attractiveness Survey attests to South Africa's standing as the top destination for FDI projects on the continent. The country attracted 142 projects in 2013, Kenya comes second with 68 projects; Nigeria comes third with 58 projects; and Ghana comes 4th with 58 projects as well.

Contribution to GDP

Despite how good all of this sounds, something that stands out for me is the contribution these commercial brands make to our national GDP. While this calculation is never an exact science, using the 2012 World Bank Local Currency GDP and ZAR revenue for the top 50 companies in 2013, we see their contribution to GDP at a phenomenal 66%.

This by itself is a staggering figure but I'm certain the picture will grow more appealing if we look at the contribution of these companies to the fiscus through tax contributions and job creation.

The central message is that our national top 50 commercial brands are an important driver of our nation brand reputation and competitiveness.

This matters because South Africa is committed to positioning itself in the global marketplace as a destination of choice for inward flows of investment and capital. This will contribute to our national priorities of economic growth, job creation and sustainable development and ultimately the implementation of the National Development Plan.

ABOUT MILLER MATOLA

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