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Country image and
reputation economy:
a comparative analysis
of Marca España and
Made in Italy

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Abstract

Questo elaborato finale intende focalizzarsi sull'analisi comparativa di due *brands* di portata internazionale relazionati al concetto di reputazione e immagine-paese. La tesi verte sullo studio del concetto di *country image* concentrandosi su due casi particolari, quello di Spagna e Italia.

La decisione di affrontare questo tema deriva dalla possibilità fornitami dal progetto *Eu-Mes*, grazie al quale ho potuto frequentare dei corsi con alcune università europee e trascorrere alcuni mesi presso l' *Universitat Autònoma de Barcelona*. Mediante alcuni giornali locali, mi sono interessata all'iniziativa del governo spagnolo denominato *Marca España* e ho quindi approfondito tale argomento tramite svariate ricerche nelle biblioteche comunali, universitarie e nell'Istituto Spagnolo di Commercio Estero (*ICEX*). Successivamente, lo studio si è ampliato prendendo in considerazione l'Italia, in quanto l'attuale crisi economica ha influenzato negativamente l'immagine di alcuni paesi del Sud Europa.

Per quanto riguarda l'Italia e il *Made in Italy* la ricerca si basa su studi, saggi, articoli, nonché su alcuni dati statistici. Tuttavia, il tema del *country image* non è particolarmente studiato e sviluppato in Italia. Infatti, affrontando il tema della reputazione e immagine italiana percepita all'estero ho incontrato una scarsità di dati e informazioni. Analizzando vari documenti delle ambasciate e dei consolati italiani all'estero ho estrapolato le informazioni relative al tema, suddividendole secondo i cinque continenti, così da ottenere una panoramica dell'immagine italiana nel mondo.

L'obiettivo finale della tesi è presentare il ruolo strategico del concetto di *country image* che viene considerato un fattore chiave per rendere un paese più competitivo e attrattivo. Inoltre, attraverso l'analisi comparativa si vuole dimostrare che, nonostante alcune inefficienze e criticità, entrambi i paesi hanno grandi potenzialità e risorse che spesso vengono sottovalutate.

La tesi è suddivisa in quattro capitoli, introducendo nel primo capitolo alcuni concetti teorici, proseguendo poi nel secondo e terzo capitolo con

uno studio del caso della *Marca España* e del *Made in Italy* e infine concludendo con il quarto capitolo che propone un'analisi comparativa.

Nel capitolo I si introducono alcuni concetti chiave come immagine, identità e *brand* che stanno alla base della teoria del *country image*. In un mondo sempre più globalizzato e competitivo, l'immagine e la reputazione sono diventati fattori centrali nella economia moderna, che di conseguenza spesso viene denominata economia della reputazione. Infatti, oggi nelle discussioni legate alla tematica della competitività dei paesi si fa spesso riferimento a valori come fiducia, stabilità e credibilità.

Di conseguenza, alla fine degli anni novanta è emerso un nuovo concetto chiamato *country brand* o *country image* che è considerato un fattore strategico nella gestione del sistema-paese, tanto da essere inserito in alcune agende di governo. Ad esempio, uno dei massimi esponenti di questa teoria è Simon Anholt, il quale ha coniato un nuovo termine "competitive identity" con la finalità di descrivere la necessità delle nazioni di prendere in considerazione la gestione dell'identità e l'immagine di un paese per essere maggiormente competitivi nel mercato internazionale. Secondo Anholt, il *country image* è un concetto multidimensionale in quanto deve considerare i molteplici elementi che riguardano l'identità di un paese, ovvero la lingua, la cultura, la storia, ma anche le imprese e i prodotti tipici. Inoltre, nei vari studi relativi a questo tema si sostiene che il *country image* svolga un ruolo determinante che rassicura sia i cittadini che gli stakeholders internazionali, influenzando positivamente una grande varietà di fattori come esportazioni, investimenti esteri, turismo compresa la possibilità di accogliere grandi eventi internazionali.

In aggiunta, il primo capitolo approfondisce anche un ulteriore concetto correlato al *country image*, ovvero il *country of origin effect*. Quest'ultimo è strettamente collegato alla reputazione di un paese in quanto i prodotti "Made in..." possono trarre maggiori vantaggi dalla loro origine se l'immagine del paese è associata ad elementi positivi. Infatti, maggiore è la relazione con fattori positivi, maggiore sarà anche la propensione del consumatore a comprare prodotti di quella determinata origine. Negli ultimi anni, i prodotti di origine non sono più solamente collegati al *brand* del

paese, ma anche a singole regioni e città; quindi il *country image* ha vissuto un'evoluzione includendo minori aree geografiche. La conclusione del primo capitolo analizza questa evoluzione tramite il *case study* di Barcellona, che aiuta dimostrare come una città sia stata in grado di valorizzare la sua immagine e reputazione.

Il capitolo II si apre con una introduzione di storia economica della Spagna e successivamente analizza l'immagine ad essa attribuita, che risale al periodo tra XV-XVIII secolo durante il quale sorgono delle rappresentazioni stereotipate. Ad esempio, durante il 1500-1600 si sviluppa la così detta *Leyenda Negra* che identifica un periodo di forti critiche riguardanti l'efferatezza dell'Impero Spagnolo.

Da un punto di vista storico-economico, la Spagna vive due momenti che limitano lo sviluppo, ovvero la guerra civile e la dittatura del generale Franco. Infatti, solo alla fine della dittatura la Spagna inizia una timida apertura al mercato internazionale attraverso un Piano di liberalizzazione e stabilizzazione approvato nel 1959. Tuttavia, la vera liberalizzazione economica del paese si verificò successivamente alla morte di Franco e il 1986 segnò un importante traguardo per il paese, grazie alla sua integrazione nella CEE che contribuì alla diffusione dei prodotti *Made in Spain* e l'internazionalizzazione delle imprese spagnole.

Per questo motivo, uno dei fattori critici dei prodotti e delle aziende spagnole è il basso livello del *country of origin effect*, in quanto i consumatori riconoscono e valutano positivamente sia prodotti che aziende, ma raramente vengono associati alla loro origine spagnola. Per affrontare questa carenza, nel 2002 alcune aziende e associazioni private iniziarono a lavorare sul concetto di *country image* con lo scopo di sostenere le imprese spagnole durante il loro approdo nel mercato internazionale.

In seguito, nel 2012 a causa della crisi economica e la crescente diffusione di notizie negative legate alla Spagna, il governo decise di intervenire a sostegno della precedente iniziativa creando un programma statale chiamato *Marca España*. Lo scopo di questo progetto è basato sulla gestione di un piano a lungo termine per diffondere un'immagine positiva e coerente della Spagna che mira anche a sostenere le aziende

nel loro processo di internazionalizzazione. Inoltre, il governo ha istituito la figura dell'ambasciatore della *Marca España* attribuita a varie personalità di prestigio, che grazie alle loro abilità, hanno il compito di promuovere le eccellenze spagnole nel proprio settore.

Nel capitolo III si analizza l'evoluzione sia della reputazione italiana sia del *Made in Italy*. Da questo studio emerge che l'Italia è stata spesso apprezzata e ammirata all'estero. Infatti, sin dal XVIII secolo essa venne considerata la culla della civiltà occidentale, grazie al fenomeno del *Gran Tour* che apprezzò e stimò l'Italia in virtù delle proprie bellezze naturali e del patrimonio storico, artistico e culturale. Successivamente, l'abilità, l'alta qualità e la creatività della moda Italiana furono fattori che contribuirono ad incrementare l'ammirazione per il "Bel paese". La moda diede origine al *Made in Italy* al quale presto si associarono anche altri settori che lo rendono tutt'ora uno dei *brand* più riconosciuti al mondo. Tramite alcuni dati statistici si dimostra come nel passato il *Made in Italy* sia stato uno dei pilastri dell'economia italiana anche durante periodi di recessione. Effettivamente, è dimostrato che il *Made in Italy* possiede un buon livello di *country of origin effect* in quanto i suoi prodotti godono di un'ottima reputazione e vengono spesso desiderati dai consumatori.

Nel capitolo seguente, si cerca di trarre le conclusioni tramite un'analisi comparativa della *Marca España* e del *Made in Italy*. Attraverso questa ricerca emerge che l'immagine di entrambi i paesi è stata penalizzata dalla crisi economica che ha provocato una diminuzione della loro stima internazionale.

La differenza sostanziale tra i due paesi analizzati consiste nel fatto che la Spagna ha attivato un'iniziativa statale per gestire e promuovere il tema del *country image*, mentre l'Italia continua a riporre fiducia sull'icona del *Made in Italy*, un *brand* solido che si è rafforzato nel tempo proponendo prodotti di successo, creativi e di alta qualità. Il *Made in Spain*, invece, essendo più recente, riscontra maggiore difficoltà ad essere riconosciuto dai consumatori, tuttavia, negli ultimi anni la Spagna ha ottenuto vari successi in differenti settori dall'agroalimentare, al turismo nonché al settore delle energie rinnovabili.

Analizzando vari indici internazionali come il *Country Brand Index* si

può dedurre che entrambi i paesi godano di un buon posizionamento internazionale. Secondo questa classifica, l'Italia è considerato il miglior *brand* nell'ambito del patrimonio artistico-culturale, del turismo e dell'agroalimentare e anche la Spagna viene valutata positivamente classificandosi tra i primi *country brand* al mondo. Dunque, nel capitolo si dimostra che, nonostante le criticità e le inefficienze, entrambi i paesi possiedono due brands di rilevanza internazionale che incentivano le esportazioni contribuendo notevolmente al commercio internazionale.

Da un punto di vista economico i due paesi possono essere considerati *competitors* nel mercato internazionale, dato che sono entrambi interessati ai medesimi settori. Nonostante ciò, la tesi propone una visione alternativa che ipotizza la possibilità di cogliere dei vantaggi dagli interessi comuni, in modo tale da poter rafforzare la cooperazione tra i due paesi con il fine di valorizzare la loro immagine dimostrando il loro rilievo, specialmente in un contesto europeo, data la loro localizzazione strategica nel Mediterraneo.

Introduction

This dissertation focuses on the country image construct and the comparative analysis of two international brands; *Marca España* and Made in Italy.

This analysis is based on the research and study of essays, books, articles as well as the collection of some data in several diplomatic documents. Moreover, I took part in a meeting titled “La felicità del Made in Italy: come arrivare là dove l'Italia merita”, in order to examine in depth the topic of the Made in Italy. Regarding the *Marca España* I also asked some information to the Spanish Institute of Foreign Trade (ICEX) in Barcelona.

This thesis is divided into four chapters and each one try to underline the increasing strategic role of the country image in the current economy, which is sometimes defined as reputation economy. Indeed, in a world more and more global the image and the reputation are considered key factors to be competitive in the international market. For instance, it is often said that the essential values of a competitive country are trust, stability and credibility. For that reason, some countries started to consider the management of the country's image as a key factor to be competitive and to develop the economic, political, cultural and social dimension.¹ This interest is based on the theory that people build a mental representation of countries, which influences the people's attitude towards the country's products, population, culture and so on.

The 1st chapter introduces some theoretical concepts, such as image and brand, in order to understand better the country image theory. The 2nd and 3rd chapters focuses on the case study of *Marca España* and Made in Italy, which are the basis for the final 4th chapter which proposes a comparative analysis of these two country brands. To sump, according to S. Anholt, the country image is a multidimensional construct, because it takes into consideration multiple aspects that represent the national identity. However, some countries suffer from the incongruity between their

1 J. C. Belloso, “La marca de país. Un mecanisme de diferenciació i font d'intangibles”, *Paradigmes*, n. 5 (2010), pp. 43-51.

identity and the image that is perceived by the international arena.² For that reason, several countries have included this topic in their political agenda in order to spread a more coherent country image.

It is said that a positive country image plays a strategic role, because it influences several important factors, such as the exportations, the international investments, the tourist arrivals, the competitiveness of the national enterprises and their “Made in...” products. Regarding the last one element, the country image includes also the country-of-origin theory which affirms that consumers create expectations and evaluations about a product, also basing their opinions on the origin of the Made in...products. So, the country image concept has developed, including also restricted geographic areas, such as cities and regions.

Since the current economic crisis has negatively affected on the image and reputation of Southern European countries, this dissertation focused on the cases of Spain and Italy. The 2nd chapter analyses the country image of Spain which dated back to the past as demonstrating by the *Leyenda negra*. Then, it focuses on the today's reputation of Spain and on a State initiative called *Marca España*. This project aims to improve and reinforce the Spanish image which has been damaged by the economic crisis and the related negative news.

The 3rd chapter deal with the historical evolution of the Italian reputation and the birth of the Made in Italy. Indeed, in the 17th the Italian artistic and cultural heritage was appreciated by other European countries, thanks to the phenomenon of the Grand Tour. Then, since 1950's the admiration started to include also the fashion sector, the manufacturing and agro-food industry which keep representing one of the most famous brands in the world; the Made in Italy.

In conclusion, the thesis tries to provide a comparative analysis of *Marca España* and Made in Italy underling their similarities and differences.

² Ivi, p. 44.

Chapter 1

The importance of the national image and the development of new constructs: Country Brand and Country of Origin (COO)

“Maintaining a powerful and positive internal and external reputation [...] will benefit exporters, importers, government, the culture sector, tourism, immigration and almost every aspect of international relations.”
(S. Anholt)

1.1 An historical introduction to the new economic system

After WWII some crucial shifts occurred and have changed the international system economically, politically and culturally. Indeed, the postwar period is especially known for the evolution and spread of capitalism system, which has modified its structure influencing further transformations in the worldwide society.

However, it is essential to mention two well-known economic systems of production, in order to introduce the evolution of the capitalism and the emergence of the mass production. These two systems, the Taylorism and Fordism are always cited together, because they changed the labour and economic organization becoming the first components of mass production. From a historical point of view, the first one to be created is the Taylorism, which introduced a new idea of organizing the labour and the industrial activities. The features that characterized it were the

disassociation of the labour process, the enlargement of factory dimensions and the decrease of skilled workers as well as the increase of productivity. Then, the Taylorism was enhanced by Ford which proposed another economic system of production called Fordism at early 1900's. It was rooted in Taylorism which established the division of labour and also invented the famous moving line, using new specialized machines. Consequently, it is said that these two models contributed to spread the standardization of products, the idea of factory town, the economies of scale and the mass production.

In addition, in 1944 was also established a new international monetary organization through the Bretton Woods Agreement, which aims to build a new economic structure, creating new international institutions, such as the International Monetary Fund (IMF) and the World Bank (WB). Moreover, in 1948 a new treaty called GATT (General Agreement on Tariffs and Trade) was inserted in the Bretton Woods system, in order to manage and liberalize the international trade.³

Then, the 1950'-1960's marked a period of great economic growth due to the increasing output of many Western countries, but this development period did not last so long. Thus, in the 1970's the Fordism model fell into crisis causing further transformations to the international economic system. This period called Post-Fordism consisted of a readjustment of the economic system and an emergence of the internationalisation process. This phase is also distinguished by the strong presence of new technologies (ICT's) and innovations in transports and finance. As a result, these transformations have affected on the economic field, but also on the social and cultural one.⁴

The 1980's represented a peak of this internationalization and globalization process which made the world more competitive and posed as central factors; the innovation, the identity and the image. Consequently, these effects were not only limited to the material production, but they also changed the goods' circulation, giving more

3 A. Vanolo, *Geografia Economica del sistema-mondo. Territorio e reti nello scenario globale*, Cap. 1, Torino, UTET, 2010, pp. 7-36.

4 A. Fumagalli, *Le trasformazioni del sistema capitalistico e le nuove contraddizioni sociali*, available at: <http://www.aiccon.it/file/convdoc/Fumagalli.pdf>

relevance to innovation, design, communication and symbolic aspects. Thus, corporations changed their priorities and instead of controlling the entire process of production, started to draw their attention mainly into innovation and brand.

In fact, Francesc Valls⁵ analysed these transformations, recollecting them in four fundamental changes, in order to demonstrate how they have influenced the increasing importance of image.

Firstly, he took into consideration the internationalisation of the economy, which has enlarged the market, making it more global. Secondly, he explained that, since the market has become internationally it has increased the proliferation of products, services and ideas, causing the rising of a stronger competition among countries and companies. So, what's become essential is the positioning in this huge and keen market, which it is obtained through a new crucial aspect; the ability to innovate. Thirdly, he stated that even if the economy evolved into liberalization and privatization, the active role of government in the economic issues keeps being relevant. In this kind of economy, the task of government is that of promoting and managing a country plan for an international development including some policies for increasing exports. Lastly, he affirmed that the internationalization process, the development of new communication technologies as well as the widespread phenomenon of mass communication have turned the role of image, messages and identity as the central means to propose new products and services.

1.2 Image and Brand

So, in the last decades it is evident that the market has become global and the main effect of this phenomenon is the increasing competition, not only among firms and products, but also among countries and cities. According to Simon Anholt "today's world is one market", consequently he has introduced a new term called "competitive identity" which becomes central,

⁵ J.F. Valls, "Comunicació de país: Catalunya com a marca internacional", in J. Urgell (a cura di), *Donar protagonisme a Catalunya. Acció internacional i política de relacions exteriors catalana*, section IV, Cap. II, Col·lecció Temes contemporanis, Barcelona, Generalitat de Catalunya, 2003, pp. 343-344.

after the rapid advance of globalization.⁶

The competitive identity refers to the reputation of countries and the government needs to better communicate the image of its own country. Therefore, the marketing and management subject have emerged as key factors for managing the estimations of products, but also places, introducing new studies and strategies, such as the “place branding”. However, before talking about brand management and place branding, it is worth introducing some fundamental and basic concepts of marketing in order to later understand better its application to a country.

Nowadays, a positive or negative image can influence the public opinion, spreading information as well as influencing the perceptions linked to a specific product, firm and also country and city. Thus, the concept of the image has increased its usage becoming a fundamental topic in the marketing studies, starting to be strictly related to branding issues. So, this term is considered as an imagery and mental representation of a product which is inserted in the consumers' mind. Consequently, the image plays a central role to shape a recognizable identity which in marketing studies is called “brand”. Generally, it is thought that brand is merely a logo, whereas it is a mental representation based on the consumer and market opinion. Thus, It can be said that brand is a mirror which reflects the firm's reputation in the whole market.⁷The logo or a brand name is only a sign used as a mean in order to diffuse the identity. In fact, D. A. Aaker defines brand as “ a set of assets (or liabilities) linked to a brand's name and symbol that adds to (or subtracts from) the value provided by a product or service to a firm.”⁸ So, it is clear that the brand aims to identify a service or product in order to differentiate it from the competitors.

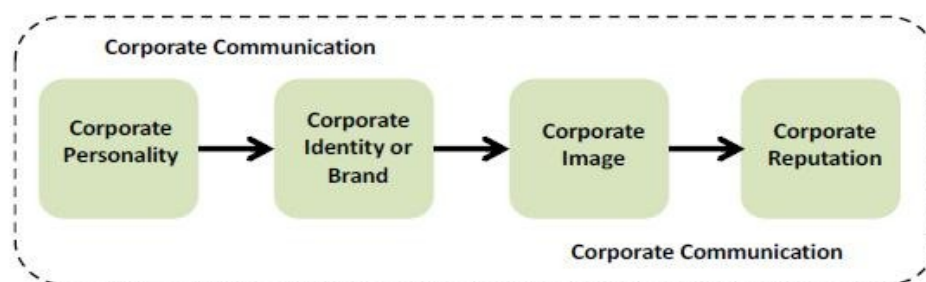
In addition, as said by S. Anholt is fundamental to identify five aspects that compose the brand: brand identity, brand image, brand purpose and brand equity.⁹ All these features include different aspects from the graphic design (logo, slogan, packaging) to the more sensitive side (consumers'

6 S. Anholt, “Branding places and nations”, in R. Clifton, J. Simmons (edited by), *Brands and Branding*, Chapter XV, London, the Economist, 2003, p. 206.

7 A. Tresca, “Branding: Cos'è e perché è così importante”, *Below the biz.com*, 25 Luglio 2006, p. 3. Available at: http://belowthebiz.com/~belowthe/wp-content/report/cose_il_brand_def.pdf

8 D. Aaker, *Building Strong Brands*, New York, Free Press, 1996, p. 15.

expectation, perceptions, loyalty). Indeed, to obtain a successful recognition is necessary to take into account two dimensions; one more functional and tangible and the other symbolic and emotional. Thus, the mechanism of shaping the identity through the brand consists in the interrelation among three components: the corporate personality, the brand equity and the corporate image. For example, a firm that wants to identify its characteristics, values and personality should manage them in order to create its own brand identity as well as transfer into the consumers' mind a recognizable image, which is technically called corporate image.



Source: R. Abratt, "A new approach to the corporate image, management process", *Journal of marketing management*, n. 3 (1989), pp. 63-76.

When talking about brand, as mentioned above, one of the crucial elements related to the concept of brand is certainly the brand equity. With this term, scholars indicate the added value that market and consumers attribute to a specific brand in a period of time. Indeed, if a firm has a solid reputation, have the possibility to create an asset of enormous value. This construct is composed of three different areas: the finance, the marketing and the production. Indeed, to create a brand equity it is necessary to have three different components:

- The Brand Value, the economic value of the brand considering it as an asset.
- The Brand Loyalty, the familiar ties between consumers and product/service.

9 S. Anholt, *Competitive identity: The new brand management for Nations, Cities and Regions*, Cap.1, London, Palgrave Macmillan, 2007, p. 5-6.

- The Brand Image, the image of products that consumers built after a concrete experience of buying it.

They represent two different sides; one more economic and tangible linked to the profitability that brand brings to the firm, while the other one refers to the perceptions and the feelings of consumers.¹⁰ So, the Brand Equity can be schematically represented as below:

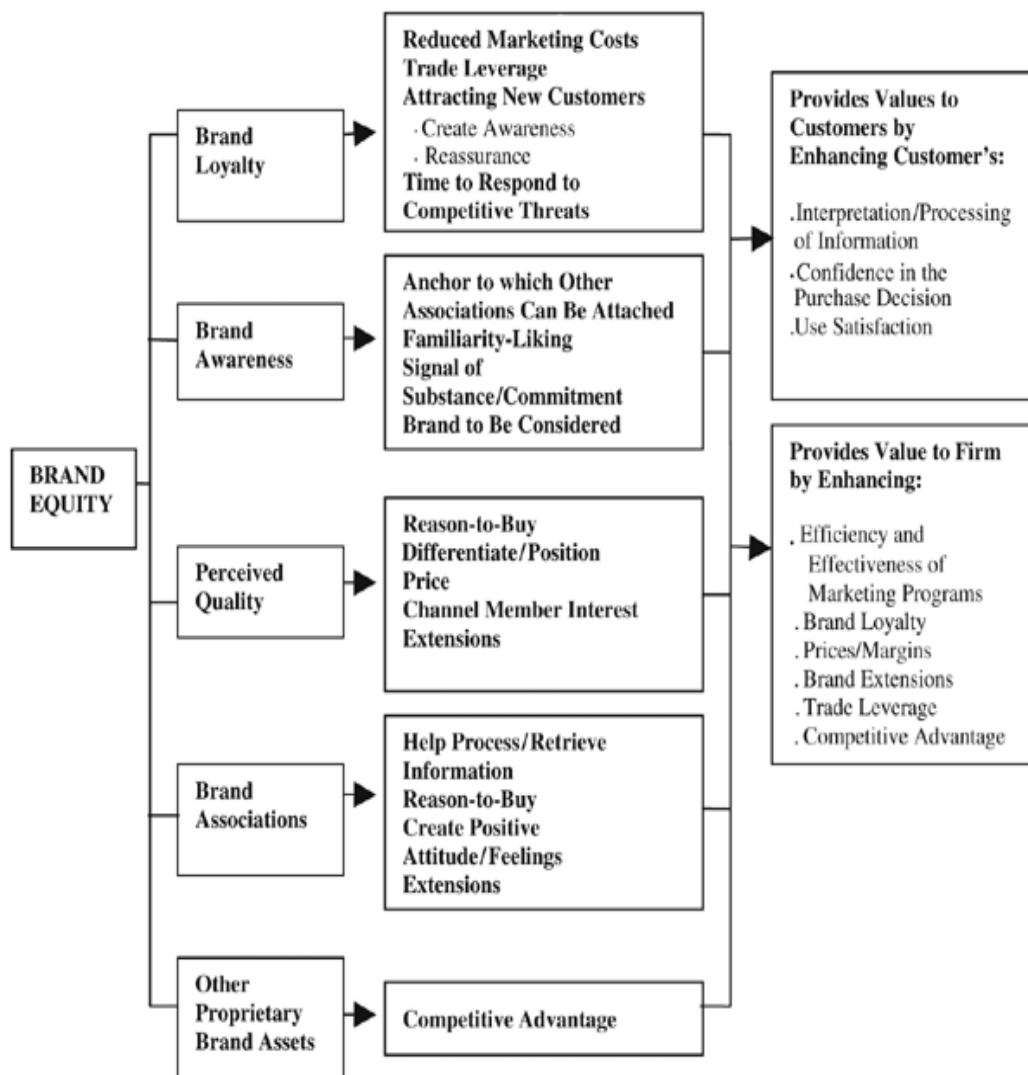
Brand Equity = <i>Brand Value</i> + <i>Brand Loyalty and Brand Image</i>	
(economic)	(psychological)

The brand equity is a crucial feature in marketing industries and it is often taken into consideration, because it measures the consumers' behaviour and perceptions referring to a product/service associated with a brand name. It is considered an asset of extreme value, because it is linked to the consumers' loyalty, allowing the company to continue to sell its products.

Since the brand equity is a complex construct which includes a psychological issue, many scholars focused on this topic proposing various models to interpret it. The most famous is the Aaker's model. In his opinion, there are five categories of brand assets, which influence the value of a product/service. So, the brand equity is composed by brand loyalty, brand awareness, perceived quality, brand associations and other proprietary assets. Through his model has tried to demonstrate how brand equity “creates value for both the costumers and the firm”.¹¹ In addition, the brand equity can be measured following two different approaches called Brand Audit and Brand Tracking.

¹⁰ A. Tresca, “Branding: Cos'è e perché è così importante”, cit., pp. 8-10. Available at: http://belowthebiz.com/~belowthe/wp-content/report/cose_il_brand_def.pdf

¹¹ D. A. Aaker, *Managing the brand equity: Capitalizing on the value of a brand name*, Cap. 1, New York, The Free Press, 1991, p. 16.



Source: D.A. Aaker, *Managing the brand equity: Capitalizing on the value of a brand name*, Cap. 1, The Free Press, 1991, New York, p. 17.

As a consequence, the brand has gained importance in the market strategies and this topic includes a vast range of literatures focused particularly on the ways to make an efficient brand. Obviously, the reason why a firm decides to build a brand is based on competitiveness and the need to be different, in order to emerge among other global competitors. The building of a strong brand is a complex and detailed process which takes into account several features. The principal aspect is certainly the trust towards the product or firm, which requires a long lasting process based on several direct experiences with the product/firm. So, an amount of positive experiences is central in order to form and then consolidate the whole opinions of the media and consumers.

1.3 Country Brand construct

Furthermore, the evident increasing importance of brand has broadened in various fields of interest, including cities, regions and countries. The first one to introduce the theory of a possible relation between brand and country was Josep Francesc Valls in 1990's. This Catalan professor used for the first time the term “country brand” and defined it as an “umbrella that helps to identify ... [a] geographical denomination in the minds of consumers”.¹² He puts together the two terms “country” and “brand” in order to explain the importance of differentiating and identifying products, services as well as countries and cities. So, for the first time the concept of brand became applied to a nation and associated with it.

However, it is important to underline that branding a nation is far more complex than approaches a product or service. In fact, the concept of nation-state has been deeply analysed and the common definition consists of a population that live in a particular geographical territory, sharing the same culture and values, such as language, history, politics and so on. According to the *Webster Dictionary* a nation is “a form of political organization in which a group of people who share the same history, traditions, or language live in a particular area under one government.”¹³ Consequently, it is clear that the nation is composed by fragmented identities and it is highly difficult to represent a unique image of something fluid.

Many times, stereotypes influence the international image of a country and they can bring a positive or negative picture in the mind of consumers. What it is important is to overcome these stereotypes and propose a more coherent, real and efficient country image. Indeed, it is said that is useful to select some cultural images and attractive fragments, which may be less known around the world, but they own a prestigious potential for promoting the country's image.

As affirmed by two scholars, some countries have already used two elements, the dominant image and the “reputational capital”, in order to influence the perception of a national brand with a purpose of prompting

12 J.F. Valls, *La imagen de marca de los países*, vol. XVIII, XI, Madrid, McGraw-Hill, 1992, p. 40.

13 The Merriam Webster dictionary revised edition 2004.

buyers to acquire products and services of that country. According to J. and N.J O' Shaughnessy, the dominant image is an "image powerful enough to crowd out all the other meanings and resonance", while the reputational capital is located in the buyers' mind, because "is embodied in propositions (beliefs)".¹⁴ For example, they explained how U.S has a multilayered identity, but it only focuses on promoting a unique dominant image based on some values, such as freedom, American dream and pursuit of happiness. As a result, the management of a country brand helps to project a certain image into the world, as well as obtaining a great consideration which affects positively on national firms, services and products.

Indeed, Frances Valls considered country brand an element of enormous value, because having the power to be identified with everything make in that country such as products, services as well as values and culture.¹⁵ This importance of country image has grown as a consequence of the subjectivity of communication. According to Valls, in the communication occurred a relevant double translation: 1) from the product's image to the brand's image of a product , 2) from the product's image to the institutional image. As a matter of fact, the country image assumed a unique value, because has the potential to spread the identity of a country which can positively effect on various aspects especially in the international market.¹⁶

For that reason, in the 1990's the country brand construct became a relevant topic in business and management studies, so many scholars tried to define and describe it. One example is Navarro who focused on the development of the process and finally determined four chronological stages: "the beginning (1992), the growth (1998-2002), the peak (2003-2005) and the consolidation (2006-today)".¹⁷

However, the most famous and expert in branding a nation is S. Anholt.

14 J. & N.J O' Shaughnessy, "Treating the Nation as a Brand: Some neglected issues", *Journal of Macromarketing*, 2000, pp. 56-64.

15 J.F. Valls, "Comunicació de país: Catalunya com a marca internacional", cit. , p. 344.

16 *Ibidem*

17 D. Navarro, *Evolución del concepto de marca país: etapas de inicio y de crecimiento*, Paper presented at VIII Jornada Anual de Investigación en Ciencias Sociales, Universidad del Salvador, Área Relaciones Internacionales Latinoamericanas, Buenos Aires, 6 October 2010.

He is a member in some important and international institutions, such as the British Government's Public Diplomacy Board, UN, World Economic Forum and the World Bank. He has studied all the vast fields of brand management, especially those linked to the national identity and reputation. He aims to demonstrate that the relation between brand management and places is not negative, but it is necessary and a value, especially nowadays.

For that reason, as said before, he coined a new term “competitive identity”, which takes into consideration multiple aspects for enhancing the national competitiveness in the world. This model of “competitive identity” is based on the idea to take concrete actions in order to well represent the country through collective efforts. Thus, this construct works well if there is an interrelation among public diplomacy, national stakeholders and policy makers.¹⁸

In a world more and more global, the tendency is the cooperation between organizations, such as embassies, diplomats and cultural bodies, so the basic pillar is the proposal of an identity through a full representation of it. As a result of this overcome of boundaries, the same process happens also with countries which interact each other to represent and spread a positive country image. This essential task was accomplished, among all, by the public diplomacy that tried to inform other countries about future government policies. Indeed, this presentation to the world is useful in order to demonstrate the ability and validity of the nation and also to establish a strong and friendly relationship with other countries.

To play a relevant action, it is indispensable the integration of some features; the public diplomacy action, an effective brand management and more importantly a long-term national plan in order to ensure that the national image is a competitive asset and not an obstacle. As a matter of fact, it is evident that the growing importance of national image is a strategic asset which reinforces credibility from an international point of view, but also cultivates faith and pride in the domestic territory. As stated

¹⁸ S. Anholt, *Competitive Identity: A new model for the brand management of nations, cities and regions*, cit., p. 13.

by S. Anholt, “National image matters. And it matters more and more as the world becomes more connected and the globalisation of society, communications, commerce, education and politics continues to advance.”¹⁹ So, in a market which has enlarged its boundaries, it is indispensable to plan a strategy for developing a country's image. Indeed, according to Valls, the inventor of the construct, “the country brand plays a permanent additional support, technically represented as an umbrella scheme, that personalizes and identifies various products, sectors, services that otherwise may run the risk of being lost inside the communicative jungle.”²⁰

A strategic plan for branding a country should be arranged in order to increase exports, investments and tourism. Thus, the country brand is more than a logo and consists in a deep analysis of internal and external factors regarding the perception and reputation of the country. The final goal is to shape the identity in order to change the negative or wrong collective image and finally establish a new positioning of the country both in the internal and external market.

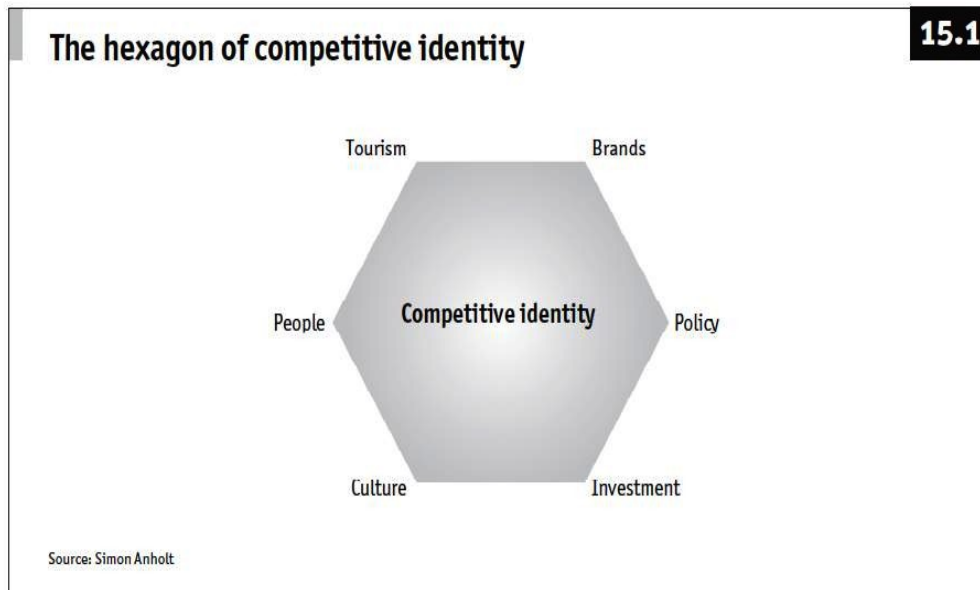
The first step towards the creation of a strategic plan, is the collaboration between the government and the private sector. Secondly, it is essential to identify some weaknesses and then coordinate all the activities, which are useful to promote a coherent image of the country. Another issue that may not be underestimated is the importance of communication, such as the internal public opinion and media in general. To sum up, branding a nation has to be included into the national policy, because it is based on a multitasking strategy. As can be seen below, Anholt proposed a scheme composed of six features that are indispensable to reinforce the country identity.

19 S. Anholt, “Branding places and nations”, cit, p. 207.

20 J.F. Valls, *La imagen de marca de los países*, cit., p. 50.

The hexagon of competitive identity

15.1



Source: Simon Anholt, "Branding places and nations", in R. Clifton, J. Simmons (edited by), *Brands and Branding*, Chapter XV, London, the Economist, 2003. p. 209.

This model well represents the interdisciplinary perspective and how a strong and efficient competitive identity influences many aspects of economic, social and cultural life. Many countries have followed this hexagon model, because it contains all the six fundamental areas of work to create a competitive country. Tourism promotion, exports of products and services, Government policy, attraction of investments, cultural exchange and people are all basic pillars in which are founded the activity for building an efficient image. For that reason, the hexagon model has gained importance and has become one of the most famous and used methods to create a positive country image, which provides the possibility to achieve a better and a prestigious position.

Consequently, from that model can be deduced that brand management should not only be focused on image and communication issues, but it also has to enlarge its field of work in order to avoid the risk of doing just propaganda or slogans. Thus, it should interact and integrate its work into governance and economic development activities.

Furthermore, the central idea of building a competitive identity is also based on the concept of innovation related to businesses and organizations. Proposing new products, new strategies, new policies, new

cultural events leads to increase interest among people as well as attracting more investments which directly influence the country's economy. Moreover, some events that occurred in a country, rapidly flow into international media provoking the worsening or improvement of country's reputation. For example, natural disaster, political instability, economic crisis or political scandals weigh on international and internal trust compromising the national reputation.²¹

For instance, regarding the *Nation Brands Index*, Denmark lost credibility and admiration after the Mohammed cartoons controversy. In 2005, a Danish newspaper published some cartoons which represented the prophet Mohammed. This fact provoked protests and riots in many Muslim communities which later resulted in the Muslim radical decision to boycott all Danish goods. According to *BBC News*, following the cartoon crisis the Danish image declined and the boycott causing a huge amount of economic losses. As reported by the BBC “ National statistics show that exports to Denmark's main market in the Muslim world, Saudi Arabia, fell by 40% following the boycott [...]” and “the cost to Danish businesses was around 134 million Euros (\$170m), when compared with the same period last year [...]”.²²

Previously, I cited the *Anholt Nation Brands Index*²³ which is the one of the international ranks linked to the concept of national image and reputation. As can be understood from the name, this index was created by Anholt, after proposing his hexagon model. In fact, the analysis which allows to establish an international rank is based on collecting information and combining the six elements that formed the hexagon model. After his experience as adviser for many governments, in order to manage and improve their national image, Simon Anholt decided to design an index in 2005.

The aim of this index is clearly the measurement of international reputation and image of countries. In recent years, Anholt has started to

21 S. Anholt, “Branding places and nations”, cit. , pp. 206-216.

22 “Cartoons row hits Danish exports”, *BBC News*, 9th September 2006. Available at: <http://news.bbc.co.uk/2/hi/5329642.stm>

23 Simon Anholt, research, the Anholt-GfK Roper Nation brand index, <http://www.simonanholt.com/Research/research-the-anholt-gfk-roper-nation-brands-index-sm.aspx>, 7 Ottobre 2013.

work in partnership with *GfK Roper Public Affairs & Media* for improving the index, which has enlarged the number of measured countries from 35 to 50. The analysis consists of providing surveys and interviews to worldwide citizens, especially those who travel frequently for job or leisure reasons.

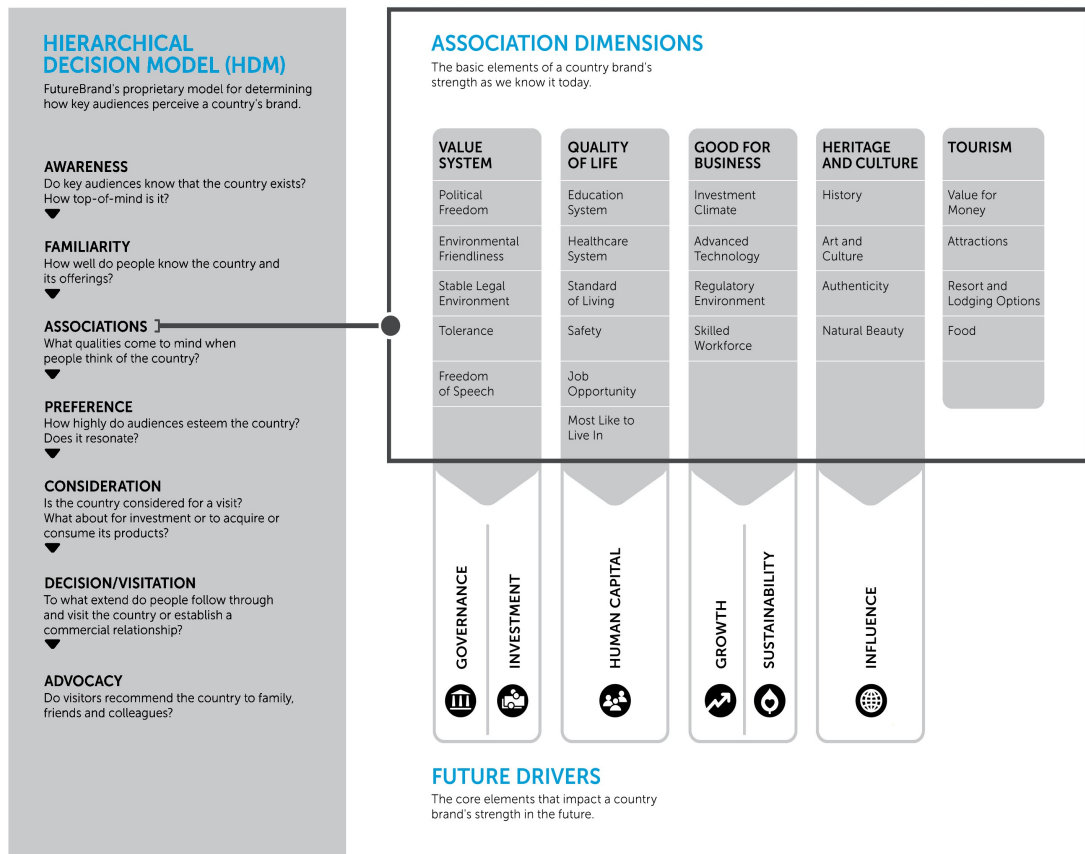
So, the collection of data evaluate international experiences focused especially on people's perceptions about places. In addition, are taken into consideration opinion of experts in governance, economics, international relations and so on. The final result is the sum of all score resulting for each six indices that composed the hexagon model.

However, in 2005 another international rank was also established and it has become the most famous in the world. This rank called *Country Brand Index*²⁴ is elaborated by *FutureBrand*, a global brand consultancy. Every year, this company collects data about countries' perceptions in order to list a global rank. The research consists of a quantitative analysis, based on the "FutureBrand's Hierarchical Decision Model", and it also takes into consideration some international experts' opinions on various topics from policy and governance to climate change and international law. The fields of analysis cover seven areas: Awareness, Familiarity, Associations, Preference, Consideration, Decision/Visitation and Advocacy.²⁵ Here above I reported the scheme that explains the characteristics of each field of work.

24 FutureBrand, *Country Brand Index 2012-2013*.

Available at: http://www.futurebrand.com/images/uploads/studies/cbi/CBI_2012-Final.pdf

25 FutureBrand, *Country Brand Index 2012-2013*, pp.3-6.



Source: FutureBrand, *Country Brand Index 2012-2013*, p.6.

In addition, FutureBrand proposed seven useful points in order to brand a country which in some ways are similar to those suggested by Simon Anholt. Firstly, it is important the involvement and collaboration among institutions, media and private sectors. Secondly, it should be done some researches to find more about the perception of the country internally and abroad. Moreover, it is needed to consider the national strengths and weaknesses in order to create a strategic plan that includes a real and credible brand image. Finally, all the members and organizations, which take part in the project, have to promote and communicate the country image and the related programs, the best as they can, through campaigns, cultural events and economic-political plans.

1.4 Country of Origin effect (COO)

One of the most influential mechanisms that affects the national reputation is certainly the association with nation's products. This phenomenon is called Country of Origin effect and was introduced for the first time by Dichter in 1962. However, the first intellectual that started a real study of COO is Robert Schooler in 1965.²⁶ He conducted a research to verify the presence of the Country of Origin effect. Finally, he discovered that the origin of a product influences people's opinion, because they have different evaluations of similar products solely basing their opinion on the origin. Hence, the COO construct is based on the idea that consumers associate the country image with all products that are produced in it. Thus, this association creates a halo effect which is the main characteristic of COO.

In the 1990's, this topic was taken into consideration by many scholars who produced a vast amount of literature. They have conducted researches mainly on consumer behaviour, expectations and marketing issues. It can be said that during the 1990's the Country of Origin effect was one of the most studied topics producing many findings, interpretations and methods. Indeed, this topic keeps capturing the interest of several scholars and it is estimated that has reached almost 700 studies.²⁷

In 2004, the COO studies are grouped in three categories of research: "overall country-image", "aggregate product-country image" and "specific product-country image".²⁸ However, almost every type of analysis agreed on the fact that the origin of a product or service influences the expectation and reputation that consumers have.

Another common thought, is that this construct is composed by endogenous and exogenous elements, due to the presence of a mix of psychological features related to consumers as well as structural dimensions regarding the country. Indeed, in recent studies also the country image, which is a set of COO, was separated into two levels of

26 R. Schooler, "Product bias in the Central American common market", *Journal of Marketing Research*, n. 2 (1965), pp. 394-397.

27 N. G. Papaopolous, L. A. Heslop, "Country equity and Country branding: Problems and prospects", *Journal of Brand Management*, n. 9 (2002), pp. 294-314.

28 M. Hsieh, "An investigation of country-of-origin effect using correspondence analysis: A cross-national context", *International Journal of Market Research*, vol. 46, n. 3 (2004), pp. 267-295.

analysis: the macro and the micro country image.²⁹ The first one focuses on information and beliefs related to a country, while the other level is centred in the reputation of a specific product. Moreover, the macro level, related to the country, is divided into three dimensions: economic, political and technological. Some scholars focused their studies on one of the two levels, while others, such as Heslop and Papadopoulos, consider them as interrelated dimensions which allow to do a better research.³⁰

As said before, the investigations about COO effects started with the study made by Schooler, but in the last decades this construct has developed significantly, since every scholars have produced different meta-analysis and models in order to explain this effect.

At the beginning, these studies aimed to frame the concept and to verify the real presence of it. Then, in recent years researches has shifted their intentions because the main aim is to find and understand why the COO effect exists. The result is the discovery of a vast amount of variables which can affect positively or negatively the perception of a product linked to the “Made in...” label. Furthermore, also the definition of COO has changed, because each scholar proposed various perspectives and definitions of the term. For example, the classical and initial definition of COO is related to the country in which a product is made, but after the enlargement of the international market and the proliferation of multinational companies this concept is mutated.

Obviously, nowadays is hard to find a product manufactured and assembled entirely in one country, so the previously COO definition has modified and what is now central is the association between a firm or brand and a country. For that reason, it is clear how a positive country image is relevant to make a brand more recognizable to consumers. Thus, these favourable perceptions lead to a good attitude in buying that product.

The Samiee's model well explains the importance of the county of origin of a product or service and how its effect may be positive or negative in the

29 R. Pappu, P.G. Quester, R.W. Cooksey, “Country image and consumer-based brand equity: relationships and implications for international marketing”, *Journal of International Business Studies*, n. 38 (2007), pp. 726-745.

30 L. A. Heslop, N. Papadopoulos, *Product and Country images: Impact and role in international Marketing*, cap. II, New York, The Haworth Press, 1993, pp. 39-76.

purchase decision.³¹ This model divided the composition of “Made in...” effect in 3 areas: consumer, product/ market and country issues. For instance, for each area are individualized some relevant factors, such as the notoriety of a brand, the ethnocentrism tendency or the country's level of development.

However, the most famous model that grouped all variables of COO effect is that of Pharr.³² In 2005, She sums up the majority of theories about Country of origin influence and creates a holistic model that puts together all factors dividing them into: antecedents, moderators and outcomes. Thus, this model allows to comprehend better the construct, because it introduces a brief review of all variables discovered and studied until now.

Pharr, individuated various types of antecedents: the endogenous, the exogenous and cognitive determinants. Among the endogenous variables emerge the ethnocentrism, the individualism or the collectivism as well as the cultural and social differences. Indeed, the ethnocentrism is strictly related to the COO phenomenon, because of the emergence of consumers' willingness to buy or not a product only for its origin. This case was based on the idea that consumers decide to buy a national product in order to sustain its own economy. In addition, it could be occurred that some people do not buy a product of a specific country because of their negative considerations about government policies or practices, such as the case of Danish controversy that I mentioned before. Indeed, the most evident examples of nationalism are the boycott of products made in a particular country and the creation of sponsoring campaigns for buying domestic goods. Moreover, at the same year, in 2005, Samiee et al introduced the country's gender orientation as a new exogenous factors linked to the COO' s perception.³³

A step forward was made when were included also cognitive features

31 S. Samiee, “Customer evaluation of products in a global market”, *Journal of International Business Studies*, n. 25 (1994), pp. 394-397.

32 J. M. Pharr, “Synthesizing country-of-origin research from the last decade: Is the concept still salient in a era of global brands?”, *Journal of marketing theory and practice*, vol.13, n.4 (2005), pp. 34-45.

33 S. Samiee, T.A. Shimp, S. Sharma, “Brand Origin Recognition Accuracy: Its antecedents and cognitive limitations”, *Journal of international business studies*, vol. 36, n. 4 (2005), pp. 379-398.

in order to better analyse the study of this construct. The cognitive approach has taken into account how product information and the motivational intensity have an impact on the construct. So, analysis has covered many fields of works focusing mostly on perceived product value and political and cultural similarities. Thus, it is known that the cognitive cues are linked especially with the perceived product quality.

However, various studies demonstrated that the COO is not only related to the cognitive and quality cues, but it is also influenced by symbolic and emotional features. For example, Fournier³⁴ or Botschen and Hemetsberger showed how national feelings or past memories are significant elements that affect the purchase decision.³⁵ Indeed, they introduced a new approach of COO which is also related to the expressive, emotional and image attributes. Thus, the affective cue linked to the country origin is essential to improve further positive evaluations, to diversify the mental representation and also to influence information.

Moreover, as said before the antecedents also include endogenous determinants of COO and among all the most relevant is the country's level of development. For instance, Porter pointed out that consumers, especially western people, have a different approach when deciding to buy a product made in a developed country, rather than a developing one.³⁶ He stated that the country's manufactured skills and its technology play a central role in decision purchase, because for the consumers these elements influence the quality of the final product.

However, it is essential to underline that several theoretical frameworks do not consider these variables separately, but take into consideration all features in order to cover the different dimensions the cognitive, the affective and the normative one. In addition, all these three areas are interrelated in order to be determined in influencing the COO effect. For instance, generally the ethnocentrism attitude is inserted into the normative mechanisms, because is linked to the personal norms, but in

34 S. Fournier, "Consumers and their brands: Developing relationship theory in consumer research", *Journal of consumer research*, n. 24 (1998), pp. 343-373.

35 G. Botschen, A. Hemetsberger, "Diagnosing means-end structures to determine the degree of potential marketing program standardization", *Journal of business research*, n. 42 (1998), p. 151-159.

36 M. E. Porter, *The competitive advantage of nations*, London, Mcmillan, 1990, p. 75.

reality it is also rooted into the emotional sphere which includes the feeling of belonging and the sense of identity.

In addition, in the 2000's, several researches focused on two specific issues related to the product; the brand name and the price. Through this studies it is demonstrated that this two elements play a crucial role as moderators of the COO effect. As a matter of fact, it is verified that the COO's influence on product evaluations is moderated when consumers obtain further information, rather than the merely product's origin. Particularly, in the last ten years the CO literature has focused its interest in a new moderator which is the brand. In a global era where the brand plays a crucial role, scholars have posed the hypothesis that since the brand has increased its presence, it may be introduced as a moderator of COO. It is true that consumers are not always able to associate all brands with their origin, but in many cases they take into account the origin when forming their judgements.

This interrelation between the country of origin and the brand has become essential to understand how it influences the brand equity. From a marketing perspective, the brand equity is an important feature for brand management, so the country's origin has been included as a variable that affects the brand value. As a result, these studies found that a positive country image helps significantly the brand's success, because a brand linked to a popular country is rapidly accepted.

One of these researches was conducted by Ravi Pappu et al in 2007.³⁷ They analysed the relationship between the country of origin image and the consumer-based brand equity. They stated that a country's image could influence the value of brands originating from that country. As a result, a good image implies positive associations to that country, but also improves the popularity and loyalty of brands. In fact, familiarity and loyalty towards country's products are basic elements in the consumers' mind. So, since a favourable country's image leads to a brand loyalty, Pappu suggested that national governments should manage the macro e micro country image in order to increase exports.

37 R. Pappu, G.P. Quester, R.W. Cooksey, "Country image and consumer-based brand equity: relationships and implications for international marketing", cit., pp. 726-745.

Another research that centred into the relation between the country of origin construct and brand proposed a two level theoretical framework. This model analysed the micro and macro dimensions and for each one was individuated various factors. The first level is based on consumer and brand issues taking into consideration as relevant factors; education, experience, consumer-brand integration, domestic brand origin, brand denomination congruence and brand equity. The second level is related to the product and country characteristics, which are composed of product category dominance, involvement and country image.

Moreover, the global era not only did introduce the brand issue, but it also has developed the COO construct considering the internationalization process. For example, Chao realized the emerge of the new multi-national production, so divided products into hybrid and non-hybrid.³⁸ The first category included all those products that are designed or branded in one country, but manufactured in another one. Furthermore, starting from the theory of Chao the entire Country of origin construct was decomposed into several subcategories. Hence, the evolution of the market caused the development of the concept which leads to the building of new terms, such as country of design (COD), country-of-parts (COP), country of assembly (COA), country of brand (COB), country of manufacture (COM).³⁹ After these divisions, the most common thought is that for consumers' the COM is less important than the COB.

As a result, in a global era, in which competition has incremented, the origin of a brand plays a major role and has a great impact on the overall COO information. Consequently, the origin of a brand remains one of the reliable information in order to associate a product to a country. For that reason, in recent years a new construct, called Brand Origin Recognition Accuracy (BORA), has been coined and represented the last evolution of COO. The BORA concept is based on the increasing potential that the origin of the brand has assumed in recent years. As said by Samiee the BORA is based on the consumers' knowledge that is stored in their

38 P. Chao, "Partitioning country-of-origin effects: Consumer evaluations of a hybrid product", *Journal of international business studies*, n. 24 (1993), pp.291-306.

39 J. M. Pharr, "Synthesizing country-of-origin research from the last decade: Is the concept still salient in a era of global brands?", *Journal of marketing theory and practice*, cit., p. 40.

memory and it emerges as a relevant factor when forming their judgements on a brand or product.⁴⁰

The most remarkable example of the brand origin's importance is the use of foreign brand name, because it is more attractive in the international market due to their association to another country. *Samiee et al.*, discovered that consumers classify brands with their COO basing also on language and pronunciation.⁴¹ For example, several firms use French or Italian brand name due to its direct relation to the more famous country origin which implies in consumers' mind a positive association with desirable and reliable products. In addition, also for the BORA effect has been created a conceptual model which has taken into consideration several variables, such as the socio-economic status, the international experiences, the use of the internet as well as the demographic and gender features. Hence, from that model has emerged that consumers with a high level education and international experiences are more aware of knowing global brands and they behave proactively towards foreign products.

However, until now almost all authors focused their researches on the country origin effect on products and then brands, but according to Candace L. White⁴² the concept could be studied from an inverse perspective. She has retaken the COO model with a different aim discovering if brand image has the same impact on the country image. Considering that a consumer knows the country of origin of a brand, she noted that a famous brand can positively affect on the entire country of origin. It can be said that a famous and popular brand works as a sort of ambassador of its own country. C. White supported her thesis with two worldwide and famous brands: *Ikea* and *Skype*. The first one is easily related to its origin, which is Sweden, while the origin of the second is less known. Ikea aims to be associated with its country and it can be noted in the logo of the brand, which reported the colours of the Swedish flag.

On the contrary, the Skype brand has not any references to its Estonian

40 S. Samiee, T.A. Shimp, S. Sharma, "Brand origin recognition accuracy: Its antecedents and consumers' cognitive limitations", cit., pp. 379-397.

41 *Ibidem*

42 C. L. White, "Brands and national image: An exploration of inverse country-of-origin effect", *Place Branding and Public Diplomacy*, n. 8 (2012), pp. 110-118.

origin, but the government understands the power of that national brand and made some efforts to be associated with the firm. According to the White's study "in March 2011, Tallin Airport in Estonia's capital opened a dedicated Skype station, which allows Skype video chat in the booth."⁴³ In addition, the President of Estonia tried to promote Estonia through the popularity of this brand in order to spread a positive image of the country based on innovation. So, generally also the brand has a potential to affect negatively or positively on the culture and values of its own country.

1.5 Meta-brands and the legal framework of "Made in..." labels

Finally, another related topic to the country of origin of a product is the establishment of meta-brands. This term indicates all those products linked to a particular identification, also called protected designation of origin (POD), which is regulated by several legal frameworks.⁴⁴

Historically, the labelling topic related to the country of origin has always been framed in order to guarantee a fair competition in the international market. Indeed, in 1883 a Convention was held in Paris which aimed to regulate the industrial property at an international level.⁴⁵ During the following years it was revised six times until the last amendment in 1979. Through this Convention, some laws were grouped in three categories: national treatment, right of property and common rules. Among all topics, this meeting also took into account the controlling of marks, but in reality this topic was not really regulated by the Paris Convention, because it is rather a sort of guideline.

In fact, the convention does not decree specific rules for controlling marks, but it applies the domestic law of each contracting State, adding that no one can refuse or invalidate national marks already registered. Moreover, it provides some rare cases of possible refusal of registered marks, such as in the case of an infringement of acquired rights of third

43 C. L. White, "Brands and national image: An exploration of inverse country-of-origin effect", cit., p. 113.

44 J. M. Pharr, "Synthesizing country-of-origin research from the last decade: Is the concept still salient in a era of global brands?", cit., pp. 34-45.

45 *Paris Convention for the Protection of Industrial Property*, 20th March 1883, amended on 28th September 1979. Available at: <http://www.wipo.int/treaties/en/ip/paris/>, accessed 11st October 2013.

parties or if these marks are in contrast with morality and public order.⁴⁶ In addition, a State can refuse a mark if occurred a reproduction, imitation or translation of a similar already existing goods. This convention was only a first step towards the regulation of the international trade.

Therefore, in 1947 the General Agreement on Tariffs and Trade (GATT) was signed and after some changes it continues to be considered a cornerstone of International trade law. The principal aim of GATT was certainly the freedom of international market and the spread of liberalism, so it rooted its base in the fundamental principle of the most favoured nation, in order to achieve the reduction of tariffs and other trade barriers.⁴⁷ However, regarding the country of origin topic, it is generally regulated following two different approaches: the preferential and non-preferential one. The first one is linked to the establishment of some free trade areas through the signing of multilateral agreements, while the second approach is related to the Kyoto Convention.⁴⁸ This Convention was set up in 1974 after a negotiation headed by the Custom Cooperation Council in Brussels and it tries to regulate the origin of product, providing standards and recommended practices.

In the last decades, the rules contained in the previous GATT agreement were often negotiated until the final accord named Uruguay Round, which was signed in Marrakesh in 1994. The Uruguay Round is a fundamental negotiation, because it innovated the initial GATT through the establishment of an international institution the so called World Trade Organization.⁴⁹ Moreover, the original agreement was implemented with the attachment of the General Agreement on Tariffs and Services (GATS), the Trade Related Aspects of Intellectual Property (TRIPS) and the Trade

46 *Paris Convention for the Protection of Industrial Property*, 20th March 1883, amended on 28th September 1979. Available at: <http://www.wipo.int/treaties/en/ip/paris/>, accessed 11st October 2013.

47 A. Comba, *Il neoliberalismo internazionale: strutture giuridiche a dimensione mondiale dagli accordi di bretton woods all'organizzazione mondiale del commercio*, Milano, Giuffrè editore, 1995, pp.98-104.

48 Kyoto Convention, *International Convention on the simplification and harmonization of Customs procedure*, 18th May 1973, entered into force 25th September 1974. Available at: <http://www.unece.org/fileadmin/DAM/cefact/recommendations/kyoto/welcome.htm>, accessed 11st October. 2013.

49 A. Comba, *Il neoliberalismo internazionale: strutture giuridiche a dimensione mondiale dagli accordi di bretton woods all'organizzazione mondiale del commercio*, cit., pp. 229-230.

Policy Review Mechanism (TRIM).⁵⁰

However, regarding the labelling of products, the agreement related to this question is the TRIPS which establishes the tutelage of marks, rights of property and other measures. This general agreement is not so incisive in fighting the products' counterfeit, due to the simple establishment of a minimum standard for protecting patents, marks, property rights, know how and geographical indications.⁵¹ Specifically, the article (22) regulates the Protection of Geographical Indications, but simply referring to the domestic law of each State, focusing on their needs to introduce rules and penalties in order to defend designations. Then, the following article (23) takes into account a specific field of geographical indications regulating the designations of wines and spirits.⁵²

Then, this topic continued to be updated and due to the phenomenon of the fragmented production, also the previous Kyoto Convention was revised in 1999. Following these modifications, it was set up a distinction in the regulation of origin, basing on two criteria "the country where the commodity has been wholly produced or where the last substantial transformation took place".⁵³

On the contrary, since 2008 the WTO policies have followed another path that aims to make the market more freely through the elimination of the "Made in..." label. Thus, in April 2012, the WTO and the European Union organized a meeting in order to discuss about this initiative and to present the World Input-Output Database (OECD), which helps to collect data for discovering the global trade value chains.⁵⁴ The WTO has noted how globalization has affected on the production of goods which is decomposed due to the creation of goods which are made of worldwide

50 A. Comba, *Il neoliberismo internazionale: strutture giuridiche a dimensione mondiale dagli accordi di bretton woods all'organizzazione mondiale del commercio*, cit., pp. 231.

51 *Ivi*, pp. 260-261.

52 Uruguay Round agreements, Annex 1C, *Agreement on trade-related aspects of intellectual property rights (TRIPs)*, Marrakesh, Marocco, 15th April 1994.

Available at: http://www.wto.org/english/tratop_e/trips_e/t_agm0_e.htm, accessed 11st October.

53 Kyoto Convention, Annex D1, *International Convention on the simplification and harmonization of Customs procedure*, April 1977, entered into force 6th December 1977.

Available at: <http://www.unece.org/fileadmin/DAM/cefact/recommendations/kyoto/welcome.htm>, accessed 11st October.

54 M. Nash-Hoff, "Changing to WTO's 'Made in the World' labelling would harm Americans", *Huffington Post*, 2012. Available at: http://www.huffingtonpost.com/michele-nashhoff/changing-to-wtos-made-in-b_1536758.html

components. As a result, the WTO has concluded that the country of origin labels has lost their value and in the future they will be replaced with the “Made in the World” label, in order to demonstrate the interdependency of economies and to promote the exchange of ideas, projects and so on.

However, this initiative has not been well welcomed due to some critics which discuss how the made in world label eliminates the information of origin and may damage the control on transparency and safety of products. Indeed, without knowing where a product come from, it is difficult to comprehend if the fundamental rights are violated. For instance, it is known that multinational enterprises split their production process in many developing countries, taking advantage of low-cost raw materials, underpaid workforce, use of minority workers as well as the lack of environmental policies, so this “made in the world” may change controls into a harder work.

Nevertheless, the European Union is continuing to implement the legal framework for the protection of various designations of origin. Thus, the European Parliament and the Council of European Union have also set up a directive (2000/13 EC) on 20th March 2000, which regulates the labelling presentation and the advertising of foodstuff.⁵⁵ The directive aims to provide general rules at a community level to make the labelling topic more uniform. The final purpose is to create labels that European consumers can understand in order to be informed as best as possible. Among all rules, it provides the presence of the date of minimum durability of products as well as the translation of information in many languages to make labels clearer to consumers. Finally, it is important to underline that this directive is strictly related to the European area so is not apply to products for exports.

Moreover, a new European regulation 510/2006 on the protection of geographical indications and designations of origin for agricultural products and foodstuff entered in force in 2006. This regulation is important for the country of origin topic, because the designations of origin

55 The European Parliament and the Council of European Union, “Directive 2000/13 EC on the approximation of the laws of the Member States relating to the labelling, presentation and advertising of foodstuffs”, *Official Journal of the European Communities*, L 109 (2000), pp. 29-42. Available at: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2000:109:0029:0042:EN:PDF>

were defined and divided into three categories: traditional specialties guaranteed (TSG), protected geographical indication (PGI) and protected designation of origin (PDO). The designation of origin is defined as “the name of a region, a specific place or, in exceptional cases, a country, used to describe an agricultural product or a foodstuff” and his quality is related to this “particular geographical environment” where the product is produced.⁵⁶

The main difference between PDO and PGI is based on the fact that the first one includes all products that must have their features exclusively linked to a geographical area, while for being part of the second term is sufficient that only one stage of the production process occurred in a specific region. An agricultural product can be classified as TSG if it follows a traditional production method or if it is composed of traditional raw materials. This last one designation was inserted especially for promoting the rural economy.

In addition, to be registered as a special designation is necessary to fill an application which has to contain the name of a product, a description of all components, the method of production and obviously the geographic area. Once the product is registered, it is protected against imitation and misleading indication and it must be monitored by official controls, following the regulation 882/2004 EC. In addition, all registered products are also linked to some community symbols that have to appear on the labelling or on the packaging. However, it is essential to say that this regulation (510/2006) does not include the category of spirits and wines, which are regulated by other specific rules.

Furthermore, in 2012 the European Union decrees another regulation 1151/2012 on quality schemes for agricultural products and foodstuff in which is retaken the geographical designations issue.⁵⁷ In fact, the second title takes into consideration the protected designation of origins and

56 The Council of the European Union, “Council Regulation 510/2006 on the protection of geographical indications and designations of origin for agricultural products”, *Official Journal of the European Union*, L 93 (2006), pp. 12-25. Available at: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2006:093:0012:0025:EN:PDF>

57 The European Parliament and The Council of European Union, “Regulation 1151/2012 on quality schemes of agricultural products and foodstuffs”, *Official Journal of the European Union*, L 343 (2012), pp. 1-29. Available at: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:343:0001:0029:en:PDF>

geographical indications, providing the definitions of terms, the requirements needed, the content of applications for registration, the cases of possible opposition as well as the protection of them. The third title examines the same topic, but regarding the traditional specialities guaranteed, while the fourth title focuses on the optional quality terms including the mountain product. Finally, this regulation encompasses the control and monitoring of these special products as well as the possibility of cancellation and amendment of designations in case of changes on product characteristics, such as the name or the method of production.⁵⁸

Finally, more recently, on 17th October 2013, the Internal market Committee approved two draft laws aim to add new safety product requirements and market surveillance rules. The central topic of these two proposals is the transparency of goods, so that it is expected to introduce the country of origin labelling as well as a European test for the safety of goods. The draft considers also the possibility to draw up a list of all those firms that repeatedly violate these European norms. These proposals aim to cancel two pre-existed European directives 87/357/CEE and 2001/95/CE implementing the regulation of "Made in..." labels. The article 7 of this proposal obliges the usage of the Made in label in all products that are exchanged in the European Union. In addition, if a state is a member of the Union has the possibility to use a label which refers to the European Union rather than one linked to a specific country.⁵⁹

So, it is clear how these denominations prove the authentic origin of a product which also involves its high quality, because has been made in that particular country, region or city. For instance, many Italian products are linked to a specific territory and they are appreciated by foreign people for their high quality due to their origin, such as the case of Mozzarella from Campania and Parmigiano Reggiano. For that reason, as demonstrated above, Europe pays a particular attention in identifying,

58 The European Parliament and The Council of European Union, "Regulation 1151/2012 on quality schemes of agricultural products and foodstuffs", *Official Journal of the European Union*, L 343 (2012), pp. 1-29. Available at: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:343:0001:0029:en:PDF>

59 Proposal for a regulation of the European Parliament and the Council on consumer product safety and repealing Council Directive 87/357/EEC and Directive 2001/95/EC. Available at: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2013:0078:FIN:en:PDF>

regulating and protecting its various denominations. Indeed, through these international legal frameworks it is evident how designation of origin is considered a relevant topic, which plays an important role in the economic and security field. In conclusion, what is important to underline is that in a global market the origin of a product continues to be a significant factor in consumers' perceptions and evaluations.

Moreover, through the meta-brands, the origin of a product has been extended including not only a country, but also a region or a city. So, the studies about the country of origin effect can be also adopted for a restricted area.

1.6 Brand management also in regions and cities. The *Marca Catalunya* and *Barcelona's* model

So, the brand management could be used, with some differences, even for regions and cities. In the majority of cases, the activity of branding and enhancing a city or region is strictly related to the tourist sphere, but it can influence indirectly other sectors, such as economy and culture. In the last decades, also cities and regions have been adjusted following the global changes. Thus, it became important to consolidate the territorial identity in order to build a sort of an attractive city brand. The way to achieve this goal is based on the interrelation between cultural heritage, innovation and communication.

Since tourism has become a fundamental driver of economic growth, the international competition among cities has increased. As a matter of fact, several cities have made many efforts to be more attractive and to be included among the most desirable destinations for travellers. According to some authors, such as Ritchie and Hudson, the building of a great territorial image can be achieved establishing a strategic plan as well as focusing on emotional sphere.⁶⁰ Thus, they stated that the territorial image is linked to four ideas: impression, perception, representation and uniqueness.⁶¹

However, the best way to frame the territorial identity is the organization

⁶⁰ B. J. R. Ritchie, S. Hudson, "Understanding and meeting the challenges of consumer/tourist experience research", *International journal of tourism research*, vol. 11, n. 2 (2009), Canada, University of Calgary, pp.111-126.

of some events linked to the cultural heritage, sport, music and art. In fact, the cultural aspect is one of the most essential resources to enhance a city or a region which makes easier the positioning in the world.⁶² Moreover, what can not be forgotten is to interact with local people and their values in order to propose an identity based on cultural diversity to avoid the so called “Disneyization” of territories. In the global era, it is easy to fall in this phenomena which was coined by Alan Bryman in order to explain the artificial experience and illusion that today's cities offer.⁶³ This scholar compared the new global tendency of cities to the Disney theme parks which are artificial spaces built only for attracting mass consumption into homogeneous places that can be found all over the world.

Indeed, the brand management in a city or region should take into account three essential points: the analysis of historical and architectonic aspect, the building of a new identity both internally and externally and finally the implementation of communication to spread this identity.⁶⁴ As a matter of fact, in recent years the tourist promotion has overcome the mere distribution of information, through brochures or travel guides, focusing instead on new values as dynamism and interactivity.

Moreover, as seen before regarding countries, the importance of image and reputation leads to some studies and international indexes. Thus, several indexes were created in order to esteem the value, the competitiveness and reputation also for cities. For example, this year the Reputation Institute has conducted a study about reputation and admiration of cities, in order to demonstrate the linkage between a favourable image and the economic outcomes. This research selected 100 cities based on some values classified into three categories: advanced economy, appealing environment, effective government.⁶⁵ Indeed, the study has highlighted several essential features for building a solid reputation.

61 B. J. R. Ritchie, S. Hudson, “Understanding and meeting the challenges of consumer/tourist experience research”, cit., pp.111-126.

62 M. Jiménez Morales, J. De San Eugenio Vela, “Identidad territorial y promoción turística: La organización de eventos como estrategia de creación, consolidación y difusión de la imagen de marca del territorio”, *Zer*, vol.14, n. 26 (2009), pp. 277-297.

63 A. Bryman, *The Disneyization of Society*, London, SAGE Publications LTD, 2004, pp. 1-15.

64 H. Seisdedos, “La marca ciudad como antídoto para la 'bonsainización' del citymarketing”, *Harvard Deusto Marketing and Ventas*, n. 76 (2006), pp. 72-79.

65 Reputation Institute, *2013 City RepTrak Study*, Press Release, Madrid, 17th October 2013, pp. 1-5.

Among these factors emerges the beauty of the urban environment, the safety, the cultural and gastronomic heritage as well as the standard of living. The analysis took into account 100 international cities which have been evaluated for the perceptions that people have. From that study resulted that the estimation is fundamental, because it affects positively on the entire economy of the cities. Reporting Fernando Prado's speech, it can be understand this strong relation between world admiration of a city and the development of its economic resources.

“ People have images of a city on their mind when they are deciding to go on holiday there, to live or work there, or to buy products originated there. Our modelling demonstrates that a city that knows how to effectively manage its reputation can attract more tourists, greater investments or a bigger influx of talent.”⁶⁶

These words well explain how the image is not merely an aesthetic issue link to a brand or logo, but it is a more complex project that aims to improve the competitiveness of a city as well as a country, through supporting their strength and cases of success.

A great example of a city and a region that has reconstructed its identity and it has become a model for many others is Catalunya and Barcelona. This is the case of a visionary project that did not focus only on the tourism sector. Institutions and civil society cooperated for framing the image of Catalunya, following the studies and the umbrella model of country brand image. As explained before, the creator of the country brand term was a Catalan, so he also focused his studies for framing an image of Catalunya. Valls identified weaknesses, strengths and the region's attitude in order to plan a strategic project.

Thus, it is a clear example of how some programs organized for building a country brand, can also be used for regions and cities. So, the process to build a country brand or a city brand is divided into three actions.⁶⁷ Firstly, it is necessary to understand how positioning the brand territory through an initial analysis of the territory, its characteristics and

66 Reputation Institute, *2013 City RepTrak Study*, cit., p. 1.

67 J.F. Valls, “Comunicació de país: Catalunya com a marca internacional”, cit., pp. 341-361.

people's expectations. Secondly, some public institutions and private associations have to collaborate in order to set up a strategic plan and a final actuation of some specific policies. In the concrete Catalan case, Valls identified five remarkable attributes for the positioning of *Marca Catalunya*: the historical personality, the human dimension, the creativity and Southern location, the entrepreneurial spirit and the central role of Barcelona.⁶⁸ The project aims to enhance the Catalan presence in the international market as well as intensifying the relationship Barcelona-Catalunya.

The critical element that the project have to improve is the popularity of Catalan brands and products. At an international level, the Catalan image has little notoriety, so the project tries to promote the *Marca Catalunya* through some associations with regional products, protected designation of origin and successful business cases. Indeed, it is true that several firms, products or people are great international cases of success and admiration, but are not linked to the Catalan region. In fact, several Catalan cases of success stand out in different fields, such as the famous tenors Josep Carrera who was born in Barcelona. Moreover, also some famous clothing stores root their origins in the Catalan territory, such as *Mango* and *Desigual*, as well as some sport athletes, such as the tennis player Rafael Nadal or some international doctors, such as Jose Baselga who has joined the American Association for Cancer Research.

Among all attributes that frame the *Marca Catalunya*, the proximity to the Mediterranean sea has been considered one of the most powerful values for improving the entire image of the region and city. In fact, in the 80's the city of Barcelona lived a period of restoration focused especially in urban regeneration which lead to open the city to the sea through the reconstruction of the port. The guru who worked for the restoration of the city and its reputation is Toni Puig. He is a specialist in the cultural management who has spread the concept of *Marca ciudad* (city brand). Behind the building of the Barcelona renovation there is the Toni Puig's project. At the end of 1970's he began to work inside the city council and boosted to improve Barcelona's image, which then has become one of the

68 J.F. Valls, "Comunicació de país: Catalunya com a marca internacional", cit., pp. 341-361.

European cultural capitals. According to Toni Puig, a city that is not active in the international context takes the risk to deteriorate it.⁶⁹ He stated that the task of a city is to collaborate with citizens and to focus on the quality of life. In the last decades, the plan for a new Barcelona has included the urban transformation, the rebuilding of the port and the regeneration of coast. Moreover, Barcelona had worked a lot on the cultural dimension and it is worth mentioning the activities of *Interarts*, which is a foundation aimed to promote policies for local culture as well as the active role played by the city in the *Eurocities network*.⁷⁰ This project started in 1986 when was established a network among five European cities; Barcelona, Rotterdam, Birmingham, Frankfurt, Lyon and Milan, but has continued until now enlarging the number of participants. This group of cities shares common policy priorities regarding climate, inclusion and recovery.

Furthermore, the best way to promote innovation and reputation is to host international events, such as the Olympic Games and Universal Expositions. In the case of Barcelona, the 1993 marked the year that signed the first step towards the city brand image plan, because it was a great occasion to demonstrate Barcelona's development and to increase the tourist arrivals. After that plan, Barcelona is recognized as a one of the major and desirable tourist destinations, but also a prestigious business and technological centre as well as one of the European cultural cities, which host many cultural events. Indeed, one of the most remarkable cultural events occurred in 2002, when in the city was celebrated an international year entirely dedicated to the genius of Gaudí.⁷¹

In addition, Barcelona is known for its high interest on international cooperation and its social attitude, so that it keeps consolidating its world leadership in the field of municipal cooperation for development. Thus, recently the *Ayuntamiento* (local council) focused on these topics establishing a long lasting plan, named *Plan Director de Cooperación al*

69 T. Puig, *Marca ciudad cómo rediseñarla creativamente para afrontar diferencia y vida emergente: Barcelona como estilo*, Barcelona, 2008, p. 9.

70 F. Martí i Ambel, "Present i futur de la cultura catalana al món", Jaume Urgell, *Donar protagonisme a Catalunya. Acció internacional i política de relacions exteriors catalana*, section III, Cap. VIII, Col·lecció Temes contemporanis, Barcelona, Generalitat de Catalunya, 2003, pp. 289-303.

71 *Ivi*, p. 296.

Desarrollo, Solidariedad y Paz, for increasing the international cooperation and social initiatives around the city.⁷²

In addition, today another crucial factor that every future city can not take into account is sustainability. For instance, the Barcelona's model is also sensitive to the sustainability dimension, so that in November the city will host the most famous international meeting for promoting the use of electric cars and at the same time it will propose the Sustainable Mobility Week.⁷³ Obviously, the success of this model has interested other countries, so in 2005 Barcelona welcomed almost 145 foreign delegations which were curious to know deeper the Barcelona's model, on particular the urban regeneration, the cultural diversity, the organization of cultural events and the cohabitation of historical heritage and modernity.⁷⁴

1.7 Conclusion

In conclusion, the image and reputation of a country, a region and a city should be taken into account by national institutions, especially nowadays during a complex situation which is exacerbated by the economic crisis. As explained before, the recovery policies should introducing a strategic plan to support cases of excellence and promote strengths sectors which are admired around the world. For example, if the country is well estimated it is easier for the country of origin label, also known as “Made in...”, to affect positively on the sale of national products in the internal market as well as in the international one.

According to *Confartigianato*, which has analysed a Eurobarometer survey, one of three European citizens, so 130 million people in UE, choose what to buy based on the origin of the products that appears in the “Made in...” label.⁷⁵ Thus, the reputation of a country does not only help to

72 Available at: Ajuntament de Barcelona-cooperació internacional, solidarietat i pau, plan director, plan director 2013-2016 pdf, http://www.bcn.cat/cooperacio/cas/pla_director/pla-director-13-16.pdf, 13th October 2013.

73 Ajuntament de Barcelona, *Barcelona, world's capital of electric vehicles*, November 2013. Available at: <http://w42.bcn.cat/web/en/noticies-i-premsa/noticies/actives/Barcelona-takes-over-as-world-capital-of-electric-vehicles.jsp>

74 T. Puig, *Marca ciudad cómo rediseñarla creativamente para afrontar diferencia y vida emergente: Barcelona como estilo*, cit., p. 57.

75 Confartigianato Lombardia, News, <http://www.confartigianato-lombardia.it/it/-made-in-italy-parlamento-ue-approva-nuove-norme-su-made-in-.aspx>, 18 Ottobre 2013.

improve the products' quality, but can influence also wider dimensions. For instance, a great international reputation is essential for attracting foreign direct investments or companies that want to produce in it, but also is essential for being candidates to host international sport and cultural events. The central role of managing the identity and reputation of a country is well expressed by Anholt's words who consider this task a new fundamental skill in the 21st century.

“ All responsible governments and regional administrations, on behalf of their people, their institutions and their companies, need to discover what the world's perception of their places is, and to develop a strategy for managing it. An important part of their job is to try to build a reputation that is fair, true, powerful, attractive, genuinely useful to their economic, political and social aims.”⁷⁶

As can be seen this text refers also to regional administrations, because the management of image and reputation is not only linked to a country but also to regions and cities. Indeed, several products have specific characteristics and quality mainly for being produced in a particular territory.

Also on the contrary, some places may achieve a high reputation around the world mainly for their products, such as the Silicon Valley. In fact, this region of the Northern California is rapidly associated with a high level of technology and business success, due to the location in it of famous firms, such as Apple and Google. Thus, also the reputation of products or services can be associated with a country brand, because of their huge power to spread quality and values linked to their nation.

Indeed, famous brands and successful enterprises can be considered as ambassadors of culture, values and history of a country. For instance, they have a powerful potential which can be used and supported by some government policies and can play a central role in that situation of economic depression. However, it is fundamental to remember that also the cultural dimension is central for enhancing the admiration towards a

⁷⁶ S. Anholt, “Branding places and nations”, cit., p. 207.

territory. Indeed, it is known that the enhancement of the cultural heritage, through relevant initiatives, stimulates the interest in a territory, increasing its prestige and also contributing significantly to the economy of the country.

So, work on country image and reputation may be a priority especially for Southern European countries, which have a great potential, but are negatively affected by the current crisis which has worsened their reputation due to the spread of negative news.

Chapter 2

Marca España, a strategic State policy in time of crisis: the undiscovered and potential strengths of Spain in the world

“España es un país formidable, con una historia maravillosa de creación, de innovación, de continuidad de proyecto... Es el país más inteligible de Europa, pero lo que pasa es que la gente se empeña en no entenderlo.”
Julián Marías

2.1 An overview of economic history of Spain: from the Second Spanish Republic until now

The 14th April 1931 marked the beginning of the Second Spanish Republic thanks to the end of Primo de Rivera's dictatorship and the exile of King Alfonso XIII.⁷⁷ To fill this power vacuum, a temporary government was established through the elections, in which won the anti-monarchic movement. Generally, the first stage to build a Republican system is the setting up of the Constitution and in the Spanish case this phase occurred in December 1931. This Constitution was a revolutionary act, which tried to establish a democratic system through the introduction of some fundamental rights, such as the female suffrage and the compulsory education for everyone.⁷⁸

⁷⁷ J. Harrison, *The Spanish Economy in the twentieth century*, London, Croom Helm, 1985, p.77.

⁷⁸ G. Hermet, *Storia della Spagna nel Novecento*, Bologna, Il Mulino, 1999, p. 105.

However, this democratic attempt did not last so long due to internal political clashes. In fact, in the Second Republic can be individuated two different periods, in relation to the political wings that gain the power. The first one coincided with the temporary government, lasted two years from 1931 to 1933 and it is recognized as the *Bienio Reformador*, due to the numerous reforms taken by the centre-left coalition composed by Socialists, Radicals, Republican groups and the Catalan regionalists.⁷⁹ During this biennium the reforms concerned the military, religious and the agrarian issue, in order to overcome the powers linked to the Ancien Régime represented by the Church, the Army and the landowners.⁸⁰

The most revolutionary one was certainly the Agrarian Reform, which consisted of limiting the oligarchy, through the expropriation and redistribution of the lands in order to reallocate them to peasants. In addition, the government created the Agrarian Institute which was responsible for managing this question and improving the general living standards, establishing more equity between the rural and industrial workers.⁸¹ Thus, several committees, called *Jurados Mixtos* were created in order to respect the laws related to the labour contracts, guaranteeing more equity especially in the rural areas.⁸² Furthermore, the *bienio reformador* also introduced the legal statute of autonomy for three Spanish regions; Catalunya, Galicia and País Vascos. However, among these reforms, the most criticized was the nationalization of Catholic properties and the abolishment of its right to administrate the education system. Indeed, since 1932 the centre-left coalition was not so united due to the emergence of several dissents between the Socialists and the Radicals.

Moreover, in the same year the opposition to the Religious Reform caused the formation of a militantly anti-socialist Catholic group called *Confederación Española de Derechas Autónomas* (CEDA).⁸³ Thus, the internal disputes among the government led to the election's loss in 1933, in favour of the Radical right-wing headed by Alejandro Lerro

79 J. Harrison, *The Spanish Economy in the twentieth century*, cit., p.77.

80 G. Hermet, *Storia della Spagna nel Novecento*, cit., p. 105.

81 J. Harrison, *The Spanish Economy in the twentieth century*, cit., p. 95.

82 *Ivi*, p. 89.

83 *Ivi*, p.78.

and supported by the CEDA.

So, since 1933, following this political change, started the second period of the Second Republic named the *Bienio Negro* (1933-1936).⁸⁴ These years were characterized by the suspension or elimination of the previous socialist reforms, such as the agrarian one, which was interrupted. In fact, the landholders regained some of their large estates, which were previously expropriated, and through a reform of the *Jurados Mixtos* retook almost the total control of the labours contracts, provoking the decrease of the peasants' salaries.

Moreover, another modification concerned the religious question, which reintroduced several rights for the religious institutions, such as their reintegration in the education system. Since one of the CEDA values was the national unity, the government also revised the regional question neutralizing the legal formation of the three autonomous regions cited above. This initiative provoked several institutional revolts and conflicts in order to defence the autonomy process already started.

The 1934 was a year of numerous revolts for various reasons, from the social and labour question to the autonomy one. Indeed, among these numerous tensions, the most famous was the October Revolution of 1934. This revolution stem from a socialist insurrection against the CEDA's presence in the government and then was converted into a widespread revolution based on the social discontentment.⁸⁵

This critical situation incremented due to one of the deeper international crisis started in 1929, which caused a large world economic depression. However, the Spanish economic troubles were not totally linked to the international recession, but were instead a consequence of the Spanish economic isolation and its basic internal inefficiencies. Indeed, Spain had a limited development of the industry sector as well as a small-scale financing and business, causing the isolation from the capitalism system.⁸⁶ Thus, according to the Spanish economist Román Perpiñá "Spain is among the civilised countries, the only one with a

84 J. Harrison, *The Spanish Economy in the twentieth century*, cit., p.78.

85 G. Hermet, *Storia della Spagna nel Novecento*, cit., p. 117.

86 Servicio de Estudios del Banco de España, *Ritmo de la crisis económica en España en relación con la mundialidad*, Madrid, 1934, p.354.

complex and significantly autarkic economy".⁸⁷ Indeed, the economic backwardness of Spain was partly caused by the continuing problems related to the agricultural sector and the absence of an industrial plan during the period 1931-1936.

The *bienio negro* lasted until February 1936 when the Frente Popular, a left-coalition, won the election. However, after five months of government, a military rebellion occurred in 18th July 1936.⁸⁸ The army took the power splitting the country into two opposing factions which caused a cruel civil war from 1936 to 1939. One part was represented by the Republicans headed by Azaña and sustained by the rural labours and the urban bourgeoisie. On the other hand, there is the rebel factions or the nationalists led by the General Franco, who protected the financial interests, the landowners and the clergy. Until August 1936, the Republican maintained the control over a vast majority of the country; Valencia, Barcelona, Madrid, Bilbao and Malaga, while the Nationalists conquered only some cities, such as Seville and Burgos.⁸⁹ Nevertheless, after almost a year, precisely on October 1937, the Franco's movement controlled the 36 per cent of the country's industrial production.⁹⁰

So, the Spanish civil war was a violent conflict between these two factions for controlling the entire country. This war was fought in the Spanish territories, but became an international fight because of foreign interventions in support of each group. For example, the Nationalists were sustained financially by the Nazi German and the Fascist Italy, while the Republicans received aid mainly from the Soviet Union and the International Brigades.⁹¹ The outbreak of the civil war provoked the deterioration of the country, worsening the economic situation and the instability. This crisis was mainly caused by the two opposing movements which set up different policies in their territories. For instance, the Republicans continued the previously Agrarian Reform creating agricultural collectives, while the Nationalists aimed to support the

87 R. Perpiñá Grau, *De economía hispana: contribución al estudio de la constitución económica, especialmente al exterior*, Labor, Barcelona, 1936, p. 7.

88 J. Harrison, *The Spanish Economy in the twentieth century*, cit., p. 95.

89 *Ivi*, p. 109.

90 *Ivi*, p.110.

91 *Ivi*, pp. 120-121.

Spanish landowners. Since the same country was split and run in different ways the consequences were not positive.

Indeed, it is said that in 1937 Spain was completely fallen into the chaos with an increased number of murders or executions. However, in December 1938 and March 1939 the Nationalists invaded the Catalonia region and the city of Madrid, provoking the end of the civil war which marked the beginning of the long Franco's dictatorship.⁹² After the victory of the Nationalists, all the Republican members and supporters were persecuted, executed and the luckier one went into exile. From 1939 to 1951, the dictatorship was characterized by Hispanic nationalism, interventionism, xenophobia, autarky and economic isolation.⁹³ Thus, this isolation was definitively marked in 1946, when the United Nation voted the imposition of an economic boycott against Spain.

However, this international alienation was interrupted in August 1950, when the UN abolished the previous condemn of 1946 recognizing the Franco's regime.⁹⁴ In addition, with the outbreak of the Cold War, the U.S government started to be interested to the strategic location of Spain, especially for establishing some military bases. So, in 1953 the signing of the Madrid Pact marked the first step towards the end of Spanish isolation. The treaty provided the management of economic and military issues. Thus, through this pact, U.S granted economic and military aids in return for the establishment of the U.S military bases in the Spanish territory.⁹⁵

As a consequence, Franco decided to change its politics in order to open the country towards a timid economic liberalism. Indeed, the last decade of the dictatorship was recognized as a technocratic period, because Franco introduced new ministries who followed this different approach. So, from 1957 to 1975 Spain lived a period of reconstruction mostly thanks to the arrival of foreign investments and a Stabilisation plan. Indeed, this new strategy prompted the development of the Spanish

92 G. Hermet, *Storia della Spagna nel Novecento*, cit., p. 154-156.

93 J. Harrison, *The Spanish Economy in the twentieth century*, cit., p. 120-121.

94 *Ivi*, p. 187-194.

95 L. Prados de la Escosura, J. R. Rosés, I. Sanz-Villarroya, *Economic Reforms and Growth in Franco's Spain*, Working Paper, Universidad Carlos III de Madrid, Departamento de Historia Económica e Instituciones, July 2011, p. 6.

industry and permitted a major presence of the National banks and multinational enterprises. Despite this timid opening, the Spain of Franco continued to face several problems, such as the high inflation rates, the emergence of the black markets and the destruction of human capital through exile and immigration.⁹⁶

In addition, it is important to say that this shift of Franco's politics towards an economic growth was only a way to re-obtain a legitimacy among the population, especially that of the poorest social classes.⁹⁷ Furthermore, obviously this liberal approach was only related to the economic dimension, without involving the political sphere. As a matter of fact, another fundamental event for the development of Spain is still related to the international economic dimension. In fact, in 1958 Spain obtained its admission to the IMF, which provided some economic aids for the reconstruction and the development of the country.⁹⁸ Moreover, a year later, the Stabilisation and Liberalisation Plan was approved and marked a new era of the Spanish economy. Following this plan, some positive results emerged rapidly and the 50% of the nation's trade was liberalised in July 1959.⁹⁹

As a consequence of these changes, the period from the end of the 1950's and the 1960's was denominated "Spanish miracle", because of the great and rapid improvement of the Spanish economy. For instance, since 1961 new industrial poles emerged in zone that were previously underdeveloped, such as Valladolid and Saragoza. Moreover, between the 1960 and 1968 the value of the industrial production is estimated to be duplicated.¹⁰⁰ In addition, analysing the same period, the data from OCSE demonstrated an increase of the growth rate almost at 138%, converting Spain as the 9th world industrial power.¹⁰¹

From a political point of view, after the 1965 a crucial shift happened, because the technocratic ministries partly restored the monarchy,

96 J. Harrison, *The Spanish Economy in the twentieth century*, cit., p. 123.

97 G. Hermet, *Storia della Spagna nel Novecento*, cit., p. 205.

98 *Ivi*, p. 209

99 L. Prados de la Escosura, J. R. Rosés, I. Sanz-Villarroya, *Economic Reforms and Growth in Franco's Spain*, cit., p. 9.

100 G. Hermet, *Storia della Spagna nel Novecento*, cit., p. 211

101 *Ibidem*

introducing in the authoritarian government the Prince Juan Carlos. This presence was fundamental, because since 1974 Franco suffered from health diseases that compromised his abilities to govern. In fact, on 20th November 1975 Franco died and after seven days Juan Carlos took the power. Following the death of Franco started a period of democratisation in which the King created a new government headed by Suárez.¹⁰²

Formally, the end of the dictatorship was established after a referendum on 15th December 1976. The last step towards the consolidation of the democracy was the held of elections in 1977, that established the victory of *Unión del Centro Democrático* (UCD) and the second government of Suárez. The Suárez's government continued for several years until 1982. In this period from 1975 to 1982 the government's agenda indicated the economic recovery, the fight against the inflation and the containment of the unemployment as the government's priorities. In addition, the Constitution was modified in order to abolish the death penalty and the principle of secularism. Moreover, in 1981 continued the integration of Spain in the international dimension, through its entrance in the NATO.¹⁰³

However, the 1981 marked also a political instability due to the government's crisis provoked by internal disputes. Thus, in 1982 the new elections were held and for the first time an alternative party, the socialists, came to power. From 1982 to 1996 the government of the country remained in the hands of the left-wing party.¹⁰⁴ During this period, some austerity policies were imposed in the economic field, without forgetting to help citizens through wage concessions. In addition, the government decided to continue the negotiations in order to enter in the Economic European Community, which was finally achieved in 1986.¹⁰⁵

Following these reforms, in 1987 Spain started to obtain the first positive results, because the public deficit and the unemployment started to decrease significantly. Thanks to this overall improvement, Spain had also the occasion to emerge at an international level consolidating its

102 G. Hermet, *Storia della Spagna nel Novecento, cit.*, pp. 232-235.

103 *Ivi*, p. 263.

104 *Ivi*, p. 247- 271.

105 *Ivi*, p. 262.

international image. Indeed, in 1991 Spain played an international crucial role promoting the first attempt for starting the Israeli-Palestinian peace process, through the organization of the Madrid Conference.¹⁰⁶

From a cultural point of view, in 1992 the country image incremented its value, because Barcelona hosted the global event of the Olympic Games. It is said that the huge events are a key factor for promoting the country image and this was a good example to demonstrate it. Indeed, Barcelona used very well this occasion to foster its international presence and its reputation. The ability of the city was to manage the resources the best as possible, mostly to regenerate its urban, economic and social dimensions. The Olympic Games provided the opportunity to increase investments as well as decreasing the unemployment rate.

For instance, between October 1986 and August 1992, Barcelona's general unemployment rate fell from 18.4% to 9.6%.¹⁰⁷ Also, the Olympic Games' legacy was outstanding, due to the increasing number of tourists' arrivals from all over the world, positioning Barcelona as one of the most visited cities in the world. Moreover, from an economic perspective, Barcelona became more attractive for foreign companies due to the increment of the business confidence and competitiveness.¹⁰⁸ This development did not only affect Barcelona, but was extended to the entire country.

In the following period, from 1996 to 2004, the government of the country passed to the conservative party, called *Frente Popular*, headed by Aznar. During these years, Aznar's policies were characterised by the liberalisation and the privatization of the major public enterprises. Thanks to these reforms, the economic development process continued posing at the centre of the Spanish economy the construction industry, the internationalization process and the consequent diffusion of some Spanish 'Made in...' products and services. In addition, in 1999 Aznar conducted Spain at the totally integration into the UE with the adoption of

106 G. Hermet, *Storia della Spagna nel Novecento, cit.*, p. 264.

107 B. Ferran i Cid, *The economic impact of the Barcelona Olympic Games, 1986-2004: Barcelona: the legacy of the Games, 1992-2002*, Working Paper, Universitat Autònoma de Barcelona, Faculty of Economics and Business Science, Centre d'Estudis Olímpics UAB, 2005, p.8.

108 *Ivi*, p.11.

the common currency, the Euro.

Later, from 2004 to 2011 a new left-wing party the PSOE headed by Zapatero came in power. During this government, the Spanish economy “became much more dependent on construction and tourism than the other big EU economies (in 2006 they generated close to one quarter of GDP)”.¹⁰⁹ Also the greater expansion and internationalisation of Spanish enterprises did not cease and the exports rate saw an overall increment. Indeed, according to the European Commission “in 2008 the Spain’s exports and imports of goods and services represented 58.9% of GDP, making its economy more open than Italy’s and France’s (58.1% and 55.3%) respectively”.¹¹⁰

Moreover, Zapataro introduced some progressive reforms in the fields of civil rights, family, immigration and innovation technology. Until 2007, before the outbreak of the global economic crisis, the Spanish economic miracle was internationally admired mostly for the great changes occurred in a short period, such as the end of the dictatorship, the liberalisation, the integration in the European Union and in the International institutions. Thus, a wide amount of developing countries had considered the Spanish experience as an excellent model to follow.¹¹¹ Then in 2008, the global financial crisis destabilised the Spanish banks, the real estate industry and all the construction enterprises in which the Spanish economy was founded. Later, in recent years, the economic crisis has worsened reaching a high rate of unemployment, an increment of the social disparities and a fall of the internal demand.

As a matter of fact, these negative issues have deteriorated the country image and the international reputation. A concrete example of this loss of credibility and reputation is the emergence of a new economic term named PIIGS (Portugal, Ireland, Italy, Greece and Spain). This acronym grouped five European countries, because of their risk of recession, the financial instability and the high public debt. Moreover, this term was considered derogatory, because of the dual English meaning

109 W. Chislett, “The Way Forward for the Spanish Economy: more internationalisation”, Madrid, *Real Instituto Elcano*, Working Paper 1/2010, 15th January 2010, p. 6.

110 *Ibidem*

111 E. C. Padilla, *Repensar el desarrollo bajo la crisis del capitalismo mundial*, Mexico, Editores Porrúas and Universidad Autónoma de Zacatecas, 2011, pp. 183.

assumed by the acronym. According to a recent study of the *Real Instituto Elcano*, the image of Spain has worsened due to its association as a weak country, especially in Germany where this consideration is duplicated.¹¹² As a result, the Spanish prestige has deteriorated and has lost credibility and weight on the global political institutions, so much that has been related as a peripheral European state.¹¹³

For that reason, the government decided to intervene through some direct actions, such as the *Marca España* project which aims to improve the foreign image and affairs through the public diplomacy. In particular, one of the priorities of this initiative is to provide support to all the enterprises, which has started an internationalisation process, mostly because the exportations has resisted the crisis. For instance, in 2009 the Spanish economy was ranked 12th in the world for its wide number of international enterprises. Also, the *FT Global index*, which ranks the 500 world's biggest companies, introduced in its ranking thirteen Spanish companies.¹¹⁴

Despite this successful examples, the government realized that the Spanish excellences are not well known both inside and outside the country, so it focused its action on the improvement of the country image in order to re-obtain a good reputation and a major confidence in the investors as well as in the international institutions.

2.2 The internal and external reputation of Spain in 2012

Thus, as explained in chapter 1, in this global world the country's reputation has become a fundamental pillar, because a stable image leads to an easier positioning of the country in the international context. Therefore, has already said, the enhancement of the reputation is directly linked to the country-image/country-brand construct, which is considered so important that some countries have introduced it in their strategic

112 Observatorio Marca España, *Barómetro de la Marca España: 3a Oleada resultados de Marzo-Abril 2013*, Madrid, Real Instituto Elcano, 2013, p. 36.

113 I. Molina, "Spain's position in the world in 2013", *Real Instituto Elcano*, Policy Paper 2/2013, 24th July 2013, p. 4.

114 The Financial Times, *FT Global 500*, London, the Financial Times Ltd, 31st March 2009, p. 1-10.

government policy. In fact, according to the *Centre for Reputation Leadership*, there is a direct interrelation between the country's reputation and the creation of economic tangible value.¹¹⁵

Indeed, it is proven that a high reputation allows attracting talents, tourists as well as increasing the internationalization of enterprises, investments and finally it also prompts the sell of its own products.¹¹⁶ The first one who talked about reputation and its interrelation with the economic dimension is Anthony Johndrow, who also coined the new term Economy of reputation in order to describe the shift of priorities of the new era.¹¹⁷

Being the country image an essential aspect of the new era, this Centre for Reputation Leadership in collaboration with the *Real Instituto Elcano* and the Reputation Institute conducted an analysis of Spain's reputation in 2012.¹¹⁸ They followed the model called *Country RepTrak*, which as represented below, focuses on 16 attributes that can be grouped into three dimensions:

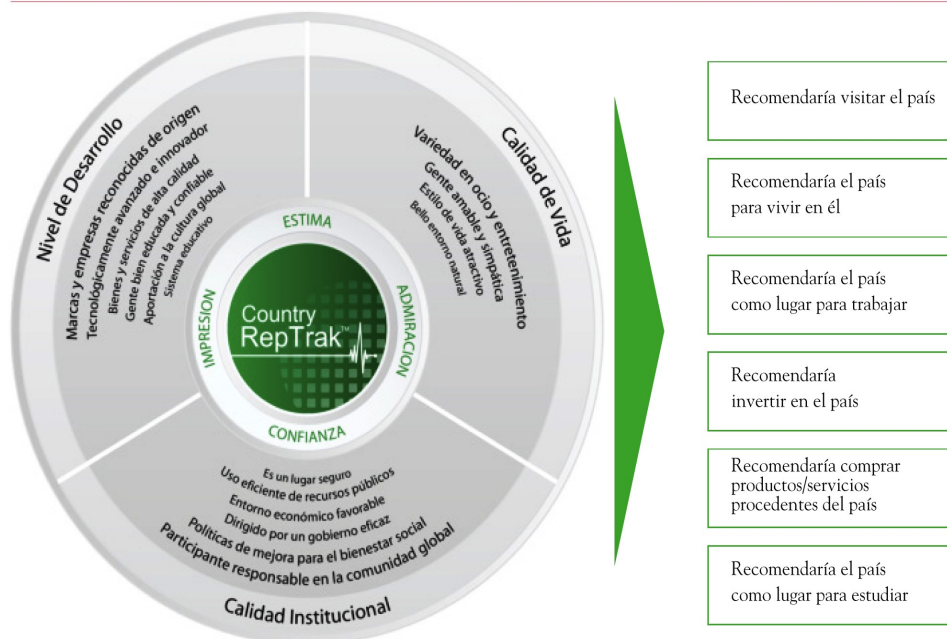
- quality of life
- level of development
- quality of institutions

115 F. Prado Abuín, J. Noya Miranda, *La Reputación de España: Evaluación de la reputación de España en los países de G8 y Latin América*, Reputation Institute, Real Instituto Elcano, Corporate excellence Centre for Reputation Leadership, Madrid, March 2013, p. 57.

116 *Ibidem*

117 A. Johndrow. "Making money in the reputation economy", *Forbes*, 27th August 2010. Available at: <http://www.forbes.com/2010/08/27/reputation-crisis-bp-toyota-catholic-church-sap-sprint-best-buy-reputation-institute-cmo-network.html>

118 F. Prado Abuín, J. Noya Miranda, *La Reputación de España: Evaluación de la reputación de España en los países de G8 y Latin América*, cit., pp. 1-80.



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Source: F. Prado Abuín, J. Noya Miranda, *La Reputación de España: Evaluación de la reputación de España en los países de G8 y Latin América*, Reputation Institute, Real Instituto Elcano, Corporate excellence Centre for Reputation Leadership, Madrid, March 2013, p. 10.

This report focused its analysis on the evolution of Spain's reputation in the specific period between 2011-2012. The study recollected some data about the perception of Spain structuring the analysis into three geographical dimensions: G8 countries, Latin America and Spain's internal reputation. From a general point of view, Spain gains the 16th position in a group of 57 countries, so otherwise the economic crisis and the critical situation has maintained a better position, rather than other European countries, such as France (17th), Italy (18th) and Portugal (19th).¹¹⁹

Indeed, differently from the so called PIIGS, after a worsening in 2011, the Spanish reputation has remained stable, while Italy and Greece has continued deteriorating their credibility.¹²⁰ However, specifically to the G8 area the reputation of Spain was almost solid and satisfactory referring to

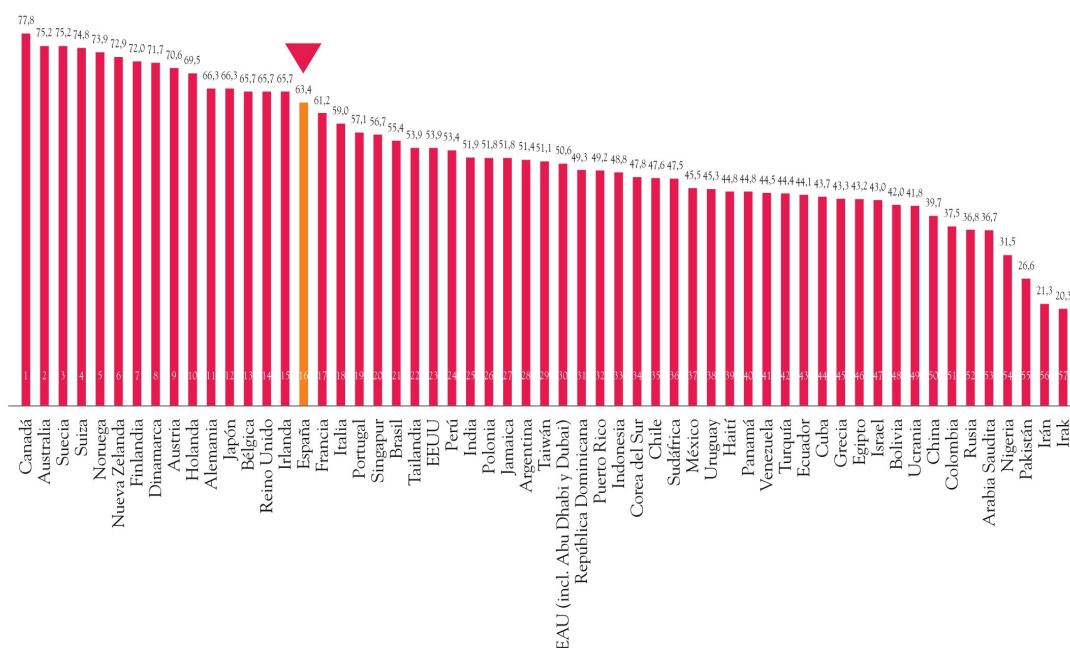
119 F. Prado Abuín, J. Noya Miranda, *La Reputación de España: Evaluación de la reputación de España en los países de G8 y Latin América*, cit., p.15.

120 Ivi, p. 17.

the tourism dimension which comprehends lifestyle, quality of life, kindness of people, entertainment and nature and beauty. However, the analysis focused also on the reputation linked to an economic dimension, which includes foreign investments, innovation, technology and how recognizable are Spanish brands and products.

In that case, in contrast with the tourist context, the economic dimension is not evaluated as a strength point of the country, probably due to the economic crisis which affected negatively the attraction of Spain. Despite of that, according to the data, among the G8 countries emerged the incrementing admiration of Russia (+7,9%) towards Spain.¹²¹

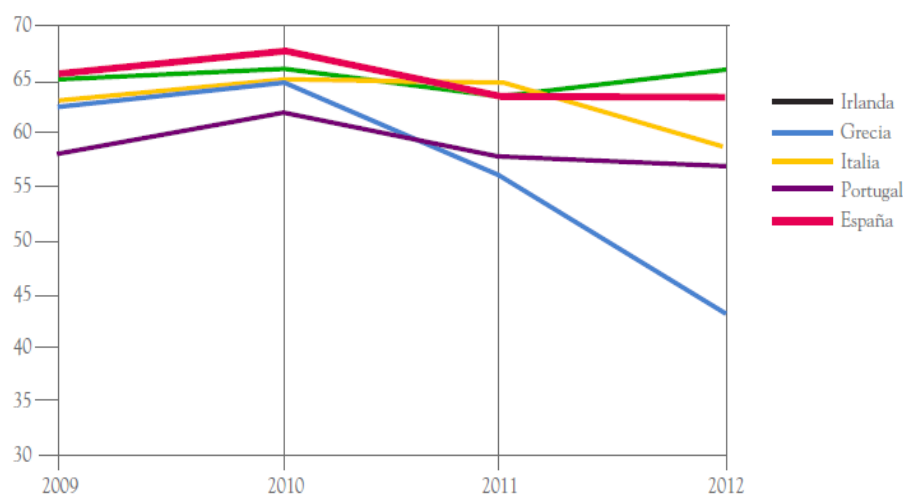
La Reputación país según el G8 – Situación 2012



Source: F. Prado Abuín, J. Noya Miranda, *La Reputación de España: Evaluación de la reputación de España en los países de G8 y Latin América*, Reputation Institute, Real Instituto Elcano, Corporate excellence Centre for Reputation Leadership, Madrid, March 2013, p 15

121 F. Prado Abuín, J. Noya Miranda, *La Reputación de España: Evaluación de la reputación de España en los países de G8 y Latin América*, cit., p.18.

Gráfico 09: Evolución de la reputación de los países periféricos (PIIGS) en los últimos años



Source: F. Prado Abuín, J. Noya Miranda, *La Reputación de España: Evaluación de la reputación de España en los países de G8 y Latin América*, Reputation Institute, Real Instituto Elcano, Corporate excellence Centre for Reputation Leadership, Madrid, March 2013, p. 17.

Taking into account the Latin America area, the analysis demonstrated that the level of admiration is rather lower than G8 countries and it has worsened mainly in Argentina, Chile and Colombia.¹²²

Also the internal reputation is not so satisfactory, due to the high sense of critique among Spanish people, who seem to lose faith in public and political institutions. They individuated the weaknesses of their country in the bad use of public resources as well as the worsening of economic and social dimensions. So, it is evident that this research is structured in a way to show both weaknesses and strengths of the country for each dimension and geographical area. Therefore, comparing the domestic and foreign opinions the data show a paradox mostly when talking about economic topics, such as the quality of Spanish products, the entrepreneurial ability and the level of innovation and technology. Indeed, in contrast with the G8 opinion, the domestic view attributes higher score referring to these economic topics.¹²³

122 F. Prado Abuín, J. Noya Miranda, *La Reputación de España: Evaluación de la reputación de España en los países de G8 y Latin América*, cit., pp. 19-23.

123 *Ivi*, p.72.

In fact, unfortunately it is demonstrated that in many cases the international market underestimates the Spanish real economic abilities considering only its amazing and attractive tourism image, omitting its further qualified presences in other sectors. So, from that opposing opinions, between domestic people and external one, is evident a dissociation between the reputation of the country and its real economic presence in the world.¹²⁴ This paradox can be explained through two possible reasons.

The first one is linked to the relation between a company and its origin; because Spanish companies are admired and globally recognized, but people do not associate them with the Spanish nationality. The second reason is based on the idea that these enterprises gain high level of admiration in the domestic market, rather than in the external one, probably because are not so identified with a famous international brand.¹²⁵ However, to sum up, the Spanish reputation has remained almost stable and in some cases has improved its credibility among G8 countries, while Latin America area do not provide the same positive evaluations.

Moreover, in July 2013 a report was published by the *Real Instituto Elcano*, which has included further specific statistics about domestic opinions.¹²⁶ This work consisted of doing some interviews to Spanish people in order to conduct a deeply research on internal reputation. Generally speaking, from these interviews emerges a great estimation for cultural and societal dimension, while the worst opinions are linked to the economic and political features. More specifically, Spanish interviewees have individuated the cases of political corruption and the increase phenomenon of unemployment and poverty as major critical reasons that deteriorate the international reputation of Spain.¹²⁷

124 F. Prado Abuín, "Spain's reputation in the world: the Spanish paradox", *Atlas de Marcas*, 27th February 2013.

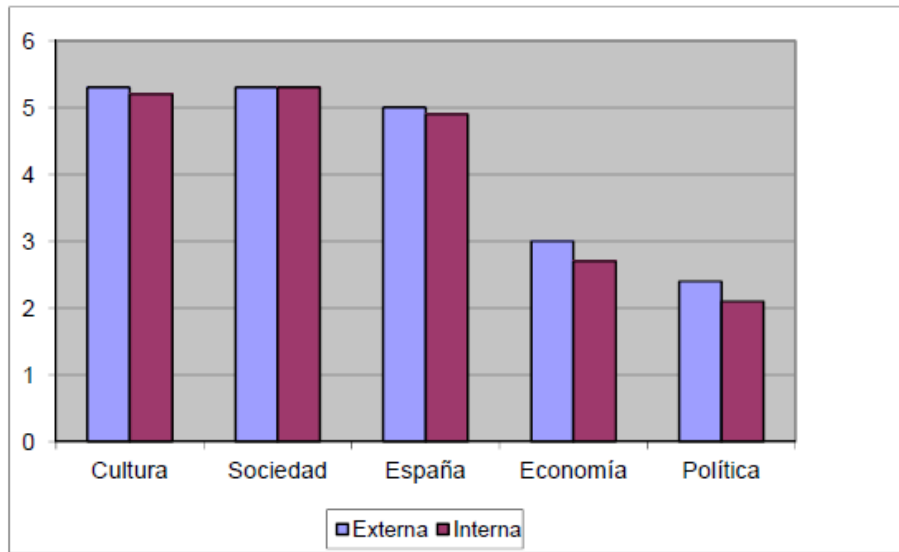
Available at: <http://atlas.marcasrenombradas.com/analisis/spains-reputation-in-the-world-the-spanish-paradox/?lang=en>

125 *Ibidem*

126 Real Instituto Elcano, *Barómetro del Real Instituto Elcano*, 33^a Oleada: resultados de Junio 2013, Madrid, 2013, pp. 1-127.

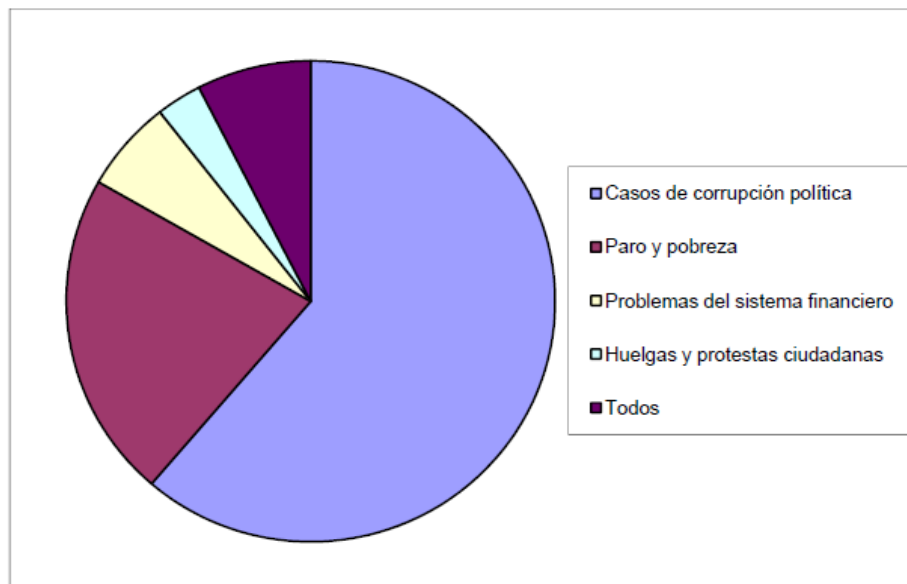
127 *Ivi*, pp. 49-50.

Valoración interior y exterior de España



Source: Real Instituto Elcano, *Barómetro del Real Instituto Elcano*, 33ª Oleada: resultados de Junio 2013, Madrid, 2013, pp. 48-50.

Causa principal del daño a la imagen de España



Source: Real Instituto Elcano, *Barómetro del Real Instituto Elcano*, 33ª Oleada: resultados de Junio 2013, Madrid, 2013, pp. 48-50.

Furthermore, since Spaniards have revealed awareness about country's problems, they have identified two essential future strategies for improving the country.¹²⁸ Firstly, it is said that is necessary to find answers for solving critical and real questions related to politics and economy. Then, the second more relevant aspect is the enhancement of external country image, so people suggest enacting measures for improving the international reputation in order to attract major investments, enterprises and tourists. So, probably because of the strong economic crisis, the data suggest that the Spanish gaps are linked to economic aspects and especially those related to the internal market.

Consequently, the government has decided to take action in order to spread a positive country image which has been damaged by negative information diffused by national and international media. In fact, several studies about the deterioration of reputation, propose to focus on two fundamental pillars: the creation of a strategic emergency program as well as a concrete long-term action plan.¹²⁹

The first one aims to set up the organizational structure through the creation of some investigation groups composed of prestigious expertises, as well as launching promotional campaigns and organizing meetings, conferences or exhibitions. The second one, is a long-term plan which aims to establish the basis for the management of the country's reputation as well as striking up a relationship with the stakeholders.¹³⁰

So, following these studies, the Spanish government's realized that it is necessary to support and make visible, through concrete programmes, the successful business cases located worldwide. Last but not least, it is essential to overcome the classical stereotypes and organize an international promotion of the Spanish excellences, which generally are less known or not associated with the country's image.

128 *Real Instituto Elcano, Barómetro del Real Instituto Elcano, 33ª Oleada: resultados de Junio 2013*, cit., p. 53.

129 J. A. Llorente, A. Corujo, J. Cachinero, M. Cura, I. Pino, M. Gutiérrez, "Diagnóstico y Recomendaciones sobre la revalorización de la Reputación de España", *D-I Llorente & Cuenca*, 25 Febrero 2013, pp.1-20.

130 *Ivi*, pp. 12-15.

2.3 The historical development of Spanish classical and negative stereotypes through the diffusion of the *Leyenda Negra*

Taking into account the stereotypes question, they dated back to the past, but as we will see, continue to shape the current general beliefs. Historically, like other nations, Spain was often associated with several stereotypes which in many cases were not so positive. The majority of them were created during two remarkable periods: the peak of Spanish Empire and the Romanticism. Indeed, when talking about historic Spanish reputation, it is essential to cited the *Leyenda Negra*, which identified a period of numerous critics and a widespread phenomenon of anti-Spanish feeling.¹³¹

The inventor of this term is Julián Juderías who described this negative period for Spain's reputation which lasted from 16th to 17th century.¹³² His definition of the *Leyenda negra*'s concept is based on the idea that:

“ [...] entendemos por Leyenda Negra, la leyenda de la España inquisitorial, ignorante, fanática, incapaz de figurar entre los pueblos cultos lo mismo ahora que antes dispuesto siempre a las represiones violentas; enemiga del progreso y de las innovaciones.”¹³³

Moreover, the spread of the *Leyenda negra* created two similar versions divided by the geographical positions; the Latin America version and the European one. However, generally the two visions coincided with the same thoughts and were caused by the Spanish invasion in new territories, such as those of the South American natives. During this period, the image of Spain was associated with violence, intolerance, religiousness, tradition and hegemony. These negative characteristics were rooted in historical events, such as the Inquisition, the expulsion of Jewish people, the conquer of America, the great power of Spanish

131 Asociación de Directivos de Comunicación, Foro de Marcas Renombradas Españolas, Instituto Español de Comercio Exterior, Real Instituto Elcano de Estudios Internacionales y Estratégicos, *Informe Proyecto Marca España*, Madrid, Cyan proyectos editoriales S.A, 2003, pp. 24-25.

132 J. Juderías, *La leyenda negra y la verdad histórica: contribución al estudio del concepto de España en Europa, de las causas de este concepto y de a tolerancia religiosa y política en los países civiizados*, Cap. I, Madrid, Tip. de la rev. de arch, bibl. y museos, 1914, pp. 14-25.

133 *Ivi*, p. 15.

Empire and Monarchy.

Therefore, the greatness of the Spanish monarchy caused several enmities among other European nations. For that reason, the monarchy became the focus of the European attention and the major critics were linked to the image of king Philip II, who was named “*Demonio del Sur*”.¹³⁴

Some scholars said that the *Leyenda negra* emerged and was fostered due to the report of Bartolomé de las Casas who described the negative consequences of the Spanish colonial system in Latin America, referring about violence and slavery. However, in these period other works circulated in contrast with this negative vision. Indeed, some intellectual people described a positive image of the nation promoting the Spanish culture and proposing a different point of view of the Monarchy and the Conquer of America.¹³⁵ For example, the colonisation was interpreted as a heroic mission which aimed to deal with natives, abolishing the slavery and favouring the establishment of universities, schools, ports and churches. Nevertheless, the dominant image was linked to the *Leyenda negra* and the Imperial Spain was recognized as an European nation characterized by arrogance, economic inefficiency, intolerance and religiousness.

Therefore, during the 19th century another famous archetype, called *Leyenda Amarilla*, emerged and coincided with the phenomenon of Romanticism and the decadence of Spanish Empire.¹³⁶ Consequently, the European point of view changed representing Spain as an exotic, oriental and different nation due to its low level of development. For instance, a classical stereotype was based on the association of the country image with the restricted area of the Andalusia region. The typical representations are linked to the old Arab world, the corridas, the torero, the flamenco, the superstition and the economic crisis.

Moreover, the judgement also referred about the behaviour of

134 P. W. Powell, *Tree of Hate: Propaganda and Prejudices Affecting United States Relations with the Hispanic World*, New York, Basic Books Inc., 1971, p. 110.

135 Asociación de Directivos de Comunicación, Foro de Marcas Renombradas Españolas, Instituto Español de Comercio Exterior, Real Instituto Elcano de Estudios Internacionales y Estratégicos, *Informe Proyecto Marca España*, cit., p. 24.

136 J. Noya, *La imagen de España al exterior: estado de la cuestión*, Madrid, Real Instituto Elcano, 2012, p. 46.

Spaniards which was described as passionate, senseless and uncivilized.¹³⁷ These typical images were also reported in the literature and in the theatrical plays, such as the *Don Juan* and the *Carmen*. In addition, Europe explained the low level of development and the decline of Spain as a general syndrome of the Southern populations unable to follow a discipline and rigour. Thus, Gabriel Cárceles used this term *Leyenda Amarilla* for defining this folklorization process of the Spanish culture and population.¹³⁸ So, this Romantic vision represented Spain as something different and strange which was not considered part of Europe, while the *Leyenda negra* offered a bad vision of the nation but including it into the group of the most powerful nations of Europe.

Nowadays, these Romantic opinions continues partly to exist, because Spain is well recognized around the world for positive expressive or “soft” values, such as quality of life, natural beauties, kindness, entertainment, rather that instrumental or “hard” aspects, such as efficiency, working attitude and economic development.¹³⁹ For instance, in the 1990's a European research, named IUOG-1999, demonstrated how many of these romantic stereotypes has continued to exist until now. In fact, from that study emerged that among the characters of the Spanish literature the most known is the *Don Quijote*, but German and English people continued to associate Spain with the Don Juan and the *Carmen*, typical romantic stereotypes. Moreover, the most famous type of Spanish music is the flamenco and among the sports emerged the image of *corrida* and bulls, so as the same as the Romanticism period.¹⁴⁰

137 J. Noya, *La imagen de España al exterior: estado de la cuestión*, cit., pp. 46-60.

138 *Ivi*, p. 46.

139 *Ivi*, pp. 219-221.

140 *Ivi*, p. 96.

Conocimiento de la cultura española (Europa)

UN PERSONAJE FICTICIO (respuestas superiores al 3%)	TOTAL EUROPA (% B: 3214)	ITALIA (% B: 801)	FRANCIA (% B: 803)	GRAN BRETAÑA (% B: 807)	ALEMANIA (% B: 803)
Don Quijote	22,6	20,5	27,0	21,3	21,8
Don Juan	3,3	*	*	6,7	4,4
Carmen	3,3	*	*	*	8,2
NS/NC	61,2	62,5	61,3	61,6	59,9
UNA MÚSICA					
Flamenco	45,3	48,3	34,6	41,6	53,5
Clásica	5,2	4,4	*	4,0	8,6
Pasodoble	*	*	3,5	*	*
Folk (no flamenco)	6,8	3,0	*	11,0	9,3
Sevillanas	*	*	*	*	*
Zarzuela	*	*	*	*	*
Bolero	3,4	7,4	*	*	3,5
Tango	*	7,4	*	*	*
Opera/lírica	*	*	3,0	4,1	*
Música de guitarra	*	*	*	4,2	*
NS/NC	20,9	20,3	29,4	19,5	16,2

Fuente : IUOG-96

Source: J. Noya, *La imagen de España al exterior: estado de la cuestión*, Madrid, Real Instituto Elcano, 2012, p. 278.

Conocimiento de la cultura española (Europa)

UN DEPORTE (respuestas superiores al 3%)	TOTAL EUROPA (% B: 3214)	ITALIA (% B: 801)	FRANCIA (% B: 803)	GRAN BRETAÑA (% B: 807)	ALEMANIA (% B: 803)
Fútbol	36,6	37,0	27,6	43,1	38,0
Ciclismo	4,2	*	13,0	*	*
Tenis	4,9	3,7	*	5,5	7,0
Natación	*	*	*	*	*
Baloncesto	*	*	*	*	*
Toros	29,4	32,3	30,3	30,5	25,8
Pelota vasca	3,7	4,0	10,3	*	*
Golf	*	*	*	5,3	*
Vela	*	*	*	*	3,0
NS/NC	10,1	9,0	7,1	7,3	15,1

Fuente: IUOG-96

Source: J. Noya, *La imagen de España al exterior: estado de la cuestión*, Madrid, Real Instituto Elcano, 2012, p. 279.

However, differently from the Romanticism view, these stereotypes have not a negative image of Spain. So, it can be said that the old beliefs have been preserved, but they have lost their negative connotation. Thus, the data show how in the 1990's Spain was the best country which better reinforced its reputation, so much that, the European countries ranked it as the first in the world.¹⁴¹

Confianza en los españoles (Europa)

GRADO DE CONFIANZA QUE LE INSPIRAN LOS CIUDADANOS DE...	TOTAL EUROPA MEDIAS (*)	ITALIA: MEDIAS	FRANCIA: MEDIAS	GRAN BRETAÑA: MEDIAS	ALEMANIA MEDIAS
España	3,12	3,10	3,10	3,10	3,17
Estados Unidos	2,93	3,03	2,86	3,11	2,77
Francia	2,90	2,95	-	2,76	2,96
Gran Bretaña	2,91	2,89	2,99	-	2,87
Alemania	2,96	2,87	3,09	2,94	-
Argentina	2,42	2,62	2,32	2,32	2,41
Méjico	2,45	2,40	2,45	2,58	2,40
Rusia	2,27	2,33	2,06	2,62	2,14
Marruecos	2,22	2,10	2,34	2,30	2,15
Italia	2,75	-	2,69	2,93	2,66

ESCALA: 4= Mucha confianza; 1= Ninguna confianza. Bases: Estados Unidos, Argentina, Méjico, Rusia, Marruecos y España

Fuente: IUOG-96

Source: J. Noya, *La imagen de España al exterior: estado de la cuestión*, Madrid, Real Instituto Elcano, 2012, p. 277.

Indeed, in the last decades Spain has lived an improvement of its own external image and other countries have started to appreciate its language and culture. Moreover, it is also recognized for being an excellent tourism destination. This appreciation for the tourist sphere is probably a consequence of several advertisements which promoted Spain as a tourist destination. Among the most remarkable slogans there are “Spain is different”, “Passion for Life” and the most recent “I need Spain”.¹⁴²

141 J. Noya, *La imagen de España al exterior: estado de la cuestión*, cit., p. 88.

142 Ministerio de Industria, Energía y Turismo, Instituto de Turismo de España – Turespaña, Marketing, Campañas de publicidad, <http://www.tourspain.es/es-es/Marketing/Publicidad/Campanas/Paginas/default.aspx>, 29th November 2013.

But, tourism and culture are not the only features that characterised the country. Thus, recently Spain has made many efforts to spread a more realistic country image, especially through the *Marca España* initiative, in order to provide coherent information about Spain.

2.4 *Marca España*: a strategic plan to recover the economy through the country's image and all sectors of Spanish prestige around the world

In the last decade, Spain has realized how country image has become an essential factor in the current global world. So, it has started to work on that issue, setting up an initiative, called *Marca España*, which then has been incorporated in the Government agenda as a strategic State policy. Indeed, in 2002 the country image issue emerged in Spain and then has developed through an intense collective work of some associations, which finally asked for the State's partnership. Thus, the evolution of *Marca España* project can be divided into three different phases.¹⁴³

Firstly, at the end of November 2002 it was introduced the question of country image, through the organization of several round tables, in which experts discussed upon the recollected data about the image of Spain. Moreover, these meetings, also known as *Jornadas internas sobre Marca España*, focused on the analysis of some successful initiatives already set up in other countries, which have previously faced the reconstruction of their image, such as UK and Canada.

Secondly, at the beginning of 2003 all coordinators of these round tables evaluated and aggregated all the conclusions and ideas, which emerged during these meetings, in order to create a detailed review to inform the general public about *Marca España*.

Thirdly, at the end of March 2003 a completed report titled *Informe Proyecto Marca España* was finally presented and then published. It is composed of a list of organizations that took part to the project as well as a sum up of all the experts' speeches, talks and recommendations.

143 Asociación de Directivos de Comunicación, Foro de Marcas Renombradas Españolas, Instituto Español de Comercio Exterior, Real Instituto Elcano de Estudios Internacionales y Estratégicos, *Informe Proyecto Marca España*, cit., p. 4.

So, initially this project was organized to create a common platform of work in order to channel different efforts in only one project, which aims to renovate the image of Spain and to overcome classical stereotypes. The need to rebuild a new country image emerged for improving the economic projections as well as spreading a new political, cultural and social reality of Spain characterized by modernity, creativity and innovation.¹⁴⁴ Then, the last step of this initiative's evolution was the involvement of the Spanish State which expressed the interest in collaborating with all coordinators and stakeholders.

Indeed, on 28th June 2012 the Government decided to act directly to promote and encourage the *Marca España*. So, through a Royal Decree (998/ 2012) was established the Government High Commission for *Marca España*, which task consists of managing an action plan and coordinating all public and private initiatives related to the promotion of the country image.¹⁴⁵ In addition, what is important to underline is that in time of economic shortage the government decided to include this special commission into the the Ministry of Foreign Affairs and Cooperation in order to avoid further public spending.¹⁴⁶

Moreover, on 12nd July 2012 Carlos Espinosa de los Monteros was elected as head of this commission due to his experience both in public and private sector. As stated in the Royal Decree and due to the economic crisis, the High Commissioner does not receive a wage, but only some allowances for travels and other related costs linked to this role.¹⁴⁷ His role is considered vital for the *Marca España's* existence, because the project depends on the intense cooperation of public departments, autonomous regions, local organizations, private companies as well as cultural institutes.

Among all, one of the first creators of this initiative is the *Foro de Marcas Renombradas Españolas* (FMRE). It is a partnership between all

144 Asociación de Directivos de Comunicación, Foro de Marcas Renombradas Españolas, Instituto Español de Comercio Exterior, Real Instituto Elcano de Estudios Internacionales y Estratégicos, *Informe Proyecto Marca España*, cit., p. 3.

145 Presidencia del Gobierno, “Real Decreto 998/2012”, *Boletín de Estado*, Sec. I, n. 155, 29 de Junio 2012, pp. 46129-46132.

146 Presidencia del Gobierno, “Real Decreto 998/2012”, *Boletín de Estado*, cit., Disposición final primera, p. 461131.

147 Presidencia del Gobierno, “Real Decreto 998/2012”, *Boletín de Estado*, cit., Art. 2, p. 46130.

the leading Spanish brands and the Public administration established in 1999, in order to support all the entrepreneurial initiatives in the Spanish territory and abroad.¹⁴⁸ From its birth until today, the members of the FMRE are increased and now the association counts 97 companies. Among all the actions of this foundation, those related to the *Marca España* initiative are: the setting up of the Honorary Ambassadors of Spain Brands, the organization of the annual information reports and educational events. Through this association, the members can obtain some advantages during and before the internationalization process, using a direct support from State institutions, such as the Ministries of Industry, Tourism and Commerce and Foreign Affairs, the Spanish Institute for Foreign Trade and the Spanish Office of Patents and Trademarks as well as all Spanish embassies around the world.

Moreover, the FMRE collaborates with another fundamental economic institute linked to the *Marca España* project, called *Instituto Español de Comercio Exterior* (ICEX). It is a public organization which task is to promote and support the Spanish commerce and the internationalization of enterprises in order to make the Spanish economy more competitive.¹⁴⁹ In addition, it aims to inform Spanish companies about international market's issues and also tries to attract foreign investments. Obviously, to play this work the ICEX has distributed a dense network of numerous offices located in all the national territory and also abroad.

Another central pillar of the *Marca España* is the *Real Instituto Elcano de Estudios Internacionales y Estratégicos* which draws up several documents for informing the political institutions about international affairs as well as monitoring the project's effects on the country image. Thus, the most relevant one is certainly the frequent analysis of the external perception and reputation of Spain abroad.

However, this initiative does not only focus on the economic and political aspects, but it also includes the cultural one. In fact, the *Marca*

148 Foro de Marcas Renombradas Españolas, Qué es el foro?, Presetación y objetivos, <http://www.marcasrenombradas.com/info/foro/>, 14th November 2013.

149 Gobierno de España, Ministerio de Economía y Competitividad, ICEX: España Exportación e Inversiones, Conocer ICEX, Presentación de ICEX, http://www.icex.es/icex/cda/controller/pageICEX/0,6558,5518394_5593051_5711547_0_0_-1,00.html, 14th November 2013.

España considers the cultural dimension the most strategic aspect related to the project, which is represented and managed by a central cultural Institute called *Instituto Cervantes*. Spain has channelled several energies in this field, so this institute gains a crucial and prestigious role in the diffusion of the Spanish image and culture abroad. It is created in 1991 in order to promote the language, the literature and all related Spanish cultural issues. This is a worldwide institution thanks to its presence in the five continents with 79 sieges around the world.¹⁵⁰ So, its principal aim is to increase the foreign's interest on learning Spanish as well as organize events in order to promote the country's image through the literature, arts, music, history and so on.

So, Spain is a great example of a country that has improved its image through the cultural dimension. Indeed, since the start of the the *Marca España* project, the major advances have been achieved by the diffused interest in the Spanish language, thanks to the *Instituto Cervantes'* work. The cultural dimension is so strategic, due to its strictly relation to the promotion of the country image, but mostly due to its contribution on gaining success at an economic level. In fact, the Spanish cultural industry representes the 4% of the entire GDP and is estimated that it will increase in the future.¹⁵¹ As a matter of fact, it is often said that the culture is an essential dimension that improve and develop the a country, mainly because can affect the economic aspect and can be a basic element of the soft power of a nation.¹⁵²

Therefore, after the adoption of this project, one of its positive consequences is its ability to make possible the collaboration between all these organizations, which work in synergy for achieving the same goal based on promoting a realistic image of Spain as well as supporting the “Made in Spain” excellences. Moreover, in recent years ,due to the economic crisis and the deterioration of the country image, the *Marca España* has increased its importance assuming a crucial role in the government's agenda. So, the government in collaboration with all these

150 J.J. Prieto Gutiérrez, “La acción cultural de España a través del Instituto Cervantes”, *Observatorio Imagen de España*, n. OEI 14/2013 (2013), pp. 1-11.

151 *Ivi*, p. 4.

152 *Ivi*, p. 5.

associations, roots its determination in the idea that the *Marca España* can contribute to recover the economy by increasing exports, attracting foreign investments, supporting the internationalisation of companies and fostering the tourist sector.¹⁵³ Thus, the main goal is to demonstrate the great potential of Spain, which as seen before, is wrongly represented through classical superficial stereotypes, such as bulls, flamenco and parties.

Unfortunately, the economic potential and the prestigious abilities of Spain are not well known internationally. For that reason, the *Marca España* project promotes the image of Spain, which in many cases is underestimated due to the lack of information about the Spanish leadership in some sectors, such as the renewable energies, the new information technologies, the transports and infrastructures. So, this project is a multidimensional one due to its interest on covering a wide range of sectors in which Spain shows its abilities and plays a prestigious role demonstrating its competitiveness. Thus, it principally aims to provide more information in order to make visible the richness and ability of this country as well as supporting its international cases of success in order to spread a more realistic country image.

Moreover, from a marketing point of view, this project is fostered by the prestigious figure of the Ambassador of *Marca España* who aims to spread the image of Spain through the popularity of relevant expertises and celebrities. Every two years, the *Foro de Marcas Renombradas Españolas* selected the most estimated person for promoting each sector in which *Marca España* operates. The different fields of work are divided into two main sectors: the economy and business and the education, culture and society.¹⁵⁴

In 2012 among the most recognizable and admired Spanish people, who have been appointed as Ambassadors, it is easy to find famous names, such as Antonio Banderas for Culture and Communication and Fernando Alonso for Sports. Other ambassadors represented other fields

153 *Marca España*, Quiénes somos, Qué es *Marca España*, <http://marcaespana.es/es/quienes-somos/que-es-marca-espana.php>, 14th November 2013.

154 *Foro de Marcas Renombradas Españolas*, “El foro acredita en 2013 a los nuevos Embajadores Honorarios de la *Marca España*”, *Con Marca: la revista de la internacionalización y las marcas líderes*, n. 2 (2013), pp. 4-5.

of work, such as the Corporate Management, the Tourism and Gastronomy, the Science and Innovation, the Social action, the Institutional Relations and the Acknowledgement of an exceptional nature. For example, María Blasco is a Spanish scientist who is well-estimated around the world for her researches on biochemistry and biology, so she was charged of representing the science and innovation aspect. Instead, the ambassador for acknowledgement of an exceptional nature was appointed to a company, called *Spain high speed*, which demonstrated the innovation and technological vanguard due to its international project to build a high speed railway between Mecca and Medina in Saudi Arabia.¹⁵⁵

Besides, the Honorary Ambassadors another category, called Friends of *Marca España*, has been instituted and it includes all people, institutions and companies which contribute to forge the Spanish image in specific foreign countries or regions. In 2010 it was decided to focus on China nation, while in 2011 the country selected was Russia. Last year, the Friends of *Marca España* came from United Kingdom and the Member of the British Parliament Chris Bryant was selected because of his numerous initiatives which supported Spain in London. Another relevant person who has played a crucial role for the Spanish reputation is William Walsh, who in 2010 promoted the fusion between British Airways and Iberia contributing the improvement of the relations between the two countries.¹⁵⁶

Moreover, since Spain is one of the most advanced European countries for the development of ICT's, the *Marca España* was also introduced in the media dimension. The members of this project are conscious about the great potential of the new technologies and the digital dimension, so they have created a virtual channel for promoting this project. Thus, in 2013 was launched the *Marca España* website as well as the direct linkage with the social networks and Youtube, in order to

155 Marca España, con nombre propio, embajadores y amigos Marca España, embajadores honorarios 2013, <http://marcaespana.es/es/con-nombre-propio/embajadores-y-amigos-marca-espana/anno/11/embajadores-honorarios-de-la-marca-espanya-2013>, 15 Novembre 2013.

156 Marca España, con nombre propio, embajadores y amigos Marca España, amigos Marca España, <http://marcaespana.es/es/con-nombre-propio/embajadores-y-amigos-marca-espana/pais/7/amigos-de-la-marca-espanya-en-reino-unido-2011>, 15th November 2013.

reach as many people as possible as well as foster a positive country-image and support the 'Made in Spain' quality.

2.5 Spain more than a tourist destination: the international Spanish leaderships in other strategic sectors

As said before, Spain is often associated with leisure and tourism, but in reality can offer more than that. In fact, the Spanish leadership has reached a wide range of sectors: infrastructures and transports, information technologies, renewable energies, gastronomy, fashion, sports and culture. To comprehend better the economic potential and the international leadership of Spain, it is useful to introduce and analyse each sector in relation with concrete data as well as company's examples.

Starting from the renewable energies, it can be said that Spain is a nation that has focused its interest in searching new energies in alternative to oil. In 2000's, Spain has experienced a continuing growth in this sector which have transformed it as one of the world's leaders in this field. Moreover, it has the characteristic of proposing various types of energies, such as wind, solar, biomass and hydroelectric power. Regarding the wind energy, Spain is the fourth leader in the world and the major one in the European zone for the number of installed wind power.

Moreover, among the international producers of renewable energy emerged a Spanish company, called Ibedrola. It is located in 4 continents distributing electric energy to 120 million of people.¹⁵⁷ Spain is also a leader in the photovoltaic solar usage, thanks to a huge national company named Abengoa, which has collaborated with several consortium in different parts of the world in order to complete some huge solar installations. For example, the most outstanding collaboration is that of the two world's largest solar towers located in California.¹⁵⁸ Furthermore, Spain is not only one of the major leaders in producing renewable energies, but it has extended its range of work also in controlling the facilities. Indeed, it has built a control centre of renewable energies (CECRE) which aims to supervise the generation of energies and to

¹⁵⁷ Ministerio de asuntos exteriores y de cooperación, *Spain's positioning: Leadership key factors*, Madrid, Dirección General de Relaciones Económicas Internacionales, July 2013, p. 15.

¹⁵⁸ *Ivi*, p. 17.

integrate it in the power system.¹⁵⁹

This innovation of the country includes also other sectors, such the Infrastructure one, in which Spain plays a central role in the international arena taking part in some projects, especially in the transports field. For instance, the enlargement of the London airport Heathrow, which is under construction, is made by a Spanish company.¹⁶⁰ This is only one example of a project in which Spanish companies have operated, it can be also cited the collaboration to enlarge the Panama's canal as well as the participation in the construction of some subway systems in some cities around the world.^{161 162}

All these worldwide Spanish successes are obviously associated with the internationalisation process of some multinational companies. However, in the last decade, few cases of small and medium enterprises have also enlarged their markets reaching new strategic geographical areas, such as the North Africa. This tendency to reconsider the Mediterranean zone as a commercial partner is a consequence of some strategic policies and interests in that area. Specifically, since 2004 many small and medium Spanish enterprises have increased its presence in the Morocco territories. This internationalisation towards this country, has been possible for several reasons, such as the geographical proximity, the free trade agreements and the lower labour costs.¹⁶³ The main characteristic of this expansion in that territories is the economic diversification, due to the presence of a wide range of sectors from the machine industry to the textile or the agricultural one. Thus, Morocco has become one of the major commercial partners for Spain in the world, representing the 36,2 % of the total amount of the Spanish export in Africa in 2004.¹⁶⁴ Through this commercial collaboration the reputation of each country has respectively improve in both internal markets.

159 Red Eléctrica de España, *Control Centre of Renewable Energies*, Madrid, November 2009, p. 3.

160 Gobierno de España, *El posicionamiento de España: claves the su liderazgo*, Madrid, Oficina de Información Diplomática, Diciembre 2012, p. 7.

161 *Ivi*, p. 7.

162 Ministerio de asuntos exteriores y de cooperación, *Spain's positioning: Leadership key factors*, cit., p. 21.

163 E. Verdeguer Puig, "Marruecos: principales sectores de oportunidad de negocios para las empresa española", *ICE*, n. 819 (2004), pp. 97-107.

164 *Ivi*, p.99.

Regarding the innovation of the contemporary society is necessary to talk about the development of new ICT's. Indeed, in the last decades, the improvement of the information and communication dimension has led scholars to introduce new terms, such as Information and Communication society or Network society. A clear example of the new instruments that re-define the contemporary society is the diffusion of media and new ICT's. Spain has made many efforts to invest in this new strategic sector, in which now is considered one of the most advanced countries in the world. Indeed, its government is ranked as the 9th in the world for being an efficient e-government which has enacted a modernisation process, including an innovative identification system with a digital national identity card and an electronic passport.¹⁶⁵

Even the UN recognized the advancement of Spain, giving to it the National Public Service award in order to reward the high quality of the administration's internet services.¹⁶⁶ In addition, these new technologies are also used in other sectors, such as the health care and the environment. For instance, the Spanish biotechnological sector is positioned as the first one at the European level and the third at a global level.¹⁶⁷ Moreover, this innovation does not only remain in the Spanish territories, but it is also sold to the major global clinics, positioning Spain as one of the first exporters of health technology in the world.¹⁶⁸

In addition, the new technologies have also entered in contact with the cultural dimension, especially for spreading and teaching the Spanish language. The *Instituto Cervantes* has worked in order to make the Spanish language more accessible through the creation of some on-line courses. This language and its related culture has a huge potential, because of the vast amount of speakers. In Europe is counted that almost 30 million people are able to speak Spanish, but the major number of speakers is located in U.S.A which counts a total number of 50 million Spanish speakers. Moreover, the most outstanding data emerge from

165 Gobierno de España, *El posicionamiento de España: claves the su liderazgo*, cit., p. 10.

166 *Ibidem*

167 *Ibidem*

168 Ministerio de asuntos exteriores y de cooperación, *Spain's positioning: Leadership key factors*, cit., p. 34.

China where 20.0000 students are attending a Spanish courses.¹⁶⁹ Talking about the digital dimension, this language is one of the most used languages in internet, including the social networks, reaching a total number of 80 million of users.¹⁷⁰

Moreover, continuing to take into account the cultural dimension, another occasion to demonstrate the potential and to present the country image is certainly the participation at huge international events. These events are so important for the country image, because are great showcases which permit to highlight the qualities and the values of a country. For example, the *Marca España* initiative made several efforts to organize the Spain's pavilion in the Expo that took place in Japan in 2005. The promoters of the *Marca Espana* project together with the *Sociedad Estatal para las exposiciones internacionales* coordinated the creation of the Spanish presence in the Japanese Expo.¹⁷¹

This Expo was structured into three different topics and Spain decided to shape its pavilion around the concept of “sharing the art of life”.¹⁷² It represented a sort of cathedral divided into five exhibitions spaces, each one with the task to describe different themes related to Spain. The Pavilion was multidimensional due to the various selected subjects which were the innovation, the harvest of paradise, the world of Don Quijote, the contemporary heroes and the famous Spanish festivals. So, it provided the opportunity to visit both the contemporary and traditional Spain, passing from the innovative study on the astrobiology to the classical literature of Cervantes or the Spanish foodstuffs and festivals.¹⁷³ Thus, the expo is a great opportunity to foster the international relations and the country image through the exposition of the outstanding values of a country. This is a well-known occasion which help to foster the reputation, the stability and the confidence of a State.

169 J.J. Prieto Gutiérrez, “La acción cultural de España a través del Instituto Cervantes”, cit., p. 7.
170 *Ivi*, 10.

171 Icx, Real Instituto Elcano, Foro de marcas renombradas, Dircom, *El proyecto Marca España en la Exposición Universal Aichi 2005: manual proyecto Marca España-Japón, algunas consideraciones sobre la presencia de España a la Exposición Universal de Aichi 2005*, Madrid, Proyecto Marca España, Embajada de España en Tokio, Pabellón de España, 2005, p. 11.

172 *Ivi*, p. 6.

173 Japan association for the 2005 World exposition, Expo 2005 Aichi Japan, Participating countries, Europe, Spain, <http://www.expo2005.or.jp/en/nations/3k.html>, 6th December 2013.

In the last years, the Spanish presence in the world has also incremented in the fashion industry both in the Haute Couture and retailer. Taking into consideration the Haute Couture, the 2007 marked the achievement of a great goal thanks to the organization of an exhibition at the Queen Sofia Institute in New York. Following this event, the fashion labelled “Made in Spain” has started to improve its reputation in this central city for fashion. Later, in 2009 several new emerging Spanish talents had the opportunity to present their creative works during the fashion week in New York. This occasion was supported by an association named *Asociación creadores de moda de España* (ACME) which plays a central role in promoting initiatives and supporting the fashion designers, who are considered a cultural and economic resource for the entire country.¹⁷⁴

Regarding the fashion-retail, the most famous Spanish brand is Zara, which despite the economic crisis, has increased its revenues and has opened new stores all over the world. According to the *Interbrand* index, this year Zara has sharply raised its brand value reaching + 18%, which permits to rank it as the 36th major brand in the world.¹⁷⁵ In fact, this company is located in all five continents reaching a total amount of 5.527 stores, which are estimated to increase in the next years.

Moreover, the two most representing sectors with which Spain is often associated are Gastronomy and Tourism. Thus, the agricultural food industry is strategic for the Spanish economy, because representing the 7.8% of the total GDP.¹⁷⁶ Together with the tourism is the leading sector for the Spanish economy creating many job positions. The Spanish agri-food field covers an amount of different sectors: the fruits and vegetables, the meat products, the wine and oil. Each one gain high positions and reputation both in Europe and abroad. According to the Eurostat, “59% of

174 E. M. Albamonte, “Il made in Spain conquista la grande mela”, *L'Espresso*, 14 Settembre 2009.

Available at: <http://espresso.repubblica.it/visioni/societa/2009/09/14/news/il-made-in-spain-conquista-la-grande-mela-1.15480>

175 Interbrand, *Best Global Brands 2013*, New York, 2013.

Available at: http://www.interbrand.com/Libraries/Branding_Studies/Best_Global_Brands_2013.sflb.ashx

176 Ministerio de asuntos exteriores y de cooperación, *Spain's positioning: Leadership key factors*, cit., p. 44.

the Gross Value Added (GVA) of agriculture in the EU-15 is produced by France, Italy and Spain.”¹⁷⁷ Thus, Spain is the second producer of rice in Europe, after Italy, and it also possess a vast cultivation of olive oil.^{178 179} For instance, a Spanish company is the major exporter of olive oil all over the world. Moreover, the country obtains a worldwide record also in the sales of olives.¹⁸⁰ Another field of work in which Spain gains several records is the wine, owing the largest vineyards area in Europe and producing the most famous Spanish wine, the *Cava*.¹⁸¹

In addition, this sector is strictly related to the tourism one, thanks to the numerous Spanish geographical protected products that attract many tourists. Thus, Spain has created numerous cultural routes related to wine, ham and other typical foodstuffs alongside the territory. This initiative aims to better evaluate the binomial territory and typical products in order to foster the activity of local producers, enhance the internal and external knowledge and appreciate the traditional food and culture. This cultural routes as well as the cultural heritage, museums and festivals enhance the tourism sector making it more competitive.

Indeed, according to the Ministry of Foreign Affairs, Spain is the second most visited country in the world.¹⁸² Obviously, it is an attractive tourist destination thanks to a great amount of UNESCO sites, which rank it as the second country in the world for the number of UNESCO World Heritage places.¹⁸³ Also, museums are not less important, the most popular is the *Museo del Prado* which contains outstanding oeuvres created by famous artists, such as Velázquez, Goya, Botticelli, Rembrandt.

Moreover, in recent years the national tourist marketing organization, called Turespaña, in collaboration with the Ministry of Tourism and the High Commission for the *Marca España* has planned a strategic plan to

177 European Commission, Eurostat, *Agriculture and fishery statistics: main results 2009-2010*, Luxembourg, Publications Office of the European Union, 2011, p.33.

178 *Ivi*, p. 57.

179 *Ivi*, p. 62.

180 Ministerio de asuntos exteriores y de cooperación, *Spain's positioning: Leadership key factors*, cit., p. 44.

181 European Commission, Eurostat, *Agriculture and fishery statistics: main results 2009-2010*, cit., p. 61.

182 Gobierno de España, *El posicionamiento de España: claves the su liderazgo*, cit., p. 13.

183 *Ibidem*

foster the tourism image abroad. Thus, in 2010 this organization launched a marketing campaign which was distributed all around the world, through television spots, advertisements in catalogues and magazines. This campaign aimed to spread an innovative idea of Spain as a leading tourist destination using the efficient logo made by Joan Miró and the captivating slogan “I need Spain”.¹⁸⁴

It can be said that this campaign helped to attract major number of tourists in the Spanish regions incrementing the strategic value of tourism for the whole economy. Indeed, official data demonstrated an increase in the international arrival (2,7%) with a total amount of 57,7 million tourists in 2012.¹⁸⁵ Consequently the entire economy earned an extraordinary income of 55,6 billion Euros that contributed for the 10% GDP.¹⁸⁶

However, as demonstrated above this is not the only one sector in which this country has obtained some records, but the tourism is the dimension that is rapidly associated with Spain and it is better known abroad. This lack of knowledge is probably caused by the global presence of few multinational companies which consumers do not associated with Spain. Moreover, except for few cases, it can be taken into account the limit of the small local enterprises that work in a restricted national or regional area.

However, to solve this limit, in recent years the Government has made several efforts to support the Spanish talents, especially the youngest one, who do not have the possibility to emerge at a international level. So, a division of the Ministry of Industry, in collaboration with the ICEX and the *Fundación Benesto* promote and facilitate the entrance of some Spanish talented technological enterprises in another important market, the U.S.A one. Thus, in 2011 this collaboration has provided the creation of a technological centre in the Silicon Valley, named *Spain Tech Center*, in order to support concretely the Spanish innovators and to give them a

184 Ministerio de Industria, Energía y Turismo, Instituto de Turismo de España – Turespaña, Marketing, Campañas de Publicidad, <http://www.tourspain.es/es-es/marketing/Publicidad/Campanas/Paginas/default.aspx>, 1st December 2013.

185 Instituto de Estudio Turístico, *Balance de Turismo 2012: resultados de la actividad turística de España*, Madrid, Ministerio de Industria, Energía y Turismo, Instituto de Turismo de España – Turespaña, Abril 2013, p. 7.

186 *Ivi*, p. 9.

chance in this advanced and prestigious territory known for its innovative technology.¹⁸⁷ In addition, this year from 14th October to 8th November this Centre has launched a new program for introducing new start up in the North American market. This initiative, called *STC Accelerator Program*, aims to provide information about the American business as well as offering services to improve the projects or business plans of these innovative start up.¹⁸⁸

Moreover, the government has also established a plan in order to promote all the *Made in/Made by Spain* in the North American market.¹⁸⁹ From the starting of this plan the business relationship between the two countries has increased. Among the various achievements there is the launching of the Spain Business Forum which takes place each year in U.S. In addition, thanks to this plan, Spain has become the first U.S partner in the field of renewable energies and several companies have invested in the U.S territory.¹⁹⁰ Many others have won some contracts for building the major public works, such as the enlargement of the NY subways.

Another crucial consequence of this plan is the increment of the institutional visits, which aim to foster the country image and clarify the related economic policies in order to invite to invest in Spain.¹⁹¹

187 Gobierno de España, Fundación Benesto, ICEX, Spain Tech Center, About, http://www.spaintechcenter.com/#!/about/component_74511, 2nd December 2013.

188 ICEX, “El Spain Tech Center inaugura el primer programa de inmersión en Silicon Valley”, *Boletín Ices Informa*, 23 Octubre 2013. Available at: http://www.ices.es/ices/cda/controller/pageICEX/0,6558,5518394_5877196_6366453_4712564_645,0.html

189 Ministerio de Industria, Turismo y Comercio, Ices, *Plan Made in /by Spain en EE.UU. : plan de apoyo a la imagen de las empresas españolas en EE.UU. 2009-2010*, Madrid, ICEX, Marzo 2011, p. 4.

190 *Ivi*, p.12.

191 Ministerio de Industria, Turismo y Comercio, Ices, *Plan Made in /by Spain en EE.UU. : plan de apoyo a la imagen de las empresas españolas en EE.UU. 2009-2010*, cit., p. 11.

Algunos ejemplos de la inversión española en EE.UU.



Source: Ministerio de Industria, Turismo y Comercio, ICEX, Plan Made in/by Spain en EE.UU. 2009/2010, Madrid, ICEX, Marzo 2011, p.13.

Despite these successful commercial partnerships, this excellent aspect of the Spanish image is not well known abroad. So, for that reason the *Marca España* project was established in order to shed light and spread information about these types of reality of the Spanish economy.

Finally, as seen before, one way to attract attention towards Spanish's talents is the usage of the popular image of some famous people, for example through the initiative called Ambassador of *Marca España*. In fact, another strategic sector for the *Marca España* is sport, thanks to the the abilities of some athletes who won the podium in some international competitions.

Thus, in this case the image of champions, such as Nadal or Alonso can be considered a sort of ambassadors who playing a central role for the whole country image of Spain. Moreover, sport does not only contribute to enhance the country image from a marketing perspective, but also from an economic point of view. Thus, there are two famous football teams, the *Real Madrid* and the *FC Barcelona*, which are the

leading teams in the world for the amount of revenues in a year. For instance, in 2013 the Real Madrid “is the first club to surpass the €500m revenue threshold.”¹⁹²

So, in conclusion, the potential of Spain is not only rooted in the tourism dimension, but it is a multidimensional one. Therefore, the task of *Marca España* is so difficult, because has to demonstrate and support this great abilities in order to overcome the classical stereotypes and the negative economic news diffused by international media in recent years.

2.6 How the *Marca España* is perceived in national and international media?

Nowadays the reputation is also build through the media and the new ICT's which permit to spread information in real time all over the world. Mostly of time, most of information is not positive for the country image, because can negatively affect the perception that people and stakeholders have.

In the case of Spain, the *Marca España* initiative was launched mostly for contrasting this decrease of admiration, confidence and reputation in the country. Moreover, one of the member institutions of this initiative, the *Real Instituto Elcano*, has started working especially on this issue monitoring the country's reputation internally and globally.

Indeed, one of its studies regards the analysis of the reputation of the *Marca España* related to the news diffused in national newspapers. In the fifteen first days of October 2012, this institute estimated a total amount of 179 news about the *Marca España*. The majority of these news appeared following particular events, such as the celebration of a meeting on the management of the *Marca España*, during which participated the High Commissioner of this initiative and the Ministry of Foreign Affairs.¹⁹³ This research proposed also a qualitative analysis in order to have an overview of the reputation's tendency. From the recollected data emerged that the 53,63% of the news treated the initiative in a positive way, specifically

192 Deloitte Touche Tohmatsu Limited, *Captains of industry: Football Money League*, London, Sports Business Group, 2013, p.11.

193 M. Maderuelo, “La Marca España en la prensa española: análisis durante la primera quincena de octubre de 2012”, *Observatorio Marca España*, OME 3/2012 (2012), p. 1-9.

when they are related with the tourism, economic and political sphere.¹⁹⁴

Instead, the remaining negative news are linked to the more evaluative dimensions, the image and the opinion. These two categories proposed critical analysis of some events, such as meetings, speeches as well as the discussion about critical aspect of the *Marca España*, such as the deterioration of the country image. One recurring negative aspect is linked to the concept of the country of origin effect, because the “Made in Spain” products are not easily associated with its origin.

From an international point of view, at the beginning of 2013 the image of Spain has been damaged by the information of the ratings agencies, particularly after the Spanish banks' downgrade.¹⁹⁵ On the contrary, May 2013 represented a slight betterment of the Spanish image in international newspapers. Following the publication of a BCE's report, about the economic situation of Spain, the international media were positively influenced by the data of this document. Indeed, among the various economic issues the European Bank praised the Spanish economic-political policies which have incremented the country's competitiveness by increasing the number of exportations and by slightly reducing unemployment. For instance, the working paper of the *Real Instituto Elcano* cited some positive articles, such as one of the Financial Times:

“Para innumerables empresas españolas, así como para la economía española en general, las exportaciones han surgido como un brillante punto en un país espantado por el creciente paro y el desplome de la demanda de consumidores, empresas y sector público.”¹⁹⁶

Moreover, the analysis demonstrated two faces of the Spanish country image in the international media. The positive side is linked to the economic aspect, while the opposite one regards the social and political

194 M. Maderuelo, “La Marca España en la prensa española: análisis durante la primera quincena de octubre de 2012”, cit., p. 6.

195 Y. Fernández Rebollo, J. Pardo Menéndez, “Las agencias de rating y su influencia sobre la imagen de España”, OIE 13/2013 (2013), pp. 1-12.

196 M. Maderuelo, “La Marca España en la prensa española: análisis durante la primera quincena de octubre de 2012”, cit., p. 6.

dimension. Thus, despite the positive BCE's data, the negative opinions on social and political dimension are influenced by political cases of corruption and the continuing presence of social disparities among the population.

In fact, from an internal point of view, after a negative affirmation of one of the High Commission's members, named Juan Carlos Gafo, a political scandal related to this initiative emerged. This member pronounced an offensive sentence against Catalans and so it provoked a negative impact on national media. Obviously, this member was expelled from its charge and the Ministry of Foreign Affairs said that its insult was strongly in contrast with the values of *Marca España*, which is based on the cooperation and representation of all different identities of Spain.¹⁹⁷

As a matter of fact, according to an internal analysis, this case influenced the amount of news related to this issue. Indeed, among July and August 2013, the study noticed a continuing presence of the *Marca España* topic in the national news, counting a total amount of 771 news.¹⁹⁸ Despite the previous scandal, the opinion's tendency is rather positive with a 53, 17%, as a consequence of other events. Among the affirmative events, it is worthwhile citing the setting up of the annual plan for the foreign action of the *Marca España* and the importance of the tourist sector in relation to this initiative, especially following the achievement of the record on tourist arrivals.¹⁹⁹

However, not only the newspapers have the power to influence the image and reputation of a country, but also the web has incremented its weight, especially in the last decades. Analysing the economic blogs of UK and U.S.A emerged that generally Spain is associated with a high level of debt linked to the bank system. The main difference is that the British blogs treated the topic in a more general way talking about the European crisis and the Southern countries, while the U.S.A focused on the

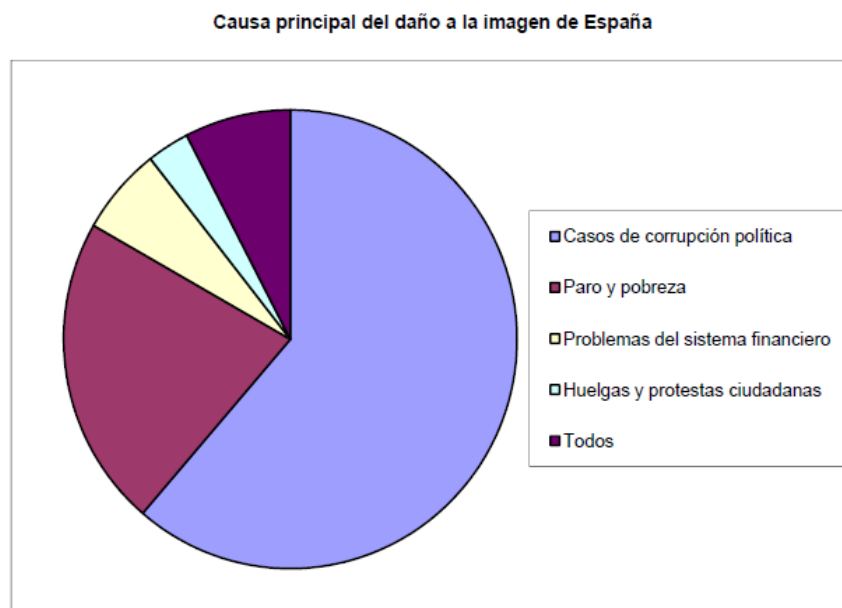
197 "El número dos de la Marca España cesa tras insultar a los catalanes en Twitter", *El país*, 20 Julio 2013. Available at: http://politica.elpais.com/politica/2013/07/20/actualidad/1374349293_530368.html

198 M. Maderuelo Labrador, "Presencia representativa de la Marca España en los medios nacionales, a pesar del parón vacacional", *Observatorio Imagen España*, OIE 17/2013 (2013), pp. 1-7.

199 *Ivi*, pp. 5-6.

instability of the bank system due to its high debt, which decreased the confidence in the Spanish banks and in the whole country.²⁰⁰

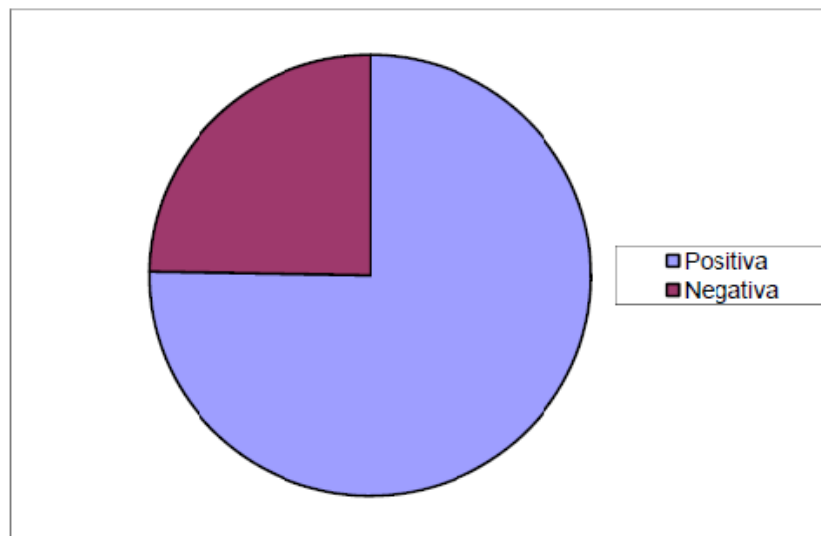
In conclusion, from that analysis emerge that the mayor topic related to the country image is the economic aspects and the instability of the bank system. However, in last months the image of Spain has lived a period of betterment thanks to some slightly positive data which have encouraged a more optimistic view towards the country. Then, regarding the *Marca España* initiative the national newspapers have published enough news about that topic and in the majority of cases is treated rather well, except small political scandals. In addition, according to the *Real Instituto Elcano*, the Spaniards have a good opinion of this project (51%) and this positive trend has also incremented during recent months.



Source: Real Insituto Elcano, *Barómetro del Real Insituto Elcano, 33a Oleada: resultados de Junio 2013*, Madrid, 2013, p. 55.

200 J. Pizarro, “España en webs y blogs económicos internacionales en el verano 2012”, *Real Instituto Elcano*, ARI 86/2012 (2012), pp. 1-6.

Opinión sobre Marca España



Source: Real Instituto Elcano, *Barómetro del Real Instituto Elcano*, 33ª Oleada: resultados de Junio 2013, Madrid, 2013, p. 55.

Furthermore, the *Marca España* incentives an affirmative feeling and confidence towards the country. For instance, people are proud to be Spaniards especially when referring to their great artistic heritage.²⁰¹ Finally, another topic that emerge among Spaniards is their positive evaluation of the “Made in Spain” products favouring them at the moment of buying something.

2.7 Conclusion

The country image has become a strategic asset for a country in order to be more competitive in the economic dimension, as well as political and cultural one. In an economy that nowadays some scholars call “Economy of Reputation”, it is necessary to insert the country image topic in the government agenda and to set up a cooperation plan to manage it. Also because, as affirmed by Joseph S. Nye Jr, in the last decades the traditional ways with which a country may weigh on the global context have changed. Indeed, he was the first one to introduce the concept of

²⁰¹ Real Instituto Elcano, *Barómetro del Real Instituto Elcano*, cit., p. 58.

soft power, which is based on the idea that “the factors of technology, education, and economic growth are becoming more significant in international power.”²⁰²

So, to have a solid country image can influence positively the confidence and the reputation in a country, which consequently prompt exportations, tourism, the selling of “Made in...” products and so on. Thus, to shape the image and brand of a country is necessary the cooperation among the public and private sector.²⁰³

In the specific case of Spain, in the past has build a solid reputation and admiration worldwide, but in recent years has been damaged by the economic crisis and the diffusion of negative information in the media. For those reasons, Spain is trying to re-take credibility through the building of a realistic country image, which is often underestimated because of some stereotypes.

So, the *Marca España* project was established in order to unify all the efforts made by different associations, enterprises and institutions in order to cooperate for the whole country's interest and to achieve the major number of results in various areas. The principal aim is to shed light about Spain and promote its successful sectors which are not well known internally and externally.

However, to manage a country image is necessary to known the stakeholders expectations, as well as setting up a multidimensional project, which operates in several spheres: economical, political, social and cultural one.²⁰⁴ Obviously, this project includes both positive and negative aspects and the negative one have to be improve. From a political perspective, the positive features of the *Marca España* are the Transitional period towards the democracy, the integration of Spain in the international institutions and then the common efforts made by public and private sectors for the coordination of this initiative. On a cultural level, the most powerful dimensions are the language, the cultural-artistic heritage and the traditions. As seen in the previous paragraph, the abilities of

202 J. S. Nye Jr, “Soft Power”, *Foreign policy*, n. 80 (1990), pp. 153-171.

203 F. Prado, G. Brujón, “España: reputación y visión de marca”, *Observatorio imagen de España*, OEI 4/2013 (2013), pp. 1-5.

204 F. Prado, G. Brujón, “España: reputación y visión de marca”, cit., p. 4.

Spain reached numerous records also in the economic dimension through the internationalisation process and the investment in researches and new technologies. One sector that strongly contributes to improve the entire economy is the tourist one, but Spain obtains some leaderships also in other fields, such as renewable energies, fashion and agro-food industry.

However, the *Marca España* may work on some problems in order to improve the entire country image. The major problem for the *Marca España* is linked to the evaluation of their “Made in...” products. Thus, one of the tasks of this initiative is to inform as many people as possible about the Spanish products and services, because it is demonstrated that consumers are not able to recognize them.²⁰⁵ Several times, consumers do not associate some products with their Spanish origin, because of their name which sounds more Italian, such as the case of *Massimo Duttti*. Moreover, the reputation of Spain is partly deteriorated by classical stereotypes, which reduced the country image associated it with entertainment, parties and corridas. So, the task of the *Marca España* is very hard and consists of an action plan which is based on the vital cooperation among institutes.

In conclusion, the *Marca España* has innovated its communication strategy using also the new ICT's in order to reach a major number of people. So, these new technologies facilitate the *Marca España's* task making the communication easier. So, this digital aspect provides a rapidly diffusion of the realistic and innovative image of Spain showing its abilities and leaderships not only in the tourist sphere, but also in other various sectors, such as the renewable energies, the infrastructure and transport sectors, the food and fashion industries and so on.

205 Asociación de Directivos de Comunicación, Foro de Marcas Renombradas Españolas, Instituto Español de Comercio Exterior, Real Instituto Elcano de Estudios Internacionales y Estratégicos, *Informe Proyecto Marca España*, cit., pp. 15-18.

Chapter 3

The great value of Made in Italy as a strategic resource for the country's image and the national economy

*“Conosci la terra dove i limoni
mettono il fiore,
le arance d'oro splendono tra le
foglie scure,
dal cielo azzurro spira un mite
vento,
quieto sta il mirto e l'alloro è
eccelso?”
(Johann Wolfgang von Goethe,
Viaggio in Italia)*

3.1 A historical evolution of the Italian country image from the Grand Tour to the development of the Made in Italy

The admiration towards Italy dated back to the 18th century, when in Great Britain the tradition of Grand Tour had started and people travelled in Italy and France in order to improve the knowledge of the past.²⁰⁶ This phenomenon became a sort or compulsory travel for the British young people who belonged to the upper class.

Certainly, Italy was the principal destination, because it was considered the cradle of the classic culture as well as the birthplace of the Western civilization. The admiration of Italy was reinforced especially after the discovery of some historical cultural sites, such as *Pompei* and

206 M. Liguori, “Il grand tour nel paradiso abitato da diavoli”, *Journal of languages and literatures of the faculty of philosophy in Novi Sad*, vol. II (2002), pp. 319- 327.

Ercolano.²⁰⁷ Moreover, the attractiveness of Italy was based on the mild climate and the artistic and historical heritage.

It is important to underline that this phenomenon was a pedagogical one, because it aimed to educate the future generation through the visits of the most important historical places. Indeed, these travels prompted the diffusion of a new type of literature linked to the description of new territories and cultures. Obviously, most of the traveller's notes contributed to the construction and the diffusion of some stereotypes. For instance, Italy was appreciated for its art, architecture, history, but it was also associated with the "otherness" due to its different habits and morality.²⁰⁸

In the majority of cases emerged a contrast between the idyllic vision of the Italian territories and the negative representation of the population. Indeed, Italians were perceived as noisy and lazy people, who could not understand the greatness of art and the past works.²⁰⁹ In addition, Italians were represented as astute robbers, cheaters, uncivilized and superstitious people.²¹⁰ One example of this contrast is well explained through the words of Percy Bysshe Shelley:

"Ci sono due Italie, una costituita da verdi prati e da un mare trasparente, dalle possenti rovine dell'antichità, dalle aeree vette e dall'atmosfera calda e radiosa che avvolge tutte le cose. L'altra consiste negli italiani che vivono nel tempo presente, nelle loro opere e nei loro modi. La prima è la più sublime e piacevole contemplazione che possa essere concepita dall'immaginazione umana; la seconda è la più degradata, repellente e disgustosa"²¹¹

These lines demonstrate this dual vision of Italy, which on the one hand was estimated for climate, art, natural beauties, but on the other emerged negative considerations about the Italian population. Naples is the city that better expresses this dichotomy, because many travellers evaluated it as

207 M. Liguori, *"Il grand tour nel paradiso abitato da diavoli"*, cit., p. 319.

208 P. Brindelli, "il particolare italiano da Gucciardini a Banfield: tra l'auto- e etero-riconoscimento", *Società Mutamento Politica*, vol. 2, n. 3 (2011), pp. 67-94.

209 *Ivi*, p. 322.

210 M. Liguori, *"Il grand tour nel paradiso abitato da diavoli"*, cit., p. 322.

211 A. Brilli, *Un paese di romantici briganti. Gli italiani nell'immaginario del Grand Tour*; Il Mulino, Bologna, 2003, p. 50.

a graceful, charming and flourishing city, thanks to its natural beauties and historical and cultural heritage, but at the same time the population was negatively described for being deceitful and poor.²¹²

However, according to some scholars the critics towards the Italian societies existed much sooner than the emergence of the Grand Tour movement. Indeed, it is demonstrated that both Leopardi and Gucciardini criticized the Italian behaviour creating a sort of a negative representation of the Italian society. For instance, Gucciardini introduced the term *particolare* which describes the Italians' attitude of acting in its own self interest, producing a lack of a sense of community.²¹³

In addition, from an economic point view, in the 19th century some small entrepreneurial cases developed and prospered, mostly in the clothing sector, laying the basis for the future "Made in Italy".²¹⁴ A historical proof of this Italian productive reality was found in the catalogues of some industrial exhibitions, which occurred during the 19th century. The data affirmed that the Italian presence at the Exhibitions was bigger in the national context rather than in the international one.²¹⁵ The only two international exhibitions that counted a major number of Italian exhibitors were the one held in Vienna and the other one in Paris.

Moreover, regarding the type of sectors, the Italian artisans focused on the production of shoes, hats and hand made and tailored clothes.²¹⁶ Specifically, the 25,8% of the Italian exhibitors proposed footwear, while 27,7% focused their production on the hats.²¹⁷ To understand better this first Italian impulse of the manufacturing production, it is interesting to analyse the geographical origins of these exhibitors. So, from 1851 to 1898 the data demonstrated that the centres of these Italian activities were Milan and Turin followed by Florence, Naples, Catania, Rome and Bologna. For instance, in the last decades of the XIX century, Rome was

212 M. Liguori, "Il grand tour nel paradiso abitato da diavoli", cit., p. 323-324.

213 P. Brindelli, "il particolare italiano da Gucciardini a Banfield: tra l'auto- e etero-riconoscimento", cit., p. 76.

214 C. Belfanti, *Prima del Made in Italy*, vol. 19, Annali di Storia dell'impresa, Venezia, Marsilio, 2007, p. 10.

215 *Ivi*, pp. 18-19.

216 *Ivi*, pp. 20-21.

217 *Ivi*, p. 21.

the most important luxury centre for the haute couture.²¹⁸ The flourishing of this Italian manufacturing production reached its high estimation thanks to the phenomenon of the Grand Tour. The increased amount of tourist arrivals contributed to make the Italian products more visible and recognizable at a European level. So, Italy achieved to combine well the tourist sector, the cultural heritage and the handcrafted abilities.

Moreover, at the beginning of the 20th century some of the most famous Italian brands were founded and still continue to represent the country image of Italy abroad. For instance, *Gucci* was founded in Florence in 1921 and before becoming one of the major Italian brands it was a small handcrafted enterprise. Another example of a famous Italian brand is *Salvatore Ferragamo* who settled its company in Florence in 1927.²¹⁹

Despite these successful cases, the general economic condition of Italy was not outstanding. During the period from the Italian unification (1861) to 1911, Italy lived a period of relative growth thanks to the birth of the industrial sector. Thus, in 1881 the 52% of the entire population was active.²²⁰ Indeed, during these years, which coincided with the Giolitti period, the industrial sector raised its productivity thanks to several reforms in the public services, such as the building of transports and communication services.²²¹ However, this development was soon halted due to the outbreak of the WWI and then the Great Depression. In addition, it is worthwhile remembering that during this period, Italy continued to suffer from a level of backwardness and poverty in the agricultural sector, so much that many Italians decided to leave the country.

In fact, the Italian migration lasted for decades, precisely from 1876 to 1970, and it was composed of different big waves which have historically divided into three periods: 1876-1900, 1901-1915, 1945-1970.²²²

218 C. Belfanti, *Prima del Made in Italy*, cit., pp. 10-27.

219 *Ivi*, p. 11.

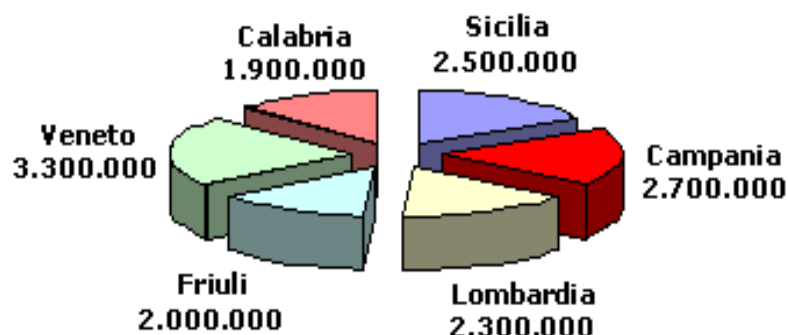
220 S. Broadberry, C. Giordano, F. Zollino, "A sectoral analysis of Italy's development 1861-2011", *Quaderni di storia economica*, n. 20 (2011), Banca d'Italia, pp. 5-83.

221 *Ivi*, p. 15.

222 C. Zepponi, "L'emigrazione italiana: uno sguardo d'insieme dal 1876 ad oggi", *InStoria*, n. 23 (2009), pp. 1-5.

Emigrazione italiana 1876 - 1976

Regioni a maggiore emigrazione



Source: G. Stella, *L'orda quando gli albanesi eravamo noi*, Rizzoli, 2002.

<http://www.orda.it/rizzoli/stella/home.htm>

In the first wave migrated 5.300.000 people, especially young men who escaped from the economic recession and the Italian backwardness.²²³ At the beginning, Italians preferred to migrate in Europe, particularly in Germany and France, but later the destinations changed and the migration arrived in U.S.A, Canada and Brazil.

The second wave (1900-1915) is called the Greater Migration, because it was estimated that each year at least 600.000 people left Italy reaching a total amount of 9.000.000 of migrants²²⁴. During this period, the preferred destination was America both U.S.A and Latin American countries, such as Argentina and Brazil. Paradoxically, this period coincided with the industrialisation process in Italy, but this phenomenon was not uniform and the majority of people was not affected by these improvements.

Moreover, these migration waves were interrupted during the WWI, the Great Depression and the WWII, especially because some countries, such as the U.S.A, imposed severe restrictions to these migrations.²²⁵ In addition, during these decades the Italian migrations contributed to shape

223 C. Zepponi, "L'emigrazione italiana: uno sguardo d'insieme dal 1876 ad oggi", cit., p. 4.

224 *Ibidem*

225 *Ibidem*

several stereotypes linked to the Italian nationality, which in some cases continue to be used until today. Thus, the huge number of Italian migrants caused the anti-Italianism feeling in various foreign hostlands due to the widespread fear of an Italian invasion.

The most common stereotype attributed to Italian migrants was the association with the Southern Italy, especially Sicily. So, the origin of the whole Italian community was perceived as Southern, even if many migrants came from the Northern Italy. In addition, the discrimination was based on the Italian behaviour which was described as violent, hostile and criminal. Moreover, these hostlands used denigrating nicknames, such as *maccaroni*, in order to refer to Italian migrants.²²⁶ Another typical adjective used in Germany was treacherous, because of the Italian betrayal of the Triple Alliance in the WWI. Finally, the most famous representation of the Italian population is the *Mafia* e its characteristic to be subversive.²²⁷ However, the discrimination did not only include nicknames or typical adjectives, but in some cases these negative attitudes towards Italians consisted also on the ban from pubs, clubs and public places as well as the usage of lynching. For instance, the most dramatic event was the lynching of 11 Italians in New Orleans in 1891.²²⁸

Moreover, unfortunately in 1922 the Italian period called *Fascismo* began and established a long dictatorship. During the fascism, Mussolini launched a propaganda which aimed to shape the Italian culture and society in order to eliminate possible oppositions. Regarding the migration topic, the fascism considered that phenomenon an occasion to spread the Italian nationalism abroad. Thus, in 1927 the fascist project aimed to achieve the total control of the Italian communities located all over the world, in order to use them as strategic instruments for diffusing the fascist and nationalist ideology.²²⁹ The propaganda aimed to overcome negative stereotypes attributed to the Italian communities, nevertheless it was only

226 M. Pretelli, "Le risposte del fascismo agli stereotipi degli italiani all'estero", *Altreitalie*, n. 28 (2004), pp. 48-65.

227 *Ivi*, pp. 48-49.

228 G. A. Stella, Rcs libri, Siamo tutti emigranti: per capire, riflettere, discutere di emigrazione, immigrazione e razzismo, le immagini, linciaggi, <http://www.orda.it/rizzoli/stella/immagini/fotolinciaggi.spm>, 23rd December 2011.

229 M. Pretelli, "Le risposte del fascismo agli stereotipi degli italiani all'estero", cit., p. 50.

able to introduce other archetypes, such as the image of the Italian hard worker and the explorer. So, in Italy the Italian migrant was associated with the image of the explorer and the coloniser referring to two historical Italian personalities, *Cristoforo Colombo* and *Amerigo Vespucci*.²³⁰ Obviously, the regime did not recognize all the anti-fascist exiles as Italian citizens, because they were classified as people who behaved as criminals and acted against the Italian population.²³¹

As a consequence of this propaganda, the nationalism did not overcome the traditional stereotypes, but reinforced them especially in the American and British press. In addition, after the outbreak of the WWII, the Italian communities were considered dangerous, because of their possible affiliation with the Fascism and the dictatorship. Thus, this nationalist attitude contributed to isolate the Italian communities limiting their integration in the host society.²³²

At the end of the WWII and after the dictatorship, Italy started a reconstruction phase which was partially sustained by the U.S aids. Hence, in 1948 Italy, as other European countries, was included in the Marshall Plan which contributed financially to the recovery of the economic dimension. So, thanks to the Marshall Plan were set up the basis for the Italian economic boom occurred later between the 1950's and the 1960's.

The Marshall plan provided foodstuffs as well as the necessary funds to prompt the industrial production and the reconstruction of the infrastructures. Taking into account the amount of funds loaned to Italy, as demonstrated in the schema above, the final count reached 1.508,8 million dollars.²³³

230 M. Pretelli, "Le risposte del fascismo agli stereotipi degli italiani all'estero", cit., p. 52.

231 *Ivi*, p. 53.

232 *Ivi*, p. 57.

233 Statistics and Reports Division Agency for International Development, *The Marshall Plan: U.S economic assistance under the European recovery program April 3, 1948- June 30, 1952*, Washington DC, 17th November 1975.

Available at: http://pdf.usaid.gov/pdf_docs/PDAC197.pdf

Assistenza economica durante l'ERP dal 3/4/1948 al 30/6/1952 (in milioni di dollari)			
Paese	Aiuti	Prestiti	Totale
Austria	677,8	0	677,8
Belgio e Lussemburgo	491,3	68,0	559,3
Danimarca	239,7	33,3	273,0
Francia	2.488,0	225,6	2.713,6
Rep. Fed. Tedesca	1.173,7	216,9	1.390,6
Grecia	706,7	0	706,7
Islanda	24,0	5,3	29,3
Irlanda	19,3	128,2	147,5
Italia e Trieste	1.413,2	95,6	1.508,8
Olanda e Indie Orientali	916,8	166,7	1.083,5
Norvegia	216,1	39,2	255,3
Portogallo	15,1	36,1	51,2
Regno Unito	2.805,0	384,8	3.189,8
Svezia	86,9	20,4	107,3
Turchia	140,1	85,0	225,1
Totale	11.413,7	1.505,1	12.918,8
Fonte: Statistic & Reports Division Agency for International Development. November 17, 1975			

Source: Statistics and Reports Division Agency for International Development, *The Marshall Plan: U.S economic assistance under the European recovery program April 3, 1948- June 30, 1952*, Washington DC, 17th November 1975.

Moreover, regarding the immigration topic, this period coincided with the last wave of Italian migration which lasted until the 1970's and thanks to the general economic improvements the data started to decrease. The main characteristic of this migration is its internal circulation, because people migrated inside the national borders from the South to the North and from the countryside to the urban zones. However, these internal migrations represented a slow drop of this phenomenon due to the rapid

recovery and the Italian development in the 1950's and 1960's. So, this period was called Economic boom or Italian miracle due to the rapid development and recovery of Italy.

Thus, after the total destruction of the WWII, Italy caught up all the most developed countries registering high rates of growth in various sectors from the agricultural to the industrial one. According to the Bank of Italy, during the flourishing period from 1951 to 1973 “the GDP grew by 6.3 per cent per year (7 per cent between 1951 and 1963)” and also “the labour productivity grew by almost 5 per cent per year.”²³⁴ Almost all the sectors took advantages from this rapid growth, but the leading sector was certainly the manufacturing one “with an annual average labour productivity growth rates of 13.2 per cent.”²³⁵ Thus, both the high growth rates and the prestige of the manufacturing sector contributed to the creation and development of the Made in Italy.

Historically, the Made in Italy is associated with the fashion sector, because it was the pioneer of the emergence of the Italian products at an international level. The first event that presented the new concept of Made in Italy was a fashion show organized by Giovanni Battista Giorgini in Florence in 1951.²³⁶ From that day, the Italian fashion and the haute couture started to be appreciated worldwide thanks to the innovative aspects and the high quality. For instance, in 1956 the textile and the clothing sectors registered a record in the exportations becoming the first exporter in U.S.A surpassing France and Great Britain.²³⁷ As a consequence, the rapid economic development and the old handcrafted abilities extended the concept of Made in Italy to other sectors. Moreover, the country image of Italy was also promoted through the cinema and the most famous Italian directors, such as Fellini. For instance, in 1960 the *Dolcevita* movie represented the Italian society and lifestyle as well as the amazing Italian landscapes. So, this movie diffused a positive country image which still exists until today, so much that the title is one of the most common Italianisms used abroad.

234 S. Broadberry, C. Giordano, F. Zollino, “A sectoral analysis of Italy's development 1861-2011”, cit., p. 24.

235 *Ivi*, p. 15.

236 C. Belfanti, *Prima del Made in Italy*, cit., p. 9.

237 *Ivi*, p. 90.

From an economic and social perspective, in the 1960's the government set up an industrial plan focused on the development of big public and private enterprises which operated in the chemical and metallurgical sectors. Indeed, the 1968 marked a revolutionary period, because the labour unions started playing a major role in the Italian society standing up for workers' rights and for the education and health care reforms. In 1970, the labour unions achieved the setting up of the workers' statute.²³⁸ Instead, the industrial plan did not obtain great results, because the economic reality of Italy was based on a local context composed of small and medium enterprises, rather than big public or private companies.²³⁹ Indeed, the majority of these SME's were run by families which are specialized on traditional sectors dated back to the past. So, to take major advantages of this specialization, some of these SME's decided to collaborate forming a new system of economic production, called cluster. This phenomenon consists on the cooperation among SME's which are specialized in a particular field and are located in a specific geographical area.²⁴⁰

In the 1970's and 1980's the Italian exportations and the economic resources were supported by the success of these clusters that used the cooperation among SME's in order to reach the international market.²⁴¹ So, the distribution of Italian products enhanced the Made in Italy brand which incremented its global reputation. However, from the first oil crisis in 1973 the economic situation started to slow down due to the increase of the energy costs and the deficit of the agro-food sector. According to the data recollected by the Bank of Italy "between the first oil shock and the crisis of the early 1990's GDP growth decelerated from 6.3 to 2.7 per cent."²⁴² Furthermore, the 1970's marked also a dramatic period due to the creation of some terrorist groups which caused attacks and civil massacres, such as the one occurred at the train station in Bologna.

238 M. Palazzo, M. Bergese, *Clio Magazine: il novecento e l'inizio del XXI secolo*, vol. 3, Brescia, editrice la scuola, 2003, p.228-229.

239 M. Fortis, *Il Made in Italy*, Bologna, il Mulino, 1999, p. 62-63.

240 *Ivi*, p. 46.

241 *Ivi*, p. 63.

242 S. Broadberry, C. Giordano, F. Zollino, "A sectoral analysis of Italy's development 1861-2011", cit., p. 24.

Moreover, in the 1970's and the 1980's the agricultural and industrial sector decreased their international trade confirming a negative balance for all that decade. For instance, these two sectors weigh on the GDP value for a total amount of -5,6% in 1970 and -10,8% in 1980.²⁴³ These recessions were caused due to the rising of energy costs and the raw materials prices as well as the emergence of new competitors which came from the developing countries. Indeed, the 1980's marked a period of a huge economic transformation which led to the polarization of the global trade, the development of the intra-industry trade and the technological advancements.

However, the principal sectors linked to the Made in Italy did not suffer from that national crisis and in the middle of the 1980's the Italian products cornered new international markets. The aggregate fashion, furniture, agro-food and engineering sectors had constantly achieved an active trade balance. Thus, the Made in Italy contributed to raise the international trade of Italy weighing on the GDP for a total amount of “4% in 1970, 6% in 1980 and 6.5% in 1985.”²⁴⁴

Moreover, during the 1990's despite the national recession all these sectors continued to rise their income reaching a total amount of 67 billion dollars of exportations stimulating the entire Italian economy.²⁴⁵ So, Italy was a strong exporter mainly in the traditional sectors, which are also characterised by high level of innovation. Indeed, during the 1980's and 1990's the Italian enterprises exported various types of products; the technological one were bought by the developing countries, while the instrumental goods went to the most industrialized and developed countries. For instance, in 1992 the aggregate (fashion-furniture-food), which composed the Made in Italy, represented almost the 38% of the general Italian exportations.²⁴⁶ However, these sectors operated in contrast with the general economic trend. Indeed, according to the Bank of Italy since 1993 Italy registered a decrease in the industrial production, but the sector which was hit more by this recession and instability was the

243 M. Fortis, *Il Made in Italy*, cit., p. 32.

244 *Ivi*, p. 32.

245 *Ivi*, p. 33.

246 *Ivi*, p. 35.

one related to the service.²⁴⁷

Nevertheless, it is important to say that the Made in Italy system continued to obtain good results also thanks to two Lira's devaluations: the first one occurred in 1993 and the second one in 1995. So, the entrepreneurs took advantage of that devaluations which made the Italian companies more competitive in the international market, providing the possibility to reinforce their market shares.²⁴⁸ Moreover, taking into account the single Italian regions emerged a phenomenon called localization, which consisted of the high economic performance of some Italian regions despite the negative national trend. As seen before, these positive results were achieved thanks to the economic system of the clusters which facilitated the internationalisation process.

From a geographical point of view, during the period from 1985-1991 the export-orientated regions were Emilia-Romagna, Lombardia and Veneto which were classified as areas of development. Then other regions such as Toscana, Liguria, Campania were considered developing areas.²⁴⁹

In addition, in contrast with a general thoughts, which consider the Made in Italy aggregate a low creator of added value, in 1992 the Italian sector fashion-textile-footwear produced more added value that the German car industry reaching a total amount of 35, 5 billion dollars.²⁵⁰ Moreover, that year the whole Made in Italy sectors produced high rates of added value with a total amount of 91,9 billion dollars. So, these data demonstrate that despite the general slowdown of the Italian economy, the Made in Italy aggregate was a sort of centrepiece for the global Italian economy and image in the 1990's.

However, it is important to say that in the last two decades the concept of Made in Italy has changed, because of the outsourcing phenomenon. As a matter of fact, some Italian enterprises decided to produce partly of their products in foreign countries due to lower costs. So, in recent years

247 S. Broadberry, C. Giordano, F. Zollino, "A sectoral analysis of Italy's development 1861-2011", cit., p. 6

248 M. Fortis, *Il Made in Italy*, cit., p. 33.

249 G. Cavazza, L. Dall'Osso, *Prodotti, tecnologia e mercati del made in italy*, Milano, FrancoAngeli, 1993, p. 42.

250 M. Fortis, *Il Made in Italy*, cit., pp. 40-41.

there are two categories of the Made in Italy products: those made entirely in Italy and other which are transformed and concluded in Italy. Nevertheless, the last one has not compromised the reputation of the Made in Italy, because the brand has continued to be appreciated in the world.

Indeed, in recent years the exportations has continued to sustain the Italian economy which suffers from the global economic crisis. The positive data of the exportations are a consequence of the strengthened estimation towards the Made in Italy products. Indeed, in October 2013 the Italian export increased (+2%) in the extra-UE markets especially in U.S, China and Russia.²⁵¹ Instead, the export in UE has increased less than other markets (0,8%), only thanks to the German purchases. The leading sectors are the manufacturing one and the agro-food industry.²⁵²

Thus, as occurred in the past, the Made in Italy products continue to be a central pillar for balancing the Italian economy which is suffering a recession especially in the internal market. For that reason, *Abi* and *Confindustria* have decided to collaborate in improving and supporting the exportations of the Italian enterprises. Indeed, the chief executive officer said that in recent years the export was the safety for many Italian enterprises.²⁵³

3.2 Made in Italy: the main characteristics, the promotion and the legal protection

In the past and also nowadays the Made in Italy has represented a main pillar of the Italian economy, even if the national trend has been negative. The reason why the Made in Italy products have obtained several successes and records around the world are based on two main characteristics: the use of the clusters and the quality.

The principal feature of the Made in Italy is its composition based on a network of SME's which have high handcrafted abilities that allow

251 Luca Orlando, "Export Italiano avanti adagio grazie alla spinta della Germania. Bene alimentari, tessile e farmaceutica", *il Sole 24 Ore*, 16 Dicembre 2013.

252 *Ibidem*

253 "Favorire l'export delle aziende", *il Sole 24 Ore*, 5 Dicembre 2013. Available at: <http://www.ilsole24ore.com/art/notizie/2013-12-05/favorire-export-aziende-064644.shtml?uuid=ABfyM0h&fromSearch>

producing high quality products or services. These SME's are often run by a family and this characteristic is both criticized and appreciated. It is considered a strength point, because it reinforces the passion and devotion towards the enterprise which allows establishing a long-term plan. On the contrary, some scholars underline the weaknesses of this system in relation to an economy more and more global.

So, one weakness emerges when the business has to pass from one generation to the next one, due to the lack of a generational continuity or possible internal disputes. Another critical issue is the ability to overcome the regional or national context, because the small dimension does not have enough resources to compete with other foreign competitors. Indeed, a crucial problem for these SME's is the lack of a suitable capitalisation and self-financing for investing in some innovative projects.²⁵⁴

However, on the contrary, according to some theoretic studies is fundamental to remember that in the past, despite their big dimensions, some Italian public enterprises had failed or did not achieve great success.²⁵⁵ Thus, the dimension does not mean a sure success of an enterprise.

As a matter of fact, several small and medium enterprises have decided to work in synergy in order to demonstrate their abilities also at an international level. Thus, this cooperation based on the cluster, is rooted in the cultural traditions of a specific geographic area that enrich the work of the SME's. Indeed, the two main features that make the cluster a successful system are the polycentrism and the high technical specialisation.

The first one allows to create a sense of community and a huge passion towards work, while the second one is based on the extraordinary heritage of the know-how.²⁵⁶ Thus, the fact that these clusters are linked to some traditions and local culture do not exclude their ability to innovate and enlarge their markets. So, despite the few government investments in R&D, the Italian enterprises or clusters are in any case able to create

254 M. Fortis, *Il Made in Italy*, cit., pp.72-75.

255 Gea Consulenti associati, *Management made in Italy: il modello italiano delle imprese di successo*, Milano, il Sole 24 Ore libri, 1996, p. 18.

256 Ivi, pp. 25-26.

innovative products that attract foreign interests. As a matter of fact, it is demonstrated that other countries associate the Italian products with creativity, design and high quality. Thus, in the past the Italian enterprises proposed a well-advanced design launching new trends which allow introducing the Made in Italy in new market niches. For instance, several famous fashion brands, such as *Armani*, have considered the design its main characteristic and priority to be competitive.

However, the Made in Italy have several weaknesses that are necessary to improve in order to regain competitiveness. This deficiency is not linked to the abilities, but is a consequence of some lack related to the national economic system. For instance, one issue that makes the Italian products less competitive is the high labour costs, the high level of taxation and the slowness of the bureaucracy. As a matter of fact, several enterprises have decided to transfer their production in the developing countries, keeping in Italy only the final transformation of goods, the services, the creativity and the design, so the know-how.

Hence, in 1993 a committee called *Leonardo* was established in order to group some Italian entrepreneurs, scientists, intellectuals with the aim of promoting the Italian quality at an international level. This committee was named *Leonardo* referring to one of the most famous Italian genius in the world. Nowadays, this institution is composed of 150 members which share the aim of endorsing the country image and the creativity and novelty of the Made in Italy. The task of this committee is to support concretely the Italian enterprises and enhance the collaboration among arts, culture and science. For instance, according to this committee, despite the current economic crisis, all their enterprises have earned a total amount of 300 billion Euro demonstrating the resources and potential of Italy abroad. In addition, this committee awards some Italian people who contribute to foster the Italian country image abroad playing a remarkable role as a sort of ambassador.²⁵⁷

Furthermore, in 2007 the Italian government launched a programme to promote the Made in Italy and take advantage from the

²⁵⁷ Comitato Leonardo, chi siamo, <http://www.comitatoleonardo.it/chi-siamo>, 29th December 2013.

internationalisation process. This campaign aims to foster the outsourcing through the setting up of bilateral agreements and joint ventures in order to root the Italian enterprises abroad avoiding the mere transfer of the production process.²⁵⁸

Furthermore, the three main pillars of this campaign were based on:

- increasing the number of international events and exhibitions
- boosting the investments in order to support the innovative sectors and searching new markets for exporting Italian products
- prompting the collaboration and cooperation among the SME's to create new innovative clusters in order to facilitate the entrance in the international market

For instance, this programme proposed to allocate the 20% of the resources in order to favour events, projects focusing mainly in strategic sectors, such as ICT, biotechnology, agro-food industry and wellness. Moreover, the campaign aimed to corner new markets, especially those which had a great development expectations, such as Shanghai which held the Expo in 2010.²⁵⁹ Moreover, the programme drew its attention to the internal institutions and tried to foster the agreements among regions, institutions, such as *Unioncamere* or *ICE*, and the local enterprises.

However, an obstacle for the promotion of the Made in Italy is the so called “sistema paese”, the whole economic and production system of the country that should shape the image of it in order to facilitate the cooperation and spread more confidence providing the opportunity to participate more in the international arena.²⁶⁰ Indeed, the Made in Italy suffers from not having a huge country of origin effect, because some Italian products do not have a strong national identity, because are recognized to be produce in restricted geographical area. As a matter of fact, a better positioning of the Made in Italy in the International sphere is

258 Ministero del Commercio Internazionale, *2007 attività promozionali: le iniziative ICE per la imprese*, Roma, Istituto Nazionale per il Commercio Estero, 2007. pp. 10-11.

259 *Ivi*, pp. 13-16.

260 C. A. Pratesi, *Il marketing del Made in Italy: nuovi scenari e competitività*, Milano, Franco Angeli, 2001, p. 41.

a hard task due to this fragmentation and the lack of a cooperation among different institutions.

For that reason, in 2010 the Ministry of Foreign Affairs was reformed in order to reduce the number of the General Administration offices. As a consequence, the Directorate General for the Country Promotion was set up and it aims to promote the Italian country image abroad. This office plays a crucial role in spreading and reinforcing the image of Italy abroad. It has a multidimensional task, because focuses on the economic, cultural and educational dimensions. So, one priority is the coordination of events and initiatives that promote the Italian economy in the international arena. Moreover, it aims to support the Italian enterprises during their internationalisation process, in order to foster the Italian presence and exportations worldwide. Thus, another task consists on intensifying the collaboration between the Ministry for Economic Development, the Italian Trade Institute (ICE), the Regions and the Chambers of Commerce located worldwide.

Obviously, the economic issue is not the only one strategic field, but another main pillar for the image of Italy is the culture and the artistic heritage. So, this office aims to promote the Italian language through 90 Culture Institutes around the world, as well as implementing cultural events, cultural tourism and reinforcing the internationalisation process of the Italian universities. Moreover, another fundamental task is the enhancement of the cultural heritage and the preservation of the UNESCO sites.²⁶¹

Furthermore, since the Made in Italy is one of the most famous brands in the world, it has to face a huge problem; the counterfeiting. The Italian products, especially those related to the food sector, are often counterfeited both in the raw materials, packaging and labels. For instance, the Italian sounding is a phenomenon of counterfeit based on the alteration of some labels which introduce images and words that evoke Italy.²⁶² According to the data, the U.S.A, Latin America and

²⁶¹ Ministero degli Affari Esteri, Ministero, Struttura, DG promozione sistema paese, <http://www.esteri.it/MAE/IT/Ministero/Struttura/DGPromozioneSistemaPaese/default.htm?LANG=IT>, 29th December 2013.

²⁶² Ministero dello Sviluppo Economico, *La contraffazione alimentare: vademecum per il consumatore*, Roma, 2012, p.3.

Australia are the three biggest counterfeits in the world.²⁶³

Unfortunately, this phenomenon produces negative consequences for the Italian exporters, because solely the counterfeit of the Italian foodstuffs provokes a total loss of 6 billion Euro every year. For that reason, as seen in the previous chapter, the identification and protection of the foodstuffs is regulated at a European level. For instance, the European regulation 510/2006 establishes and protects the geographical indications and designations of origin for the foodstuffs.²⁶⁴ Moreover, in February 2008 the European Court of Justice judged the term “Parmesan” not considering it as a generic term, but a violation of the protected designation of origin imitating the *Parmigiano Reggiano* name.²⁶⁵

As a matter of fact, the Italian government set a national law (n. 55) on 8th April 2010, in order to regulate the “Made in...” label as well as punishing the cases of counterfeit. The article 1 establishes that the enterprises have to respect the international and national laws related to the labour rights, the safety of products and the respect of the environment. Moreover, it is decreed that the Made in Italy label can only be used for those products made entirely in Italy or when one phase of the whole production process is made in Italy. Obviously, in the label have to appear the place of origin respecting the European norm. In addition, the article 3 provides a sanction paying from a minimum of 10.000 to a maximum of 50.000 Euro. In the case that the violation is repeated the sanction provides for the imprisonment from 3 to 7 years.²⁶⁶

Furthermore, another crucial issue is the management of the tourism sector and the enhancement of the cultural heritage. These two elements are always underestimated, but on the contrary are outstanding resources linked to the country image.

According to ICE, in 2012 Italy ranked as only the fifth tourist

263 Ministero dello Sviluppo Economico, *La contraffazione alimentare: vademecum per il consumatore*, cit., p.3.

264 See chapter 1, paragraph 6.

265 D. Aquaro, “Ecco tutte le norme che tutelano il Made in Italy: perché il parmesan è stato bocciato dalla UE”, *il Sole 24 Ore*, 26 Settembre 2013.

266 Normativa- il portale della legge vigente, legge n. 55/2010, <http://www.normattiva.it/atto/caricaDettaglioAtto?atto.dataPubblicazioneGazzetta=2010-04-21&atto.codiceRedazionale=010G0077¤tPage=1>, 29th December 2013.

destination in the world, so at a lower position than U.S (1).²⁶⁷ So, these data demonstrate the inefficiency of Italy, because it is the country which possesses the major number of UNESCO sites in the world, but does not take advantage of it. Moreover, this year the *World Tourism Organization* affirmed that the tourist flows have increased by a 4%, so tourism has become a strategic sector and Italy could take advantage of it thanks to its huge historical, artistic and cultural heritage.²⁶⁸ Unfortunately, the weakness of Italy is probably the lack of a coordination based on single national strategy for promoting Italy abroad, because the tourist sector is regulated by each region. Hence, it is easier to find advertisements of several regions, rather than a national campaign. Since the tourism is under the jurisdiction of each region, the international tourist image of Italy is fragmented and the promotion is related to single famous cities, such as Florence, Rome and Venice.

However, the image of Italy as a tourist destination is also managed by a national tourist institution called ENIT. In recent years, it has tried to solve the gaps of the Italian tourist system promoting a single Italian country image abroad. For instance, in 2011 this institution launched an initiative in order to promote the Italian tourist offers as well as consolidate the image of Italy in four emerging countries; Brazil, Russia, India and China (BRIC). This initiative consisted on the organization of some exhibitions and events which were held in the four capital cities. The main theme was the presentation of Italy seen through the works of some artists from the four countries. The principal aim was to show an Italian experience through the tourist products and the Made in Italy brand.²⁶⁹ So, this initiative well represents the importance to promote the country image abroad in order to convey a realistic image of Italy and attract visitors in the amazing Italian territories.

Recently, the government has launched another programme called

267 ICE, Sistema statistico nazionale, *L'Italia nell'economia internazionale: rapporto ice 2012-2013*, Roma, Ice, 2013, p. 23.

268 World Tourism Organization, Press Release, 13006, 28th January 2013. Available at: <http://media.unwto.org/en/press-release/2013-01-28/international-tourism-continue-robust-growth-2013>

269 Enit-Italia comes to you, home, the project, http://www.italiacomestoyou.com/index.php?option=com_content&view=article&id=6:obiettivi-del-progetto&catid=15:presentazioni&lang=en&Itemid=, 31st December 2013.

Destinazione Italia, which aims to attract foreign investments in the Italian territories as well as making the Italian enterprises more competitive.²⁷⁰ This programme provides some measures which aim to reform several sectors from the justice to the job legal framework. Regarding the country image, *Destinazione Italia* was also set up to develop a concrete action plan for promoting Italy abroad and focusing on its prestigious assets. In addition, among the future reforms this initiative wants to support the core of the Made in Italy through the setting up of a fund to invest in the SME's. Moreover, *Destinazione Italia* draws its attention to the star ups, because they are new strategic and innovative businesses which in the majority of cases are managed by young people. So, it is necessary to support them especially in their first phases of foundation.²⁷¹

Thus, this project is only a first step to improve the country image and modernize Italy. Indeed, it is essential to plan a national programme focused on the Italian strategic resources and sectors which have many chances to succeed and can partly recover the current difficult situation.²⁷²

3.3 The country of origin effect and the perception of the Italian country image in the international media

It is said that the country image is an important issue, because it can play a strategic role as a marketing feature in the promotion of the exported products.

This phenomenon called country origin effect is the perception that people have about a country that consequently contributes positively or not to make attractive its products and services. Moreover, the country of origin effect not only influence the intention of purchase, but it also affects other sectors and decisions. So, according to Anholt, "The reputation of a country has a direct and measurable impact on just about every aspect of its engagement with other countries, and plays a critical role in its

270 Presidenza del consiglio dei ministri, *Destinazione Italia*, Roma, 2013, p. 2.

271 *Ivi*, pp. 20-21.

272 Gea Consulenti associati, *Management made in italy: il modello italiano delle imprese di successo*, cit., p. 22.

economic, social, political and cultural progress.”²⁷³

Thus, a positive country image can also provide the possibility to attract FDI and tourists as well as facilitating the internationalisation process of the enterprises. For instance, a good reputation of a country can attract companies which decide to set up new operations worldwide or international institutions which have to decide which countries will host specific global events.²⁷⁴ When talking about the country of origin effect, it is often reported the example of Italy, because it is one of the most famous and recognizable brands in the world. Indeed, according to a research, it is said that Italian enterprises take certain advantages of the relation with the Made in... label thanks to the consolidate idea that Italian products are related to high quality, creativity and good design.²⁷⁵

However, at the same time the territorial structure of Italy and its typical use of the cluster system has introduced another feature which is interesting to take into account. So, the success of the cluster and their entrance in the international market have contributed to the emergence of a “local” origin effect, rather than a general country one. Thus, in the last decade the name brand and its relation with the country has certainly affected on the promotion of Italian products abroad, but at the same time the importance of the geographical restricted area is also emerged, due to the increasing number of Italian products which are certified as PDO and PGI.

Despite this fragmentation, it can be said that the Italian country origin effect is positive and it is ranked as medium-high level. Indeed, the characteristics that are associated most with Italy are proficiency, know-how, specialisation, flexibility, innovation and creativity.²⁷⁶ In addition, these recurring characteristics can be also demonstrated in the image above that takes into account two famous Italian clusters, Bergamo and Prato, as case-study.

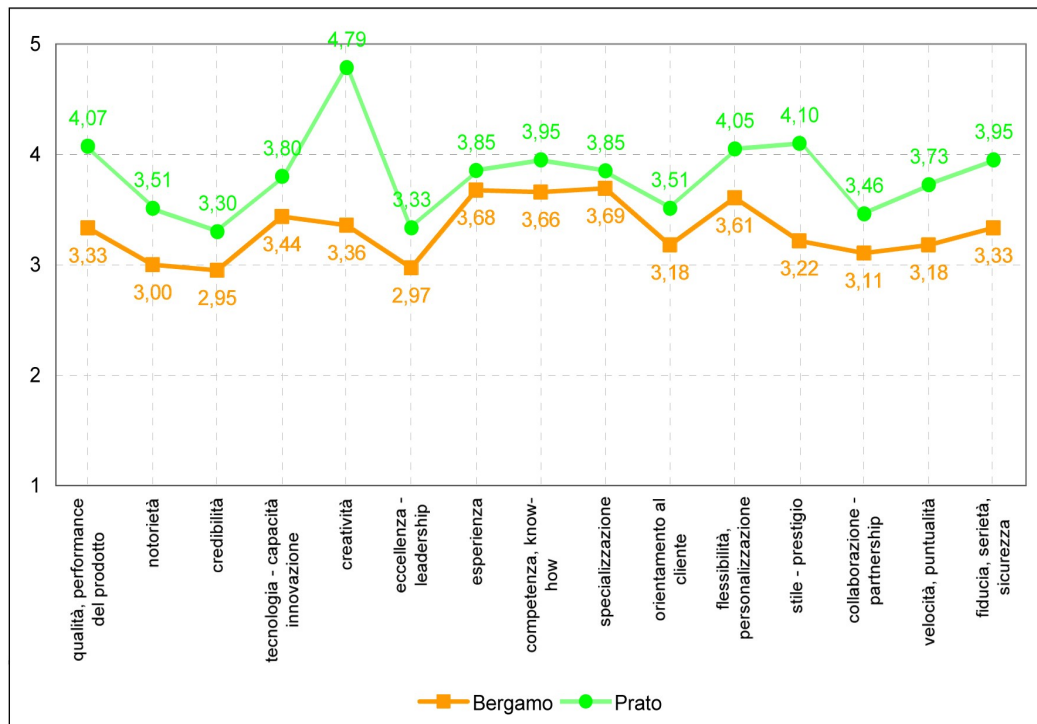
273 S. Anholt, *Competitive Identity: the new brand management for nations, cities and regions*, cit., p. 9.

274 *Ivi*, p. 10.

275 C. Guerini, A. Uslenghi, “Valore del made in, identità di marca e comunicazione di marketing nelle imprese distrettuali italiane”, *Serie economia aziendale- Liuc papers*, vol. 25, n. 190 (2006), pp. 1-2.

276 *Ivi*, p. 11.

Gli attributi positivi dell'IPO riconosciuti dai clienti esteri
(1 = non riconosciuto, 3 = abbastanza riconosciuto, 5 = unanimemente riconosciuto)



Source: C. Guerini, A. Uslenghi, "Valore del made in, identità di marca e comunicazione di marketing nelle imprese distrettuali italiane", *Serie economia aziendale- Liuc papers*, vol. 25, n. 190 (2006), p. 12.

However, the reputation of Italy and its products does not include all sectors and in several cases some stereotypes continue to exist. Indeed, the Italian entrepreneurs complain about the presence of some stereotypes associated with Italy, such as the lateness in respecting the deadlines and the production of second-rate technological products.²⁷⁷

This last stereotype indicates the existence of a negative and weak country image in the fields of industry and technological innovation. This mediocre consideration of Italy as a producer of advanced technology is due the inadequate presence of Italian enterprises on an international level. Indeed, the electronic and pharmaceutical industry does not play a dominant role in the international arena.²⁷⁸

²⁷⁷ C. Guerini, A. Uslenghi, "Valore del made in, identità di marca e comunicazione di marketing nelle imprese distrettuali italiane", cit., p. 13.

²⁷⁸ *Ibidem*

So, the Italian automation and engineering sectors are scarcely considered because of an insufficient coordination of a international communication and marketing strategy, a lack of public and institution support and also the increasing number of strong competitors. Thus, it is fundamental to plan a common and collective strategy to optimize the great potential of the Made in Italy.²⁷⁹

Thus, taking into consideration the country of origin effect (COO) related to Italy, it can be individuated two different influences. In the initial phase, the Italian enterprises take advantage of the COO and its Italian origin in order to be accepted as quickly as possible in the new foreign market, while in the second phase when the image and reputation of the enterprise has been consolidated, the COO becomes secondary.²⁸⁰

So, the country image acts as added value in the first communication strategies especially for the medium enterprises which are not well know abroad. On the contrary, in the case of the big companies, which have a consolidate prestige worldwide, the COO is not relevant because they trust on their strong brand name and brand equity. However, the famous Italian brands do not omit their Italian origin and continue to consider it as a value source, maintaining in Italy the high added value phases of production, such as marketing, packaging, planning design.²⁸¹

As a matter of fact, it can be said that Italy benefits from a positive country image in some sectors, while in other has to improve its reputation which is almost negative. Thus, the COO influences positively some sectors, such as fashion and furniture which can take advantage of the diffuse idea that Italy represents excellences in style, design and fashion. For instance, in the majority of cases the Italian country image is associated with the luxury sectors of cars and fashion which are linked to famous brand names, such as Ferrari and Armani.²⁸² On the contrary, other Italian enterprises which operate in the engineering suffer from the negative country image and in the initial phase can not take advantage of

279 A. Iavarone, *Country of origin effect e strategie di entrata per il made in italy: il caso Gessi s.p.a.*, tesi di laurea, Università Luiss- Guido Carli, Facoltà di economia, corso di laurea in economia e direzione delle imprese-marketing, a.a. 2011-2012, rel. R. Resciniti, p. 63.

280 *Ivi*, p. 61

281 *Ibidem*

282 *Ivi*, p. 78.

the Italian origin, so are penalized when cornering new markets.²⁸³

To sum up, the COO of Italy is based on emotional, symbolic values linked to beauty, arts, traditions. As a consequence, this potential of the Made in Italy should be used in order to benefit from it. So, it is necessary to plan an efficient common marketing strategies in order to have a crucial impact on the success of the Italian initiatives on an international level.²⁸⁴ It could be interesting to focus on the symbolic attitude of the Made in Italy which implies an attachment or a sense of devotion towards Italian lifestyle, beauties and elegance.

Moreover, the Italian country image is also spread by the national and international newspapers and media in general. Regarding this topic, in 2008 two institutes *Ipsos* and *Intercultura* monitored the international newspapers during a period that lasted 4 months. During this period, the two institutes recollected 675 articles coming from different geographical areas. So, the monitored countries were France, Spain, Germany, Great Britain, India, Russia, Argentina, Japan, U.S.A and Australia.²⁸⁵ From that study emerged that Germany was the country which wrote more articles about Italy and it was followed by Russia and India. Moreover, the topics that are related to Italy were linked to the foreign affairs and the cultural and societal dimensions.²⁸⁶

So, analysing the topics discussed in the various articles those more positive are related to the cultural dimension, especially the artistic heritage, the Made in Italy products, the fashion and the cultural events. In addition, the cultural dimension included also articles which deal with the report about famous Italian writers, artists, actors and intellectuals. Last but not least, other reports related to the cultural sphere describing the natural beauties of Italy referring to amazing historical cities, such as Rome, Florence and Venice. Obviously, these articles did not forget to mention some typical stereotype linked to Italy, such as the *Dolcevita*.

The second most discussed issue is the Italian economy which is sometimes associated with some entrepreneurial cases. In the press of

283 A. Iavarone, *Country of origin effect e strategie di entrata per il made in italy: il caso Gessi s.p.a*, cit., p. 80.

284 *Ivi*, pp. 78-80.

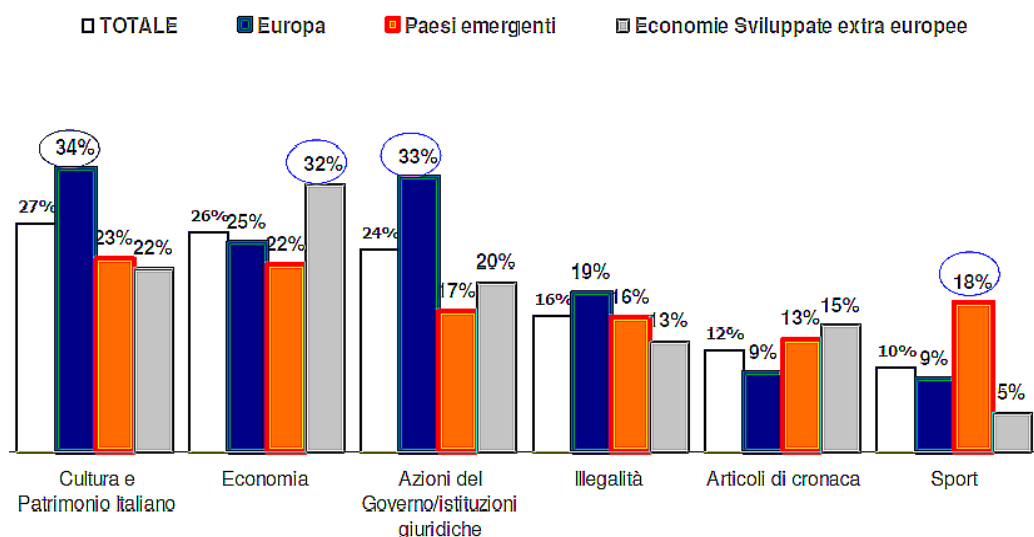
285 Fondazione Intercultura, Ipsos, *L'immagine dell'Italia all'estero*, Roma, 2008, pp. 2-4.

286 *Ivi*, pp. 8-9.

the developing countries, the cases of Italian enterprises were reported mostly because were associated with the international and economic relationship between Italy and these countries. Instead, the European press focused on the economic crisis and especially on the critical situation of the national airline *Alitalia*. In addition, another topic is related to the Italian government policies, such as specific measures, reforms and actions against criminality. From these articles emerged a critical attitude with a major number of negative opinions. Indeed, the negative facts that affected negatively on the country image were political scandals and cases of corruption.

However, from a general point of view emerged that these articles expressed balance opinions. Indeed, only the 22% of the total articles expressed a bad and negative opinions, because generally journalists described Italy in a neutral and positive tone.²⁸⁷ To sum up, the general country image is mediocre when approaching the economic and political aspects, while the best opinions were linked to the cultural heritage, the amazing natural and artistic beauties and the admired lifestyle.

L' immagine dell'Italia nel mondo



Source: Fondazione Intercultura, Ipsos, *L'immagine dell'Italia all'estero*, Roma, 2008, p. 20.

²⁸⁷ Fondazione Intercultura, Ipsos, *L'immagine dell'Italia all'estero*, cit., p. 82.

Cultura ed Economia: I due temi più trattati dalla stampa internazionale

	TOTALE
CULTURA e PATRIMONIO ITALIANO (net)	27%
I prodotti italiani	14%
mostre/eventi culturali/festival del cinema	4%
moda/design	4%
i ristoranti/la cucina	4%
opere d'arte	2%
Personaggi italiani	8%
scrittori,libri, personaggi del panorama culturale	3%
altri personaggi	3%
cinema italiano (attori, film)	2%
I Luoghi	5%
città d'arte,luoghi storici	3%
luoghi naturalistici, la zona costiera	2%
ECONOMIA (net)	26%
Le attività economiche	15%
relazioni e collaborazioni tra l'Italia e gli altri Paesi	6%
le imprese italiane	3%
Relazioni e collaborazioni tra le imprese italiane e straniere	3%
gli imprenditori/le famiglie fondatrici di imprese	3%
La Crisi economica	11%
Il caso Alitalia	5%
La crisi economica/il caro prezzi	4%
Le banche italiane	3%

Source: Fondazione Intercultura, Ipsos, *L'immagine dell'Italia all'estero*, Roma, 2008, p. 65.

Thus, in conclusion, Italy has huge and great resources which represent an excellent potential for the future. So, If Italy plans a concrete long-term programme for supporting its strategic assets, it will be more competitive than now. It is worthwhile thinking that in the past Italy was well appreciated during the period of the Grand Tour and people came to Italy in order to find culture, beauties as well as feeling new emotions. Starting from that point, it is necessary to regain that type of interest and reputation through concrete actions which aim to restore the country's resources as well as communicating better the idea of Italy in the world.

Thus, it is fundamental to benefit from the fact that the Made in Italy is the third most well-known brand in the world after the Coca-cola and Visa.²⁸⁸ In recent years, the Italian Chambers of Commerce have

²⁸⁸ G. Govoni, "Promuovere il marchio Italia", *Il Giornale-dossier Piemonte*, 21 febbraio 2013, p. 12.

increased the cooperation with the local enterprises and other public institutions, such as ICE. Fortunately, institutions have started to understand that the promotion is one of the basic features of an efficient national strategy for the internationalization of enterprises and the enhancement of Italian assets. So, according to F. Dardanello, the Chambers of Commerce, ICE and Italian Regions have set up a common plan in order to avoid overlapping programmes.²⁸⁹ Moreover, in recent years, these institutions have launched two initiatives, called *Progetti integrati di mercato* (Pim) and *Progetti integrati di filiera* (Pif), which aim to finance the exponents of the Made in Italy with a total amount of 13,5 million Euro.²⁹⁰

3.4 Not only fashion: Tourism, Cultural heritage and Agro-food industry some underestimated treasures for the future

Generally, Italy is appreciated around the world for its famous brands linked to the fashion sector. Indeed, brand names, such as *Armani*, *Valentino*, *Gucci* are considered the best brands in the international fashion world. Moreover, some rich people arrive in Italy from every part of the world, only to go shopping and buy in the stores of the major Italian fashion brands.

However, this type of Made in Italy is related to a luxury market and it is not the only exponent, because there are other sectors which represent Italy too. Indeed, among the most outstanding Italian assets, it is worthwhile introducing the tourism and the cultural heritage. Italy is the first one country in the world for the number of UNESCO sites and it can be said that represents the cradle of the Western civilization. So, it is easy to comprehend that the tourism sector may be one of the main pillars of the Italian economy. Indeed, Italy owns an enormous heritage that includes a total amount of 5.000 places of interest among which museums, historical monuments and archaeological sites.²⁹¹

Unfortunately, this huge richness is often considered a problem rather

²⁸⁹ G. Govoni, “*Promuovere il marchio Italia*”, cit., p. 12.

²⁹⁰ *Ibidem*

²⁹¹ L. Franco, “Con la cultura si mangia: vale 80 miliardi, il 5,8% del pil. Nonostante i tagli”, *Il fatto quotidiano*, 8 ottobre 2013, p. 3.

than a resource, due to the decrease of investments and the bad management of them. Indeed, some years ago an Italian ministry said “con la cultura non si mangia” which means that a country does not survive with culture and this concept well explains the lack of consideration towards culture. For instance, from 1997 until now the number of visitors of the *Reggia di Caserta* has sharply decreased from 1,1 million to 531.000 visitors.²⁹² This case can be considered a real failure for Italy and its economy, because the tourism could be the Italian treasure. Indeed, the great potential of tourism is demonstrated by the data that show how in 2011 the total tourist revenue was estimated almost at 10 billion Euros.²⁹³

Thus, if the cultural and artistic heritage were valued more, Italy could be a global leader in the tourism sector. So, this would mean a partial recovery of the Italian economy and an increase in job positions. Indeed, data demonstrate that the Italian cultural heritage is worth 80 billion Euros which weigh 5,8 % on the GDP.²⁹⁴ Thus, in contrast with the government trend, which has not taken into account the culture, the Piemonte region has decided to recover the economy starting from the culture, as a result of the increasing number of museum tickets sold (+11,3%).²⁹⁵ Moreover, despite the current economic crisis the increment has also regarded the season tickets which provide some benefits for museums as well as other cultural initiatives. In addition, for the future it is expected to collaborate with the Milan Expo.

Indeed, in 2015 Milan will held the Universal Exposition based on the theme “Feeding the planet. Energy for life” which is related to the sustainable development and the importance of food as vital need. Until now, the number of countries that will take part in the Expo has reached 141. Thus, this mega event will be a great occasion for the city of Milan, but also for Italy in order to demonstrate the abilities and the richness of

292 L. Franco, “Con la cultura si mangia: vale 80 miliardi, il 5,8% del pil. Nonostante i tagli”, *Il fatto quotidiano*, 8 ottobre 2013, p. 3.

293 *Ibidem*

294 *Ibidem*

295 A. Grandi, “In Piemonte si mangia con la cultura, boom di ingressi a musei e mostre”, *Il Sole 24 Ore*, 21 novembre 2013. Available at: <http://www.ilsole24ore.com/art/impresa-e-territori/2013-11-21/in-piemonte-si-mangia-la-cultura-boom-ingressi-musei-e-mostre-162355.shtml?uuid=ABUgCoe>

the whole country. In fact, the *Organisation for Economic Co-operation and Development* (OECD) analysed the local benefits of hosting mega events and affirmed that these events prompt the development and growth of business sectors, the increment of private and public investments as well as the promotion of the country image through the communication and media which attract a major number of people and tourists in the whole country. In addition, the OECD said that the mega events contribute to improve infrastructures and connectivity.²⁹⁶

As said before, the core issue of the Milan Expo is the importance of food as a vital element of the sustainable development, so it has been planned a sustainable food pavilion. This pavilion will provide the opportunity to promote the Italian agro-food industry and the agricultural products which already play a crucial role in the international area. As a matter of fact, according to the *Sole 24 ore*, in 2013 the agro-food exportations have achieved a record reaching 33 billion Euros, so a 6% more than 2012.²⁹⁷

A concrete example of a successful business case is *Eataly* which promotes the Italian deliciousness around the world. *Eataly* started its activity seven years ago, when was opened the first store in Turin. Nowadays, the stores are located around the world in New York, Tokyo, Rome and so on. These stores include markets, restaurants and educational areas, because *Eataly* aims to diffuse the Italian high-quality products as well as the history of Italian tradition and artisan abilities.²⁹⁸ This year, the *Eataly's* creator, Oscar Farinetti, took part in a special event, which discussed the theme of Made in Italy and the food culture, held in Treviso. This event titled “Modesign: design dalla terra alla tavola” was a project organized by the IUAV University in collaboration with several institutions, such as the city of Treviso, *Confindustria*, *Coldiretti*, *Ministero per i Beni e le Attività Culturali* and also the Milan Expo. During

296 OECD, LEED, *Local development benefits from staging global events: achieving the local development legacy from 2012*, London, oecd-leed programme, 2010, pp. 12-13.

297 “Record per l'export agroalimentare nel 2013 grazie a vino, ortofrutta e olio”, *Il sole 24 ore*, 3 gennaio 2014. Available at: www.ilsole24ore.com/art/impresa-e-territori/2014-01-03/record-l-export-agroalimentare-2013-grazie-vino-ortofrutta-e-olio--100416_PRV.shtml?uuid=ABsm7On

298 Eataly-alti cibi, mondo eataly, chi siamo, <http://www.eataly.it/index.php/mondo-eataly/chi-siamo/>, 7th January 2013.

this event were organized workshops, exhibitions, round tables and meetings. On 2nd October 2013, Oscar Farinetti took part in a meeting in which discussed the potential and huge resources of the Made in Italy referring also to its enterprise *Eataly*. He said that the decision to draw his attention to food was based on the idea that it is the most essential product in the world, because people cannot survive without it.²⁹⁹ So, since food is so important he aims to re-donate value to it, positioning the activity of Italian farmers and SME's as a central pillar. Hence, he affirmed that the 80% of the *Eataly*'s suppliers are artisans, small enterprises and farmers, because they represent the agricultural biodiversity.

Moreover, this entrepreneurial initiative is strictly related to *Slow Food*, an international organisation that roots its origin in the Italian territory. Their principal goals are the defence of the agricultural producers and the healthy food as well as spreading the gastronomic culture.³⁰⁰ So, both *Eataly* and *Slow food* aim to promote the traditions and the prestigious products that Italy can offer to the world as well as educating people to the biodiversity and the recycling.

However, Italy achieves some successes not only in the tourist and gastronomic sectors, but also in technological one. Indeed, despite Italy is not well recognized for advanced technology, several companies have overcome some prejudices and have obtained contracts in other countries. For instance, the Swiss incinerators are considered the most efficient one in the world, but few people know that the technology that composes them is made by an Italian enterprise. Moreover, this enterprise is experimenting a new technology related to the decrease of CO2 emission and the save of energy. In 2013 this enterprise did not suffer from the economic crisis and incremented its revenues for a 15% than the previous year. So, that successful case demonstrates that Italy can achieve great results and it is appreciated for its advanced products in other sectors which differ from the traditional one.³⁰¹

299 O. Farinetti, "La felicità del Made in Italy : come arrivare là dove l'Italia merita", Convegno Modesign: design dalla terra alla tavola, II edizione, 2 ottobre 2013, Treviso.

300 Slow Food, associazione, <http://www.slowfood.it/1/cosa-%C3%A8-slow-food> 7 gennaio 2013.

301 C. A. Finotto, "La Svizzera sceglie il know how italiano per i suoi inceneritori: e la tecnologia arriva da Salerno", *il sole 24 ore*, 20 novembre 2013.

This enterprise is not the only one case, another Italian company is one of the global leaders in the heating plant sector. This company named *Sabina* has obtained two contracts for supplying an innovative university and a commercial complex in Turkey. It is estimated that the company has to provide almost a total amount of 4.000 devices contributing to improve the exportations of this enterprise.³⁰² These two cases are an example of how the Italian enterprises that do not work in traditional sector are similarly appreciated for their high-quality around the world.

Thus, it can be said that the Made in Italy is appreciated and demanded in the world. Moreover, despite many critical issues, Italy has a huge potential which should be strengthened for the benefit of the whole Italian economy. Furthermore, it is important to corner new markets which strive for buying Made in Italy products. For instance, an initiative was created for promoting the Italian designers in several exhibitions and events in Norway, Sweden and Denmark. This initiative aims to implement the Italian presence in the Scandinavian region which already appreciate the values, creativity of the Italian design. Then, finally the other goal is to create products customise specifically for those countries.³⁰³

Furthermore, the communication and the use of the new ICT is certainly another pillar of the promotion and the marketing of the Made in Italy. Indeed, recently five engineers have collaborated in order to create a website named *Italify*, which aims to promote the work of the Italian artisans, publishing several handmade products of their members who are all Italian artisans. Nowadays, the artisans who take part in that project are 150, but every Italian artisan can participate without paying none subscription. This website has an international perspective, because is available both in English and French and the final aim is that of promoting the abilities and values of the Italian artisans all around the world.³⁰⁴ For now this is a start-up project, but it has introduced a huge

302 F. Prisco, “Doppia commessa in Turchia per sabina, via italiana agli impianti di condizionamento”, *il sole 24 ore*, 12 dicembre 2013.

Available at: <http://www.ilsole24ore.com/art/impresa-e-territori/2013-12-12/doppia-commessa-turchia-sabiana-via-italiana-impianti-condizionamento-154223.shtml?uuid=ABUv5ej>

303 T. Potenza, “Il design Made in Italy sbarca in Scandinavia: Copenhagen e Stoccolma è tempo italiano”, *il ghirlandaio*, 23 dicembre 2013.

304 L. Indemini, “Italify: l’artigianato Made in Italy in un click”, *la stampa*, 23 dicembre 2013.

occasion for those small enterprises based on the handcrafted works that do not have the possibility to reach international markets. Moreover, this is an example of how the start-ups are a great occasion to collaborate, create and produce innovative products and services. Unfortunately, in Italy the start-ups are not supported as much as in other countries in the world.

However, a successful co-working project exists also in Italy. This project called *Talent Garden* has eight offices located through Italy and one in New York. So, Talent Garden offers especially to young people a place where collaborate and work on their projects in order to share the costs and the knowledge with other people.³⁰⁵ In addition, the location in New York city is significant, because it well explained the willingness to allow enterprises to expand and promote the Made in Italy genius at an international level.

Thus, these cases are examples of projects, initiatives or less known enterprises that have cornered new markets obtaining success and representing Italy abroad. So, in conclusion this paragraph demonstrates that the Made in Italy is not only composed by famous fashion brand names, which are a sort of Italian symbol abroad. The ambassadors of Italy abroad are also the SME's unite in the cluster system, the single enterprises which are appreciated for their handcrafted abilities and the technological innovation of young people that collaborate in co-working projects and star-ups.

All these examples are the heart of the Italian economy and it is necessary to support them and provide them the chance to produce and innovate in Italy and consequently overcome the national boundaries in order to emerge at an international level.

3.5 Conclusion

So, in the past Italy was appreciated by the richest people who travelled in Italy thanks to the Grand Tour practice in order to discover the historical traditions. Thus, from the 18th century Italy has consolidated its country

305 Talent Garden, home, <http://www.talentgarden.it/it#!/home>, 9th January 2014.

image through the cultural heritage, the natural beauties, the handcrafted products and the fashion industry. Nowadays, Italy keeps being appreciated for its design, elegance, creativity and high-quality. Everywhere the Made in Italy is synonymous of these adjectives and is considered an excellent brand. Indeed, the Made in Italy is one of the most famous and recognized brands in the world.

However, as seen before, the country of origin effect can be useful for those sectors considered traditional, while the most technological and engineering sectors are penalized, because Italy is not famous to be a producer of advanced products. Nonetheless, the Italian excellences are not only linked to the fashion sector or the manufacturing one, but Italy may take more advantages of two sectors: the tourism and the food.

Around the world, Italy is also synonymous of delicious cuisine and cultural heritage. These two elements are the treasure of Italy and for that reason they should be improved in order to attract many people as possible in the Italian territories. In addition, the enhancement of these two issues can produce new job positions which are very important especially in that period of economic crisis.

Unfortunately, the Made in Italy system is underestimated and it is composed of strengths and weaknesses. A successful factor is the formation of a typical Italian economic system called cluster which provides flexibility and cohesion. Moreover, the Italian SME's are rooted in their local traditions and values which contribute to enrich the outstanding handcrafted abilities and the Italian design.

Despite these qualities, the system is also weakened by critical issues which in some cases are not directly linked to the Made in Italy, but to external political factors. Indeed, a problem for the SME is the difficulty on passing the enterprise to the next generation, but the most critical issues are the high labour and energy costs, the rigidity of the labour market and the lack of a financial system as well as the inadequate infrastructures. So, in the last decades the loss of competitiveness is also caused due to the lack of a long term project for the countrywide as well as an absence of an industrial policy.

In conclusion, the Italian enterprises have to reinforce their presence

through some collaborations, the use of new ICT and the improvement of their products, making them more visible in the international arena. Moreover, the whole country should be more stable at a political point of view in order to set up long term programmes which aim to support the Made in Italy and young people who want to innovate in their country. So, finally it is necessary to consider the Made in Italy as a main pillar and huge resource of Italy, especially during this crisis.

Indeed, according to Oscar Farinetti, Italy owns 5 vocations to endorse: agro-food industry, tourism, specialized manufacture, culture and art and then design.³⁰⁶ For instance, in 2012 the Italian exportations of foodstuff increased reaching a record of 31 billion Euros, but it is not enough because the counterfeit of Italian foodstuffs is worth 60 billion Euros.³⁰⁷ Furthermore, the Italian agro-food exports are still lower than the data of other European countries, such as Netherlands (55 billion \$) and France (46 billion \$).³⁰⁸ So, the Italian food is one of the most appreciated in the world, but exportations do not reach the same level as other countries, maybe because Italy has to reinforce the retail chain and the marketing.

Finally, according to the Foreign Ministry Emma Bonino is necessary to change the country image of Italy and its perception which is well explained through this metaphor:

“ L'italia è percepita all'estero come una sirena un po' stanca, bella ma che resta un po' seduta su uno scoglio e aspetta che qualcuno venga ad ammirarla.”³⁰⁹

Thus, in the future is essential to set up a policy which will endorse and promote the cultural/artistic heritage, the artisan values and the biodiversity of the foodstuffs in order to attract more interest towards Italy.

306 O. Farinetti, “La felicità del Made in Italy : come arrivare là dove l'Italia merita”, cit.

307 “Alimentare, vola l'export italiano, ma due prodotti su tre sono falsi”, *la Repubblica*, 5 gennaio 2013.

Available at: www.repubblica.it/economia/2013/01/05/news/coldiretti_export_record-49946617/

308 M. Pinckaers, “Netherlands, agricultural situation: the benelux horticulture markets”, *Global Agricultural Information Network (GAIN)*, n. NL5002 (2005), pp. 2-9.

309 E. Bonino, Conferenza *International Business Advisory Council (IBAC)*, Farnesina, Roma, 10 gennaio 2013.

Chapter 4

A comparative analysis of Spain and Italy through the similarities and differences of their country brand

4.1 A comparative analysis of *Marca España* and Made in Italy

Regarding the Spanish and Italian country image, it can be said that both dated back to the past, mostly due to some European representations.

Indeed, in the past some European countries contributed to shape the Spanish and Italian country image, forming several stereotypes which emerged in order to represent these two countries. As seen before, initially the Spanish image was based on the *Leyenda Negra*, which criticized the Spanish Empire's actions. Then, this representation continued to develop during the Romantic era when Spain lived a period of decline. During the same period, the Italian country image was shaped thanks to the phenomenon of the Grand Tour and its related literature.

Indeed, both Italy and Spain were described as underdeveloped nations, so they were also associated with the concept of “otherness”. For instance, Spain was considered an exotic and oriental place that did not reach the same level of development as other European countries. Also, Italy was similarly described because of its low level of development, but at the same time was also represented as an amazing territory thanks to its culture, history and arts.

Moreover, other common stereotypes are related to the description of the two populations. Indeed, in the 19th century both Spaniards and Italians were represented as uncivilized, superstitious and poor people. In addition, another common archetype is the association of the entire country with a specific region. For example, in the 19th century Spain was always identified with the Southern region of Andalusia. After a century, the same thing occurred in Italy because of the numerous migration waves which contributed to create new stereotypes, such as the general

identification of the Italian communities with the Southern region of Sicily.

On the other hand, taking into consideration the “Made in...” brands the two countries have developed differently. From a historical point of view, Italy has shaped its “Made in...” brand during several centuries. From the end of the 17th century until now, the image of Italy has been consolidated and has conquered admiration around the world. As seen in chapter 3, since the end of the 18th century some small businesses cases started to develop in the Italian territories, especially in the clothing field. Then, in the 1950's and 1960's the country image was promoted and improved thanks to some Italian movies, such as the *Dolcevita* which contributed to spread a high admiration for the Italian lifestyle. Moreover, in the same period, Italy began to be associated with the high quality and the creativity of fashion. In addition, this great reputation was not confined only to the fashion sector, but all the Italian products started to be appreciated obtaining great successes and results at an international level. As a matter of fact, the Made in Italy brand is one of the most famous and recognizable brands in the world.³¹⁰

On the contrary, the spread of the Made in Spain products is a recent phenomenon and for that reason is less popular than the Made in Italy. Historically, Spain faced two difficult periods, the Spanish civil war and the Franco's dictatorship, which slowed the development of Spain. Hence, Spain started a liberalisation process only at the end of the 1950's and following the ending of the dictatorship. Thus, the entrance of Spain and Spanish products in the international market is a recent phenomenon and the Made in Spain is less consolidated than the Made in Italy. However, this aspect does not make Spain less competitive than Italy. Indeed, nowadays there are several big and medium Spanish enterprises that operate in different sectors worldwide. For instance, one of the most famous and richest enterprises in the world is *Zara*.

So, from an economic point of view, as seen in chapter 2, nowadays Spain has obtained great success in several sectors, from the agro-food industry to the tourist sector as well as the infrastructure and transport

310 Farnesina-Ministero degli Affari Esteri, sala stampa, archivio comunicati e notizie, interventi, http://www.esteri.it/MAE/IT/Sala_Stampa/ArchivioNotizie/Interventi/2012/03/20120322_Terzi_A_SEAN.htm, 12nd January 2014.

sectors or the ICT's. Also, Italy continues to be a greater exporter especially in the fashion, furniture, agro-food aggregate. In addition, both Italy and Spain own a vast amount of UNESCO sites which contribute to make these two countries the most preferred tourist destinations in the world. Moreover, in the last decades, Spain has focused its policies on the improvement of the tourist sector which has become one of the main pillars of the Spanish economy. On the other hand, Italy is the first country in the world for the number of UNESCO sites and for these reasons it should take more advantage of this huge heritage.

However, to better analyse and compare these two countries, I have decided to take into account the global competitiveness index, the country brand index and some IMF statistics. Firstly, the global competitiveness index is created by the World Economic Forum which analyses the economic level of development of many countries in the world. In 2013 the analysis covered 148 economies and based its study on 12 features which are considered the main pillars for a good level of economic competitiveness.³¹¹ These pillars are divided into three areas: “the basic requirements, the efficiency enhancers and the innovation and sophistication factors.”³¹² The first group includes essential elements, such as the institution, the infrastructure and the macroeconomic issues. The second group consists of some features that are necessary to enhance the economy of a country and among all can be found the good market efficiency, the financial market development and the technological readiness. The last group is composed of innovative elements, such as the business sophistication and the ability to innovate.

So, according to this index, in 2013 Italy obtained the 49th position among 148 countries.³¹³ Hence, Italy is considered an innovation drive economy, thanks to “the sophistication of its business” due to the high quality of its products. Indeed, the Italian products are recognized to have “a high level on the value chain mostly thanks to the one of the world's best business clusters.”³¹⁴ In addition, Italy obtained the best scores for its

311 K. Schwab, X. Sala-i-Martin, *The global competitiveness report 2013-2014*, Geneva, World Economic Forum, 2013, pp. 3-9.

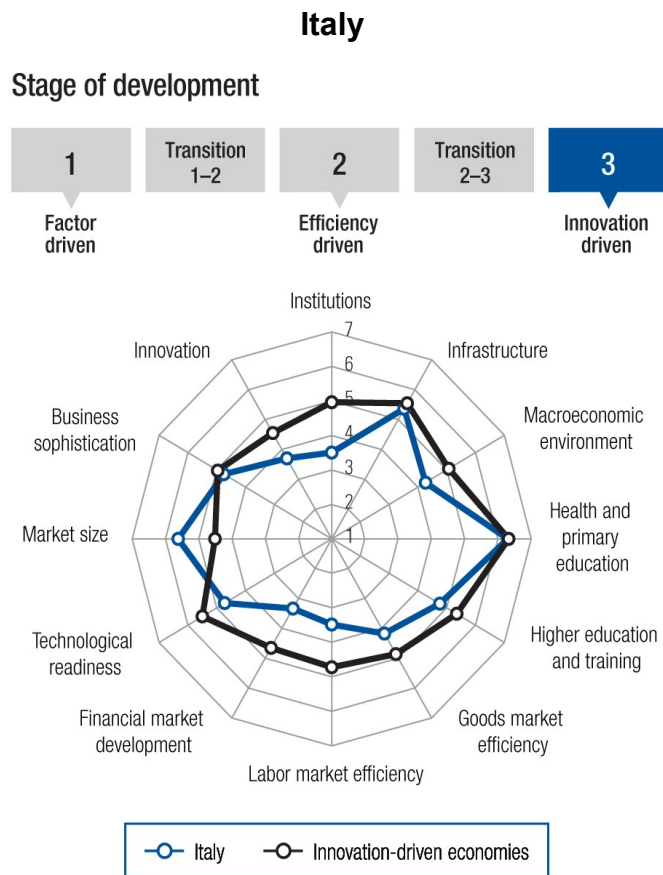
312 *Ivi*, p. 9.

313 *Ivi*, p. 226.

314 *Ivi*, p. 30.

large market size, thanks to its great amount of exportations in the world.

On the other hand, Spain was ranked in a higher position than Italy obtaining the 35th position.³¹⁵ In this case, Spain achieved the best positions in the transports, the infrastructures and the use of ICT's. Moreover, according to this study Spain have “a skilled labour force, thanks to one of the highest tertiary education enrolment rates in the world”.³¹⁶ Obviously, both Italy and Spain have to improve several aspects of their competitiveness. For instance, Italy suffers from a rigid labour market, a weak financial market and a political instability, while Spain has to face the difficult access to financing, especially for SME's.³¹⁷



Source: K. Schwab, X. Sala-i-Martin, *The global competitiveness report 2013-2014*, Geneva, World Economic Forum, 2013, p. 226.

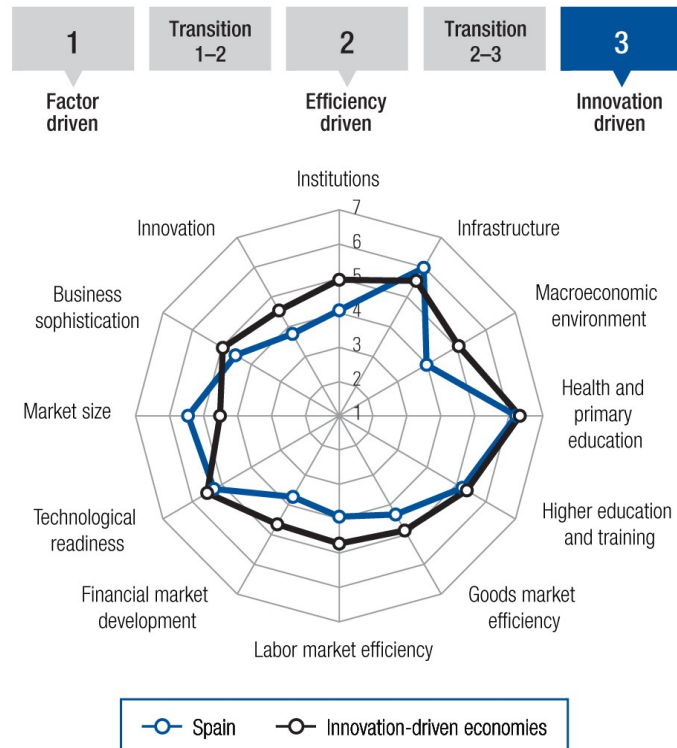
315 K. Schwab, X. Sala-i-Martin, *The global competitiveness report 2013-2014*, cit., p. 348.

316 *Ivi*, p. 29.

317 *Ivi*, pp. 29-30.

Spain

Stage of development



Source: K. Schwab, X. Sala-i-Martin, *The global competitiveness report 2013-2014*, Geneva, World Economic Forum, 2013, p. 348.

Thus, the GCI proposed a hexagonal scheme for each country in order to sum up all the negative and positive scores obtained in the different aspects. Here above, I reported the Italian and Spanish hexagons which well represent the level of competitiveness of these two countries. So, despite the current economic crisis and some critical internal issues, both Italy and Spain were considered innovation driven economies. In these hexagons, it can be seen a blue line which represents the analysed country and another black line which summarizes the general trend of all innovation driven economies. Thus, these hexagons compare the country trend with the general global one considering the recollected data in order to set up this global competitiveness index.

Certainly, a positive reputation and country image reinforce the competitiveness of a country, because it attracts a major number of

tourists, investments and enterprises. So, every years a marketing company set up a ranking related to the country brand concept. This index, called *Country brand index*, measures the reputation that countries have, basing its research on various elements, such as cultural heritage, quality of life and business and economic dimension. The analysis includes a quantitative research and the collection of some global expert opinions.³¹⁸

According to this index, in 2013 both Italy and Spain lost five positions and were ranked respectively 15th and 19th among 118 countries. From that study emerged that Italy had a strong reputation in the tourist and cultural dimension, so much that it is the first brand in the world in both sectors. In addition, Italy was also the best country brand in the world for food. Moreover, another strength point is the luxury sector linked to famous brands which are demanded especially in the Chinese and Indian markets.³¹⁹ Similarly, Spain obtained the highest scores in the cultural heritage and the tourist sector. Indeed, the Spanish brand is strong in food, art/culture and history. For instance, the best sector is the food which was ranked at the 9th position in the world.

Thus, it can be said that the Italian and Spanish brands are solid in common dimensions, such as tourist, food, cultural and artistic one. In addition, Italy gained a general better position, probably because it have a historical and consolidate brand in comparison with Spain which emerged recently. Thus, Italy takes advantage from the Made in Italy brand which is an international icon and one of the most famous brands in the world. This global admiration of the Made in Italy is an essential pillar for the whole country image and also contributes to increase the Italian exportations.

This phenomenon is called country of origin effect, which I have already analysed in the previous chapters. Hence, in the case of Italy, the COO effect influences positively the traditional sectors which are easily related to Italy in the consumer's mind. So, fashion and food sectors take more advantage of the country of origin, while the most advanced and

318 FutureBrand, *Country Brand Index 2012-2013*, cit., p. 5.

319 Ivi, pp. 24-25.

innovate sectors are penalized due to a lower knowledge of Italy as a technological producer. However, generally, all the SME's use the Italian origin as a fundamental value when cornering new international markets, because they are not well known worldwide and can not rely on a famous brand name.

Regarding Spain, as said before, it has started to diffuse its products in recent years, precisely since the 1980's. Indeed, the 1986 marked a crucial event for the Spanish economy, because the integration in the UE prompted the Spanish exportations. Moreover, also the FDI incremented and helped to develop the entire country, which in the 1990's begun a massive internationalisation process of its enterprises. Thus, the international perception of Spain is based on three positive events: the economic development, the political transition towards democracy and the tourist development.³²⁰

These issues have influenced the country image and its related brand. Indeed, in the last decades the reputation of the Made in Spain has changed due to a general improvement of the perception that consumers have. Hence, the Made in Spain is considered rather well thanks to a positive image of Spain in some dimensions, such as culture, tourism and lifestyle. Moreover, in recent years some Spanish fashion retailers have achieved great success and worldwide records that contribute to enhance the reputation of the Made in Spain. However, the principal problem of the Made in Spain is a lack of identity. So, several Spanish enterprises are leaders in various sectors, but people do not associate them with the Spanish origin. Hence, consumers recognize several brand names, such as *Zara*, *Desigual*, *Telefónica* or *Seat*, but few of them know that are Spanish brands.³²¹ The association between the country of origin and these successful Spanish enterprises could be useful in order to improve the image of Spain and the Spanish products in the world. Moreover, the SME's, which are not well known, may take major advantage of a positive country of origin effect in order to prompt their internationalisation process.

320 M. Alonso Pérez, E. Furió Blasco, *La imagen de los productos españoles en los mercados internacionales*, working paper, Université de Lyon, 2006, p. 31.

321 *Ivi*, p. 27.

For that reason, the Spanish government launched an initiative called *Marca España*, which aims to solve this lack of identity of the Spanish products. This initiative is based on an action plan which tries to improve the country image in order to enhance the international reputation that can contribute to prompt the Spanish exportations, as well as making easier the internationalisation process of the Spanish enterprises.

Moreover, the *Marca España* initiative was set up following a loss of credibility of Spain due to the economic crisis. Indeed, several media and international newspapers have focused on the Spanish economic crisis underling negative data related to the instability of banks, the increasing number of unemployed people and the emergence of social conflicts. As a matter of fact, the reputation of Spain was negatively affected by these negative news and opinions. So, the government decided to act through the setting up of the *Marca España* initiative, which also aims to plan some marketing and communication strategies in order to spread a different view of Spain. Indeed, the Spanish government wants to demonstrate that Spain is much more than the economic crisis.

For that reason, one of the partner institutions of the *Marca España* provides a monitoring of the Spanish reputation in the world. From that monitoring emerges that the G8 countries have a high estimation of the Spanish lifestyle, natural beauties and entertainment. So, Spain is positively considered for its tourist sector, while the economic and political dimensions are not evaluated as strength points of the country. Moreover, the political and economic dimensions are also criticized by the Spaniards. According to a report of the *Real Instituto Elcano*, Spaniards are so proud of their cultural and societal dimension, while the worst opinions are linked to the political dimension, due to the cases of corruption and the increasing number of unemployed people.³²² Unfortunately, the economic crisis has deteriorated the Spanish image which has started to be only associated with negative economic and political features, omitting the successful business cases and other positive Spanish resources.

Also the Italian country image has been affected by the economic

³²² Real Instituto Elcano, *Barómetro del Real Instituto Elcano*, cit., pp. 1-127.

crisis and the negative news which are spread by the international media. Indeed, it has been criticized especially because of the high public debt and the political instability. For instance, Italy was negatively described by a German newspaper because of its political inefficiency:

“The Italian economy may be the third largest in the euro zone, but it is also plagued by inefficiency and continues to shrink. The country's political leadership has proven unable to implement badly needed reforms and the future looks grim.”³²³

However, these negative news is often balanced by positive articles related to some Italian famous brand names or the cultural and artistic heritage. For example, the *New York Times* proposes a section entirely dedicated to the Italian tourist destinations. So, the Made in Italy and the natural and historical beauties continue to save the international image of Italy. Nevertheless, differently from Spain, the Italian government is not so interested in the country image topic, even if recently has set up a project called *Destinazione Italia*, which includes also the promotion of Italy in the international arena. However, it does not exist any research or study which analyse the Italian reputation.

Instead, It is difficult to analyse the international reputation of Italy, because of this lack of researches. Despite this insufficient data, I collected several documents of each Italian embassy and consulate located worldwide and I tried to extract a general overview of the Italian country image.³²⁴

Here below I reported the chart that I have created following the collected data:

323 H. J. Schlamp, “Basta la casta: no end in sight to Italy's economic decline”, *Spiegel international*, 24 July 2013. Available at: <http://www.spiegel.de/international/europe/economic-crisis-in-italy-continues-to-worsen-a-912716.html>

324 Farnesina Ministero degli Affari Esteri, rapporti congiunti ambasciate, consolati e ENIT, Roma 2014. Available at: http://cerca.esteri.it/search?site=esteri&client=esteri_fe_ita&output=xml_no_dtd&proxystylesheet=esteri_fe_ita&q=rapporto%20congiunto%20ambasciate

EUROPA	AMERICA	AFRICA E MEDIO ORIENTE	OCEANIA	ASIA
<p><u>Europa Centro-Orientale</u></p> <ul style="list-style-type: none"> - Eleganza - Buon vivere - Qualità dei prodotti enogastronomici e abbigliamento - Destinazione turistica apprezzata, ma criticata per la scarsità di collegamenti - Prezzi turistici non concorrenziali <p>Polonia:</p> <ul style="list-style-type: none"> - interesse per i prodotti alimentari e la cultura enologica <p>Turismo, ma prezzi elevati</p> <p>Repubblica Ceca:</p> <ul style="list-style-type: none"> - Seconda destinazione turistica - Eccellenze “Made in Italy” (moto, auto, 	<p><u>Sud e Centro America</u></p> <ul style="list-style-type: none"> - Moda - Creatività - Tecnologia - Qualità del cibo - Riconosciuta soprattutto tra le classi sociali più abbienti - Attività di promozione dell'arte, cultura ed eccellenze Italiane (es: <i>Istituto Dante Alighieri</i>) <p>Argentina e Brasile:</p> <ul style="list-style-type: none"> - Adorano l'Italia, grazie all'alto tasso di popolazione con origine italiana <p>Nicaragua:</p> <ul style="list-style-type: none"> - Ottima immagine nelle classi 	<ul style="list-style-type: none"> - Luogo di emigrazione e paese di residenza di molti familiari - Brand prestigioso soprattutto per le classi agiate e aristocratiche <p>Marocco:</p> <ul style="list-style-type: none"> - Importante partner commerciale <p>Libia:</p> <ul style="list-style-type: none"> - Partner commerciale - Qualità dei prodotti italiani - Arte e cultura <p>Egitto:</p> <ul style="list-style-type: none"> - Stima per l'artigianato, l'industria e prodotti di lusso <p>EAU:</p> <ul style="list-style-type: none"> - Ammirazione per la cultura e l' arte, ma scarsa 	<ul style="list-style-type: none"> - Paesaggio - Tradizione culinaria - Stile di vita - Mass media associano l'Italia a due termini: Dolcevita e Bel paese <p>Nuova Zelanda:</p> <ul style="list-style-type: none"> - Incremento dell'interesse per i prodotti “Made in Italy”, grazie a recenti importazioni di questi beni <p>Australia:</p> <ul style="list-style-type: none"> - Tradizione culinaria e paesaggistica - Italia associata nei giornali al termine Dolcevita 	<ul style="list-style-type: none"> - Eccellenze “Made in Italy” (alta moda, settore automobilistico) - simpatia per il popolo italiano <p>Filippine:</p> <ul style="list-style-type: none"> - solo i ceti più ricchi comprano “Made in Italy” e prodotti di lusso <p>Sri Lanka:</p> <ul style="list-style-type: none"> - Italia meta migratoria <p>Giappone:</p> <ul style="list-style-type: none"> - Moda - Auto - 1a destinazione turistica <p>India:</p> <ul style="list-style-type: none"> - Eccellenze tipiche del “Made in Italy” (vino, moda, gastronomia) - Lifestyle - Una delle prime mete turistiche,

<p>grandi firme, arredamenti)</p> <p>Europa Occidentale</p> <ul style="list-style-type: none"> - Clima mite e mare - Qualità della vita - Eccellenze - Qualità del Cibo - Moda - Design - Industria automobilistica - il marchio "Made in Italy" conferisce valore aggiunto ai prodotti - grande varietà dell'offerta turistica <p>Svezia:</p> <ul style="list-style-type: none"> - Ampio spazio all'Italia nei media nazionali <p>UK:</p> <ul style="list-style-type: none"> - Ama l'Italia per le città d'arte <p>Germania:</p> <ul style="list-style-type: none"> - Meta preferita per le vacanze, grazie alla varietà naturale e culturale 	<p>sociali agiate e tra gli imprenditori di origine Italiana</p> <p>Nord America</p> <ul style="list-style-type: none"> - Turismo - Cibo - Moda - Riviste, articoli e mass media che descrivono le bellezze dell'Italia <p>Canada:</p> <ul style="list-style-type: none"> - Meta preferita in Europa - Lifestyle - Moda - Cultura - Immagine positiva nei quotidiani, periodici e radio nazionali (es: "National Post", "Plaisir De Vivre") <p>U.S.A:</p> <ul style="list-style-type: none"> - Brand tradizionalmente stabile - Una delle prime mete turistiche in Europa 	<p>informazione turistica</p> <p>Iraq:</p> <ul style="list-style-type: none"> - Meta sognata dalle classi dirigenziali-politiche che adorano il "Made in Italy" <p>Mozambico:</p> <ul style="list-style-type: none"> - Fiera internazionale di Maputo (FACIM), Italia 2° miglior espositore <p>Zimbabwe:</p> <ul style="list-style-type: none"> - Brand riconosciuto per moda e prodotti alimentari 		<p>sognata dalla classe media</p> <p>Cina:</p> <ul style="list-style-type: none"> - Eventi, mostre sul patrimonio artistico e culturale Italiano - Eccellenze "Made in Italy" (alta moda, arredamento, settore automobilistico) - Turismo nelle grandi città Italiane (Venezia, Roma, Firenze, Napoli e Milano)
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<ul style="list-style-type: none"> - Qualità del cibo - Stile di vita <p>Francia:</p> <ul style="list-style-type: none"> - Nel 2012 ben 191 articoli riguardanti l'Italia, "Made in Italy", moda, design e qualità dei prodotti <p>Portogallo:</p> <ul style="list-style-type: none"> - Ottima percezione sia come meta turistica sia per i prodotti 	<ul style="list-style-type: none"> - Alta qualità dei prodotti 			
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Information obtained from: Ministero degli Affari Esteri, *Rapporti Congiunti Ambasciate/Consolati/ Enit 2014*, Roma.

So, Italy is well estimated by Oceania and Asia and also Italians are considered pleasant people. In addition, Italy is often well described in New Zealand's mass media and the most treated topics are the Dolcevita, the Belpaese, the food and lifestyle. Moreover, in recent years the Made in Italy products have increased their reputation thanks to a recent importations of Italian goods.³²⁵

On the contrary, the representation of Italy in the poorest countries of Asia and Africa is linked to the immigration waves, because Italy is considered one of the most typical host lands. Indeed, in Africa the international common topics linked to the Made in Italy are recognized and appreciated only by the richest classes. Regarding the Middle East area, the image of Italy is associated with the handcrafting abilities and the successful business cases. For instance, Morocco sees Italy as one of

³²⁵ Ministero degli Affari Esteri, ENIT, Nuova Zelanda: rapporto congiunto ambasciate/consolati/Enit, Roma, 2014, p.8.

the most important commercial partners in the world. However, in these zones also the cultural and artistic heritage has a high reputation, but Italy is not perceived as a main tourist destination due to a lack of tourist promotion and the competitive presence of the Arab countries and the U.S.

In the American continent, Italy is admired for usual topics (food, fashion, culture) and both the U.S and Canadian media often describe the amazing Italian tourist destinations and lifestyle. In the Latin America area emerges a high admiration for Italy, especially in Argentina and Brazil where the majority of the population has an Italian origin. Indeed, in these countries the Italian embassies and Chambers of Commerce have often launched promotion campaigns related to the Italian excellences.

Also, the European countries love Italy for its cultural and artistic heritage, its natural beauties, its mild climate and the Made in Italy products. In addition, the topics that frequently emerge when talking about Italy are culture, climate, food, fashion, lifestyle. The Made in Italy brand is considered prestigious and it confers a high added value to its products. All the European countries consider Italy one of the most famous tourist destinations, but the Eastern countries complain about the expensive prices and the lack of a transport connection. For those reasons, Spain and Greece are the Italian bigger competitors in the tourist sector. However, Italy is the 3rd tourist destination in Belgium, the 4th in Greece and the 5th in Luxembourg. In addition, Ireland expresses a high estimation for Italy especially for the religious tourism. Moreover, Italy took part of the International Tourist Meeting in Kiev.

However, Europe is also the zone in which both Spain and Italy are criticized for their economic inefficiency. For instance, these two countries, together with other Southern European countries, were denominated PIIGS due to their economic instability. This term was often criticized because of its negative meaning that assume in the English language. Unfortunately, the term PIIGS is a clear example of the underestimation that Southern Europe have lived in recent years. So, it is a clear example of the country's image deterioration of Spain and Italy which penalizes the two countries in the international arena. However, as seen in the previous

chapters, both Italy and Spain are leading countries in several sectors and contributed to move the international trade.

Indeed, according to the IMF and its Direction of trade statistics, both Italy and Spain are important exporters who weighing on the international trade. For instance, in 2012 the Italian and Spanish market shares on the global exportations are respectively the 2,82% and the 1,63%. Moreover, Italy is the 4th major exporter among the European countries following Germany (7,49), Netherlands (3,60) and France (3,19).³²⁶ However, it is important to underline that during the period 2004-2012 Spain has remained stable, while Italy has lost relevance in the international trade. In fact, in 2004 the Italian market share was estimated to be 3,87% until reaching the 2,82% in 2012.³²⁷

Moreover, Spain and Italy are the two major agro-food exports in Europe. Indeed, as seen before in chapter 2, the Eurostat estimates that the “59% of the Gross Value Added (GVA) of agriculture in the EU-15 is produced by France, Italy and Spain.”³²⁸ In addition, Spain is the first export of olive oil both in Europe and in the world, while Italy is the first producer of rice in Europe. So, both countries propose a numerous variety of agro-food products. As a matter of fact, several Italian and Spanish products are easily identified with a protected designation of origin (POD). These designations are divided into 3 types: the traditional specialities guaranteed (TSG), the protected geographical indication (PGI) and the protected designation of origin (PDO). For instance, Italy has many products that have a POD, such as the Mozzarella Campana and the Parmigiano Reggiano. Also Spain has obtained several designations, such as the case of the Jamón Serrano. Also, wine is one of the most prestigious products for both countries, because Spain and Italy are the major wine producers in Europe together with France.

For instance, since the agro-food products are one of the most important resources for Italy, they will play a central role in the future global event of the Expo that will be taking place in Milan in 2015. As a

326 Agenzia ICE, statistiche, quote di mercato pdf, http://www.ice.it/statistiche/Quote_mercato.pdf, 23rd January 2014.

327 *Ibidem*

328 European Commission, Eurostat, *Agriculture and fishery statistics: main results 2009-2010*, cit., p. 33.

matter of fact, the Expo' s topic is “feeding the planet, energy for life” which is based on the relationship between food and sustainable development.³²⁹ So, taking into account the country image topic, the Milan Expo may be an interesting showcase in order to promote the Made in Italy excellences as well as improving the entire country image aiming to spread more trust in Italy. Hence, it is important to underline that these mega cultural events are considered great opportunity to deal with every country in the world. So, it is said that these international events are a strategic occasion to improve facilities, increase investments and tourist arrivals.

Taking into account past cases, certainly Barcelona, Sevilla and Zaragoza are remarkable examples which demonstrate how these international events are strategic. From 1992 to 2008 these events reshape the image of these Spanish cities, through the building of new infrastructures and major public works. So, Spain used these mega events in order to plan long term projects which helped to change the image of the whole country, modernizing it.

Thus, it is said that Spain turns on a dime mostly thanks to these events which make the Spanish cities more competitive and innovative. All these cities understood the great potential of the Olympic games or the Expo which were considered unique occasions to improve the economic and cultural dimensions. For instance, the amazing architecture of the Guggenheim Museum in Bilbao, which was created by the archistar F.O.Gehry, is a clear example of this renovation process occurred after a mega event.

So, the Milan Expo is an outstanding occasion for the whole city, but also for the economy and image of Italy. Moreover, the Expo may be a great opportunity to promote some innovate projects and startups created by young people. Indeed, the image of a country is also based on the future generation who collaborate in co-working initiatives and investigation centres. Hence, it is essential to support these start ups because they might be the future enterprises which will compete in the world. Regarding this topic, the Italian pavilion of the Expo collaborates

³²⁹ Expo Milano 2015, il tema, www.expo2015.org/il-tema, 23rd January 2014.

with the association called *ItaliaCamp*, which has selected some innovative Italian start ups in different sectors, such as health care and ICT's.³³⁰ So, the selected start ups have the opportunity to take part in the *UsaCamp* initiative, which will be held in New York during the period from February to March 2014. This project aims to present these Italian start ups at Wall Street in order to find some venture capitalists, investors or institutions interested in these innovative projects.³³¹

Also Spain has entailed a relationship with U.S in the field of start up initiatives. Indeed, it has already created a Spanish technological centre in the Silicon Valley. As explained in the previous chapter, the *Spain Tech Center* is composed of some Spanish technological companies which have the opportunity to promote and improve their projects in this innovative centre.³³²

So, it can be seen that both Italy and Spain have drawn their attention to this topic, because it is known that the startups are an essential pillar for the competitiveness and reputation of a country. Moreover, it is interesting to notice how both countries have addressed to U.S, which continues to be considered the main commercial partner. Indeed, both have launched these initiatives thanks to the cooperation of American institutions.

However, Italy and Spain should also take advantage of their similarities in order to cooperate in common strategic dimension. Especially in the current economic crisis, the cooperation between Spain and Italy could be a strategic action in order to reinforce the economic and cultural dimensions of each country. Moreover, it is fundamental to underline the cardinal geographic position of both countries which are located in the Mediterranean zone. So, from a political, economic and cultural aspects Italy and Spain can decisively contribute to enhance the Mediterranean area of Europe increasing also the cooperation with the neighbouring countries, such as Turkey and Morocco.

330 “Le migliori start up italiane a Wall Street con ItaliaCamp”, *il Sole 24 Ore*, 20 dicembre 2013. Available at: <http://www.ilsole24ore.com/art/tecnologie/2013-12-20/le-migliori-start-up-italiane-wall-street-italiacamp--175940.shtml?uuid=ABBUELI>

331 Wecamp-ItaliaCamp, i barcamp, <http://wecamp.italiacamp.it/barcamp.php>, 23rd January 2014.

332 Spain Tech Center (STC), about, http://www.spaintechcenter.com/#!about/component_74511, 23rd January 2014.

A first step to reinforce this Italian and Spanish cooperation is the creation of an annual Forum in which taking part the Italian and Spanish institutions as well as the major enterprises in order to discuss about political and economic topics. Last year, the Italian President Monti took part in this dialogue forum during which underlined the importance of a solid cooperation between the two countries. For instance, he said that Spain is the 4th market for the exportations of Italian products reaching a total amount of 20 million Euros and Spain is also one of the most important services supplier for Italy.³³³ Furthermore, he talked about the strategic role that Italy and Spain have to play in the Mediterranean dimension.

Regarding the Mediterranean area and the cooperation between Italy and Spain, it is worthwhile introducing the great initiative called dialogue 5+5. The members of this initiative are Spain, Italy, Portugal, France and Malta and on the other side the Arab Maghreb Union composed of Algeria, Libya, Morocco, Tunisia and Mauritania. The dialogue 5+5 aims to prompt a collaboration in order to face some issues, such as the economic and cultural cooperation or the migration problem.³³⁴ Hence, both Italy and Spain play a central role in order to foster this cooperation between the two Mediterranean shores.

So, especially in a context characterized by today's economic crisis, Italy and Spain should not be considered each other as competitors, but rather they should cooperate in order to promote a positive image of the Southern European countries.

4.2 Conclusion

So in conclusion, from an economic perspective, it is essential to underline the economic similarity between Spain and Italy. Thus, both countries can be considered economic competitors in the global market, due to common interests in the same sectors. In fact, Spain and Italy work

333 “Monti e Rajoy inaugurano il forum del dialogo italo spagnolo”, *mondo italiano nel mondo*, 29 ottobre 2012. Available at: <http://www.mondoitaliano.net/monti-e-rajoy-inaugurano-il-forum-del-dialogo-italo-spagnolo/>

334 Parlamento Italiano, Camera dei deputati, Europa e Estero, Relazioni Internazionali, il Dialogo parlamentare del Mediterraneo occidentale (Dialogo 5+5), http://leg16.camera.it/399?europa_estero=16, 23rd January 2014.

in similar sectors such as fashion, agro-food and tourism. As a matter of fact, since these countries share same interests in common sectors, they are considered one the competitor of the other in the international market.

Indeed, in the tourist sector they own the major number of UNESCO sites and a huge cultural heritage, so both are famous and attractive tourist destinations in the world. In addition, It is essential to say that in recent years Spain has reinforced its tourist sector through some government policies and promotional campaigns created by the national institution. Hence, these Spanish efforts in the tourist sector have produced positive results increasing the number of tourist arrivals. On the contrary, the Italian tourist sector is disciplined by each region, so the tourist promotion is rather fragmented, but Italy continues to be a desired destination.

Regarding the fashion sector, Italy counts on famous brand names and also on a solid country of origin effect. In this case, the Italian famous brand names are focused mostly on the luxury sector, while Spain has several fashion retails which propose cheaper prices because aim to reach general consumers.

Finally, as said before, both Italy and Spain are the biggest exporters in the agro-food industry especially thanks to a vast amount of high quality products. For instance, recently an Italian company called Eataly has opened several stores around the world in order to spread the Italian food excellences and its related artisan culture. Moreover, some private companies of both countries have obtained several successes in other innovative sectors, such as the renewable energies, infrastructure and ICT's.

Despite these successful business cases and the good presence on the international market, both countries have lived a deterioration of their reputation due to the diffusion of negative news related to the economic crisis. Thus, the government of Spain has launched an initiative in order to improve its country image, while Italy continues to count on its solid and prestigious Made in Italy brand whose effect can not last forever. Indeed, in 2015 the Milan Expo is a strategic international event that can contribute to improve the international reputation of Italy as well as

spreading more international trust towards Italy which influences the general economic attractiveness.

Finally, it can be said that Italy and Spain could take more advantages from their economic and cultural similarities. As a matter of fact, since both Spain and Italy live an economic recession and share same sectors, it could be useful to collaborate and join forces in order to demonstrate the abilities and resources of Southern European countries, also in the Mediterranean context.

Conclusion

In conclusion, this dissertation aims to analyse the concept of the country image or country brand construct, focusing the research in two specific countries; Spain and Italy. The decision to study this topic and these two countries stems from the current economic crisis and the spread of negative news that have mainly affected the Southern European countries deteriorating their reputation.

So, this thesis tries to demonstrate the importance of the country image, which is considered one of the principal factors for the competitiveness of a country. Moreover, it aims to underline that Spain and Italy are not only synonymous with the term crisis, but they also have great potentialities that could be strategic and useful resources in national and international context. Since this work is structured in 4 chapters, it is useful to sum up the main conclusions.

Nowadays the reputation and the image have become fundamental pillars in the modern economy and in the international arena. Indeed, this kind of economy is based on new values, such as trust, credibility and stability of companies as well as countries. As a matter of fact, today it is essential to differentiate and identify products, services, companies as well as countries, in order to be more attractive in the international market.

Hence, as seen in chapter 1, S. Anholt has coined a new term, “competitive identity”, which tries to express how the economic and social changes have increased the competition among countries. As a consequence of these changes, it is said that some countries or governments have started to consider the identity and the international admiration as new priorities to be more competitive. As a matter of fact, the public diplomacy has become a strategic asset of a country, because it aims to inform the international arena about the initiatives and policies of a specific country in order to spread a positive country image worldwide. Hence, according to Anholt:

“National image matters. And it matters more and more as the world becomes more connected and the globalisation of society,

communications, commerce, education and politics continues to advance.”³³⁵

Thus, the globalisation has increased the competition among countries, because each one try to attract the major number of tourists, investors, enterprises and international institutions in its territories. Therefore, in the last decade several countries have included the country image construct in the political agenda in order to develop some strategies and actions which aim to manage the promotion of the country both in the internal and external market.³³⁶

Moreover, as explained in the 1st chapter, it is essential to underline that the shaping of a country's image is based on the national identity, which it is composed of several elements, such as culture, language, history, typical products, enterprises and so on.³³⁷ This work demonstrates that the country image is a multidimensional construct which must take into account different aspects, in order to represent the national identity coherently. Hence, the management and development of a country's image are principally useful to:

- attract more tourists
- stimulate the foreign investments
- prompt the exportations

Obviously, an efficient management of the country image and a good reputation can also stimulate the attraction of students, scholars, international events and organisations. There are various ways to spread the country image; from the marketing and tourist promotional campaigns to the high quality of the “made in...” products and the type of news spread by national and international media or the high estimation of the public diplomacy.³³⁸ Some concrete examples of countries that have started to

335 S. Anholt, “Branding places and nations”, cit, p. 207.

336 J. C. Belloso, “La marca de país. Un mecanisme de diferenciació i font d'intangibles”, cit., p. 43.

337 *Ivi*, p. 47.

338 J. C. Belloso, “La marca de país. Un mecanisme de diferenciació i font d'intangibles”, cit., pp. 46-48.

draw their attention to this concept are; Canada, Australia, Switzerland and Colombia. However, recently the current economic crisis has negatively affected the reputation of some countries, especially those located in the Southern Europe.

For that reason, I decided to analyse the cases of Italy and Spain which have been negatively described through the national and international media or the negative association with the acronym *PIIGS*. For instance, as seen in the previous chapters, both Spain and Italy have often been described in the international media only for negative issues, such as the economic instability, the high public debt and the weaknesses of the bank system.

Thus, this dissertation tries to analyse how Spain and Italy have faced the deterioration of their country image as well as discovering the underestimated values of both countries. This investigation was based on the analysis of articles, essays, books and researches made by important scholars and Institutions. Moreover, the study of the *Marca España* was conducted in Barcelona, where I recollected documents in the public libraries, in the university and in some institutions, such as *ICEX*.

Hence, as explained in the 2nd chapter, the Spanish government has set up a State initiative, called *Marca España*, which aims to communicate a more coherent country image demonstrating the positive resources and abilities of Spain. For instance, this initiative has established the charge of the Ambassador of *Marca España*, in different strategic sectors, with the aim of promoting the Spanish excellences in the world. Moreover, this project aims to support the SME's and other entrepreneurial activities during their internationalisation process. Another aim is the consolidation of the country origin effect, because it is demonstrated that people admire and recognize some typical products or enterprises but they do not associate them with the Spanish origin.

In addition, since the country image is a multidimensional construct, the members of the *Marca España* project try to include various strategic sectors in the action plan. For that reason, this project involves several public and private institutions which work in synergy with the government. The most important institutions are the *Instituto Cervantes*, the *Real*

Instituto Elcano and the *ICEX*. Obviously, each one is specialized in different fields of work from the cultural to the economic and business dimension.

However, another essential goal is based on the idea of opposing the negative information, showing the huge resources of Spain, such as culture, language, “made in...” products, tourism and specific successful business cases. Indeed, over the last few years Spain has achieved various records both in traditional sectors and innovative one. For instance, the analysed data demonstrate that Spain is one of the most important food exporters in Europe. In addition, some Spanish companies are leaders in the field of sustainable development and ICT's.

Regarding the investigation of the Italian country image, it is necessary to say that this topic is not so developed in comparison with Spain. Indeed, it was easier to find data, researches related to the Spanish country image topic due to the setting up of the *Marca España* project and its related institutions, while in Italy this topic is not taken into account.

So, It was rather difficult to analyse the international reputation of Italy, due to this lack of researches. Despite this insufficient data, I recollected several documents of each Italian embassy and consulate located worldwide and I tried to extract a general overview of the Italian country image.³³⁹ Indeed, each Italian embassy and consulate has collaborated with the ENIT in order to set up various documents that have also included a part dedicated to the perception of Italy in each foreign country. Thus, I divided these documents following a geographical criteria in order to facilitate the research. Hence, in the 4th chapter, it is proposed an overview of all considerations about Italy for each continent.

Thus, initially the investigation about Italy notes that during the 18th century the Italian image started to be positively evaluated thanks to the Grand Tour phenomenon. The Grand Tour's travellers appreciated the Italian historical, cultural and artistic heritage. These prestigious aspects keep existing until today making Italy one of the preferred tourist

339 Farnesina Ministero degli Affari Esteri, rapporti congiunti ambasciate, consolati e ENIT, Roma 2014. Available at: http://cerca.esteri.it/search?site=esteri&client=esteri_fe_ita&output=xml_no_dtd&proxystylesheet=esteri_fe_ita&q=rapporto%20congiunto%20ambasciate

destinations in the world. Obviously, this admiration towards Italy was also reinforced through some Italian movies, such as the *Dolcevita*, which increased the international estimation for the Italian lifestyle.

During the last decade, the situation has been different because the Italian governments have not focused their political agenda on the country image topic. Only this year, the Italian government has included this issue in a political plan called *Destinazione Italia*, in which among the various reforms emerges also the importance of spreading a better country image. This work sustains that in the past this lack of interest in this topic was probably due to the general attitude of relying on the international admiration of the Made in Italy.

Indeed, this analysis demonstrates that the Made in Italy has always been a central pillar of the Italian economy also during critical periods. Hence, from 1970's to 1980's the Italian economy lived a recession, but the principal sectors related to the Made in Italy continued to achieve active trade balance. For instance, the recollected data shows that the aggregate linked to the Made in Italy contributed to the GDP for a "4% in 1970, 6% in 1980 and 6,5% in 1985".³⁴⁰ In addition, in 1990's the Made in Italy income increased reaching a total amount of 67 billion dollars only thanks to the huge number of exportations.³⁴¹

At an international level, Italy has always been associated with its famous fashion brand names related to the luxury sector. However, another fundamental sector is certainly the agro-food one. Indeed, Italy is one of the most important exporters of foodstuff in Europe and the Italian cuisine is appreciated worldwide. For example, a successful business case in the agro-food sector is *Eataly*, which aims to diffuse the Italian deliciousness as well as the agricultural traditions and Italian food culture around the world. However, as explained in chapter 3, the successful Italian enterprises are not only involved in traditional sectors, but also in innovative one linked to the renewable energies and new technologies. For instance, the advanced technology of the Swiss incinerators is made

340 M. Fortis, *Il Made in Italy*, cit., p. 32.

341 *Ivi*, p. 33.

by an Italian company.³⁴²

Finally, this dissertation deduces that in the past Italy and the “made in...” products consolidated their reputation and admiration which continue to be a great support for the economy and the entire country image. As a matter of fact, the country of origin effect is rather great helping the Italian products and enterprises to be easily integrated into the international market. Moreover, next year Italy will have a great opportunity to improve and promote its country image through a global mega event, the Expo in Milan.

In conclusion, it can be said that through this study emerges that Italy and Spain share common aspects. From an economic point of view, both countries deal with the same sectors and for that reason can be considered competitors in the international market. For example, Spain and Italy have reached records in common economic sectors, such as agro-food, tourist and fashion. Moreover, both countries have some excellences also in other sectors, such as the renewable energies and new technologies.

In addition, the examined documents lead to conclude that during the last few years both countries have been penalized by the economic crisis, because of an economic and political inefficiency. Hence, the international and national media have focused on these negative news contributing to diminish the international and national confidence in both countries. Thus, despite their excellences and the amazing resources, the Spanish and the Italian country image have deteriorated.

The only one difference that can be noted between Spain and Italy is the way in which they have faced this loss of credibility. Hence, Spain has set up a state policy, while Italy continues to trust and rely on the reputation of the Made in Italy. In addition, Italy is working on the project of the Milan Expo.

Moreover, the comparative analysis, in the 4th chapter, shows that Spain and Italy share several common features which could be considered strategic assets in order to cooperate and establish economic and cultural

342 C. A. Finotto, “La Svizzera sceglie il know how italiano per i suoi inceneritori: e la tecnologia arriva da Salerno”, *il Sole 24 ore*, 20 novembre 2013.

agreements. Despite the national inefficiencies that each country has to improve, a collaboration between Spain and Italy could be useful to demonstrate the great potential of both countries, especially in the European context, due to their strategic geographical position in the Mediterranean area. Indeed, both countries can also improve their image demonstrating the fundamental role that they can play in the Mediterranean basin in order to establish a cooperation with the neighbouring Mediterranean countries.

Hence, a future research might focus on the strategic role that both countries can play in the Mediterranean area, analysing how their political, economic and cultural presence will weigh on their reputation in the European and international context.

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