

Country Brand, A Support Instrument In The Internationalization of Colombian Companies

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Summary

This article aimed to analyze the relationship between the use of the country brand and the internationalization processes of companies in Colombia. To this end, it was sought to know the current concepts around the Country Brand, for which, a documentary review was carried out, through consultation in scientific databases such as Ebsco, Scopus, Jstor, Scielo, among the main ones, to make the collection of articles in theoretical aspects on the use of brand as a differentiating factor of positioning in the countries and referents from case studies of successful countries in your brand building. Similarly, a survey-type tool is applied, based on a database of companies allied to the country brand Colombia of a total of 140 exporting companies of which 34 companies answered the questionnaire. The database is provided by Procolombia. Among the main findings is that there is still a lot of ignorance of certain potentials that are faced with international markets. It also reflects the recognition that businessmen give in the face of the lack of preparation of people to face challenges in the international arena and how it is the duty of the state to strengthen public policies in education for the preparation of qualified personnel in negotiation and foreign trade issues.

Keywords: Country Brand, Internationalization of Companies, Latin America, Colombia.

1. Introduction

At present, countries must constantly improve their competitiveness in the midst of the growing and deeper presence of the phenomena of globalization and internationalization. This generates that countries seek to differentiate themselves from others in order to highlight their attractions, products and services considered unique. Among the strategies they have used is the Country Brand, which begins to play a fundamental role. For this reason, Bloom Consulting, a consulting company that carried out the Country Brand Ranking (CBR) 2017 – 2018 report, with the support of the World Economic Forum, exposes the importance of understanding the country, region or city brand as an asset that must be managed by a different and varied set of methodologies, in order to achieve the desired objectives (Bloom Consulting, 2017).

On the other hand, the company Future Brand created in 2005 the Country Brand Index (CBI), in which the perceptions associated with 118 countries have been historically studied by applying the same method that is used by them, to measure the value and positioning of mass consumption and corporate brands. This ranking is elaborated according to the strength of perception along six associative dimensions and, according to Pipoli (2006), "it has become an important tool to measure the success of the Country Brand strategy, in terms of tourism and travel". In practice, it seems that the country-branding, city-branding, and region-branding processes are integral parts that in some cases cannot be separated. Indeed, Anholt (2007) defines the country brand, as the perception that exists in the mind of the traveler of the place, thus generating remembrance and positioning against other destinations. For his part, Dinnie (2008) defines it as the multidimensional mixture that provides the place in aspects that are markedly differentiated and very relevant to the consumer.

It is for this reason that countries have been concerned with developing country brands that tend to differentiate themselves, to transfer their unique values to consumers in order to attract tourists, buyers of goods and services and investors. The countries that have developed this strategy most successfully have been the developed countries, which have sought its prevalence in the minds of consumers, tourists and investors. However, given the effectiveness and importance of this tool, developing countries have also managed to create country brands, some with global success such as Costa Rica in Latin America, Moldova in Europe or South Africa in Africa.

Colombia, on the other hand, has had a recent experience, since 2005, and positive ranking 63rd in the CBR in 2018. That is why it is worth reviewing in the light of this strategy the perception that companies have of its effectiveness in facilitating their access to international markets for their products.

This leads countries to make in practice that the processes of country brand, city brand and region brand are understood and differentiated, since different strategic positioning approaches must be proposed, but that finally have the purpose of presenting the country abroad. (Herstein, 2012). Finally, Echeverri & Rosker (2011) explain the importance of deepening and comparing the way in which the process of building a country brand has been developed and how the importance of the country brand as a valid model of territorial promotion within the development plans of the countries originated.

1.1 Problem statement

The external sector has been characterized throughout its history by the significant concentration of both the products that are marketed and in the countries that are trading partners of the country. One of the tools in which the country has leveraged, since 2004, has been the creation of a country brand, which allows it to reduce the gap between the perception in foreign countries and the reality of the Colombian market, seeking to generate greater confidence in Colombian products, services and companies, which is the cornerstone for the realization of any business. That is why we want to establish if the construction of a country brand facilitates the process of internationalization of companies, analyzing the case of Colombia.

2. Objectives

2.1 General objective

Analyze the relationship between the use of the country brand and the internationalization processes of companies in Colombia.

2.2 Specific objectives

- Characterize the process of construction, development and application of the Country Brand in Colombia.

- Identify experiences of countries similar to Colombia that have used the Country Brand strategy
- Know the experiences of Colombian companies allied in the use of the Country Brand in their internationalization process

3. Methodology

This research is descriptive, where a mixed approach will be employed.

To obtain the first objective, which is the characterization of the country brand strategy in Colombia, the documentary review will be used, through consultation in scientific databases such as Ebsco, Scopus, Jstor, Scielo, among the main ones, to collect articles on theoretical aspects on the use of brand as a differentiating factor of positioning in the countries and referents from case studies of successful countries in their Brand building.

Next, the database of companies allied to the country brand of Colombia will be reviewed, to organize them by economic sectors and by size of the companies, using a stratified sampling to define the number of companies to which a survey will be applied.

Finally, a structured survey will be designed as an instrument for collecting primary information and will be applied to each company selected in the sample to subsequently analyze the use of the country brand as a tool to facilitate entry into foreign markets. The survey aims to know the time of use of the Country Brand by allied companies and their perception regarding the use of it and its effectiveness as a facilitation tool for entering foreign markets.

A database of companies allied to the country brand Colombia is taken from a total of 140 exporting companies of which 34 companies answered the questionnaire. The database is provided by Procolombia.

4. Results

Just as companies create brands that seek to communicate characteristics that differentiate them from the competition and at the same time allow them to generate associations in the minds of consumers so that they prefer them, countries have also carried out this type of actions to influence investors, importers and tourists to carry out commercial operations with their country. thus shaping their competitive advantage (Souiden, Pons, & Mayrand, 2011). There are several definitions for the image of a country, initially

considered Valls, 1992, who mentions that it is the direct, indirect, real and potential perception that consumers have of the products of a certain country. Another approach to the concept of country image is given by Capriotti in 2008, for whom it is the representation or association that an individual has in his mind about a given country, whether it corresponds to reality or not. Along the same lines, Dikcius & Stankeviciene, 2010, mention that the country image is an idea and a set of values that a community has about a nation or its products, as well as the associations they have about that country.

The country image has also been defined as a set of characteristics, values and beliefs that identify a society, as well as those that differentiate it from others (Passow, Fehlmann, & Grahlow, 2005). These imaginaries about a particular country are formed by factors external to the individual such as the news that is generated and disseminated about a destination, by the experiences shared by tourists who have visited that country, by the recognition, whether positive or negative, that a country has; likewise, the image is formed by the individual's own experience of tourism in that country (Carlos, Silva, & Salgueiro, 2014; Villar, 2010; Sole, 2003). The construction of an image, will be linked to the values, characteristics and beliefs that a country wants the target consumers to perceive it, so the perception is an element that becomes very relevant in the dissemination of the image of a country, because through marketing strategies will seek to modify or strengthen the positive perception that the public has about a country, in order to improve its image leading to an increase in revenues from exports, investment and tourism (Verlegh, 2001; Villar, 2010; Kotler & Gertner, 2004) by influencing their purchasing decisions (Interbrand, 2007).

Perception is defined as an individual's understanding of their environment, which is associated with the stimuli received and their interpretation (Arellano, 2002). The characteristics of a country image are perceived by those who know the country directly or indirectly (Balabanis & Diamantopoulos, 2011).

Next, an analysis of the most relevant answers within the findings made by the applied survey is carried out.

4.1 Description of the company

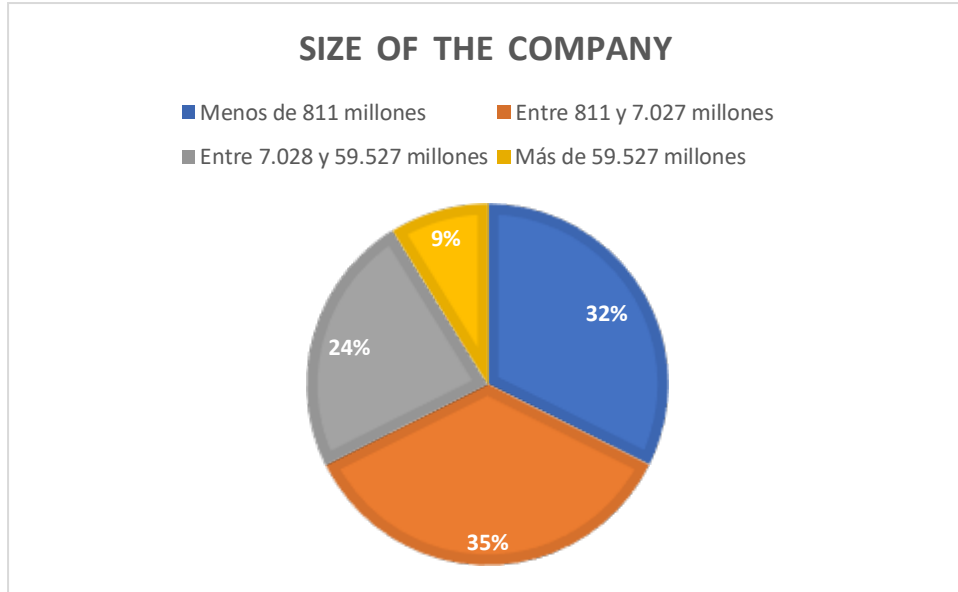


Figure 1. Company size

Source: Authors.

As shown in the previous figure, 35% of the companies surveyed correspond to the range of between 811 and 7,027 million pesos in their capital, followed by those that are constituted with less than 811 million Colombian pesos, so it can be inferred that the bulk of the companies intervened correspond to companies with considerable capital without becoming large companies. as those represented by 9% that correspond to companies with more than 59,527 million pesos.

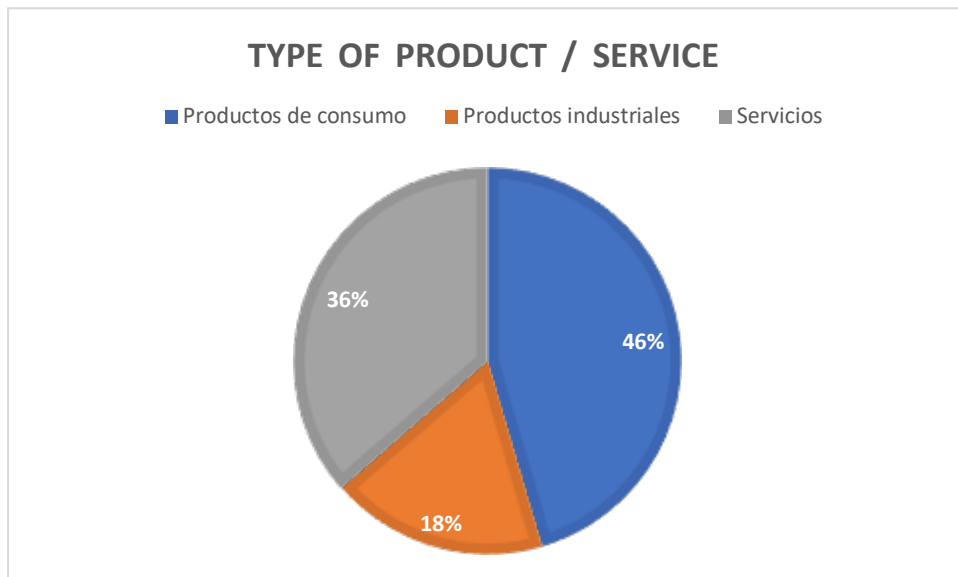
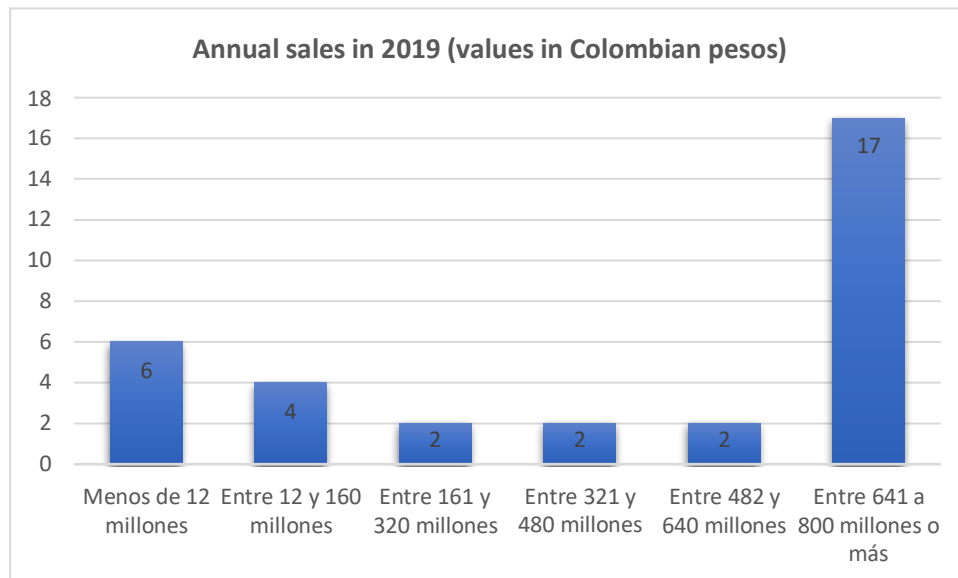


Figure 2. Type of product / Service**Source:** Authors.

46% of the companies surveyed through their managers, legal representatives and / or owners, correspond to companies marketing Consumer Products. Followed by the companies providing Services with 36% and the companies marketing Industrial Products with 18%. From the above data, the importance of knowing which sector has been the one that most influences Colombia's trade balance, and whether it exports mostly Consumer Products, Services or Industrial Inputs is highlighted.

**Figure 3.** Annual sales in 2019**Source:** Authors.

For the year 2019 it was possible to identify that, of the 33 companies surveyed, 17 of these exceeded 641 million pesos in sales, constituting the vast majority of them, which can be configured as positive numbers for the construction of the brand image of the companies, since the volumen in sales, It represents a clear symptom of the real situation of each organization and how its different areas work together to give greater value to your brand in the market. This allows to strengthen the concepts of Country Brand through the constitution of solid companies that enjoy great acceptance in national and international markets.

The image of a company or a brand is based on what people associate with that company or brand such as their perceptions, inferences and beliefs. At this point it is important to mention that the concept of reputation arises, which many scholars of the subject use as a synonym for image, however, others such as Fombrun (1996) proposes that reputation is a long-term factor that the company has, while the image is more a short-term factor, for others like Osman (1993), Reputation can be interpreted as a signal that picks up past behavior and is used to project your actions into the future. In any case, in the literature on branding, it is assumed that a favorable image will allow the company to generate a positive impact on consumer behavior towards the brand and that it can be used to place higher prices, greater loyalty of buyers and a positive diffusion in word of mouth (Bloemer & de Ruyter, 1998; Martenson, 2007).

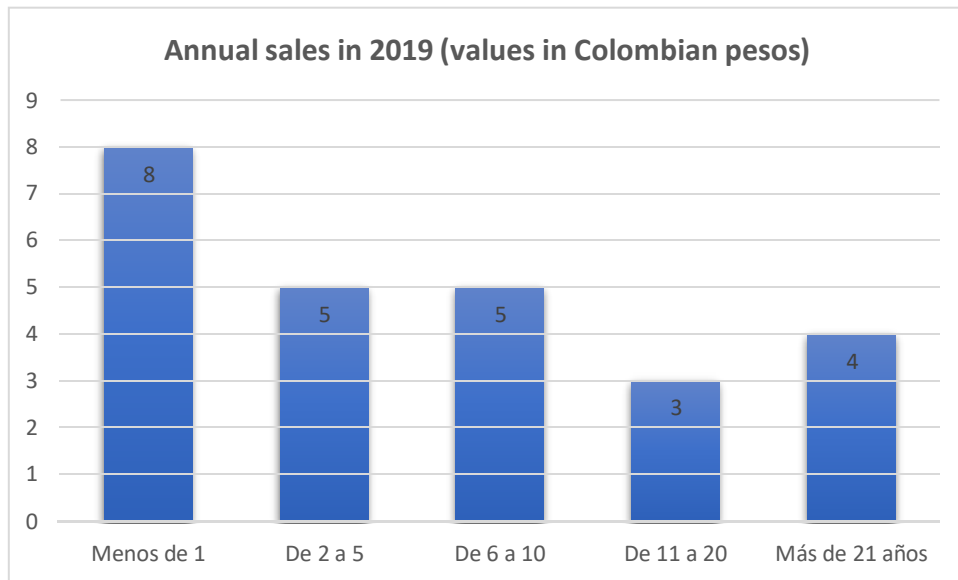


Figure 4. Years of seniority in international operations

Source: Authors.

From the previous figure, it is possible to affirm that most of the companies surveyed have less than one year of operations abroad, and 4 of them have extensive experience over 21 years being part of negotiations in foreign markets.

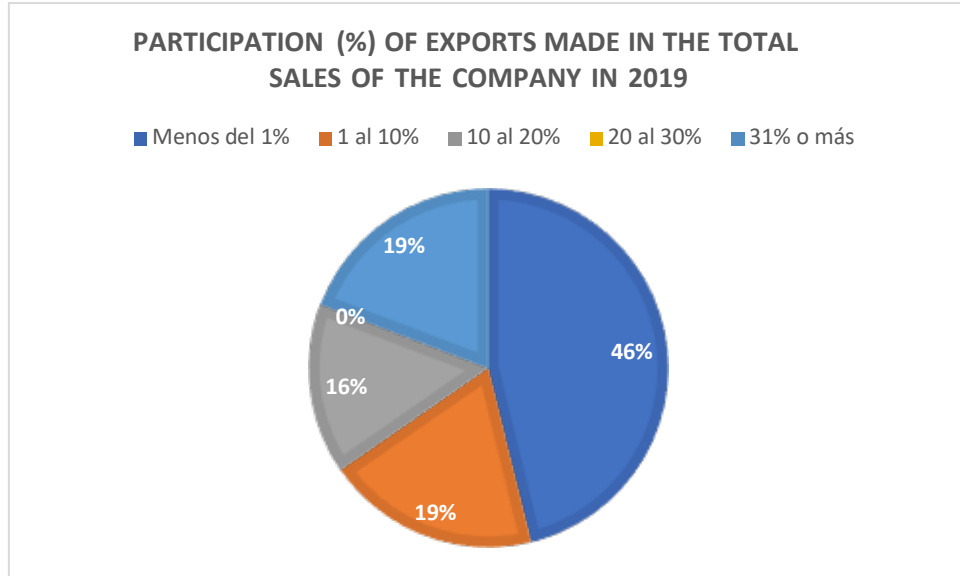


Figure 5. Years of seniority in international operations

Source: Authors.

46% of the companies surveyed have less than 1% share of exports made in the total sales of the same company during the year 2019.

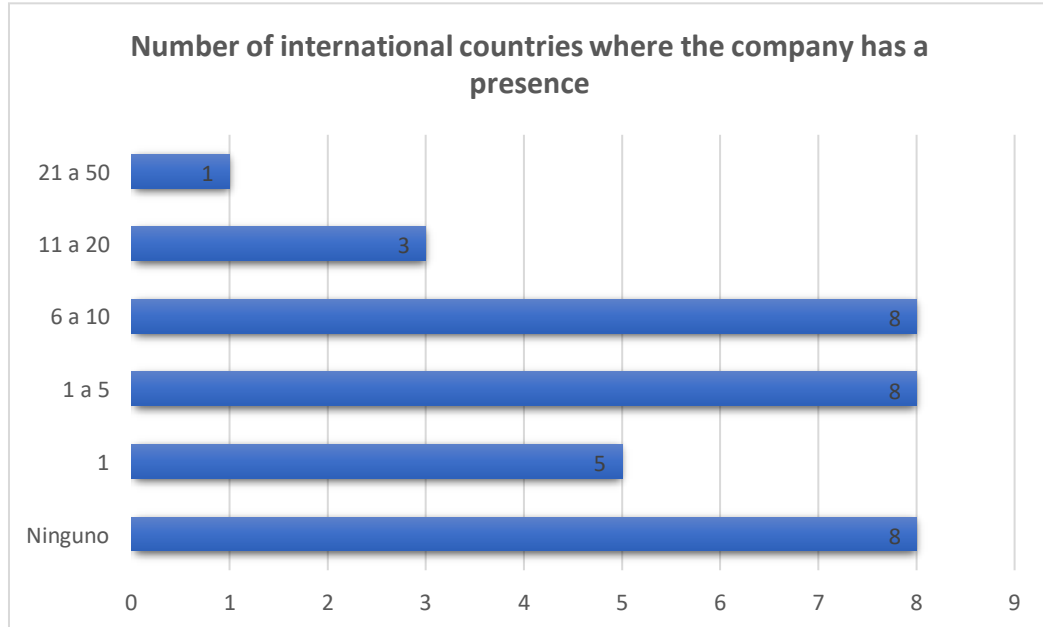


Figure 6. Years of seniority in international operations

Source: Authors.

In the previous figure, it is shown how 8 of the companies surveyed, do not currently have participation in international markets. While

16 of these have current business with countries, in total between 2 and 10 different nations. 5 companies have had such experience with at least one country, and one more company has negotiations with more than 21 different countries.

4.2 Macro image country Colombia

The country image will be analyzed from two points of view, macro and micro, then the most relevant results will be shown from the Macro approach of the Colombia country image.

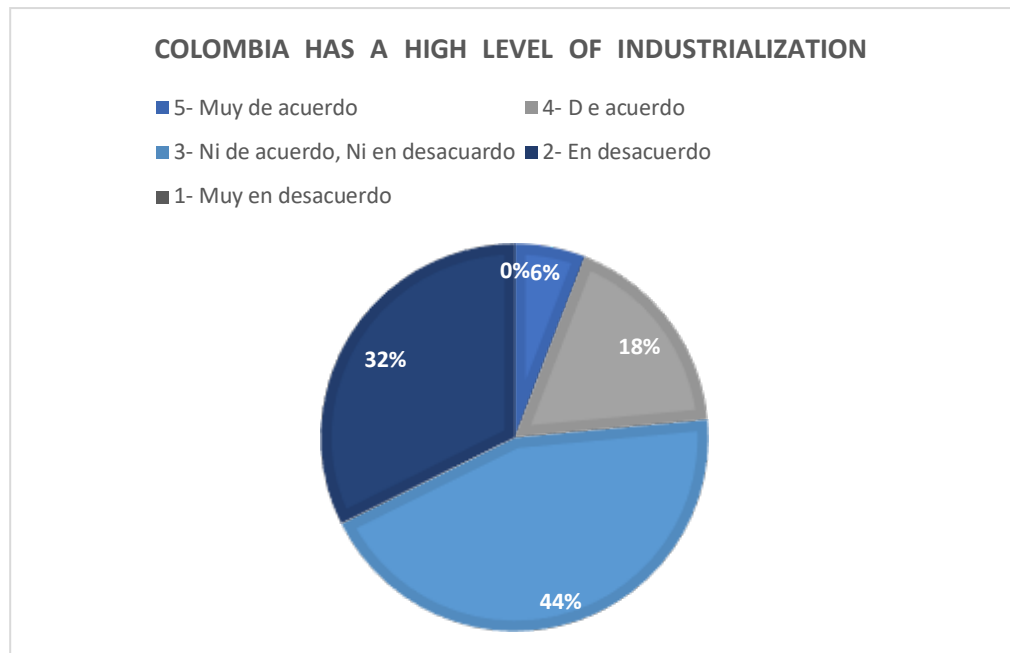


Figure 7. Level of Industrialization in Colombia

Source: Authors.

44% of the companies surveyed, consider to be Neither agree nor disagree with the statement "Colombia has a high level of industrialization" so it can be inferred that there is a high ignorance on the part of entrepreneurs, about the current situation of the level of industrialization of that country, which does not help in the process of building Country Brand since the added value that can be offered internationally is unknown, through companies in different sectors.

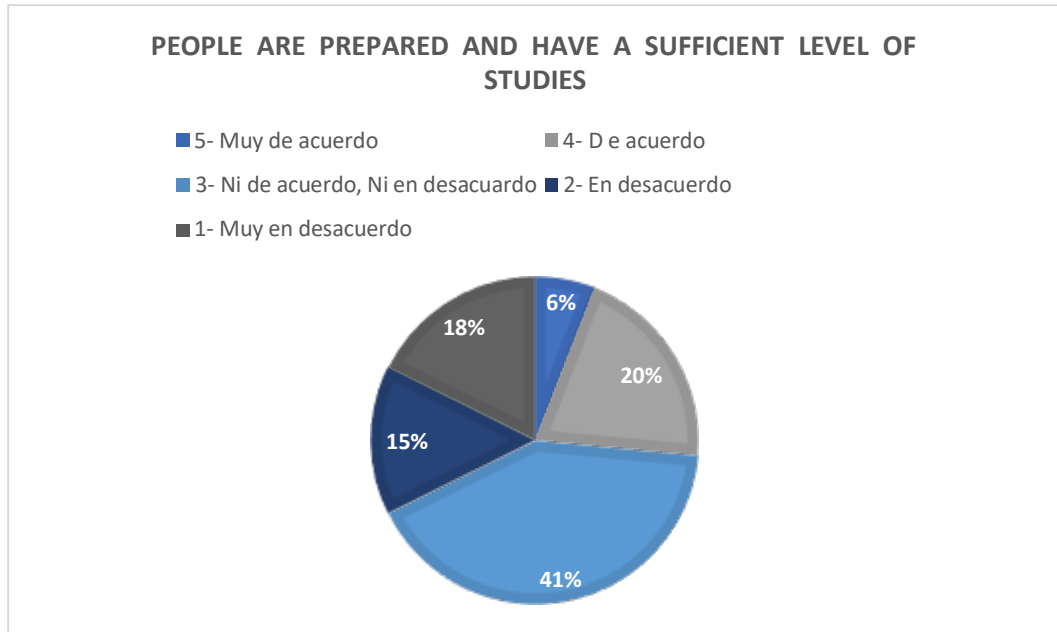


Figure 8. Level of preparedness in Colombia

Source: Authors.

41% of respondents say they do not agree or disagree with the statement "People are prepared and have a sufficient level of education" however 20% agree with it. It can be inferred then that entrepreneurs in Colombia show some concern about the educational level of people and how this can become an impediment when representing their brands in international negotiations, which then constitutes an opportunity for the Colombian central government, to encourage education around international treaties, foreign trade, and other areas related to negotiation in international arenas.

4.3 Micro image country

Below are the main results to the questions focused on the description at the Micro level of the image of the country according to the surveyed entrepreneurs.

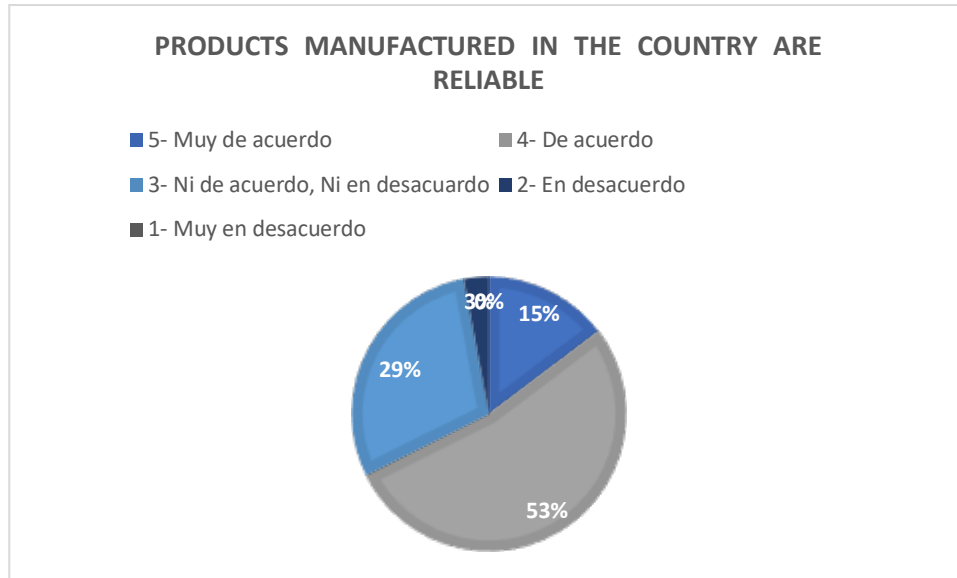


Figure 9. Reliability in Colombian products

Source: Authors.

53% of respondents consider themselves to agree with the statement "Products in Colombia are reliable" and 29% say they do not agree or disagree so it can be inferred that Colombian products enjoy great acceptance internally by the same entrepreneurs who recognize the quality in the production processes of both raw material and production line, as well as in the provision of the services offered. This attests to the importance of maintaining good levels of reliability in domestic production and that this stands out from other countries, becoming a strength that provides high levels of competitiveness.

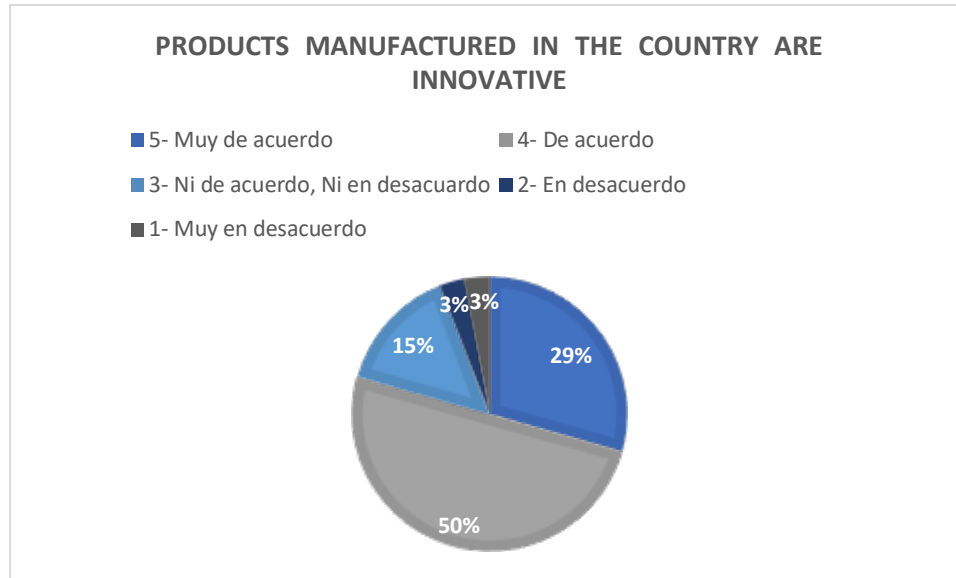


Figure 10. Innovation in Colombian products

Source: Authors.

One of the most important factors today, to consider added value in the country brand, is innovation in products and / or services offered that turn out to be competitive in the international market. For the entrepreneurs surveyed, it turns out that 50% consider Colombian products to be innovative. This is a great effort on the part of organizations since maintaining high levels of innovation implies a significant investment in intellectual capital, preparation, technology, research and others, which leads to a product being considered innovative. However, it is demonstrated how work is still being done to increase this concept in the goods and services marketed and that this represents an additional attraction within the possibilities of buyers in other countries.

5. Conclusions

The concept of country of origin trademark has been introduced into the literature to refer to the beliefs and inferences that a person has about a specific country. (Martin & Eroglu, 1993). In research carried out, it has been possible to show that the image of the country of origin of a product or service influences the consumer when deciding to buy, classify the preferences of their products, evaluate specific brands of products and even, also, of industrial products, this effect on consumers who have perceptions about the country of origin (Heslop, 2004; Laroche, 2005; Nagashima 1970; Van Ittersum,

Candel & Meulenberg, 2003; Parameswaran & Pisharodi, 2002; Haubl, 1996; Lampert & Jaffe, 1998; Heslop & Papadopoulos, 1993; Bradley, 2001; Javalgi, Cutler & Winans, 2001; Shimp & Sharma 1987; Knight, 1999).

In this process of evaluation that consumers make for the final purchase decision making, the country of origin becomes an important factor, this is how it becomes an identifier of the quality of the product, the perceived risk and probability of purchase (Papadopoulos, N., Heslop, L. A., & Beracs, J., 1990; 6. Elango, B., & Sethi, S. P., 2007). This is why differentiation is a priority to reduce the speed with which a product is imitated in the market and achieve a sustainable competitive advantage over time (d'Astous, A., & Gargouri, E., 2001; Baker, M. J., & Ballington, L., 2002), the efforts made by a company to generate differentiation will result in the perception of value in the mind of the consumer (Keller, K. L., 1993), so countries must create these differentiators so that consumers, investors and tourists, perceive them and influence their final selection, this is where the image of the country of origin becomes important to group them and transmit them properly to their target market (Zeugner Roth, K. P., Diamantopoulos, A., & Montesinos, M., 2008).

Another effect that the country image has is on the value of the country brand, in general it is related that a positive image of the brand will result in a positive value (Yoo, B., & Donthu, N., 2001; Yasin, N. M., Noor, M. N., & Mohamad, O. 2007; 24. Beracs, J., 2002; Pappu, R., Quester, P. G., & Cooksey, R. W., 2005), on the other hand Reyes, G. I., Nieto, E. S. D., & Pèrez, G. I. (2018) argue that a positive image of a country will allow a product originating in that country to benefit and therefore positively affect its brand value and its price and that therefore the country image will increase the country brand value.

On the other hand, it is important to highlight the results of the applied tool, and how it shows that entrepreneurs in Colombia still have a lot of ignorance of certain potentials that they have in front of international markets. It also reflects the recognition that businessmen give in the face of the lack of preparation of people to face challenges in the international arena and how it is the duty of the state to strengthen public policies in education for the preparation of qualified personnel in negotiation and foreign trade

issues. However, it is possible to identify a favorable self-concept in terms of the levels of innovation in the products and services offered internally, recognizing the efforts printed by the organizations to maintain good levels of acceptance in both national and international markets, seeking to increase their competitiveness through research and identification of new needs as well as new technological tools aimed at seeking greater Productivity and efficiency in all processes.

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