

The Relationship Between Country Branding Components and Competitive Advantage

Tevfik Şükrü YAPRAKLI*

Ali ABSALAN**

Musa ÜNALAN***

ABSTRACT

The goal of the current research work is examining the association between competitive advantage and country branding in view of citizens. Country branding is the core of managing which plays a vital role in managing the sustainable competitiveness of a nation. Country competitiveness is a concept which shows the degree to which a country can be differentiated from its rivals in the field of global competition. Data collected from Erzurum in Turkey and Urmia in Iran. Convenience sampling method was used in this study. Having determined the validity of data through excluding the missing inputs, 604 subjects were obtained to in order to conduct the considered analysis. Participants of the study involved 286 and 318 individuals from Turkey and Iran countries, respectively. Turkish citizens exhibited higher levels of emotional, physical, financial and social appeal than Iranian citizens. In addition, there was a significant positive correlation between physical, financial and leadership components and competitive advantage in both countries.

Key Words: Country Branding, Competitive Advantage, Turkey, Iran

JEL Classification: M30, M31, N30

Ülke Markalama Bileşenleri ile Rekabetçi Avantaj Arasındaki İlişki

ÖZ

Bu çalışmanın amacı rekabet avantajı ile ülke markalaması arasındaki ilişkiyi vatandaşların algıları üzerinden incelemektir. Ülke markalaması, bir ulusun sürdürülebilir rekabet edebilirliğinin yönetilmesinde hayati bir rol oynayan yönetimin özüdür. Ülke rekabeti, bir ülkenin küresel rekabet alanındaki rakiplerinden ne kadar farklılaşabileceğini gösteren bir kavramdır. Anketler, Türkiye’de Erzurum ve İran’da ise Urmiye şehrinde yapılmıştır. Anketlerin uygulanmasında, kolayda örnekleme yöntemi kullanılmıştır. Eksik girdiler hariç tutularak verilerin geçerliliği belirlenmiş olup, analizi yapmak için 604 katılımcı dikkate alınmıştır. Çalışmanın Türkiye’deki örneklemini 286, İran’dakini ise 318 kişi oluşturmaktadır. Çalışmanın sonucunda, Türk vatandaşlarının İran vatandaşlarına göre kendi ülkelerinin daha fazla duygusal, fiziksel, finansal ve sosyal çekiciliğe sahip olduğunu düşündükleri görülmüştür. Ayrıca her iki ülkede de fiziksel, finansal ve liderlik bileşenleri ile rekabet avantajı arasında pozitif yönlü anlamlı bir ilişki bulunmuştur.

Anahtar Kelimeler: Ülke Markalama, Rekabetçi Avantaj, Türkiye, İran

JEL Sınıflandırması: M30, M31, N30

*Prof. Dr., Atatürk Üniversitesi, İktisadi ve İdari Bilimler Fakültesi, İşletme Bölümü, sukruyaprakli@atauni.edu.tr, ORCID Bilgisi: 0000-0002-1756-1491

**Yüksek Lisans Öğrencisi, Atatürk Üniversitesi, Üretim Yönetimi ve Pazarlama Bilim Dalı, ali.absalan69@gmail.com, ORCID Bilgisi: 0000-0002-6271-7790

***Arş. Gör., Fırat Üniversitesi, İktisadi ve İdari Bilimler Fakültesi, İşletme Bölümü, munalan@firat.edu.tr, ORCID Bilgisi: 0000-0002-1900-0815

(Makale Gönderim Tarihi: 18.03.2019 / Yayına Kabul Tarihi:02.03.2020)

Doi Number: 10.18657/yonveek.541332

Makale Türü: Araştırma Makalesi

INTRODUCTION

The rapid development of globalization followed by the raise in competition across markets have encouraged the countries to reflect on themselves in terms of the role they play in the world. It is evident for countries that they are expected to assign an identity which represents their uniqueness from various perspectives. Such an identity would inevitably distinguish them from their counterparts on the global level. Thus, every country endeavor to realize the extent to which its identity can be acknowledged by the global market. To this end, countries around the world compete with one another to share the world's consumers through attracting, cultural events, international sporting and entrepreneurs, tourists, and the people of other countries (Gnoth, 2002: 273). Being acknowledged on the world scope has exerted incentive on the part of countries to specify and develop a brand for themselves which require special strategies to achieve this goal. Of the main targets followed by countries are attracting skilled workers, higher education students, tourists, boosting exports, foreign direct investment (Anholt 2007: 21). Therefore, branding is believed to share ways through adhering to which countries can export their potentials and attain sustainable profits. Consequently, construct a bolstered brand image is a well-known strategy to challenge for investment and trade.

Numerous scientist have examined country reputation in the subject of nation branding (Anholt, 2005, 2007; Kotler & Gertner, 2002), effective nation building (Taylor & Kent, 2006), and strategic public diplomacy (Kruckeberg & Vujnovic, 2005). Due to significance concerning the term branding, as perceived by most of the countries, both rich and even poor countries make maximum efforts to initiate branding strategies which pave the way for establishing cooperation and success (Hankinson, 2005: 29). Consequently, country branding is an umbrella term and a powerful instrument used to experience competitive advantage. Attaining a plausible level of competitive advantage bears the inference that country has performed successfully in attracting the people, tourists, products, and etc. which are good indicators of how it is distinguished from its rivals (Anholt, 2005: 298).

In the context of branding, one can mention the term differentiation as a crucial factor leading to successful brand identification which is also a measure of how a company is different from its competitors. Such a view has brought the incentive to governments and countries to draw their attention toward differentiating themselves from others with an aim to reach the competitive advantage goal. According to Szondi (2008: 12), "the core idea in nation branding is to identify the uniqueness of the country, its culture or its landscape to identify and draw on features that distinguish and differentiate us from them". Although the notion of country branding is a novel term, it has attracted the attentions as it enforces the companies, governments, and countries to experience and interaction with global competition. Techniques used for country branding can vary from relying on basic physical products to larger and diversified products which can guarantee the differentiation of that country. As it is the case with company's

market, a country demands to buyers its broad range of gain independently. The crucial thing is is to develop and market recognizable companies for accountable products that can be separated (Szondi, 2008).

There is limited research on the association between the components of country-branding and competitive advantage in developing countries especially in Turkey and Iran. Therefore, the goal pursued in this research work is addressing the competitive advantage and country branding in view of their citizens. The following three research questions are addressed:

- (1) What are the level of perceptions of Turkey in case of country-branding elements among Turkish citizens?
- (2) What are the level of perceptions of Iran in case of country-branding elements among Iranian citizens?
- (3) What is the association between the components of country-branding and competitive advantage in Turkey and Iran?

This paper has been divided into four parts. The first part addresses the literature and has two sub-sections – country branding and competitive advantage. The second part presents the methodology; the third part describes the outcomes of the research. The fourth and last part presents the conclusion.

I. LITERATURE REVIEW

A. Country Branding

In public diplomacy research, country images and crises has examined by the some scholars (Dai and Chen, 2014). Global institutions and universities observed and measured countries in order to their political stability, morality of their national and international politics, economic development, effectiveness and the appeal of country culture (Werron, 2014). Under these conditions a country's "favorable image and reputation around the world [...] have become more important than territory access, and raw materials" (Gilboa, 2008: 56).

Scientists suggested that country reputation can discuss as a brand image. The reputation of a place is the same as "the nation's image or brand" (Andéhn and Zenker, 2015). Bell (2016: 1) place reputation "can be understood in the context of a lack of a geographical understanding of the reputations of cities and regions". Lucarelli and Brorström (2013: 65) understand place branding "as the general phenomenon of marketing, branding, promoting, and regeneration of a particular city, region, and/or location".

It is a complicated task to estimate and evaluate country's brand since it concerns the image and reputation which are qualitative concepts. Consequently, to date, there has been no consensus over defining a common model for measuring the mechanism involved in country branding (Olins, 2002: 244).

Branding is a construct which bolsters the future of organization as it helps attaining the determined goals, and country branding seems to be basis for addressing and achieving the country competitiveness. Competitive pressure and expanding market opportunities are the two dimensions influenced by globalization (Kotabe & Helsen, 2000; Porter, 1998; Barney, 1991). "Globalization promotes locational advantage by removing artificial barriers to trade and investment, which

provides both the opportunity to boost national competitiveness and a threat to increasing or even maintaining it” (Porter, 1998: 25). It is strongly believed by researchers such as Anholt (2005: 230) that country branding is a powerful tool which rises an optimum level of competitive advantage within the country. It is also claimed by the same author that “Globalization leads to countries competing with each other for the attention, respect and trust of investors, tourists, consumers, donors, immigrants, the media, and the governments of other nations” (2005: 25).

The concept of country branding has a bi part to play for country competitiveness since poor performance, weakened products and services, and negative attitude in this domain can blur the reputation and its capability for competing on the global level. Therefore, one can demonstrate that a country can benefit from effective branding as it leads to the competitive advantage. Countries should compensate their poor performance through practicing those strategies which help them blossom in terms of maintaining unique features. In this respect, Anholt (2007: 16) asserts “far from maintaining such inequalities the practice of country branding presents a unique opportunity for underprivileged nations to benefit from a redistribution of wealth through contributing to the creation of successful local brands rather than merely acting as sources of cheap production for rich countries’ brands”. Consequently, country branding is viewed as “the basis through relying on which countries can gain access to sophisticated and lucrative developed markets” (Lodge, 2002: 71).

Countries understand the importance of reputation for their benefits. In the world, every country want to perceive a good country in people minds, because “national reputation is unquestionably an instrument of power” (Wang 2006: 91). Reputation is a soft power (Nye, 2004). Countries with a good names in the world have increased tourism revenues (Stock 2009; Kiambi 2017). If countries have favorable reputation, they can be as a place where direct foreign investment and talent people attract (Kotler and Gertner 2002). Also, it will increase companies products and services in international market (Stock 2009). Country reputation is defined as “perceptions of a country over time based on direct and indirect experiences with the country as compared with its competitors” (Kiambi 2017: 62).

One of the characteristics of successful branding is its strength to yield products and services which make them so outstanding that it is distinguished from other competitors (Aaker 1996: 102). In this regard, Kotler and Keller (2006: 15) emphasize “a country that manages its reputation organically and applies a seamless long term strategy in the way it is positioned, portrayed or represented can enjoy an enhanced international image and achieve its objectives in the global marketplace”.

Simon Anholt, the pioneering figure in studies of marketing, is taken into consideration as the sole reference of providing reliable and numerical data dealing with assumed brands. What is followed in evaluating the country branding is to categorize the components by the following items, namely, emotional, physical, financial, leadership, cultural, and social. What is pursued is to provide a complete measurement concerning the worldwide reputation of a nation based on which

upcoming endeavors are done. However, it is unclear if such a methodology can be practiced effectively on the global level (2005: 302).

Yang et al. (2008, 424-425) define each dimensions as follows:

1. Emotional appeal: What people think a country in terms of its respected, liked, and admired;
2. Physical appeal: What people think a country in terms of its health care, housing, roads, services, and communications;
3. Financial appeal: What people think a country in terms of its growth prospects, competitiveness, profitability, and risk of investment;
4. Leadership appeal: What people think a country as a leadership and communication;
5. Cultural appeal: What people think a country in terms of its culture and a history;
6. Social appeal: What people think a country in terms of its support to global community, environmental policies, good causes.

B. Competitive Advantage

They key to country's prosperity is competitiveness which depends on the extent to which productivity exists in order to deliver and offer good and services. What guarantees a prosperous economy is not solely the existence of political, legal and social institutes which build up the macro dimension; rather, there are other elements which hare at work in this regard. Factors such as competitiveness are the essence of success in this domain which have roots in micro dimension of economy the sophistication of company operations and strategies and the quality of the microeconomic business context which involves companies' competition (Martinovi, 2002: 3019).

Country competitiveness is a concept which shows the degree to which a country can be differentiated from its rivals in the field of global competition (Porter, 1990; Kotler 1998; Gudjonsson, 2005; Gilmore, 2002). Researches have suggested various methods through the use of which ne can specify country's competitiveness. As an example in case, Porter developed his model based on the study he conducted among ten countries whose ultimate purpose was to attain competitive advantage dealing with several industry sectors. Gilmore (2002: 112) mentioned that "many industries, and especially in distinct segments of industries, competitors with true international competitive advantage are based in only a few countries and certain characteristics of the country make them the home base of these leading firms". This, it is the industry of a country which can be a good and reliable indicator of the extent to which the country has enjoyed competitive advantage. Enjoying competitive advantage in one sector is one way to ensure the same advantages in corresponding sectors as suggested by Porter (1990).

The ultimate purpose of competition among countries when it come to the global environment is to prepare themselves to establish markets, technology, environment and skills to increase the standards dealing with living. The extent to which a company is successful in achieving its leading targets is its share of competitiveness, but the quality of addressing and embarking on this notion is

under question. As put forth by Lee (2009: 64), “as branding is referred to as the starting point in creating a sustainable future for the organization, country branding can be considered to be the central concept in managing and managing the sustainable competitiveness of a nation”. So far, there has been no consensus over a unit and general definition on competitiveness; however, different researchers have raised their viewpoints toward this very concept (Pike, 2014: 217).

The first step toward competitiveness for countries is to reflect on their powers, talents, abilities, and skills which ensure attracting both human and physical capital from national and international scopes. What the notion of competitiveness delivers is the extent to which a country represents its capability to attain and develop resources as far as national or international needs are concerned with the purpose of reaching the competitive advantage (Mihailovich, 2006: 240). The outcome of competitiveness is not unilateral, i.e. it is based on a dynamic path which does not set boundaries into the process of competitiveness as suggested by Buckley, Pass, and Prescott (1988). The key for competitiveness is for the country to make its goods and services consistent with the international markets.

II. METHODOLOGY

A. Research Model and Hypotheses

The relations between the country branding dimensions and competitive advantage constructs are hypothesized in the model (Fig. 1).

H₁: Emotional element of country-branding is positively related to competitive advantage.

H₂: Physical element of country-branding is positively related to competitive advantage.

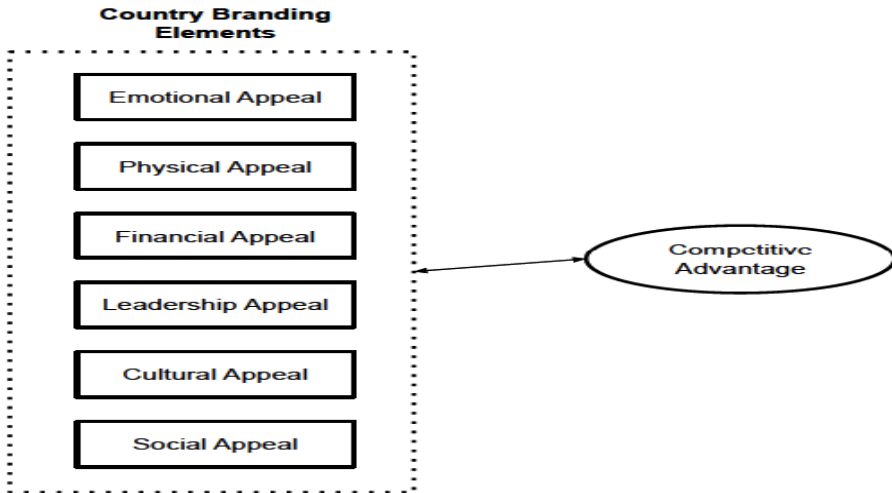
H₃: Financial element of country-branding is positively related to competitive advantage.

H₄: Leadership element of country-branding is positively related to competitive advantage.

H₅: Cultural element of country-branding is positively related to competitive advantage.

H₆: Social element of country-branding is positively related to competitive advantage.

Figure 1. Research Model



B. Data Collection and Procedure

We used convenience sampling method in this research. Data collected from Urmia in Iran and Erzurum in Turkey. The target population for the person administered survey was local people in these cities. Over a period of four weeks, participants intercepted at the Atatürk University, Urmia University and other places in cities. About 330 questionnaires were distributed each city and totally 648 completed questionnaires were received. Having determined the validity of data through excluding the missing inputs, 604 subjects were obtained to in order to conduct the considered analysis. Participants of the study involved 286 and 318 individuals from Turkey and Iran countries, respectively.

C. Measures

We observed the country-branding elements as follows: (1) emotional appeal was measured using three items from Passow, Fehlmann and Grahlow (2005). (2) We measured physical appeal by a three-item scale from Passow et al. (2005). (3) With respect to financial appeal, we used a four-item scale from Passow et al. (2005). (4) We measured leadership appeal using a four-item scale from Passow et al. (2005). (5) With the cultural appeal, we used a three-item scale from Passow et al. (2005). (6) Finally, for the social appeal, a three-item scale from Passow et al. (2005) were used. (7) Lastly, we measured competitive advantage by adapting eight scales from Gudjonsson (2005), Kotler and Gertner (2002), and Wee (1994). We employed five-point scales for all measures: ‘strongly disagree’, ‘disagree’, ‘...’, and ‘strongly agree’.

D. Statistical Analysis

Using the SPSS 22 statistical package, the study’s results include overall descriptive statistics results, correlation results, and hypothesis results for competitive advantage with country-branding elements.

III. RESULTS

A. Sample Profile

A total of 604 responses were collected in Turkey and Iran. 286 complete responses were used as the Turkish sample for further analyses. For Iranian sample, a total of 318 completed questionnaires were used for the final data analyses. The samples also showed that respondents with heterogeneous profile participated in the survey (see Table 1 for details).

Table 1. Sample Profile

Variable	Category	Turkey (n=286)		Iran (n=318)	
		Number	Percent	Number	Percent
Gender	Male	152	53.1	145	45.6
	Female	134	46.9	173	54.4
Education	Primary education	4	1.7	1	0.3
	High school	7	2.4	12	3.8
	College	31	10.8	24	7.5
	Undergraduate	184	64.3	165	51.9
	Master and doctorate	60	20.9	116	36.5
Income level	Below 1000 Turkish Lira	146	51.0	105	33.0
	1001 - 2500	70	24.5	137	43.1
	2501 - 4000	37	12.9	61	19.2
	4001 - 5500	27	9.4	14	4.4
	Above 5501	6	2.1	1	0.3
Age	18-27	138	48.3	100	31.4
	28-37	82	28.7	119	37.4
	38-47	29	10.1	28	8.8
	48-57	18	6.3	43	13.5
	58 and over	19	6.6	28	8.8
Job	Student	156	54.5	77	24.2
	Worker	10	3.5	1	0.3
	Officer	33	11.5	38	11.9
	Self-employment	16	5.6	47	14.8
	Retired	30	10.5	60	18.9
	Private sector employee	34	11.9	72	22.6
	Housewife	4	2.4	23	7.2

Of the Turkish sample, 53 per cent of the respondents were male and 47 per cent were female. Highest level of education achieved was mostly 64.3 per cent Bachelor's degree. Income level ranged from less than 1000 Turkish Lira to more than above 5501 Turkish Lira, with a median income group below 1000 Turkish Lira. Age ranged from 18 to 58 and over years, with a median age of 18 to 27 years. The majority of respondents were students (54.5 per cent), followed by private sector employee (11.9 per cent). Of the Iranian sample, 45.6 per cent of the respondents were male and 54.4 per cent were female. Highest level of education achieved was mostly 51.9 per cent Bachelor's degree. Income level ranged from less than 1000 Turkish Lira to more than above 5501 Turkish Lira, with a median income group between 10001 and 2500 Turkish Lira. Age ranged from 18 to 58 and over years, with a median age of 28 to 37 years. The majority of respondents were students (24.2 per cent), followed by private sector employee (22.6 per cent).

Table 2 displays the perceptions of citizens in order to each of the variables for both countries.

Table 2. Means and Standard Deviations of Country Branding Elements and Competitive Advantage

	Turkey (n=286)		Iran (n=318)	
	Mean	Standard Deviation	Mean	Standard Deviation
Emotional Appeal	4.60	0.49	4.53	0.51
I respect Turkey/Iran	4.54	0.62	4.68	0.49
I like Turkey/Iran	4.77	0.46	4.58	0.56
I trust Turkey/Iran	4.50	0.75	4.34	0.78
Physical Appeal	4.14	0.50	4.11	0.58
Turkey/Iran is a beautiful place	4.67	0.50	4.70	0.58
Turkey/Iran has well-educated residents	3.89	0.82	4.08	0.73
Turkey/Iran has good infrastructure of roads, housing, services, healthcare, and communications	3.85	0.80	3.55	0.96
Financial Appeal	3.24	0.68	3.60	0.63
Turkey/Iran is an inviting place to do business	3.88	0.83	3.85	0.79
Turkey/Iran has a well-developed industrial sector	3.43	1.01	3.38	0.85
Turkey/Iran is a low tax country	2.03	0.93	3.61	0.81
Turkey/Iran is a safe place in which to invest	3.62	0.99	3.58	1.00
Leadership Appeal	3.59	0.88	3.36	0.70
Turkey/Iran has charismatic leaders	3.49	1.02	3.43	0.97
Turkey/Iran communicates and appealing vision of the country	3.77	0.93	3.50	0.90
Turkey/Iran is well-managed	3.48	1.12	3.13	0.86
Turkey/Iran upholds international laws	3.63	1.06	3.40	0.78
Cultural Appeal	4.33	0.42	4.26	0.44
Turkey/Iran is socially and culturally diverse	4.30	0.61	4.57	0.56
Turkey/Iran has a rich historical past	4.74	0.46	4.81	0.41
Turkey/Iran offers enjoyable entertainment activities	3.94	0.89	3.39	1.09
Social Appeal	3.70	0.69	3.63	0.76
Turkey/Iran supports good causes	3.82	0.79	3.67	0.94
Turkey/Iran is a responsible member of the global community	3.69	0.91	3.68	0.93
Turkey/Iran supports responsible environmental policies	3.58	0.89	3.54	0.93
Competitive Advantage	3.88	0.62	3.95	0.57
Turkey/Iran is capable in attracting tourists	4.22	0.74	4.13	0.83
Turkey/Iran has knowledgeable and skillful human capital	4.06	0.79	4.14	0.79
Turkey/Iran tends to outperform its competitors	3.85	0.85	3.75	0.78
Turkey/Iran is capable in generating harmony and stable society	3.60	0.95	3.77	0.82
Turkey/Iran is capable in maintaining political stability	3.50	1.06	3.99	0.94
Turkey/Iran is capable in producing world-class export brand	3.74	1.00	4.02	0.85
Turkey/Iran is capable in generating more wealth than its competitors in world	3.99	0.88	3.90	0.80
Turkey/Iran is capable in producing goods and services, which meet the standard of the international markets	4.05	0.88	3.93	0.77

The following are the means, and standard deviations for the emotional appeal dimension: Turkey ($M = 4.60$, $SD = 0.49$); Iran ($M = 4.53$, $SD = 0.51$), physical appeal dimension: Turkey ($M = 4.14$, $SD = 0.50$); Iran ($M = 4.11$, $SD = 0.58$), financial appeal dimension: Turkey ($M = 3.24$, $SD = 0.68$); Iran ($M = 3.60$,

SD = 0.63), leadership appeal dimension: Turkey ($M = 3.59$, $SD = 0.88$); Iran ($M = 3.36$, $SD = 0.70$), cultural appeal dimension: Turkey ($M = 4.33$, $SD = 0.42$); Iran ($M = 4.26$, $SD = 0.44$), social appeal dimension: Turkey ($M = 3.70$, $SD = 0.69$); Iran ($M = 3.63$, $SD = 0.76$), competitive advantage variable: Turkey ($M = 3.88$, $SD = 0.69$); Iran ($M = 3.95$, $SD = 0.76$).

Inter-construct correlations for Turkish sample are presented in Table 3.

Table 3. Correlations of Competitive Advantage with Country Branding Elements: Turkish Citizens' View Towards Turkey

Competitive advantage (mean: 3.87) is correlated with	<i>r</i>	Sig.
Emotional appeal (mean: 4.60)	0.213**	0.000
Physical appeal (mean: 4.14)	0.269**	0.000
Financial appeal (mean: 3.24)	0.277**	0.000
Leadership appeal (mean: 3.59)	0.432**	0.000
Cultural appeal (mean: 4.33)	0.080	0.175
Social appeal (mean: 3.70)	0.371**	0.000

Notes: **, ** Correlation is significant at the 0.05 and 0.01 levels (2-tailed), respectively

Correlation analyses indicated several significant relationships (see Table 1). Specifically, consistent with our predictions, competitive advantage was positively related with emotional ($p < 0.01$, $r = 0.213^{**}$), physical ($p < 0.01$, $r = 0.269^{**}$), financial ($p < 0.01$, $r = 0.277^{**}$), leadership ($p < 0.01$, $r = 0.432^{**}$), and social appeals ($p < 0.01$, $r = 0.371^{**}$). Therefore, H1, H2, H3, H4 and H6 are supported. Cultural appeal ($p > 0.05$, $r = 0.080$) does not significantly predict competitive advantage. Thus, H5 is not supported.

Inter-construct correlations for Iranian sample are presented in Table 4.

Table 4. Correlations of Competitive Advantage with Country Branding Elements: Iranian Citizens' View Towards Iran

Competitive advantage (mean: 4.02) is correlated with	<i>r</i>	Sig.
Emotional appeal (mean: 4.48)	0.075	0.181
Physical appeal (mean: 4.11)	0.178**	0.001
Financial appeal (mean: 3.60)	0.134*	0.017
Leadership appeal (mean: 3.36)	0.163**	0.004
Cultural appeal (mean: 4.26)	0.065	0.246
Social appeal (mean: 3.63)	0.070	0.214

Notes: *, ** Correlation is significant at the 0.05 and 0.01 levels (2-tailed), respectively

Correlation analyses indicated several significant relationships (see Table 4). Specifically, consistent with our predictions, competitive advantage was positively related with physical ($p < 0.01$, $r = 0.178^{**}$), financial ($p < 0.05$, $r = 0.134^*$), and leadership ($p < 0.01$, $r = 0.163^{**}$). Thus, H2, H3 and H4 are supported. Emotional ($p > 0.05$, $r = 0.075$), cultural ($p > 0.05$, $r = 0.065$), and social appeals ($p > 0.05$, $r = 0.070$) do not significantly predict competitive advantage. Therefore, H1, H5 and H6 are not supported.

Table 5. Testing of Hypotheses

	Turkey		Iran	
	Sig. (2-tailed)	Result	Sig. (2-tailed)	Result
H1	0.000	Supported	0.181	Not supported
H2	0.000	Supported	0.001	Supported
H3	0.000	Supported	0.017	Supported
H4	0.000	Supported	0.004	Supported
H5	0.175	Not supported	0.246	Not supported
H6	0.000	Supported	0.214	Not supported

CONCLUSIONS

The present study investigated the associations between the components of country-branding (emotional, physical, financial, leadership, cultural, social) and competitive advantage in Turkey and Iran. For Turkey, five of six hypotheses are accepted in our model (see Table 5). For Iran, three of six hypotheses are accepted in our model (see Table 5). Our study investigates elements of country branding from the point of view of Turkey and Iran citizens and test these elements against competitive advantage. Turkish citizens exhibited higher levels of emotional, physical, financial and social appeal than Iranian citizens. On the other hand, Iranian citizens performed higher levels of competitive advantage, leadership appeal and cultural appeal than Turkish citizens.

The Turkish citizens evaluated most favorable reputation in the dimension of “emotional appeal,” whereas least favorable reputation in the dimension of “financial appeal.” The survey respondents in Iran evaluated most favorable reputation in the dimension of “emotional appeal,” whereas least favorable reputation in the dimension of “leadership appeal.” It means that Turkey’s country reputation management should improve financial appeal, leadership appeal, and social appeal. Also, this study suggested that Iran’s country reputation management should increase leadership appeal, financial appeal, and social appeal because of least favorable dimensions. Yang et al. (2007) found that American citizens evaluated “leadership appeal” least favorably, “cultural appeal” most favorably for South Korea’s country reputation. Kiambi and Shafer (2018) revealed that American public evaluated least favorable dimensions as physical and financial in order to sub-Saharan African countries.

The results also showed that leadership appeal and social appeal were highly correlated with Turkey’s country competitive advantage. In Iran, physical appeal was highly correlated with country competitive advantage. The study results support in the literature (Che-Ha et al., 2016). The findings of this study suggest that governmental agencies measure the country image in the view of their citizens and other country’s people.

The results aim to help and guide Turkish and Iranian private and public organizations to increase their country image in the view of their citizens. Findings of this research can be useful in terms of nation branding especially in tourism sector. This study revealed useful results for the practice and study of country branding and public diplomacy. It also provides empirical evidence for government managers for campaigns. They also should measure the perceptions of all people in their countries to find best cues. Practitioners of public diplomacy using these findings to think the citizens perceptions of countries their country of interest.

In the future, researchers will examine country branding in the view of government leaders. One limitation of this study was measuring country branding by Turkish and Iranian public. This research cannot be representative of the Turkish and Iranian public demographically. Researchers should explore the relation between country branding and other variables such as intention to visit, buying products and brands in the perspective of country of origin.

The relationship between competitive advantage and country-branding elements should be investigated in future research with other variables such as political and religion subjects. Also, researchers can use new dimensions such as security, people, and sports appeal for country reputation (Kiambi and Shafer, 2018). They will examine the perceptions of tourists towards Turkey and Iran. And also, they will research the image of countries in the international media with using content analysis.

REFERENCES

- Aaker, D. A. (1996). Measuring Brand Equity Across Products and Markets. *California Management Review*, Vol. 38, No. 3, 102.
- Andéhn, M., Zenker, S. (2015). Place Branding In Systems of Place – On The Interrelation of Nations and Supranational Places (Edited by Zenker, S. and Jacobsen B.P.). *Inter-Regional Place Branding*, Springer International Publishing, Cham, 25-37.
- Anholt S. (2005). Anholt Nation Brands Index: How Does The World See America. *Journal of Advertising Research*, Vol. 45, No. 3, 296–304.
- Anholt, S. (2007). Competitive Identity: The New Brand Management for Nations, Cities and Regions. Houndmills: Palgrave Macmillan.
- Barney, J. (1991). Firm Resources and Sustained Competitive Advantage. *Journal of Management*, Vol. 17, No. 1, 99-120.
- Bell, F. (2016). Looking Beyond Place Branding: The Emergence of Place Reputation. *Journal of Place Management and Development*, Vol. 9, No. 3, 247-254.
- Che-Ha, N., Nguyen, B., Yahya, W. K., Melewar, T. C. and Chen, Y. P. (2016). Country Branding Emerging from Citizens' Emotions and the Perceptions of Competitive Advantage: The Case Of Malaysia. *Journal of Vacation Marketing*, Vol. 22, No. 1, 13-28.
- Dai, X. and Chen, G. M. (2014). The Construction of National Image in the Media and the Management of Intercultural Conflicts (Edited by R. S. Fortner & P. M. Fackler). *The Handbook of Media and Mass Communication Theory*. John Wiley & Sons, Inc., 708-725.
- Gilboa, E. (2008). Searching for a Theory of Public Diplomacy. *The ANNALS of the American Academy of Political and Social Science*, Vol. 616, No. 1, 55-77.
- Gilmore, F. (2002). A Country-Can It Be Repositioned? Spain - The Success Story of Country Branding. *Journal of Brand Management*, Vol. 9, No. 4/5, 281-293.
- Gnoth, J. (2002). Leveraging Export Brands Through A Tourism Destination Brand. *Journal of Brand Management*, Vol. 9(4), 262-280.
- Gudjonsson, H. (2005). Nation Branding. *Place Branding*, Vol. 1, No. 3, 283-298.
- Hankinson, G. (2005). Destination Brand Images: A Business Tourism Perspective. *Journal of Services Marketing*, Vol. 19, No. 1, 24-32.
- Keller, K. L. (2006). Strategic Brand Management: Building, Measuring and Management Brand Equity. New Jersey: Prentice-Hall.
- Kiambi, D. (2017). The Role of Familiarity In Shaping Country Reputation (Edited by J. Fullerton, and A. Kendrick). In *Shaping International Public Opinion: A Model For Nation Branding and Public Diplomacy*, New York: Peter Lang, 57-75.
- Kiambi, D. and Shafer, A. (2018). Country Reputation Management: Developing A Scale for Measuring the Reputation of Four African Countries in the United States. *Place Branding and Public Diplomacy*, Vol. 14, No. 3, 175-186.
- Kotabe, M. and Helsen, C. (2000). Global Marketing Management. John Wiley & Sons, New York, NY.
- Kotler, P. and Gertner, D. (2002). Country as Brand, Product, and Beyond: A Place Marketing and Brand Management Perspective. *Journal of Brand Management*, Vol. 9, No. 4/5, 249-262.
- Kruckeberg, D. and Vujnovic, M. (2005). Public Relations, Not Propaganda, for US Public Diplomacy in A Post-9/11 World: Challenges and Opportunities. *Journal of Communication Management*, Vol. 9, 296-304.

- Lee, K. M (2009). Nation Branding and Sustainable Competitive of Nations. PhD Dissertation.
- Lodge, C. (2002). Success And Failure: The Brand Stories of Two Countries. *Journal of Brand Management*, Vol. 9(4), 372-384.
- Lucarelli, A. Brorström, S. (2013). Problematising Place Branding Research. *The Marketing Review*, Vol. 13, No. 1, 65-81.
- Martinovi, S. (2002). Branding Hrvatska: A Mixed Blessing that Might Succeed: The Advantage of Being Unrecognizable. *Journal of Brand Management*, Vol. 9, No. 4, 315-322.
- Mihailovich, P. (2006). Place Branding Kinship Branding: A Concept of Holism and Evolution for the Nation Brand. *Journal of Brand Management*, Vol. 2, No. 3, 229-247.
- Morgan, N. J., Pritchard, A. and Pride, R. (2011). Destination Branding: Creating The Unique Destination Proposition. Oxford: Elsevier Limited.
- Nye Jr., J. S. (2004). Soft Power: The Means to Success in World Politics. New York: Public Affairs.
- Olins, S. (2002). Branding the Nation State, the Historical Context. *Journal of Brand Management*, Vol. 9, No. 4, 241-248
- Passow, T., Fehlmann, R. and Grahlow, H. (2005). Country Reputation – From Measurement to Management: The Case of Liechtenstein. *Corporate Reputation Review*, Vol. 7, No. 4, 309-326.
- Pike, S. and Page, S. J. (2014). Destination Marketing Organizations and Destination Marketing: A Narrative Analysis of the Literature. *Tourism Management*, Vol. 41, 202-227.
- Porter, M. (1990). The Competitive Advantage of Nations. Cambridge: Harvard Business Review.
- Stock, F. (2009). Identity, Image and Brand: A Conceptual Framework. *Place Branding and Public Diplomacy*, Vol. 5, No. 2, 118-125.
- Sung-Un, Y., Hochang, S., Jong-Hyuk, Lee. and Brenda, W. (2008) Country Reputation in Multidimensions: Predictors, Effects, and Communication Channels. *Journal of Public Relations Research*, Vol. 20, No. 4, 421-440
- Szondil, G. (2008). Public Diplomacy and Nation Branding: Conceptual Similarities and Differences. The Hague: Netherlands Institute of International Relations.
- Taylor, M. and Kent, M. L. (2006). Nation-Building: Public Relations Theory and Practice (Edited by V. Hazelton & C. H. Botan). *Public Relations Theory II*, Hillsdale, NJ: Lawrence Erlbaum Associates, 341-360.
- Wang, J. (2006). Managing National Reputation and International Relations in the Global Era: Public Diplomacy Revisited. *Public Relations Review*, Vol. 32, 91-96.
- Wee, C. H. (1994). Nation Branding Strategies and Economic Development Implications for NIE and LDCs. *The International Executive*, Vol. 36, No. 2, 119-145.
- Werron, T. (2014). On Public Forms of Competition. *Cultural Studies-Critical Methodologies*, Vol. 14, No. 1, 62-76.
- Yang, S., H. Shin, J. L., and Wrigley, B. (2008). Country Reputation in Multidimensions: Predictors, Effects, and Communication Channels. *Journal of Public Relations*, Vol. 20, No. 4, 421-440.