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# South Korea: Finding its place on the world stage

Five essays from leading thinkers explore the country's present and future.



**Fashion forward in Korea:** Models catwalk in Andro Kim's outfits during a 2010 fashion show in Seoul.



## Designing a distinctive national brand

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Before the Internet, before airlines, before movies, our impressions of foreign lands were created through a mix of oral folklore, historical accounts, and travel writing. For centuries, the Western world's notions of China, India, and all points between were derived almost entirely from the fragmentary accounts of Marco Polo and a handful of itinerant traders and Jesuit missionaries. Some of these accounts reflected keen observation. Others were the purest fantasy. All were refracted through the biases of the original observer, then again through the biases of those who retold their tales.

In 1882, author William Elliot Griffis first coined the term *hermit nation* in portraying Korea as reclusive. In the preface of his book *Corea, the Hermit Nation*, he recounts strolling in the Japanese town of Tsuruga along the sea that separates Japan from Korea. He noticed Korean influence wherever he looked, musing, "Everywhere the finger of tradition pointed westward across the waters to the Asian mainland," and yet he wondered, "Why should Corea [sic] be sealed and mysterious, when Japan, once a hermit, had opened her doors and come out into the world's marketplace?"

Today, no longer dependent on a single adventurer's journal, we can read firsthand accounts of millions of bloggers all over the planet, join their tribes on social networks such as Facebook or Cyworld (where one-third of South Korea's entire population is

registered), see their personal photos, or peer directly into their lives via webcams. And yet, our collective understanding or appreciation of some countries does not appear to have advanced from the Griffis account more than a century ago.

Consider South Korea—it is a major economy and a world-class manufacturer whose products trade around the globe. It has hosted an Olympics, in 1988, and cohosted a World Cup, with Japan, in 2002. Still, how many Westerners can name its president? Or bring to mind a single cultural icon of this ancient civilization? To be sure, the so-called Korean wave did bring fame to some pop and soap opera stars, mostly from South Korea's neighbors, but there are signs that it is waning, or even evidence of a backlash in some countries.

South Korea lacks a cohesive, differentiated brand in the minds of those outside the country. There is no touchstone that brings to mind an idea, or a feeling, about the country; no symbol that inspires trust or affection.

How can this be? Imagine that 90 percent of Americans thought the Eiffel Tower was in Berlin, or that BMW was an Italian brand, or that prosciutto di Parma came from Finland. Such misconceptions seem preposterous. And yet when citizens of the Western world think of South Korea—to the extent they do so at all—many suffer equivalent confusion.

In a survey of 1,000 US college students across 375 schools by Anderson Analytics in 2006, only 39 percent believed South Korea produced quality products, while 81 percent thought Japan did.

If high-quality, award-winning product designs have the power to transform a country's reputation, why hasn't that worked with South Korea? Well, for a start, no one seems to know that South Korean companies are in fact South Korean! Less than 10 percent of the students in the Anderson Analytics survey identified Samsung or LG as South Korean (they thought they were Japanese). Notably, students who did recognize LG and Samsung as South Korean also gave higher marks for quality to South Korea as a country, thus giving evidence of the bidirectional benefits of perceived high-quality products. The implications are huge. South Korea invests vast sums in R&D and design (exhibit). Its companies make world-beating products. But who gets the credit? Japan.

"People build brands as birds build nests, from scraps and straws we chance upon," wrote Jeremy Bullmore, a British advertising executive who wrote several books about the industry. Perceptions, he argued, often are "outside the control or even influence of the product's owner." The question, then, is, how much can a nation's brand be created and managed? And does it matter?

In January 2009, South Korea formed the 47-member Presidential Council Nation Branding, a government initiative meant to coordinate all nation-branding efforts. It includes 8 ministers, numerous business leaders, and professors. The council has

embarked on a ten-point “Brand Korea” action plan. The following strategies are among the action points: promote the martial art tae kwon do; send 3,000 South Korean supporters abroad through something like a cultural Peace Corps; increase state-of-the-art technologies; and so on. I fear this committee-made framework will not succeed. It overlooks South Korea’s most powerful engine of transformation.

Simon Anholt, in collaboration with New York–based market research firm GfK Roper, has created a six-dimensional national-brands index that assigns individual nations a single branding score based on foreign perceptions of a host of variables, including desirability of its exports, the competency of its government, and the appeal of its culture and heritage. By this measure, South Korea ranks 39th out of 50 nations surveyed, below countries such as Mexico (26th), India (27th), China (28th), and Egypt (31st).

Elaborate brand frameworks can be reassuring; indeed, the very act of designing them suggests branding is a form of engineering and that the hearts and minds of the world’s consumers must inevitably yield to the rigorous application of science.

But make no mistake, winning brands are an amalgam of love and aspiration, of cool and joy, of longing and belonging. They cannot be faked. And neither hard work nor big investment can guarantee branding success.

One factor, though, that can radically improve the odds of creating a great brand is great design. It’s hard to overstate the importance of this element. Great design has the power to elevate an entire corporation; sustained over a long period across many companies, it can lift an entire nation in the world’s esteem. Japan’s excellence in design, for example, played a key role in its economic rise. Italy’s undoubted sense of style means consumers willingly pay a premium for a “Made in Italy” label. So getting design right is a crucial step in creating a brand identity.

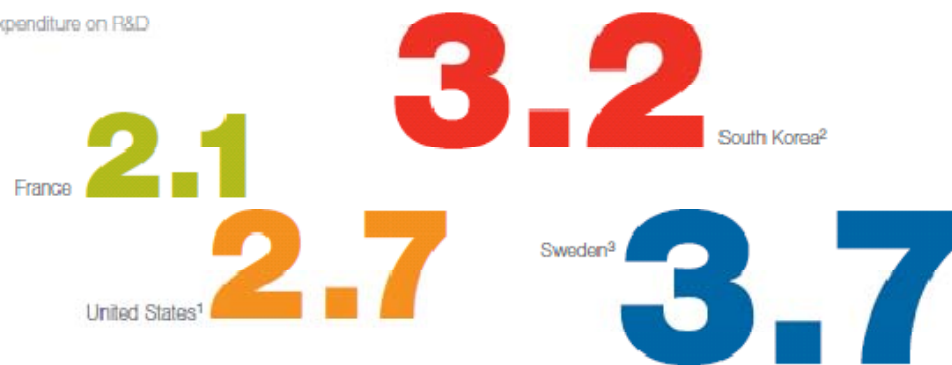
Sometimes design-driven brands beautifully reflect the country of origin. “Frankly, IKEA is doing more for the image of Sweden than all governmental efforts combined,” wrote Ollie Wästberg, director of the Swedish Institute, in *Public Diplomacy* magazine. “That might be a sad statement coming from a governmental official tasked with enforcing the brand of Sweden,” he continues, “but IKEA’s 285 stores in 37 countries feature the blue-and-yellow national colors, serve Swedish meatballs, and sell blond-wood Swedish designs and books about Sweden. To visit IKEA is to visit Sweden.”

South Korea has launched the Korea Plaza concept in some countries. It seeks to tie together in one space South Korean pop culture (*hallyu*, or the “Korea wave”), language, songs, and traditional dance. This may well succeed in introducing people to all aspects of South Korea. But a more concentrated effort specifically around South Korean design is called for. Think of the Apple retail spaces that are works of art in their own right, while at the same time functioning to educate consumers about the products.

## Looking for the next big thing

Korea spends generously on research and development.

Gross domestic expenditure on R&D  
as % of GDP



<sup>1</sup>Excludes capital expenditures and R&D conducted by state and local governments.

<sup>2</sup>Excludes R&D in social sciences and humanities.

<sup>3</sup>Until 2005, data excluded R&D conducted by state and local governments and did not fully cover small to midsize enterprises; prior to 1993, excluded R&D in social sciences and humanities by businesses, government, and private nonprofits.

Source: OECD Factbook 2009, Organisation for Economic Co-operation and Development

South Korea's investment in design has been substantial, from the Korea Institute of Design Promotion to its 230 design schools (more than the United States) to the design institutes at both LG and Samsung. And there are signs the investments are paying off.

South Korean designers are driving the most innovative designs in the auto industry—the revival of the Camaro, the new concept crossover Cadillac Provoq, the electric Chevy Volt, and the Lincoln MKT. In fashion, South Korean designers have been sewing up excellence as well. In 2008, according to the *Financial Times*, half of the most talented emerging designers chosen to be honored in Gen Art's Fresh Faces fashion exhibition were from South Korea or were Korean American, and at Parsons The New School of Design in New York, nearly a third of all students are Korean. At Cannes last year, ten Korean films were screened—a record—and one (*Thirst*) won the Jury Prize.

Companies such as LG and Samsung have been sweeping international design awards. In the prestigious iF design rankings, awarded by International Forum Design in Hannover, Germany, Samsung is number one in the world—ahead of number-two Apple. LG is number eight, ahead of German design legends BMW, Miele, and Gaggenau. And yet, South Korea still gets no credit for these accolades. A recent survey by the South Korean Presidential Council on Nation Branding found there is a discount when it comes to comparing the country of origin of products; consumers in Japan, Germany, and the United States marked down the value of identical products by 30 percent or more when told it came from South Korea. Japanese consumers would bump up the value of a \$100 product from South Korea to \$141 if they were told the same product came from Japan. And in emerging markets, the gap was even bigger. This gap is evidence of the power of nation branding. Product quality alone won't close the gap. Negative perceptions

of the country of origin will exacerbate the gap. The relationship is bidirectional: superior product design and quality has the potential to burnish a nation brand, while a strongly positive nation brand will boost perception of quality of the products exported from that country. And yet, it's not as easy as merely improving product design and quality.

South Korea must do more to connect its product design with the country itself. South Korea must make design and its brilliant young designers the centerpiece of its national brand-building effort. Government can help to set the stage for telling South Korea's design story, but the story must be told by the designers, artists, and stylists themselves rather than in the voice of a faceless government agency.

Several specific things South Korea could do to create a national brand based on design are the following:

*1. Create a unifying organization and brand imagery.* South Korea now has a coordinating body. But this is a situation where the products will shape the national brand. So the Presidential Council on Nation Branding needs to enlist leading consumer-product companies to support the effort so every time a consumer test-drives a Hyundai or buys a Samsung refrigerator or an LG television he or she knows it came from South Korea. This includes a country brand logo. The “Incredible India” mark even brands the immigration forms as you enter India. The Joan Miró sun painting for the Spanish national brand campaign unified all efforts.

*2. Find, capture, and retell the stories of South Korean designers.* The Council will need to engage a team of story hunters trained in interviewing and helping the designers tell their own stories of how they do what they do, of reliving their moments of discovery. My company, Ogilvy Public Relations Worldwide, helped Lenovo create a design blog written by Lenovo designers to share their passion for great design; Ogilvy has also worked to give voice to Ford drivers as they discovered the new, high-quality, superefficient vehicles. Hearing candid stories from consumers and designers themselves lends far more credibility than institutional messaging does.

*3. Create a living design experience, a design theme park.* Not just an exhibit of cool tech products, but a world of designers at work that allows visitors to experience the design process. Think of it as though a Disney Imagineer created a new “Design World” wherein you can try fashion design, auto design, city design, green design, or myriad other forms of design while being surrounded by the coolest designs and concepts from South Korean companies.

*4. Create a global design award.* This would be on the order of a Nobel Prize (for science) or the Pritzker (for architecture). To ensure high-quality entrants, make it valuable—money speaks to designers too—and have an awards ceremony that attracts the global A-list.

South Korea has made great progress in creating opportunities for design to blossom, in both aesthetic and commercial terms. Without a unifying thread, though, the country's excellent products have not fully succeeded in creating a national brand. Worse, it may have actually burnished Japan's reputation by neglect. Consumers are caught in a syllogism: Japan makes high-quality, well-designed products; products such as those from LG and Samsung are high quality and well designed; therefore those products must be Japanese.

The solution must surely lie in solving the conundrum that tugged at Griffis back in 1882 as he observed all the threads of Korean influence around him in Japan and wondered why Japan had blossomed while Korea had not. The South Korean national brand must no longer be satisfied ghostwriting great design; it must emerge as a story of the world's best industrial design, most creative fashion design, and even most innovative cinematic design as told by the designers themselves. ○