



The Israel Brand

Nation Marketing under Constant Conflict

Romney Hassman



TEL AVIV UNIVERSITY
Gershon Gordon Faculty of Social Sciences
Harold Hartog School of Government and Policy

Policy Paper

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Rommey Hassman

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To contact the author and copyright holder:

rhassman@gmail.com

To view other publications by the author:

<http://schoolofstrategy.blogspot.com>

Graphic design: **Tali Niv-Dolinsky**

Hebrew language editing: **Orit Zelinger-Ozen**

English translation: **Marsha Weinstein**

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A Note from the Head of the Hartog School

Recent surveys show that Israel's image in the world is worsening. Although the young state, celebrating its 60th anniversary this year, has come a long way since its establishment, Israel's image in the world is declining.

The question troubling officials in government, academia, and the media is what practical tools are needed to manage a country's image. In recent years, nations have used new tools to "brand" their countries. Are branding tools the right ones to change world public opinion about the State of Israel, given that it is a state involved in an ongoing conflict?

In this paper, Rommey Hassman argues that a specific integrative model, namely, the competitive hierarchy of nations' model, is the suitable branding tool for Israel. This model constitutes an interdisciplinary tool that integrates strategic management, marketing, and branding approaches with diplomatic and ideological doctrines.

The proposed nation brand is based on the notion of *tikkun olam* which posits the ethical and moral responsibility of the Jewish people to the world. It assumes that the State of Israel can improve its image by emphasizing the work it is doing in the field of humanitarian assistance and development, while, at the same time, strengthening its contribution to the developing world.

This paper is published by the Hartog School as part of our *Tikkun Olam* project that encompasses research in public diplomacy, soft power, the role of the State of Israel in development and humanitarian assistance, and the Jewish people's responsibility to the world. It is my hope that this publication will be helpful to academics and policymakers alike.

Prof. Neil Gandal

Head of the Hartog School
of Government and Policy

1. Abstract and Introduction

1.1 Abstract

At the dawn of the 21st century, with the technological revolution in communications at its zenith – a revolution that has enabled more than 20% of all humans to know in real time what is happening on the other side of the globe – many government authorities are involved in managing their nation’s image in world public opinion. A country’s image has a direct influence on its success in international competition, its ability to promote its economy and the welfare of its inhabitants, its policy maneuvers, and its promotion of ideas and ideologies. The need to manage the national image acquired pressing urgency in the United States following the terrorist attacks of September 11, 2001 and the declaration of war against international terrorism. In Israel, this need increased with the outbreak of the *Al-Aksa intifada*, and the doubt cast on the legitimacy of the existence of a Jewish national state.

The question troubling officials in government, academia, and the media is what practical tools are needed to manage a country’s image. In recent years, a new applied field has developed: that of “branding” a state. According to the school that favors nation branding, a government should manage its country’s image with the same tools used by business corporations. In the following analysis, the author of this paper will discuss the question: Are nation branding tools the right ones to change world public opinion about the State of Israel, which is in a constant state of conflict?

This strategic analysis was undertaken so as to present government policy makers with an integrative model and viable management tool. The model – the competitive hierarchy of nations’ model – is interdisciplinary, and integrates strategic management, marketing, and branding approaches with diplomatic and ideological doctrines; it is based on a psychological-political framework. The assumption underlying this model is that a country is an entity with needs, very much like a corporation or an individual. Assessment of a nation’s needs, either at the global level or in light of target markets, facilitates examination of strategies of action and guidelines. This paper also presents policy makers with a viable tool for formulating a strategy of nation branding: the nation brand identity model.

Interdisciplinary, strategic integration generated a negative answer to the fundamental question posed by this paper: that nation branding is a discrete, independent tool; all a country would have to do to improve its image would be to adopt the principles of this tool. Yet the author concludes that both public diplomacy and nation branding are apt tools, and that both should come under the rubric of a comprehensive strategic concept – that of nation marketing management.

The conclusion arising from analysis of the implications of this model for the State of Israel is that nation branding is suitable for Israel in specific situations only. In light of this conclusion, this paper discusses the strategy and marketing tools appropriate for each target market. It is the author's recommendation that, in each case, the brand-concept for the State of Israel be the outgrowth of strategic thinking, rather than being determined based on a collection of arbitrary events, information, experiences and encounters related to the State of Israel. The government of Israel must formulate a national brand that has global characteristics, whose components can be adapted to suit Israel's individual situation in each target nation.

The proposed nation brand (which should be examined in the appropriate research framework) unifies two narratives. The first is the narrative of the healer as a national hero. Presentation of the physician or medic, therapist or nurse emphasizes both scientific and technological progress and innovation geared to helping humanity as a whole and humanistic compassion. This narrative draws on the image of Israeli education and science. The second narrative in the proposed nation brand is that of friendship; this emphasizes Jewish mutual accountability and the value of human solidarity. These two narratives are unified in the narrative of *tikkun olam*, repairing the world. The concept of *tikkun olam*, repairing the world, which appears in the *Mishna*, in cabbalistic culture and throughout Jewish history, posits the ethical and moral responsibility of the Jewish people toward the world. This narrative emphasizes the commitment of the State of Israel and Diaspora Jewish communities to helping the nations and peoples of the world, contributing to them without compensation.

This paper recommends that the government of Israel market the nation by taking the following three main steps:

1. Establish a national communications council: This council would be established in the framework of the Prime Minister's Office, and would be headed by the government's chief spokesperson. It would administer and oversee a network of government spokespersons, coordinating their stand on policy, security, and economic and social issues.
2. Market the nation: To do this, the Ministry of Foreign Affairs would function as the international marketing arm of the State of Israel. In this capacity, it would coordinate the marketing of Israel, supervising international press secretaries and spokespersons, contact with foreign journalists and media, and monitoring the international media. The Ministry would also be responsible for all of Israel's embassies, consulates, missions and representatives throughout the world.
3. Establish a Communications Division within the Israel Defense Forces (IDF): This unit would coordinate an expanded IDF Spokesperson's Bureau, any units in the military dealing with research and consciousness design, the network of soldier-

spokespersons, and Israel Army Radio (*Galei Zahal*). In working with the foreign media, the IDF Spokesperson's Bureau would function as an implementing body, acting on the recommendations of the Ministry of Foreign Affairs and under the guidance of the national communications council.

Since it is not possible to simultaneously address all target markets, priorities will have to be set. This paper prioritizes nation marketing by country, based on a measure of the strength of relationship between each country and the State of Israel. Lastly, this paper discusses the budget for nation marketing, and recommends solutions.

1.2 Introduction and Foreword

1.2.1 Description of the Problem

The war in the Lebanese matrix. Late August 2006. Israel is roiling. Victory or defeat in Lebanon? A national commission of inquiry or a local commission of inquiry? Who is to blame for the mess, identified as a new public relations crisis (Gissin, 2006)¹: the government, or those "on the ground"? About six years ago, the outbreak of the *Al-Aksa indifada* clarified for the state's leaders and the IDF's commanders that 21st century wars would be fought on two fronts: in the field, and in the media (Hassman, 2000).² In 2002, during Operation Defensive Shield, at the height of a public relations crisis in which the State of Israel failed to convince the world of the rightness of its path, we devised a more progressive definition: according to it, wars are now waged in the real world and in the virtual world (Hassman, 2002-4/1).³ Hundreds of articles have since been written, dozens of conferences have been held, and it appears that the message has trickled down.

A turnaround in public opinion toward Israel. Under former Prime Minister Ariel Sharon, the country's leaders succeeded in turning the tide of world public opinion toward Israel (Prozor, 2006).⁴ Disengagement from the Gaza Strip had the wind at its back. Several things contributed to this, including the pronouncements of Iranian President Mahmoud Ahmadinejad, the volatile reactions in the Muslim world to caricatures of the Prophet Muhammad, and the victory of Hamas in Palestinian parliamentary elections. In a public opinion poll published by the American Pew Research Center in June 2006, 38% of the French reported identifying with the State of Israel (compared to 20% in 2004 and 19% in 2002), and 37% of Germans reported this (compared to 24% in both 2004 and 2002). The British public continued to maintain its adamant position neither in favor of nor against the State of Israel.⁵

And then Hezbollah surprised us. Midsummer 2006 saw the outbreak of the Second Lebanon War. Tempted, the IDF fell into the trap laid for it by Sheikh Hassan Nasrallah. Israel insisted on calling the Hezbollah a mere terrorist organization, even though it had long since become a full-fledged guerrilla army. Some might say these are only words; yet words filter into consciousness and lodge there. Modern history has shown that democratic regimes do not win wars against guerrilla armies that hide among civilian populations. Debate continued: Is the foreign media anti-Israel? Did they present an objective picture? Clearly, the media presents whatever photographs best: the most destruction, the most dead, the greatest ecological disaster, the loudest crying and screaming. Today, what counts in the world is the narrative – the story. A good story is constructed of a message, a conflict, protagonists and a plot (Simmons, 2001; Fog *et al.*, 2005).⁶ The winning story will always make the headlines. If Israel is shrewd enough to feed the foreign media a fascinating story, it will be covered.

The world is undergoing a revolution in communications. In today's world, at the height of the telecommunications revolution, there are no more secrets. What counts is what you see, hear and read. The real world is of secondary importance: it is merely the stage set for the virtual world. Life takes place in a matrix. That's where we meet. If, until now, there was some dispute as to which is more important – what happens in the real world or what happens in the virtual world – then the Second Lebanon War offered an innovative concept. It clarified, once and for all, what first became apparent when Al-Qaeda attacked the World Trade Center in New York City, and what has been confirmed by the war in Iraq. Twenty-first century wars are fought in the virtual world. The real world is just a set.

The IDF and the Israeli government are lashed by criticism. Many criticized how the IDF confronted the media. It took the IDF too long to get material to journalists. At the outset, the IDF was only concerned with the local (Israeli) media. Someone griped that the IDF's schedule did not match that of the media. Others blasted the Ministry of Foreign Affairs' media and public relations division.⁷ In essence, this enabled Hezbollah to deliver a fatal blow to Israel – in the virtual world.

Maybe the whole world *doesn't* hate Israel. Another opinion poll conducted by the Pew Research Center in the US before and after the war found that Americans were more supportive of Israel at the end of the war than they had been before it (52% versus 44%, respectively). Forty-two percent of respondents blamed the outbreak of violence on Hezbollah, and 44% of them thought that Israel's response had been the right one. Forty percent of respondents thought the American government should support Israel,

and 61% of them said they thought media reports were fair. However, responsibility for civilian deaths was placed only slightly more on Hezbollah (29%) than on Israel (21%).⁸ Not bad results, for a “media fiasco”.

In Europe, though, it’s a different story. Support for Israel was lower to begin with, and the virtual Lebanon War led to sharp conclusions. In a survey conducted for the London *Daily Telegraph* by the YouGov Institute, 63% of British respondents agreed with the statement that “Israel’s response to the kidnapping of its soldiers was disproportionate”. Fifty-nine percent of them claimed that Israel had not done all it could have to prevent the deaths of civilians.⁹ Yet in the same breath, 53% of Britons said their government should be taking a more aggressive stance against the threat of Islamic terror.¹⁰ The European and British left, which had been none too fond of Israel beforehand, became even less enamored of Israel during the war. In Canada, too, the situation was not encouraging. In a survey conducted for the Toronto *Globe and Mail* by the Strategic Council, 77% of Canadians felt their government should remain neutral in the conflict, and 45% of them objected to Prime Minister Harper’s declaration of support for Israel.¹¹

In other words, the State of Israel enjoys overwhelming support in the US, thanks primarily to the work of the Israeli-Jewish lobby, the multitude of non-government organizations (NGOs), and the support of neo-conservatives and the evangelical Christian right. At the same time, Israel faces severe opposition from the European liberal-intellectual left. In this context, it is interesting to ponder how, despite fundamentally conflicting world views, western human rights organizations live peaceably with radical Islamic organizations that call for imposing the strictest *shari’a* (Islamic religious law).

What can we conclude? It is important to reiterate: As of the 21st century, wars are waged in the virtual world. What counts is what photographs best. The story’s the thing. The IDF is a protagonist in a TV drama, and if it won’t listen to the scriptwriters, producers and directors, it will flop, again and again. The IDF must be a tough hero who can overcome obstacles, maintain his humanity – and win in the end. Only superstars can both act and direct this show. It seems the IDF’s commanders have yet to live up to this standard.

The show should be directed by the prime minister, in his capacity as commander-in-chief of two fighting forces: the Israel Defense Forces, which is the expert in the real field, and the Israel Communication Forces, which must be the expert in the virtual field. The right player for this second part is the Ministry of Foreign Affairs, to which the government of Israel must allocate personnel and budgetary resources worthy of the matrix. The question is: who will be the Israeli Neo?

1.2.2 The Global Media Revolution

The current communications or media revolution is creating a need for an in-depth discussion of public diplomacy and nation branding. In 2004, there were 1.5 billion people on the planet who had a mobile telephone subscription (other estimates place the number at 1.75 billion).¹² Experts have estimated that as of 2006, there were some 2 billion mobile phone owners in the world.¹³ In 2006, the forecasted number of internet subscribers was 1.018 billion persons – or more, according to alternative reports. The internet’s penetration is estimated to be 15.7% of the globe’s inhabitants (6.5 billion persons).¹⁴ About 1.1 billion of the world’s households have a television set; of them, some 400 million subscribe to a cable or satellite network.¹⁵ If we multiply¹⁶ the number of persons per household by 3.84, we find that 1.54 billion individuals subscribe to cable or satellite television.

What these data mean is that, at any given moment, and in real time, more than 20% of the world’s population can know what’s happening on the other side of the globe. The essence of the media revolution is the speed at which information is transmitted among people. The variety of channels of communication makes it difficult for governments or institutions to control or manage the transmission of information.

1.2.3 Nation Branding as a Model of Managing the National Image

In light of this revolution, Israel’s image in the world has a key impact on its economy – including the success of its industrial and agricultural exports, tourism, international investments, international credit rating, and global capital markets – and its political situation.

What is branding? Branding is a management tool, which businesses use to manage their network of connections in the internal and external organizational environments. It would be erroneous to state that branding begins and ends with a name, a logo, a slogan or TV commercials. Rather, it is a complex, structured process that not only manipulates the characteristics of a business’s image, but also is essential to its process of strategic planning. To illustrate: when a large corporate entity is sold among investors, it is priced not only based on its actual assets, but also based on its brand value. An outstanding example of this is the 2005 sale of Gillette to Proctor and Gamble for the sum of \$57 billion.¹⁷

Why brand a nation? The theory of branding is no longer the sole province of inventors and marketers of consumer goods and services. Branding theory has been inculcated into the world of sports (e.g., the NBA, Michael Jordan, David Beckham); cinema (“The Matrix” and “The Lord of the Rings” film series, Tom Cruise); literature (the “Harry

Potter" books); music (Madonna, Britney Spears); politics (Bill Clinton, Tony Blair); and social action (Greenpeace, the struggle to save the planet's environment). No field has *not* been penetrated by branding. In recent years, the idea of branding has also filtered into the management of nations. For example, the US is very concerned about its image in the Muslim world – especially how a problematic image might be impeding the US government's global war on terror. Many other countries, as well, are beginning to think seriously about this issue.

Is branding Israel the right thing to do? Many will claim that the State of Israel cannot be managed as a brand – chiefly those on the radical left. They will say that Israel's image will not change until it engages in an appropriate political process involving concessions. In contrast, those on the radical right may say: "What do we care what the *goyim* (non-Jews) think? – we must keep faith with our heritage". Yet even a storm-tossed ship needs someone to man the helm and prevent shipwreck. Even in time of media crisis, even when there is protracted political conflict, optimal management can ameliorate outcomes. A well-managed crisis does not make headlines.

What can we learn from nation branding? According to researchers, support and preference for a nation brand can be measured by six parameters: (1) a country's attractiveness as a tourist destination; (2) the perceived quality of its industrial exports; (3) the image of its government and administration; (4) its ability to attract investments and immigrants; (5) its culture and heritage; and (6) the overseas image of its inhabitants.

What can we assume about the Israel brand? Israel has never been considered an attractive tourist destination. Even in the 1990s, a time of record tourist entries, fewer tourists than expected came from the country's natural market share of global tourism. Israel was unsuccessful in competing against neighboring countries like Greece, Turkey, Egypt and Tunisia. There was nothing unique about Israel's tourist brand, despite the country's wealth of natural assets: the Dead Sea, the Mediterranean shore, archaeological and historic sites. To illustrate, over the years, Eilat has learned to market itself abroad as if it were unrelated to Israel. Israel's hotels have always been too expensive. Taxi drivers are rude to foreigners. Tight border controls and painstaking, comprehensive security checks are a deterrent. When people hear "Israel", they think of Jerusalem and its golden Dome of the Rock. Ironically, of course, the Mosque of Omar is not part of Israel's heritage.

Once upon a time, Jaffa oranges were Israel's prime agricultural export; today, young people abroad may never have heard of them. Foreigners know little about Israeli industry, although the country's hi-tech sector has emitted a few sparks of brilliance. However,

many hi-tech companies have wisely dissociated themselves from Israel's problematic image, as witnessed by their names – which are not in Hebrew. Some of those that are about to be traded on NASDAQ have even relocated beyond Israel's borders.

Israel's government administration receives an ever-increasing number of bad headlines. Clearly, the Palestinians and the Arab states have succeeded in equating Zionism with racism, showing the Israeli tank looming over the Palestinian child, describing the IDF as an occupying army and, most recently, portraying Israel as an apartheid state. These depictions have penetrated the world's consciousness. Even being the only democracy in the Middle East no longer stands to Israel's credit. The assets ascribed to Israel at its establishment seem to have vanished. Disengagement from the Gaza Strip aroused the expectation that Israel's international image would improve. However, as marketing research has shown, negative messages are far more potent than positive ones (Mittal *et al.*, 1998; Standifird, 2001).¹⁸

Israel does not easily attract foreign investments, because international experts assume that a country at the mercy of terrorist attacks and security problems is not a good bet for investors seeking a safe haven for their money. Moreover, especially in the hi-tech sector, Israel faces tough competition for investments from India, whose highly professional engineers can be paid comparatively low salaries.

Furthermore, no real effort has been made to promote Israeli cinema, theater, literature, music, dance or art. Israel's sports successes have been limited. Neither has it broken any boundaries in culinary arts or fashion.

As for Israel's residents, the *sabra's* image as being “prickly on the outside and soft on the inside” is not much help. Moreover, it is usually the “ugly Israeli” who is encountered abroad. Lastly, the image of the Israeli soldier – applicable to almost everyone, given Israel's citizens' army – is hardly pristine (Hassman, 2005-7).¹⁹

1.2.4 The Study Question

This strategic analysis hypothesized that, over the past 20 years, international public opinion of Israel has been eroded. This process began with a change in the original national narrative, according to which Israel arose like a phoenix from the ashes of the European Holocaust. The survivors of that conflagration gathered in the Land of Israel to make the desert bloom, fighting a sea of Arabs against all odds. It was a modern tale of David and Goliath, epitomized by the movie “Exodus”. Following the Six Day War of 1967, the story changed, only to change again following the defeat of “David” in the 1973 Yom Kippur War, and to change yet again when David and Goliath exchanged roles in the 1982 Lebanon War. Now it was the smaller country that had one of the strongest armies in the world, that had driven another people from its homeland, which was imposing a protracted state of oppression. What had once been a war between “little

Israel” and 22 Arab nations, now seemed to be a war between an aggressive Israeli army and a nation of Palestinian refugees. The fulcrum of the national narrative had shifted from the People of Israel to the Palestinian people.

This has in turn eroded Israel’s ability to meet its fundamental national goals. Moreover, this change in narratives may constitute an existential threat, given increasing doubt in the west, especially among the intelligentsia, about the legitimacy of a Jewish national state (Sussman, 2004).²⁰ We cannot ignore this change in narrative and the concomitant doubts it raises, in light of globalization, the media revolution and, at the start of the 21st century, the raging debate over which takes primacy: the virtual world or the real one.

This paper will attempt to respond to several questions. The first of these is: Is nation branding the right tool to change world opinion toward the State of Israel, which is in a state of constant conflict? Given an affirmative answer to this first question, the second question will be: What are the strategic characteristics of the nation brand? (An attempt will be made to present a universal model.) The third question will be: How can government policy makers apply this strategic tool? Undoubtedly, the initial stages of this process will be complex. This paper will be the first in a series, which aims to clarify this process.

1.2.5 Methodology

In order to receive an up-to-date picture of Israel’s image, as well as of the nature of international discourse about Israel, we used the search engine Google News to collect articles published on the internet during the 14-month period between 17 February 2005 and 18 April 2006. Specifically, we registered for Google Alerts, which notified us by e-mail any time a new item was published on our chosen topic (articles in which the word “Israel” appeared). We received a total of 355 search pages, each of which contained 10 leading items (that is, those items with the largest number of “hits”, or readers); we thus received a total of 3,550 items. Each item contained links to additional items on the same topic (between two and 2,000 for each headline). In addition, we collected items between May and November 2006, as well as key items published prior to the start of our search in February 2005. The goal of this examination was to receive a qualitative picture of how Israel is presented in the English-language global media. We conducted an in-depth analysis of 270 headline items – about 7% of all of the items sampled from the internet, which were chosen for their relevance to the content of this paper (that is, their concern with Israel’s image in the world). Also using the Google News search engine, we examined the presence on the internet of associated concepts and words, with the aim of assessing their potential influence on the consciousness of the global web surfer.

Using an identical format, we collected all of the articles and studies in which the terms “nation branding” and “public diplomacy” appeared, or which discussed the issue of image in world public opinion of Israel and of the US and its policies (we included comparative measure studies from economics and political science). Our aim was to ensure that this study had surveyed all the professional and mass media articles published on the issues at hand, and to formulate an events analyses and an interdisciplinary integration. In addition to collecting items on nation branding during the sampling period, we conducted a review of past literature on this topic, beginning in 2000. All of the relevant articles, studies, books, internet sites and movies (including documentaries, features, and advertisements, and 32 promotional tourism advertisements) have been cited. In addition, we reviewed an abstract of a series of real-time articles analyzing public relations crises in Israel at two points in time: during the outbreak of the *Al-Aksa intifada* in September 2000, and during Operation Defensive Shield in April 2002.

In addition, we conducted 37 interviews, conversations, discussions and/or seminars with senior officials in the Prime Minister’s Office, the Ministry of Foreign Affairs, the Ministry of Defense, the Ministry of Industry and Commerce, the Ministry of Tourism, and the Knesset, who specialize in nation marketing, public diplomacy, communications and media and/or public relations. We also interviewed senior commanders in the IDF, experts in public diplomacy and marketing communications from other countries, members of foreign diplomatic corps stationed in Israel, representatives of foreign organizations active in Israel, Israeli and foreign journalists, Israeli experts in economics from both the public and private sectors, Israeli researchers of political and military strategy, local professionals in advertising and tourism, and representatives of voluntary organizations engaged in promoting. In this paper we bring the major highlights of our research. The full volume of the research paper will be published in the future.

2. Strategic Discussion

2.1 Background and Assessment of the Situation

2.1.1 The Roots of the Problem

In the US and elsewhere, an increasing number of voices are being heard that censure the special relationship between the US and Israel (Todd, 2003: 113-118).²¹ These same voices are talking about a widening, deepening gap between the US and the Arab world;²² they claim that the US should present a more balanced position regarding the Israeli-Palestinian²³ conflict. Others claim that the Jews control the world through their representatives, demanding that others fight and die for them.²⁴ Such positions are being disseminated on university campuses, through symposia, seminars and conferences, and in anti-Israel feature and documentary films.²⁵ These detractors claim that Arabs see themselves on the news being humiliated and attacked, while fear-clenched women and children are flung into the streets.²⁶ Others disseminate anti-Israel attitudes at demonstrations against shows of solidarity with Israel, such as the Israel Independence Day celebration in Boston's municipal square. They protest support of Israel as the supposed support of racism, apartheid and genocide,²⁷ and attempt to sign cities up for "twin city sisterhoods" (e.g., Madison Wisconsin and Rafiah, Gaza Strip) (Fishman, 2004).²⁸

Israel has become a target for de-legitimization. Israel is accused of every ill in the Middle East. It is blamed for corrupting American foreign policy. Some claim that it is Israel's very existence, and not its behavior, that is the problem; that Zionism is a discriminatory ideology; that the idea of a Jewish state is anachronistic and has no place in the modern world. Israel is characterized not only as an unacceptable neighbor, but also as a foreign invader. For this, the US administration is meant to punish it: to pressure Israel to make more concessions, to reduce US economic and military aid to Israel. In contrast, experts state that abolishing Israel will not increase intra-Arab tolerance, or eradicate Arab dictatorships that rule based on the fear of secret police services. For example, Hamas has a far greater appetite than the Palestinian cause: it dreams of a pan-Arab state, indivisible under God. According to a United Nations report, Middle East unrest is the result of a dearth of freedom (autocratic regimes, faked elections, curtailed civil liberties and freedom of speech); insufficient education; and limited public participation in political life (Joffe, 2005).²⁹ Opponents of this approach accuse it of being tainted with a prejudicial anti-Arab tone (Klugy, 2005);³⁰ they see the origin of the Israeli-Palestinian debacle in a conflict between the Muslim and Christian worlds that is hundreds of years

old, and which has been expanded by imperialistic forces. The Israeli occupation as viewed on international television shows the suffering of the Palestinians, and focuses Arab resentment on Israel and the US (Levine, 2005),³¹ generating the belief that the proper solution to the Middle East conflict is to let Palestinian refugees return to their homes, end the Israeli occupation, and create a united, secular-democratic state for both Israelis and Palestinians on all of the territory of historic Palestine (Pappe, 2005).³² This perception has its roots in the intellectual left, which feels antipathy for nationalism and ethnic states; in the violation of human rights in the occupied territories, which has diminished support for Israel's legitimacy, especially in Europe; and in the Palestinian attempt to change the paradigm of the conflict, from the Algerian concept (struggle against a foreign occupier) to the South African concept (struggle for equal suffrage), which would result in the eradication of the State of Israel (Sussman, 2004).³³

The latest attack on the pro-Israel lobby (both Jewish and non-Jewish) in Washington, D.C. In an article published in a British academic monthly, two of the most notable political science researchers in the US – Professor Stephen Walt of Harvard University and Professor John Mearsheimer of the University of Chicago – claimed that the pro-Israel lobby played a decisive role in pushing the US toward war with Iraq and conflict with Iran. They claim the lobby works in two ways. The first involves pressuring Congress and the administration; the second involves ensuring positive exposure for Israel in the US media. They believe the lobby steers the administration in opposition to American interests. According to them, the pro-Israel lobby has hold of Congress; for years, it ensured the flow of \$140 billion to Israel. They claim the lobby raises money to fund political campaigns (data show that American Jews, who constitute 3% of the US population, have a 60% influence on funding sources for presidential candidates), controls leading research institutes and think tanks in Washington DC, that help formulate administration policy, and maintains a deceptive influence on the Israeli-Palestinian conflict (based on reports in the US media). In their eyes, Israel is no longer a strategic asset, but a strategic liability. It does not behave like a loyal ally. They claim that, unlike the US, where people enjoy equal rights regardless of race, religion or ethnic background, Israel was founded as a Jewish state in which eligibility for citizenship is based on blood ties (its establishment was accompanied by ethnic cleansing, assassinations, pogroms and rapes perpetrated by Jews). In light of this, it is clear to them that the 1.3 million Arab citizens of Israel are second-class citizens (Mearsheimer and Walt, 2006).³⁴

2.1.2 The 2006 Israeli Public Diplomacy Crisis: The Security Fence and the Second Lebanon War

Erection of a security fence on territory in the West Bank has created a tempest in the world. Israel's government claims that only 8% of West Bank territory will fall on the Israeli side of the fence, whose purpose is to prevent the incursion of terrorists. Moreover, the government stipulates that the fence will not constitute a permanent border (by creating a physical barrier to preliminarily address the demographic threat to Israel's Jewish identity), despite recent claims to the contrary.³⁵ In addition, Israel's government claims that Palestinian villagers located in the seam area will enjoy freedom of movement through a new system of permits. Those who oppose the fence, calling it the "apartheid wall", claim that it enables Israel to control between 44% and 47% of West Bank territory (inhabited by some 240,000 settlers and 2.5 million Palestinians), while preventing the creation of a contiguous Palestinian entity. They claim that villagers in the seam area cannot reach their lands, which are on the other side of the fence. Movement of the Palestinian population has been severely curtailed in areas where the fence has been erected (Moran, 2005).³⁶ The International Tribunal at The Hague declared the fence to be illegal, and UN experts harshly denounced it, asking the Israeli government to dismantle it and pay damages to Palestinians whose rights had been violated.³⁷

During the early days of the Second Lebanon War, Israel enjoyed the support of the international community (including the leaders of Egypt, Jordan and Saudi Arabia). No direct pressure was brought to bear on Israel to stop the offensive against the Hezbollah. The foreign ministers of G8 and European Union countries blamed Hezbollah for inciting the crisis (and pointed an accusatory finger at Syria and Iran). This was the result of the work of diplomats and a successful public diplomacy campaign.³⁸ But as the war continued and photographs were published of the destruction and the wounded in Lebanon, concern grew about harm to the region's economy (including a possible increase in oil prices). Other than in the US, the trend of international support reversed itself. Hezbollah and Nasrallah became superstars. The world called for an immediate halt to the fighting. In Israel, debate arose regarding a new public diplomacy crisis (the result, in part, of inaccurate reporting by the international media) (Gissin, 2006).³⁹ Although Israel scored a media success in the US, the Europeans were outraged. They criticized Israel, tended not to justify its reaction, accused it of committing war crimes, and taunted the IDF for its inability to subdue Hezbollah's fighters. At the same time, the Europeans blamed both sides for the outbreak of fighting.⁴⁰

A serious problem is posed by the Israeli government's limited investment in professional and public diplomacy. To illustrate: in 2005, NIS 1.342 billion was spent on diplomacy and NIS 45 million on public diplomacy, compared to a government budget of NIS 34.240 billion and \$2.3 billion of US aid, spent on defense acquisitions.⁴¹ In other

words, Israel spends \$0.04 on diplomacy and \$0.00125 on public diplomacy for every dollar it invests in defense.⁴²

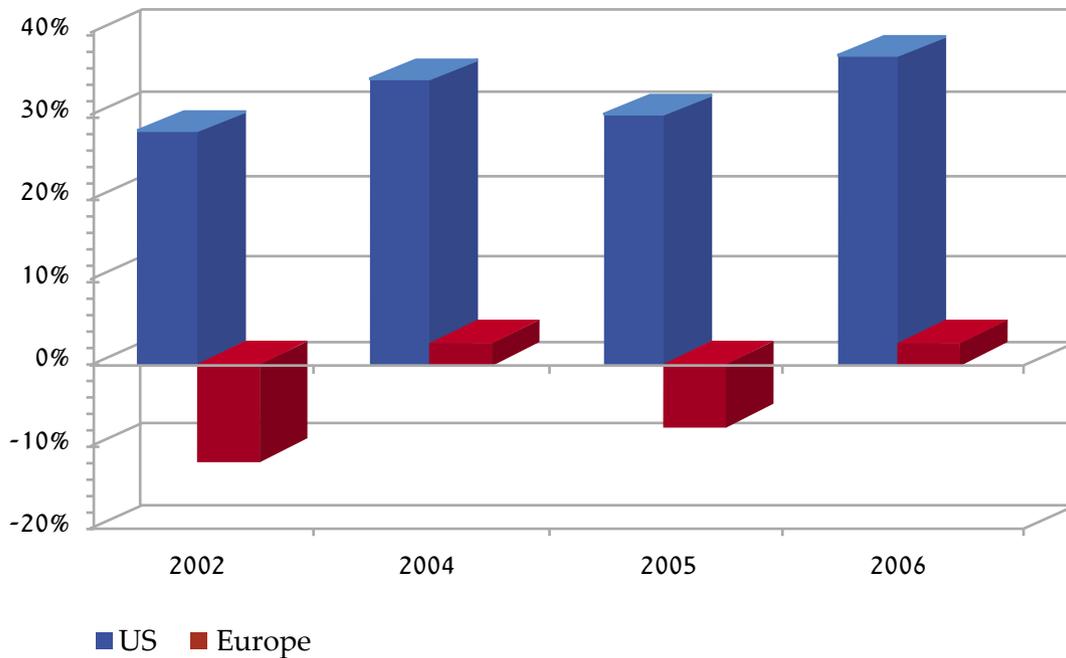
2.1.3 Summary of Key Opinion Polls about the State of Israel

Opinion polls conducted in the US and Europe by the Anti-Defamation League (ADL), the Pew Research Center, and the Gallup Institute reveal significant differences between the two continents in attitudes toward Israel and the Palestinians.

In the US, sympathy for Israel is notable, particularly among the young, those who are less educated, evangelical Christians,⁴³ and supporters of the Republican Party.⁴⁴

Support for Israel is lower among those who are educated, secular, and support the Democratic Party, although it has maintained a stable trend of increase during the past two decades.

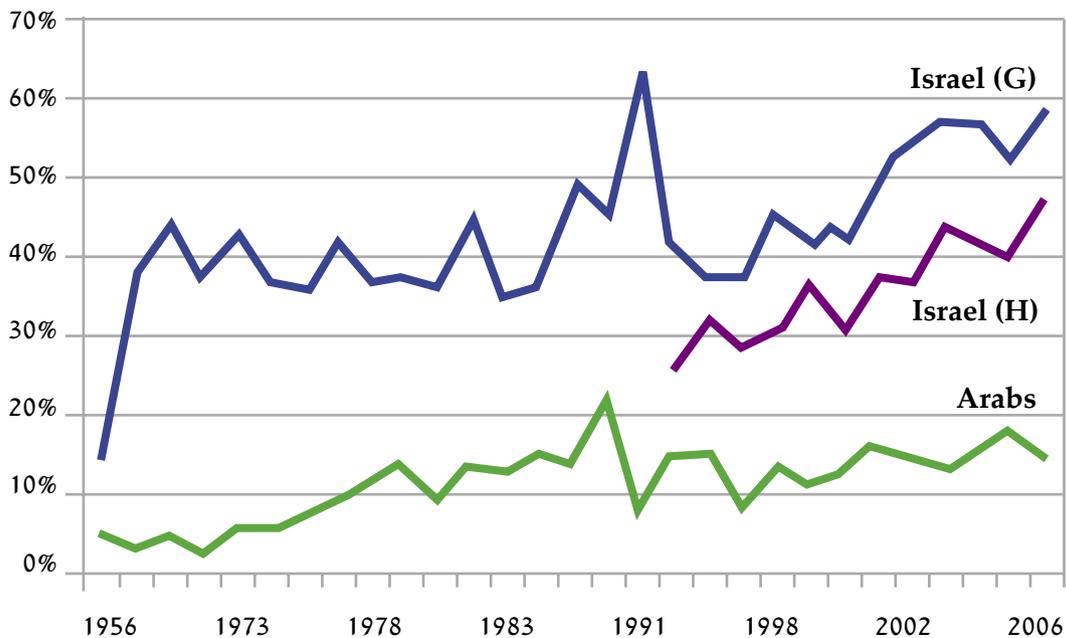
Graph 2.1.3.1 Differences in Support for Israel and the Palestinians



In Europe, sympathy for the Palestinians is notable, particularly among the educated. At the same time, it is worth noting that a very large group of respondents do not support either party to the conflict.⁴⁵ In France and Germany, support for Israel was on the rise, although this increase was stemmed and reversed following the Second Lebanon War. In Germany, support for the Palestinians was experiencing a slight downward trend. In France, support for the Palestinians was experiencing a mixed downward trend (including among the elite).⁴⁶ In Britain, support for the Palestinians was notably stable.

A longitudinal analysis conducted over the past 50 years revealed that Israel enjoys a high level of support among the American public, that this support is on the rise, and that it reached its apex during the First Gulf War. In comparison, Americans showed a low level of support for Arab countries and Palestinians in opinion polls conducted by the Gallup⁴⁷ and Harris⁴⁸ Institutes. Similarly, Israel receives a higher sympathy rating in the US, compared to 21 other countries (Jones, 2006).⁴⁹

Graph 2.1.3.2 Support for Israel and the Arabs in the US



The number one threat to the peace of the world. In 2003, the Gallup Institute conducted the Euro-Barometer Survey on behalf of the European Union, polling 7,515 respondents (500 respondents from 15 countries). It found that Israel is perceived as being the number one threat to the security of the world (and is considered a “rogue state”).⁵⁰

In 2005, the American advertising agency Young & Rubicam conducted market research in the US to determine the perceived essence of the Israel brand, using the brand asset valuator (BAV) model. Conducted among 9,000 respondents, the survey found that

Israel is more familiar than liked; this makes Israel irrelevant to the average American. In addition, Israel is associated with despised brands such as South Africa, China, India, Cuba, the police and the UN; it is not perceived as being innovative, fun, trendy or stylistically hip, and is thought to have a bad name. The persistent claims of Palestinians that Israel is an apartheid state have stuck. In other words, the problem is not a lack of knowledge about Israel, but rather a poor assessment of Israel (Sable, 2005).⁵¹

In 2005, The Israel Project Association (TIP) of Washington, D.C., through the Luntz-Maslansky Research Institute, conducted a study involving focus groups among 150 non-Jewish graduates of leading universities in the US. According to the study, the main threat to Israel in the US comes from the young, educated elite. This is not a new phenomenon. Even in past years, the elite expressed less support for Israel than did the general American population.⁵² The TIP survey revealed that elite opinion leaders formulated pro-Palestinian opinions during their university studies; that they lacked factual knowledge of the history of the Middle East; and that their attitudes were based on specious knowledge, which had no basis in reality. They reported that Israel could win the media war if it displayed an honest desire for peace, sent an optimistic and humane message (which would override the security message), and recognize the suffering of the average Palestinian. The researchers' summary conclusion was that it is unconvincing to sell Israel as a model of democracy, and uninteresting to sell it as a model of innovation (Luntz, 2005).⁵³

The Brand Israel Group (BIG) in the US, conducted a qualitative study through the research institute of Dr. Boaz Morad, which involved 10 focus groups in New Mexico, Missouri and New Jersey. The study found that Israel has serious image problems among Americans, who perceive it as being militaristic, macho, religious, intransigent, dangerous, anxiety-provoking, tense, unfriendly and no fun, without anything feminine, childlike, or soft, or any semblance of a normal social life. Israel as a home is described as being like a bunker, fortified, surrounded by a wall and lots of cement, its inhabitants locked in. The husband rules the roost; the wife is not home. No guests are invited in. Palestinians crowd the backyard. There is no grass or anything green (it's rocky terrain), and it is a desolate, isolated, depressing place. It is different from the US, but no different from its neighbors in the Middle East. Americans can't relate to it, and therefore could care less about it (BIG, 2005).⁵⁴

The nation brand measures: GMI-NBI-3/2006. In a survey of nation brand measures conducted during the third quarter of 2006 by the GMI Research Institute and researcher Simon Anholt, Israel received the unflattering designation of having the worst image of any country in the world. The survey examined the perceptions and attitudes of 25,903 respondents from 35 developed and developing countries toward 36 nation brands. Israel

was ranked among the last places, and sometimes in last place, on most parameters. This was not due to lack of familiarity, as Israel is one of the more famous countries in the world. Israel received the lowest scores on government characteristics, as well as on its attractiveness as a tourist destination. When asked, “To what extent do you agree with the statement that the country has made a significant contribution to scientific and technological innovation?”, Israel received high scores (these were still comparatively low). The researchers concluded that a negative perception of Israel politically directly affected all other parameters (Hassman, 2006).⁵⁵

In 2006, the international research institute Ernst & Young was commissioned by the Israel Ministry of Tourism to study the promotion of Israel as a tourist destination in eight countries: the US, UK, Germany, France, Italy, Sweden, Russia and China. The researchers held 18 focus groups and interviewed 8,400 respondents, including 51 in-depth interviews with international tour operators in the eight target countries. They found Israel’s principal advantage lay in its culture and religious history, with Jerusalem as the center of attraction – not as a pilgrimage site, but as a place to tour. Another advantage of Israel was the variety of travel options despite its small size (Ernst & Young, 2006).⁵⁶

Visibility on the internet. For 30 days in March and April 2006 (12.3-12.4), we assessed the visibility or presence of the term “Israel” and related concepts in English-language news items published on the internet, using the search engine Google News. Words can be very important in formulating perceptions and attitudes about an issue, event or nation brand image discussed in global news reports. We found that the common term for terrorist organizations was “armed militants’ groups”, while common term for the State of Israel was the problematic, narrow, limiting and somewhat laconic “Jewish State”. This leads to characterization of Israel as a racist apartheid state. We found that Israel is mentioned in conjunction with the following at a rate of 10% or more: Palestinians (66%), peace (27%), war (21%), terror (17%), army (16%), death (13%), settlers/settlements (11%), Jewish State (10%), occupation (10%); with the following at a rate of 5%-10%: territories (8%), fence (8%), innovation/technology (8%), economics (7%); and with the following at a rate of less than 5%: investments (4%), immigration (3%), music (2.5%), ecology (2%), the Holy Land (2%), tourism (1.8%), apartheid/colonialism (1.5%), sports (1%), Zionism (0.8%), fun (0.8%), ethnic cleansing (0.4%).

2.1.4 Summary of Data on the Israeli Product: National Pride, Government, Tourism, Exports, and Investments

National pride. A study presented to then-President Moshe Katsav by the Institute for Strategy and Policy at the Herzliya Interdisciplinary Center in preparation for the Third Herzliya Conference in early 2006 found that only 77% of all Israelis were proud of their country. This rate is low, relative to that in other countries. The principal source of national pride is technological achievement (97%), followed by the performance of the defense system (86%). Israeli democracy received a lower rating (38%), as did the welfare state (22%).⁵⁷

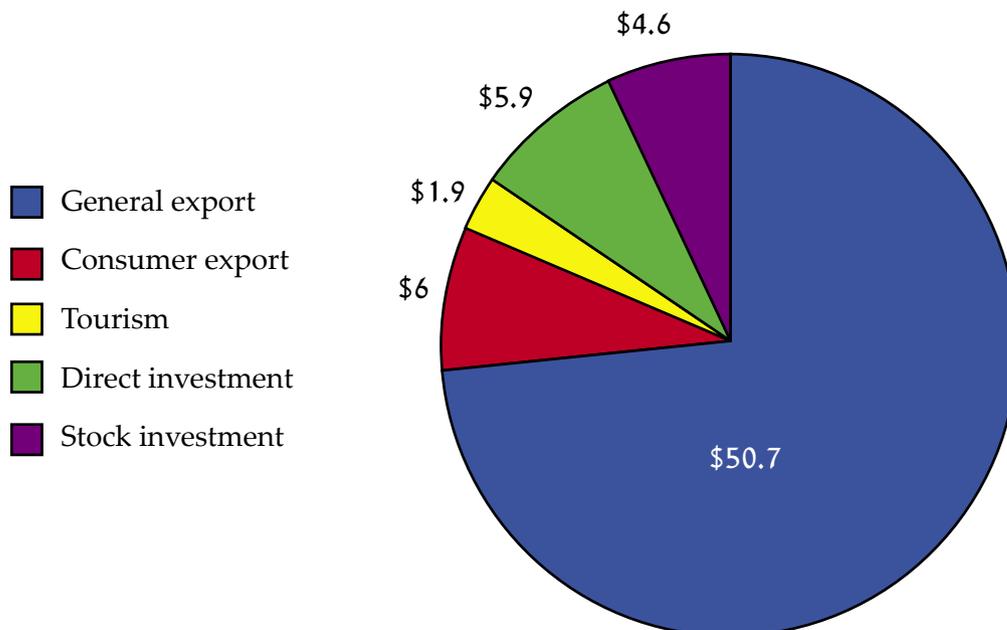
Government. The 2001 Knesset Index, which reflects public perceptions of the legislative body, revealed a worrisome picture. A significant gap was found between the public's expectations of a democratic regime and its satisfaction with democracy in Israel. The average summary score of the public's estimation of the situation in the country was 3.6 on a scale of 10 (that is, poor to very poor). Atmosphere and the mood in the country received the lowest rating, while the economic situation received the highest rating. "National security" explained the summary assessments more than other concepts (it should be noted that the index was compiled only a few months after the outbreak of the *Al-Aksa intifada*). Economic situation was the second explanatory factor, followed by the social situation. Much of the public felt that the Knesset was overly concerned with security. A positive correlation was found between assessment of the situation in the country and assessment of the Knesset as an institution. The summary measure of Israeli society was negative: 2.8 (the lowest score went to unity of the people – 1.7). Eighty-eight percent of the public were dissatisfied, 50% were embarrassed, and 55% did not trust the Knesset. Over the years, there appears to have been a decline in trust of the ruling establishment in Israel, as elsewhere. To illustrate, esteem for the Knesset dropped from 41% in 1995 to 14% in 2001; for the IDF from 90% in 1995 to 76% in 2001; for the Supreme Court from 85% in 1995 to 61% in 2001; for the government, from 40% in 1995 to 16% in 2001; and for the political parties from 21% in 1995 to 11% in 2001 (Bar-Ilan, Tzemach, Soffer and Pess, 2001).⁵⁸

Tourism. In 2005, 1.916 million tourists entered Israel,⁵⁹ bringing \$1.912 billion (2.8% of the GNFR [Gross National Foreign Revenues]) into the country.⁶⁰ The Ministry of Tourism's budget was cut from NIS 548 million in 2000 to NIS 196 million in 2005 (a 64% reduction), equal to 1.35% of the budgets of the Ministries of Industry and Commerce and Tourism together. Its marketing budget was cut from NIS 147 million in 2000 to NIS 41 million in 2005 (a 72% reduction).⁶¹ The number of ministry bureaus abroad was reduced from 17 to 12.⁶²

Exports. Of a total \$42.588 billion in gross export goods for 2005, only about 14% of all Israeli export products traded in monetary terms – in the amount of \$5.962 billion – were sold to the end consumer labeled “Made in Israel”. Of \$56.623 billion in export goods and services (exclusive of tourist services),⁶³ which constitute 82% of Israel’s GNFR, about 86% of the industrial product that reaches middlemen in the process of production is transparent to the end consumer. No one Israeli brand has a notable presence in the global market – a key component in the potential promotion of the nation brand (Anholt, 2005).⁶⁴ Nevertheless, Israel’s expenditure on research and development as percentage of GNP is among the highest in the world.⁶⁵ The 2005 budget of the Ministry of Industry and Commerce was equal to total actual expenditure: NIS 1.531 billion. Of this, NIS 34 million was allocated to promoting foreign trade.⁶⁶

Investments. In 2005, the scope of investments by foreign residents in Israel was \$10.487 billion (15.2% of the GNFR). Of this, \$5.869 billion was in direct investments (establishing new businesses), and \$4.618 billion was in purchase of an existing business (transfer of stock holdings). About 56% of investments by foreign residents represented an addition to the output of the Israeli economy (production, employment). On the other hand, the scope of investment of Israelis in foreign countries totaled \$15.678 billion. The negative difference in the flow of investments abroad was \$5.191 billion. In the first quarter of 2006, investments by foreign residents in Israel jumped to \$11.955 billion.⁶⁷

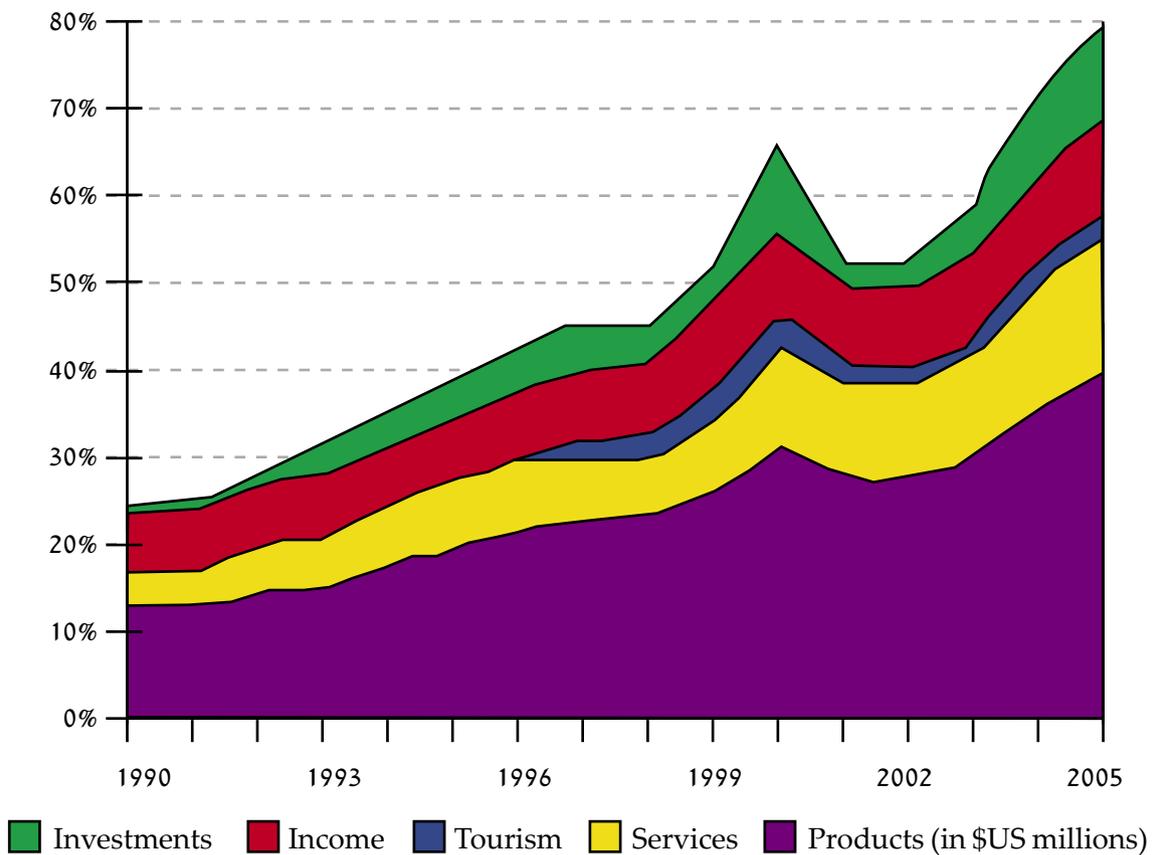
Graph 2.1.4.1 Breakdown of Israeli Product Income



In 2005, Israel's GNFR was \$69.02 billion (not including income and transfer payments). The budget for government ministries that actively promote Israeli products abroad (the Ministry of Industry and Commerce, and the Ministry of Tourism) was NIS 1.727 billion (0.54% of income). The total investment in international marketing was NIS 75 million (0.02% of income), and included running 51 economic representative offices abroad.

The GNFR (export of products, services, tourism, income [including transfers] and investments) increased in the 1990s at an annual average rate of 11% (which is very rapid), dropped in 2001-2002, spiked again in 2004 by 9% over the level it had been in 2000, and again in 2005 by 11%. The most significant growth during this time was in the investments by foreign residents.⁶⁸

Graph 2.1.4.2 Time Analysis of Israeli Gross National Foreign Revenues



A comparative analysis of product indices reveals that exports are least sensitive to security events. In contrast, the tourism market (incoming tourism) indicates oversensitivity in the downward direction (that is, it crashes quickly and recovers slowly), with investments sensitive to an extreme degree in both directions (that is, they crash and recover quickly).

Graph 2.1.4.3 Comparative Time Analysis of the Israel GNFR Index



Israel has managed to develop a competitive advantage and national pride in one sphere: information and communications technologies (ICT). In many cases, its success is due to the use of experience and knowledge from the military sector in the civilian sector, particularly expertise in solving problems. In addition, international professionals and experts give the Israeli economy high marks (even taking into account the *Al-Aksa intifada*, and the bursting of the hi-tech bubble at the start of the millennium, with its attendant recession).⁶⁹ Despite this, Israel's economy is not active in international consumer markets. In tourism, Israel has not provided significant competition, which would have facilitated unique brand positioning. The Israel brand does not exist in the global-consumer exports market, and is invisible to the end consumer. Economic entities from other countries often seek Israeli producers for lack of choice (i.e. they would have preferred working with another country, for political reasons).⁷⁰

2.2 Discussion: Examining Policy Options

2.2.1 Interdisciplinary Integration: Public Diplomacy and Nation Branding

As part of the recent international strategic interdisciplinary discussion of the theories of nation branding⁷¹ and public diplomacy (Tuch, 1990: p. 3),⁷² an attempt has been made to integrate two seemingly unrelated disciplines: political science, and marketing (Lebedenko, 2004).⁷³ On one hand, government studies and international relations delve into the science of diplomacy (Kissinger, 1995).⁷⁴ On the other hand, marketing studies delve into the fields of marketing communications (Kotler, 2003),⁷⁵ global marketing and advertising (Keegan, 1989; De Mooij and Keegan, 1991),⁷⁶ current theories of branding (Aaker, 1996),⁷⁷ and theories of crisis management (Caponigro, 2000: p. 16).⁷⁸ They strive to find a competitive advantage for a country, within the framework of the global economy (Porter, 1990).⁷⁹ Some define government communications activities as propaganda (Chomsky, 2002),⁸⁰ but this definition has been rejected as having a negative connotation, or as being media “spin” (Press, 2001).⁸¹

A review of the literature reveals that in the US, the public and academic debate are emphasized, as is perfecting the tools of public diplomacy. In Europe, in contrast, the development of nation branding tools and skills is emphasized. Clearly, there is a real need for interdisciplinary integration (Papadopoulos, 2004).⁸²

2.2.2 Managing Public Diplomacy

Public diplomacy approaches the residents of a target country directly, rather than through the filter of local government. It involves formulating a media message and choosing channels of communication appropriate to transmitting that message. It promotes the national interest by informing and influencing foreign communities (the elite, intelligentsia, and the broader public) throughout the world.⁸³ Similarly, public diplomacy expands the dialogue (a conversation, not a monologue) between a nation’s citizens and institutions, and their peers in other countries.⁸⁴ It involves establishing relationships and understanding the culture and needs of communities (Leonard, 2002),⁸⁵ either through fast media – the press, radio, television, internet and global-government communications services – and/or through slow media – promoting cultural, educational and scientific exchanges, translation and dissemination of books, organization of art exhibitions, provision of scholarships, identification of potential young leaders, whom it then invites to seminars in the home country (Critchlow, 2003),⁸⁶ providing information to journalists in real time, and presenting the prevailing and dissenting opinions in the home country.⁸⁷

Public diplomacy must be guided by doctrine and long-term strategy if it is to succeed. Its main problem is its tendency to clash with the typical organizational culture of the home country's foreign ministry, defense ministry, and government (Johnson *et al.*, 2005).⁸⁸ It is no less important to national security than are army maneuvers. Usually, it is invisible: when it succeeds no one notices it, but when it fails, its absence is palpable.⁸⁹ Those involved in public diplomacy must meet four requirements, acquired through education, training, and/or experience: in-depth familiarity with the history of their nation's institutions and culture; true understanding of the policy they are meant to promote; familiarity with the civil traditions, culture and psychology of the target nations; and an ability to express themselves well in the media (Tuch, 1990: pp. 13, 39, 116).⁹⁰

2.2.3 Ideological Trends in Israeli Public Diplomacy

In recent years, two leading schools have developed in the management of public diplomacy in the government of Israel. The first holds that it is impossible to ignore the Israeli-Palestinian conflict. Its immediate media goal is to present the conflict to the world in an alternate way (this school of thought is led in the US by The Israel Project in Washington, D.C.). The second, which is headed by the Division of Media and Public Affairs of the Ministry of Foreign Affairs (and in the US by Israel21c, based in Silicon Valley in California),⁹¹ wishes to see Israel beyond the conflict, to reduce the number of items about the conflict in the world media and increase the number of positive, alternative stories about Israel. This approach would abandon what it sees as the apologetic term "*hasbara*" (akin to public relations), making a transition to a more progressive era of public diplomacy (Meir, 2005).⁹² This school considered branding Israel, established a team of professionals from the local advertising sector (under the auspices of the Israel Advertising Association) that cooperated with a parallel team established in the US (Brand Israel Group (BIG)).⁹³ In 2005, the chief executive directors from the Prime Minister's Office and the Ministries of Finance and Foreign Affairs gave nation branding their blessing. In October 2006, at a Brand Israel Conference organized by the Division of Media and Public Affairs of the Ministry of Foreign Affairs in cooperation with the Israel Advertising Association, Minister of Foreign Affairs Zipi Livni made a commitment, on behalf of the government, to allocate budgets, tools, and ministerial jurisdiction to nation branding. This move won support, but also drew criticism in the Israeli and international press.⁹⁴

One approach recommends drawing on the Israeli skills of development, science and initiative in designing the new Israel brand, so as to reflect Israel's technological advancement and commitment to humanity (in the fields of medicine,⁹⁵ computer

programming and communications,⁹⁶ agro-technology, chemistry, and aerospace), This approach favors the headings, *Ventured in Israel* (Zimet, 2005),⁹⁷ *Created in Israel*⁹⁸ or *Imagined in Israel*.⁹⁹ Another suggestion is to use the joint soft power of Israel and the Jewish people in cooperative global humanitarian aid projects. This suggestion arises from the cabbalistic concept of *tikkun olam*, repairing the world (Fried, 2006).¹⁰⁰ Some of these approaches see nation branding as a potential tool of public diplomacy.¹⁰¹

An alternative approach is to abandon the cumbersome religious image of Israel, presenting the country as a modern, relevant and exciting (cool, hip, diverse) magnet for the young;¹⁰² this approach would emphasize cultural diplomacy, depicting Israel as a culturally current, if not *avant-garde*, pluralistic unique country with characteristics that are not necessarily or not only Jewish. It would promote Israeli literature, music, dance, cinema, art, cooking, science and technology, architecture and history (neither pioneers dancing the *hora* and singing “*Hava Nagila*” nor beaches nor Holy Land), and would target opinion and culture leaders, especially in Europe.¹⁰³

Some experts recommend emphasizing Israel’s successes, such as the economic and financial reform instituted during Benjamin Netanyahu’s term as Minister of Finance;¹⁰⁴ the large number of patents per capita; the high-quality research; and the large number of scientific publications per capita (Israeli studies in computer science, chemistry, biology, biochemistry, physics, economics, business administration, mathematics, psychology and psychiatry are often quoted outside Israel). Others suggest stressing that 22% of all Nobel Prize recipients have been Jews, although Jews are only 0.4% of the world’s population (it should be noted that only eight of the 167 Jews who received the prize were Israelis).¹⁰⁵ However, these suggestions reflect a statistic extrapolation of data rather than an absolute advantage; their message would be difficult to transmit to a world saturated with media messages.

Moreover, these approaches are problematic because it is hard to sell “good news”; “bad news” gets much greater exposure. Broadcast times and media surfaces are limited. World news networks prefer whatever is current, fascinating, interesting. Nothing is more forceful than conflict. It is unlikely that there will be room to report on the conflict – and on alternative, positive items. A news item is chosen (based on the storytelling approach) if it is relevant, sensational, current, full of conflict, and easy to identify with (Fog *et al.*, 2005).¹⁰⁶ International media and communications actors make a fairly absolute distinction between Israeli politics and the Israeli economy. Good news is usually related to prior knowledge about a given place, so it is very difficult to transmit a message that is new or different from this prior knowledge. All one can do is market reality; in order to change the message, it is necessary to create an alternate reality. Media actors do not examine reasons, they examine outcomes – that is, what the eye sees and the ear hears. The message of a moral military cannot overcome opposing reports from the battlefield.

In international consciousness, Israel's militaristic image is its most potent attribute. It is therefore extremely challenging to transmit a message about Israel that is unrelated to the conflict.¹⁰⁷

According to senior staff in Israel's tourism industry, every national-security incident directly affects the attention and openness of tourism leaders from other countries. They feel it is necessary to use professional media crisis management tools to intercept negative images and modulate those images that are broadcast or published, in addition to promoting a positive image of Israel.¹⁰⁸

2.2.4 The Theory of Political Marketing: A Strategic Discussion

The starting point for a strategic discussion of political marketing is the model of diplomatic management developed by Professor John Nye of the Kennedy School of Government at Harvard University (Nye, 2004).¹⁰⁹ Nye's model assumes that government policy makers have two options for managing their country's relations with its neighbors, allies, and enemies. The first of these is based on the tools of either military or economic *hard power*. The behavior that suits this option might be deemed "bullying". Militarily, this means imposing a balance of fear and using an offensive defense; economically, this means imposing fines and economic sanctions. The policy tools of hard power are military tools – such as hard diplomacy, war, coercion – and economic tools – such as providing aid, bribery, and economic punishments. The second option is based on the tools of *soft power*. The behaviors that suit this option involves drawing others to your position and presenting an agenda for discussion. National values, culture, cooperation, and international institutions are used to accomplish this. The policy tools of soft power are public diplomacy, and bi- or multilateral cooperative diplomacy. This model is easy for the public decision maker to follow, because it presents him or her with three working options: hard power, soft power, or a combination of the two. Nye's model was a breakthrough in managerial-political thinking. However, it does not resolve all possible and existing situations arising in the course of relations among national entities.

This claim is based on the comprehensive, historic documentation of Professor Henry Kissinger, also of the Kennedy School of Government at Harvard University, who analyzed the development of the theory of modern diplomacy (Kissinger, 1995).¹¹⁰ Kissinger's analysis presented seven leading doctrines, which were being used by policy makers during the modern era. The first four of these may be classified as implementations of hard power.

The first of these is the (European) doctrine of *raison d'etat*, the good of the state, conceived by Cardinal Richelieu (Armand Jean du Plessis), chief minister to Louis XIII of France. According to this doctrine, the state takes precedence over all, and all means are

valid for realizing its primacy. The second of these is the practical political (European) doctrine of *Realpolitik*, which was conceived by Otto von Bismarck of Prussia (Germany). It required adopting the law of the jungle in relations among nations – in other words, survival of the fittest, with the lion ruling the universe and all others bending to his authority. The third (American) doctrine is that of being the world’s policeman, conceived by the late President Woodrow Wilson. It involves using the American way of life – that is, democracy, freedom, and social justice – and an example and guideline for the nations of the world. It was this doctrine that gave the US the right to oversee the machinations of the world and preserve equilibrium among nations. The fourth (American) doctrine is that of containment; it integrates the previous European and American doctrines. Containment aspired to preserve the balance of power between the forces of light (the US and its allies) and the forces of darkness (the former USSR and other Communist countries), while taking responsibility for policing the world, not always on a firm basis of *Realpolitik*.

The fifth (American) doctrine, which is conceptually based on the ideas of former President Woodrow Wilson, was fashioned by former President Bill Clinton and may be called “the doctrine of promotion”. It holds that the aim of the US is to disseminate democracy, freedom, and human rights to the nations of the world. Unlike being the world’s policeman, the doctrine of promotion holds that this should be reached through soft power – that is, attraction rather than threats.

Kissinger presents two additional doctrines, which are difficult to classify as either soft or hard power. The sixth (European) doctrine is that of the balance of power; it is based on the philosophy that the world functions in balance. Its guiding principle – live and let live – leads to good neighborly, friendly relations among people, whether they live in a tribal framework, in villages, in cities or in nations. The seventh (American) doctrine is that of isolationism, promulgated by former President James Monroe. It reflected the disdain people of the New World felt for the Old World and all it stood for. They wished to divorce themselves from what they felt was unworthy – such as power struggles among European tyrants – focusing instead on what they deemed worthy – such as progress, enlightenment, development, and the push westward across the American continent. The principle behind this doctrine was to avoid becoming embroiled in a crisis or entangled in the fighting of others. Both the balance of power and isolationism place the US in the global balcony where it is safe from having to go to war or otherwise employ the tools of hard power. On the other hand, neither does the US have cause or interest to promote its way of life or perceptions among the nations of the world through the attractive tools of soft power.

This paradox begs the question: Isn’t a dichotomous model of nation management tools, which classifies them as belonging either to soft or hard power, limiting, in the

framework of this strategic discussion? Even according to the balance of power and isolationism, all parties are aware of the existence of the state’s power, though this does not receive any actual expression in threats, wars, sanctions or a an ideological crusade. It thus seems necessary to expand the dichotomous model to include a third type of power, which we may call “backyard power”. Now the policy maker has three types of power at his disposal, each of which is based on a number of doctrines. Backyard power is based on the balance of power and isolationism; hard power is based on *raison d’etat*, *Realpolitik*, being the world’s policeman, and containment; and soft power is based on promotion. Each type of power also has tools: backyard power has disengagement; hard power has threats, sanctions, war, and unilateral decisions; and soft power has bi- or multilateral public diplomacy, international organizations and international aid. Each of these types of power is founded on a clear ideological basis: backyard power on separatism, hard power on nationalism, and soft power on idealism.¹¹¹

Table 2.2.4.1 Components of the Strategic Model: First Framework

Power	Needs	Ideology	Doctrine	Tools
Soft	acceptance	idealism	promotion	public diplomacy, bi- and multi-lateralism
Hard	security	nationalism	<i>raison d’etat</i> , <i>Realpolitik</i> , world policeman, containment	threats, sanctions, war, unilateralism
Backyard	existence	separatism	balance of power, isolationism	disengagement

The strategic discussion continues: by virtue of their being a collective of individuals who unite to realize and promote shared needs (through one of these types of power), nations, like people, have a hierarchy of needs and motivations (Maslow, 1954).¹¹² In backyard power, the principal need of the state is the existential need to survive (air, water, food, sex, sleep, and balance); all of its motives are geared toward meeting this need. In hard power, the principal need of the state is that of security (physical, employment, resources, moral, family, health and property); when threatened, the state will defend its citizens. In soft power, the principal need of the state is the need for acceptance and belonging (friends and family); it aspires to belong to the family of nations, and strives to fulfill this aspiration through self-promotion, while proving it is worthy of belonging. According to Maslow’s model, there are two additional levels of need. The fourth of these

is the need for esteem (self-esteem, self-confidence, achievements, appreciation from the environment). Here the state needs not only a sense of belonging to the family of nations, but also to feel that its characteristics, advantages and achievements are valued. The fifth level of need in Maslow’s hierarchy is that of self-actualization or self-fulfillment (moral, creative, problem-solving without prejudice and acceptance of the facts). Once a state has met its needs for existence, security, acceptance and esteem, it will aspire to reach its full potential, materially and spiritually. This is the uppermost need of both individual and state.

In attempting to integrate the theory of nation branding with this model of types of power, the researcher again encounters a barrier. It is impossible to classify nation branding as backyard, hard or soft power. In backyard power, the nation has no interest in managing relationships with its neighbors or enemies, preferring instead disengagement and isolationism. In hard power, the nation would use tools (threats, sanctions, war and unilateralism) antithetical to managing a relationship with the public in the foreign country or promoting itself. Neither does soft power provide an adequate solution. In this instance, the nation – primarily through its government – would promote its ideas, values, culture and residents but not its national-economic product – export, tourism, investments and migration. Thus, to use nation branding tools, we will have to devise another type of power: brand power. In brand power, the principal need of the state is to earn the esteem of its allies and present its various and varied achievements (primarily, but not solely, economic achievements). The ideology behind this type of power is capitalism, and the doctrine is globalization.

Table 2.2.4.2 The Components of the Strategic Model: Second Framework

Power	Needs	Ideology	Doctrine	Tools
Brand	esteem	capitalism	globalization	nation branding: mindshare, emotional, viral, cultural, storytelling, national social responsibility (NSR)

The policy tools available to the nation brand manager in brand power, as classified by Professor Douglas Holt of the Said School of Business Administration of Oxford University (Holt, 2004),¹¹³ may be divided into four theoretical concepts. The first concept is that of mindshare branding, which holds that the brand represents some essence over and above the product’s basic characteristics; its job is to capture a portion of the consumer’s consciousness by developing relative advantages and using positioning and

differentiation (Ries and Trout, 1986).¹¹⁴ The second concept is that of emotional branding, which assumes that the product, in addition to its essence, has individual characteristics – much like a person; its job is to enable the consumer to develop an emotional relationship with it (Bedbury, 2002).¹¹⁵ The third concept is that of viral branding, which assumes that in addition to an essence and personal characteristics, the brand will be trendy, cool and “in” – otherwise it will not survive in a modern, competitive environment (Gladwell, 2002).¹¹⁶ The fourth concept is that of cultural branding, which assumes that in addition to essence, personality, and trendiness, the brand will compete with cultural icons to draw the consumer’s attention, overcoming a world saturated with competing media messages to become an iconic brand. Other theorists have posited a fifth school of branding, that of storytelling. It claims that all of the components in Holt’s concept of the brand – characteristics, essence, personality, trendiness and iconicity – must be packaged into one comprehensive narrative (Simmons, 2001; Fog *et al.*, 2005).¹¹⁷

In addition to these concepts of branding, we must consider the idea of nation social responsibility (NSR). Arising in the field of management education, it is based on the teachings of corporate social responsibility, which claim that corporations should be concerned with the welfare of the society and environment in which they function, in addition to trying to maximize their profits (Kotler and Lee, 2005).¹¹⁸ Classic models of strategic, competitive development among nations hold that the state must promote the welfare of its residents. This is usually measured by economic factors (per capita GDP) (Porter, 1990),¹¹⁹ without integrating economic, social and environmental indicators.

As noted, nations, like individuals, reach a stage where they aspire to self-actualization. Here, too, our model of types of power falls short, and the researcher must devise yet another type of power: high power. In high power, the nation meets its need for self-fulfillment. The guiding ideology behind this type of power is holism, which sees countries, and their citizens as part of a living, growing, organic world whose components are intertwined.¹²⁰ The doctrine behind high power is glocalization: that is, managing a global economy while giving preference to local characteristics and needs and adapting marketing and social activities to them.¹²¹ The policy tools in this type of power are brotherhood, solidarity, and real, honest cooperation to promote humanity as a whole.

Table 2.2.4.3 Components of the Strategic Model: Third Framework

Power	Needs	Ideology	Doctrine	Tools
High	fulfillment	holism	glocalization	Brotherhood

After the researcher has formulated these five types of power – backyard, hard, soft, brand and high – he or she may assess the management orientation of each one (Kotler,

2003: pp. 17-27).¹²² In backyard power and hard power, the government assumes that the state “is what it is”. It does not intend to change its characteristics or adapt them to the demands of the international community. This orientation is called the nation concept. In soft power, the government makes every effort possible to “sell” the nation’s ideas, values and culture, often while being attentive to the target population in another country. This orientation is known as the selling concept. In brand power, the government jumps up a notch, adopting the principles of marketing – creativity, transmission, and communication as preferred values – by meeting the unique needs of the target audience. In contrast, in high power, the government adopts the societal marketing concept, which considers not only the desires and needs of the target audience, but also their long-term effect on the environment and on society.

The government will use a strategic guideline with each of these types of power. This discussion is based on the blue ocean strategy developed by Professors Chan Kim and Rinai Mauborgne of the School of Business Administration of INSEAD in Fontainebleau (Kim and Mauborgne, 2005).¹²³ In backyard, hard and soft power, and to some extent in brand power (involving mindshare, emotional and viral branding), the government will compete in those same areas in which its competitors are active. This management strategy is known as the “red ocean strategy”, and is appropriate for a world that functions according to zero-sum game theory (Neuwmann and Morgenstern, 1944),¹²⁴ in which countries compete with each other over existing ideas and accept the limitations of war (military thinking, limited territory, an uncompromising need to beat the enemy). In high power and, to some extent in brand power (involving cultural branding, storytelling and NSR), a government will choose to compete outside accepted arenas. This management strategy is known as the “blue ocean strategy”, and is appropriate for a world that functions according to win-win game theory, in which there is a cornucopia of sources and markets for everyone. Innovative arenas can be characterized as target markets within or outside the red oceans. Demand can be aroused in areas in which competition has been irrelevant, becoming a source of achievement. By reducing production costs and raising the value of the product/service/idea to the target population, it is possible to present a value innovation.

2.2.5 The Competitive Hierarchy of Nations Model

Now the policy maker has a management tool, which he or she can use in recommending diplomatic tools to government systems. The model is an interdisciplinary integration of strategic management, marketing, branding, and diplomatic doctrines, ideologies and approaches, which is based on a psychological-political model. Before determining how best to brand a nation, we must first ask whether nation branding is the most appropriate

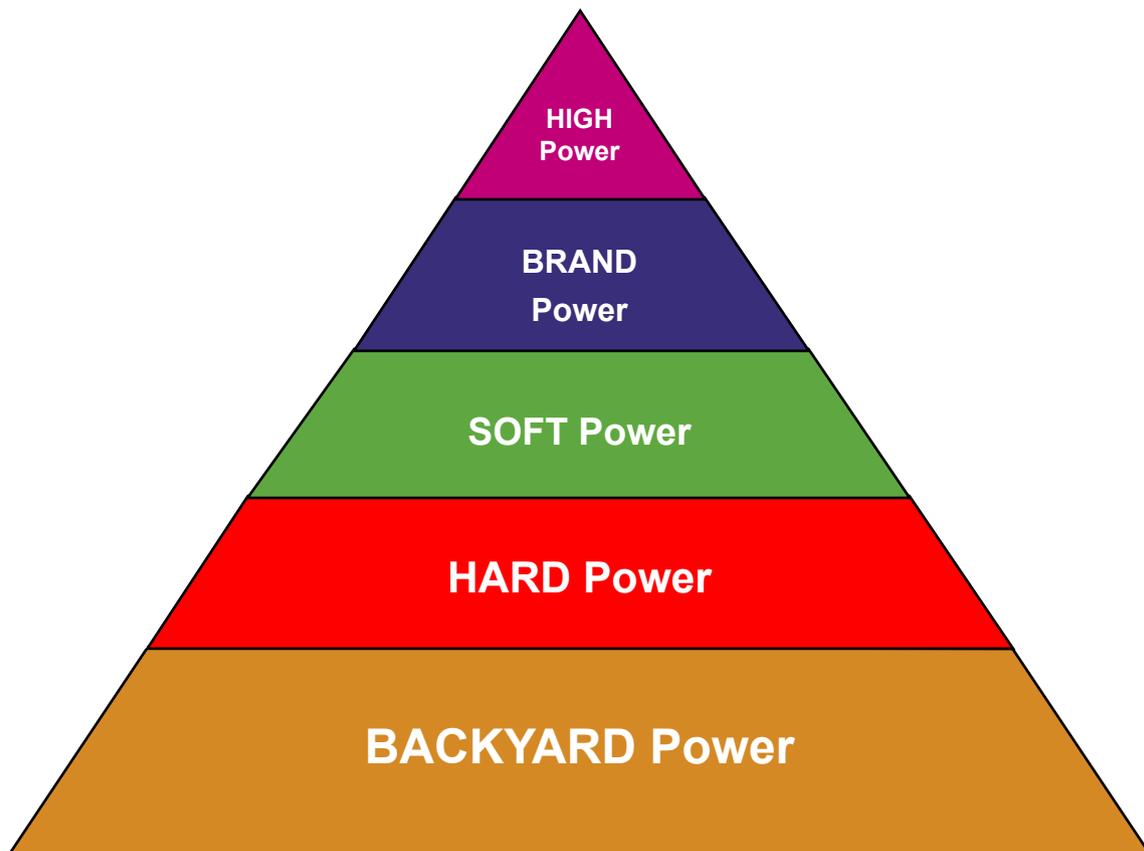
tool for the policy maker. The model's underlying assumption is that a nation has needs, like a corporation or an individual. Guidelines and strategies of action can be chosen following assessment of a nation's needs, either at the global level or opposite specific target markets.

A country that has existential needs will use backyard power, adopting an ideology of separatism, the doctrines of a balance of power or isolationism, a nation concept orientation, a red ocean strategy, and the tools of disengagement.

A country with security needs will use hard power, adopting a nationalistic ideology, military doctrines (*raison d'etat*, *Realpolitik*, world policeman or containment), a nation concept orientation, a red ocean strategy, and the tools of threats, sanctions, war and unilateralism.

A country with a need for acceptance will employ soft power, adopting an ideology of idealism, a doctrine of promotion, a selling concept orientation, a red ocean strategy, and the tools of bi- or multilateral public diplomacy enacted through international organizations and international aid to its allies.

Graph 2.2.5.1 Competitive Hierarchy of Nations Model



A country with a need for esteem will use brand power, adopting an ideology of capitalism, the doctrine of globalization, and a marketing orientation. In certain situations, it will choose a red ocean strategy, using the nation branding tools of mindshare, emotional and viral branding. In other instances, it will choose a blue ocean strategy, using the nation branding tools of cultural branding, storytelling and/or NSR.

A country with a need for self-fulfillment will use high power, adopting an ideology of holism, a doctrine of glocalization, a societal marketing orientation, a blue ocean strategy, and the tools of brotherhood and solidarity.

Table 2.2.5.2 Components of the Competitive Hierarchy of Nations Model

Power	Needs	Ideology	Doctrine	Orientation	Strategy	Tools
High	fulfillment	holism	glocalization	societal marketing concept	blue ocean	brotherhood
Brand	esteem	capitalism	globalization	marketing concept	blue ocean	nation branding (cultural, storytelling), NSR
Soft	acceptance	idealism	promotion	selling concept	red ocean	nation branding (mindshare, emotional, viral)
Hard	security	nationalism	<i>raison d'etat, Realpolitik, world policeman, containment</i>	nation concept	red ocean	bi-/multi-lateral public diplomacy, international organizations and aid
Backyard	existence	separatism	balance of power, isolationism	nation concept	red ocean	threats, sanctions, war, unilateralism
						disengagement

Historically, this model is founded on the idea that nations progress from the types of power at the bottom of the pyramid to the types of power at the top of the pyramid (see Graph 2.2.5.1). The younger a country is and the lower its level of development, the more likely it is to be at a lower level of the pyramid.

The question now confronting the policy maker is what happens when a nation has different needs vis a vis different target markets? In such cases, the nation must adopt different guidelines and strategies for each target market.

2.2.6 Guidelines and Strategies for Nation Marketing Management

A key problem troubling researchers and policy makers is how to manage the coordinated marketing of a nation, given that different agencies are responsible for policy, foreign trade, tourism, developing investments and promoting culture (Leonard, 2002).¹²⁵ This problem is particularly thorny in Israel, which is characterized by a lack of coordination and cooperation among the agencies responsible for the narrow field of national public diplomacy: the Prime Minister's Office (including the Government Press Office), the Ministry of Foreign Affairs, the Ministry of Defense, and the IDF. Again and again, the same salient conclusion is reached: management of the nation's marketing communications must be coordinated and led by one umbrella organization or body. The questions are: which one? and how? Some claim it would be best to establish an authority to coordinate the work of the relevant agencies. They suggest establishing a "national communications council", much like a national security council, which would be headed by a professional who would work directly with the country's most senior administrators (the president, prime minister). This type of organizational concept was recently inculcated into British government, under the leadership of former Prime Minister Tony Blair.¹²⁶

Others suggest that the Israeli government should adopt the corporate management methods accepted in the business world. For example, some corporations make marketing the responsibility of one coordinating agent, who supervises all marketing activities in the corporation's sub-units; this is known as the "branded house" method. According to this method, the corporate brand is the lead concept, with which all secondary brands align themselves. In contrast, other corporations manage their brand portfolio using what is known as the "house of brands" method, which involves creating a "basket" of independent, differentiated, unrelated brands (Aaker, 2004: pp. 46-64).¹²⁷ Many recent studies and position papers indicate that, at the national level, these two contrasting approaches should be integrated. Given the complexity of the nation brand and the multitude of agencies involved, each with its particular (sometimes narrow) political interests, this task should be undertaken with caution.

Research indicates that it is preferable to appoint a professional agent or actor from the field of nation marketing to work with and coordinate specialized secondary units. In Israel, the chief candidate for this role is the Ministry of Foreign Affairs. In most countries, foreign ministries have a network of representative offices throughout the world. What they need is an ideological revolution, which would turn them into the nation's international marketing department. In other words, these foreign ministries would no longer be in charge solely of interfacing with foreign government actors and promoting policy moves (including in the narrow framework of public diplomacy). Rather, henceforth, foreign ministries would also bear responsibility for the economic, cultural and social marketing of the nation, in cooperation with professionals from the relevant sectors of government: the Ministry of Finance, foreign trade, investments, tourism, immigration, culture – along with unification of the network of representative offices in target countries. The local “manager” or authority in charge would be the ambassador. Under this new arrangement, professionals in adjunct fields would still be appointed by the relevant ministry. Implementing it would require professional preparation and re-organization of the Ministry of Foreign Affairs; adoption of innovative management methods; establishment of an appropriate system of training; and appropriate management of the network of representative offices abroad. In addition, it is recommended that academics develop the principles underlying the theory of nation marketing management, adopting and adapting corporate marketing concepts and making nation marketing studies part of the mandatory coursework in schools of government and policy (e.g., in departments of political science, international relations and public policy). The following are the definitions we propose of nation marketing and nation marketing management:

Nation marketing is a governmental process for planning and executing the conception, pricing, promotion, and distribution of ideas, policies, goods, and services to create alliances and exchanges that satisfy national and individual goals in the foreign arena.

Nation marketing management is the art and science of choosing foreign target markets and getting, keeping, and growing allies and customers through creating, communicating, and delivering superior conceptual and practical value to foreign entities and citizens, and for managing multilateral relationships in ways that benefit the nation and its stakeholders.

Studies indicate that this will force diplomats to undergo a transformation from being policy authors and lobbyists, to designing international public discourse using

marketing tools. Nation marketing takes place in three spheres: daily communications, strategic communications, and long-term communications. It differs from traditional, current management of diplomatic relations. Governments must understand that nation marketing is part of foreign policy; they must ensure that their ambassadors and foreign diplomats have the appropriate professional nation marketing and media-communications skills. Nation marketing should be initiated directly by the most senior government actors—that is, the prime minister or president (Gedmin and Kennedy, 2004).¹²⁸ In addition, the foreign government spokesperson must be perceived as being credible. To this end, it may be preferable for the spokesperson to share a common denominator with the target audience, including NGOs, business actors, large communities and local political parties. Such “sub-national” actors can be of decisive importance to nation marketing’s three main goals: (1) promoting the government’s (political, economic and social) policy goals; (2) communicating national ideas, beliefs, values and ideals; and (3) establishing relationships. Only the government should be sending policy messages, but both government and appropriate sub-national actors can send messages about national values, and sub-national actors are best suited to establishing relationships. Thus, in order to succeed, government must share some nation marketing functions (Wang, 2006).¹²⁹

2.2.7 Guidelines and Strategies for Nation Brand Management

The “nation brand” is a meta-brand, which includes a multitude of primary and secondary brands, which researchers recommend managing using the brand portfolio method (Papadopoulos *et al.*, 2004; Dooley *et al.*, 2005).¹³⁰ This involves using all of the active brands in the nation brand portfolio: the national meta-brand, the nation brand (government and policy), sector brands (tourism, export, investments, immigration and culture), regional and urban brands, corporate brands, product brands.

To succeed in this endeavor, politicians will have to be trained professionally in branding theory. Conversely, nation branding theorists must become intimately acquainted with the world of diplomacy, including theories of public diplomacy, the habits of diplomats, and the diplomatic perspective on international relations. Nation branding must be anchored in an advanced understanding of modern diplomacy, and a facility with the development of the diplomatic tools for working with informal target populations. From the diplomat’s perspective, the tools of diplomacy will have to be transformed for use in a complex, competitive environment (Mellissen, 2004).¹³¹ At the same time, public diplomacy must recognize its limitations, as it is only one of a compendium of media and communications relationships among countries. The principal advantage of the nation branding approach is its holistic perspective and foundation in a perspective usually absent among government and policy actors (Lodge and Melisseal, 2006).¹³²

The nation brand thus has functional, experiential and symbolic advantages. It is affected by a mix of individuals' experiences with the nation, and by others' perceptions of its residents, geography, culture, economy, society, and political situation. Nation branding is a simplified summation of associations, bits of information, beliefs and impressions that people have about a place; it represents the mind's attempt to tease out and integrate those most salient items from a glut of information. A nation's image is often composed of stereotypes and an over-simplification of reality, which bears no resemblance to reality. Usually, people object to changing familiar cognitive constructs and reject items that contradict their prior knowledge (Blichfeldt, 2005).¹³³ The country-of-origin (COO) or, according to an alternate definition the product-country-image (PCI), has an effect primarily on consumers who have limited purchase motivation (Nebenzahl, 2004).¹³⁴ For example, developing countries all suffer from a negative COO effect in the consciousness of consumers in target markets in developed nations (Amine and Chao, 2005).¹³⁵

Graph 2.2.7.1 The Nation Brand Portfolio



Distant, unfamiliar countries may be perceived as socialist Gardens of Eden. Stable, liberal-democratic western countries that tend toward neutrality, produce a few familiar global brands, and enjoy a strong presence in the media may be perceived as very sympathetic. Direct, positive personal experience with only one aspect of a nation – e.g., a successful visit – will positively affect other aspects of that nation, such as its products, government, culture or residents. From this we may conclude that it is less efficient to address each brand component separately than it is to manage a uniform nation brand policy. Moreover, it appears that visual images (e.g., from tourism marketing campaigns

or movies) have more of an effect than do selling vacations or DVDs. These images form a picture of the nation, which creates positive feelings toward that nation in the consciousness of the consumer. No matter how successful, initiated media activity has a miniscule effect on the consumer's consciousness. A nation must earn its good name by what it does and how it does it. The residents of one country consolidate their perception of another country's residents over decades and even hundreds of years. Usually, this perception remains stable over time, barring an unusually significant event. Five cultural characteristics have been found to influence the crystallization of a concept or perception of another country: excellence in sports; innovation in science and technology; achievements in education and global recognition of these; respect for human rights; and the country's contribution to the environment and fight against poverty. Consistency is a key component of the nation brand, which is often lacking in developing countries (Anholt-GMI, 2005; 1,2,3,4,6-1).¹³⁶

Strategic branding. In order to attract tourists, factories, corporations and talented individuals to a nation, and to identify target markets for its products, a nation must use strategic marketing and branding tools. During the first stage of this process, government authorities must choose the branding characteristics that will make the nation stand out and give it a relative advantage –since, like corporations, all nations produce a variety of products (Quelch and Jozz, 2005).¹³⁷ This requires coordination among all of the government agencies involved in branding (lack of coordination has been identified as a main obstacle to success) (Florek, 2005; Dzenovska, 2005).¹³⁸ The second stage of this process involves analyzing the brand image and comparing it to that of its competitors, as part of a comprehensive SWOT analysis (that is, identification of strengths, weaknesses, opportunities and threats). Next, the nation must select the industries, heroes, benchmarks, and historic events that will be the basis for the brand story and positioning (Johnston, 2004);¹³⁹ this requires allocating appropriate budgets for branding activities. The proposed brand image must hew to reality and be credible, simple, interesting and unique. The nation's goal is to enter the awareness of the target audience and then be considered or even chosen as the locus of their activities (e.g., establishing a factory, coming to live, taking a vacation, studying, purchasing consumer goods) (Kotler *et al.*, 1993).¹⁴⁰ To be effective, the nation image must be valid, reliable, simple, attractive, and unique (Kotler and Gertner, 2004).¹⁴¹

To give a nation a competitive advantage, its policy makers must arrive at consensus regarding the national vision, which will be periodically updated. This vision should be freely adopted by the majority of the nation's citizens, who support the national strategy not because the government has issued guidelines to this effect, but rather following holarchic¹⁴² (cooperative agreement) decision making (Anholt, 2005).¹⁴³ Often, aspects of this vision will be part of the declaration made at the country's establishment, its

constitution and/or fundamental laws. This declaration has many and varied names (Abrahams, 1999),¹⁴⁴ and may be seen as the nation's "mission statement", which has four segments. The first of these is the *vision* or verbal image of the country at some future time, which defines the general direction for activity, country's aspirations, the idea toward which it aims. The second of these is the *mission* itself – that is, the declaration that points out the direction and clearly defines the country's purpose, its reason for existence, what it hopes to achieve, the goal toward which it directs its activities. The third of these is the nation's *values*: the ideal collective principles underlying the thoughts and actions of each individual or group of individuals in the country, which define the country's character. The fourth of these is actual *goals*, those quantitative achievements the country wishes to attain within a given number of years if it is to fulfill its vision and meet its aims. The nation's residents play a crucial role in formulating the nation's vision and brand image; they are their nation's most important ambassadors. In fact, researchers have found a direct relationship between national pride (patriotism) and the preferred nation brand, which should coordinate what the nation brand represents with what residents feel (David, 2004).¹⁴⁵ Conversely, the brand campaign directly influences residents' sense of mission, national pride and patriotism (Anholt, 2002).¹⁴⁶

The entertainment industry and the media play a crucial role in designing peoples' perceptions of a place – especially a place with a negative image that is hard to shake. Negative brand characteristics may become associated with a country due to an unpopular foreign policy. Often, a nation will try to correct its image without correcting its underlying source. No advertising or public relations campaign can make a place safer. In such a situation, it is better to generate new, positive associations rather than refuting existing, negative ones (Kotler and Gertner, 2002).¹⁴⁷ Media and advertising that promulgate positive stories about a place can change its image rapidly, "by word of mouth" (Wood, 2002; Ooi, 2002).¹⁴⁸ Also, countries compete over cultural excellence (including education and sports) as well as economic excellence. Thus, a nation is challenged to choose the best format for presenting its past cultural achievements, as well as modern, popular parallels that will "speak to" young target audiences. One quick conclusion of this analysis is to encourage inter-country cultural exchange (Anholt, 2005).¹⁴⁹ This idea is reinforced by experts, who concur that the best way to change the attitude of a foreign target population is to utilize popular entertainment channels (art, dance, cinema, music, literature) to send a positive message, rather than using brochures or radio broadcasts. One way to utilize popular culture is to enlist directors, screenwriters, editors and actors. Standard techniques of mass marketing are inefficient in promoting the nation brand as a tourist product. Niche targets must be sophisticated. They should not use the maximum share-of-voice strategy, which requires spending huge budgets to overcome competitors. Rather, the strategic solution is maximizing the effectiveness

of the expenditure on media, using a limited budget to structure innovative, attention-getting media marketing. Places that are rich in emotional value to the tourist, have a high conversational value, and generate high expectations win this competition. Sites that are talked about for all the wrong reasons, that do not engender an emotional attraction or even turn off potential tourists are far more problematic. Moreover, the tourist product can be used to leverage other aspects of the nation product, for example by exposing the visitor to export products (Groth, 2002).¹⁵⁰

Experts recommend that the budget for nation branding be 1% of the GDP (based on the average global expenditure for corporate media marketing in 2005, when the GWP (Gross World Product) was a total of \$61 trillion and the expenditure for advertisement was \$570 billion, or about 1% of the GWP)¹⁵¹ (Booth, 2003).¹⁵² Studies reinforcing this recommendation found a positive correlation between the investment in tourism and the flow of income from tourist visits (Fall and Lubbers, 2002: pp. 141-155).¹⁵³ Although it is impossible to anticipate whether governments will follow this recommended formula, it is clear that the limited budgets invested in nation brand marketing are insufficient, especially given the effect of nation brand image components on a nation's economic success in the complex, media-heavy world of the early 21st century.

2.2.8 The Nation Brand Model

The nation brand identity structure may be divided into two strata, the first of which is the core identity and the second of which is the expanded identity. The first stratum, the core identity, represents the nation brand's essence. It is composed of the soul, beliefs and fundamental values (government, residents, culture and heritage) of the nation brand; the skills/abilities/expertise of its residents; the nation's public/economic/social management systems; and what the nation symbolizes to citizens of other countries.

A core identity is developed in the initial stage of the nation brand process, ideally by developing a vision, which is a verbal image of how the nation defines its general direction of activity, its aspirations, and the idea toward which it strives; and national values, which are the ideal collective principles guiding the thoughts and actions of each individual or group of individuals, that define the nation's character and reason for existence. The core identity (and the national vision) are then translated, at the brand level, into a national narrative, using the storytelling brand approach. This narrative – which includes a message (vision and nation brand values = essence = core narrative); a conflict; personae (hero, enemy, helper, supporter, hedonist); and a plot (beginning, presentation of the conflict, turning point, intensification of the conflict, climax, denouement) (Simmons, 2001; Fog *et al.*, 2005)¹⁵⁴ – is told through an emotional message.

The second stratum of the nation brand identity structure is the expanded identity, which has three aspects: personality, symbol, and product. The nation brand as personality is divided into four categories, as follows: (1) government, which has an intense presence in the global media arena, particularly for leading countries, which influence and are involved in events that have media presence (e.g., conflicts, crises, unusual occurrences) and that were orchestrated by charismatic heads of state (i.e. “media icons”); (2) residents, whose distinct positive or negative characteristics – e.g., life-style, behavior, hospitality, world view, national values – are significant; (3) geography, which is significant when the nation’s location affects its characteristics, or when foreigners do not differentiate among the countries of a region (e.g., the effect of the African continent, of the Balkan Region, or of expanse on the Arab nations of the Middle East); (4) culture and heritage, which have an impact when they are unique, have depth and a “presence” or global attractiveness.

The nation brand as personality is developed during the second stage of the nation brand process; this is accomplished by infusing national aims and philosophy with content. As noted, a nation’s aims are reflected in the declaration or mission statement that clearly defines the nation’s purpose, the reason for its existence, aspirations, and goals toward which it strives. A nation’s philosophy is inherent in its laws and the guidelines according to which it functions, and which translate its values into applied definitions of ongoing management. Cultural and emotional brand tools are used to translate the nation brand identity as personality. The emotional tools treat the nation brand like an individual with personality traits; they enable the consumer to develop an emotional relationship with the nation (Bedbury, 2002).¹⁵⁵ The cultural tools are used to help the nation compete against cultural icons to gain the consumer’s attention in a world saturated with warring media messages; they help the nation to become an iconic brand (Holt, 2004).¹⁵⁶

The second aspect of the expanded identity is the nation brand as symbol, composed of a flag, animal, personage, plant, geographic site, historic site and/or architectonic structure. The nation brand as symbol is formulated during the third stage of the nation brand process, by creating a “buzz”¹⁵⁷ around these same symbol-components. Viral branding is used to make the nation brand trendy, cool, and “in”, so that it will survive in a modern, competitive environment. The brand manager must therefore monitor trends, engage in a “cool hunt”, and translate his or her efforts into brand symbols (Gladwell, 2002),¹⁵⁸ which are transmitted through a sensual message.

Graph 2.2.8.1 The Nation Brand Identity Model

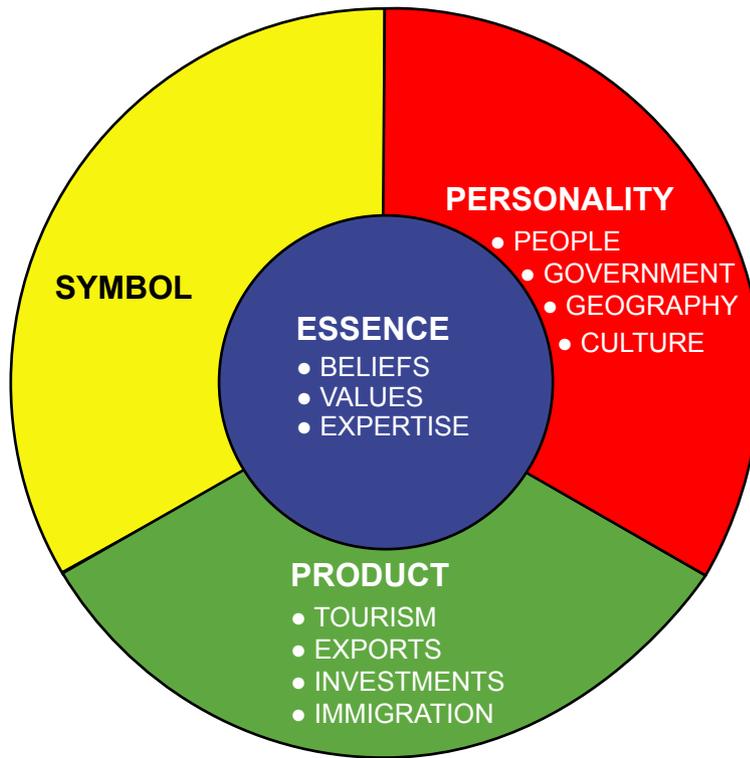


Table 2.2.8.2 The Nation Brand Identity Structure

Brand Identity Level	Category	Scope	Branding	Message	Output	Outcome
Essence	beliefs, values, expertise	Vision	storytelling	spiritual, emotional	nation story	"I believe"
Personality	people, government, geography, culture	mission	emotional, cultural	emotional	nation story	"I feel"
Symbol	flag, anthem, character, site	buzz	Viral	sensual	nation story	"I see"
Product	tourism, exports, investments, immigration	goals	mindshare	emotional, sensual, logical	nation story	"I want"

The third aspect of the expanded identity is the nation brand as product, composed of the following four categories: (1) tourism, which has a crucial effect on structuring nation brand identity; (2) exports, which may have a more or less decisive effect, depending on whether foreigners know the country behind a product. The confusion is great. In today's global economy, the country of export and country of production have no meaning. Often, multinational corporations move their assembly lines to the area in which a product is marketed. Deliberate efforts may be made to create confusion about a product's national identity, using marketing tactics like borrowing a name or identity from another, alternate or meta-nationality. Promotional campaigns may focus on the individual brand (product, marketer, producer) rather than the nation that produced it; (3) investments, which have a minimal impact on the public, since investments are recruited from senior business management levels; and (4) immigration, which also has a marginal impact, as migratory movement among countries is not free, despite the global economy. Many nations limit the entry of foreign citizens, such that immigration is largely limited to the social, economic, academic and cultural elite.

Nation goals – those quantitative achievements that a nation wishes to attain within one-three years if it is to realize its vision and accomplish its mission – are set during the fourth and final stage of the nation brand process. Mindshare brand tools treat the product as having an essence beyond its characteristics; they use positioning and differentiation to give the product a relative advantage, which will conquer a portion of the consumer's consciousness (Ries and Trout, 1986).¹⁵⁹ To this end, they may use an emotional, sensual and/or logical message.

In summary, in the process of nation branding, the nation brand is translated into a narrative, which subsumes all aspects of the nation's identity. At its core, essential stratum, the nation brand identity must lead the target population to believe in that narrative. To this end, it develops sensitivity to the nation's personality, familiarity and identification with the nation's symbols, and a desire for the nation product.

3. Summary and Policy Recommendations

3.1 Implementing Nation Marketing

3.1.1 Overview

Having presented an integrative model of diplomacy based on the theory of nation marketing, we may now answer our first study question: Is nation branding the right tool to change world public opinion toward the State of Israel, which is in constant conflict?

The assumption underlying this model is that a nation must assess its target markets, and the needs it aspires to meet in those markets. Ideally, all target markets would be identical. However, international marketing theory teaches that different target markets differ inherently. Indeed, Israel faces this situation. The following analysis is a basic one, drawn from a variety of studies conducted in other countries, which are perforce limited despite their scope. Clearly, the policy maker seeking to formulate guidelines for nation marketing will first have to conduct focused public opinion surveys in selected target markets.

3.1.2 The Palestinian Authority

In the main, the State of Israel is conducting a physical-security struggle with the Palestinian Authority. At this level, the recommendation is for hard power, an ideology is nationalism, a doctrine of *Realpolitik*, a nation concept orientation, a red ocean strategy (based on a zero-sum game), and the tools of threats, sanctions, war and unilateralism. In contrast, the Palestinian Authority is waging both a struggle for survival and a security struggle. Had Palestinian leaders chosen to use backyard power, an ideology of separatism, a doctrine of isolationism, and the tool of disengagement, they would have achieved more from Israel, much like what the Indian nation achieved in its struggle for independence from the British Empire. The Indians used the tools of civil disobedience and non-cooperation (Gandhi, 2001).¹⁶⁰ If the State of Israel and the Palestinian Authority ever return to the negotiating table with an understanding of the real need both have for acceptance, then it may be possible to abandon hard power in favor of soft power.

3.1.3 Arab and Muslim States

The State of Israel has a dilemma in confronting the Arab and Muslim states with which it has signed peace agreements or with which it has an understanding: Egypt, Jordan, Morocco, Tunisia, Mauritania, United Arab Emirates, Qatar and Pakistan. Its immediate need from the governments of these countries is for acceptance, but its need from the

decisive majority of the residents of these countries (who see Israel and its citizens as an enemy) is for physical-security. Consequently, we recommend that policy makers use soft power in these nations, but with particular caution. This would call for an ideology of idealism, a doctrine of promotion, a non-aggressive selling concept orientation, a blue ocean strategy, and public diplomacy tools promoting aid programs and cooperation (in the fields of health, water and agriculture). In contrast, the State of Israel faces an existential threat from the unequivocally enemy states of Iran and Syria. In confronting them, it is recommended that Israel use backyard power, an ideology of separatism, a doctrine of balance of power, a nation concept orientation (without willingness to compromise or “meet the other nations halfway”), a red ocean strategy (zero-sum game), and the tool of disengagement.

3.1.4 The Countries of the European Union

The State of Israel needs acceptance and a sense of belonging from most of the countries of the European Union, as well as Canada and Australia. This would call for the use of soft power, an ideology of idealism, a doctrine of soft, and non-aggressive promotion, a selling concept management orientation, a red ocean strategy (playing a zero-sum game against the Palestinian Authority, Iran and Syria in the arena of European consciousness), and the tools of public diplomacy at the sub-nation and the interpersonal levels (e.g., cultural exchanges and encounters [!], science, education and emissaries).

3.1.5 The United State of America

What the State of Israel needs from the US is esteem (Sable, 2005).¹⁶¹ Although the American public tends to support Israel in its conflict with the Palestinian Authority, it thinks it knows much deal about Israel but does not identify with it, or feel it shares characteristics with the country or its citizens. Israel is thus irrelevant to most Americans, unworthy of their esteem. It is thus recommended that, in the US, Israeli policy makers employ brand power, an ideology of capitalism, a doctrine of globalization, a marketing concept orientation, a blue ocean strategy (a win-win game), and the tools of cultural nation branding and storytelling.

3.1.6 The Jewish People

Israel looks to the Jewish people in the Diaspora for fulfillment. Here, then, Israel should be using high power, an ideology of holism (“all Israel is mutually accountable”), a doctrine of glocalization (coordinated cooperation adapted to the needs of local communities), a societal marketing concept orientation, a blue ocean strategy (a win-win game), and the tools of brotherhood and solidarity.

The State of Israel should avoid promoting itself as the core of the Jewish people, of which Diaspora Jewish communities are mere satellites or servants. Each and every Jewish community is an independent entity, and has unique needs vis a vis its immediate environment – needs for security, acceptance, esteem or self-fulfillment (fighting anti-Semitism, Jewish education, integration into a multicultural environment, local and global social assistance and responsibility). The only way to preserve the special relationship between Israel and the Jewish Diaspora is cooperation, mutual support, and promotion of shared needs.

3.2 Conclusions Arising from the Nation Marketing Discussion

3.2.1 Should Israel Be Branded?

In summarizing this analysis of the implications of our theoretical model for the State of Israel, we may conclude that nation branding is appropriate in some situations, and inappropriate in others. In some target markets, public diplomacy should be used before leaping to adopt nation branding (adapted for each target market), which will become appropriate only after Israel has met its basic need for acceptance and can address its need for esteem.

3.2.2 Strategic Discussion

This idea raises a serious dilemma. Given global communications, how is it possible to use nation branding in one target market, but not in another? In any case, Israel will have a brand concept, whether planned or arbitrary. Every country has a brand story, behind which lies a brand personality with traits that developed over time through the perceptions or prejudices that foreigners formulated based on the information flowing to them via news channels, cultural exchanges, or in direct encounter with the country's products, residents, leaders, heroes, symbols, government and geography (Nebenzahl, 2004; Blichfeldt, 2004; Amine and Chao, 2005).¹⁶²

If this is the case, it is best that a nation's brand image be managed, rather than being an arbitrary collection of events, information, experiences and encounters. In any case, a country must formulate a nation brand concept with global characteristics that can be adapted at the global level. Differences among the nation's target markets will affect the use of strategic and tactical tools in the field. Ideally, a nation will use the same tools, more or less, in most of its target markets. This is indeed the case for economically developed countries that are not involved in any military or political struggle, and that therefore are esteemed by the world – for example, some countries of the European Union, Canada, Australia. As noted, nation marketing should be coordinated by one

national body – the Ministry of Foreign Affairs – which will function as the nation’s international marketing department, coordinating and cooperating with professional support actors (security [the IDF in Israel], finance, industry and commerce [foreign trade and recruiting investments], tourism, agriculture and culture).

3.3 Implementing Nation Branding

3.3.1 Analysis of the Israeli National Narrative

Before implementing the nation brand identity model for Israel, we must analyze its national narrative, deciphering its core elements, which are the essence of the nation brand. Throughout its history, Israel has had two leading narratives: the first extends from the 1948 War of Independence to the 1967 Six Day War, and the second from the 1967 Six Day War to the present.

The first narrative – that of the pioneers – presented the pioneer as a hero who came to make the desert bloom. The pioneers erected urban centers in the sands, such as Tel Aviv, and agricultural settlements built on a revolutionary concept of cooperation (the *kibbutz*). They subjugated the desert using irrigation and water transport systems, developing innovative agricultural technologies. Beneath this, informing the collective national consciousness, lay the memory of the Holocaust of Europe’s Jews. The component concepts of the narrative of the pioneers are the *kibbutz*, making the desert bloom, agritech, and irrigation. The pioneers created an innovative language, culture and music. Progress was their ideology, their national anthem was “*HaTikvah*”, “The Hope”, their dance was the *hora* and their song “*Hava Nagila*” (“Let’s Rejoice”), their national film was “*Salah Shabati*”, which depicted the Israeli melting pot, and their foreign film was “*exodus*”. Their product was Jaffa oranges and their hero was the *kibbutznik*. Their selling concept was “a land flowing with milk and honey”. The motif of the pioneer was full of self-esteem: the fight against the desert, the few against the many, the enlightened against the barbarians.

Israel’s national narrative changed after the 1967 Six Day War. The Israelis became romantics. Their ideological emphasis shifted to historic-religious motifs, such as a Greater Land of Israel and a longing for Jerusalem. Their national anthem became “*Jerusalem of Gold*” and their emblematic photograph that of the Old City of Jerusalem, the Temple Mount with its golden Dome of the Rock squarely at its center. This was problematic, since the Mosque of Omar and its golden dome are not part of Jewish heritage. Israel had a new selling point: that of The Holy Land. Emphasis was also now placed on Israel’s military might. The IDF became the national hero, the source of the national “anthem” (the songs of IDF unit choral groups), of Israel’s leaders (IDF generals), and

of Israel's national slogans ("the best to the Air Force" and "follow me to the Paratroop Corps"). During the 1990s, Israelis added a new motif: worshipping the "golden calf", as reflected in individualism (in contrast to the collectivism of the 1950s and 1960s). Now Israel's music was from "A Star Is Born" (a television competition patterned after "American Idol"), and its orientation was outward, expressed in a longing for America. This latter narrative can be titled: "the narrative of the Crusaders". Now Israelis were defending sites holy to three religions, longing for a land of great hope and promise (America), seeking instant wealth, and relying on and worshipping their military might. This national narrative stood no chance of earning either the support or respect of other countries. Clearly, it has damaged the nation brand image, and should be abandoned.

3.3.2 Narratives that Clash with the National Narrative

In-depth studies conducted by the Brand Israel Group revealed that, in essence, the current Israeli national narrative, as perceived in the US, has several elements: militarism, religious fanaticism, and a colorless machoism (BIG, 2005).¹⁶³ Again and again, Israel is called "the Jewish state" in the world media. This begs the fundamental question: what is the State of Israel? Is it only Jewish? First and foremost democratic, and then Jewish?

In recent years, two key, clashing motifs have developed in Israel's national narrative. One emphasizes ultra-orthodox Judaism, a nationalistic, religious Jerusalem, Israelis as keepers of the holy sites, and the past; the other emphasizes, liberal, open, progressive, modern, cosmopolitan, cultured, gay Tel Aviv, which values equality and freedom and looks to the future. Peripheral Israel is caught in the middle, torn between these diametrically opposed stories, cleaving now to Jerusalem and the Holy Land narrative, and now to the enticing, "bubble" of Tel Aviv and its narrative.

Needless to say, it will be most difficult to achieve consensus about one of these narratives. A 2006 study conducted by Ernst & Young for the Ministry of Tourism concluded that Israel's relative advantage lay in its historic-religious Jerusalem narrative, not in the Tel Aviv narrative of beaches and hot spots (The Med, Red and Dead Seas [the *Cool Israel* concept led by the Ministry of Foreign Affairs])¹⁶⁴ (Ernst & Young, 2006).¹⁶⁵ In other words – what was, is what will be. However, it is extremely problematic to continue using the narrative of the past 40 years, selling Israel as The Holy Land. It is in Israel's interest to abandon the concept of The Holy Land and do away with the religious macho soldier; it is time for the nation brand manager to find an alternative nation image and concept.

3.3.3 An Alternative National Narrative

One possible alternative narrative is that of the technological breakthrough (Sable, 2005).¹⁶⁶ Israel has earned much respect internationally for its technological prowess. Indeed, this is one of the few areas in which Israelis feel pride.¹⁶⁷ However, this narrative is problematic because it is not certain whether it is marketable, or even interesting. Moreover, “technological advancement” is fairly broad, and is not a niche in which a country Israel’s size has the power to lead.

Another possible narrative gives the idea of technological advancement a more manageable, human face. This is the narrative of the healer (physician, nurse, medic, therapist) as national hero. He or she represents progress, technological and scientific breakthroughs meant to promote the well-being of humanity as a whole, compassion, and warm inter-personal relations. It highlights the values and advantages of education (including higher education) and science in Israel as worthy of the world’s respect. The work of the healer will play an increasingly large role in modern human society (Naisbitt, 1994).¹⁶⁸

Another strong motif in Israeli society is that of friendship: the study partner, the Jewish brotherhood (“all Israel is mutually accountable”). This outstanding, unique aspect of Israeli society is unknown outside the country. Willingness to stand together in time of trouble or danger, to aid others, not to leave anyone behind on the battlefield, to sacrifice a great deal, to bring POWs home – these stand out in time of war or national strife, but vanish in daily competition when all is calm.

Combining the motif of the healer (physician, nurse, medic, therapist) with the motif of friendship creates a narrative of *tikkun olam*, repairing the world.¹⁶⁹ The idea underlying this narrative arises from a current interpretation, which emphasizes the help and aid that Israel and the Jewish Diaspora extend to other nations of the world, without recompense. This “repair of the world” effected through others is fundamental to man’s relationship to his fellow men and his environment (Freid, 2006).¹⁷⁰ In the past (prior to budget reductions), this idea was promoted broadly by the Center for International Cooperation (MASHAV) of the Ministry of Foreign Affairs¹⁷¹ in the tradition of Israel’s first Prime Minister, David Ben-Gurion.

It is assumed that many sectors of Israeli society will be able to rally around this motif. The healer (physician, nurse, medic, therapist) is one of the most revered professionals in Israel, as elsewhere. Medicine, which represents progress and enlightenment, has long been esteemed by the Jewish people, and a favored profession of Jews.

Clearly, it will be necessary to examine the strength of this motif among Israelis (the potential for consensus), as well as among target populations in other countries (its attractiveness). Lastly, it will also be necessary to examine translating this motif into tactical branding and media tools, which can be used in the field.

Table 3.3.3.1 Suggestions for a New Concept and Narrative for the Israel Nation Brand

The Essence of the Brand

Core essence	<i>tikkun olam</i> , repairing the world
Belief	Israel and the Jewish people have a key role to play in helping the nations of the world
Fundamental values	friendship and the sanctity of life
Relative advantage	the Jewish mind, science and technology
Expertise	science and technology in the service of human health (medical services, pharmaceutical industry, biotechnology, water, desert and bio-organic agriculture, ecology and environmental protection, alternative medicine, education, aid to disaster areas, social welfare organizations)

The Personality of the Brand

People: the national hero	the healer (physician, nurse, medic, therapist)
Government	promoting health and humanitarian projects, international cooperation
Culture	the narrative of the healing friend

The Symbol of the Brand

The human face of Israeli society	healers and caregivers
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The National Product

Tourism	health and well-being in the experiential realm (historical, cultural and recreational)
Export	health industries and services
Investments	scientific research, education systems, health industries and services
Im(migration)	a system of national health services that is among the best in the world

3.4 The Jumping Off Point and the Landing Site: Beachfront

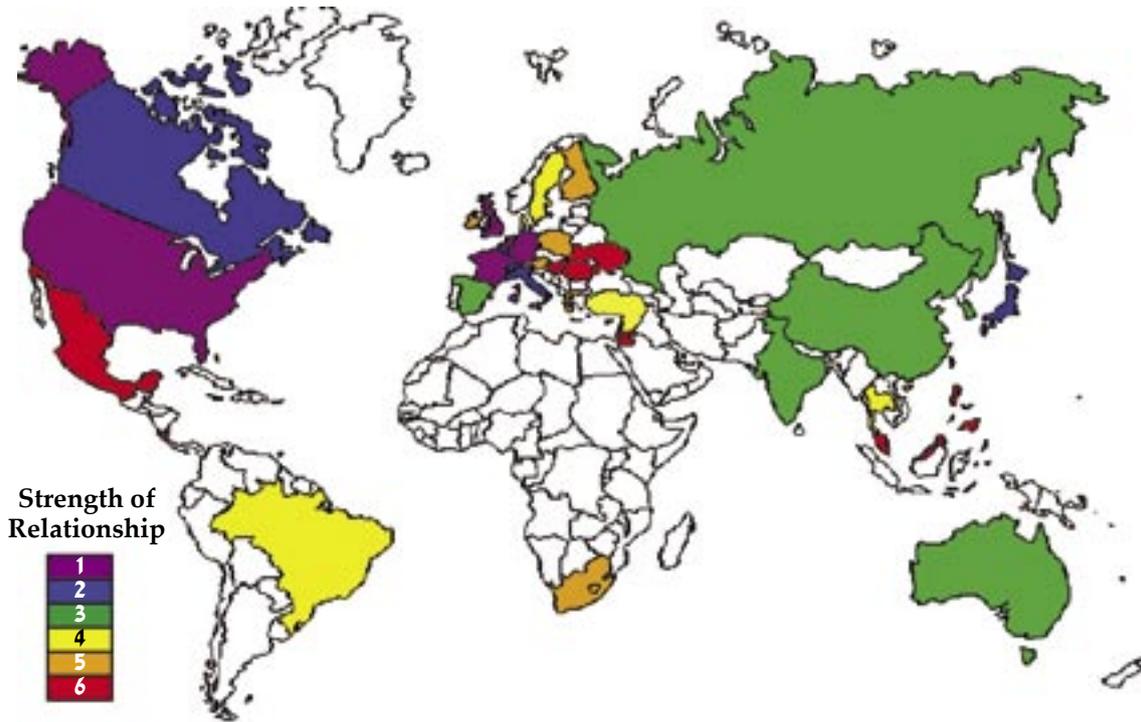
3.4.1 Overview

Choosing the target markets is also at issue. Since it is impossible to work in all markets simultaneously, priorities must be set. The foreign countries earmarked for nation marketing activities should be ranked according to the strength of their relationship with Israel. The model proposed below is based on the multitude of studies currently available to policy makers. However, in the long-term, they constitute an insufficient data base. Therefore, it will be incumbent upon the nation brand manager to establish a professional data base.

3.4.2 Measurement Tools

Public opinion surveys conducted over the years throughout the world are weighted to measure the strength of the relationship between Israel and its target markets. Although a variety of studies and surveys have been conducted in some countries (such as the US), this data base is undoubtedly incomplete. In other countries, only one public opinion survey may have been conducted, only a few surveys, or none at all. However, at present, this is the information available to policy makers. All of the studies cited in section 2.1.3 above were included in our weighting. Countries in which no opinion poll was conducted received a rank of “zero”. We included all countries with which Israel has reasonable economic ties (i.e. exports of \$70 million or more per annum to the target market). We then added a component to the calculation, which weighted foreign trade (total exports to target countries in fiscal terms, and per capita exports to target countries); tourism (total tourists entering from the target country, and the quantity of tourists as a relative percentage of the residents of the target country); imports from the target country in fiscal terms; and the strength of the target market (per capita GDP, competitiveness ranking as per the Davos Economic Forum, ranking of the nation brand image by weighting of Anholt-GMI studies). To summarize this calculation, we received a measure of the strength of Israel’s relationship with 39 countries, which is presented in Graph 3.4.2.1 below (for a detailed table of the calculation and sources, see the Appendix). The ten leading countries (ranked in descending order) are the US, UK, Germany, The Netherlands (bias due to the large export component entering the European Union via Rotterdam), France, Italy, Belgium (cf. Rotterdam port, above), Canada, Switzerland and Japan.

Graph 3.4.2.1 Measure of the Strength of the Relationship between Israel and Other Nations



Israel Power Connection Rating			
Country	TotAvg Rating	Country	TotAvg Rating
USA	1	Denmark	21
UK	2	Singapore	22
Germany	3	Brazil	23
Netherlands	4	Thailand	24
France	5	Poland	25
Italy	6	Austria	26
Belguim	7	S. Africa	27
Canada	8	Greece	28
Switzerland	9	Finland	29
Japan	10	Ireland	30
Spain	11	Cyprus	31
India	12	Mexico	32
Russia	13	Jordan	33
S. Korea	14	Ukraine	34
China	15	Hungary	35
Taiwan	16	Romania	36
Australia	17	Malaysia	37
Turkey	18	Philippines	38
Sweden	19	Costa Rica	39
Hong Kong	20		

3.4.3 Policy Recommendations: Selected Target Markets

We conclude that Israel's government should initially focus its nation marketing efforts on the following countries, based on the order in which they were ranked by the calculation: the US; the countries of the European Union, in the following order: UK, Germany, France, Italy, Switzerland, The Netherlands and Belgium; Japan; and Canada. This recommendation is made with the reservation that the data base is in urgent need of improvement.

Exports to India, Turkey and Hong Kong (bias due to its being the port of entry to China, and because the data for China, from the Central Bureau of Statistics, were calculated separately) are greater than exports to France, Canada and Japan. However, public opinion in the first three countries has a secondary effect on trade. Turkey is a notable example of this: while the Turkish government sees Israel as a strategic partner, the Turkish public sees Israel as an enemy (as indicated by public opinion surveys conducted periodically in Muslim countries by the American Pew Research Center).¹⁷² Obviously, we might improve the measure by adding components such as the size of a target country's Jewish community, or by changing the weight of individual components.

We thus recommend planning, implementing, and budgeting nation marketing in light of this priority ranking. This ranking responds in the negative to the question of whether it is important for Israel to establish an official Arabic-speaking public relations network, with allocation of minimum effort and financial resources. The chances are slim that identifiable efforts (e.g., television and radio broadcasts, internet sites, the appearance of government spokespersons) will receive a reasonable rating or crack the wall of hatred of Israel. The only other option available to policy makers is massive marketing methods based on interim actors and unidentifiable agents.

3.5 Recommendations for Organization, Management and Preparedness

3.5.1 Overview

Preliminary preparations must be made to implement the strategic recommendations for nation marketing and nation branding by those who will have executive authority for implementing the relevant policy components.

3.5.2 The National Communications Council

Initially, we recommend establishing a National Communications Council within the Prime Minister's Office.

3.5.2.1 Management of the Council

Someone should be appointed to head the council; his (or her) role will be that of manager and coordinator. He or she will have direct access to the prime minister, will be a member of the National Security Council, will be a regular participant in government and relevant ministerial committee meetings, and will be recognized as a senior actor (that is, a ranking higher than that of a junior national spokesperson).¹⁷³ The official job description – Government Spokesperson – will differentiate this role from that of the Government Secretary, thereby enabling the person filling it to focus on public diplomacy, media, and nation marketing management. The spokesperson will coordinate all government and other public relations efforts, and will have ultimate responsibility for these. He or she will also be involved in, and have veto authority over, the appointment of deputy directors-general for media and ministry spokespersons. He or she will be the senior government authority in this area, and will plan and allocate budgets for marketing, media, and ministry spokespersons.

3.5.2.2 Members of the Council

The Council will include representatives of the Prime Minister's Office (the office itself, as well as a representative of the National Security Council, the Mossad, the Government Press Office, and the Government Publication Office); the Ministry of Foreign Affairs; the Ministry of Defense (including the IDF and the Shin Bet); the Ministry of Homeland Defense (including the Israel Police Force); the Ministry of Industry and Commerce (including the Foreign Trade Administration and Investment Promotion Headquarters); the Ministry of Tourism; the Ministry of Agriculture; the Ministry of Education and Culture; the Ministry of Health; and professional experts (from academic and applied fields).

A smaller forum (in the framework of the Council), which will address state and policy issues, will be composed of representatives from the Prime Minister's Office (the office itself, a representative of the National Security Council, the Mossad); the Ministry of Foreign Affairs; and the Ministry of Defense (the IDF, the Shin Bet). One of the Council's main roles will be to coordinate the network of government spokespersons and supervise relevant agents in government offices and public authorities.

3.5.3 The Ministry of Foreign Affairs

During the second stage of preparations, we recommend adapting the Ministry of Foreign Affairs to function as the international marketing department of the State of Israel and its government. In its new capacity, the Ministry of Foreign Affairs will be responsible for nation marketing, international public diplomacy, work with the foreign media, and

management of Israel's representative offices and agents abroad. The Ministry of Foreign Affairs will promote Israel's direct and indirect political, economic, social and cultural interests throughout the world. It will be the sole actor working with the foreign media in Israel and abroad.

3.5.3.1 Representative offices in foreign countries

The network of Israel's representative offices in the various target countries will be under the direct, unifying, guiding and coordinating authority of the Israeli ambassador, who will be the senior representative and director-general of all components of the Israeli mission, without exception (economic, security, foreign trade, investment, tourism, agriculture, cultural attaches [including those from other ministries]). Attaches and heads of professional missions will still be appointed by the relevant professional ministry (Defense, Finance, Industry and Commerce, Tourism, Agriculture, Culture).

3.5.3.2 Coordination of sub-units

All of the relevant sub-units in government ministries that work with the foreign media will now be coordinated by, and under the authority of, the Ministry of Foreign Affairs. This includes the Government Press Office and what remains of the Public Relations (*Hasbara*) Department.

3.5.3.3 Research

We recommend establishing a mechanism of international surveys and opinion polls under the auspices of the Ministry of Foreign Affairs, which will serve all branches of government.

3.5.3.4 Communications Monitoring

All communications monitoring systems for world media (television, radio, print media, news and information internet sites [available to the broader public], cinema and literature) – which have heretofore been distributed among various branches of government, the IDF, and intelligence services (the Ministry of Foreign Affairs, the IDF [the IDF Spokesman's Office, the Intelligence Branch], the Prime Minister's Office [the Mossad, NATIV]) – will be unified in the Central Communications Monitoring Agency (CCMA), which will also fall under the authority of the Ministry of Foreign Affairs. It, too, will serve all branches of government.

3.5.3.5 Professional training

The proposed process will necessitate upgrading the demands, skills, authority and seniority of Israel's foreign ambassadors. A revolution will be required in the skills and

academic training of Ministry of Foreign Affairs staff, as well as in the content of the Ministry's in-house training system. This recommendation is based on the skills of public diplomacy, as defined by Hans Tuch (Tuch, 1990: pp. 13, 39, 116),¹⁷⁴ and on in-depth background in strategic thinking, economics, nation marketing, nation branding and nation media marketing, including up-to-date familiarity with modern communications and media: the press, television, the internet, radio, culture.

3.5.3.6 The Division of Media and Public Relations

We recommend changing the name of this unit to the Division of Public Diplomacy. All terms related to the concept of "*hasbara*" will be erased from the lexicon of the Ministry of Foreign Affairs and the government, and replaced with "public diplomacy". As noted, all departments currently in this Division of Media and Public Relations, international survey mechanisms, the new Central Communications Monitoring Agency, the Government Press Office, etc., will become part of the new Division of Public Diplomacy (necessitating re-organization of the division's departments).

3.5.3.7 Work in foreign countries

Nation marketing will focus on target countries, primarily their information and media agencies and opinion leaders, government and the public authorities, business leaders, religious authorities and social organizations. We recommend targeting publishers, editors, and writers (the media arena); producers, directors, screenwriters, actors, authors and plastic artists (the culture arena); academics, think tanks, research institutes, educators, philosophers, social and cultural elite (the intelligentsia); and leaders in the Jewish and Israeli Diasporas. To a large extent, this constitutes dissemination of the model developed by Israel and the Jewish community in the US to other countries.

3.5.4 The Israel Defences Forces (IDF)

During the third stage, and in continuation of preparations in the Prime Minister's Office and the Ministry of Foreign Affairs, certain changes should take place in the IDF. As noted, we would wish an end to the problematic situation in which the IDF Spokesperson's Office works without strategic guidelines (despite recent attempts of the Department of Research and Strategy to establish some), and focuses on tactical public relations in the short term. Our feeling has been reinforced in recent years, by the increased importance of the media in Israel, its geographic distribution, and ever-dwindling broadcast and response times. In addition, a management vacuum is created by the IDF Spokesperson's Office answering to the Army Chief of Staff's Division of Operations. Naturally, during fighting, the head of the Division of Operations has neither time nor interest in supervising

the IDF Spokesperson.¹⁷⁵ It is crucial, at senior levels of command, to separate the person in charge of coordinating fighting in the field from the person responsible for fighting in the virtual arena of the media.

3.5.4.1 Establishing a Media Division in IDF Headquarters

As part of this “revolution” in the IDF’s organization, we recommend establishing a new division within IDF Headquarters: the Communications Division. A commander at the rank of General will coordinate an expanded IDF Spokesperson’s Office (including allocation of personnel and budgetary resources; expanded authority; emphasis on research, strategy, and planning); all IDF bodies dealing with research and design of consciousness (including psychological warfare, intra-army communications); IDF Branch spokespersons (e.g., for the Air Force, Navy, Logistics, etc.); Army Radio (*Galei Zahal*); and publications. This new division will adopt professional corporate procedures, exceeding its limits as a network of spokespersons and public relations to become a system of marketing, strategic marketing planning, public opinion polls, branding and media marketing. It will lend increased importance to managing the fighting in the virtual-media arena.

3.5.4.2 Work with the foreign media

In working with the foreign media, the IDF Spokesperson’s Office (or the new Communications Division of the IDF), will function as an implementing body according to the guidelines laid down by the professional body: the Ministry of Foreign Affairs, under the coordinating authority of the National Communications Council.

3.5.5 The Central Bureau of Statistics

We recommend that the Central Bureau of Statistics add to its reports the item “income and expenditures for the Israeli product”, which will subsume all components of gross national foreign revenues (GNFR). This will present both income from foreign trade, tourism, investments, transfer and support payments (see section 2.1.4), and expenditure data for nation marketing by the Ministry of Foreign Affairs, the Ministry of Industry and Commerce, the Ministry of Tourism, additional government ministries and public authorities.

3.6 Budgetary Implications

3.6.1 The Existing Situation

Another problematic issue is that of the budget. At present, all branches of government invest a limited budget in nation marketing. In 2005, the Ministry of Tourism's budget for marketing was NIS 41 million;¹⁷⁶ the Ministry of Industry and Commerce's budget for promoting foreign trade was NIS 34 million¹⁷⁷, and its budget for promoting investments was NIS 1 million;¹⁷⁸ and the Department of Media and Public Relations of the Ministry of Foreign Affairs had a budget of NIS 45 million (for activities and personnel).¹⁷⁹ Together, these total NIS 121 million (about \$29 million), or 0.04% of the GNFR (\$69.02 billion).¹⁸⁰ Even if the Ministry of Tourism's marketing budget were to be expanded to \$50 million per annum (an addition of NIS 170 million), as promised,¹⁸¹ the nation marketing budget would be a total of NIS 291 million (\$69 million), or 0.1% of the GNFR (and 0.04% of the GDP).¹⁸²

3.6.2 Recommendations for a Nation Marketing Budget

According to the simplistic model of adapting expenditure for nation marketing to about 1% of the total GNFR or GDP (Booth, 2003),¹⁸³ the budget for all nation marketing activities (Ministry of Foreign Affairs, Ministry of Industry and Commerce [foreign trade and investment promotion], Ministry of Tourism) should be \$690 million, exclusive of personnel and diplomatic emissaries. Those opposed to this recommendation may claim, by way of comparison, that the British government invests a total of \$1.3 billion¹⁸⁴ in nation marketing (or 0.1% of the GDP),¹⁸⁵ and that the US government invests \$1.084 billion¹⁸⁶ in nation marketing (or 0.01% of the GDP).¹⁸⁷ However, according to most researchers and review councils, these budgets are more limited than necessary (Johnson *et al.*, 2005).¹⁸⁸

Further professional study is needed of methods for determining an appropriate nation marketing budget. It is difficult to adapt classic methods for determining commercial marketing communications, media and advertising budgets to the political arena (Broadbent, 1988; Hassman, 1994).¹⁸⁹ Nevertheless, it is possible to assess some strategic methods. One of these would involve determining the budget as a percentage of sales (i.e. of the GNFR). Another would construct a budget based on media goals: opportunities for exposure, frequency and effectiveness of exposure, rating, effectiveness of the advertising channel. This approach would require a continuous data base, which is not currently available in the unique field of nation marketing management. Moreover, comprehensive discussion of nation marketing leads to the conclusion that classic advertising tools are not necessarily the most effective ones for nation branding

and public diplomacy. We would thus conclude that a budget of \$69 million for all of the Israeli government's nation marketing activities would not be sufficient. We therefore recommend getting as close as possible to the ceiling rate of \$690 million.

Appendix

Israel Power Connection Rating - Rank #2		Euro		EB		Tsym		Pop		Export		Export		Tourist		Tppp		Import		GDP		Davos		AGMI		Pot		Total					
Country	Avg Sym	Marsh Rating	Marsh Sym	Barom Rating	Barom Sym	Rating Avg	Rating	Pop kkk	Export \$kk	Export Rating	ppp	Rating	ExEpp Rating	ExEpp Rating	Tourist Rating	Tourist ppp	Tppp Rating	Tppp Avg	Import Rating	Import \$kkk	GDP Rating	GDP \$kkk	Davos Rating	Davos Rating	AGMI Rating	Pot Rating	Pot Rating	Total Rating	Total Rating				
USA	44	1	60	1	43	1	1	298	15,500	1	52.0	7	2.2	2	457	1	1.53	13	3.4	2,604.21	1	12,360	1	2	10	2.2	1	1.40	1				
UK	19	8	46	3	60	6	7.3	8	60	1,650	4	27.5	10	5.2	4	156.7	3	2.61	6	3.6	3,255.21	4	1,830	6	13	1	7.6	3	4.40	2			
Germany	24	4	44	5	65	12	4.9	5	82	1,346	5	16.4	18	7.6	6	105	4	1.28	18	6.8	4	2,986	3	2,504	5	15	6	8.1	4	4.40	3		
Netherlands	21	6	49	2	74	14	6.4	7	16	1,260	6	78.8	5	5.8	5	49.8	9	3.11	5	8.2	6	1,626.7	8	499	21	11	12	17.1	11	7.40	4		
France	19	9	42	6	55	4	8.2	9	60	882	11	14.7	21	13	11	311	2	5.18	2	2	1	1,205.8	13	1,816	7	30	8	14	7	8.20	5		
Italy	13	12	46	4	48	2	10.2	12	58	898	10	15.5	19	11.8	9	72.9	5	1.26	19	7.8	5	1,733.7	7	1,694	8	47	4	19.3	14	9.40	6		
Belgium	12	14	0	0	63	10	12.2	16	10	3,679	2	3,679	2	2	1	25.5	14	2.55	7	12.6	11	4,557.7	2	325	24	31	16	25.3	20	10.00	7		
Canada	32	2	0	0	0	0	1.6	2	33	482	17	14.6	22	18	16	50.8	8	1.54	12	8.8	7	320.4	22	1,114	11	14	3	11.1	5	10.40	8		
Switzerland	11	16	0	0	0	0	12.8	15	8	900	9	120.0	4	8	7	25.6	13	3.41	4	11.2	10	2,464.7	5	241	28	8	2	19.4	15	10.40	9		
Japan	25	3	0	0	0	0	2.4	3	127	799	12	6.3	29	15.4	15	8.3	28	0.07	34	29.2	32	1,238.1	11	4,018	3	12	7	6.1	2	12.60	10		
Spain	8	17	38	7	56	5	14.8	18	40	688	14	17.2	17	14.6	14	51.9	7	1.30	16	8.8	8	613.7	16	1,029	13	29	11	17.6	12	13.60	11		
India	20	7	0	0	0	0	5.6	6	1,095	1,223	7	1.1	38	13.2	12	14.9	23	0.01	38	26	28	1,277.7	10	3,611	4	50	26	20	16	14.40	12		
Russia	22	5	0	0	0	0	4	4	142	418	22	2.9	33	24.2	25	68	6	0.48	25	9.8	9	1,055.7	14	1,589	9	75	20	29.9	28	16.00	13		
S. Korea	0	0	0	0	0	0	14.4	17	1,313	748	13	0.6	39	18.2	17	5	34	0.00	39	35	35	1,888.3	6	8,859	15	965	14	17	25	16	9	16.00	14
China	7	18	0	0	0	0	0	21	49	450	19	9.183	25	20.2	20	25.9	12	0.53	24	14.4	15	853	15	965	14	17	25	16	9	16.00	15		
Taiwan	0	0	0	0	0	0	0	21	23	602	15	26.173	11	14.2	13	2	35	0.09	33	34.6	34	553	17	631	16	5	36	14.7	8	18.60	16		
Australia	0	0	0	0	0	0	0	21	20	423	21	21.15	13	19.4	18	19.7	18	0.99	20	18.4	18	116	31	640	15	10	9	12.9	6	18.80	17		
Turkey	5	19	14	9	0	0	16.1	19	70	903	8	12.9	23	11	8	15.7	21	0.22	30	22.8	24	1,221	12	572	17	66	35	33.5	31	18.80	18		
Sweden	0	0	0	0	52	3	0	21	9	135	32	15	20	29.6	31	18	19	2.00	9	17	16	365	20	268	26	3	5	17	10	19.60	19		
Hong Kong	0	0	0	0	0	0	0	21	7	2373	3	339	3	3	3	1	39	0.14	31	37.4	39	1,278	9	227	30	28	36	30	29	20.20	20		
Denmark	16	11	0	0	64	11	9.9	11	6	98	37	17.8	16	32.8	36	11.8	25	2.15	8	21.6	23	186	26	188	31	4	14	21.2	17	22.80	21		
Singapore	0	0	0	0	0	0	0	21	4.5	354	23	78.666	6	19.6	19	5.8	32	1.29	17	29	31	331	21	124	36	6	23	25.7	22	22.80	22		
Brazil	0	0	0	0	0	0	0	21	188	467	18	2.484	34	21.2	21	19.8	17	0.11	32	20	19	167	28	1,556	10	65	22	27.7	26	23.00	23		
Thailand	0	0	0	0	0	0	0	21	64	449	20	7.015	28	21.6	22	1.5	36	0.02	37	36.2	37	409	18	560	18	36	36	25.2	19	23.40	24		
Poland	16	10	35	8	0	0	8.8	10	38	146	31	3.8	32	31.2	33	26.8	11	0.71	22	13.2	13	93.8	33	514	20	51	30	30.3	30	23.80	25		
Austria	13	13	0	0	69	13	11.7	14	8	80	38	10.0	24	35.2	37	13.3	24	1.66	11	21.4	22	202.9	25	267	27	21	36	26.1	23	24.20	26		
S. Africa	0	0	0	0	0	0	0	21	44	272	24	6.181	30	25.2	27	16.5	20	0.38	27	21.4	21	183	27	533	19	42	32	27.2	25	24.20	27		
Greece	0	0	0	0	61	8	0	21	11	206	26	18.727	15	23.8	23	15	22	1.36	15	20.6	20	227	24	236	29	46	36	34.8	33	24.20	28		
Finland	0	0	0	0	60	7	0	21	5	121	34	24.2	12	29.6	30	7.6	30	1.52	14	26.8	30	263	23	161	35	1	36	24.9	18	24.40	29		
Ireland	0	0	0	0	62	9	0	21	4	160	29	40	9	25	26	7	31	1.75	10	26.8	29	367	19	164	33	26	17	29.3	27	24.40	30		
Cyprus	0	0	0	0	0	0	0	21	1	541	16	541	1	13	10	7.6	29	7.60	1	23.4	25	25	37	21	39	34	36	37.2	34	25.40	31		
Mexico	0	0	0	0	0	0	0	21	107	116	25	2	36	27.2	32	24	15	0.22	29	17.8	17	22	34	1,067	12	55	37	26.4	24	25.80	32		
Jordan	1	20	0	0	0	0	16	21	6	116	35	19.333	14	30.8	32	23	16	3.83	3	13.6	14	61	34	27	38	45	36	39.9	35	27.40	33		
Ukraine	0	0	0	0	0	0	0	21	46	108	36	2.347	35	35.8	38	28	10	0.61	23	12.6	12	156	29	340	23	84	36	42.6	37	27.40	34		
Hungary	12	15	0	0	0	0	12	13	10	76	39	7.6	27	36.6	39	8.7	27	0.87	21	25.8	26	144.1	30	162	34	39	21	34.2	32	28.00	35		
Romania	0	0	0	0	0	0	0	21	22	187	27	8.5	26	26.8	28	9.6	26	0.44	26	26	27	100	32	183	32	67	36	42.9	38	29.20	36		
Malaysia	0	0	0	0	0	0	0	21	24	131	33	5.458	31	32.6	35	1.5	37	0.06	36	36.8	38	41	36	290	25	24	31	25.3	21	30.20	37		
Philippines	0	0	0	0	0	0	0	21	89	154	30	1.730	37	31.4	34	5.6	33	0.06	35	33.4	33	54	35	451	22	77	36	39.9	36	31.80	38		
Costa Rica	0	0	0	0	0	0	0	21	4	174	28	43.5	8	24	24	1.3	38	0.33	28	36	36	5	39	45	37	64	36	45	39	31.80	39		

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¹¹¹ Idealism in international relations usually refers to the school of thought personified in American diplomatic history by Woodrow Wilson, such that it is sometimes referred to as Wilsonianism. Idealism holds that a state should make its internal political philosophy the goal of its foreign policy. For example, an idealist might believe that ending poverty at home should be coupled with tackling poverty abroad. Wilson's idealism was a precursor to liberal international relations theory, which would arise amongst the "institution-builders" after World War II. Idealism is also marked by the prominent role played by international law and international organizations in its conception of policy formation. One of the most well-known tenets of modern idealist thinking is democratic peace theory, which holds that states with similar modes of democratic governance do not fight one another. Wilson's idealistic thought was embodied in his fourteen points speech, and in the creation of the ill-fated League of Nations. Idealism transcends the left-right political spectrum. Idealists can include both human rights campaigners (traditionally, but not always, associated with the left) and American neo-conservatism which is usually associated with the right. Idealism may find itself in opposition to Realism, a worldview which argues that a nation's national interest is more important than ethical or moral considerations. Idealism (2006), <http://en.wikipedia.org/wiki/Idealism_in_international_relations_theory>, viewed 26th November, 2006.

¹¹² Maslow A.H. (1954), 'Motivation and personality', HarperCollins 1987, ISBN 0060419873.

¹¹³ Holt D.B. (2004), 'How brands become Icons', Harvard Business School Press, 2004, ISBN 1-57851-774-5, cb1605.

¹¹⁴ Ries A., Trout J. (1986), 'Positioning: The battle for your mind', McGraw-Hill, 1981, ISBN 0-07-065264-3.

¹¹⁵ Trout J. (2001), 'Big brands, big trouble', John Wiley & Sons, 2001, ISBN 0-471-41432-8; Bedbury S. (2002), 'A new brand world', Viking, 2002, ISBN 0-670-03076-7.

¹¹⁶ Viral marketing refers to Ideas, products, messages and behaviors spread just like viruses. The three characteristics of epidemics – one, they are contagious; two, the fact that little changes can have big effects; three, that change happens not just gradually but at one dramatic moment (rise or fall). Epidemics are a function of the people who transmit the infectious agents (based on the law of the few, categorized as connectors, mavens and salesmen), the infectious agent itself (the message and its ability to stick), and the environment in which the infectious agent is operating (the power of context in the market). Gladwell M. (2002), 'The Tipping Point', Little, Brown & Co., 2002, ISBN 0-316-34662-4, pp. 7, 9, 34, cb1607.

¹¹⁷ See footnote 6.

¹¹⁸ Kotler P., Lee N. (2005), 'Corporate Social Responsibility', John Wiley & Sons, 2005, ISBN 0-471-47611-0, p. 3.

¹¹⁹ See footnote 79.

¹²⁰ The general principle of holism was concisely summarized by Aristotle in the *Metaphysics*: "The whole is more than the sum of its parts". According to the Oxford English Dictionary, holism is defined as "The tendency in nature to form wholes that are greater than the sum of the parts through creative evolution". In the latter half of the 20th century, the main line of holistic thinking in science is systems thinking and its derivatives, like the sciences of chaos and complexity. A simplistic misinterpretation of holism is that knowing elements is not enough; relations between such elements also need to be known. In philosophy, any doctrine that emphasizes the priority of a whole over its parts is holism. In psychology the individual (an integrated whole expressed through a self-consistent unity of thinking, feeling, and action, moving toward an unconscious, fictional final goal), must be understood within the larger wholes of society, from the groups to which he belongs (starting with his face-to-face relationships), to the larger whole of mankind. The recognition of our social embeddedness and the need for developing an interest in the welfare of others, as well as a respect for nature. Holism, <<http://en.wikipedia.org/wiki/Holism>>, viewed 26th November, 2006.

¹²¹ Glocalization is a new paradigm for international relations and an innovative practice of development cooperation. In particular, Glocalization attributes a special role to cities as international actors, and to city-to-city cooperation as a tool to counter global challenges and promote economic development and peace building activities. Glocalization entails a shift in the international system, from a framework based on a balance of power between nation states, to a balance of cultural interests and local needs with global opportunities, always taking into account the importance of local actors as agents of change. The Glocalization strategy empowers local communities, linking them to global resources and knowledge while facilitating initiatives for peace and development. It provides opportunities for the local communities to direct positive social change in the areas that most directly affect them, and to shape an innovative and more equitable international system. By creating a new socio-economic balance, Glocalization has far-reaching benefits for both developed and developing countries, emphasizing social equity as a basis for international stability and ensuring a more secure and stable global environment to bring about development and peace. Glocalization, <<http://en.wikipedia.org/wiki/Glocalization>>, viewed 26th November, 2006.

¹²² Kotler P. (2003), 'Marketing Management', Prentice-Hall, 2003, ISBN 0-13-033629-7, pp. 17-27.

¹²³ Kim W.C. Mauborgne R. (2005), 'Blue Ocean Strategy', Harvard Business School Press, 2005, 1-59139-619-0.

¹²⁴ Neumann J.V., Morgenstern O. (1944), 'Theory of games & economic behavior', Princeton University Press, 1944, <http://en.wikipedia.org/wiki/Theory_of_Games_and_Economic_Behavior>, <http://en.wikipedia.org/wiki/Game_theory>, <<http://www.britannica.com/eb/article-9109420?hook=386139#386139.hook>>, cb1606.

¹²⁵ Leonard M. (2002), 'Diplomacy by other means', *Foreign Policy*, September/October 2002, <<http://>

- www.foreignpolicy.com/story/cms.php?story_id=1913>, viewed 4th February, 2005, cb0116.
- ¹²⁶ The Public Diplomacy Strategy Board, which advises the government, implements the 'British Satellite News', among other things, which promotes a positive image of modern Britain (products, services, way of life and government policy) among opinion leaders (journalists, politicians and decision makers) in other countries, supervises nation marketing activities, public diplomacy, and nation branding, which are under the purview of the Foreign Office, the Department of Commerce and Industry, the British Council, the Agency – Invest in Britain, the British Tourism Board, and the BBC World Service.
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- ¹²⁸ Gedmin J., Kennedy C. (2004), 'Selling America Short', *National Interest*, winter 2003-2004, <http://www.findarticles.com/p/articles/mi_m2751/is_74/ai_112411720>, viewed 4th February, 2005, cb0108.
- ¹²⁹ Wang J. (2006), 'Localizing public diplomacy: The role of sub-national actors in nation branding', *Place Branding*, vol. 2, 1, pp. 32-42, cb2314.
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- ¹³¹ Mellissen J. (2004), 'Where is place branding heading?', *Place Branding*, vol. 1, 1, pp. 12-35, 2004, cb1403; Terdiman D. (2006), 'Real diplomacy from the virtual world', *News.com.com*, 3rd May, 2006, cb2046.
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- ¹³³ Blichfeldt B.S. (2006), 'Unmanageable place brands', *Place Branding*, vol. 1, 4, pp. 388-401, cb2301.
- ¹³⁴ Nebenzahl I. (2004), 'Where is place branding heading?', *Place Branding*, vol. 1, 1, pp. 12-35, 2004, cb1403.
- ¹³⁵ Amine L.S., Chao M.C.H. (2005), 'Managing country image to long-term advantage: The case of Taiwan and Acer', *Place Branding*, vol. 1, 2, pp. 187-204, 2005, cb1211.
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Anholt-GMI (2005-3), 'How the world sees the world', The Anholt GMI nation brand index, third quarter, 2005, <<http://www.nationbrandindex.com/allreports.phtml>>, cb0852; Anholt-GMI (2005), Nation Brands Q3 2005 Newsletter, 30th October, 2005, cb0849; Anholt-GMI (2005-4), 'How the world sees the world', The Anholt GMI nation brand index, fourth quarter, 2005, <<http://www.nationbrandindex.com/allreports.phtml>>, cb1220; Anholt-GMI (2006-1), 'Special Report – Denmark's international image', The Anholt GMI nation brand index, first quarter, 2006, <<http://www.nationbrandindex.com/allreports.phtml>>, cb1416.

¹³⁷ Quelch J., Jozek K. (2005), 'Positioning the nation state', *Place Branding*, vol. 1, 3, pp. 229-237, cb2103.

¹³⁸ Florek M. (2005), 'The country brand as a new challenge for Poland', *Place Branding*, vol. 1, 2, pp. 205-214, 2005; Dzenovska D. (2005), 'Remaking the nation of Latvia: Anthropological perspectives on nation branding', *Place Branding*, vol. 1, 2, pp. 173-186, 2005, cb1214.

¹³⁹ Johnston Y. (2004), 'Where is place branding heading?', *Place Branding*, vol. 1, 1, pp. 12-35, 2004, cb1403.

¹⁴⁰ Kotler P., Haider D.H., Rein I. (1993), 'Marketing Places', The Free Press, ISBN0-7432-3636-x, cb1521.

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¹⁴² A holarchy, in the terminology of Arthur Koestler, is a hierarchy of holons – where a Holon is simply a part of a hierarchy which itself is a complex system. The term was coined in Koestler's 1967 book *The Ghost in the Machine*. The term is also used extensively by new age writer Ken Wilber. The "nested" nature of holons, where one holon can be considered as part of another, is similar to the term Panarchy as used by Adaptive Management theorists Lance Gunderson and C.S. Holling. The universe as a whole is an example of a holarchy, or holarchical system, and every other holarchy we are aware of is a part of this larger holarchy. A **heterarchy** is a network of elements sharing common goals in which each element shares the same "horizontal" position of power and authority, each having an equal vote. A **heterarchy** may be independent or at some level in a hierarchy. Each level in a hierarchical system is composed of a heterarchy which contains its constituent elements. Both a hierarchy and a heterarchy are systems in which multiple dynamic power structures govern the actions of the system. They represent different types of network structures that allow differing degrees of connectivity. In a hierarchy every node is connected to at most one parent node and zero or more child nodes. In a heterarchy, however, a node can be connected to any of its surrounding nodes without needing to go through or get permission from some other node. Socially, a heterarchy distributes privilege and decision-making among participants, while a hierarchy assigns more power and privilege to the members high in the structure. Heterarchy can be defined as an

organizational form somewhere between hierarchy and network that provides horizontal links that permit different elements of an organization to cooperate whilst individually optimizing different success criteria. In an organizational context its beauty is the way in which it permits the legitimate valuation of multiple skills, types of knowledge or working styles without privileging one over the other. <<http://en.wikipedia.org/wiki/Holarchy>>; <<http://en.wikipedia.org/wiki/Heterarchy>>

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¹⁵⁵ See footnote 115.

¹⁵⁶ See footnote 113.

¹⁵⁷ Buzz marketing captures the attention of consumers and the media to the point where talking about a brand or company becomes entertaining, fascinating and newsworthy (Buzz starts a conversation). Web Buzz tools: Talkbacks, Chatrooms, Community websites, Blogs, Vlogs, e-mails and Mash-ups. Hughes M. (2005), 'Buzzmarketing', Portfolio, 2005, ISBN 1-59184-092-9. p. 2, cb1607; Goo S.K. (2006), 'Art and marketing all mashed up', *washingtonpost.com*, 2nd August, 2006

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¹⁶³ See footnote 54.

¹⁶⁴ See footnote 102.

¹⁶⁵ See footnote 56.

¹⁶⁶ See footnote 51.

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¹⁶⁹ *Tikkun olam* is a Hebrew phrase which translates to "repairing the world." It is important in Judaism and is often used to explain the Jewish concept of social justice. In some explanations, the more mitzvot that are performed, the closer the world will be towards perfection. Some Jews believe that acts of tikkun olam will either trigger or fulfill the prophesied coming of the Messiah or messianic age (the World to Come). The belief in tikkun olam is also central to the Zohar ("Book of Splendor"), the most important book in kabbalah (Jewish mysticism). In Conservative, Reform and Reconstructionist Judaism, Tikkun olam has taken on political and religious significance in that it implies that Jews should work towards social justice. Tikkun Olam, <http://en.wikipedia.org/wiki/Tikun_olam>, viewed 17th December, 2006; <<http://www.forward.com/articles/the-politics-of-repair>>; 'The State of Israel will be unlike all other nations,

which are large, responsible nations, in that Israel will be an ideological nation from its foundation, and its tendency will be toward repairing the world (tikkun olam) and being a light unto the nations.' HaCohen kook A.Y. (1921), *Orot*, Rabbi Kook Institute, [http://he.wikipedia.org/wiki/%D7%90%D7%95%D7%A8%D7%95%D7%AA_\(%D7%A1%D7%A4%D7%A8](http://he.wikipedia.org/wiki/%D7%90%D7%95%D7%A8%D7%95%D7%AA_(%D7%A1%D7%A4%D7%A8), viewed 17th December, 2006 (in Hebrew).

¹⁷⁰ See footnote 100.

¹⁷¹ Ministry of Foreign Affairs, <<http://mashav.mfa.gov.il/mfm/web/main/document.asp?SubjectID=17267&MissionID=16210&LanguageID=0&StatusID=0&DocumentID=-1>>, viewed 17th December, 2006 . (in Hebrew)

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¹⁷³ <http://www.pmo.gov.il/PMO/Archive/Spokesman/2003_%D7%99%D7%A0%D7%95%D7%90%D7%A8/Spokesman7793.htm>

¹⁷⁴ See footnote 90.

¹⁷⁵ The purpose of the IDF Department of Operations is to take primary responsibility for the planning and implementation of the IDF's forces through the various branches of command within the infantry, within the Air Force, within the Navy and in IDF headquarters. IDF (2006), Official Website, viewed 31st December, 2006, <<http://www1.idf.il/DOVER/site/mainpage.asp?sl=HE&id=4&unit=14013&srch=&bScope=True>>, (n Hebrew).

¹⁷⁶ See footnote 61.

¹⁷⁷ See footnote 66.

¹⁷⁸ Roei-Rothler R. (2006), Interview with Rachel Roei-Rothler and Josef Ganzel of the Department to Promote Investments of the Ministry of Industry, Commerce and Employment, 25th September, 2006. (in Hebrew)

¹⁷⁹ See footnote 41.

¹⁸⁰ For details, see section 2.1.4.

¹⁸¹ Ravid B. (2006), 'Milking the tourists', *NRG Ma'ariv*, 29th October, 2006 (in Hebrew).

¹⁸² Israel GDP (purchasing power parity): \$156.9 billion (2005 est.); CIA (2006), 'CIA world fact book', Israel, Economy, viewed 1st January, 2007, <<https://www.cia.gov/cia/publications/>

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¹⁸⁴ Smith C. (2003), 'Beyond Cool Britannia', *Locum Destination Review*, Summer 2003, <<http://www.locum-destination.com/pdf/LDR12BeyondCoolBrit.pdf>> viewed 22nd February, 2005, cb0124; Harkin J. (2005), 'What is brand Britain?', *Times online*, 11th June, 2005, cb0614.

¹⁸⁵ UK GDP (purchasing power parity): \$1.818 trillion (2005 est.). CIA (2006), 'CIA world fact book', United Kingdom, Economy, viewed 1st January, 2007, <<https://www.cia.gov/cia/publications/factbook/geos/uk.html#Econ>>

¹⁸⁶ Alternative publications stated that the required budget for 2006 was \$430 million for direct public diplomacy activities, plus an additional sum of \$652 million to fund the government's foreign media (including broadcasts of the Voice of America, the Al-Hurra television station and the Sawa radio station). Secretary Rice: President's FY 2006 International Affairs Budget Request, US Department of State, <http://www.state.gov>, 17th February, 2005, <<http://www.state.gov/secretary/rm/2005/42343.htm>>, cb0126.

¹⁸⁷ US GDP (purchasing power parity) \$12.31 trillion (2005 est.). CIA (2006), 'CIA world fact book', United States, Economy, viewed 1st January, 2007, <<https://www.cia.gov/cia/publications/factbook/geos/us.html#Econ>>

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¹⁸⁹ Broadbent S. (1988), 'The Advertiser's handbook for budget determination', Lexington Books, 1988, ISBN 0-669-18139-0; Hassman R. (1994), 'The advertising budget: how much is neither too much nor too little?', *Otot*, 1994, <<http://www.idc.ac.il/publications/files/224.pdf>>, (in Hebrew).

At the dawn of the 21st century, with the technological revolution in communications at its zenith - a revolution that has enabled more than 20% of all humans to know in real time what is happening on the other side of the globe - many government authorities are involved in managing their nation's image in world public opinion. A country's image has a direct influence on its success in international competition, its ability to promote its economy and the welfare of its inhabitants, its policy maneuvers, and its promotion of ideas and ideologies. The need to manage the national image acquired pressing urgency in the United States following the terrorist attacks of September 11, 2001 and the declaration of war against international terrorism. In Israel, this need increased with the outbreak of the *Al-Aksa Intifada*, and the doubt cast on the legitimacy of the existence of a Jewish national state.

The question troubling officials in government, academia, and the media is what practical tools are needed to manage a country's image. In recent years, a new applied field has developed: that of "branding" a state. According to the school that favors nation branding, a government should manage its country's image with the same tools used by business corporations. In the following analysis, the author of this paper will discuss the question: **Are nation branding tools the right ones to change world public opinion about the State of Israel, which is in a constant state of conflict?**

Romme Hassman, MBA, is an expert in marketing strategy. A Research Fellow at the Harold Hartog School of Government and Policy, the Gershon Gordon Faculty of Social Sciences, Tel Aviv University, he is currently researching Israel branding. He is also an adjunct lecturer on nation and social marketing at the Raphael Recanati International School of Business Administration at the Herzliya Interdisciplinary Center. A graduate of the Department of Economics of the Faculty of Social Sciences, and received his MBA from the Daniel and Raphael Recanati School of Business Administration at the Hebrew University of Jerusalem. Directed the departments of strategy and market research at Gitam/BBDO and Fogel-Levin/O&M advertising agencies. He coordinated advertising studies at the College of Management. He also established and ran the Department of Business Administration at the School of Tourism of the Ministry of Tourism and served as the secretary of the International Association of Advertisers in Israel.