

ANALYSIS

India drops a rank, is eighth most valuable nation brand

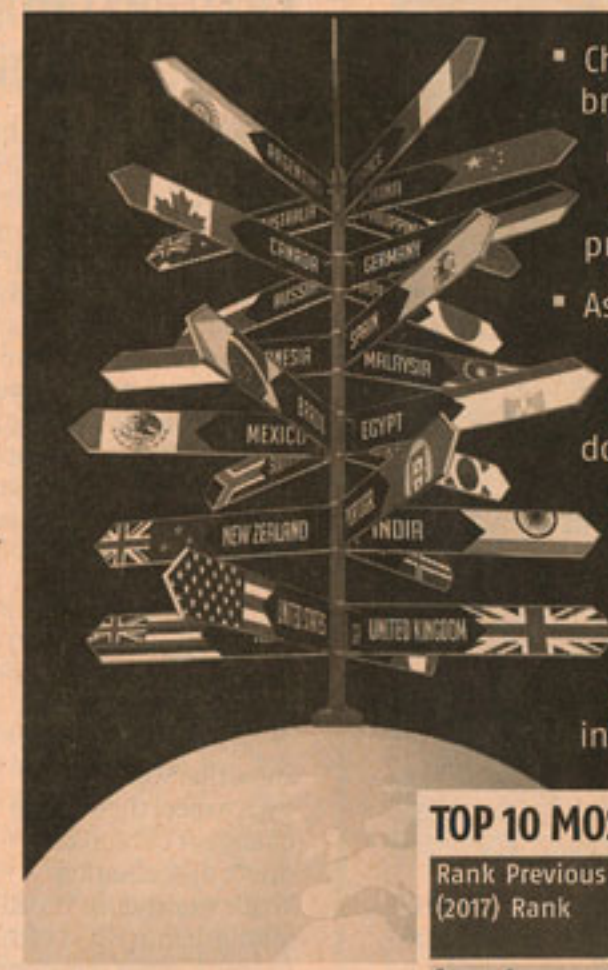
US top of the charts, China fastest growing while India decelerates: Nation Brands 2017

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India is ranked the eighth most valuable nation brand while the United States retained its top position and China took the second spot in the league of nations according to Brand Finance's *Nation Brands 2017*. India went down one spot over the previous year, the report said, because the economy grew at its slowest pace. India switched places with Canada and its brand value dropped by one percentage point while that of Canada's rose 14 per cent. China, the fastest growing nation brand in 2017, saw valuation grow 44 per cent.

The report says that China has gained because "in a virtuous circle, Chinese brands and the transformed national image of China as an emerging global power are reinforcing each other." India, on the other hand, has taken a hit on several fronts. "Reforms must be introduced to maximise job creation, provide fiscal support and to boost economic growth. However, the less than impressive track record of implementing change renders the nation's outlook unstable. This poses a threat to its future nation brand value," said David Haigh, CEO, Brand Finance.

India improved its brand rating from 'AA-' to 'AA' though, but failed to make it into the top ten 'best performing' or 'strongest' brands. Brand analysts list democracy, diversity, young population and technological receptivity as the pillars of India's brand value. Brand consultant Bharat Bambawale said



- China is the fastest growing nation brand in absolute terms
- US dominance as the most valuable nation brand threatened by Trump's presidency
- Asian nation brands boom as the West stagnates
- Southern European nations show double-digit growth
- Game of Thrones brings record growth to Iceland, brand value up 83% year on year
- Singapore defends strongest nation brand title as it continues to invest in its citizens

TOP 5 BEST PERFORMING NATION BRANDS

Rank	Nation	% chg in Brand Value
88	Iceland	83
100	Cyprus	57
12	Spain	46
2	China	44
45	Vietnam	43

Source : Brand Finance

that India's strategy for GDP growth should focus on services and investment. The report also said that India is seen stronger in attributes related to culture and weaker in attributes related to business. "India needs rapid economic growth, accelerated employment, exponential increase in infra-

TOP 10 MOST VALUABLE NATION BRANDS

Rank (2017)	Previous Rank	Country	Corporate Brand Value (US \$ in billion) (2016)	Corporate Brand Value (US \$ in billion) (2017)	% chg in Brand Value
1	1	United States	20,574	21,055	2
2	2	China	7,087	10,209	44
3	3	Germany	3,882	4,021	4
4	4	Japan	3,002	3,439	15
5	5	United Kingdom	2,942	3,129	6
6	6	France	2,339	2,969	27
7	8	Canada	1,810	2,056	14
8	7	India	2,066	2,046	-1
9	9	Italy	1,521	2,034	34
10	11	South Korea	1,289	1,845	43

structure and a do-or-die spirit of enterprise," says Sandeep Goyal, chairman, Mogae Media.

According to Haigh, India has surpassed China and the US as the top recipient of greenfield foreign direct investment and the key task is to maintain this position. He also said that the real long-

term growth of both the Chinese and the Indian economy has cooled off since last year, but the Chinese economy is still perceived as less risky. Bambawale says that India has to not only match, but exceed China's growth rate consistently for a decade or two, if it wants to climb the Index and reliably hold a

higher position. Not everyone believes that India needs to pit its brand against China though. N Chandramouli, CEO, TRA, a brand insights agency says, "China has a monolithic government where all decisions are implemented without opposition. India must grow, there is no doubt about it, but our pace must be measured as under a distinct set of conditions." Brand valuations are not the best indicator of a nation's value or progress he believes.

The report points out that the dynamic between American and Chinese nation brands is mirrored by the broader trends of Western stagnation and Asian advance. Established European nation brands, such as Germany, Netherlands, Belgium, Switzerland, Sweden, Austria, record either a decline or a negligible growth of value. At the same time, Asian nation brands grew at breakneck speed.

One of the most interesting stories among nation brands in 2017 is that of Iceland. Its tourism industry is booming, post the success of *Game of Thrones* that was shot in the country, helping it become the fastest growing nation brand of 2017, up 83 per cent from last year.

India, on the other hand, saw a two per cent drop in tourism over the past year. Bambawale says, "The gap between advertising and on-ground experience is huge. High-ticket tourists pay prices equal to anywhere in the world, so why come here when they can do better elsewhere? Backpackers add little to revenue."

DATA TRACKER



THE NEW INDIAN TRAVELLER

Over the past few years, the travel economy has undergone a major shift in terms of the way businesses conduct themselves, engage with tourists and adapt to customer expectations. A survey by digital research agency, Netcore Solutions, looks at consumer parallelism, or the simultaneous existence of contrasting traits among travellers and its impact

MARKETING AUTOMATION DRIVES CHANGE

- 15% month on month growth in number of enquiries
- Companies have cut personalised response time to 30 mins
- Improved engagement rate by 15%
- 30% reduction in cost of customer acquisition



HOW CUSTOMER BEHAVIOUR IS CHANGING

Connecting on social media

- 500% jump in enquires since 2014
- 100% growth in last one year
- Most active social media channel Facebook

Digital deals

- Email - 90%
- Messenger apps also an emerging channel of engagement and finalisation of deals

Around 50% trips are being finalised completely on smart phones as travel agents share the itinerary on instant messaging and the customer pays online

Where do they travel

- 60% Domestic
- 30% International

Most searched destinations

- Asia - Enquires up by 300%
- Europe - Enquires up by 150%



International travel

Indian leisure traveller follows a conventional path when it comes to going abroad

- 90% of travel traffic is directed to only 20 countries
- 100% y-o-y growth in enquiries
- 60% travellers go to 5 countries: U.A.E, Thailand, Singapore, Malaysia, Sri Lanka
- 16% of travel is to European countries

TURNAROUND TIME FROM DEAL ENQUIRY TO CLOSURE

Expected time for query management

- Now: 30 mins
- Earlier: 4-5 Days

Deal Closure

- Now: Domestic travel - 15 days, International tours - 30 days
- Earlier: Domestic travel - 30 days, International tours - 45 Days

Travellers prefer to get a personalised deal within 30 minutes, but also spend time on researching best deals

THE WEEKEND GETAWAY

On an average an Indian travels twice a year. However this trend is shifting and Indians are taking more trips now

- 2-3 vacations a year
- 8% drop in average nights spent per trip
- 20% increase in trips per year

Average time spent Domestic: 3 nights, International: 7 nights

THE IMPULSIVE TRAVELLER

- 60% travellers not sure of the destination
- 5X growth in weekend getaway searches

Source: Netcore Solutions-Hello Travel Consumer Insight Study 2017



Top domestic destination searches

Manali, Shimla, Goa, Kerala, Darjeeling

- The new Indian traveller is exploring India like never before
- Over 150 destinations were searched for by potential travellers in a month