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A Conceptual Framework on the Relationship between Nation Brand Perception and Donation Behaviour

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Abstract

Over the past two decades, the topic of nation brands has attracted the interest of academics, researchers, and policy makers alike. Governments in particular have used the concept of nation brands to attract support from international audiences. This study developed a conceptual framework of donation behaviour with nation brand perceptions as a mediating variable between donation motives and donation behaviour. The framework proposes that people's perception of a nation's brand will have significant implications on the willingness and extent of contribution to a charitable cause associated with the nation.

Introduction

In an increasingly competitive environment, not only companies but also countries are engaged in various efforts to establish distinguishing identities which set them apart from other nations. Over the past decade, the topic of 'nation branding' has attracted the interests of academicians and policy makers alike, driven by the belief that a strong nation brand can contribute to sustainable development (Jaffe and Nebenzahl, 2001), restore international credibility, enhance global political influence, and encourage stronger partnership with other nations (Yan, 2003).

The concepts of nation branding have been discussed in the marketing literature since the early 1990's. Kotler, et.al (1993) were among the first scholars who discussed the topic of nation branding to attract investments and tourisms to cities, nations, and places. An overview of the literature suggests that there are four main marketing domains which underpin the theoretical foundations of 'nation branding': (i) "country of origin" (Roth and Romeo, 1992, Parameswaran and Pisharodi, 1992, Shimp et al., 1993), (ii) country-product image (Parameswaran and Yaprak, 1987, Martin and Eroglu, 1993), (iii) destination branding (Hankinson, 2007, Pritchard and Morgan, 1998), and (iv) country identity (Anholt, 2007, Keillor et al., 1996, Keillor and Hult, 1999). Although most discussions of nation branding appeared in the marketing literature, in recent years it has become evident that the topic is much broader than marketing as it involves various disciplines such as international relations, political science, and public diplomacy (Anholt, 2003).

Despite an increasing amount of research on the topic of 'nation branding' over the past decade, few studies have discussed the role of nation brands in the non-profit marketing literature. Indeed, most studies in the past focused on the *conceptual definition* of nation brand (Fan, 2006), the *objective measurement* that assesses the strength of a nation brand (Fetscherin, 2010), and the *viable means* to help nations assess what they are communicating to the international audiences (Opoku and Hinson, 2006). To the best of our knowledge, there have not been any empirical studies devoted to examine the role of nation brands in donation-related behaviour.

This study aims to provide a conceptual framework to examine the effects of donors' perception of nation brands on donation behaviour. More specifically, it attempts to examine whether, how much, and why the perception about particular nation brands influences the willingness and extent of a donor's contribution. An important feature of this study is the incorporation of factors that are believed to have significant impact on donors' willingness to contribute to disaster-relief, child sponsorship, and other charity-related projects.

Nation Brands

Dinnie (2008) referred to nation branding as an 'exciting', 'complex', and 'controversial' research topic. The topic is 'exciting' as it represents a domain in which there are few existing theories but a substantial amount of real world activity; 'complex' because it encompasses interdisciplinary approaches beyond the realm of marketing literature; and 'controversial' as it is a politically-driven activity that frequently generates conflicting beliefs and perspectives. Despite an array of studies in this area, it has been argued that the topic is still in its infancy and only in the past decade that an increasing number of academics and practitioners have focused on nation branding as a research topic (Fetscherin, 2010). Until recently, the topic was still considered "an emerging area of interest...driven largely by practitioners and there is an urgent need for conceptual and theoretical development of the subject" (Fan, 2010, p.98). An overview of the literature reveals extant research gaps in the *definition* of nation brand (Fan, 2006), the *objective measurement* that assesses the strength of a nation brand (Fetscherin, 2010), the *viable means* to help nations assess what they are communicating to the international audiences (Opoku and Hinson, 2006), and the *consequences* of nation brands on consumer behaviour (Dinnie, 2008).

The literature made a distinction between the concept of 'nation brands' and 'nation branding'. Nation brands are defined as "the total sum of all perceptions of a nation in the minds of international stakeholders, which may contain some of the following elements: people, place, culture / language, history, food, fashion, famous faces (celebrities), global brands and so on" (Fan, 2010, p.98). Other definitions which have been documented in the literature include: a complex brand identity and image which encompasses national reality, its perceptions and evaluations by many internal and external stakeholders (Walsh and Wiedmann, 2008); a combination of name, related terms, marks, symbols, design which all serve to differentiate them from other countries (Kotler and Gertner, 2002); an umbrella under which further sub-brands can be expanded (Szondi, 2010). Nation branding, on the other hand, is defined as "the strategic self-presentation of a country with the aim of creating reputational capital through economic, political and social interest promotion at home and abroad" (Szondi, 2008, p.5). The practice of nation branding emerged as nations turn to brand management experts to develop their image in order to 'compete' effectively on the world stage against other nations (Dinnie, 2008). Indeed, nation-branding process is a highly politicized activity given the fact that government is seen as the representation of the people in a nation.

The impact of nation brand image on industrial and household consumer decision making processes has been well documented in the literature (Jaffe and Nebenzahl, 2001, Marguerite and Jason, 2008, Roth and Romeo, 1992). Han and Tepstra (1988) argued that the effects of nation brands image on consumer's purchase decision is stronger than the product's brand image. This is consistent with Roth and Romeo's (1992) findings which suggested that consumers' willingness to buy products could be enhanced by promoting the image of the nations. Positive nation brand image can be used to gain competitive advantage in

international marketing (Parameswaran and Pisharodi, 1994) and to influence consumers' perceptions of product quality in various ways (Peterson and Jolibert, 1995). Despite the increasing number of studies examining the relationship between nation brands and consumer behaviour, there are extant gaps in the relationship between nation branding and donation behaviour, as most studies in the past were conducted in commercial context.

Donation Behaviour

The non-profit sector is an important part of the Australian economy, contributing \$38 billion (3.4%) to the GDP, which is equivalent to that of the government administration and defense industry (ABS, 2008). Philanthropy Australia estimated that the total donation of money, goods, and services to non-profit organisations by individuals and businesses in the year 2005 amount to a total of \$11 billion (Philanthropy Australia Inc, 2005). The Australian Taxation Office reported \$2.3 billion worth of individual donations claimed in the 2007 – 2008 income year, which is a notable 24.5% increase from the previous year (Philanthropy Australia Inc, 2005).

There is an abundant amount of research across various disciplines on what motivates donors to give. Research on this topic stems from economics (Kohm and Ythier, 2006, Steinberg, 2006), psychology (Batson, 1990, Carlson et al., 1988, Penner et al., 2005), sociology (Havens et al., 2006), and non-profit marketing (Bendapudi et al., 1996, Briggs et al., 2007, Brown, 2004). More recently, philanthropic studies researchers have presented their own insights to explain the motivations for donation behaviour (Bekkers and Wiepking, 2007, Sargeant and Woodliffe, 2007).

Bekkers and Wiepking (2007, p.2) define charitable giving as the “donation of money to an organisation that benefits others beyond one’s own family”. A review of literature by Bekkers and Wiepking (2007) identified eight key motives that drive donation behaviour: (i) awareness of needs, (ii) solicitation, (iii) costs and benefits, (iv) altruism, (v) reputation, (vi) psychological benefits, (vii) values, and (viii) efficacy.

Wagner and Wheeler (1969) argued that it is the subjective perceptions of need (rather than objective) that drive people to donate. Other studies also suggest that this awareness of need will be enhanced if they know the beneficiaries of the charitable organisation (Radley and Kennedy, 1995). This suggests that the subjective awareness of need as a result of a marketing activity is the driving factor that enhances contributions to the advertised cause (Polonsky et al., 2002).

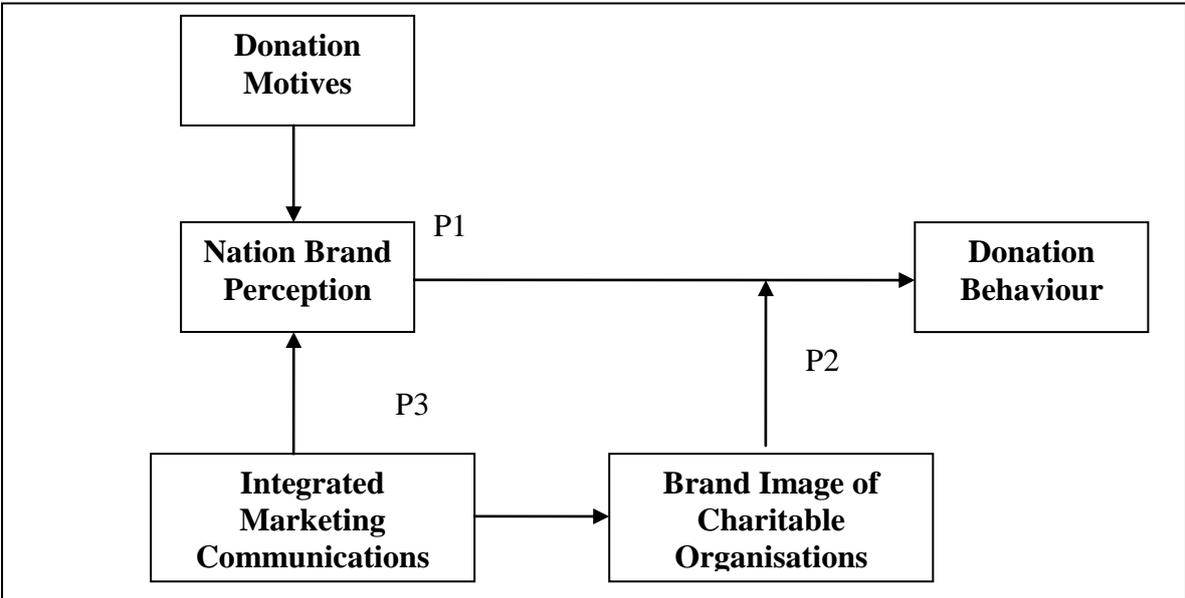
Conceptual Framework

The notion that subjective perception of needs drive people to donate is the fundamental premise for our conceptual framework (Wagner and Wheeler, 1969). The first focus of this study is on the mediating role of nation brand perceptions on the relationship between donation motives (as identified by Bekkers and Wiepking (2007)) and donation behaviour. According to Baron and Kenny (1986), a variable performs a mediating role if it accounts for the relationship between the antecedents and the results. Though people may have various motives when it comes to donating to a charitable cause, their perception of the nations' brand may affect their willingness and extent of donations. Poor and less developed nations may appeal more strongly to donors, particularly in unexpected circumstances such as natural disasters. Prospective donors may be inclined to give more to less developed nations due to

their perception that such nations may not be able to afford the costs associated with recovering from the disasters. On the other hand, more developed nations may be less appealing to prospective donors even in unexpected circumstances such as natural disasters. During the Japan's 2011 Tsunami relief, it was evident that most donations came from developed countries mainly United Kingdom, United States, and South Korea. Although other developing nations also contribute to the relief fund, most of the private donations came from donors from developed nations (Anonymous, 2011). Nation brand perceptions not only affect the extent of giving. Rather, it can be argued that people's perception of nation brands eventually account for the relationship between donation motives and donation behaviour, leading us to the first proposition.

Proposition 1
Perception of nation brands mediates the relationship between donation motives and donation behaviour

Figure 1. Conceptual Framework



The second focus of this study is on the link between brand image of charitable organisations and donation behaviour. Bennett and Gabriel (2003) asserted that the reputation of charitable organisations is one of the driving factors behind donation behaviour. This study proposes that the brand image of charitable organisations moderates the relationship between nation brand perception and donation behaviour. The strength of relationship between donors' nation brand perception and the actual donation behaviour will be determined by the brand image of charitable organisations. For instance, a reputable charity organisation that has run projects closely associated with the nations in need for a long period is more likely to attract donors' contribution as compared to newly established organisations. This leads us to the second proposition:

Proposition 2
The brand image of charitable organisations moderates the relationship between nation brand perception and donation behaviour.

The final focus of this study is on the role of integrated marketing communications (IMC) in affecting both people's perception of the nation brands and the brand image of charitable organisations. The role of marketing communications in affecting nation brand perception (Hankinson, 2007, Anholt, 2007, Dinnie, 2008) and the brand image of charitable organisations (Bennett, 2003, Stride and Lee, 2007, Tapp, 1996) have been widely acknowledged in the literature. Mass media plays an important role in increasing prospective donors' awareness of needs. Frequency of television advertisement related to a charitable cause is found to be positively associated with the amount of donation received by charitable organisations (Bennett and Kottasz, 2000). This study aims to replicate previous studies in this area through an examination of the role of IMC in affecting nation brand perception and the brand image of charitable organisations within the context of disaster-relief appeals.

Proposition 3

Integrated marketing communications is significantly related to nation brand perceptions and the brand image of the charitable organisations

Discussion

An overview of the literature in the preceding sections has highlighted the theoretical underpinnings on the issues of 'nation branding' and 'donation behaviour'. Despite the abundance of research in the respective areas, there are notable gaps in the literature on the examination of the role of nation brands in donation behaviour context. Particularly, the literature offers little explanation as to whether people's perception of a nation's brand might affect their willingness to donate to charitable causes related to the nation.

The topic of the present study is important for several reasons. First, the study promises to make a significant contribution to the non-profit marketing literature. The role of 'nation brands' in the context of donation behaviour remains significantly under-researched, especially in terms of empirical studies. The present study will therefore contribute significantly to the literature by applying the concept of 'nation brands' to encourage donation behaviour. Secondly, the present study aims to develop a comprehensive framework which links 'nation brands' and 'donation behaviour'. For the most part, the two have progressed independently of each other in the literature. The present study makes a significant contribution by integrating theories from these two research domains to explain the phenomenon of nation brands from the perspective of donors—that is, the study contends that the perceptions of donors regarding a nation's brand influence their willingness to donate and the extent of their contribution to causes related to the particular nation.

The conceptual framework in the present study has not been empirically tested and is therefore an area of future research. The potential findings of this study can be of significant relevance for both academicians and practitioners in the area of non-profit marketing. Non-profit managers can use nation brand appeals to further encourage donation behaviour. Non-profit researchers can also benefit from the study findings by understanding the nature of relationships between nation brand perception and donation behaviour and to examine the factors affecting the relationship between the two constructs.

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