

Branding Strategy for Exports in ITC Sector 2006-2009

1. Background

Since 2002 there has been several public-private partnerships attempts to coordinate the sector's branding efforts of the professional associations and the public sector (the Ministry of ITC and Department of Foreign Trade within the The Ministry of Economy and Trade), especially in the IT and vineyard-wines industries. In spite of some accomplishments, such as raising awareness of the need to create such a brand, the actual setting up of working groups, and the increase of promotion activities (in terms of number and impact), there was no consistent strategic approach in order to communicate the message coherently.

As a result the experience and lessons learnt, in the Export National Strategy (drafted with input from IT professional associations and approved by Government in December 2005), it has been set up the following strategic objective: the creation of sector branding for exports, as a result of a clear strategic process. This document also included the process of managing the brand, based upon impact assessment.

In the Export National Strategy are mentioned activities related to the branding effort at the following levels (page 52-54, Official Gazette of Romania part 1, No, 65 bis/24.01.2006):

1. Micro – companies should be stimulated to build individual brands by means of awareness campaigns, consultancy and branding services.
2. Meso – associations should promote to their membership the need for sector and territorial marketing;
3. Macro – (national level) the branding efforts of individual companies join the sector branding (composite) efforts; specific marketing tools at national level are developed.
4. Integrating the sector initiatives from various levels (micro/meso/macro) to a higher stage, that is branding at national level.
5. At inter-sector level, by the contribution of support institutions in areas such as quality management, building competencies, technology transfer and intellectual propriety protection.

This strategy also clearly indicates that sector branding is a strategic objective, and the IT is a target sector, together with other strategic sectors. Nevertheless the document doesn't go into details regarding the process of managing the

marketing process; the present document is rather describing and endorsing the process.

1. Strategic Process in Sector Branding

The lessons learnt and the international best practices shows that the process of creating a sector brand requires more than good will or stakeholders consensus to simply create it.

The essential components are the following:

1. Drafting relevant, written document, state clearly defines responsibilities, i.e. within the working groups as public-private partnerships involving all key stakeholders and adopting a clearly defined working method.
2. Endorsing the document by means of a public launch.
3. Defining the implementation period and activities (monitoring, impact measurement, fine tuning) as essential components of the SBS management process, as well defining the responsibilities.
4. Drafting an action plan with objectives, initiatives, targets and responsibilities.

1. Value Proposition (VP) and Core Message (CM)

Both best practices and the practical experience indicate that the core message (CM) of an industrial sector may contribute tremendously to shape its identity, to improve the image of the entire community of exporters, thus producing positive effects for all stakeholders.

However it is important to base the core message and the marketing tools upon real facts endorsed by the market, which had been professionally translated in value propositions that are in the same time simple, relevant, important and true.

In order to create the Core message and the value proposition, a first working group was set up. The branding task force named **Tech 21 Coalition** consisting in representatives of The Department of Foreign Trade in The Ministry of Economy and Trade, the Ministry of ITC and professional associations representing players in IT export gathered together in this working group, with the following action plan:

1. Assess the facts about the market and file them in a “facts inventory”.
2. Create a unique Value Proposition, based on the “facts inventory”.
3. Testing the Value Proposition in a pole concerning awareness and perception pole.

4. Develop concepts to communicate the Core Message, based on their ability to transmit the Value Proposition to three main potential markets: Europe, North America, and the others.
5. **Tech 21 Coalition** members select a Core Message.
6. Draft a Branding Handbook for the IT Sector that would set up the ground rules on using the Core Message and the Value Proposition on different markets. Using these rules will be mandatory in the public sector and advisable for companies and associations.
7. Developing a Marketing kit including presentations, contacts, brochures and videos. The marketing tools shall be as modular as possible so that companies and associations can use and adapt it in their own marketing campaigns.
8. Starting an internal awareness campaign to promote the need of using the Core Message and The Value Proposition.

1. Promoting Abroad the Brand

Just the Core Message and The Value Proposition, nevertheless essential elements of the brand, and the guide of using are not enough to complete the branding process. Another working group of the Coalition has responsibilities in defining programs to promote the brand on the three main foreign markets. The action plan is the following:

1. Managing the promotional web site www.itviewpoint.ro; as part of the promotional campaign a data base of about 300 interested journalists from Europe and USA was compiled, two international press tours have already been organised (one at *Outsource World* – New York in October 2005 and another at *CeBIT* in Hanover, Germany, in March 2006) and were organized conference calls with analysts, that further on printed positive articles in industry magazines Forrester or NeoIT. This type of campaigns shall be conducted over the entire period of implementing the strategy.
2. Classifying target markets in two categories:
 - 🚩 Main interest markets: USA, UK, German speaking countries;
 - 🚩 Secondary interest markets: France, Italy, Spain.

The following objectives should be accomplished on these markets:

1. Creating a Virtual Media Centre (VMC) and an informative site (similar to IT ViewPoint). The site shall include the calendar of fairs where Romania is to be present with a national booth, other promotional activities abroad, conferences, domestic events, points of view, etc.
2. Creating a monthly newsletter, connected to the Virtual Media Centre.

3. Creating a Set of Messages that adjust The Core Message and the Value Proposition and the marketing materials to a matrix of target markets/ selected products.
4. A consistent PR campaign that include events and promotional activities as a part of foreign promotion.
5. Annual participation at 5 international specialised fares with a national booth.
6. Niche Marketing Campaigns;

5. Improving Internal Processes

Again, just the Core Message and The Value Proposition, the guide of using it and/or the marketing kit for external promotion are not enough to complete the branding process To close the strategic action circle it is necessary to support the brand from inside, by improving the internal processes that would make it sustainable.

This objective is the responsibility of the third (and last), working group of the Coalition. They are responsible for the following actions:

1. Drafting The Foreign Investor and Client Guidebook, a guide for potential stakeholders interested in ties sector; the guide shall include contacts, data about the business environment, legislative framework, etc.
2. Creating a system to follow-up on the contacts; the system should include a periodical evaluation of the promotion and match-making activities on foreign markets.
3. Building a data-base with good experts, that can be involved in discussions with potential investors and customers.

1. Strategy Management

Drafting the present document is just the first phase of the strategy management. The process implies that, after the public launch and endorsement, the Coalition would involve in monitoring, measuring the impact and periodical fine tuning.

The strategy management responsibility stays with the **Tech 21 Coalition** members and the working groups that have cooperated in drafting this document. Taking into account the role and competencies of the Department of Foreign

Trade within the Ministry of Economy and Trade regarding the National Export Strategy (that is the base of this document), The Department of Foreign Trade shall be the ultimate coordinator of the SBA management and reporting activities during the implementation period. This does not mean the other members of the Coalition members are absolved from engaging in monitoring, or impact assessments analysis; each organisation involved should inform the rest of the members regarding the status of activities undertaken.

Impact assessment will use grades top rank each initiative in the activity plan, that will be balanced according to the three types of initiatives, as follows:

Objective	Importance and balance
Construction and post-validation Brand (VP and CM)	20%
Foreign Promotion	40%
Internal Processes	40%

In the assessment plan are mentioned the following:

1. objectives
2. initiatives
3. institutions responsible with implementation
4. resources
5. targets
6. impact measures

Each initiative is ranked from 0 to 3, according to the stage of implementation:

0 (not started), 1 (under the target), 2 (on the target), 3 (over the target). The total sum of initiatives on each objective is balanced according to the above table in order to calculate the final score.

The final score (on a 0-100 scale), shall be assessed as such:

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|---|-------------|------------------------------|
| 1 | 80-100 | points – over expectations |
| 2 | 52-80 | points - within expectations |
| 3 | 0-52 points | under expectations |