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# Brand USA: A natural quasi-experiment evaluating the success of a national marketing campaign

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ABSTRACT

As national, state, and local governments implement strategic place branding and marketing plans, questions remain about how to best measure the success of such endeavors. Using a natural quasi-experimental design, we evaluate how well marketing efforts from Brand USA achieve intended tourism goals. Brand USA was created in 2009 to market the country abroad. Based on air travel data collected from the National Travel and Tourism Office, Brand USA reports, and economic indicators from the World Bank, we find Brand USA's marketing efforts have little effect on inbound international travel to the US, thus showing a potential weakness in place marketing efforts abroad. Findings suggest the organization may decrease the effectiveness of the complex branding campaign.

## 1. Introduction

Popular news outlets have covered President Trump and his effect on travel to the United States. Recently, news of the US Supreme Court upholding Trump's travel ban caused a spokesperson for Brand USA, the government's destination marketing agency, to reaffirm the role of destination marketing and implore people to transcend political rhetoric and visit the US (Leposa, 2018). What some are calling the "Trump slump" has cost the US travel and tourism industry an estimated $4.6 billion and 40,000 jobs (US Travel Association, 2018). Perhaps signaling Brand USA as extraneous government spending, the Trump administration threatened to revoke funding for the agency in its fiscal year 2018 budget request (Gingerish, 2018). Together these events beg the question: How well do Brand USA's destination branding and marketing efforts work?

Brand America is one of the strongest nation brands in the world (Anholt & Hildreth, 2010), so it might seem unusual for the country to have its own marketing and branding agency. In this case, Brand USA serves that role as a federally funded public-private partnership (PPP) established in the 2009 Travel Promotion Act. Brand USA's goal is to develop and communicate the US brand to targeted countries globally to increase leisure travel to the United States. Given that federal dollars fund these efforts, understanding the performance of Brand USA's international communications efforts via country-specific targeted marketing strategies becomes prudent. While Brand USA leaders and spokespeople continue to praise the efforts of the organization, we evaluate if Brand USA's international branding marketing efforts indeed help increase US tourism.

The question addresses a gap in the place branding and marketing literature about measuring success of such programs (Zenker & Marin, 2011). Given Brand USA targets certain countries and not others, we have a natural quasi-experiment that allows for evaluation of programmatic success. By comparing countries that received the marketing treatment with those that did not, we find that Brand USA may not be successful in its efforts. The organization presents a picture of success to sustain funding given that, when adding social, economic, and other controls for the nations targeted, their marketing efforts abroad do not work well. This finding confirms existing literature that suggests is it difficult to measure place marketing success, as the one-to-one relationship of treatment-effect is elusive at best (Aaker & Joachimstahler, 2009). It is challenging to measure whether someone saw an ad for Brand USA and selected the country for travel or had plans to travel to the US anyway. Therefore, Brand USA's claims that direct marketing works in this manner is spurious at best. Brand USA, as a PPP, has the incentive to return less revenue to its tourism mission, instead allocating resources to marketing the *agency itself* to its members and policymakers through glossy annual reports.

The paper proceeds with an overview of place branding and marketing, focusing on nation branding and Brand USA's operations. Next, we detail the quasi-experimental design, followed by findings and implications of the study. Practical lessons are offered in the conclusion.

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## 2. Literature review: an overview of nation branding and marketing

Oftentimes, place branding and marketing are lumped together into one, non-distinct concept. Practically, they are different yet related so are treated as such here, given Brand USA uses both terms. Both have roots in tourism and hospitality studies (Hanna & Rowley, 2013) and are important given the governance implications and use of taxpayer dollars to achieve branding and marketing goals (Eshuis & Edwards, 2012; Eshuis, Braun, & Klijn, 2013; Zavattaro, 2014). With increased competition among cities, neighborhoods, regions, and nations, "it seems that the question facing places is not whether to brand, but how to brand" (Hanna & Rowley, 2013, p. 1782).

Place branding is the application of typically corporate-like branding practices to places such as nations, states, cities, and other geographic regions and communities (Eshuis, Klijn & Braun, 2014). Branding is an active strategy ideally involving stakeholders throughout the process (Dinnie, 2015), helping create emotional connections to a place via a series of networked associations (Zenker, Braun & Petersen, 2017). Place marketing uses various tools to communicate to internal and external publics about the value of a place in a coordinated effort (Eshuis et al., 2013). Marketing materials are often the vehicles through which places (or corporations, or nonprofit organizations) communicate their brand identities to various stakeholders. Brands, then, are not rational means for influencing choices; instead, they are emotional, cognitive shortcuts to accelerate a purchasing decision (i.e. – travel to this country, purchase a home in that neighborhood, buy that line of dish soap). Incorporating branding and marketing into the public sector is not without critique, as "the nation has been reconfigured from a political idea into a commercial product circulating on a global market" (Stahlberg & Bolin, 2016, p. 274). But as Eshuis et al. (2014) note, this shift could be harnessed for good governance purposes if key stakeholders are meaningfully involved in all aspects of branding process.

Our focus for this paper is on nation branding, given that is the explicit, legislatively assigned task of Brand USA. Nation branding results from a turn toward globalization and marketization (Anholt, 2006) and can be 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. A nation's 'brand' exists, with or without any conscious efforts in nation branding, as each country has a certain image to its international audience (Fan, 2010, p. 98).

Given the vastness of a nation, and the interested stakeholders at home and abroad, it often is unclear who is the target audience(s). This is why Anholt (2006) suggests thinking holistically about the branding audiences rather than separating, say, tourism from economic development. We see, though, Brand USA falling into this myopic pattern given its sole mission is tourism focused.

Place branding and marketing involve many actors from public, private, and nonprofit sectors coming together to increase the economic standing of the place (Klijn et al., 2012), and we see this reflected in Brand USA's organizational structure. Within a tourism context, as is the case with this study, the goal of place branding and marketing is to increase overseas travel and spending to the place. Tourism, then, can be seen as a public good – the benefits from which support all within the place regardless of their participation in the process (Giovanelli, Rotondo, & Fadda, 2015). The opposite also is true regarding negative externalities associated with increases in tourism, especially ecotourism when once-pristine lands fall prey to pollution and litter (Fennell, 2015).

Despite challenges, nations brand to achieve what Anholt (2006) calls competitive identity. "The reputation of a country has a direct and measurable impact on just about every aspect of its engagement with other countries, and plays a critical role in its economic, social, political, and cultural progress" (Anholt, 2006, p. 9). Tourism promotion naturally lends itself to the development of PPPs, given the incentives for both business and government to increase tourism, but forming a coherent network with similar goals often proves difficult (Giovanelli et al., 2015).

### 2.1. Brand USA: its mission and background

It seems almost counterintuitive for the United States to have an agency dedicated to its brand, as "America has quite deliberately built and managed itself as a brand right from the start" (Anholt & Hildreth, 2010, p. 6). Specifically, the American brand involves individualism, liberty, freedom, and choice. American political thought often attempts to reconcile the conflicting tensions between Americans as self-interested individuals and Americans operating in a larger community (Love, 2008). Love (2008) identifies the core of the American brand – individualism with a balance of communitarianism. Anholt and Hildreth (2010) take an in-depth look at Brand America, or how others perceive the strength of the US nation brand. The country of origin effect – Made in America – is strong. Tourism destinations are always on someone's radar, and the long-held American Dream drives people to this country in droves. Put simply: America as a brand is well known, for good or for ill.

Scholars have looked at Brand America related to the image of the US at home and abroad. In a survey of international students, Randolph, Fullerton, and Kendrick (2010) found that respondents viewed Americans as domineering, controlling, fat, and materialistic. Those images changed only slightly if respondents consumed American media, which might give a more positive portrayal. Rawson (2007) found negative perceptions of then-President George W. Bush also influenced an overall negative perception of the US abroad. Contemporarily, news outlets are reporting another downturn in Brand America during the Trump administration, calling it the "Trump slump."

Brand America has several additional problems (Silver & Hill, 2002). First, the sheer size of the country makes for different internal brands. Rural America, for example, often is pitted against the coastal elites. The different internal brands lead to confusion for visitors. Second, corporate brands have a relatively easier time than places in defining key customers. For nation brands such as America, that task is challenging given the wide array of consumers and businesses taking part. Finally, Silver and Hill (2002) bring up international incidents such as wars in Afghanistan and Iraq, plus today's continuing War on Terror, that tarnished Brand America. Lai and Harrill (2013) found, for instance, that Chinese tourists were afraid to come to the US because of negative brand images. The authors suggest an increase in US destination marketing to Chinese elites as a possible fix to the negative images (Lai & Harrill, 2013), but sometimes the perception of risk is too much to overcome for international travelers (Krozak, Crotts, & Law, 2007).

Snow (2016, p. 24) describes how conscious efforts from branding or rebranding campaigns may prove ineffective given existing and historical perceptions:

> The United States of American is the original nation of branding itself to the world, from the time of the Declaration of Independence to the Statue of Liberty […] The problem today is that the United States is not the aspiration symbol that it once was. […]The United States does not suffer from what affects many countries: invisibility in the minds of tourists and investors. It is always on the mind of the global publics—for good and for bad. One persistent troublesome image for the United States is that it is seen as a nation of violence.

Indeed, violence was the impetus to create Brand USA. After the Sept. 11, 2001, terrorist attacks, the US went through what the industry called a dark period for tourism, as people did not want to visit. International arrivals at the time declined to 12.4 percent from 17 percent (Hudson, 2014). Thus came Brand USA in the 2009 Travel and Promotion Act. Brand USA is a nonprofit organization incorporated in Washington D.C. that bills itself as "the destination marketing organization for the United States with a mission of increasing incremental international visitation, spending, and market share to fuel the nation's economy and enhance the image of the USA worldwide" (Brand USA, 2017; para. 1). Brand USA officially began operations in 2011 in partnership with private tourism leaders, state tourism associations, the US Department of Commerce, and the US Travel Association. Brand USA's first two years were dedicated to planning and provision of services, so they launched marketing operations in 2011.

Brand USA received $50 million in private-sector funds during fiscal year 2012, plus an additional $100 million in federal matching funding that same year (Government Accountability Office, 2013). Matching funds come from a $10 international fee travelers pay to the Electronic System for Travel Authorization (Brand USA, 2015). Former Senators Jim DeMint and Tom Coburn criticized Brand USA for lavish spending and fuzzy goal propositions that involve charging tourists a fee that will lead to more tourism (Cox, 2012). The former senators focused on overseas parties and lobbying violations as means to discredit Brand USA as both an organization and idea (Zuckerman, 2012).

As an implementation strategy, Brand USA must, by law, market all 50 states, Washington DC, and five US territories (Government Accountability Office, 2013). Annually, Brand USA releases a business plan with goals and directives for the coming fiscal year. For example, the 2012 business plan indicates a first step for Brand USA was developing a "compelling brand identity, globally relevant name, and brand attributes" (Evans, 2011, p. 3). To do that, the organization planned to engage in cooperative marketing partnerships, concentrated advertising, and social media promotion. Since then, Brand USA has conducted targeted campaigns abroad in countries including Japan, China, Canada, Germany, and Hong Kong (Government Accountability Office, 2013), thus setting up our natural quasi-experiment.

Brand USA administrators targeted each of these countries – and additional countries as the operation grew – based on their already-high numbers of annual visitors and economic indicators (i.e. GDP, per capita income, etc.) demonstrating positive economic spillover potential. There were not, however, clear cutoff points for countries to receive the targeted treatment. Many countries with high numbers of previous visitors and strong economic indicators were excluded from the treatment, whereas some countries with fewer visitors and weaker indicators were not.

Each year, Brand USA releases updated lists of countries receiving marketing communications about the US. According to the FY 2017 business plan, for example:

> Each year as we define our core target markets to promote travel to the United States, we consider a number of factors, including the gross domestic product growth (GDP) and the purchasing power of international travelers by market, population, international travel expenditure, international departures, unemployment index, civil liberty, ease of doing business, wealth distribution, geographic distance from the USA, and event-based factors (Brand USA, 2016, para. 7).

Brand USA's implementation strategy targets countries where people have expendable incomes and favorable views of the US, seemingly guaranteeing success of marketing treatments. To illustrate, Brand USA shifted marketing dollars away from Brazil after its economic collapse (Brand USA, 2016), showing a concrete example of Brand USA's policy to devote marketing efforts toward favorable countries, knowing that should guarantee a return on investment. The plan further outlines goals and objectives for the coming year, including an overall "Go Anywhere from Here" messaging strategy related to the US as a destination for cultural, spiritual, and even emotional growth (Brand USA, 2016).

Each year, the organization puts out its own return on investment (ROI) study. Oxford Economics and other private accounting firms compile the annual reports, which all paint a positive picture of the organization's success. Yet the Government Accountability Office (GAO) evaluated Brand USA's measurement efforts, finding the organization had weak metrics for evaluating increases in travelers and their spending. Brand USA did have solid measures for social media campaigns, but "these metrics and evaluations do not measure the campaign's impact on international traveler visits or spending" (Government Accountability Office, 2013, p. i). The GAO encouraged Brand USA to improve measuring its place branding and marketing efforts to determine if they are doing what the organization is legislatively required to do: increase tourists and tourism consumption in the US. That is incredibly tricky and one of the biggest problems when it comes to place brand evaluation: that one-to-one relationship between marketing and visitation.

### 2.2. Evaluating place branding and marketing

Evaluating place branding and marketing efforts often is difficult because myriad factors influence success (Pike, 2007). One chief barrier is the stakeholders who determine a successful brand are not always the brand creators (Hanna & Rowley, 2013). A destination marketing agency such as Brand USA can do all the communication and identity creation it wants, but people must come to make any significant economic dent. When places embark on tourism promotion, they have to be aware that everything about the place can talk (Kotler & Levy, 1969). Every person is a potential brand ambassador, from the airport attendant, to the restaurant staff, to the hotel employees. National politicians also represent the brand of the country and therefore may influence potential travelers' notions of the brand, as we are seeing with the "Trump slump" and the downturn after the Sept. 11, 2001 terrorist attacks that prompted the creation of Brand USA after tourism's "dark period" to the US.

It is also difficult, if not impossible, to isolate the exogenous effect of a branding campaign on something with countless determinants such as the number of visitors to a country and/or the amount of money those visitors spend while visiting. According to the GAO (2013), Brand USA, with its massive budget, is no different. Typically place branding and marketing evaluation is shallow given the complexities associated with the destinations themselves and the diverse target groups the place serves (Zenker & Marin, 2011). Measurement sometimes proves elusive because much of a place's success comes from word-of-mouth promotion rather than formal communication exercises (Hanna & Rowley, 2013). This is especially true for the United States, which is arguably the most visible and recognized nation brand on the planet. As such, the brand is not only influenced by formal efforts of Brand USA, but also national politics, popular culture, industry, education, and previous visitors to the US.

To expand the measurement concept, So et al. (2017) explain the role of brand attractiveness in evaluating consumer brand choice preferences. While they use the airline industry for their study, examining consumer perceptions of airline brands, there are parallels to tourism visits to the US. For instance, they find that past experiences and brand prestige are two important factors for repeated airline use. Similar to Lai and Harrill's (2013) findings regarding Chinese tourists' disinclination to visit the US because of negative images, So et al. (2017) indicate that negative brand experiences – either real or perceived – negative influence brand equity. Memorable brand experiences, they find, are key (So et al., 2017), and right now the strong negative image of Brand America abroad is mitigating those effects.

Hanna and Rowley (2013) suggest varying approaches to place brand evaluation. Those subscribing to the strategic approach usually take a regional view with metrics related to economic, social, and political viability of the area. This macro-level approach to evaluation is contrasted with what they call the stakeholder approach, whereby an individual, micro-level view is taken. These micro-level measures speak directly to consumer experiences with the brand rather than widespread economic indicators that might have nothing to do with strategic branding and marketing campaigns. In their study, Hanna and Rowley (2013) found that practitioners have switched to evaluating a place brand experience – the users' perceptions of the place – rather than the more surface-level measures of overnight stays and social media "likes" or shares. This switch, though, varied widely based on the organization, its size, and capabilities. Therefore, there is no blanket approach to place branding and marketing evaluation.

It is with this focus for increased evaluation of place branding and marketing activities that we situate our research. Brand USA creates the perfect storm to evaluate place branding practice by identifying a clear measurable goal: increasing tourism from target markets.[1] The implementation strategy gives us the opportunity to utilize a quasi-experimental design to empirically examine the effects destination marketing at a national level.

## 3. Data and methods

Given Brand USA's implementation strategy – targeting certain countries for marketing treatment based on factors such as GDP, civil liberties, and ease of doing business – there is a natural quasi-experiment in place. Chalkley et al. (2010) used a similar natural quasi-experimental design when studying changes to dental practices in the England, Scotland, and Wales. Using a difference-in-difference estimation as we do here, Chalkley et al. (2010) examine the effect of implementation of various fee structures across the regions on dentists' persistence in the profession and extrinsic motivation in the face of increased compensation plans. Lu (2016) also relied on a quasi-experimental design when examining performance-based contracting in human service delivery organizations. Similar to Lu (2016), we collected data based on observations through time. For our purposes, Brand USA selected certain countries to receive the treatment so we can observe those changes in marketing strategy through time. Natural quasi-experiments, and experiments in general, can help understand behavioral responses to marketing stimuli (Tasci et al., 2007; Teerling & Pieterson, 2010).

Our data are drawn from Brand USA's published tourism statistics reports, the National Travel and Tourism Office, and economic indicators from the World Bank. We gathered information on the marketing implementation directly from the Brand USA reports. Our units of analysis are country years from 2007, two years prior to the passage of the Travel and Promotion Act in 2009, until 2015, the last complete year for available tourism statistics. The National Travel and Tourism Office (NTTO), which collects and releases data regarding international travel to and from the US, releases information from customs forms travelers fill out when traveling internationally. NTTO identifies the top 20 countries with visitors to the US per year. Several countries are in the top 20 in every year, such as the United Kingdom and Japan and several others enter and exit during our observation period, such as Denmark and Russia.

Importantly, every country Brand USA targeted is included in these data during our observation period. We used the official NTTO data to compare to Brand USA's reported success measures. Given Brand USA uses national economic indicators to inform its strategic branding decisions, we combine these data with national indicators from the World Bank. These measures should not only influence the likelihood of receiving the marketing treatment but also the likelihood that individuals from a given country will travel to the US for business or pleasure.[2] We first used panel regression analysis in a series of estimations. Our first dependent variable is the number of visitors to the US per year. We also estimate several alternative estimations to evaluate the marketing effect on the natural log transformation of the number of visitors, the percentage change of the number of visitors, the number of visitors for pleasure, and the number of visitors for business. Descriptive statistics of our measures appear in Table 1.

The independent variable of interest is whether or not the country received Brand USA's marketing treatment. Table 2 lists each country and the year that Brand USA used targeted marketing strategies toward the respective country.

We also include several control variables. Economic indicators of the country of interest include per capita income, expenditures per capita, exchange rate, consumer price index (CPI), and population. Each equation includes country and year fixed effects and a linear trend term for the number of years since 2007. Country fixed effects extract the time-invariant characteristics between the countries with the number of visitors and year fixed effects control for year-to-year differences in tourism rates.[3]

We acknowledge that a pooled-cross sectional Ordinary Least Squares (OLS) estimation strategy does not account for the bias associated with selection into the Brand USA treatment group. We therefore also estimate similar difference-in-difference (DD) models. This approach compares pre-and post-Brand USA changes in outcomes in the treatment countries (received Brand USA treatment) to the comparison group of countries that never received the targeted marketing from Brand USA. The DD models were estimated using OLS because the outcome is continuous and includes country fixed effects and country-specific trends to control for the duration of the treatment. We clustered our standard errors at the country level and tested for parallel trends in the countries that never received Brand USA treatment and the pre-Brand-USA trends of countries that did receive the treatment. We could not reject the null hypothesis of parallel trends.

DD models assume that individuals (or countries in our case) are randomly assigned treatment (Wooldridge, 2010). Regression discontinuity (RD) designs, however, "exploit discontinuities in policy assignment" (Wooldridge, 2010, p. 954). As mentioned above, Brand USA strategically targeted up to seven countries between 2012 and 2015. This decision was based on several factors that may also influence the likelihood of travel to the US. However, because Brand USA does not clearly define a cutoff between treated and non-treated countries, *and* few country-year observations are available for analysis, we are precluded from finding a significant relationship for treatment through RD. We therefore rely on OLS and DD estimation strategies to evaluate Brand USA.

As mentioned above, Brand USA has published annual ROI studies since the implementation rollout in 2011. Each of these suggests a substantial increase in tourism dollars attributed to the introduction of Brand USA; however, their publications do not describe the empirical strategy for the evaluation. What the public does see, though, is a picture of success for each year of Brand USA's existence.

## 4. Findings: brand USA's questionable results

We first performed a means test to understand any meaningful difference between the average tourism metrics of those countries Brand USA treated with a marketing strategy and those countries that were not. We fail to find any meaningful difference between the two groups as shown in Table 3.

The results of our OLS estimations are shown in Table 4.

As shown, we find a significant (at the .10 level) relationship between the Brand USA targeted marketing treatment and the number of visitors from a given country to the US. Specifically, countries receiving the Brand USA marketing plan produced an additional visitor when

[1] The National Travel & Tourism Strategy identifies a target of 100 million international visitors to the United States by 2021, but is less specific about the preceding years.

[2] Importantly, Brand USA identifies several factors used to determine target markets including clear metrics such as GDP, GDP growth, unemployment index, GINI coefficient, but also subjective factors such as civil liberty, ease of doing business and event-based factors.

[3] Country and year fixed effects are also included in our difference-in-difference estimations.

**Table 1**
Summary statistics.

| | Mean | Std dev |
|---|---|---|
| Number of visitors per country per year | 11.30 | 10.40 |
| % Change from last year | 9.30 | 11.94 |
| % Business Visitors | 0.15 | 0.05 |
| % Pleasure Visitors | 0.82 | 0.08 |
| trend | 3.92 | 2.56 |
| Per capita income | 27569.87 | 16989.88 |
| Expenditures | 9850.54 | 9014.33 |
| Exchange rate | 263.74 | 589.66 |
| CPI | 4.42 | 7.79 |
| GDP | 33842.12 | 21150.47 |
| Population | 1.70e+08 | 3.67e+08 |
| Brand USA treatment | 0.12 | 0.33 |
| Observations | 176 | |

**Table 2**
Countries treated by Brand USA.

| Year | Countries |
|---|---|
| 2012 | Canada, Japan, United Kingdom |
| 2013 | Australia, Brazil, Canada, Germany, Japan, Mexico, South Korea, United Kingdom |
| 2014 | Australia, Brazil, Canada, China, Germany, Japan, Mexico, South Korea, United Kingdom |
| 2015 | Australia, Brazil, Canada, China, Germany, Japan, Mexico, South Korea, United Kingdom |
| 2016 | Australia, Canada, China, Germany, Japan, Mexico, South Korea, United Kingdom |

**Table 3**
Means test difference between treatment and non-treatment.

| | | |
|---|---|---|
| Number of visitors per country per year | −49135.9 | (-0.16) |
| % Change from last year | 0.591 | (0.33) |
| % Business Visitors | 0.0101 | (1.14) |
| % Pleasure Visitors | −0.0105 | (-0.74) |
| Observations | 177 | |

*t* statistics in parentheses.
$^{*}p < 0.05$, $^{**}p < 0.01$, $^{***}p < 0.001$.

compared to countries receiving no special marketing. Additionally, our findings suggest that the Brand USA treatment increased the percentage of visitors on business from a given country by about 1.7 percent. Though this effect is positive, increasing business travel is not in line with Brand USA's mission to increase leisure travel to the US.

Beyond the Brand USA treatment, we find that per capita expenditures are positively related to the number of visitors per country and the percentage of visitors traveling to the US for pleasure. Of course, per capita expenditure is essentially a measure of disposable income, so one can see why it would be positively related to the number of visitors and the percent of those visitors traveling for pleasure. Importantly, for every additional $10,000 dollars in household expenditures (in 2010 US dollars) per country, the US might expect an additional seven visitors. This is not an insignificant relationship and may inform the decision to strategically market Brand USA to additional markets. Again, it is important to acknowledge that these estimations may be biased due to omitted variables and selection for Brand USA marketing. Additionally, OLS regressions fail to provide a clear counterfactual group for comparison. DD regressions compare the tourism metrics of those countries that received the treatment to those countries that never received the treatment.

The results of our DD estimations appear in Table 5.

For our difference-in-difference estimations, we compare the visitors from countries before and after receiving the Brand USA treatment to those countries that have never received the treatment (as the control group). Importantly, we fail to find a significant positive relationship between Brand USA's marketing strategy and any of the identified tourism metrics. In fact, the only significant relationship suggested by the DD models is in the opposite direction. Findings suggest that those countries Brand USA targeted sent around 1.15 *fewer* visitors to the US.

So what accounts for the differences in our findings compared to what Brand USA reports publically? As shown in our OLS regression, Brand USA's efforts *do* work *if* there are no controls and comparisons put in place. This makes sense, given that Brand USA needs to please its myriad public, private, and nonprofit stakeholders. Showing an overall picture of success from the macro-level does just that – pleases partners and ideally guarantees future funding and support. We argue, though, that these measures highlighted in Brand USA's annual reports miss a critical factor: before-and-after comparisons that also account for endogenous trends. In our OLS regression, we use difference-in-difference analysis to examine tourism figures before and after the Brand USA marketing treatment while still accounting for general tourism trends.

**Table 4**
OLS coefficients for visitor rate outcomes.

| | Total visitors | ln (visitors) | % Change | % Business | % Pleasure |
|---|---|---|---|---|---|
| Brand USA treatment | 1.36* | −0.077 | −1.88 | 0.017** | −0.015 |
| | (1.92) | (-1.46) | (-0.45) | (2.45) | (-1.64) |
| trend | −0.59*** | −0.079*** | −1.09 | 0.0035** | −0.0047** |
| | (-4.43) | (-8.00) | (-1.39) | (2.33) | (-2.30) |
| Per capita income | −0.000094 | 0.0000071 | −0.00022 | −0.00000087 | 0.00000090 |
| | (-0.41) | (0.42) | (-0.16) | (-0.41) | (0.32) |
| Household Expenditures | 0.00070*** | 0.000039*** | −0.00097* | −0.0000073*** | 0.0000088*** |
| | (7.24) | (5.43) | (-1.69) | (-7.80) | (6.91) |
| Exchange rate | 0.0041 | 0.00018 | 0.035 | 0.000058 | −0.000096 |
| | (1.00) | (0.59) | (1.42) | (1.30) | (-1.57) |
| CPI | −0.10 | −0.012 | −1.78*** | 0.00076 | −0.000035 |
| | (-1.01) | (-1.56) | (-2.86) | (0.65) | (-0.02) |
| GDP | 0.000031 | −0.0000063 | −0.00010 | 0.00000096 | −0.0000012 |
| | (0.16) | (-0.44) | (-0.09) | (0.54) | (-0.51) |
| Population | −0.000000018 | −1.5e-10 | 0.000000079 | −6.9e-11 | −3.0e-10 |
| | (-0.91) | (-0.10) | (0.69) | (-0.32) | (-1.02) |
| Constant | 7.84*** | 1.99*** | 37.4*** | 0.098*** | 0.91*** |
| | (4.48) | (15.26) | (3.58) | (5.28) | (35.95) |
| Observations | 94 | 94 | 94 | 84 | 84 |

Country fixed effects not shown.
$^{*}p < 0.10$, $^{**}p < 0.05$, $^{***}p < 0.01$.

**Table 5**
DD models OLS coefficients for visitor rate outcomes.

| | Total visitors | ln (Total visitors) | % Change | % Business | % Pleasure |
|---|---|---|---|---|---|
| Brand USA treatment | −1.05 | −0.14*** | −2.45 | 0.0059 | −0.0084 |
| | (-0.80) | (-3.22) | (-0.54) | (1.07) | (-0.95) |
| Per capita income | 0.0000095 | 0.0000079 | −0.00053 | −0.0000013 | 0.00000080 |
| | (0.05) | (1.09) | (-0.54) | (-1.35) | (0.62) |
| Household Expenditures | 0.00044 | 0.000016* | 0.0019** | −0.00000095 | 0.0000018 |
| | (1.51) | (1.76) | (2.33) | (-0.96) | (1.01) |
| Exchange rate | 0.0026 | 0.00032 | 0.022 | −0.000036 | 0.000049 |
| | (0.39) | (1.02) | (0.32) | (-1.07) | (1.03) |
| CPI | 0.0015 | −0.0021 | −0.48 | 0.0012 | 0.00035 |
| | (0.03) | (-0.55) | (-1.42) | (0.78) | (0.32) |
| GDP | 0.000098 | −0.0000053 | −0.00027 | 0.00000079 | −0.00000079 |
| | (0.53) | (-0.88) | (-0.28) | (0.86) | (-0.67) |
| Population | 3.8e-09 | −1.2e-09** | 0.00000024*** | 2.2e-10** | −4.2e-10*** |
| | (0.30) | (-2.04) | (3.42) | (2.23) | (-4.24) |
| Constant | 721.2 | −20.2 | 11005.0*** | 7.51 | −4.41 |
| | (1.04) | (-0.81) | (3.38) | (0.85) | (-0.52) |
| Observations | 94 | 94 | 94 | 84 | 84 |

Country and year fixed effects, country specific time trends not shown.
$^{*}p < 0.10$, $^{**}p < 0.05$, $^{***}p < 0.01$.

While Brand USA might be able to say that tourism from certain targeted countries increased on the aggregate, what they cannot do is pinpoint those increases to their marketing efforts explicitly – and that is exactly how their own marketing materials are presented. Endogenous factors such as disposable income, proclivity to visit the US anyway, and political climate, for examples, directly influence tourism decisions (Sirakaya & Woodside, 2005). Our difference-in-difference model shows instead that Brand USA's efforts indeed could *discourage* tourism at the consumer level. The macro- versus micro-level interpretations of success are an interesting way to keep the organization alive by showing that, on the whole, tourism into the US might increase but when drilling down to the individual consumer level, which we do in the difference-in-difference model, there is not any real effect from Brand USA's efforts.

These results should be interpreted with some caution, however. There are few observations in our estimations that precluded evaluating Brand USA with perhaps the most appropriate empirical technique: regression discontinuity. The few observations may also bias the results. Regardless of the bias due to omitted variables or few observations, our mixed findings suggest the effectiveness of Brand USA is also unclear.

## 5. Conclusion and discussion

Brand America is struggling on an international level thanks to America's turbulent political climate. Political turmoil is one of the important risk factors international visitors assess when making travel decisions, so studying its effects are important (Krozak et al., 2007). As Brand USA continues spending money on international branding and marketing efforts, we need to better understand the effects given the use of taxpayer dollars for these purposes. In this paper, we set out to narrow the brand evaluation gap by examining the efforts of Brand USA, giving us a natural quasi-experiment of countries receiving marketing promotion versus those that did not. Created in 2009, Brand USA's core mission is to increase tourism to the US to gain back market share lost after Sept. 11, 2001, and to create a self-sustaining tourism enterprise. Brand USA as an organization might be surprising given America is the most recognized nation brand in the world (Anholt & Hildreth, 2010). Its creation, though, mirrors an overall neoliberal governance shift toward branding as a core governance strategy (Eshuis & Edwards, 2012).

When not putting in proper controls and comparisons, Brand USA's efforts do work at increasing tourism on the aggregate. This big picture is what Brand USA presents in its annual marketing materials. When we get more specific and use difference-in-difference analysis with additional controls and comparisons given the natural quasi-experiment, the picture looks less rosy. Our findings indicate that perhaps the money spent on Brand USA could be better used elsewhere. The documents the organization presents do indeed show success, but when we control for time and the economic indicators that influence not only the likelihood of treatment, but also the likelihood of people traveling to the US, the results are less clear. Our analysis shows that with the controls, Brand USA is less successful at increasing tourism-related travel to America. In other words, we still need to do a lot more research to understand the measures of success for place marketing initiatives in public administration, especially at the national level.

Theoretically, we extend the growing place marketing literature that traditionally relies on single case studies or surveys from one geographic area. Using a quasi-experiment allows a different methodological approach ripe for further use in these kinds of studies. We also add to the evaluation literature by examining the results of this new governance structure (Eshuis et al., 2013). Given the importance of branding both theoretically and practically, we show that additional work is needed to create non-economic measures of success perhaps rooted in public values that would better capture place marketing ROI.

Practically, we shed light on how Brand USA promotes its success to its various principals. For Brand USA, the organization has to appeal not only to Congressional lawmakers for additional funding but also to state, local, nonprofit, and corporate partners. What Brand USA effectively does is show the reality of place branding and marketing difficulty. Naturally, one organization might advocate for itself rather than the whole. It does matter if tourists spend money in Florida versus Texas – one state loses. Now, it could be said that what is good for one is good for the whole. While true, place branding often is view as a zero-sum game with winners and losers (Anholt, 2010). Perhaps a more cooperative stance could be beneficial, and indeed that is the idea behind Brand USA – one marketing agency for the country as a whole. With so many principals, though, reporting meaningful measures of success is hard, confirming existing literature on the topic (Zavattaro, Daspit, & Adams, 2015). Practitioners should move away from strictly economic measures of success to find something more robust. The economic measures only present part of the story.

Our study is not without limitations. Brand USA's implemented its strategies in 2011, so we only have a few years of data to evaluate the program's effectiveness. This limits not only the empirical methods at our disposal but also the models' explanatory power. We fail to find substantial differences between treated and non-treated countries using our most basic empirical test (the means test) and our most advanced (the difference-in-difference approach), so we can be confident that a substantial ROI for the program is unlikely. Additionally, the limited time-horizon limitation is not unique to our analysis. Brand USA itself cannot generate more years of treatment. The opaque nature of its ROI studies suggests that external evaluation may be necessary and the accountability to external stakeholders lacking.

In addition to the empirical limitations, we are also limited by our quantitative approach to understanding how strategic nation marketing influences travel behavior. Future studies should rely on quantitative interviews to understand how a marketing campaign compares with other endogenous events. Given the prominence of the US around the globe in terms of economic, political and social affairs, it seems highly unlikely that a targeted marketing campaign could nudge behavior. The efforts of Brand USA are most likely lost in the noise surrounding the American political climate and world standing.

## Tourism Management author contributions

We worked equally on this paper. Dr. Fay was responsible for the data collection and analysis, while Dr. Zavattaro framed the paper and wrote the corresponding sections. We jointly worked on the introduction and conclusion. And of course we each contributed to drafts of the paper as it materialized.

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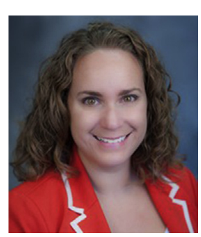

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