

# BUILDING THE CANADIAN BRAND IN THE US

Robin V. Sears

Canada and the United States conduct the world's largest trading relationship in an increasingly integrated economy, are huge partners in services and investments, and share the North American continent with Mexico. Yet, as Robin Sears observes, "We do a poor job of promoting ourselves and our vision of the relationship." He offers a marketing plan for building the Canadian brand in the US.

Le Canada et les États-Unis entretiennent la plus importante relation commerciale du monde dans le cadre d'une économie de plus en plus intégrée, ils sont unis par des partenariats majeurs en matière de services et d'investissements et partagent le territoire nord-américain avec le Mexique. Pourtant, « nous ne savons guère nous mettre en valeur ni promouvoir notre vision de ces échanges », observe Robin Sears, qui propose un plan de marketing visant à développer l'image de marque du Canada aux États-Unis.



"Severe Arctic cold front moving in from Canada overnight." That chilly sound bite is the one Americans have heard about us, all their lives, more than all other factoids combined. Oh, the cognoscenti might add bacon, maple syrup or Celine Dion, but they're the lucky few with a cottage or relatives here. Not the best foundation for a warm respectful partnership.

This is not Americans' fault, it's ours.

It's simply reality that great powers cast their neighbours into shadow. Germans know Belgians make good beer and quarrel a lot, but little else. Brussels follows every German twitch with great precision and discipline. The Chinese regard Vietnam as merely an ungrateful disputatious neighbour, and now competitor, that needs smacking occasionally. One may be confident, however, there is a small army of Beijing watchers in a dozen government agencies and businesses in Hanoi. It is the job of younger siblings and smaller nations to fight for, hopefully, positive attention.

Sometimes the stars align and the junior player jumps on to the superpower radar screen. For the first time in years, such a moment has arrived for Canada. We are getting attention in Washington, on *The Daily Show*, as a strong security partner as a result of Canadian sacrifice in Afghanistan and as a source of secure energy supplies. Some of the attention is less than helpful, such as last month's *National Geographic* attack on the oil sands. We have been the subject of deep curiosity as a place where, bizarrely, our bankers don't behave as if they were running a multi-billion-dollar back-alley blackjack game.

One can understand the temptation to exclaim in frustration: "We should stop obsessing about what Americans think of us!" That will never be an option: mil-

lions of Canadian jobs depend on preserving our special access to that market and avoiding the chill of the protectionist gales that frequently blow through American politics. Nearly 90 percent of Canadian auto production is exported, a higher percentage than for any major producer in the world. Virtually every one of those exports goes to the United States. No other trade partner has such privileged access to the world's largest market.

A deeper long-term reason is that the world is organizing itself into giant trading blocs again. Instead of the imperial preference tariffs that shielded Canadian traders until early last century, or the Cold War-defined blocs of a generation ago, today's economic partners are connected by geography. The European Union, the Asian nations united in the Association of Southeast Asian Nations or the emerging Chinese-led Asian economic alliances sit alongside the North American Free Trade Agreement as the key 21<sup>st</sup>-first century drivers of decision-making. Australia and New Zealand recently signed a broad trade agreement with ASEAN. Cross-border relationships are like sharks: they keep moving forward or they begin to die. Since 9/11, our relationship with our most important partner has begun to slide backward in crucial areas such as an open border, regulation, non-tariff barriers and labour mobility.

So the ball is really in our court not to lose this moment.

We have great diplomats in Washington and nearly two dozen consulates or mini-trade reps across the US. We have a series of binational business, governmental and academic organizations. But we don't have a big profile, by any stretch of the imagination, in the eyes of even American political or business leaders. (Canadian Tourism Commission research in

2007 reveals that only 9 percent of Americans had any awareness of Canada's tourism brand.)

Building coalitions, selling a Canadian story requires money, a lot of money. It is not likely that Canadian

European markets for more than two decades. The temptation to national chauvinism, the hesitation about "losing sovereignty to foreign bureaucrats" and profound resistance to even unreal allegations of limitations to nation-

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governments will stump up the sums required while sitting at the bottom of a what looks increasingly like a long U-shaped recession. But now is the time to begin. Decisions will be made in the battle to recover from this slump that will help or hurt the Canada-US partnership. Continental choices in the months ahead on energy, climate change and security will set the framework for our relationship for the next decade.

We do a poor job of promoting ourselves and our vision of the relationship. Canada currently does not even rank in the top 100 marketers in the US. We are outspent by more than a dozen other countries in our efforts to gain attention in our most crucial market. New funds and new tools are required.

**T**he fight to gain positive attention, to be seen as a partner and not simply as foreigners, is permanent and tough. The experience of the Europeans about the challenges to overcoming local prejudice and narrow-minded nationalism is cautionary. The European Union last year suffered a humiliating defeat in its ongoing efforts to build a new constitution for the dramatically expanded boundaries and scope of the European family. The people of Ireland rejected it in a referendum. The same people have been massive beneficiaries of their access to

al freedoms are universal. Rejection of foreign influence over American decision-making is a broadly and deeply held conviction.

Building support for a broader definition of community, overcoming prejudice about "the neighbours," creating champions for more open borders is both a political and a communications challenge; it is not merely a legislative or diplomatic task. It requires all of the skills and marketing machinery of a high-powered campaign. As the European experience demonstrates, however, it is a campaign of years and decades, not the term of any one government.

To move from a battle of nationalist slogans to meaningful choices for citizens about the benefits of an integrated economic community means overcoming a variety of obstacles. The most frustrating is the "So what?" challenge. The most important issues have little visible impact on the average voter — except when there is a fight. Efforts to harmonize border security requirements, for example, get no attention until there is a crisis.

**A** second challenge is that critics of harmonization get media and political attention, while supporters rarely do. How many Canadians, let alone Americans, are aware the US Council on Foreign Relations and our C.D. Howe Institute have each pro-

The European Union institutions, challenged by this same reality, over the half-century of their existence have invested heavily in national awards to researchers, journalists, and local and national organizations for projects that advance understanding of the European project. The Irish referendum defeat was

driven by bizarre claims that the EU would change the laws on abortion, divorce and sex education, all fictions, as each file is entirely in national jurisdiction.

As one European bureaucrat put it, "We have not conquered the campaigns of false accusation, but we do fight to keep the 'European voice' present in voters' minds. Frankly, one of the ongoing frustrations is the number of national politicians who agree to an issue in private, and then attack it in their own national press. But that is a reality that will never change, so we need to continue to mount serious public information campaigns about the real choices and consequences." Sound familiar?

**N**o one plays this role effectively in the Canada-US binational dialogue. Some ongoing academic efforts, some intramural work by business and professional groups, a few conferences of the cognoscenti, and much published research are available to the interested or curious public. In sum, they don't amount to much in terms of political ammunition.

It is hard to overestimate the impact that this vacuum has on the political realities faced by leaders on either side. In an American context, one has a politician as senior and serious as Hillary Clinton refusing, a few years ago, to apologize for the aston-

ishing claim that Canada is a serious terrorist threat to the United States.

As former Canadian diplomat Colin Robertson has argued in public and private for some years, gaining a foothold in American political discourse is an ongoing, multi-front battle, requiring considerable human and financial resources to have any impact. The network of Canadian consulates in the United States has been strengthened in

consumers. (Yes, one might observe that some of those billions might better have been devoted to building better products rather than flogging increasingly unpopular cars.) The American presidential campaign ending in November spent nearly \$3 billion. These numbers are breathtaking to anyone not familiar with the costs of competing in the US market. They are driven by pricing such as a page in the *New York Times* costing

dealer in a major American city. There is an axiom in the marketing and advertising world with universal application: "God is on the side of those with the heaviest artillery." Our message artillery on the side of Canada-US partnership is close to pointless.

Other nations with limited access to tax revenues, determined to raise their profile on trade and economic issues have developed creative responses to the challenge. The Japanese developed JETRO (Japanese External Trade Organization) to promote Japanese exports abroad, and it has more recently developed into a foreign direct investment promotion vehicle — an idea of

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recent years but their discretionary budgets have not. Their ability to play a role in the public debate over North American economic issues in the United States is, if not marginal, sub-optimal.

Robertson, a seasoned public diplomat, who raised the professional bar as consul general in Los Angeles and as the senior Canadian propagandist in Washington, argues the range of tools we need, and don't have, is well known. He points out that big problems often get launched in small states before moving onto the national agenda. We should have one representative, at a minimum in each, organized on a hub-and-spoke system around regional consulates.

We don't use the massive Canadian expatriate community effectively as champions of Canadian interests at the local level. We allow obscure and poorly monitored academic research to eat much of the limited budgets to fund Canadian research at first-rank US universities. We give little support to the small core of business organizations and lobbyists with deep knowledge of Canadian issues in Washington and regional capitals.

Some consideration of scale is important here. American car manufacturers in the past decade spent \$15 billion a year marketing to American

between \$150,000 and \$250,000 and 30 seconds of television network advertising time costing between \$250,000 and more than three times that amount.

By contrast Canada spends less in the US in a year than Procter & Gamble spends to support the sale of one soap product, Tide, in one major market! Our target audience is scattered across dozens of markets and many files, so it is hardly surprising that our brand recognition is in single digits.

To make an impression in the United States requires sophisticated public relations; government relations in Washington and key state capitals; creative media and issue management; and targeted advertising. Our largest face to ordinary Americans is our tourism promotion campaigns. The federal government's tourism arm, the Canadian Tourism Commission, spends less than \$50 million advertising in the US. Canadian provinces and corporate advertisers on their own spend an equivalent amount, a sharp reduction from nearly \$100 million a few years ago.

The total budgets of Canadian or binational institutions, public and private, on everything else — marketing, public relations, and below-the-line advertising expenditure in defence of greater Canada-US partnership — is probably less than the spending of a large used-car

considerable controversy in that insular nation. Its hundreds of millions of dollars of annual expenditure include significant "contributions" from every sector of Japanese business, in addition to a large foundation budget from the Japanese government. At the height of the Japan-US trade frictions in the 1980s, JETRO played a crucial role as lobbyist, government back channel and private sector coordinator for the "fight-back" efforts in the United States.

Similarly, Hong Kong and Taiwan developed quasi-governmental organizations that brought together business and officials to champion their economic interests internationally, sponsoring publications, trade fairs, visiting delegations and significant trade advertising.

In Hong Kong's case the Trade Development Council (TDC) published boatloads of product reviews and summaries in catalogue and magazine form, supported by a massive network of trade shows internationally to overcome the perception of their products as cheap or downmarket in style or technology. Today the TDC acts in concert with Hong Kong government agencies as a salesman for the territory's unique political and economic role vis-à-vis the mainland. A marker of its success in the face of an often hostile political environment concerning China is that Hong



Jason Ransom

**In a perfect two-step, President Obama and Prime Minister Harper head for their joint news conference at the conclusion of the President's visit. Robin Sears writes that, summitry aside, Canada should mount a public relations offensive in the US.**

Kong remains the favoured regional business hub for multinationals in all of Asia, and the source of the greatest flow of FDI funds to China in the world.

The TDC pioneers developed a highly creative approach to the financial challenges they faced in the early years. The British government in the 1960s was loath to fund a Hong Kong promotion agency, and local taxpayers were far from sufficiently affluent to have borne the costs. As the world's largest entrepôt the city has millions of tonnes of cargo pass through its warehouses annually. The Hong Kong and international shipping companies were asked to "donate" a derisory amount per ton of cargo they brought through the port, in part to avoid tariff rules. Those pennies per tonne laid the foundation for a multi-million-dollar promotion budget, which has grown to tens of millions and an

international network of offices and staff today. (A naive Canadian visitor once inquired whether any of those targeted had declined to make a donation, and was met with an incredulous glare at such a frivolous inquiry.)

Each year approximately \$600 billion in merchandise trades crosses the Canada-US border. Canadian business would be among the first direct beneficiaries of the creation of a more genuinely borderless market. It seems likely that few would demur about the impact of developing a fund capable of defending our access, and defending Canadian interests, for the nominal amounts required from each to make that possible.

A fraction of a penny on the dollar of Canada's trade would generate the seed capital for such a fund. Canada needs such a tool. To have the resources

required to make an impact means a combination of public and private revenue. A fund modelled on those such as the TDC, or even smaller Canadian projects managed by producers in the agricultural sector, might be the answer.

Overseen by a board of governors appointed by the Government of Canada, after consultation with the provinces, academe, industry organizations and unions, the fund — the "Maple Leaf Fund" perhaps — would have a legislative mandate to promote Canadian economic and political interests to American voters. Canadian consular trade officials could make project proposals, as could Canadian business and professional groups, for ideas that raise the profile of Canada in the United States, and specifically draw attention to the importance of Canada-US economic partnership. Funds for

advertising, scholarships, research and conferences would help create a much higher profile for Canada and for Canada-US integration needs.

A key strategic goal would be to unite the branding of Canada as both an economic partner and a tourism desti-

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nation. Canada's reputation as a steward of superlative natural beauty, an important part of our tourism branding for a century, for example, is not enhanced by our failure to effectively defend our exploitation of the oil sands.

Some critics might be unhappy about the "quasi-governmental" status of such an organization, and its potential for political abuse. Serious efforts in the construction of the mandate, the strictures of its governance regime and the composition of its board would be essential to meet such attacks. The fund should be seen to be isolated from partisan political pressures in the same manner as the Canada Council.

Some might chafe at what they could see as another tax on those businesses already struggling with the challenges of competing in a tough North American market. But surely the logical response to such attacks is: "How much more expensive is the rising cost of a thickening border? What is the price of new non-tariff barriers quietly being added by a Congress spooked by a new generation of protectionist rhetoric?"

**A**s we learned during the long rumbling battle over softwood lumber, you either develop broad alliances with key American political and industry leaders, backed by clear public support, or you lose. No trade agreement will defend Canadian commercial interests against new restrictions on Canadian beef, or so-called national security barriers to Canadian technology, or even

arbitrary and frustrating restrictions on Canadians and Americans working in each other's countries, if there is not that backstop, that foundation of American popular understanding that our interests are almost always shared, rarely genuinely in conflict.

Stephen Harper made an effective appeal to the American public on the occasion of President Obama's Ottawa visit, about our shared security interests. The Prime Minister's emotional appeal to Americans to understand that there are no security threats to America that are not shared north of the border was a highlight of their joint press conference. But it did beg the question: "Would such an appeal have been necessary in a more mature and mutually respectful relationship?"

**T**he Harper government deserves credit for attempting to return Canada-US relations at the political level to a less crisis-driven, more genuine partnership of shared interest. It has begun in its second term to be more public about their determination to build a deeper level of engagement on the environment, on energy policy and on security issues. With the years of neglect that preceded it, and the unrelenting pressure on American officials to give attention to dossiers and crises elsewhere, greater bureaucratic and ministerial engagement cannot build a sustainable new relationship alone. To achieve the transformation of Canadian-American relations into something approximating the depth and sophistication of the French-German partnership requires the deeper engagement of citizens on each side of the border.

In the work of the Canada-US Project convened by Carleton University last year under the leadership of Derek Bur-

ney nearly two dozen Canadians and Americans laid out a variety of other policy responses to building this partnership. To be effective, the Maple Leaf Fund envisioned here would have to be part of a series of initiatives to harmonize regulation, legislation and policy in a dozen policy arenas; much more robust institutions at the governmental, academic and business levels to support ongoing permanent dialogue and problem solving; and genuine political commitment to begin to reverse the slide.

There is a competing claim in some circles in Canadian business and politics that we should shift our focus to building relations with Europe and Asia. Nothing in this appeal to dedicate new efforts to removing the developing frictions in our relations with our most important partner is meant to denigrate the importance of those other regional challenges. As a trade diplomat representing Ontario and then business professional in Asia throughout the 1990s, I made those appeals to Canadian business and political visitors, and gave many speeches about the partnerships we overlooked in the explosion of new opportunity in Asian markets. The unshakeable reality is that the United States is more than twice as important in value-added exports as all our trading partners in the rest of the world.

Half a century ago, a British Indian Army officer cautioned his young NCO, who passed the same wise counsel to me a generation later, "Remember: Always consolidate your base before forays." The base of Canadian prosperity and security is the strength of our relationship with the superpower with whom we share the continent. It needs consolidation.

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