National Audit Office

Report
by the Comptroller
and Auditor General

Foreign & Commonwealth Office, UK Trade & Investment, VisitBritain, British Council and Cabinet Office

Exploiting the UK brand overseas

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Summary

Background

1 The GREAT Britain campaign (the GREAT campaign) is the government's major branding initiative to promote the UK as a destination for tourists, trade and investment and students in order to secure economic growth. The overall vision for the GREAT campaign is: "to inspire the world to think and feel differently about the UK now and in the future, demonstrating that it is the best nation to visit, invest in, trade with and study in".

2 The campaign was formally launched in February 2012. Its aim is to exploit the attention generated by the London 2012 Olympics and Paralympics to secure long-term improvement in how people overseas perceive the UK. The campaign has allocated £113.5 million funding to five organisations for the 2012–2015 period. Alongside the GREAT campaign, other parts of government use different brands and marketing activity to meet their objectives, such as Department for International Development's 'UK Aid' logo.

3 Organisations use brands to help consumers identify their products and services and to differentiate them from competitors. Organisations need to ensure their brand has a clear strategy and is used consistently, giving the right message and experience to the consumer across time and points of contact.

4 Nation brands are based on perceptions of a country's strengths and weaknesses, including its reputation as a place to visit, study in, invest in or trade with. Personal history, individual bias or a lack of knowledge may mean that deeply-entrenched opinions are held about a particular nation that can be difficult to change, requiring a complex and long-term process.

5 The GREAT campaign aims to generate economic returns by exploiting the UK's nation brand through commercial branding and marketing techniques to differentiate the UK as a destination for tourism, education, inward investment and to support British companies exporting overseas. This involves creating a logo, design, guidelines and images and developing the overall strategy and allocating funding. GREAT delivery partners use the materials developed as the basis for marketing campaigns overseas and online to reach target audiences to try to change their perceptions.

Scope of the report

6 We have assessed how the Cabinet Office manages the overarching GREAT campaign. We have also compared the overseas activities of UK Trade & Investment (UKTI), the Foreign & Commonwealth Office (FCO), British Council and VisitBritain, who are the main partners in the GREAT campaign and receive GREAT campaign funding. VisitEngland also receives GREAT funding but we have excluded it from the scope of the report as its activities are based in the UK. This report:

a examines how effectively the Cabinet Office runs the GREAT campaign (Part One);

b compares the effectiveness of partners' GREAT activities overseas and assesses whether these activities are in line with good practice (Part Two); and

c compares performance measurement and impact to date (Part Three).

7 To achieve value for money, we would expect government's management of the GREAT campaign to follow accepted good practice in taking a consistent and sustained approach over time, to targeted, prioritised markets and audiences, using disciplined and consistent marketing materials. The impact of marketing should also be measured systematically with robust return on investment measures in place. To maximise impact, we would expect to see that departments have prioritised their markets and audience based on thorough research, determining the potential volume and value of those target audiences and markets. Our methods are outlined in Appendix One and Two.

Key findings

On the GREAT campaign

8 Before the GREAT campaign began in 2012, there was no consistent approach to country branding or promoting the UK overseas. Instead, UK government organisations promoted the UK using their own brands, logos and names. There was also little coordination between tourism, trade and investment and educational organisations when promoting the UK overseas (paragraph 1.8).

9 The GREAT campaign has clear objectives to help it promote economic growth. It aims to improve global perceptions of the UK and to increase trade, investment, tourism and numbers of high-quality students, with a planned economic impact of £1.7 to £1.9 billion by 2019-20 (paragraphs 1.9–1.13).

10 **A GREAT campaign board, supported by a team in the Cabinet Office, provides effective governance for the GREAT campaign.** The board, which is chaired by the Secretary of State for Culture, Media & Sport, brings together all the required partners across government to decide on the strategic priorities and funding allocations. The senior responsible owner for the GREAT campaign sits in No 10 and is therefore well placed to exert overall control over the campaign and can use the convening power of No 10, and the pull of additional funding, to influence partners (paragraphs 1.16–1.18, Figure 4).

11 **The Cabinet Office team manages the GREAT campaign well and has created strong marketing and communication tools and materials. This provides an important element of consistency in the use of these materials which helps to embed the brand by creating familiarity among target audiences and markets**. Partners and other organisations who do not receive GREAT campaign funding can access high quality GREAT campaign materials, including standard images, creating efficiencies. There are also clear guidelines for using them. Users are largely positive about the GREAT images, in particular their flexibility (paragraphs 1.20–1.23).

12 **The board and the Cabinet Office agree levels of GREAT campaign funding with the partners but the Cabinet Office does not adequately assess the partners' capacity to spend this funding.** While the Cabinet Office considers potential return on investment for different funding scenarios, not adequately considering the capacity of partners to spend risks not maximising the impact of funding (paragraph 1.13, Figure 2).

13 **The process for prioritising countries and determining the level of funding to them has become increasingly evidence-driven.** Initially, the board based its allocations on obvious growth markets such as India and China. The process is now informed by partners' knowledge of the markets and selection criteria include markets that can deliver return on investment where the GREAT campaign can do more than business as usual (paragraph 1.14, Figure 3).

14 **Changes in GREAT campaign funding risk not maximising the benefits of investment in the campaign.** We would expect to see that funding allocations match the long-term and consistent building of the branding campaign, as there are benefits from running sustained campaigns over successive years. However, to date, there have been changes in the levels of funding given to priority countries, particularly via British Council allocations. Some of these changes have been in response to changes in its allocation of GREAT campaign funding overall. However, we are concerned that the use of short-term allocations may not be consistent with a sustained, long-term approach (paragraph 2.23, Figure 9).

15 **The GREAT campaign has successfully attracted endorsement and sponsorship from the private sector.** As of March 2015, the GREAT campaign had 202 private sector partners and 164 high-profile individuals endorsing the brand. It had attracted £68 million in sponsorship including both cash and benefits in kind (paragraph 1.11).

Partners’ use of the GREAT campaign

16 **The GREAT campaign gives partners an extra funding stream which enables them to undertake more activity overseas.** All overseas teams who receive GREAT campaign funding noted that this money enables them to do more and different types of activity, particularly to raise awareness and change perceptions. The UKTI and FCO teams we spoke to overseas were unanimous that they would not be able to sustain current levels of promotional activity without GREAT funding. The British Council team in New York told us that GREAT funding was essential to their work promoting UK education (paragraphs 2.13 and 2.25).

17 **GREAT has also given partners strong marketing tools but they do not use them consistently.** Using a brand consistently helps an audience become familiar with that brand. If an organisation’s logo is not always used, the audience may become confused about the message. UKTI and FCO teams use the GREAT campaign tools consistently even in non priority countries, with 96% of FCO offices overseas now using them even though they do not necessarily receive GREAT campaign funding. VisitBritain uses the marketing tools across all of its activities, even those not funded by the GREAT campaign. British Council is selective about when it uses the GREAT campaign logo and will often use its own logo instead. While there are rules about the use of sponsor logos alongside GREAT materials, the Cabinet Office has not issued formal guidance about when it is appropriate to use partners’ logos with or instead of GREAT materials. Instead, it decides this on a case-by-case basis (paragraphs 1.23 and 2.5, Figure 5).

18 **Partners’ delivery of the GREAT campaign varies and is improving as the campaign matures.** British Council and VisitBritain follow good practice in terms of branding and marketing by taking a sustained long-term approach over time. However, UKTI and FCO have tended to focus on one-off events rather than sustained marketing campaigns, particularly in the first two years of the GREAT campaign. In 2014-15, overseas teams moved towards a campaign approach, often linking individual events to a unifying theme, or sector priorities, an approach which will take some time to embed. All partners are clear about the audience they are targeting, which is in line with good practice (paragraph 2.5, Figure 5).

19 **UKTI and FCO could push priority country teams further to demonstrate value for money on their GREAT campaign activities before allocating funding.** Partners have priority markets for GREAT campaign activity, which are a mix of emerging and developed markets which are allocated funding. In UKTI and FCO, overseas teams are given an indication of their funding and, in conjunction with sector specialist teams in London, develop costed bids outlining their activities for the year to be scrutinised and approved by teams in London before the final funding is allocated. In addition, UKTI and FCO have created an additional, small ‘challenge fund’ for teams in non-priority countries to bid for GREAT campaign funds. This bidding process for the challenge fund is useful as it puts greater emphasis on teams to demonstrate value for money than priority countries that receive indicative funding at the outset (paragraphs 2.8–2.11, Figure 6).

Performance measurement and impact on growth

20 **To date, the Cabinet Office has confirmed a return of £1.2 billion against a target to bring £1.7 to £1.9 billion to the UK economy by 2019-20.** The return comprises different categories of economic benefit: it is derived from money already spent and benefitting the UK economy, forecasts of intention to spend in the next one-to-two years, and intention to spend in the next five years. Performance to date indicates that the target of £1.7–£1.9 billion is realistic within a five year timescale. However, these lengthy timescales will require partners, particularly UKTI and FCO to be vigilant in their reporting and monitoring (paragraph 3.2, Figure 10).

21 **Good branding campaigns should show a clear impact on objectives.** For the GREAT campaign its key objective is to generate economic growth. Therefore, the return on investment calculation is a central measure of the impact of the campaign. Some of the newly developed metrics can demonstrate a direct link to growth, while others are less effective, as they are derived or extrapolated from other data (paragraphs 3.6–3.7, Figure 11).

22 **The GREAT campaign's focus on return on investment has led to culture change and greater focus on measuring outcomes of activity rather than volume of activity.** This has required UKTI, FCO and British Council to take new approaches. In future, the GREAT campaign will need to continue evolving to measure outcomes from digital activity (paragraphs 3.5 and 3.12).

23 **All the metrics have their strengths and weaknesses.** VisitBritain has a strong methodology for measuring the impact of the GREAT campaign, although its key measure of economic output reports potential rather than actual spend based on 'intention to visit', which is its limiting factor. The newly implemented British Council measure calculates spend by students in the UK and attributes the influence of the GREAT campaign. However, it is based on forecast numbers of students in the UK as official education data are not available until 18 months after students have arrived. UKTI and FCO's metric is measured and verified using a standard UKTI methodology based on the numbers of businesses its teams have helped and the added profit they have generated as a result of that help (its Performance Impact Monitoring System). These metrics measure actual and anticipated additional sales, and do not capture economic results for individual companies supported or take into account growth over the longer term. The metric fails to capture all relevant activity, such as the indirect impact of FCO commercial diplomatic work. The Cabinet Office has started to calculate the additionality and attribution of the GREAT campaign based on UKTI's and FCO's existing metric of 'business wins' but does not report this in its return on investment of £1.2 billion (paragraphs 3.8, Figure 11).

24 The Cabinet Office measures the impact of the GREAT campaign over five years which risks diminishing or unclear attribution as time goes on. UKTI and FCO have a five-year target for return on investment for several of its metrics recognising the longer-term nature of their work. As the deals progress towards finalisation, the link to the GREAT funded activity may diminish as other influencing factors play a role in the success of the deal or corporate memory of UKTI's role fades. Therefore, UKTI and FCO will need to ensure that their pipeline of potential returns continues to grow each year in order to achieve their target (paragraph 3.9).

Conclusion on value for money

25 A good branding campaign needs consistent effort, sustained over time, with strong brand discipline, to maximise the impact of its investment. The GREAT campaign has provided the strategic coherence and practical support necessary to support the adoption of consistent and effective brand management by partners across government. Its approach meets accepted good practice from a brand communication perspective. The GREAT campaign team has produced high quality communication materials and teams overseas are, for the most part, making good use of them and adhering to brand discipline, although they do not always use those materials exclusively or consistently.

26 The Cabinet Office has reported a return on investment of £1.2 billion against expenditure of £113.5 million. The campaign metrics are focusing increasingly on measuring tangible economic benefits rather than intention to spend. The projected £1.2 billion return includes both actual and anticipated expenditure in response to the campaign, projected over a number of years. Achieving the full return is therefore contingent on intent being realised as actual spend. The pipeline of returns is growing and there are signs that the GREAT campaign will demonstrate increasing value for money as those returns are realised. There may be other benefits arising from the GREAT campaign which we have not audited. These include possible savings made by departments using campaign materials rather than creating their own, and endorsement of the GREAT campaign by high-profile individuals and sponsorship from the private sector. However, the Cabinet Office and campaign partners need to be vigilant if they are to accurately capture the impact of the campaign over the five year reporting period.

27 To optimise value for money in future, the campaign needs to allocate resources based on a clear analysis of which partners are likely to generate economic activity of proven benefit to the UK economy.

Recommendations

28 Our recommendations cover the GREAT campaign, which will need collective action from the Cabinet Office and its partners, as well as areas of performance relevant only to specific partners:

a **To avoid waste and maximise returns, the Cabinet Office should allocate funding to partners based on an explicit analysis of the partners' capacity to spend.** The Cabinet Office assesses potential return on investment on funding options, but does not adequately consider partners' capacity to spend.

b **UKTI and FCO need to improve the mechanism for funding allocation to push priority country teams to demonstrate that their GREAT campaign activities are value for money, will deliver impact and are feasible.** Currently, teams in priority countries are informed of their indicative amounts of funding based on UKTI's strategy and sector priorities. Countries then must produce a costed bid outlining their proposed activities before funding is finally allocated. The challenge fund places greater emphasis on the need for teams to demonstrate value for money, yet is for significantly less funding than that given to priority countries.

c **The Cabinet Office should disseminate guidance for GREAT partners which sets out clearly when partners and other users across public and private sectors should and should not use their own logos alongside the GREAT campaign logo.** All partners use their logos alongside or instead of the GREAT brand to varying degrees. Currently there is a lack of clarity and consistency in this area.

d **The Cabinet Office, FCO and UKTI should work together to enhance the existing business wins metric to calculate additionality and attribution so it can be included in the formal reporting of the GREAT campaign. This would capture economic growth more directly.** Calculating return on investment from the numbers of businesses helped is a less effective metric for the GREAT campaign and does not capture the wider promotional activity of other partners such as FCO.

e **The Cabinet Office needs to maintain vigilance in reporting the impact of the GREAT campaign.** The five year period for return on investment to be realised risks diminishing the causality of the influence of the GREAT campaign on returns secured.

f **In future, the Cabinet Office must ensure that its GREAT campaign partners integrate digital activities in line with best practice and maximises opportunities to make efficiencies by doing so.** Increasing its digital activity is a key focus for the next stage of the GREAT campaign.