Impact of Financial Aid Branding on Public Perception and Favourability

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Abstract

Since last four or five decades financial aid has remained a major source of finance for underdeveloped and developing countries. Despite giving impressively large amount of aid donors are disappointed in getting to the mark of achieving the good image and favourability from beneficiaries. Hence to create awareness and developing good image amongst the recipient nations, donors have started financial aid branding (Reinhardt, 2010). The basic intent of the present study is to investigate the rationale and impact of financial aid branding to shape public perception about donors. This inquiry is informed by qualitative inductive approach based on semi-structured interviews, conducted from a sample of twenty four Pakistani citizens.

The research findings revealed that USAID is the most popular donor amongst Pakistani nation because of intensive branding strategy as compare to other bilateral aid donors. USAID is making its contribution visible through all possible mediums (electronic and print media). The most prominent strategy used is to adhere USAID logo on all items that recipients receive under USAID grant, with a prime motive to revert negative sentiments of Pakistanis and win their minds and hearts. The results exposed that branding have somehow positive impact on people sentiments. But minds and hearts of people, who are well aware of the underlying motives of America, cannot be easily compelled to believe otherwise.

Keywords: financial aid branding, developing countries, good image, USAID

1. Background

Foreign aid has always remained a major source of funding for underdeveloped or developing countries. The tormenting point major donors observed is that despite giving such huge amount of aid they miss the mark of getting credit and good name amongst recipient nations specially where donors’ image is not good. As media is a powerful tool that portrays image of other countries in a striking way. It has significant potency to construct the image among people’s mind. For that reason donors have deliberately started branding and publicising financial aid so that the recipient nations may get aware about the aid and donor ultimately lead to create good image among such nations/ countries where they have specific image problem.

The branding of financial aid by donors is a significant area but has limited literature. Public perception is considered a dynamic part of a democratic society having power to influence and shape the government decisions. The current study is conducted to explore the public perception about strong financial aid branding and its impact. Findings of this study may help the policy maker and academia to understand the impact of strong financial aid branding. In addition the donor may understand the public perception of financial aid branding in Pakistani market.

2. Financial Aid Branding

The process of developing images and words (logos or slogans) to create an uniqueness of a product or service is known as Branding. Functioning with any donor, branding strategy must be develop and implement by recipient of aid that could meet the donor’s requirements as it is a decent practice to create branding strategy (NGO Connect e news, 2009). Since the brand matters, message from a trusted organization will be significantly more valid (Hutchinson & Rothwell, 2002).

Financial aid donors like Australia (Aus Aid), Canada (Canadian aid), UK (UK aid) and USA (USAID) spend
substantial amount on branding in order to earn the credit of their contribution, to be more visible and win mind and hearts of recipients. While some donors do not focus much on branding. Among various sources of branding and publicity, television has remained the most dominant medium. Other sources include billboards, newspaper and radio that knowingly influence the public opinion and views (Sultana, 2007). Donors used media for branding because media is a powerful tool that shapes the mind set of individuals. It has always influenced opinions and behaviour of people and represent other countries images in a striking way (Saleem, n.d).

**Australian Aid branding policy in recipient countries**

According to Australian government appreciation of the development role can be maximised through correct branding which will also increase the accountability and transparency of Australia's aid program. So for enhancing the visibility of the Australian aid, AAI (Australian Aid Identifier) is made possible by adhering it on all products and activities related to aid programme. It was updated in November 2013 and all recipients were directed to use updated Australian logo to brand all assistance and development activities provided abroad by the Australian Government (Australia Global Alumni. 2016).

![Figure 1. Approved versions of Australian Aid](http://ibr.ccsenet.org)

Source: Branding aid projects and initiatives.

**Canadian International Development Agency Branding Policy**

In order to make Canadian and population of aid recipient countries aware of Canada’s contribution, the government has developed a policy to use wordmark on communication products and infrastructure delivered with Canadian support. Through this they will remain prominent and influential and their work can be easily identified helping to advance Canada’s interest and values internationally (GC, 2016).

**UK Aid Branding Policy**

In June 2012, Andrew Mitchell, Secretary of UKs’ International Development said “the credit Britain deserves for tackling global poverty, has not received for too long. In the development society some have been disinclined to ‘badge’ the aid under UK with Union Flag”. So UK has decided to change the branding policy. It is important that aid from Britain should be identified easily and clearly by the people around the world (covering all areas like villages, towns and cities) (UK, 2012).

Now new logo is marked with Union Flag. All aid-related products sent abroad, will be clearly marked with this symbol meanings that it comes from the United Kingdom. The new logo will help to drive the credit that Britain deserves. Branding of UK aid is not restricted just to the use of logo. It take account of what they say and write. UK-aid logo is now displayed on all items of supplies, such as, emergency grain packets, schools and water pumps. Recipients should also concede funding in press releases, public declarations on social media, in any interview and in other public communications that it is from UK government. (UK aid branding guidance, 2014).

**USAID Branding Policy**

USAID, is an independent federal government agency of USA. It is delivering humanitarian and economic assistance in the compliance of overseas growth plans of America (Tabbasum, 2014). One of its aim to provide better living conditions to developing nations and the other one is to create a market for USA (NGO Connect e news, 2009).

USAID Standard Graphic Identity there in after referred to as “USAID logo” builds upon the recognition and brand-equity developed over more than 65 years of U.S. foreign aid. The USAID logo descended directly from the logo of Marshall Plan, created when Congress became aware that credit was being taken by Soviet Union for the poorly marked donations by USA to needy nations. In the course of the last 50 years, the handclasp of USAID has turned out to be outstanding amongst other known U.S. logos. USAID logo at different periods of the history are shown in Table 1.
Table 1. USAID logo during different periods

|------|------|------|------|------|------|------|

Source: USAID graphics, 2016

“USAID’s brand is more than a logo. It reflects the unique values and principles of the Agency to a worldwide audience. Furthermore, it shows goodwill of the American individuals in giving help to needy nations. According to the USAID team “we have all “earned” our brand by doing hard things well, often in the most challenging environments” (USAID graphics, 2016).

USAID designed its branding policy by amending 641 section of foreign assistance act 1961 as a means to increase the visibility of USAID and its work (USAID, 2014). In 2002, USAID launched a new branding policy, requiring all AID-funded programs, projects, activities, public communications, and supplies be branded or marked with the “USAID Identity” (Reinhardt, 2010). The USAID brand is issued to all partners, government recipients of US aid, and each is required to display the USAID brand at worksites, on finished products, and on distributed items, such as pamphlets, food packets, or textbooks (USAID, 2009).

In the aftermath of the 2004/2005 the value of the increased visibility of foreign aid was admired strongly. As USAID's updated “brand identity” was first time used publicly during tsunami relief endeavours. In 2004, study conducted by State Department revealed that in many Muslim nations the favourable opinions for America were at highest record. In early 2005, the aftereffect of first time “well branded” foreign aid efforts by U.S doubled (from 37 to 66 percent) the favourability of USA in Indonesia (USAID, 2014).

There are different views regarding strong branding policy of USAID. The Obama administration argued that USAID branding upsurges transparency. Some are of the view that USAID has found a way to pursue growth while also needs to win the hearts and minds of people. That’s why the Agency is making decisions about where to send aid based on projects that are most easily brand able, rather than “most worthy” (Reinhardt, 2011).

While a leading Republican presidential candidate, son and brother of some former US Presidents and former Florida Governor Jeb Bush says that “America should not buy friends by using foreign aid, detecting that friendship of Pakistani nation was failed to buy through these efforts and it is not the appropriate use of financial aid” expressed in an interview to fox news. Further he said our financial aid should be a sign of free market philosophy economically and our values. Aid should not be directed to nations that put off their interest in reforming so that people can rise up. He says that foreign aid will never work if it is used to win friends. Moreover, conditions applied with aid are also inappropriate (Bush, 2015).

According to Mr. Bush (2015) USA should think from the side of people as opposed to supporting administrations that smother goals of their kin. Foreign aid should help them in understanding the meaning of freedom, free market economies and freedom of our nation. It’s a waste of money that just given to support the despots for maintaining their presence (Bush, 2015).

3. Financial Aid donors to Pakistan

Pakistan, since its birth, has remained an aid-dependent nation especially during the 1960s, 70s and 80s; Pakistan is reported as one of the largest aid recipients in Asia (Zaidi, 2009). Pakistan, like other developing nations, has remained economically stagnant and more hooked on aid, in spite of receiving large quantities of financial aid (Javid & Qayyum, 2011). Different terms and conditions imposed by donors, due to economic and strategic interest in Pakistan, are most important issues badly affecting the growth process of the country (Le & Ataullah, 2001).

There are number of donors working for the betterment of Pakistan some of them are shown in Table 2 along with their logos.
### Table 2. Bilateral aid donors to Pakistan and their logos

<table>
<thead>
<tr>
<th>Donor</th>
<th>Logo</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian Aid</td>
<td><img src="logo1.png" alt="Australian Aid Logo" /></td>
</tr>
<tr>
<td>Canadian International Development Agency</td>
<td><img src="logo2.png" alt="Canadian International Development Agency" /></td>
</tr>
<tr>
<td>United Kingdom’s Department for International Development (DFID)</td>
<td><img src="logo3.png" alt="DFID Logo" /></td>
</tr>
<tr>
<td>Japan International Cooperation Agency (JICA),</td>
<td><img src="logo4.png" alt="JICA Logo" /></td>
</tr>
<tr>
<td>Norway</td>
<td><img src="logo5.png" alt="Norad Logo" /></td>
</tr>
<tr>
<td>Netherlands</td>
<td><img src="logo6.png" alt="Government of the Netherlands Logo" /></td>
</tr>
<tr>
<td>Germany</td>
<td><img src="logo7.png" alt="German Cooperation Logo" /></td>
</tr>
<tr>
<td>Swiss Development Cooperation (SDC)</td>
<td><img src="logo8.png" alt="SDC Logo" /></td>
</tr>
<tr>
<td>China</td>
<td><img src="logo9.png" alt="China Aid Logo" /></td>
</tr>
<tr>
<td>Saudi Arab</td>
<td><img src="logo10.png" alt="Saudi Arab Aid Logo" /></td>
</tr>
<tr>
<td>United States Agency for International Development</td>
<td><img src="logo11.png" alt="USAID Logo" /></td>
</tr>
</tbody>
</table>

Source: Pakistan Donor profile (2014)

**USAID Branding in Pakistan**

The Interim Strategy (2003–2007) of USA defined the objectives of USAID in Pakistan to promote stability, equality, economic growth and improve the well-being of Pakistani people (Tabbasum, 2014). In Pakistan sturdy USAID branding is the result of success of branding in Indonesia. As Tsunami relief efforts symbolize the first wide-scale use of the USAID brand every box of blankets, every container of food, every crate of water bottles, every individual water bottle, was labelled as being "FROM THE AMERICAN PEOPLE." as shown in Figure 2

![USAID Logo](logo11.png)

Figure 2. USAID logo for Pakistan

Source: USAID branding (2017)

Americans are among those who are facing acute image problems, more probably in Islamic world (Khan & Safdar, 2010). Among Islamic countries, particularly in Pakistan anti-American sentiments have been evident due to range of reasons such as the assassination of Osama bin Laden by USA military operation, USA drone...
attacks in northwest region of the Pakistan, USA pressure to launch a military operation in North Waziristan and Public and political pressure on Pakistan government to stop NATO supplies (Saleem & Mian2014). Large portion of Pakistani nation considered American policies unfair and hold negative image of USA (Khan & Safdar, 2010). Pew Research Centre (2012) survey shows that almost 74% of Pakistanis viewed USA as an enemy state. Moreover, 40% people believed that US aid was having a negative impact on Pakistan’s economy (Khan & Safdar, 2010). Therefore, U.S assistances is facing single most important challenge of winning public confidence and credibility in Pakistan (Naviwala, 2010).

USAID branding has been controversial in Pakistan as USAID programs accompanied objectives of economic growth, export expansion and poverty mitigation however none of these objectives seem to have been realized because they are focusing too much on strong branding rather on development (Tabbasum, 2014). The intention behind strong branding is that being visible would enable U.S to “win hearts and minds” in Pakistan (Naviwala, 2010). In Indonesia, the world’s largest Muslim country, USAID branding marked public view shift both in favour of the USA and against Osama Bin Laden and terrorism, over the course of the tsunami events. The USA Senate went on to the same in Pakistan to urge that the USA “take the lead” in Pakistani earthquake relief efforts in October 2005(Reinhardt, 2011). Similarly, during July 2010 flood in Pakistan gave another chance to USA to build positive image as report delivered to the Congress, it was stated that the “positive side of 2010 flood is that it gives the U.S. an opportunity to lend humanitarian aid and therefore “Improve its poor image among Pakistanis”(Yu, 2011).

![USAID Logo on goods from America](source: USAID branding, 2017)

USAID has become more involved in public diplomacy to overcome unfortunate legacy of Pakistani nation’s distrust. It focuses on strong branding policy through media as media plays vital role in lives of people (Sultana, 2007). USAID is engaged in its financial aid branding through all possible mediums as evident from more or less all TV channels, websites, social networks, FM Radio, billboards and banners in major cities, and other possible communication channels (Naviwala, 2010).

Roshan Pakistan is the largest USAID ad campaign run by USAID in Pakistan, see Figure 4. It communicates message in such a soft way that listener or reader can transform its feelings easily. If some Pakistanies have negative sentiments towards America by observing the ads focused on few USAID activities in specific sectors s/he may positively change his or her opinion. Roshan Pakistan is a campaign that does not present anyone as a sufferer looking for help – no pictures of outrageous destitution, dreary living conditions, innocent children away from school and so on; neither it depict improvement as a straight forward procedure by promising moment change like other social sector campaigns do at national and international level. This campaign has just expanded the general consciousness of USAID as a brand (Huda, 2013).
4. Brand Equity Theory

Branding is by no means a new phenomenon. By the mid of 20th century contemporary branding theories and its evolution took a starting point (Hampf & Repo, 2011). For the current study brand equity concept given by Keller is adopted. According to him brand equity is the value of brand which in itself a function of high brand loyalty and awareness of brand name. In order to achieve strong brand equity one should follow the four steps (brand identity, meaning, responses and relationship) consist of six building blocks. These six blocks are salience (first step), performance, imagery (second step), judgments, feelings (third step) and resonance (forth step). The last block is resonance placed at the top of pyramid, and is considered most difficult and desirable level. It is achieved when deep psychological bond build with brand (Keller, 2002).

USAID is the financial aid donor which developed its brand on the basis of brand equity theory to build good relations with the nation of recipient countries (USAID graphics, 2016). So the recipient nations may get aware about the aid and donor ultimately lead to create good image among such nations/ countries where they have specific image problem.

5. Research Methodology

This exploratory research employs an inductive approach to study individual’s responses. This cross sectional study was based on qualitative method that emphasizes the quality of meaning in individuals’ perceptions and understanding (Collis & Hussey, 2003). The non-probability, convenience sampling was used to select the sample of 24 people, covering employed personnel, students, households and business men, as these groups are important representative segments of any society and sufficient to provide alternative viewpoints. From first two categories (employees and students) interviews were conducted from male and female subjects whereas from the last two categories households and businessmen only females and males were interviewed respectively at different places as per their convenience.

For ethical consideration, a consent form was used to seek the consent and willingness of the respondents to participate in the study. Semi-structured interviews were conducted from said sample by approaching them at different places as per subjects’ convenience. The interviews began with some demographic warm up questions leading to specific topic. All interviews were conducted in Urdu (Pakistani National language) which lasted for approximately 30 minutes. Interviews were also recorded with permission of respondents and later translated in English. Subjects’ statements were analysed by key words and phrases identifying the perceptions and feelings of participants regarding research questions. After twenty four interviews the researcher reached at the point of saturation and stopped additional interviews (Glaser & Strauss, 1967; Strauss & Corbin, 1998; Goulding, 2005).

6. Data Analysis and Discussion

The interviews were started by showing brands of different financial aid donors. The data was analyzed for key words and phrases (most repeated words and phrases) that identify the perceptions and feelings of participants regarding research questions. Respondents were asked to identify the brand which they see more frequently as
shown in Table 2. About 92% (22/24) respondents were aware of the USAID brand. Whereas, two (2/24) respondents were aware of AusAID and only one (1/24) knew the JICA. Other brands were not identified/recognized by the respondents.

Most of the subjects come to know about USAID brand through different mediums, such as TV ads, newspaper, print media etc. Most of the student respondents come to know about USAID brand through their universities (pamphlets on boards, logo paste on everything granted by USAID) and advertisements. Whereas, the households got familiarized through TV commercial titled “Roshan Hai Zameen”, which was the largest campaign run by USAID in early 2012 (Huda, 2013) and 2017. While remaining respondents come to know about USAID through other social media, newspaper or the logo paste on items given by USAID under different projects. While few have affiliation with donor which ultimately resulted in brand awareness.

“Advertisement on media (TV, newspaper) and through internet.” (Respondents 3)
“I came to know about USAID from my university where i used to study.” (Respondent 4)

“Once we were working, a man came and gave us caps. There was its monogram on those caps” (Respondent 24)

“I worked with USAID funded project during an official assignment.” (Respondent 1)

The subjects were asked how long they do know about this specific brand, the responses disclose that the average time period from which they know USAID is about 7 years. As the branding policy of USAID has been started publicly after the 2005 earth quake in Pakistan which was the result of successful branding policy after tsunami hit in 2004 (USAID, 2016), so it can be infer that 83% (20/24) of respondents come to know about USAID after 2005.

“Since 10 to 11 years.” (Respondent 1, 8)
“For About 7 years.” (Respondent 2, 15, 16)

“Since 4 or 5 years.” (Respondent 3, 5)

The next query was related to the brand impact. Most of the respondents think that brand has strong impact on public perception, as the brand lives and evolves in the minds and hearts of viewers. The statements reveal that strong brand can create good public image, about 79% (19/24) respondents were of this view.

“Yes, I think that a strong brand can easily build a positive image through it philosophy.” (Respondent 3)

“Yes, strong brand can create good public image ......advertisements.” (Respondent 5)

“Yes.” (Respondent 6, 10, 11, 12, 13, 16, 17, 18, 24)

Then respondents were asked which donor is spending much amount on its branding and why. Most of the financial aid donors have promoted their brands but USAID is the one spending much amount on its branding and deal it as a policy matter. The comebacks reveal that except few respondents (3 out of 24) all other think that USAID is the one who spends greater amount on branding.

“USAID in my views.” (Respondent 1)

“USAID.”(Respondent 2, 6, 8, 9, 10, 12, 13, 14, 15, 16, 17, 18)

USAID is spending much amount on its branding for different reasons. Some people think USA wants to create good image among the Pakistani nation by making aid more visible. When people observe a lot of aid from American people their minds might change and positive thinking may emerge. Some think that they want to use our territory for their interests. While other are of the view that they want to control this country. One or the other way their first aim is to develop good image in Pakistan in order to carry out their other motives. Such as if they become successful in winning minds and hearts of Pakistani nation they can easily implement their policies which will be definitly in the interest of USA. Or they can easily use this territory for their benefits for instance when people accept them as their friend they will not cause any trouble for them.

“Creating good image in the minds of Pakistani people and develop love and affection for USA.”(Respondent 1)

“USAID is spending much amount because they want to change peoples (especially educated persons) perception ...image positive”. (Respondent 4)

“I am not aware of its latent policies. But i am quite sure that USAID is promoting American mind set, American ideology.”(Respondent 6)

“In order to attract people and to create favourable situations in areas where they are working.”(Respondent 12)

“To create good image among Pakistani nation and show that they are good friends, and on other
People perceive branding as a tool that has positive impact on public sentiments. They think that it is easy for USA to capture the minds and hearts of illiterate people as compared to the literate, and to those who are aware of hidden motives cannot be easily trapped. However, their efforts have some positive results means there is positive impact of strong branding on public sentiments which they actually want.

“Yes... if for a while we ignore their interest in our country (Pakistan), branding is the way these countries can influence the citizens of our country positively and also the way to spread their message and purpose, which also helps in building good image.” (Respondent 3)

“Yes, they can influence illiterate people through their branding activities easily as compared to literate people.” (Respondent 17)

“Yes, the people who have negative sentiments for America will be change positively if they are beneficiaries... in emotions.” (Respondent 18)

7. Conclusion

The findings reveal that USAID as a brand has gained more popularity amongst Pakistani nation as compare to other bilateral aid donors. USAID started its proper branding after tsunami hit of 2004 about 12 to 13 years ago and on average people get aware of USAID brand in Pakistan since last 7 years. This indicates that their branding strategy has worked out appreciatively in Pakistan. The respondents come to know about this brand through different mediums such as TV commercials, billboards, and USAID logo adhered on each item received by USAID. By using different mediums for branding USA in point of fact targeted the entire nation which is evident from responses. Since evident from literature findings of Huda (2013) and respondents of the current study that USAID is the only financial aid donor spending greater amount on its’ branding to win minds and hearts of Pakistani nation as compare to any other international donors. The respondent’s perception also exposed that USAID is somehow efficacious in attainment of their goal specially by attracting illiterate people. The finding supports the concept of brand equity (keller, 2002), as under this theory branding is focused on building positive perception of people about the brand to form vigorous relationships between individuals and the specific organization. USAID as a donor used this concept of brand equity to win the minds and hearts of Pakistani nation. Although it is difficult to change the mind of those people who are well aware of the hidden motives of America behind this branding strategy.

8. Limitations and Recommendations

The scope of this research is limited in the form of generalizability, as sample includes only few citizens of Quetta city and perception regarding motives of financial aid donors may differ from region to region. So it is recommended that future studies should take into account this factor and sample should also be selected from other regions of Pakistan for generalizability of the results.

Furthermore, due to lack of resources both time and financial it was unfeasible to conduct the study on large scale. As this was a qualitative study later on quantitative study may be performed. Moreover, the data was collected from urban setup totally ignoring the people of rural areas. Next study may take into account the importance of this ignored area and comparative study may be conducted

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floods of 2010.

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