



## CROSS MARKETING IN SWISS TOURISM: MANUS MANUM LAVAT

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### Abstract:

The paper sets out the role of cross-marketing in Swiss tourism. So far, theory and research have failed to provide the appropriate definition of this phenomenon. By applying a system model of brand antecedents and consequences, the authors reveal the widespread usage of Switzerland as a brand. Regarding the two detected images, it seems that the positioning of a brand is inconsistently applied. On the one hand, there is the modern image of Switzerland, including its openness and competitiveness within a highly developed environment and commonly known brands, such as Rolex, UBS, or Nestlé. On the other hand, there exists the fantasy image of Switzerland, including figures, such as Heidi and William Tell, reflecting a world, to put it mildly, which has nothing in common with reality. The authors conclude that Switzerland as a brand is positioned rather indistinctively.

### Key words:

advertising,  
 brand,  
 cross-marketing,  
 Switzerland.

## 1. INTRODUCTION

The relationship between marketing and the wealth of people has always been controversially discussed. Ever since, different beliefs concerning the nature of advertising have contributed to this discussion (Shapiro, 1980; Tremblay & Tremblay, 1995). In this context, the often discussed notion of advertising (Bishop, 1997) or information overload is nothing new and has received a lot of attention since the 1970s (Jacoby, 1984).

Brands would still exist, even if no money was spent on advertising by companies. This has a lot to do with the simple function of brands and branding: Brands enable identifying products and services, which have already proven their usefulness, through distinguished characters, such as name, color, shape, *etc.* Thereby, customers' search costs can be reduced significantly and purchase decisions might become more efficient. In contrast, it is also possible that a satisfied consumer, the so-called satisfier, tends to stick to the proven product, instead of looking for an alternative, or maybe better options. Such kind of behaviour, in turn, would result in inefficiencies (Keller & Lehmann, 2006).

In this paper, the authors deal with cross-marketing in view of a highly specific brand: Switzerland. In order to do so, it is important to understand the conditions in which consumer behaviour and brands are embedded.

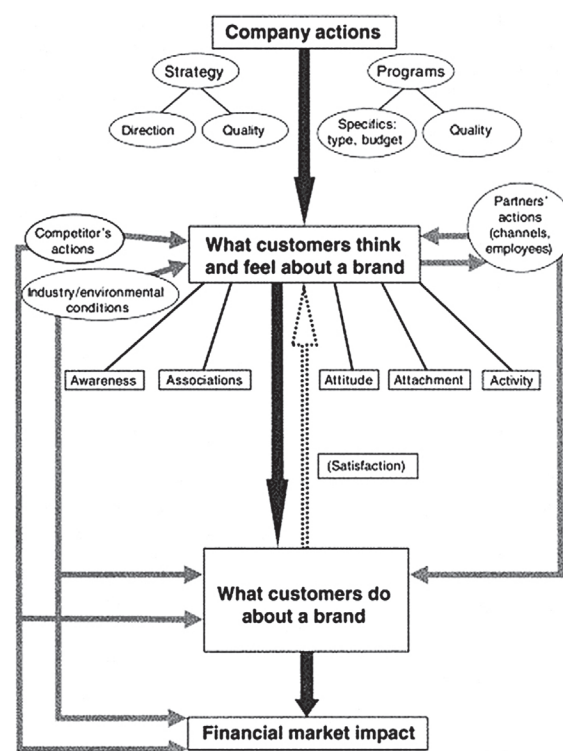


Figure 1. A System Model of Brand Antecedents and Consequences  
 Source: Keller & Lehmann (2006, p. 753)



Figure 1 indicates the relationship between the decisions taken by companies and their impact on customers. The 'Company actions' symbolize the input made by the company, which can be measured quantitatively by marketing expenditures or qualitatively by consistency or clarity of the marketing program. This might result in the 'What customers think and feel about a brand', described by the 'Five As', touching on areas, such as awareness, associations, attitude, attachment, and activity. Nonetheless, in addition to one's own experience gained by the utilization of a product, the experiences made and spread by others, e.g. through word of mouth, may also influence the customers' view of a brand. According to this model, the actual reaction of customers takes place on the market place, 'What customers do about a brand' by e.g. buying or ignoring the brand. And finally, the market capitalization of the company is addressed – described herein as the 'Financial market impact'. This includes the reaction of the financial market in view of the performance of the company and it represents an essential parameter, which is closely related to the product market (Keller & Lehmann, 2006).

In the following paper, the model is used to analyze the phenomenon of Cross Marketing in Swiss tourism. The topic has been chosen against the background of mainly three factors: Firstly, a widespread use of Switzerland as a brand has been witnessed in recent years, leaving a large scope for business-related scientific research on this issue.

Secondly, it seems increasingly questionable to apply Switzerland as a brand without taking into account the exact framework conditions, under which the brand is perceived worldwide. Thirdly and lastly, a striking yet rarely acknowledged aspect is the development of a brand in conjunction with Cross Marketing. Closely following a psychoanalytic approach for the treatment of a patient, the authors use the subsequent methodology: After a thorough anamnesis and diagnosis with respect to this relatively new phenomenon, the paper aims at setting the patient on the right path for therapy.

On the one hand, we have an immense surplus of offers and brands in the markets. In Switzerland in 2012, for instance, you may find 40 different car brands with statistical 416 models, including different equipment, setups, motorizations *etc.* On the other hand, we have an information overflow of over 98% in the western societies. Communication reaches its limits with up to 1'500 advertising messages per consumer per day. Brands are perceived as interchangeable. Be that as it may, when everything is the same, the price becomes crucial. That's how the price war can be explained in many industries (Gijsbrechts *et al.*, 2008), as well as the declining profit margins (Baker & Powell, 2005).

Cross Marketing appears to be a new 'magic formula' when it comes to Marketing. In general, Cross Marketing is related to companies, not being in direct competition, which partner and bundle activities in marketing and communication to create more visibility and touch points with fewer resources (Spengler *et al.*, 2010). Moreover, Cross Marketing activities are considered a helpful instrument for a more effective de-

velopment of new products (Sing *et al.*, 1997). A possible explanation for proliferation of partnerships between firms, in particular with regard to marketing efforts, might be the far reaching internationalization process within the business environment (e.g. Aulakh *et al.*, 1996).

Using the notion of Williams *et al.* (1998), this phenomenon might be expressed by arguing that these dynamics force companies 'to cooperate in order to compete, and in some cases, in order to survive.' As a consequence, firms attempt to share risks and resources. Nevertheless, to cut a long story short, Cross Marketing wants to achieve more for less. Therefore, companies partner in strategic alliances in order to optimize the Marketing effectiveness. Interestingly, there is no clear and single-minded definition of 'Cross Marketing' in the contemporary literature. Business applies, but theory and research do not define (yet) the issue. We recognize general descriptions like 'strategic and/or operational cooperations of two or more brands' - what is clear is - once again: benefit up, costs down.

However, reducing the risks and costs of doing business is not the only the advantage of cross-marketing. By cooperating closely in the area of marketing, firms are also enabled to quickly entry new markets and circumvent potential barriers (Aulakh *et al.*, 1996). To realize cross-marketing is not always that easy, as there is a risk of failure. As mentioned earlier, the observed phenomenon of cross-marketing can thus be described as a legitimate answer of firms given a highly dynamic world business environment.

In Swiss Tourism, the suppliers into tourism (Swiss International Airlines, Swiss Federal Railways SBB CFF, Zurich Airport, UBS, hotelleriesuisse, Swisscom, American Express, Europcar) and from tourism (Chocolate Frey, Appenzell Beer, Axpo, Switzerland Cheese Marketing, Gastro-Suisse, Chambray SA, Ricola, Butcherer) are cooperating on the platform MySwitzerland.com, representing the official federal marketing organization of Swiss Tourism (ST).

This enhances the opportunities to perceive the market and the brand 'Switzerland' and it also enables the opening of new distribution and communication channels. Marketing Tools in use are in general Co-Branding, Ingredient Branding, Product Bundling, Coupling and Cross Promotions. The structure of this particular kind of collaboration can be described by our model (see Fig. 1). Yet, 'company actions' must be replaced by a series of companies and actions affecting 'What customers think and feel about a brand'. Thus, the 'Five As' of our model, describing the 'heart and soul' of a brand, are not influenced by a single company or rather marketing department, but by many.

Table 1. Export revenue of main sectors in Switzerland

	2008	2009	2010	2011	2012
1. Chemical industry	71.9	71.8	75.9	74.6	79.0
2. Metal and machine industry	74.0	58.1	63.6	64.0	59.4
3. Watchmaking industry	17.0	13.2	16.2	19.3	21.4
4. Tourism	15.6	15.4	15.4	15.2	15.0
5. Textile industry	4.5	3.7	3.4	3.2	3.1

Source: STF, 2013.



Today, besides the chemical industry, the metal and machine industry, as well as the watch-making industry, the tourism sector represents the fourth biggest branch in terms of the overall export revenue in Switzerland. In principle, the services provided in a restaurant are not tourist. However, when goods are being consumed by a tourist, they become touristic. That is, in accordance with data of the Swiss Federal Statistical Office (SFSO) and the interpretation made by the Swiss Tourism Federation (STF), tourism is determined by the demand side. In other words, both the export of goods and the spending of a tourist in Switzerland have the same influence on the Swiss balance of payments (STF, 2013, pp. 8-10).

The first remarkable element of Switzerland's unique branding is its reference to classical antiquity. Its official Latin name, *Confoederatio Helvetica* (*i.e.* 'Swiss Confederation', hence its abbreviation CH), which was admittedly coined as late as 1848, and it defines Switzerland as a federal republic, comprising 26 cantons, with Berne being the seat of the federal authorities. A country whose name is associated with the classical period must undoubtedly also distinguish itself with other elements of classical culture: a world-class education system, a multicultural and multilingual environment (Switzerland has three main cultures and four official languages), and a touch of sophistication (Steinmann, 2012).

As a small and open economy, Switzerland depends heavily on the internationalization of its business and demonstrates regularly and forcefully its adaptation to this process. That is why the World Economic Forum (WEF) in 2013 confirms Switzerland's top place among the most competitive economies (WEF, 2013). With a GDP per head of 54,128 USD in 2013 (OECD, 2014), Switzerland benefits to a large extent from its competitiveness and belongs to the wealthiest economies. According to the human development index (HDI), an index created by the United Nations, examining health, education and incomes, Switzerland, with a figure of 0.913 in 2012, ranks among the top ten in the world (UNDP, 2013).

Against this background, another element of Switzerland as a brand constitutes its relationship with its obvious affluence. It is one of the world's richest countries and reports the highest wealth-per-adult ratio in the world. However, Switzerland does not evoke the *nouveaux-riche* luxury of Monte Carlo or Dubai. Due to the down-to-earth mentality of the Swiss people, and to some degree also influence of the Reformation brought to various parts of the country by Zwingli, Farel, and Calvin, modesty is valued very highly in Swiss society. As a result, Switzerland stands for unostentatious wealth and understated luxury. The third important brand characteristic is identification. The Swiss have a strong sense of belonging to their country, despite the fact that they are not a nation with a common ethnicity or linguistic identity. Yet, the Swiss celebrate their history, their shared values of federalism and direct democracy, and the symbolism of the Alps. In accordance with our model (see Fig. 1) and to gain further insights into the brand 'Switzerland', it is necessary to shed light on 'What customers think and feel about a brand'. In 2002, one of the authors of this article conducted a study amongst strategic planners from over 30 countries, analyzing what is loved or hated about Switzerland from a global point of view. It did not

come as much of a surprise that Switzerland is loved for representing a cosmopolitan lifestyle, quality, diversity, efficiency, but also effective design, cleanliness everywhere, organization skills, politeness, and a sense of safety. By contrast, what was perceived as negative about Switzerland was the impression that it is expensive, cold, and boring and that its people are too rich, too conservative, and too introverted. If it is true that strong brands tend to polarize, then these results indicate that Switzerland is a strong brand. An interesting thing about the findings of this survey is the absence of mountains, cows, cheese, chocolate, and the other Swiss clichés. Perhaps the interviewees, due to their profession, were more reflective than the average participant. The results nonetheless underline the fact that Switzerland as a brand has the ability to project a modern perspective on the country and people, one that transcends the traditional Swiss world of 'Heidi' (a novel about the life of a young girl in her grandfather's care in the Swiss Alps written in 1880 by Swiss author Johanna Spyri). The modern view of Switzerland as a brand is strongly related to world-famous companies such as Nestlé, Novartis, Credit Suisse, UBS, USM, Rolex, Swatch, as well as Omega and all the other Swiss luxury watch labels (Steinmann, 2012).

It is also most likely the result of the achievements of some of Switzerland's distinguished ambassadors in the fields of art, science, and sports: Herzog & de Meuron, for example, the architects who built the Bird's Nest in Beijing (2008 Olympics) and the Tate Modern Gallery in London, film producer Arthur Cohn, or Kurt Wüthrich, winner of the Nobel Prize in Chemistry in 2007. Others include athletes like Roger Federer, the Swiss U17 soccer team, which won the World Cup in 2009, or the team of the Alinghi, who successfully defended their title at the 2007 America's Cup. Switzerland is a Janus-like brand, looking at two worlds. On the one hand, there is the modern reality of financial security, an outstanding infrastructure, and very high quality of life, with the three major Swiss cities of Zurich, Geneva, and Berne ranking among the world's top ten according to the Quality of Living Survey of Mercer Consulting 2011. On the other hand, there is the Disneyland-like dramatization of a world full of folklore, clichés, and kitsch that seems to come straight from a children's book (Steinmann, 2012).

Such Switzerland can be observed at every tourist destination of the country: Visitors get the impression that the Swiss are country folk, strong and honorable like William Tell (who may never have existed) or innocent and helpful like our beloved Heidi. They are shown to live in the mountains on picturesque farms wearing traditional national costumes, drinking healthy milk, and eating Swiss cheese. In fact, the Swiss tourism industry supports these idealized notions by emphasizing Switzerland's unspoiled natural beauty, clean air, healthy livestock, and happy people. Sometimes, however, the two worlds collide: Visitors arriving at Zurich Airport's Terminal E take the Skymetro, a subterranean air cushion cableway, to the main building of the airport. Inside, they can read signposts such as 'Heidi 30 Sec.' (indicating the time of the ride), watch a short movie (*e.g.*, of the Matterhorn), and listen to the sound of cowbells, mooing cows and bleating goats over the speaker system. This is an outstanding example of a brand paradox (Steinmann, 2012).



## 2. RESULTS AND DISCUSSION

The Janus-faced appearance of Switzerland entails two diametrically opposed images, following the common view of marketing. On the one hand, there is the modern image of Switzerland, including its openness and competitiveness within a highly developed environment and commonly known brands, such as Rolex, UBS, or Nestlé. On the other hand, there exists the fantasy image of Switzerland, including figures, such as Heidi and William Tell, reflecting a world, to put it mildly, which has nothing in common with reality.

In reference to the chosen model (see Fig. 1), 'What customers do about a brand', closely related to the market reaction concerning a brand, we find that the demand for Swiss tourism has remained stable and constant over the past five years (see Tab. 1). When the Reputation Institute attempted to find out about the most reputable countries in the world, it asked its interviewees, beside their 'good feelings' regarding the country, whether they admire, trust and respect the mentioned country. According to this survey, Switzerland became the third highest ranked country in 2013 (Forbes, 2013). A year before, Switzerland even topped the Country Brand Index. The study, conducted by a global brand consultancy named FutureBrand, measures and ranks global perceptions of the world's nations (FutureBrand, 2012).

Considering this, it seems that our alleged patient enjoys good health. However, carrying out a sound evaluation in view of the 'financial market impact' of the brand 'Switzerland' in accordance with our model, remains challenging, as the company 'Switzerland' is not traded on the stock market.

Although many of the companies involved in MySwitzerland.com are listed on the Swiss Market Index (SMI), attempting to find any positive correlation between the brand 'Switzerland' and the national stock market index would be far-fetched. Therefore, the aspect 'financial market impact' of our model has not been further considered within our investigation.

In view of the two detected images of Switzerland as a brand, it seems that the positioning of the brand is inconsistently applied. Anyway, when one hand washes the other (in Latin - *Manus manum lavat*), it is likely that both images do not compete with each other. Rather, both images are not mutually exclusive. To conclude, Switzerland as a brand is positioned somewhere 'in the middle of the doughnut', which means that its image is not very distinct. According to brand theory, a brand with such ambivalent positioning cannot be successful. However, the case of Switzerland seems to be an exception to the rule and absolutely unique (Steinmann, 2012).

## 3. SUMMARY

In this paper, the authors deal with cross-marketing in view of a highly specific brand: Switzerland. In order to analyze the phenomenon of cross-marketing in Swiss tourism, a system model of brand antecedents and consequences is applied. According to this model, the actual reaction of customers takes place on the market place, by, for instance, buying or ignoring the brand.

The topic has been chosen owing to three reasons: Firstly, the widespread use of Switzerland as a brand has been observed in recent years. Secondly, it seems increasingly questionable to apply Switzerland as a brand without taking into account the exact framework conditions, under which the brand is perceived worldwide. Thirdly, a rarely acknowledged aspect is the development of a brand in conjunction with cross-marketing, as cross-marketing appears to be a new 'magic formula' when it comes to Marketing.

Generally speaking, cross-marketing is related to companies, not being in direct competition, which enter into partnerships and bundle activities in marketing and communication to create more visibility and touch points with fewer resources. That is, companies partner in strategic alliances in order to optimize their Marketing effectiveness. Today, besides the chemical industry, metal and machine industry, as well as the watch-making industry, the tourism sector represents the fourth biggest branch in terms of the overall export revenue in Switzerland.

Switzerland constitutes a rather Janus-like brand, looking at two worlds. On the one hand, there is the modern reality of financial security, outstanding infrastructure, and very high quality of life. On the other hand, there is the dramatization of a world full of folklore, clichés, and kitsch. However, it is likely that both images do not compete with each other. Rather, they might not be mutually exclusive.

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